



ORDINANCE #01-2016

**AN ORDINANCE TO AMEND THE COMPREHENSIVE PLAN
OF THE CITY OF HILLSBORO, WISCONSIN**

The Common Council of the City of Hillsboro, Vernon County, Wisconsin, do ordain as follows:


Section 1. Chapter 2 of the City of Hillsboro Comprehensive Plan, titled "Economic Development," is hereby deleted and replaced by the revised Chapter 2, titled "Economic Development," as attached.

Section 2. Chapter 3 of the City of Hillsboro Comprehensive Plan, titled "Housing," is hereby deleted and replaced by the revised Chapter 3, titled "Housing," as attached.

Section 3. Section 1, titled "Economic Development," and Section 2, titled "Housing," of Chapter 10 of the City of Hillsboro Comprehensive Plan, titled "Goals, Objectives, and Policies," is hereby deleted and replaced by the revised Chapter 10, Sections 1 and 2, as attached.

Section 4. This Ordinance shall take effect the day after passage and publication as provided by law.

Adopted by the Common Council of the City of Hillsboro, Wisconsin, this 16 day of May, 2016 on a roll call vote of 7 ayes and 0 nays.



Greg Kubarski, Mayor

Attest:



Sheila Schrufnagel, City Clerk

ECONOMIC DEVELOPMENT

2.0 Introduction

Numerous factors contribute to the economic development of a community, many of which extend far beyond the community’s boundaries. Therefore, in addition to the specific data on the City of Hillsboro, this element profile will include information on the Town of Hillsboro, Vernon County, and the State of Wisconsin.

2.1 Labor Force Employment Status

| | City of Hillsboro Labor Force | | | Vernon County Labor Force | | |
|------|-------------------------------|------------|-------|---------------------------|------------|--------|
| | Employed | Unemployed | Total | Employed | Unemployed | Total |
| 2000 | 593 | 26 | 619 | 13,236 | 577 | 13,813 |
| 2010 | 605 | 71 | 676 | 13,372 | 773 | 14,145 |
| 2015 | 670 | 60 | 730 | 13,387 | 709 | 14,096 |

Source: US Census Bureau 2010 Decennial Census, 2009-2014 American Community Survey

The information summarized in Table 2-1 shows that the size of the labor force in Vernon County has remained steady over the last decade. Between 2000 and 2010, an additional 332 individuals in the County were added to the labor force, which was an increase of 2.4%. Since then, the labor force has declined by approximately 50 individuals, about 0.3%. The labor force in Hillsboro has grown strongly: 8% since 2010 and 17.9% since 2000. During the past fifteen years, the unemployment rates in Hillsboro have been higher than the State and County rates. In 2015, the average unemployment rate in the City was 8.2%, which was 3.5 percentage points higher than the State and 3.2 percentage points higher than the County rate. Unemployment in the County and State are both trending downward from highs in the late 2000s. Hillsboro’s unemployment is also trending downward, but continues to lag the State and County.

| Year | Unemployment Rates | | |
|------|--------------------|---------------|-----------|
| | Hillsboro | Vernon County | Wisconsin |
| 2000 | 4.2% | 4.2% | 3.2% |
| 2010 | 10.5% | 5.5% | 8.6% |
| 2015 | 8.2% | 5.0% | 4.7% |

Source: US Census Bureau 2010 Decennial Census, 2009-2014 American Community Survey

2.2 Employment by Industry Group

The following employment analysis was created from 2010 Census data, which is based on the Standard Industrial Classification (SIC) and North American Industrial Classification System (NAICS). These systems are designed to classify establishments by the type of industrial activity in which they are engaged.

According to Table 2-2, there were 670 persons employed within the City of Hillsboro in 2010. The education, healthcare, and service sector was the largest employment sector in the City with 26.4% of the total employment, which is a higher proportion than the Town of Hillsboro, Vernon County, and the State of Wisconsin. This sector also made up the largest share of employment in Wisconsin. The manufacturing sector was second in size with 20.4% of the City’s employment, which is lower than the Town but higher than the County and State. The third largest employment sector in the City in 2010 was retail trade at 12.2%. The remaining ten major employment sectors accounted for 41% of the City’s labor force.

| Employment by Sector | City of Hillsboro | | Town of Hillsboro | Vernon County | Wisconsin |
|---|-------------------|-------|-------------------|---------------|-----------|
| | # | % | % | % | % |
| Agriculture, forestry, fishing and hunting, and mining: | 54 | 8.1% | 9.8% | 8.9% | 2.5% |
| Agriculture, forestry, fishing and hunting | 54 | 8.1% | 9.8% | 8.8% | 2.4% |
| Mining, quarrying, and oil and gas extraction | 0 | 0.0% | 0.0% | 0.1% | 0.1% |
| Construction | 28 | 4.2% | 8.0% | 7.2% | 5.3% |
| Manufacturing | 137 | 20.4% | 27.2% | 16.3% | 18.4% |
| Wholesale trade | 26 | 3.9% | 1.8% | 3.3% | 2.7% |
| Retail trade | 82 | 12.2% | 14.7% | 11.9% | 11.3% |
| Transportation and warehousing, and utilities: | 21 | 3.1% | 12.5% | 5.4% | 4.3% |
| Transportation and warehousing | 18 | 2.7% | 11.3% | 4.3% | 3.6% |
| Utilities | 3 | 0.4% | 1.2% | 1.1% | 0.8% |
| Information | 4 | 0.6% | 0.0% | 1.4% | 1.7% |
| Finance and insurance, and real estate and rental and leasing: | 14 | 2.1% | 2.8% | 3.9% | 6.1% |
| Finance and insurance | 14 | 2.1% | 1.8% | 3.1% | 5.0% |
| Real estate and rental and leasing | 0 | 0.0% | 0.9% | 0.8% | 1.1% |
| Professional, scientific, and management, and administrative and waste management services: | 23 | 3.4% | 1.5% | 4.7% | 8.0% |
| Professional, scientific, and technical services | 19 | 2.8% | 0.0% | 2.9% | 4.5% |
| Management of companies and enterprises | 0 | 0.0% | 0.0% | 0.0% | 0.1% |
| Administrative and support and waste management services | 4 | 0.6% | 1.5% | 1.9% | 3.4% |
| Educational services, and health care and social assistance: | 177 | 26.4% | 11.3% | 24.4% | 23.3% |
| Educational services | 62 | 9.3% | 3.4% | 7.5% | 8.6% |
| Health care and social assistance | 115 | 17.2% | 8.0% | 16.9% | 14.7% |
| Arts, entertainment, and recreation, and accommodation and food services: | 66 | 9.9% | 2.4% | 6.0% | 8.7% |
| Arts, entertainment, and recreation | 25 | 3.7% | 0.9% | 1.2% | 1.9% |
| Accommodation and food services | 41 | 6.1% | 1.5% | 4.8% | 6.8% |
| Other services, except public administration | 19 | 2.8% | 2.4% | 3.5% | 4.2% |
| Public administration | 19 | 2.8% | 5.5% | 3.0% | 3.5% |

Source: US Census Bureau 2010 Decennial Census, 2009-2014 American Community Survey

A shift-share analysis separates the change in employment for an area into the three sources that caused the change. The first source of change is the growth or contraction in the United States economy, indicated by the national growth component. During the time period 2004 to 2014, the nation's employment grew by 5.6 percent. The effect of the national growth component is felt most acutely during the peaks and valleys of the business cycle, i.e. during recessions and boom times. Local businesses are very aware of how the general business climate affects them. Overall, the national growth component was responsible for a total of 452 jobs in Vernon County.

| Vernon County Employment Trends Business Sector | Employment 2004 | Employment 2014 | Employment Change | Percent Growth |
|---|--------------------|--------------------|----------------------|-------------------|
| Education and Health Services | 2,665 | 2,714 | 49 | 1.8 |
| Trade, Transportation, and Utilities | 2,067 | 2,340 | 273 | 13.2 |
| Manufacturing | 702 | 697 | -5 | -0.7 |
| Leisure and Hospitality | 655 | 692 | 37 | 5.6 |
| Public Administration | 572 | 629 | 57 | 10 |
| Professional and Business Services | 216 | 322 | 106 | 49.1 |
| Financial Activities | 362 | 282 | -80 | -22.1 |
| Construction | 242 | 230 | -12 | -5 |
| Natural Resources and Mining | 307 | 223 | -84 | -27.4 |
| Information | 113 | 124 | 11 | 9.7 |
| Other Services | 116 | 124 | 8 | 6.9 |
| <i>Total</i> | <i>8,017</i> | <i>8,377</i> | <i>360</i> | <i>4.5</i> |

Source: U.S. Bureau of Labor Statistics Census of Employment and Wages 1990-2014

Insight into growing industrial sectors is provided by the second aspect that shift-share analysis considers, the industrial mix component. This component is found by calculating the percent growth rate for an economic sector at the national level and subtracting from it the national growth component. Thus, the industrial mix component measures how well an industry has grown, net of effects from the business cycle. If an area's employment were concentrated in these sectors with higher industrial mix components, then the area could expect more employment growth. It appears that the industrial mix component was responsible for increasing Vernon County's employment by 143 jobs. Thus, the area has a concentration of employment in industries that are increasing nation-wide.

The third and final component of shift-share analysis is called the competitive share. It is the remaining employment change that is left over after accounting for the national and industrial mix components. If a sector's competitive share is positive, then the sector has a local advantage in promoting employment growth. The top three sectors in competitive share in Vernon County are Trade, Transportation, and Utilities, Manufacturing, and the Professional and Business Services sector. Across all sectors, the competitive share component totals to -236 jobs, which indicates that Vernon County is not competitive in securing additional employment.

| Vernon County Shift-Share | National Growth Component | | Industrial Mix Component | | Competitive Share Component | |
|--------------------------------------|---------------------------|------------|--------------------------|------------|-----------------------------|-------------|
| | Percent | Jobs | Percent | Jobs | Percent | Jobs |
| Trade, Transportation, and Utilities | 5.6% | 117 | -3.2% | -67 | 10.8% | 223 |
| Manufacturing | 5.6% | 40 | -20.3% | -143 | 14% | 98 |
| Professional and Business Services | 5.6% | 12 | 11.1% | 24 | 32.3% | 70 |
| Public Administration | 5.6% | 32 | -4.2% | -24 | 8.6% | 49 |
| Information | 5.6% | 6 | -17% | -19 | 21.1% | 24 |
| Construction | 5.6% | 14 | -17.2% | -42 | 6.6% | 16 |
| Other Services | 5.6% | 7 | -7.2% | -8 | 8.4% | 10 |
| Financial Activities | 5.6% | 20 | -8.5% | -31 | -19.3% | -70 |
| Leisure and Hospitality | 5.6% | 37 | 11.4% | 75 | -11.4% | -75 |
| Natural Resources and Mining | 5.6% | 17 | 17.8% | 55 | -50.8% | -156 |
| Education and Health Services | 5.6% | 150 | 12.1% | 323 | -15.9% | -425 |
| <i>Total</i> | | <i>452</i> | | <i>143</i> | | <i>-236</i> |

Source: U.S. Bureau of Labor Statistics Census of Employment and Wages 1990-2014

It should be noted that Hillsboro represents less than 5% of Vernon County's total population, and is very close, and has economic ties to Juneau, Monroe, Richland, and Sauk Counties, so Hillsboro does not always follow Vernon County's trends. The five-county area exhibited a total decline of 507 jobs due to competitive share, with particularly strong competitive share component exhibited in the Public Administration, Manufacturing, and Natural Resources and Mining sectors.

2.3 Economy/Largest Employers

| Employer | Employees | Type of Industry |
|-------------------------------|-----------|------------------------|
| Gundersen St. Joseph Hospital | 165 | Health Care Services |
| Whitehall Specialties | 55 | Cheese Factory |
| Hillsboro School District | 45 | Education |
| Milestone Senior Living | 40 | Health Care Facility |
| Verbsky Enterprises | 34 | Health Care & Services |
| Metco | 27 | Fuel Systems |
| Land O'Lakes | 27 | Butter Factory |
| Beezers | 20 | Restaurant & Bar |
| United Co-op | 18 | Agricultural Co-Op |
| Farmers State Bank | 15 | Bank |

Source: City of Hillsboro

Table 2-3 lists the top five employers within the Hillsboro area. St. Joseph Hospital is the top employer in the area in terms of total employees. Currently, approximately 165 individuals work at the hospital, which is located along Water Avenue in the southwest corner of the City. Whitehall Specialties, a cheese producer located on High Avenue between Darcy Drive and Enterprise Drive in the Hillsboro Industrial Park, is the second largest employer in the City, with approximately 55 employees. The Hillsboro School System is the third largest employer within the

area, with 45 employees. Hillsboro Elementary School and High School are located in the northwestern corner of the City, along Hillsborough Avenue and School Road. Milestone Senior Living and Verbsky Enterprises also both have more than 30 employees. Metco, Land O'Lakes, Beezers, Hillsboro United Cooperative, and Farmers State Bank round out the list of the largest employers within the Hillsboro area.

2.4 Employment by Place of Work

| | Place of Work for Hillsboro Residents | | Place of Residence for those Working In Hillsboro | |
|-------------------------------------|---------------------------------------|---------|---|---------|
| | Number | Percent | Number | Percent |
| <i>Live & Work in Hillsboro</i> | 91 | 27.3% | 91 | 11.4% |
| Elsewhere in Vernon County | 54 | 16.2% | 314 | 39.2% |
| Juneau County | 42 | 12.6% | 104 | 13.0% |
| Sauk County | 38 | 11.4% | 58 | 7.2% |
| La Crosse County | 27 | 8.1% | 25 | 3.1% |
| Richland County | 16 | 4.8% | 36 | 4.5% |
| Monroe County | 12 | 3.6% | 40 | 5.0% |
| Elsewhere in Wisconsin | 47 | 14.1% | 127 | 15.9% |
| Outside Wisconsin | 6 | 1.8% | 6 | 0.7% |
| <i>Total</i> | 333 | 100.0% | 801 | 100.0% |

Source: US Census Bureau 2009-2014 American Community Survey

Table 2-4 indicates that 27.3% of the 333 employed City residents worked in Hillsboro. Another 16.2% worked within Vernon County in 2013. An additional 182 employed City residents worked within the State of Wisconsin but not within Vernon County. A most of these individuals work in neighboring Richland, Monroe, Juneau, and Sauk Counties. Only 6 City residents worked outside of Wisconsin. Conversely, 314 employees living elsewhere in Vernon County commuted to Hillsboro for work. Another 396 employees commuted to Hillsboro from elsewhere in Wisconsin.

2.5 Commercial Business Areas

The City of Hillsboro’s downtown commercial area comprises a core area of approximately four blocks of stores and businesses fronting Water Avenue and Mill Street. The downtown area is generally defined as Water Avenue from Garden Street to Lake Street, and Mill Street from Water Avenue to Prairie Avenue. The downtown contains a mixture of restaurants, bars, retail, service, and professional businesses. Hillsboro also has a highway commercial area that has developed on the eastern portion of the City, running northeast-southwest along State Highway 33/80/82 between State Street and the eastern city limits. This commercial strip extends beyond the city limits to also include the County Market and gasoline service station.

2.6 Industrial Park

The Hillsboro Industrial Park is located in the northern portion of the City, northwest of North High Avenue. The City created the park in 1995 on a 20-acre parcel with funding assistance from TID No. 2. There are now 5-6 businesses within the Hillsboro North Industrial Park. There are also currently four lots available within the Industrial Park and up to 8.1 acres. An additional 8 businesses operate in the south industrial park.

2.7 Tax Increment Finance Districts

TID No. 2

This industrial tax increment district (TID) was created in 1993. The 20-acre Hillsboro Industrial Park and Tinkers Bluff Subdivision located in the northern portion of the City were included in the TID. Since the creation of the district, the industrial park and residential subdivision both have seen significant development. The tax increment revenue generated from these developments is being used to pay back the cost of infrastructure improvements completed within the TID. 2015 was the last year for expenditures from TID 2. The City must close TID 2 by 2020.

TID No. 4

This blighted tax increment district (TID) was created in 1998. Industrial and commercial properties along State Highway 33/80/82 on the northeast side of Hillsboro are included in the TID. The district was amended to include the residential development area around Salsbury Circle. The tax increment revenue generated from these developments is being used to pay back the cost of infrastructure improvements completed within the TID. The City may make expenditures paid by TID 4 through 2020. The City must close TID 4 by 2025, unless it is granted an extension through 2029.

Current state law does not allow the creation of additional TIDs if more than 12% of a City's equalized value is increment within existing TIDs. As of January 1, 2015, TID No. 2 and TID No. 4 have a combined increment value of \$16,410,100, which is 26.8% of the City's total \$61,224,300 equalized value.

| TID No. | TID No. 2 | TID No. 4 |
|--|----------------------|--------------------|
| TID Type | Pre-1995 Regular TID | Blight Elimination |
| Base Year | 1993 | 1998 |
| 2015 Full Value (Includes personal property, etc) | \$11,582,400 | \$8,027,100 |
| Base Value | \$483,600 | \$2,715,800 |
| Increment | \$11,098,800 | \$5,311,300 |
| Maximum Life | 8/20/2020 | 8/31/2025 |

Source: City of Hillsboro

2.8 Economic Strengths

- Diverse employment base
- New housing opportunities
- Rural location offers opportunities for commercial stabilization
- Well-established major employers

2.9 Economic Weaknesses

- Aging population
- Isolated and rural
- Limits to new growth areas
- Declining retail offerings

2.10 Brownfields

Many urban and rural areas have former industrial or commercial sites where contamination is present or perceived to be present. These "brownfield" sites are often abandoned or underutilized sites that could be remediated and redeveloped to accommodate growth.

Below is a listing of active contamination sites within the City of Hillsboro from the Wisconsin Department of Natural Resources. Removed, remediated, and other closed sites are not shown.

| Type - Status | Activity Number & Name | Address | Start | End |
|------------------|--|------------------------------------|------------|-----|
| General Property | 07-63-525734 E HAGENAH LUMBER CO FORMER | 1120 WOOD AVE, HILLSBORO | - | - |
| Historic Spill | 04-63-043415 BEHIND CHEESE FACTORY | BEHIND CHEESE FACTORY, HILLSBORO | 2/3/1989 | - |
| Historic Spill | 04-63-047161 HILLSBORO FERT PLT - AIRPORT RD | AIRPORT RD, HILLSBORO | 5/18/1992 | - |
| Historic Spill | 04-63-048388 HILLSBORO COOP BULK PLT | HILLSBORO COOP BULK PLT, HILLSBORO | 5/4/1993 | - |
| Historic Spill | 04-63-037771 8312 E MILL ST | 8312 E MILL ST, HILLSBORO | 8/29/1979 | - |
| Historic Spill | 04-63-153339 VERNON CNTY BLDGS | 578 WATER AVE, HILLSBORO | 11/16/1994 | - |
| LUST Open | 03-63-557771 CILLEY PROPERTY | 943 WATER AVE, HILLSBORO | 10/11/2011 | - |

Source: Wisconsin Department of Natural Resources

Before finalizing final use arrangements for any area identified as having possible environmental contamination, an environmental assessment and any required clean-up should be performed. This is an important first step in the reuse of any "brownfield" site. Several state and federal programs, including WDNR's Remediation and Redevelopment Program, Brownfield Site Assessment Grants, and Idle Industrial Sites Redevelopment Grants, are available to assist with environmental assessments. After preparing an environmental assessment, the City and property owners should prepare site redevelopment strategies.

2.11 Economic Development Programs

Included in Appendix A of this plan is a list of several regional, state, and federal economic development related programs available to the City of Hillsboro, surrounding communities, local economic development organizations, and/or local businesses. These programs are organized according to the agency that makes each of them available. A description is provided for each program.

2.12 Issues, Opportunities, and Constraints

The City has a downtown/central business district (CBD) that needs to be preserved. Some businesses have been lost in the downtown over the last ten years. New commercial development should be encouraged downtown.

Some types of businesses may need to be developed in areas outside of the City's downtown because of larger size needs. Large-scale strip commercial developments should be discouraged along the highways entering and leaving the community.

The City and surrounding areas have abundant natural beauty, which needs to be marketed to attract people into the community. The City needs to promote the area's natural amenities, including surface water resources, parks, and bluffs as attractants for tourists. The opportunities within the area for outdoor recreation activities, such as fishing and hunting, need to be promoted. Use the City's proximity to I-90/94 as a marketing attraction tool.

Adequate land within the City needs to be made available for future industrial and commercial developments.

The City should focus on attracting clean industries and small and medium size businesses into the community in the future.

The City needs to maintain its own identity and not become a bedroom community for larger communities in the area, such as Reedsburg, Richland Center, Mauston, or Tomah.

Recent changes in tourism and recreation trends have made State Highway 33 a popular route for motorcyclists. Likewise, many canoeists use the nearby Kickapoo and Baraboo Rivers and bicyclists use the Elroy-Sparta and "400" State trails. The City should work to maximize tourist spending capture. The presence of a hotel and one or more bed and breakfasts in the City should be encouraged to induce visitors to stay in Hillsboro and not elsewhere.

Field Veterans Memorial Lake is an important recreational and quality of life feature of the community. It was created by the existing dam on the West Branch Baraboo River. The Kickapoo River and Baraboo River mainline both now run free with no dams. Any decisions made by the City concerning the dam should be carefully considered weighing the advantageous from an economic development, environmental, and natural resource standpoint.

Gundersen Health St. Joseph's Hospital is the largest employer within the City and is very important to the area economy. The ability to recruit and maintain certain types of healthcare professionals and services in the Hillsboro area is a concern the City should address in partnership with the hospital.

Gundersen Health St. Joseph's Hospital is crucial for the continuation of the Hillsboro area's vitality. The hospital resource is critical to support. The hospital and City have signed a development agreement concerning future development and construction by the hospital. Any decisions stemming from this agreement should be made in partnership between the City and hospital.

The area's traditional agricultural base economy is changing.

Ownership of the Hillsboro Co-Op has recently been transferred to United Co-Op which has affected the type and number of goods, services, and jobs available at the Co-Op. The City should work with the United Co-Op to work to provide the variety of goods and services the community needs.

Businesses that negatively impact existing businesses in the Hillsboro area should not be attracted. Business retention in the area is very important and business retention efforts should be one of the City's primary economic development objectives.

The availability of high speed internet services in the Hillsboro area will expand the opportunities for home occupations and other businesses.

The City of Hillsboro cannot promote and realize economic development alone. Public, quasi-public, private groups, and neighboring communities in the Hillsboro area, Vernon County, and southwest Wisconsin need to work together to promote and realize economic development.

The high quality education provided at the Hillsboro area schools should be promoted as an economic development attribute.

The City of Hillsboro's diverse economy should be further developed.

A variety of funding options need to be available for small business development within the Hillsboro area. The City's current Facade Improvement Program, Signage Grant Program, and Economic Development Loan Program and Vernon Economic Development Association and 7 Rivers Alliance programs should be reviewed in order to maximize efficiency and outreach.

There are a number of options and strategies that Hillsboro can use to further its economic development objectives. As manufacturing continues to decline in many rural areas, Hillsboro can attempt to shield itself from such decline by improving its labor force skills through vocational training at any of the nearby technical college campuses or through an on-the-job training program hosted by Hillsboro High School in cooperation with local employers. Additional business financing options are needed for business expansions and start-ups. These could be provided in the form of a revolving loan fund for gap financing or building or facade improvements.

Taking advantage of vacancies in downtown storefronts or other commercial buildings and finding long-term tenants for these commercial spaces is another policy for Hillsboro to focus on in order to achieve its economic development goals. The City could set up an incubator in a vacant building either downtown or in another commercial area. A similar program had success in the building now occupied by the Hillsboro Brewing Company. Encouraging or enabling pop-up retailers to locate in vacant buildings for a limited time could also lead to finding permanent tenants for those spaces.

As the community and the economy change, ordinances should be periodically reviewed to identify artificial constraints imposed by law to economic development that may be counter to current needs.

APPENDIX A

Economic Development Programs

Wisconsin Economic Development Corporation (WEDC)

Industrial Revenue Bonds

Industrial Revenue Bonds (IRBs) are designed to help Wisconsin municipalities support industrial development through the sale of tax-exempt bonds. IRBs can be used to stimulate capital investments and job creation by providing private borrowers with access to financing at interest rates that are lower than convention bank loans. WEDC allocates the bonding authority or the volume cap for the program. IRB financing can be used for building, equipment, land, and bond issuance costs, but not for working capital. Manufacturing includes nearly every type of processing that result in a change in the condition of tangible personal property. Manufacturing does not include activities such as feeding, growing and harvesting live animals. It also does not include the provision of recreational services, wholesaling, retailing, or repair services.

Brownfield Site Assessment Grants

Wisconsin's Brownfield Site Assessment Grant (SAG) Program provides grant funds to approved projects to assist local governments with conducting initial environmental assessment and demolition activities on an eligible abandoned, idle or underutilized industrial or commercial site. Any city, village, town, county or redevelopment authority can apply for funds. An applicant that caused the contamination is ineligible. The Viable Causer concern must be addressed in each project and means that it needs to be demonstrated that the party that caused the contamination is unknown, can't be located, or does not have the resources to contribute to the environmental investigation of the soil and/or groundwater. The applicant must show that access to the property to conduct the environmental assessment activities has been approved. One of the most important parts in the application is the project budget, including bids or estimates from an independent third party that demonstrate how the request for funding was derived. A breakout of the proposed site investigation and demolition activities supporting the figures entered in the project budget helps to derive a recommendation for potential participation. SAG Funds can reimburse the following activities that were initiated after an award letter is issued for a project:

- The investigation of environmental contamination on an eligible site or facility for the purpose of reducing or eliminating soil and or groundwater contamination.
- The demolition of any structures or buildings located on an eligible site.
- Asbestos abatement associated with demolition activities.
- The removal of abandoned containers and the removal of underground hazardous storage tank systems.

Brownfield Grants

Wisconsin's Brownfield Program provides grant funds to assist local governments, businesses and individuals with assessing and remediating the environmental contamination of an abandoned, idle or underused industrial or commercial facility or site. This program helps convert contaminated sites into productive properties that are attractive and ready for redevelopment. Any municipality, county, individual, or business may apply for funds provided that the party that caused the environmental contamination and any person who possessed or controlled the environmental contaminant is unknown, cannot be located, or is financially unable to pay for

the remediation of the soil and/or groundwater. Phase I and Phase II Environmental Reports must be completed prior to seeking Brownfield Program funding. Grants require at least a 70 percent match of the eligible project expenditures. Approved projects reimburse incurred expenditures on or after the date of award. Grant funds are awarded primarily to reimburse remediation expenditures that are incurred so that environmental closure can be attained for the project site and the property can be utilized for a more productive use. Brownfield Program funds may be used for brownfield redevelopment or associated environmental remediation activities on sites with demonstrated soil and/or groundwater contamination. Eligible costs are determined during application review, but funds are typically used for the following activities:

- The environmental investigation, remediation or monitoring of the site
- The removal of hazardous waste containers
- Soil removal, capping, barrier installation and vapor intrusion systems

Community Development Investment Grants

The Community Development Investment Grant Program helps transform communities by supporting local development that is as unique as the communities in Wisconsin. The Community Development Investment Grant Program supports community re/development efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community-driven efforts. Grants up to \$50,000 are available for planning efforts, and grants up to \$500,000 are available for implementation projects. This program operates through a competitive process that occurs two to three times per fiscal year. Grant recipients must demonstrate significant, measurable benefits in job opportunities, property values and/or leveraged investment by local and private partners.

Idle Industrial Sites Redevelopment Grants

WEDC's Idle Industrial Site Redevelopment Program helps communities pursue the opportunity to redeveloped idle industrial and commercial sites to again become generators for economic development and an improved quality of life for the cities and communities where they are located. The Idle Industrial Site Redevelopment Program offers grants to Wisconsin communities for implementation of redevelopment plans for large commercial or industrial sites that have been idle, abandoned, or underutilized for a period of at least five years. Industrial or commercial properties of 10 acres or more are eligible for grants up to \$1,000,000. Industrial properties of five to 10 acres are eligible for grants up to \$500,000. Approved projects can use funds for demolition, environmental remediation, or site-specific improvements defined in the redevelopment plan to advance the site to shovel-ready status or enhance the site's market attractiveness. This program is an annual competitive process. Grants may be made to cities, villages, towns, redevelopment authorities, community development authorities, or other government entities for idle industrial sites exceeding 5 acres in size or commercial properties exceeding 10 acres in size where redevelopment is impeded due to existing site conditions. Preference will be given to sites that are located in high-density urban areas or in central business districts. An approved redevelopment plan demonstrating strong potential for significant measurable economic benefits such as increased generation of property taxes and the creation of full-time permanent jobs will increase the competitiveness of a proposed project.

Department of Administration

CDBG-Public Facilities (CDBG-PF)

CDBG-PF funds help support infrastructure and facility projects for communities. Some examples of eligible projects include improvements, repairs, or expansions of streets, drainage systems, water and sewer systems, sidewalks, and community centers. Grants are limited to projects that, if implemented, would meet a CDBG National Objective. CDBG-PF funds are awarded through an annual competitive process. Application materials and submission instructions should be carefully reviewed prior to applying for CDBG-PF funds. For each Grant Application received on or before the Application Submission Deadline, DOA reviews, scores, & ranks the Applications based on a pre-approved list of scoring criteria. Successful Applications must meet a CDBG National Objective (in accordance with HUD program regulations). Applications that earn enough points in the review process will be awarded State CDBG-PF funds. Communities with successful applications (that have met the threshold requirements for funding) are announced and each community receives an award letter which documents the next steps required to accept & execute a Grant Agreement (i.e. contract) with the State of Wisconsin. Maximum grant amount is \$500,000 with a 50% total project local match.

CDBG-Public Facilities for Economic Development (CDBG-PFED)

CDBG-PFED grant funds are awarded to local governments for public infrastructure projects that support business expansion or retention. Examples of eligible applications include: new or improved water & sewer service and streets that result in business expansion and job opportunities for low- and moderate-income individuals. \$3,000 to \$7,000 of grant funds are available per job up to \$500,000. The program requires a local match of 50% of the total project.

Community Development Block Grant - Economic Development Loan

The State of Wisconsin receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) to support economic development projects that spur job creation for low to moderate income residents located in Wisconsin communities of under 50,000 residents. The State grants funds to municipalities, which then make loans to businesses for the purpose of job creation. Loans are available for up to \$1 million, based on an allowance of up to \$35,000 per job created. The interest rate on the loan to the business is 1 percent. Repayment terms for the business shall not exceed 5 years. Loan proceeds can be used by a business to purchase equipment or provide working capital. Projects must create/retain jobs and be documented for a period not to exceed 24 months. The assisted business must bring 50% of the funds to the CDBG project. However, those funds can come from financial institutions, economic development agency, other grants or loans. The loan must be secured with collateral. Balance sheets, income statements, statement of cash flow, market conditions are reviewed at the municipal and State level.

CDBG-Small Cities Housing Program

The CDBG-Housing program provides grants to general purpose units of local government for housing programs which principally benefit low and moderate income (LMI) households. These funds are primarily used for rehabilitation of housing units, homebuyer assistance, and small

neighborhood public facility projects. CDBG dollars are flexible and responsive to local needs. In addition to addressing LMI housing needs, CDBG can be used to leverage other programs or serve as a local match. The grant also can be used as an incentive to involve the private sector in local community development efforts or to respond to area needs. The CDBG program often serves as a catalyst for other community development projects. The CDBG Housing program distributes funds between all Wisconsin counties except Dane, Milwaukee and Waukesha. Homebuyers, home-owner rehabilitation and small public facility projects should contact the appropriate region for assistance. Local units of government use repaid CDBG housing loans to establish a local revolving loan fund (RLF). These funds are available for the same eligible activities. Housing proposals are funded in order to upgrade the quality and expand the supply of decent, safe, and sanitary housing for LMI households. Successful programs have included residential rehabilitation (including accessibility improvements for persons with disabilities), conversion of commercial property to residential units, assistance to LMI renters to become homeowners, and small public facilities projects. Eligible activities include:

- Rehabilitation of dwelling units.
- Removal of architectural barriers.
- Homeownership opportunities for renters.
- Payment of relocation costs and benefits.
- Small public facilities projects.
- Demolition or removal of buildings so site can be used for LMI housing.
- Conversion of buildings into LMI dwelling units.
- Acquisition of real property for the construction of LMI housing with other sources of funds.
- Site improvements for the construction of LMI housing with other sources of funds.

CDBG-Housing Revolving Loan Fund Program

In this CDBG housing program, funds are loaned to low and moderate-income (LMI) households, and to local landlords in exchange for an agreement to rent to LMI tenants at an affordable rate. Once CDBG housing loans are repaid to the community, they are identified as CDBG Housing Revolving Loan Funds (RLFs). Under the CDBG housing RLF, homeowners in owner-occupied dwellings and homebuyers receive 0% interest loans that are either deferred or low monthly payments. Rental rehabilitation loans are 0% to 3% monthly installment loans. Loans are due in full when the title changes or when the home ceases to be the homeowner's primary residence or when the property is sold. CDBG housing funds can only be used for CDBG eligible activities. To be eligible for CDGB-RLF rehab loan you must be either an LMI household or a landlord who rents to an LMI household. An LMI household is defined as a household with a pre-tax income that is at or below 80% of the county median income (CMI). LMI renters may also qualify to receive homebuyer assistance. Eligible activities include:

- Septic system repairs and replacements
- Wells
- Furnaces
- Hot Water Heaters
- Down payment and closing cost assistance (Homebuyer Only)
- Accessibility improvements for persons with disabilities

- Home and Rental repairs
 - Plumbing
 - Electrical
 - Roofing
 - Siding
 - Flooring
 - Windows
 - Stairs
 - Foundation
 - Structural

CDBG-Planning (CDBG-PLNG)

These grant funds support community efforts to address improving community opportunities and vitality. Some examples of eligible projects include the development of comprehensive plans, community development plans, and small area and neighborhood plans. Grants are limited to projects that, if implemented, would meet a CDBG National Objective. CDBG-PLNG funds are awarded through an annual competitive process. Application materials and submission instructions should be carefully reviewed prior to applying for CDBG-PLNG funds. For each Grant Application received on or before the Application Submission Deadline, DOA reviews, scores, & ranks the Applications based on a pre-approved list of scoring criteria. Successful Applications must meet a CDBG National Objective (in accordance with HUD program regulations). Applications that earn enough points in the review process will be awarded State CDBG-PLNG funds. Communities with successful applications (that have met the threshold requirements for funding) are announced and each community receives an award letter, which documents the next steps required to accept & execute a Grant Agreement (i.e., contract) with the State of Wisconsin. Maximum grant amount is \$25,000 with a 50% total project local match.

Department of Revenue

Tax Incremental Financing

Tax increment financing (TIF) is one of the most important and useful tools available to municipalities for promoting the orderly growth and development of the community. TIF Law was approved by the Wisconsin Legislature as a means of promoting industrial development, mixed-use development, eliminating blighted areas, and rehabilitating deteriorating areas in a community. TIF is a means of financing costs incurred by units of government to promote development within a defined area or "tax increment district" (TID). The unit of government establishes boundaries for the TID and the property taxes on the increased property value within that district are used to pay the costs incurred to make the development possible. After setting up the district boundaries, the municipality must then identify the potential costs that are needed to make new development feasible within the district. There are a variety of eligible project costs associated with the creation of a TID. Examples of eligible project costs include financing, infrastructure development, real property assembly, professional services, developer assistance, and TID creation costs. Costs up to a half-mile outside the TID that serve development within the TID are also eligible. Property taxes are comprised of taxes collected by the local unit of government, the school district, the county, the Technical College District and

the State of Wisconsin. When a Tax Increment District is created, a 'base value' is established by determining the current value of real property located in the TID. The overlying taxing entities continue to collect their portion of property taxes on the 'base value'. As property values in the District increase as a result of new development, redevelopment or inflation, the additional property taxes—the amount of taxes collected on property within the TID over and above the base TID value—is captured by the TID. These additional property taxes are called the 'tax increment' and can be used to fund project costs or to service debt over the life of the TID. Once the TID is terminated, all of the overlying taxing entities begin to receive property taxes on the full value of property in the former TID.

Department of Tourism

Joint Effort Marketing (JEM)

The JEM program funds five categories of marketing initiatives to promote tourism including:

| | | |
|-------------------------|------------------------------------|------------------------------------|
| Destination Marketing | April 1 & Sept. 1 | \$39,550 for one year. |
| New Event | Feb. 1, April 1, Aug. 1, Nov. 1 | \$39,550 per year for three years. |
| Sales Promotion | Feb. 1, April 1, Aug. 1, Nov. 1 | \$39,550 per year for two years. |
| Existing Event | Feb. 1, April 1, Aug. 1, Nov. 1 | \$39,550 per year for three years. |
| One-Time, One-of-a-Kind | Feb. 1, April 1, Aug. 1, Nov. 1 | \$28,250 for one year. |

Department of Transportation

Statewide Transportation Improvement Program

The Statewide Transportation Improvement Program (STIP) produces a four-year plan of highway and transit projects for the state of Wisconsin. Revised every year, the plan is a compilation of all highway (state or local) and transit projects in urban and rural areas. The STIP plan adopts the Transportation Improvement Programs prepared by the state's 14 metropolitan planning organizations (MPO) by reference. The STIP plan is approved by the Federal Highway Administration and the Federal Transit Administration.

Transportation Alternatives Program

The Transportation Alternatives Program (TAP) is a comprehensive federal funding category that was created pursuant to the Moving Ahead for Progress in the 21st Century Act (MAP-21), which was signed into law in and became effective in 2012. The Transportation Alternatives Program (TAP) is a program that was authorized in 2012 by federal transportation legislation, the Moving Ahead for Progress in the 21st Century Act (MAP-21). TAP incorporates the following three former WisDOT multi-modal transportation improvement programs: Safe Routes to School (SRTS); Transportation Enhancements (TE); and The Bicycle & Pedestrian Facilities Program (BPFP).

WisDOT previously administered these programs as three distinct federal funding categories based upon the statutory requirements of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), as well as previous federal transportation legislation. WisDOT merged these previously distinct programs to streamline the application process and align multimodal program administration with other federal transportation improvement programs. With certain exceptions, projects that met eligibility criteria for the former Safe Routes to School Program, Transportation Enhancements, and/or the Bicycle & Pedestrian Facilities Program are eligible TAP projects.

Sponsors must provide at least a 20% local match for TAP projects. TAP projects must commence within four (4) years of the project award date. Metropolitan Planning Organizations (MPOs) in areas with populations over 200,000 will select TAP projects through a separate competitive funding process. The 2014-2018 TAP award cycle included approximately \$13.3 million in TAP awards, which funded 27 projects in the bicycle-pedestrian, safe routes to school, and other similar eligibility categories.

The Federal Highway Administration (FHWA) has identified projects that fall within the following categories are eligible to receive TAP funding:

- Construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other non-motorized forms of transportation.
- Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers.
- Conversion and use of abandoned railroad corridors for trails for pedestrians, bicyclists, or other non-motorized transportation users.
- Construction of turnouts, overlooks, and viewing areas.
- Community improvement activities, including
 - Inventory, control, or removal of outdoor advertising;
 - Historic preservation and rehabilitation of historic transportation facilities;
 - Vegetation management practices in transportation rights-of-way to improve roadway safety, prevent against invasive species, and provide erosion control;
 - Archaeological activities.
- Any environmental mitigation activity.
- The recreational trails program.
- The Safe Routes to School program.
- Planning, designing, or constructing boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways.

The application period for the 2016-2020 Program Cycle for TAP ended in January, 2016. The Wisconsin Department of Transportation (WisDOT) solicits applications every other year, so the next opportunity to submit an application will occur in calendar year 2017.

Highway Safety Improvement Program

The Highway Safety Improvement Program (HSIP) funds highway safety projects at sites that have experienced a high crash history. The overall objective of HSIP is to develop and implement, on a continuing basis, stand-alone safety projects designed to reduce the number and severity of crashes on all streets and highways, both state and local. HSIP is focused on

infrastructure improvements that reduce the number and severity of crashes and decrease the potential for crashes on all public roads with additional emphasis on low-cost treatments that can be implemented quickly.

HSIP is a federal reimbursement program and not a federal grant program. The federal funding ratio for HSIP funds is usually 90%, requiring a 10% match of state and/or local funds. The State pays match for state highway projects, while local governments must pay the match for non-state highway projects (local streets and highways). Current program funding is approximately \$31 million per year. The current HSIP application period closes on August 15, 2016.

State Infrastructure Bank

In order to stretch limited funds, Congress authorized funds to create state "banks" to complement traditional transportation grant programs and provide states with flexibility to offer many types of financial assistance. The State Infrastructure Bank (SIB) Program, similar to a private bank, offers a range of loans and credit options to help finance eligible surface transportation projects. SIBs offer the ability to undertake transportation projects that would otherwise go unfunded or experience substantial delays. WisDOT applied for federal seed money to create a revolving loan program. Communities can borrow the money to provide needed transportation infrastructure improvements to help preserve, promote and encourage economic development and/or promote transportation efficiency, safety and mobility. The Wisconsin SIB program is a revolving loan program providing capital for transportation projects from loan repayments and interest earned from funds remaining in the bank. WisDOT charges a 2% interest rate on the loan principal and projects can be amortized up to 25 years. Funds are available on a "first come, first served" basis. Eligible SIB projects include the following:

- Improve an interchange for a new industrial park or commercial development
- Enhance a road leading up to a contaminated (brownfields) property
- Provide for better access to facilitate increased auto or truck traffic near commercial or industrial sites
- Repair or reconstruct a bridge linking downtown businesses with a major state highway(s)
- Provide signal lights, turn lanes and pedestrian walkways at a busy highway intersection
- Construct or widen a road linking an intermodal facility (i.e. airport, harbor, railroad)
- Widen a highway to improve safety and truck movements for a warehousing/distribution center
- Construct parking facilities, bicycle lanes and pedestrian walk-ways to better facilitate customer traffic on or near retail centers and tourist attractions.

Transportation Economic Assistance

The Transportation Economic Assistance (TEA) program provides 50% state grants to governing bodies, private businesses, and consortiums for road, rail, harbor and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the state. The goal of the TEA program is to attract and retain business firms in Wisconsin and create or retain jobs. Target businesses cannot be speculative and local communities must assure that the number of jobs anticipated from the proposed project will materialize within three years from the date of the project agreement and remain after another four years. Grants of up to \$1 million are available for transportation improvements that are essential for an economic

development project. Projects must begin within three years of award, have the local government's endorsement, and benefit the public. The program is designed to implement an improvement more quickly than normal state programming processes allow. The 50% local match can come from any combination of local, federal, or private funds or in-kind services. Applications are first come, first serve, and funded when all eligibility information is complete and satisfactory. Through December 2015, over \$99 million has been invested in grants awarded to 203 communities and benefiting over 350 Wisconsin businesses. The cost per direct job created or retained has averaged \$2,577.

Connecting Highway Aids

Connecting Highway Aids (CHA) assist municipalities with costs associated with increased traffic and maintenance on roads that connect segments of the State Trunk Highway System. The objective of the program is to reimburse municipalities for actual costs associated with the traffic control and maintenance of certain designated routes of the state highway system existing in a municipality. Eligible municipalities are those with marked routes on the State Trunk Highway system over the streets and highways within their jurisdiction which are designated as connecting highways. Municipalities receive quarterly payments on a per lane mile basis, with rates varying according to population and appropriations set in the state budget. Rates for CY 2014 and CY 2015 are for municipalities under 10,000 population is \$7,345 per lane mile.

Local Roads Improvement Program

The Local Roads Improvement Program (LRIP) assists local governments in improving seriously deteriorating county highways, town roads, and city and village streets. LRIP is a reimbursement program, which pays up to 50% of total eligible costs with local governments providing the balance. The LRIP program operates on a two-year cycle. The next application period will be in calendar year 2017. Information will be updated on the WisDOT website periodically. LRIP is a reimbursement program, which may pay up to a maximum of 50% of total eligible project costs, with the balance of the eligible costs funded by the local unit of government. All applicable projects are locally let and reimbursed by WisDOT upon project completion.

The program has three entitlement components that provide funding for road improvements. Counties and towns have separate components, while cities and villages are funded through the Municipal Street Improvement Program (MSI). MSI is comprised of cities and villages with populations less than 20,000 (MSILT) and cities and village with populations of 20,000 or more (MSIGT). In addition to entitlements, there are also three discretionary components for counties, cities and villages, and towns to request funding for high-cost projects. Cities and villages with high-cost projects with total eligible costs of \$250,000 or more are eligible for the Municipal Street Discretionary Improvement Program (MSID).

Only work on existing county trunk highways, city and village streets and town roads under the authority of the local unit of government are eligible for funding. Maintenance, new roads or improvements to alleys or parking lots are not reimbursable through the program. All improvements must have a projected design life of at least ten years. If bicycle and pedestrian facilities are included in an LRIP reconstruction improvement project, the municipality involved in the reconstruction project must adopt an official resolution authorizing the establishment of those facilities as part of the improvement project. Eligible projects include the following

categories:

- Reconstruction – total rebuilding of an existing highway to improve maintainability, safety, geometrics and traffic service. It is accomplished basically on existing alignment and major elements may include flattening of hills and grades, improvement of curves, widening of the roadbed and elimination or shielding of roadside obstacles. Normally, reconstruction will require additional right-of-way. It includes rebuilding both the pavement structure and subgrade. It also includes widening of urban streets to widen lanes or to add parking, bicycle accommodations or auxiliary lanes or adding sidewalks. Removing parking together with pavement replacement is in this category, because this increases the traffic carrying capacity of the roadway without actually constructing new through travel lanes.
- Pavement replacement – structural improvement to the pavement structure or removal of the total thickness of all existing asphalt and concrete paving layers from an existing roadway and providing a new paved surface without changing the subgrade. It may include restoration of the base aggregate by adding more material before repaving or adding base aggregate open graded with drainage system. It generally involves no improvement in capacity or geometrics. Pavement replacement may include some elimination or shielding of roadside obstacles, culvert replacement, signals, pavement marking, signing and intersection improvements. Pavement replacement projects may require additional right-of-way.
- Reconditioning – work in addition to resurfacing. Minor reconditioning includes pavement widening and shoulder paving. Major reconditioning includes improvement of an isolated grade, curve, intersection or sight distance problem to improve safety. Major recondition projects may require additional right-of-way.
- Resurfacing – placing a new surface on an existing roadway to provide a better all weather surface, a better riding surface and to extend or renew the pavement life. It includes pavement widening and shoulder paving. Generally, it involves no improvement in capacity or geometrics. Resurfacing may include some elimination or shielding of roadside obstacles, culvert replacements, signals, marking, signing and intersection improvements. Usually, no additional right-of-way is required; except possible minor acquisition for drainage and intersection improvements.
- Structure – Rehabilitation (repair, restoration or replacement of the components of the existing structure including asphaltic surfacing or concrete overlays, as well as measures taken to correct safety defects) or Replacement of an existing bridge.

In This Together

Because businesses located in work zones have special needs, WisDOT understands that it is critical that customers have access to businesses and that they continue to visit them, regardless of road work inconvenience. The In This Together program is offered to business and community leaders as an idea source as they plan for road construction in their area. Workbooks and case studies that demonstrate techniques that have been successfully used during previous projects and promotional samples showing a variety of examples of how businesses have promoted their businesses during construction are offered as part of this program.

Department of Natural Resources

Knowles-Nelson Stewardship Grant Programs

Applications for this program are due annually in May. Local units of governments and nonprofit conservation organizations are eligible applicants. The maximum available grant amount is \$250,000 with a 50% local match requirement. The Stewardship Program includes the following grants: Aids for the Acquisition & Development of Local Parks, Urban Rivers, Urban Green Space, and Acquisition of Development Rights and Recreation Trails. Each of the grants listed has their respective goals, priorities and criteria related to conservation and expanding outdoor recreation opportunities. Examples of eligible project types for these grants include land acquisition that will provide opportunities for nature based recreation, water based recreation, and preservation of natural areas, and development projects that meet the aforementioned criteria including recreation trails, boat landings, fishing piers, picnic areas, and development of support facilities such as access roads, parking, restrooms, signage, utility systems and lighting. Projects must be consistent with the Statewide Comprehensive Outdoor Recreation Plan and must be included in an adopted local Comprehensive Outdoor Recreation Plan.

Land & Water Conservation Fund (LWCF)

Applications for the LWCF are due annually in May. Local units of government are eligible applicants. The maximum grant available is \$250,000 with a 50% local match requirement. Eligible projects include land acquisition and development of outdoor recreation facilities including active sports and non-nature based facilities. Projects must be consistent with the Statewide and local Comprehensive Outdoor Recreation Plan

Recreational Trails Act (RTA)

Local units of government and incorporated organizations are among the applicants eligible for this program. Applications are due annually in May. Grants of up to \$45,000 are available with a required 50% local match. The RTA program funds eligible projects including land acquisition, maintenance and restoration of existing trails, development and rehabilitation of trailside and trailhead facilities, and development of new trails. Projects must be consistent with the Statewide and local Local Recreation Trail Plan.

Urban Nonpoint Source & Storm Water Management Grant

These grants are available every other year; the next expected deadline will be Spring 2017. The maximum available grant is \$150,000, plus \$50,000 for acquisition. Eligible planning projects include urban storm water management plans, ordinance development, creation of storm water utilities & public information, storm water best management practices, engineering, land acquisition, stream bank & shoreline stabilization.

Lake Planning Grant

Next Application Deadline: December 2016

Maximum grant: \$25,000 (\$50,000/year/lake). Requires 33% local match.

Eligible projects: municipal storm water management plans, lake management plans, water quality monitoring and creation of lake protection districts.

Lake Protection Grant

Next Application Deadline: February 2017

Maximum grant: \$200,000. Requires 25% local match.

Eligible projects: Conservation easements, wetland & shoreland restoration, ordinance development, watershed management and lake restoration.

River Planning Grant

Next Application Deadline: December 2016

Maximum grant: \$10,000. Requires 25% local match.

Eligible projects: river management plans, public education, ordinance development and creation of river protection groups.

River Management Grant

Next Application Deadline: February 2017

Maximum grant: \$50,000. Requires 25% local match.

Eligible projects: municipal storm water BMPs, ordinance development, in-stream and shoreline habitat and land acquisition.

Housing

3.0 Introduction

The housing characteristics of a community are an important element of a comprehensive plan. The physical location of housing determines the need of many public services and facilities. Also, housing characteristics are related to the social and economic conditions of the community's residents. The information to be presented in this element of the City of Hillsboro's Comprehensive Plan will provide city officials with information about the current housing stock as well as identify significant changes that have occurred in the area of housing over the past years and an analysis of housing needs.

3.1 Housing Units, Occupancy, and Tenure

| | City of Hillsboro | | Town of Hillsboro | | Vernon County | | Wisconsin | |
|----------------|-------------------|-----|-------------------|-----|---------------|-----|-----------|-----|
| | # | % | # | % | # | % | # | % |
| Total Units | 678 | | 366 | | 13,720 | | 2,626,142 | |
| Occupied | 623 | 92% | 277 | 76% | 11,790 | 86% | 2,288,332 | 87% |
| Vacant | 55 | 8% | 89 | 24% | 1,930 | 14% | 337,810 | 13% |
| Occupied Units | | | | | | | | |
| Owner | 358 | 57% | 233 | 84% | 9,284 | 79% | 1,558,846 | 68% |
| Renter | 265 | 43% | 44 | 16% | 2,506 | 21% | 729,486 | 32% |

Source: US Census Bureau 2010 Decennial Census, 2009-2014 American Community Survey

Table 3-1 shows occupancy and tenure of the City of Hillsboro's housing in comparison to the Town of Hillsboro, Vernon County, and the State of Wisconsin in 2014. During that year, 91.9% of the City's housing units were occupied and 8.1% were vacant. This is a change from 93.7% and 6.3%, respectively, in 2000. Of occupied units, 57.5% were owner-occupied and 42.5% were renter occupied. This is a lower rate of owner occupancy and a higher rate of renter occupancy than the Town of Hillsboro, Vernon County, and Wisconsin. The owner- and renter-occupancy rates in the City were 69.6% and 30.4% in 2000. It should also be noted that the number of projected households in Hillsboro is projected by the State Department of Administration to increase from 601 in 2015 to 662 in 2025 and 712 in 2035. Even if occupancy rates increased to 95%, this household growth would necessitate the addition of 19 housing units in the next 10 years and another 52 in the following decade.

3.2 Age of Housing

| Year Structure was built | City of Hillsboro | | Town of Hillsboro | | Vernon County | | Wisconsin | |
|--------------------------|-------------------|-------|-------------------|-------|---------------|-------|-----------|-------|
| | # | % | # | % | # | % | # | % |
| 2010 or later | 2 | 0.3% | 0 | 0.0% | 30 | 0.2% | 11456 | 0.4% |
| 2000 to 2009 | 63 | 9.3% | 57 | 15.6% | 1892 | 13.8% | 337755 | 12.9% |
| 1990 to 1999 | 44 | 6.5% | 75 | 20.5% | 1766 | 12.9% | 366680 | 14.0% |
| 1980 to 1989 | 47 | 6.9% | 24 | 6.6% | 1437 | 10.5% | 257794 | 9.8% |
| 1970 to 1979 | 64 | 9.4% | 48 | 13.1% | 1895 | 13.8% | 391062 | 14.9% |
| 1960 to 1969 | 59 | 8.7% | 4 | 1.1% | 872 | 6.4% | 257050 | 9.8% |
| 1950 to 1959 | 99 | 14.6% | 29 | 7.9% | 858 | 6.3% | 298053 | 11.3% |
| 1940 to 1949 | 111 | 16.4% | 21 | 5.7% | 878 | 6.4% | 158568 | 6.0% |
| 1939 or earlier | 191 | 28.2% | 108 | 29.5% | 4092 | 29.8% | 547724 | 20.9% |

Source: US Census Bureau 2010 Decennial Census, 2009-2014 American Community Survey

According to the 2010 U.S. Census, approximately 16.4% of the City's housing stock was constructed during the 1940s, which is the largest housing construction decade in the City (Table 3-2). In comparison, the largest housing construction periods for Vernon County and Wisconsin occurred in the 1970s. The 2000s was the busiest decade for home construction in the Town of Hillsboro. Nearly 45% of the City's housing stock was built prior to 1950, which is about ten percentage points higher than the figures for the Town and County and significantly higher than the State's figure.

3.3 Units in Structure

| Units | City of Hillsboro | | Town of Hillsboro | | Vernon County | | Wisconsin | |
|------------------|-------------------|-------|-------------------|-------|---------------|-------|-----------|-------|
| | # | % | # | % | # | % | # | % |
| 1 unit | 485 | 71.4% | 284 | 77.6% | 10799 | 78.7% | 1,862,619 | 70.9% |
| 2 units | 74 | 10.8% | 6 | 1.6% | 382 | 2.8% | 173830 | 6.6% |
| 3 or 4 units | 48 | 7.1% | 7 | 1.9% | 278 | 2.0% | 100247 | 3.8% |
| 5 to 9 units | 24 | 3.5% | 0 | 0.0% | 187 | 1.4% | 127426 | 4.9% |
| 10 to 19 units | 27 | 4.0% | 0 | 0.0% | 205 | 1.5% | 87150 | 3.3% |
| 20 or more units | 22 | 3.2% | 0 | 0.0% | 243 | 1.8% | 177097 | 6.7% |
| Mobile Home | 0 | 0.0% | 69 | 18.9% | 1622 | 11.8% | 97373 | 3.7% |
| Other | 0 | 0.0% | 0 | 0.0% | 4 | 0.0% | 401 | 0.0% |

Source: US Census Bureau 2010 Decennial Census, 2009-2014 American Community Survey

Note that in Table 3-3 above, the number of units reported in each category represents the total number of housing units, not the number of structures. For example, there is one structure with 22 units in Hillsboro, not 22 structures each with at least 20 units. Likewise there are 37 2-unit structures totally 74 dwelling units. In 2010, about 71.8% of the 678 housing units with the City were one-unit structures. This figure is lower than the Town of Hillsboro and Vernon County but slightly higher than the state of Wisconsin. Multi-family residences having two or more units accounted for 28.6% of the City's housing stock. This figure is much higher than the figures for the Town and County but only slightly higher than the figure for the State. There are currently no

mobile homes in the City, giving mobile homes a 0.0% share of the City’s housing units, which is considerably lower than the Town, County, and State.

3.4 Housing Value

| | | |
|---------------------------|-----|--------|
| Owner Occupied Home Value | 358 | 100.0% |
| Less than \$50,000 | 30 | 8.4% |
| \$50,000 to \$99,999 | 178 | 49.7% |
| \$100,000 to \$149,999 | 89 | 24.9% |
| \$150,000 to \$199,999 | 34 | 9.5% |
| \$200,000 to \$299,999 | 21 | 5.9% |
| \$300,000 to \$499,999 | 6 | 1.7% |
| \$500,000 or more | 0 | 0.0% |

Source: US Census Bureau 2009-2014 American Community Survey

| | | |
|--------------------|-----|--------|
| Gross Rent | 245 | 100.0% |
| Less than \$200 | 6 | 2.4% |
| \$200 to \$299 | 9 | 3.7% |
| \$300 to \$499 | 53 | 21.6% |
| \$500 to \$749 | 69 | 28.2% |
| \$750 to \$999 | 80 | 32.7% |
| \$1,000 to \$1,499 | 28 | 11.4% |
| \$1,500 or more | 0 | 0.0% |

Source: US Census Bureau 2009-2014 American Community Survey

| | City | Town | County | Wisconsin |
|-----------------------------|----------|-----------|-----------|-----------|
| Median Owner Occupied Value | \$85,500 | \$129,200 | \$138,200 | \$167,100 |
| Median Gross Rent | \$597 | \$618 | \$615 | \$759 |

Source: US Census Bureau 2009-2014 American Community Survey

The median housing value within the City of Hillsboro in 2010 was \$85,500 (Table 3-4C). This is an increase from \$51,304 in 2000. More than half of owner occupied homes have valuations of less than \$100,000. More than 80% of rents fall between \$300 and \$1000 per month.

Owner-Occupied Housing Costs as a Percentage of Household Income (Mortgage)

| | | |
|-----------------------|-----|--------|
| Units with a mortgage | 199 | 100.0% |
| Less than 20.0 % | 106 | 53.3% |
| 20.0 to 24.9 % | 26 | 13.1% |
| 25.0 to 29.9 % | 22 | 11.1% |
| 30.0 to 34.9 % | 16 | 8.0% |
| 35.0 % or more | 29 | 14.6% |
| Not Computed | 2 | 1.0% |

Source: US Census Bureau 2009-2014 American Community Survey

Owner-Occupied Housing Costs as a Percentage of Household Income (No Mortgage)

| | | |
|--------------------------|-----|--------|
| Units without a mortgage | 157 | 100.0% |
| Less than 10.0 % | 43 | 27.4% |
| 10.0 to 14.9 % | 22 | 14.0% |
| 15.0 to 19.9 % | 22 | 14.0% |
| 20.0 to 24.9 % | 9 | 5.7% |
| 25.0 to 29.9 % | 26 | 16.6% |
| 30.0 to 34.9 % | 10 | 6.4% |
| 35.0 % or more | 25 | 15.9% |

Source: US Census Bureau 2009-2014 American Community Survey

Gross Rent as a Percentage of Household Income

| | | |
|----------------------------|-----|--------|
| Occupied units paying rent | 245 | 100.0% |
| Less than 15.0 percent | 60 | 24.5% |
| 15.0 to 19.9 percent | 59 | 24.1% |
| 20.0 to 24.9 percent | 9 | 3.7% |
| 25.0 to 29.9 percent | 12 | 4.9% |
| 30.0 to 34.9 percent | 31 | 12.7% |
| 35.0 percent or more | 74 | 30.2% |
| Not computed | 20 | 8.2% |

Source: US Census Bureau 2009-2014 American Community Survey

Because of the low cost of homes in Hillsboro, very few homeowners are burdened by housing costs. A general rule of thumb is that housing costs should be no more than 30% of a household’s income. Less than a quarter of households owning homes with mortgages are so burdened. For homeowners without a mortgage, the rate is slightly lower. While it may be assumed that households without mortgages would have less burden, these householders tend to be older and often have smaller, fixed incomes. For households that rent, slightly less than half are rent burdened.

3.6 Issues, Opportunities, and Constraints

Many individuals are moving into the Hillsboro area, but are building homes outside of the City.

The Salisbury Circle Retirement Community was developed in the north central portion of the City. Intended to include 27 four-unit residential units, the development stalled during the recession of the late-2000s. However, the continuing aging of the population will create the demand for several types of housing, including smaller apartments, assisted living centers, nursing homes, and memory-care centers. Appropriate sites should be selected for these new residential units.

Some housing units within the City are in poor condition. The City should consider options for improving the conditions of these units. Housing improvement program rotating loan funds or grants to low- and moderate-income residents for housing repairs and rehabilitation. These programs can be seeded through tax increment financing, grants, City budgetary earmarks, or private/non-profit foundation funds.

Tinkers Bluff, developed as part of TID No. 2, features most of the new single-family housing construction in the City. There are still numerous vacant lots available within this development. Any new single-family construction should be directed to Tinkers Bluff to infill this development and contribute to the tax increment.

As the population ages, and number of older homes have become available for sale. A number of homes, particularly those under \$70,000 are quickly bought up by landlords, many of whom do not live in Hillsboro, and rented out with only minimal maintenance. This has contributed to the decline in the quality of the housing stock. The City should explore assistance programs for low-income individuals to help them purchase, rather than rent these homes. Upkeep and maintenance should be more stringently enforced by the City as well.

Hillsboro's housing stock has aged rapidly as few new houses have been built in the past two decades. As such, upkeep and maintenance become issues as both the housing stock and the population ages, resulting in declining housing stock quality.

There has also been a recent trend toward the conversion of older single-family homes to rental units as older residents are no longer able to live there. The rental vacancy rates in Hillsboro are low enough (only 1.9% according to 2014 American Community Survey) that many inexpensive houses are bought up for rental units. In many cases, absentee landlords perform only the most basic upkeep and maintenance activities, allowing many homes to deteriorate.

Several opportunities exist for improvements to the housing supply in Hillsboro. There is a shortage of middle-value housing and assisted living units. Development in both of these sectors should be encouraged. Middle-range housing could be encouraged in the existing Tinkers Bluff development on in a new residential subdivision. Additional financing options, including rotating loan funds administered by the City or CDA and made available for housing stock improvement, would improve both the housing stock quality and the number of housing options. Finally, downtown housing options, including apartments or mixed-use buildings on Main Street or adjacent side streets would provide residents who prefer or need to walk for services and opportunity to live near the services they need, as well as providing downtown businesses with a larger customer basis.

10.1 Economic Development

Goal

The City will continue to build on its current economic strengths, including the community's diverse economy, with its existing central business district (CBD), strong healthcare facilities, market location for retail and service sectors, and manufacturing.

The City has a stagnating CBD and will encourage a variety of commercial developments within this district. The natural beauty surrounding the City will be utilized to build on its diverse economy, including strong healthcare, retail trade, service elements, and manufacturing.

Objectives

With the increase in availability of telecommunication services in the Hillsboro area, promote the expansion of home occupations as a business option in the area.

- Work with Vernon County, surrounding Towns, Vernon Economic Development Association, 7 Rivers Alliance, Mississippi River Regional Planning Commission, Wisconsin Economic Development Corporation (WEDC), and utility companies to encourage the provision of high-speed internet services within Hillsboro.

Take advantage of the wealth of natural resources and amenities within the Hillsboro region to promote the expansion of tourism-based industries, yet preserving the areas, remaining quality natural resources.

- Work with local businesses, Chamber of Commerce, surrounding towns, and Vernon County to publicize and promote the Hillsboro area's natural resources and other tourism attractions using tools such as informational brochures, websites, and signage. Utilize the proximity to I-90/94 as a regional marketing effort.

Establish marketing strategies to attract new manufacturing, retail trade, and service firms to the Hillsboro area.

Create an image and identity for the Hillsboro area to help promote economic development incentives.

- Work with local businesses, Chamber of Commerce, surrounding towns, Vernon County, Vernon Economic Development Association, Mississippi River Regional Planning Commission, 7 Rivers Alliance, and other local organizations to develop a shared economic development vision for the Hillsboro area. Complete a strategic planning process aimed at determining this shared vision.

Discourage unplanned, large-scale commercial developments along State Highways 33, 80, and 82 entering and leaving the community on the east and west.

- Adhere to the Comprehensive Plan to help direct future growth. Actively update the document on a continual basis.

- Utilize extra-territorial jurisdiction powers or negotiate intergovernmental agreements to limit development just outside the City or require annexation of new development.

Encourage new commercial development to locate within the CBD, yet realize some types of business may need to be developed outside of the CBD because of larger size needs.

- Provide incentives for commercial development and reuse in areas where they are desirable but otherwise may not occur. Specific programs may include Tax Incremental Financing (TIF), Wisconsin Main Street Program, CDBG-Public Facilities funds, and local revolving loan funds.

Take steps to improve the performance and appearance of businesses in the downtown commercial area, and direct new commercial development to the downtown area.

- Designate/create a Business Improvement District (BID), and prepare an operation plan for improving the district. The BID and operation plan would identify specific improvements that may be necessary to improve the downtown area. Examples of improvements may include upgrades for public utilities, façade improvements, establishment of downtown development criteria, and streetscape amenities such as benches, lighting, etc. Improvements within the District are financed primarily through special assessments to businesses within the District.
- Provide additional incentives for downtown, including programs available through Tax Incremental Financing (TIF), Wisconsin Main Street Program, Wisconsin Connect Communities Program, CDBG-Public Facilities funds, and local economic development revolving loan funds.
- The City’s current Facade Improvement Program, Signage Grant Program, and Economic Development Loan Program and Vernon Economic Development Association and 7 Rivers Alliance programs should be reviewed in order to maximize efficiency and outreach.
- Require or encourage architectural design features in new or renovated downtown properties. Such design features should include:
 - o High quality landscaping along street frontages, building foundations, and parking lots
 - o High quality building materials
 - o Solid earth tone and neutral building colors
 - o Canopies, awnings, windows, and bays to add visual character to building facades
 - o Architectural details on building facades
 - o Variations in roof lines and building heights; staggered building facades.
- For additional enhancements to streetscapes and pedestrian and road improvements, explore federal grant options through MAP-21 and the FAST Act and state grant options through WisDOT Transportation Economic Assistance (TEA) and Transportation Alternatives Program (TAP).

Encourage and actively participate in the retention, expansion, and relocation of businesses and industries located in the Hillsboro area.

- Create an area-wide business recruitment program designed to identify target industries, establish a mechanism for responding to business inquiries, and develop a promotional campaign aimed at marketing the Hillsboro area to new business.
- Work with surrounding towns, Vernon County, Vernon Economic Development Association, 7 Rivers Alliance, and local economic development groups to create an area-wide business retention program that will offer technical and resource assistance to meet current and future development needs.

Plan for an adequate amount of developable land to be made available for future and commercial development, which considers physical limitations, access to the existing transportation system, and availability of needed infrastructure.

- Review and update as needed the City's zoning ordinance and map, so they are consistent with the City's Comprehensive Land Use Plan map and needs of the community.
- Update as necessary and enforce the Land Use Plan Map identifying where future land use activities will occur.
- As industrial and commercial development expand beyond Hillsboro's corporate limits, investigate establishing cooperative boundary agreements with the surrounding towns.

Promote the assessment, clean-up, and reuse of existing "brownfield" (environmentally contaminated) sites within the City. These sites are listed in the Economic Development element chapter of the Comprehensive Plan.

- Before finalizing final use arrangements for any area identified as having possible environmental contamination, an environmental assessment and any required clean-up should be performed. This is an important first step in the reuse of any "brownfield" site. Several state and federal grant programs, including the Wisconsin Department of Natural Resources Remediation & Redevelopment Program and U.S. Environmental Protection Agency assessment grants, cleanup grants, and revolving loan fund grants are available to assist with environmental assessment and cleanup. After preparing an environmental assessment, the City and property owners should prepare site redevelopment strategies.

Actively pursue additional funding options for small business development.

- Pursue funding options for small business development, including, but not limited to Vernon Economic Development Association, 7 Rivers Alliance, Wisconsin Economic Development Corporation, Small Business Administration, USDA Rural Development, CDBG, or local revolving loan funds.

Ensure an adequate supply and diverse types of medical and healthcare professionals are working within the Hillsboro area.

Actively participate and help support efforts to maintain the vitality of the Gundersen St. Joseph's Hospital.

- Work with Vernon County and Gundersen St. Joseph's Hospital to ensure an adequate supply and diverse types of medical and healthcare professionals are working within the

Hillsboro area. The City and Hospital have signed a development agreement concerning future development and construction by the Hospital. The City and Hospital will work closely to develop a plan in the best interest of the all involved parties.

Keep lines of communication open with existing businesses that provide employment and income in the community, and assist where possible in linking these firms to available resources, such as grant funds, training, etc.

- Create and maintain an inventory of industrial and commercial lands and buildings that could be made available to potential developers and/or businesses seeking to start, expand, or relocate in the Hillsboro area.
- Provide incentives for commercial and industrial growth and development in areas planned for suitable expansion. Specific techniques or programs may include those sponsored by WEDC, Department of Administration (CDBG), SBA, or USDA Rural Development.

Promote the development of the local labor force to meet current and future skill level needs by working with local businesses, the Hillsboro School District, and Western Technical College to establish training related programs.

- Encourage economic development groups to work with local businesses on a regular basis to determine the types of training programs needed at Hillsboro High School and nearby Western Technical College campuses to provide a skilled workforce to meet current and future needs.

10.2 Housing

Goal

To encourage a high quality living environment in all neighborhoods and to assure an adequate supply of decent, safe, affordable, and sanitary housing for all within the City of Hillsboro.

Objectives:

Expand housing opportunities in the City to meet the needs of projected population growth, increased labor supply, aging population, and the trend toward fewer persons per households.

- Through the City of Hillsboro's zoning ordinance, Comprehensive Land Use Plan Map, and other land use regulation tools, ensure that sufficient sites are available in the City to develop new housing.

Encourage a range of choices in housing types, design, and cost, including single family, affordable single-family manufactured home, and multi-family units that meet quality construction standards.

- Implement land use controls that encourage a range of choices in housing types.

Encourage and support programs that assist resident in the City with first-time ownership.

- Specific housing programs include WHEDA's Home Ownership Loans, specifically the First Time Home Buyer Advantage program, to assist community residents with first-time home ownership.

Create new opportunities for affordable single-family manufactured home and multi-family construction.

- Implement land use control measures that encourage a range of choices in housing.
- Update the City's zoning ordinance and map, so they are consistent with the City's Comprehensive Land Use Plan Map, which designates selected areas in the City for these types of developments.

Provide decent, safe, and sanitary housing for low- and moderate-income residents of the City, including families, individuals, and seniors.

Encourage the rehabilitation of substandard homes in the City to provide decent and safe living conditions and prevent deterioration and blight.

- Specific programs include the CDBG Small Cities Housing Program for rehabilitating substandard homes and HOME Investment Partnerships Program.
- Participate in State and County programs to provide, maintain, and rehabilitate existing housing stock.
- Explore the extension of an existing TIF district for one year to capture increment revenue to fund a local housing stock improvement program.

Actively encourage residential development in areas to be served conveniently and economically with municipal utilities, facilities, and services.

- Maintain a Capital Improvements Plan to maintain public utilities and services to all residential areas. Continue to seek funding for infrastructure improvement projects that benefit low-to-moderate-income households within the City.

Encourage neighborhood locations that protect residential areas from adjacent incompatible land uses.

- Establish and implement zoning district requirements that adequately buffer incompatible land uses. Update as necessary and enforce the Comprehensive Land Use Plan Map identifying where future land use activities will occur.

Discourage the mass conversion of owner-occupied single-family homes to rental units.

- Utilize a TIF district-funded local housing stock improvement program or WHEDA's First Time Home Buyer Advantage program to encourage home ownership.

Discourage the concentration of rental or multi-family housing in any one part of the community.

- Establish and implement zoning district requirements and ordinances that allow for various multi-family housing options. Update as necessary and enforce the

Comprehensive Land Use Plan Map identifying future areas open to multi-family residential development.

Preserve and protect environmentally sensitive areas that add character and define the Hillsboro area.

- Incorporate design requirements into the land subdivision ordinance that result in the use and protection of open spaces, parks, and drainage/waterways to protect the City's natural resources.
- Implement land use control measures that will protect the City's identified environmental corridors (see Map 11-3) from future growth and development.