



Testimony before the Assembly Committee on Local Government

Assembly Bill 137

Representative Tony Kurtz and Senator Van Wanggaard

Good Morning, and thank you, Chairman Novak, for having this hearing today.

The State of Wisconsin and the Village of DeForest have a unique opportunity to enhance economic development and long-term infrastructure investment through targeted adjustments to TID Number 9.

TID Number 9 in DeForest was established as a mixed-use district in September 2017 to support local business growth and infrastructure improvements. Under current law, the district has a 20-year lifespan. Assembly Bill 137 would extend the life of TID Number 9 to 30 years, allowing for continued tax increment allocations to support ongoing development initiatives.

Additionally, under existing state law, the total equalized value of taxable property within a new or amended TID cannot exceed 12% of the municipality's total equalized value. This bill would provide DeForest with a one-time exemption from the 12% limit.

These changes are critical as the Village of DeForest is actively working to attract a major employer looking to bring over 200 full-time jobs to the area. By providing the village with the necessary tools to extend and amend its TID, Assembly Bill 137 will support job creation, private investment, and long-term economic growth. This approach aligns with previous bipartisan efforts to provide Wisconsin municipalities with the flexibility needed to drive local economic success.

We appreciate the opportunity to testify about this bill today and are happy to answer any questions. We've asked our democratic co-authors to be here today to answer any specific questions related to the impacts on their districts.



WISCONSIN STATE REPRESENTATIVE

Maureen McCarville

42ND ASSEMBLY DISTRICT

Testimony of Representative Maureen McCarville

Assembly Committee on Local Government

Assembly Bill 137-March 18, 2025

Good morning, Chairman Novak and Committee Members.

Thank you for having this public hearing. I would also like to thank Representatives Kurtz, Novak, and Wittke, for authoring Assembly Bill 137 with me.

As a coauthor of this legislation, I am happy to be here to advocate for providing DeForest the opportunity to extend the life of the Tax Incremental District (TID) 9 from twenty to thirty years.

TIFs have been a vital tool to the rapid expansion of economic development in the Village of DeForest. DeForest has been a careful manager of TIDs. Past and current TIDS have all been successful TIDs.

Under current existing state law, the total equalized value of taxable property within a new or amended TID can not exceed 12% of the municipalities total equalized value. This bill would provide DeForest with a one-time exemption from the 12% limit.

The exemption for this TID will allow for improved infrastructure, increase property value, provide good paying jobs, and generate sales tax revenue. Amending TID 9 is the right move for DeForest and the great state of Wisconsin.

I strongly encourage you to join me in supporting Assembly Bill 137.

Good morning, Chairman Novak and members of the Committee. My name is Bill Chang and I am the Village Administrator in DeForest, Wisconsin. Next to me is Village President Jane Cahill Wolfgram, and together, we are here to register support for Assembly Bill 137.

Assembly Bill 137 provides the Village with the ability and opportunity to improve the functions of the interchange at County Highway V and Interstate 39/90/94. This intersection will need drastic improvements to circulate the traffic which will be coming and to keep congestion off the interstate.

Assembly Bill 137 makes exceptions to current statute so that the Village may, 1) amend the TID boundary to include the interchange and parcels requiring the interchange improvement; and 2) provide an additional 10 years to allow for the tax increment generated in the Tax Incremental District to pay for the improvement. These exceptions are narrowly tailored for a one-time amendment to Tax Incremental District No 9 and are similar to previous exceptions made for other communities in Wisconsin when unique situations arise.

Currently, the Village is negotiating a public infrastructure cost share agreement with a national retailer whereby they are committed to financing the total project cost of \$15,000,000 but have requested a cost reimbursement commensurate to 3rd party use of the interchange. This retailer is positioned to bring 200 full-time permanent jobs and generate over \$30,000,000 in gross taxable sales per year from over 5,000,000 visitors annually. Their capital improvement investment in the community beyond the interchange project is estimated to be more than \$50,000,000.

This infrastructure improvement will also help other businesses and landowners in the area. Just to the southwest of the interchange, approximately 500,000 square feet of industrial development will be constructed this year and 500,000 more will be constructed over the next 2 to 3 years. To the southeast of the intersection, 296 residential units have been approved and are expected to be constructed over the next two years. Additionally, we have heard from a plethora of other developers and landowners waiting to make their business decisions until they better

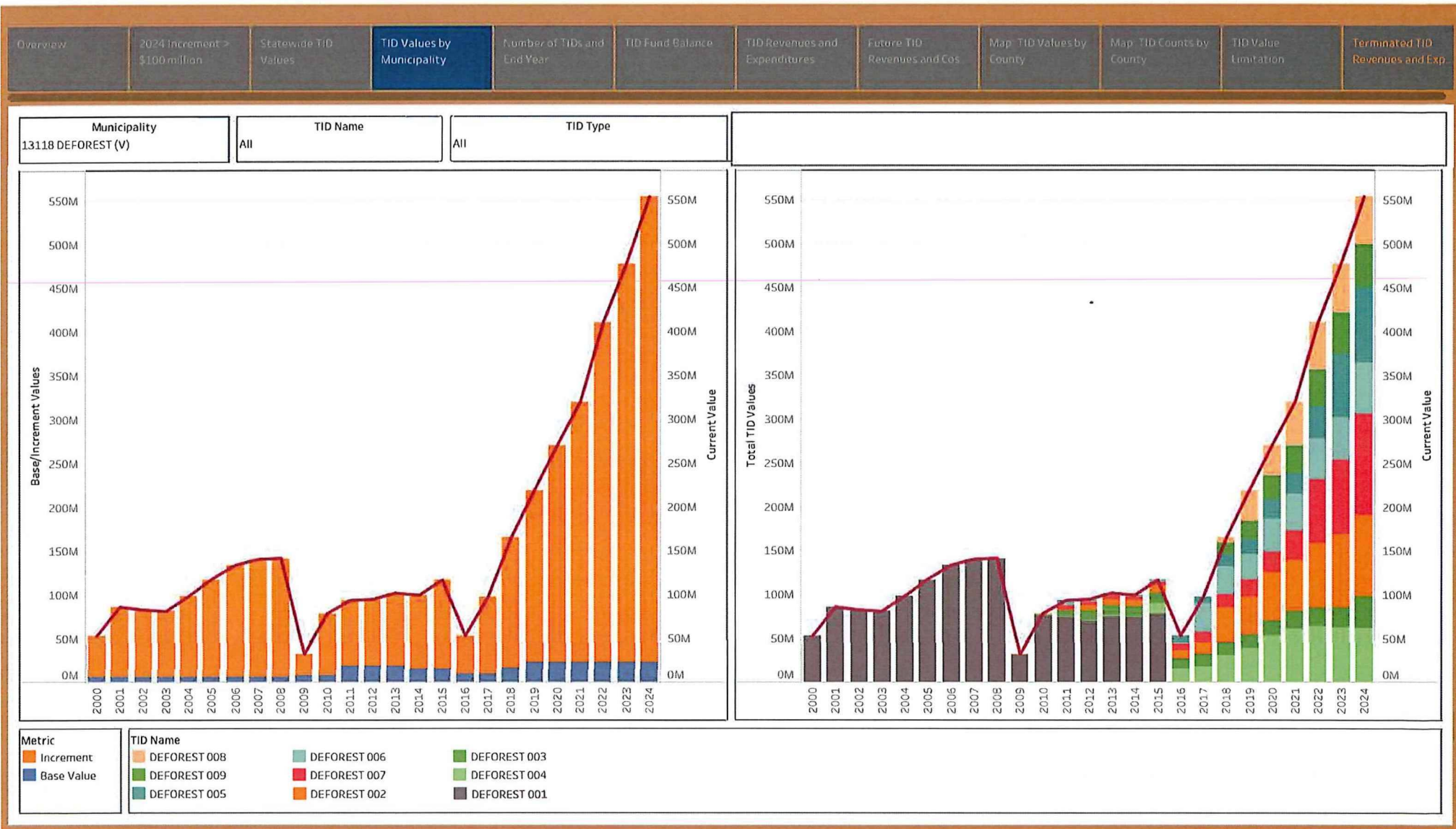
understand if this interchange improved, and this retailer ultimately moves forward in DeForest.

The interchange is adjacent to the Village's Tax Incremental District Number 9, which opened in 2017. Since 2017, the Village has had exponential growth within its tax increment districts, outpacing growth in other parts of the Village. For example, equalized values in TIDs in DeForest have grown from \$97M to \$554M (see Exhibit 1), an increase over 450%. Whereas in the rest of the Village, equalized value grew at 97% (see Exhibit 2- TIDOUT EV). This proportionately leaves the Village in a precarious situation of going from 8% of to over 23% percent in the same timeframe and is the reason why the Village is significantly over the 12% limit currently.

Of the 8 open Tax Incremental Districtss currently, we forecast that 6 districts will close before their statutory deadline, returning approximately \$700 million of equalized value back to the taxpayers at closing. The Village expects to be back under the 12% requirement by 2030.

While this bill makes exception to rule, the Village of DeForest has been prudent and great stewards of its Tax Increment Districts. The Village protects its taxpayers by requiring development agreements to include provisions for guaranteed values and tax increments, that construction of public infrastructure benefiting developers be developer financed, and that incentives are paid to developers through pay-go bonds. This ensures that performance is met before payment is made. This has served the Village well and has reduced financial risks to the Village. We intend to continue these practices.

In closing we believe that Assembly Bill 137 provides the necessary tools for the Village of DeForest to complement the growth of the community with the necessary public infrastructure. The bill is narrowly tailored for this single occasion. The Village has been and will continue to be responsible with public financing and will continue to put in measures to protect its taxpayers. The businesses that this project will support are new businesses to the area with over 200 jobs and significant increases in property value and sales tax revenue to the great State of Wisconsin. We strongly urge you to support and recommend passage for Assembly Bill 137. Thank you.



Overview:
Municipal
Charts

Overview: County
Charts

Overview: Data

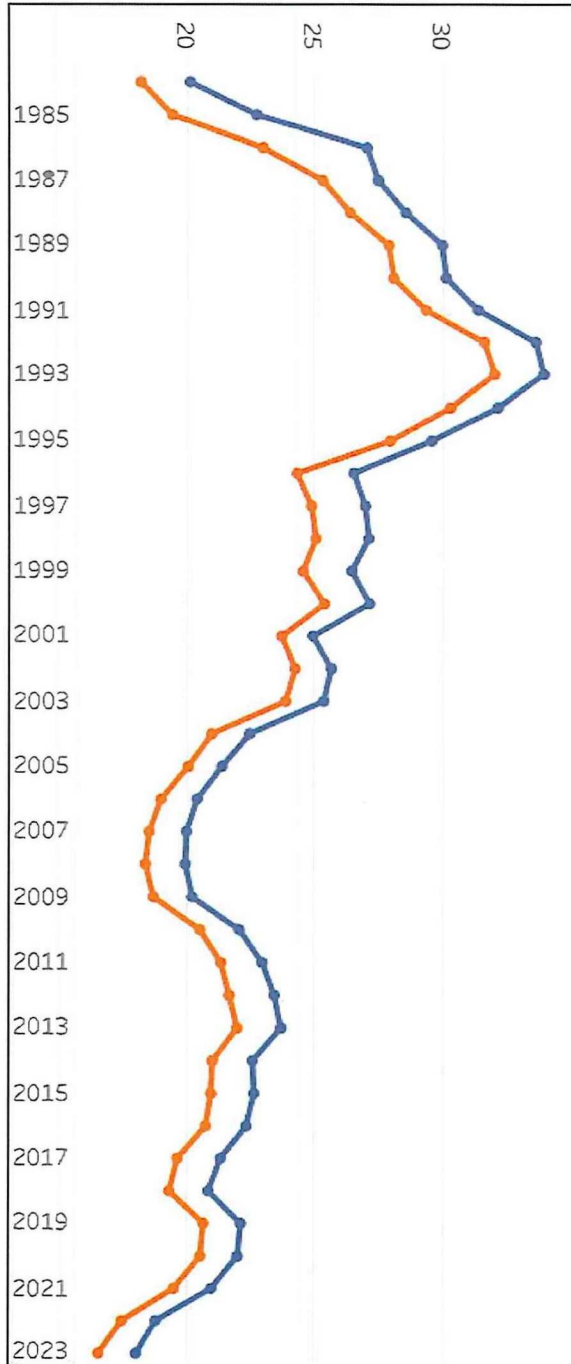
Tax Rate and
Equalized Value:
Municipal Charts

Tax Rate Group

Tax Rate and
Equalized Value:
County Charts

Tax Rate and
Equalized
Value: Data

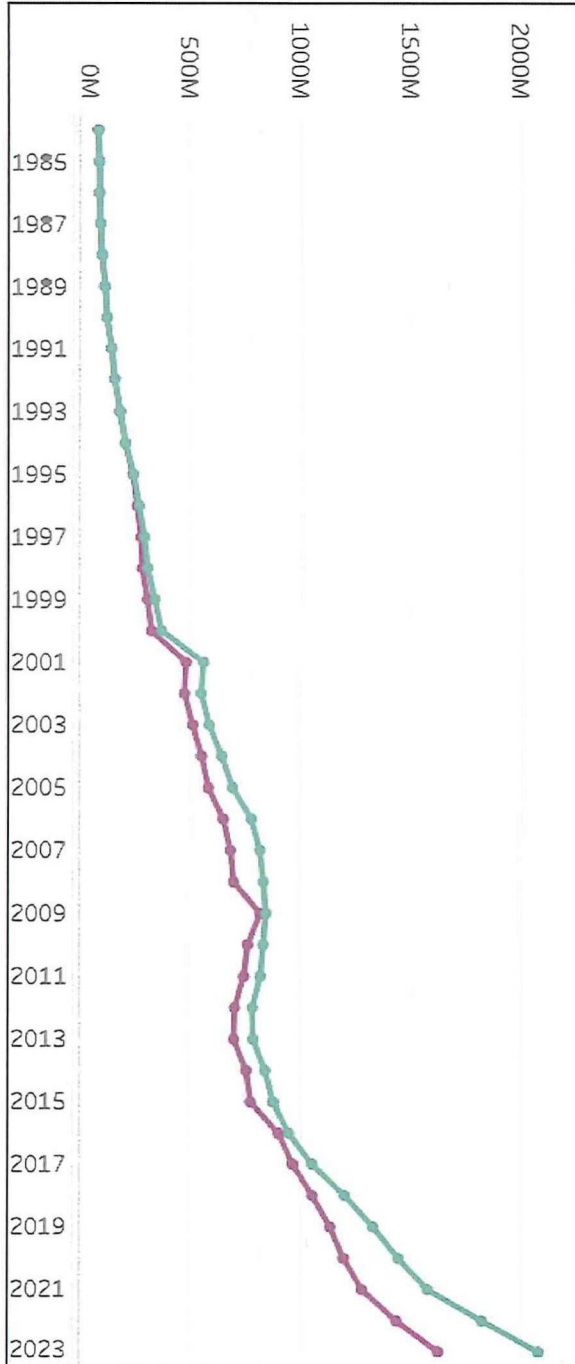
Tax Rates (Mills)--VILLAGE OF DEFOREST



Municipality
VILLAGE OF DEFOREST

Municipal Code-County
13118-DANE

Equalized Values (EV)--VILLAGE OF DEFOREST



Equalized Values (EV)
EV TID-IN
EV TID-OUT

Tax Rates
Gross Tax Rate (mills)
Net Tax Rate (mills)

Wisconsin State Assembly Local Government Committee

2025 Assembly Bill 137 Public Hearing

March 19, 2025

Statement of Everett Butzine

Interim President and CEO, Madison Region Economic Partnership

Good morning members of the Committee.

I am Everett Butzine, currently serving as President and CEO of Madison Region Economic Partnership (MadREP), and I'm here to register my support for Assembly Bill 137 relating to Tax Incremental District #9 in the Village of DeForest.

At MadREP, our mission is to drive sustainable economic growth and prosperity across our eight-county region, which includes Columbia, Dane, Dodge, Green, Iowa, Jefferson, Rock, and Sauk counties. We work diligently to strengthen the region's economic foundation by fostering business expansion, attracting new enterprises, and supporting a resilient workforce. Economic development is a long game, requiring years of strategic planning, negotiation, and investment. This bill represents a crucial opportunity to further our region's competitive edge.

The passage of Assembly Bill 137 would unlock significant potential for economic growth in Dane County and beyond. By enabling the financing of essential public infrastructure, this legislation will position the Madison Region as a premier destination for national and global business investment. This is particularly vital as our region continues to see a surge in corporate site selection interest. In 2024 alone, we have observed an unprecedented volume of inquiries from U.S.-based and international corporations considering Wisconsin for major developments.

Dane County is the fastest-growing county in the state, with a population increase of over 15% in the past decade. This growth fuels a robust talent pipeline, with over 50,000 students enrolled in our region's higher education institutions, including the University of Wisconsin-Madison, Madison College, and Edgewood College. Employers are increasingly drawn to this area not only for its skilled workforce but also for its unparalleled quality of life, strong infrastructure, and strategic location within the Midwest.

TID 9 in the Village of DeForest encompasses hundreds of acres of land directly adjacent to Interstate 39/90/94, with immediate access to the Highway V interchange. Its proximity to the Dane County Regional Airport and direct connections to surrounding counties—Sauk, Columbia, and Jefferson—make it an ideal location for business expansion. Assembly Bill

137 would empower the Village of DeForest to make the necessary infrastructure improvements to fully capitalize on this strategic location, ensuring we remain competitive in national site selection processes.

The economic impact of this development extends far beyond DeForest. A renowned national retailer is projected to generate five million visitors annually, leading to an estimated \$30 million in gross taxable sales and \$1.5 million in annual state sales tax revenue. Additionally, this investment would catalyze job creation, increasing employment opportunities across multiple industries, from retail and hospitality to logistics and professional services.

Supporting this bill aligns with MadREP's broader regional economic strategy: expanding business opportunities, enhancing infrastructure, and fostering a pro-growth environment that benefits all our communities. With the approval of Assembly Bill 137, the Madison Region can position itself as a leader in economic development, attracting high-value industries and securing Wisconsin's economic future.

With your support of this Bill, I am confident that in the coming years, we will look back at this decision as a turning point—one that catalyzed transformative growth for our region and strengthened Wisconsin's position in the global economy.

Thank you for your time.