



DETERMINATION OF THE INCORPORATION REVIEW BOARD

December 20, 2018

In Re:

THE INCORPORATION OF A PORTION OF THE TOWN OF BELOIT,
ROCK COUNTY, WISCONSIN AS THE VILLAGE OF RIVERSIDE

Case No. Case 18-CV-40

Daniel Schreiber, Representative of the Petitioners

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STATE OF WISCONSIN

DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor

Ellen E. Nowak, Secretary

Dawn Vick, Division Administrator

It is the function of the Incorporation Review Board to prepare findings and to make a determination as to whether the territory petitioned for incorporation meets the applicable standards prescribed in Section 66.0207, Wis. Stats. The Incorporation Review Board ("Board") was created by 2003 Wisconsin Act 171. Board members are appointed by Wisconsin's municipal associations. Membership of the Board is provided in Appendix A.

In summary, it is the DETERMINATION OF THE INCORPORATION REVIEW BOARD that when considering the petition under Section 66.0207, Wis. Stats.:

STANDARD 1 (a), Homogeneity and Compactness – Not Met
STANDARD 1 (b), Territory Beyond the Core – Not Met
STANDARD 2 (a), Tax Revenue - Met
STANDARD 2 (b), Level of Services – Not Met
STANDARD 2 (c), Impact on the Remainder of the Town – Not Met
STANDARD 2 (d), Impact on the Metropolitan Community – Met

The facts and analysis supporting these findings are discussed in the body of this determination. The Determination of the Incorporation Review Board to the Circuit Court, as prescribed by s. 66.0203 (9) (e) 3, Wis. Stats., is as follows:

The petition as submitted is dismissed with a recommendation that a new petition be submitted to include less territory as specified in the Board's findings and determination.

Dated this 20th day of December 2018
By the Incorporation Review Board:

Dawn Vick
Chair of the Incorporation Review Board and
Administrator of the Division of Intergovernmental Relations

NOTICE OF RIGHT TO APPEAL

This Notice sets forth the requirements and procedures for obtaining review for those persons who wish to obtain review of the attached decision of the Board. Per s. 66.0209 (2), Wis. Stats., decisions of the Board are subject to judicial review under s. 227.52. Per s. 227.53, any person aggrieved by a decision of the Board is entitled to review. Per s. 227.53 (1) (a) 1., proceedings for review are instituted by serving a petition therefor upon the agency, either personally or by certified mail, and by filing the petition in the office of the clerk of the circuit court for the county where the judicial review proceedings are to be held. Per s. 227.53 (1) (a) 2m., an appeal must be filed within 30 days after mailing of the decision by the agency. Per s. 227.53 (1) (b), the petition shall state the nature of the petitioner's interest, the facts showing that petitioner is a person aggrieved by the decision, and the grounds specified in s. 227.57 upon which petitioner contends that the decision should be reversed or modified. Any petition for judicial review shall name the Incorporation Review Board as the Respondent. Petitions for review should be served on the Chairperson of the Board. The address for service is:

c/o Municipal Boundary Review
101 East Wilson Street, 9th Floor
PO Box 1645
Madison, WI 53701

Persons desiring to file for judicial review are advised to closely examine all provisions of Wis. Stat. secs. 227.52, 227.53 and 227.57 to ensure strict compliance with all requirements. The summary of appeal rights in this notice shall not be relied upon as a substitute for the careful review of all applicable statutes, nor shall it be relied upon as a substitute for obtaining the assistance of legal counsel.

Table of Contents

| | |
|--|----|
| EXECUTIVE SUMMARY | 1 |
| SECTION 1(A) HOMOGENEITY AND COMPACTNESS | 5 |
| PHYSICAL AND NATURAL BOUNDARIES | 5 |
| <i>Topography & Geology</i> | 6 |
| <i>Surface Water</i> | 6 |
| TRANSPORTATION..... | 7 |
| <i>Streets and Highways</i> | 7 |
| <i>Airports and Rail</i> | 8 |
| <i>Transit</i> | 8 |
| <i>Pedestrian and bicycle</i> | 8 |
| POLITICAL BOUNDARIES..... | 9 |
| <i>Schools</i> | 10 |
| <i>Sanitary and Utility Districts</i> | 11 |
| SHOPPING AND SOCIAL CUSTOMS | 12 |
| <i>Shopping and Employment</i> | 12 |
| <i>Social and Recreation Opportunities</i> | 13 |
| POPULATION DISTRIBUTION | 15 |
| LAND USES | 16 |
| DETERMINATION | 20 |
| SECTION 1(B), TERRITORY BEYOND THE CORE | 21 |
| MOST DENSELY POPULATED SQUARE MILE | 21 |
| <i>Building Permits</i> | 22 |
| <i>Sewer Service Area</i> | 24 |
| <i>Accessibility</i> | 25 |
| <i>Current Development Activity</i> | 25 |
| DETERMINATION | 27 |
| SECTION 2(A) TAX REVENUE | 29 |
| DETERMINATION | 34 |
| SECTION 2(B) LEVEL OF SERVICES..... | 35 |
| DETERMINATION | 38 |
| SECTION 2(C) IMPACT ON THE REMAINDER OF THE TOWN..... | 39 |
| DETERMINATION | 44 |
| SECTION 2(D), IMPACT UPON THE METROPOLITAN COMMUNITY | 45 |
| DETERMINATION | 49 |
| APPENDIX..... | I |

| | |
|--|-----|
| APPENDIX A: INCORPORATION REVIEW BOARD | I |
| APPENDIX B: PROPOSED VILLAGE OF RIVERSIDE BUSINESSES | III |
| APPENDIX C: TOWN OF BELOIT INCORPORATION BUDGET | IV |
| APPENDIX D: MAPS | V |

EXECUTIVE SUMMARY

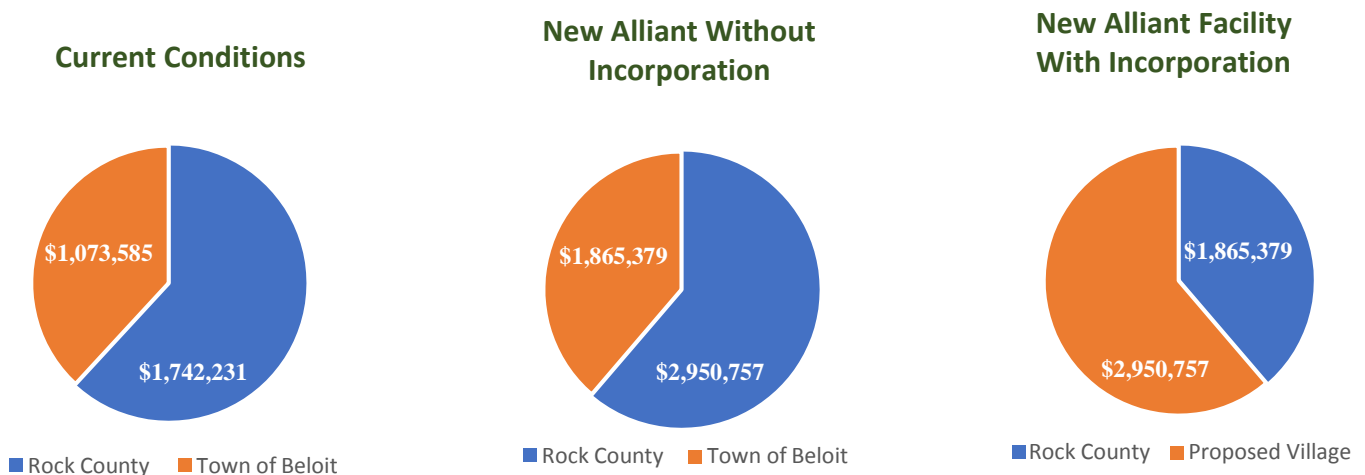
This document constitutes the Findings and Determination of the Incorporation Review Board on the petition filed by residents of the Town of Beloit (Town) in Rock County to incorporate a 4-mile long stretch of the Town lying both east and west of the Rock River which will be called ‘Riverside’ (Proposed Village). The western one-half of the Town will remain as the Town of Beloit (Town Remnant). The Proposed Village and Town Remnant are depicted in **Map 1**, along with the City of Beloit which adjoins both the Proposed Village and Town Remnant.

Map 2 shows the location of the Town of Beloit, falling between the Cities of Janesville and Beloit along the I-90/39 corridor just north of the state line.

Areas lying east of the Rock River (East-Side Proposed Village) have been urbanized for many years, starting in the 1950s. These areas have functioned as a village for many years, receiving urban services and physically resembling an urban place. Town areas west of the Rock River (West-Side Proposed Village) are more rural and agricultural in character, however conceptual plans have been developed that call for future development. Additionally, the West-Side Proposed Village also contains the Alliant Energy Rock River Generating Station (Alliant Energy Facility) which is currently undergoing a significant \$800,000,000 expansion to deconstruct an older coal burning plant in exchange for a new natural gas plant, solar array and large hydro-electric plant. Completion is expected in early 2021 (Expanded Alliant Energy Facility).

The Alliant Energy Facility is required by statute to share revenue in lieu of taxes (Alliant Energy Facility Payment). The state statute includes a formula for how this Payment is apportioned between Communities. The current statutory formula apportions a 1/3 share to the Town of Beloit, because it is unincorporated, and a 2/3 share to Rock County. However, if the unincorporated territory upon which the Alliant Energy Facility sits becomes incorporated as this petition proposes, then the current statutory formula would apportion a 2/3 share to the Proposed Village and a 1/3 share to Rock County. In financial terms, the Town of Beloit’s 1/3 share of \$1,073,585 would be replaced by a 2/3 share of \$1,742,231 for the Proposed Village, while Rock County’s Payment would decrease by a corresponding amount.

However, because the Expanded Alliant Energy Facility is expected to produce greater amounts of power, the Alliant Energy Facility Payment will increase. This means that the Proposed Village’s 2/3 share would rise to an estimated \$2,950,757 while Rock County’s 1/3 share would rise to \$1,865,379. Both jurisdictions would see Payment increases. These monetary amounts are shown by the figures¹ below.



¹ *Memorandum in Support of the Town of Beloit Incorporation Petition to Become the Village of Riverside*, July 11, 2018, page 55

In response to losing a potentially greater Payment, Rock County opposes this incorporation and was found by the Rock County Circuit Court to be an interested party under s. 66.0203(5), Wis. Stats. The Rock County Board passed Resolution 18-18-443 saying that the proposed incorporation will result in a “windfall to the Proposed Village at the expense of Rock County and thus City residents and the entire region.”

The City of Beloit opposes the proposed incorporation and was also found to be an interested party. The City and Town attempted to resolve their municipal boundary and service issues through mediation, but thus far have been unsuccessful.

The Towns of Rock and Turtle, and Village of Clinton were found to be interested parties. However, during the Board’s review process both Towns were able to resolve their issues with the Town of Beloit and are now in support of the proposed incorporation.

The Town of Beloit’s incorporation process began with a newspaper notice on August 18, 2017 indicating Petitioners’ intent to circulate an incorporation petition. After circulating the petition and gathering sufficient signatures, the petition was filed in Rock County Circuit Court on January 9, 2018. A court hearing was held on the petition on March 29, 2018. Judge Barbara McCrory found the petition met the minimum area and population standards required by s. 66.0205, Wis. Stats., and ordered the Incorporation Review Board to review the petition for the standards in s. 66.0207, Wis. Stats. On July 2, 2018 Petitioners submitted their review fee and supporting materials which commenced the Board’s 180-day review period. As part of its review, the Board held a public hearing in the Town of Beloit on August 20, 2018 to hear from Petitioners, Parties of Interest, and area residents. The Board also held meetings in Madison on November 13, 2018 and December 13, 2018 to discuss and analyze how the petition relates to the statutory standards.

When reviewing incorporation petitions, the Board has three options for action, according to s. 66.0203(9)(e), Wis. Stats. The Board may determine:

- 1) The petition as submitted is dismissed;
- 2) The petition as submitted is granted; and
- 3) The petition as submitted is dismissed with a recommendation that a new petition be submitted to include more or less territory as specified in the Board’s findings and determination.

This determination is organized into six sections, a section for each of the Board's six statutory public interest standards found in s. 66.0207, Wis.Stats.

- 1) Compactness & Homogeneity – **Not Met**. This standard requires the petitioned territory to be sufficiently compact and uniform to function as a village. Factors taken into consideration include existing natural boundaries such as rivers and topography, previous political boundaries, the current and potential transportation network, employment, business, social, and recreational opportunities.

The Proposed Village's character differs sharply between its East-Side and West-Sides. For example, the East-Side includes 89% of the Proposed Village's population, 91% of its housing units, its schools, parks and social activity, street network, transit stops, and is also where a major redevelopment called 'Uptown' is located. The East-Side compares favorably to this statutory standard.

The west side of the Rock River's Karst topography has made development more difficult, so land use tends to be rural and agricultural rather than urban. The West-Side Proposed Village currently has greater homogeneity with the Town Remnant than with the urban East-Side Proposed Village. Furthermore, the southern part of the West-Side Proposed Village has boundaries that are fragmented and irregular and perhaps more homogenous with the adjoining City of Beloit.

Petitioners have future plans for West-Side development, however, this statutory standard requires compactness and homogeneity at the time of the petition, not at some future point in time.

- 2) Territory Beyond the Core – **Not Met**. This standard requires that vacant land included within the Proposed Village have a potential for substantial urban development within the next three years. Petitioners included large tracks of agricultural lands, primarily on the West-Side of the Rock River. Past building trends have been modest, as has past population growth. Population is projected to increase at a modest pace. Given the modest past, current, and projected growth trends, the Board concludes that Petitioners included too much vacant developable rural lands to meet this statutory standard.

However, the East-Side Proposed Village does compare favorably to the standard. Approximately 400-500 vacant agricultural acres remain on the East-Side, much of it scattered between existing development, and the development activity occurring and proposed to occur at Uptown provides evidence that these 400-500 vacant agricultural acres can substantially develop within three years.

- 3) Tax Revenue – **Met**. This standard ensures that the territory petitioned for incorporation has the capacity to raise sufficient tax revenue to function as a

city or village without unduly burdening its residents. The Proposed Village has sufficient equalized value, its proposed budget appears reasonable, its tax rate has room for increase, and the Town already provides the type of services that it proposes to continue.

- 4) Level of Services – **Not Met.** This standard compares services proposed by the New Village with those proposed by the adjacent City of Beloit.

Given past annexations, the City's boundaries are adjoining the Proposed Village's southern, eastern, and western edges. As a result, City buildings, equipment, and staff are proximate to enable the City to efficiently serve Proposed Village territory and residents. In fact, through past annexations, the City has shown that it can efficiently serve former Town territory and residents.

However, the wording of this statutory standard does not place primacy on the efficiency of providing services, the cost, or the maximum level of services provided. Instead, the standard requires the Board to evaluate the level of services "*desired or needed*" by the Proposed Village residents.

The Board finds that the East-Side Proposed Village meets this *Services* standard in s. 66.0207(2)(b) Wis. Stats. Since the 1950s when the East-Side was developed in urban land uses, residents have received the services they desire. Very little annexation activity has occurred on the East-Side, indicating residents have been satisfied with these services for more than 50 years. The Town already has buildings, equipment, staff, and infrastructure in place and is well-positioned to continue providing this same service level.

However, the Board finds that the West-Side Proposed Village does not meet this *Services* standard, primarily because Petitioners have not shown how municipal sewer and water will be provided to the southern portion of the West-Side Proposed Village. In this southern area the City appears better positioned to serve. Furthermore, large existing City annexations have brought the City's boundaries to adjoin, and nearly surround, this area.

The Board encourages the Town and City to resolve their dispute over sewer and water services to this part of the Town by developing a more comprehensive Cooperative Plan under s. 66.0307 Wis. Stats. This could resolve these problems and benefit area residents.

The Department also reviews and approves boundary agreements, and staff is available to provide technical assistance and answer any questions. Examples of successful communities are available on the Department's website at <http://doa.wi.gov/municipalboundaryreview>, and this website also includes a roster of mediators who are trained to assist communities with resolving their intergovernmental disputes.

- 5) Impact on the Remainder of the Town – Not Met. This standard requires the Board to consider the impact incorporation will have upon the remainder of the town to assure that incorporation will not negatively impact the remaining residents or make continued governance of the remaining town difficult.

This Town Remnant would include isolated Town Islands that would continue to exist as Town Islands even after incorporation, with no agreement to resolve them. The presence of three separate and indistinguishable municipal jurisdictions adjacent to one another creates confusion for residents and service providers.

The Remnant's finances are also problematic. The Town would lose all its community buildings, equipment, and facilities, as well as losing the Alliant Energy Payment, yet the Town would remain responsible for 20% of the Town's current debt from projects that benefit the Proposed Village, not the Remnant Town. These are acute problems which could significantly hamper the Town Remnant. Furthermore, from Petitioners' proposed budget it is unclear whether the Town Remnant could successfully operate as an independent and distinct community.

- 6) Impact on the Metropolitan Community – Met. This standard requires the Board to consider how incorporation would impact the larger metropolitan area and region, and, in particular, how incorporation would impact the larger metropolitan area's ability to resolve regional issues. The Board must make an express finding that the incorporation *will not substantially hinder the solution of governmental problems* affecting the metropolitan community.

From its intergovernmental agreements, the Town of Beloit has shown that it has already made a positive impact on the region. It provides its residents with a reasonable level of services and even provides these services to some of its municipal neighbors. Also, the East-Side's 'Uptown' area—with its concentration of four public schools, a business park, shopping, dense residential areas, a Riverwalk, and Preservation and McKearn Parks—will serve the larger region for shopping, services, employment, and as a gathering point.

None of the objections raised under this standard have identified any specific governmental problems in the metropolitan community that will be *substantially more* difficult to solve if the Proposed Village incorporates than if the status quo remains in place. The lack of a boundary agreement between the City and the Town may be an issue currently, and it may remain an issue going forward, but the City has not shown convincingly that finding a solution will be *substantially hindered* by incorporation. Additionally, much testimony was received about the Alliant Energy Facility Payment, focusing on varying theories about the greater good that the Payment money could accomplish if a 2/3 share remained with the County. However, no party has identified any specific governmental problems that would result from the new payment

structure, particularly because the County's revenue is estimated to *increase* slightly once the Alliant Energy Facility Expansion is completed. Merely losing an opportunity for yet additional County revenue—on top of an anticipated increase once the plant expands—does not constitute a substantial hindrance to the solution of governmental problems affecting the metropolitan community.

For all these reasons, the Board can make the finding required by this standard, that the incorporation of the proposed Village of Riverside would not substantially hinder the solution of governmental problems affecting the metropolitan community.

Having found that the proposed incorporation of a portion of the Town of Beloit as the Village of Riverside fails to meet all the Incorporation Review Board's statutory standards in s. 66.0207 Wis. Stats., the Board cannot grant the petition. However, because a petition containing less territory could potentially compare favorably to all the statutory standards, the Board is dismissing the petition with a recommendation that a new petition be submitted, under s. 66.0203(9)(e)3. Wis. Stats.

The Board thanks Petitioners, Town of Beloit staff and elected officials, the Parties of Interest and interested parties for all their materials, presentations, testimony, and requested information, which greatly facilitated the Board's review.

SECTION 1(A) HOMOGENEITY AND COMPACTNESS

The standard to be applied is found in s. 66.0207(1)(a) and is as follows:

The entire territory of the proposed village or city shall be reasonably homogenous and compact, taking into consideration natural boundaries, natural drainage basin, soil conditions, present and potential transportation facilities, previous political boundaries, boundaries of school districts, shopping and social customs.

In addition to the statutory factors cited above, the Wisconsin Supreme Court has held that the Board may also consider land-use patterns, population density, employment patterns, recreation and health care customs.²

The facts surrounding each incorporation petition are different. However, in each case and for each requirement, the Board must be able to state that, even though the situation presented may not be perfect, when taken as a whole, the facts support a finding of homogeneity and compactness.

Physical and Natural Boundaries

The area proposed for incorporation totals 8.66 square miles including the Rock River, with 4.57 of these square miles located east of the Rock River and 3.06 located west of the river. **Map 1** shows these specific incorporation areas. Remaining Town lands West of CTH D, roughly 18.34 square miles, are proposed to remain as the Town of Beloit (Town Remnant).

The East-Side Proposed Village is physically marked by Townline Road to the North, CTH G and railroad tracks owned by Canadian Pacific to the East, by the City of Beloit to the South of Bayliss Avenue, and the Rock River to the West. These boundaries are generally regular, with slight irregularities along the Canadian Pacific railroad tracks where annexations to the City have resulted in cut-outs and notches in four places.

The West-Side Proposed Village is formed by Townline Road to the North, CTH D to the west, the City of Beloit to the south at Burton Street/West Dawson Avenue, and the Rock River to the East. These boundaries are significantly fragmented along the western boundary marked by CTH D, particularly starting at Bill Hill Park and moving South. City annexations have resulted in extensive cut-outs and notches so that CTH D is no longer a recognizable physical boundary. Petitioners acknowledge these irregularities but attribute them to the City and its past annexations. However, Petitioners need not have included these fragmented areas within their petition. They could have excluded them or made these areas more regular by developing a boundary agreement with the City. Including fragmented areas like this makes a showing of compactness more difficult.

² Pleasant Prairie v. Department of Local Affairs & Development, 113 Wis. 2d 327, 337 (1983).

Topography & Geology

Surface terrain in the Town of Beloit is generally flat to gently rolling with a ridge covering a significant part of the west side of the Town, including much of the West-Side Proposed Village. Elevations range from as low as 740 feet above sea level along the Rock River to as high as 945 feet above sea. Steep slopes are mostly found only along the west bank of the river.

Geography differs between the East-Side and West-Side Proposed Village. Generous amounts of glacial outwash sands and gravels make up much of the East-Side Proposed Village, which is ideal for building and construction. Meanwhile, much of the West-Side Proposed Village and Town Remnant is more characteristic of karst topography with loamy soils atop limestone, sandstone, and dolomite formations which are shallow in places making development more difficult and expensive. This difference in geology helps account for the urban vs. rural dichotomy between the East- and West- Sides of the Proposed Village.³

Surface Water

The most obvious and significant water feature is the Rock River which flows North-South through the eastern one-third of the Town for 4 miles. Two bridges provide connection across the river, one at Townline Road along the northern boundary and another further to the south at CTH Q.

The East-Side Proposed Village has no other surface water features of any distinction. The West-Side Proposed Village does have several tributaries to the Rock River which weave through the Town's northern and central portions. Most of these are unnamed but function as natural drainage courses and wildlife habitat.

Drainage Basins

The entire Proposed Village falls within either the Bass Creek or Blackhawk Creek watersheds, both of which encompass large portions of the City of Beloit as well as other communities such as the Town of Turtle.

³ *Town of Beloit Comprehensive Plan (2009-2030)*, page 29, and Email correspondence from Town resident John Pelock, November 23, 2018.

Transportation

The following paragraphs describe the proposed village's streets and highways, rail, air, transit, and pedestrian and bicycle facilities.

Streets and Highways

Map 3 shows area roads. The Town of Beloit contains 76.7 miles of road, 45.2 of which are within the Proposed Village. Major roads running through the proposed incorporation area are:

- US Highway (USH) 51 (Riverside Drive)
- County Highway (CTH) Q (Beloit-Newark Road)
- County Highway (CTH) G (Prairie Avenue)
- County Highway (CTH) D (Afton Road)
- County Highway (CTH) BT (Inman Parkway)

Table 1 shows the high traffic counts moving through these roads.

Table 1⁵ Traffic Counts

| Traffic Count* | Road |
|-----------------------|---------------------------|
| 13,100 | STH 51 |
| 11,400 | CTH G |
| 5,200 | Inman Parkway/Park Avenue |
| 9,700 | Newark Road Bridge |
| * Vehicles per day. | |

Map 3 shows the East-Side Proposed Village contains an extensive network of local streets. As the City points out, some of these streets dead-end in cul de sacs, however, the concentration of the East-Side's local roads and their overall connectivity indicates a more urban character of development. This was apparent to Department staff in their site-visit to the area.

In contrast, **Map 3** shows the West-Side Proposed village has very few interconnecting local roads. Instead, travel tends to occur on highways CTH D and Townline Road, and Walters and Duggan Roads. These highways and roads travel through large blocks of territory which are rural and agricultural in character. Towards the south, a few local roads do exist, however, these tend not to provide connection within the proposed village area but rather provide connection into the City to the south.

Travel between the western and eastern sides of the proposed village is limited to two bridge crossings along the 4-mile stretch of the Rock River – one at Townline Road along the far northern edge of the proposed village, and the other at CTH Q further south.

⁵ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 27.

Airports and Rail

The nearest commercial passenger air service is Dane County International Airport in Madison. O'Hare International Airport is just 90 minutes further to the southeast. The City of Janesville's Southern Wisconsin Regional Airport is limited to corporate and cargo aviation.

The Canadian Pacific- owned railroad line running north to south through the East-Side Proposed Village is a short-line providing freight services for coal, farm commodities, marine engines, petroleum, plastics and transportation equipment. However, it is infrequently used and results in very little disruption to everyday life for residents and businesses. No passenger rail service is immediately available to area residents, although Chicago Metra Service is available nearby in Harvard, Illinois, 28 miles to the southeast.

Transit

Residents living or working within the East-Side Proposed Village benefit from the *Beloit-Janesville Express* transit service which is funded and operated by the Cities of Beloit and Janesville. Specifically, two routes travel north-south through the East-Side Proposed Village:

- “Brown” Beloit-Janesville Express route travels along Riverside Drive with numerous stops, and
- “Yellow” North End-Prairie route travels along Prairie Avenue as far north as Turner High School with numerous stops.

The Town of Beloit's Comprehensive Outdoor Recreation and Parks Plan recommends that the Town coordinate with the Cities of Beloit and Janesville to promote continuation of service. However, the Town is not currently a member participant of the service, nor does it contribute to the system's capital or operating costs. Therefore, the Town has no control over the location of stops within its territory or whether there are stops at all. Nonetheless, the population density within the East-Side Proposed village is high enough to justify the transit service of two routes and numerous stops.

Notably, there is no transit service available on West-Side Proposed Village where population density is much lower.

Pedestrian and bicycle

The Town currently has 3.20 miles of off-road trails, with numerous other off-road trails proposed. Specifically, the Town's Comprehensive Outdoor Recreation and Parks Plan proposes a trail on the East-Side Proposed Village to link McKearn Park with Beloit Turner High School and a Riverwalk extending north-south for the 4-mile length of the Rock River. The Plan also proposes numerous on-street bicycle lanes.

The Town of Beloit currently has 9.72 miles of sidewalks, all located within East-Side Proposed village. Petitioners acknowledge that existing sidewalks are insufficient to serve the East-Side's current and planned population density. The Petitioners have proposed 22 new sidewalk projects totaling 12.7 miles and costing approximately \$3.3

million.⁶ No timeline for the project or funding mechanism are identified. Previously the Town was awarded a \$330,000 *Safe Routes to School* grant during Wisconsin DOT's 2011-12 grant cycle to finance sidewalks along Inman Parkway to provide pedestrian connection between existing residential neighborhoods and three public schools. However, the Town ultimately cancelled the project and lost the State funding.⁷

The Town may start to require sidewalks as part of new developments. Currently Section 8.05 of the Town's Subdivision Ordinance may require sidewalks along at least one side of local streets and both sides of arterial and collector streets. However, this requirement has been infrequently enforced. The Glen Hills plat additions, in the approval process in 2018, will not have sidewalks, curb or gutter, or street terrace trees.

Political Boundaries

The following paragraphs discuss the historical and political boundaries of the Town of Beloit and the proposed new village.

Historical Context

The Town of Beloit was first surveyed in 1833, prior to Wisconsin becoming a state in 1848. This area at the confluence of the Rock River and Turtle Creek was long home to various tribes of Native-Americans, from the ancient Mound Builders to the Winnebago. The Winnebago were forced to abandon their settlement in 1832 when they were pursued West during the Black Hawk War. Historical Native American sites are located throughout the Town.

Originally the Town of Beloit consisted of the lands that currently make up the Town of Beloit, City of Beloit, Town of Turtle, Town of Clinton, Village of Clinton, Town of Newark and the Town of Avon. The City of Beloit was incorporated as a City in 1856. The Town became a formal entity in 1842 and celebrated its 175th Anniversary in 2017.

The name Beloit came from a French word meaning "handsome ground." The spelling was fashioned after Detroit, a city which the settlers saw as a symbol of trade and progress. The Town's early settlers were comprised of many European nationalities. Its location was a way-station on the Underground Railroad that drew many African Americans to the area.⁸

⁶ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 28.

⁷ *City of Beloit Planning Expert Report on Town of Beloit/Village of Riverside Incorporation Petition*, by Mark Roffers, AICP, August 29, 2018, page 12. *City of Beloit Submittal in Opposition to Incorporation*, August 30, 2018, page 9.

⁸ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 12.

Proposed Boundaries

As mentioned, the petition's configuration results in several challenges. First, the Proposed Village is separated by the Rock River into an East-Side and West-Side. Second, the West-Side's western edge along CTH D where the City and Town interface is fragmented and irregular. Third, Petitioners chose to exclude roughly 100 Town parcels on five separate island areas just West of CTH D which are proposed to remain as Town Remnant territory. These Remnant islands would be surrounded by Proposed Village to the East and the City of Beloit to the West.

Recent past incorporations approved by the Board such as *Somers* (2016), *Summit* (2010), *Harrison* (2012), and *Fox Crossing* (2016) similarly dealt with town islands and other isolated fragments but were able to resolve these by developing boundary agreements with their municipal neighbors utilizing ss. 66.0301 and 66.0307, Wis. Stats.. In this case, however, there is no boundary agreement or other arrangement in place to resolve these fragmented boundaries. Petitioners indicate that perhaps this area will be improved in the future. Perhaps the City or New Village may ultimately annex them. However, the Compactness and Homogeneity standard requires compactness and homogeneity at the time of the petition, not at some future point in time.

Petitioners also indicate that many of the municipal boundary and service issues in this area have been resolved by the *Agreement Between the City of Beloit and Town of Beloit Regarding the 208 Sewer Service Area Boundary on the West Side of the Rock River* (208 Agreement). However, it is unclear whether this agreement does in fact resolve these issues. Furthermore, the City states that the two communities disagree on interpretation and implementation of the 208 Agreement and that the issues are likely headed to litigation. The absence of a boundary agreement means that these boundaries could remain fragmented well into the future, which tends not to show compactness and homogeneity.

Schools

The determination of school district boundaries has become an entirely separate process from municipal governance. This was not the case when the incorporation statute was created in 1959. Therefore, whether a portion of the Town of Beloit incorporates will have no effect on school district boundaries.

However, as the Department noted in its determination in *Pewaukee* (1991), schools do impact community allegiance through scholastic, social, and recreational activities and influence where people choose to live.

Map 4 shows that much of the proposed village area falls within the Beloit Turner School District. All four of Beloit Turner District's schools - two elementary schools, a middle school, and high school - are located within the Town of Beloit. Of these four schools, three are located within the East-Side Proposed Village:

- Powers Elementary, located at the corner of East Inman Pkwy and Riverside Dr;
- Turner Middle School, also located along Inman Parkway
- FJ Turner High School, located adjacent to Turner Middle School

The fourth school, Townview Elementary, is located within the Town Remnant. However, a referendum passed by voters on November 6, 2018 will result in closure of Townview Elementary and a new school will be built adjacent to Turner Middle School and FJ Turner High school. The reason for closing Townview Elementary were poor internet access and aging and outdated facilities. The reason for choosing to locate the new elementary school along Inman Parkway adjacent to the middle and high schools is to align with existing school district facilities and to capitalize on development activity within the Inman Parkway in an area called “Uptown” which is described in more detail in the next section on *Territory Beyond the Core*.⁹

With the closure of Townview Elementary and a new elementary school added in the Uptown District, all four Beloit Turner Schools will be located in the East-Side Proposed Village. This tends to indicate a strong focal point for social activity occurring on the East-Side. No schools will be located on the West-Side, however **Map 4** indicates that much of the West-Side is within Beloit Turner School District, thus creating some social connection.

Map 4 also shows that a southern portion of the East-Side Proposed Village falls within the Beloit School District. However, no Beloit School District schools are located within the Town of Beloit.

Table 2 indicates a majority of students within the Proposed Village, both East- and West Sides, attend Beloit Turner District schools, 766 versus 233.

Table 2¹⁰ Proposed Village Students

| School Type | Turner | Beloit |
|--------------|------------|------------|
| Elementary | 336 | 95 |
| Middle | 193 | 86 |
| High | 237 | 52 |
| Total | 766 | 233 |

Sanitary and Utility Districts

Map 5 shows the Sewer Service Areas (SSA) for the Proposed Village Area. The East-Side Proposed Village falls entirely within the Town of Beloit SSA, while the West-Side Proposed Village falls partially within the Town of Beloit SSA, partially within the City of Beloit SSA, and some areas are outside of any SSA.

Parts of the Town of Beloit are served by the Town of Beloit Sewer Utility which operates the Waste Water Treatment Facility (WWTF) located on the West-Side adjacent to the Rock River as part of other Town facilities such as the Department of Public Works building. Originally constructed in 1969, the WWTF was expanded in 1979, 2003, and 2016. The WWTF currently runs at 48% of its 1 MGD capacity. The

⁹ Beloit Gazette August 14, 2018 and Beloit Daily News, October, 15, 2018.

¹⁰ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 21.

collection system includes 38 miles of sanitary sewer and 11 lift stations. WWTF serves 2089 customers, all in the Town of Beloit except 10 customers in the Town of Rock.

Map 6 shows the extent of current sewer and water infrastructure. Most infrastructure is located within the East-Side Proposed Village. Many Town areas are not served, and residents rely instead on private on-site sanitary systems.

Map 5 shows that the southern 1/3 of the West-Side Proposed Villages falls within the City of Beloit SSA. This is the area of fragmented City-Town boundaries described before. As mentioned, the City and Town negotiated the 208 Agreement to bring some clarity and service efficiency to this area. The 208 Agreement, currently subject to a dispute between the Communities, would have allowed the Town's Sewer Utility to operate within an area of the City of Beloit SSA with the sewage being transported to the City's wastewater treatment plant via a Town-owned collection system. The 208 Agreement also involved installation of water infrastructure by City of Beloit Water Utility.

Overall, analysis of SSA boundaries shows homogeneity of the East-Side Proposed Village, as well as northern portions of the West-Side Proposed Village. However, southern portions of the West-Side Proposed Village tend to show greater homogeneity with the City of Beloit.

Shopping and Social Customs

The following paragraphs describe the shopping and social customs available within the Proposed Village territory, examining business and employment patterns, and social opportunities such as clubs, organizations, churches, festivals, and parks. Assessment of social and economic activity helps to establish whether the Proposed Village has homogeneity regarding these opportunities, or whether residents turn elsewhere for them.

Shopping and Employment

The table in **Appendix B** indicates 220 businesses within the Town, including a wide range of services such as grocery stores, convenience stores, restaurants, marinas, insurance, banks, dentists, doctors, attorneys, engineers.

Most of these businesses are located in the East-Side Proposed Village versus the West-Side Proposed Village – 62% and 37% respectively.¹²

As with any metropolitan area, residents from the Town and City likely cross multiple municipal boundaries for shopping, services, work, and play. However, the base of businesses listed in **Appendix B** indicates that the Proposed Village residents may meet most of their day-to-day needs within the proposed community.

¹² City of Beloit Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit, August 30, 2018, page 7.

The Town of Beloit not only serves its own residents but also regional residents, for both shopping, services and employment. **Table 3** shows that many of the region's residents work within the Town of Beloit, City of Beloit and City of Janesville. The Town itself is the third highest employment destination, which indicates the Town is more than just a bedroom community.

Table 3¹³ Residence of Town of Beloit Workers

| Residence Location | Number of People | % of Town Employment |
|---------------------------------|-------------------------|-----------------------------|
| City of Beloit | 463 | 30.3% |
| City of Janesville | 218 | 14.3% |
| Town of Beloit | 172 | 11.2% |
| City of South Beloit (Illinois) | 30 | 2.0% |
| Village of Rockton (Illinois) | 23 | 1.5% |
| City of Madison | 19 | 1.2% |
| City of Rockford (Illinois) | 17 | 1.1% |
| City of Milton | 13 | 0.9% |
| Village of Clinton | 12 | 0.8% |
| City of Loves Park (Illinois) | 9 | 0.6% |
| Village of Roscoe (Illinois) | 8 | 0.5% |
| Others | 545 | 35.6% |
| TOTAL | 1,529 | 100.0% |

Social and Recreation Opportunities

Table 4 lists a wide range of social events and celebrations occurring within the Town. Information about these celebrations and events, along with other community information is disseminated via a Town website, Facebook Page, YouTube, E-Newsletters, mailed Newsletters, and E-Surveys.¹⁴

Table 4¹⁵ Town of Beloit Celebrations and Events

| Event | Description |
|-------------------------|---|
| Festival on the Rock | Largest Town event, held in Preservation Park and featuring food and craft vendors, live music, volleyball tournaments, boat races, fireworks, beer tent, and more. |
| Autorama | Held in Preservation Park since 1977, one of the largest car shows in the state and region. |
| Community Holiday Party | Tree lighting, drinks and snacks, movie |
| Open House | Tour Fire Station, health and safety education, inspect equipment. |
| Citizens Academy | Education program for citizens, business, and community members to learn about local government and services |
| Touch a Truck | Residents meet members of Town departments and get hands-on experience with equipment and vehicles |
| National Night Out | Education event about police operations and crime prevention |
| Coffee with a Cop | Residents meet with police officers to discuss law enforcement |

¹³ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 20.

¹⁴ *Ibid.* at page 17.

¹⁵ *Ibid.* at page 18.

| Event | Description |
|--|--|
| Shop with a Hero | Fire and Police Department Christmas shopping for kids in need. |
| Lunch with Kids | Program between Fire/Police Departments and Turner School District. Well-behaved kids chosen by their teacher are invited to lunch with the fire and police departments. Kids are picked up/dropped off by Department vehicles |
| CPR and First Aid Training | Fire Department trains hundreds of residents annually. |
| Casualty Care/Active Shooter Training | Training which simulates active shooter situations |
| High School/Middle School Fire/EMS Academy | Program to give students a snapshot of fire careers |
| Annual Pancake Breakfast | Fire Departments hosts Pancake Breakfast fundraiser at Turner High School. |
| Movies in the Park | Free movies in McKearn and Preservation Park |
| Survive Alive House Fundraiser | Community event to raise money for the Survive Alive House, a prop used in October during Fire Prevention Week. |

The Town of Beloit is also home to the following places of worship

- Apostolic Tabernacle
- Community of Christ Church
- Family Worship Center
- Higher Ground Christian Center
- Fountain of Life Church,
- Good Shepard Church
- Henderson Methodist Church¹⁷

Six of these are located within the East-Side Proposed Village, and one in the West-Side Proposed Village.

Table 5 shows park and open spaces within the Proposed Village. The table shows that ten of these parks and open space facilities are located in the East-Side Proposed Village including the Town's most heavily-used parks, Preservation and McKearn Parks, while the West-side has six parks and open spaces located within it. Two of these West-Side parks remain undeveloped, and one (Town Hall Park) is being significantly reduced with a new Town Hall being built at Preservation Park and Department of Public Works facilities being moved elsewhere. The City's Big Hill Park is a heavily-used West-Side Park and its annexation into the City accounts for some of the West-Side's boundary irregularity mentioned previously.

¹⁷ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 14.

Table 5 Park & Open Spaces in Town of Beloit¹⁸

| Facility | Acres | Ownership | West Side/ East Side | Description |
|---------------------------|-------|-----------------|-------------------------|---|
| Preservation park | 45.0 | Town | East | Boat launch and docks, paved Trail winding through park, playground, softball diamond, restrooms, 2 pavilions and 2 gazebos, parking |
| McKearn Park | 17.5 | Town | East | Park building with kitchen area and restroom, volleyball court, playground, soccer fields, tennis courts, basketball court, softball/baseball diamonds. |
| Town Hall Park | 15.0 | Town | West | Softball diamond, tennis court, restrooms, Playground. Proposed to be reduced and renamed as Town Hall and DPW facilities are moved to other locations |
| Armstrong-Eddy Park | 5.0 | Town | East | Boat launch and fishing docks, short walking trail, playground equipment. |
| Webermeier park | 4.4 | Town | East | Playground, baseball field |
| Turner Estates Park | 3.7 | Town | East | Playground, shelter, grills, horseshoe pits |
| Whispering Heights Park | .5 | Town | West | Playground |
| Burrwood Park | .4 | Town | East | Playground, basketball court |
| The Ravines | 6.8 | Town | West | Undeveloped, heavily wooded with steep slopes |
| Glenwood Park | .2 | Town | East | Undeveloped, heavily wooded |
| Hemmer Nature Preserve | 105.0 | Town | West | Undeveloped, adjacent to WWTF |
| Turner Middle/High School | 30.0 | School District | East | Open Space, ball fields, volleyball court, basketball court, football field, running track |
| Powers Elementary | 7.5 | School District | East | Ballfield, playground, basketball court |
| Big Hill Park | 197.0 | City of Beloit | West | Shelters, playgrounds, environmental center, trails, ropes course |
| DNR Property | 35.0 | DNR | West | Conservation area, trails |
| Beloit Club | 103.0 | Private | East | Private golf club, also offering a pool, bocce ball, dining, and entertainment. |

Population Distribution

The Department initially began examining the distribution of population due to the Wisconsin Supreme Court's opinion in *Pleasant Prairie*.²⁰ The court in that case examined the nature and distribution of population, noting that higher population density tends to be indicative of compactness, and urban rather than rural characteristics.

Map 7 shows that the East-side Proposed Village contains the greatest population density, particularly the Uptown area along Inman Drive and the three schools, but also extending as far south as the Beloit Club. The West-Side contains much less population density, except in the southwesterly petitioned area adjacent to the City.

¹⁸ *Town of Beloit Comprehensive Outdoor Recreation & Parks Plan* (2018), Chapter 5.

²⁰ *Pleasant Prairie v. Department of Local Affairs & Development*, 113 Wis. 2d 327 (1983).

More specifically, of the Proposed Village's 6,121 residents, 89% reside in the East-Side compared to 11% in the West-Side.²¹

Table 6 shows how the population density of the East-Side and West-Side Proposed Village compares to the density of recently reviewed incorporation petitions. The table shows that the East-Side compares favorably with *Harrison* (2012), *Brookfield* (2015), and *Fox Crossing* (2016) while the West-Side would have the lowest density.

Table 6: Population Density Comparison

| Community | Population Density (sq. mi.) |
|---------------------------|------------------------------|
| Harrison | 1572 |
| Brookfield | 1482 |
| Beloit (East-Side) | 1179 |
| Fox Crossing | 1174 |
| Bloomfield | 474 |
| Summit | 316 |
| Bristol | 254 |
| Beloit (West-Side) | 222 |

With the East- and West-Sides combined, the Proposed Village has a population density of 706 people per square mile. This would also compare favorably with past approved incorporations. However, this overall density of 706 people is due to the populous East-Side, not to an overall uniform distribution of population. Past approved incorporations did not feature such significant divergent concentrations of population as exists in this case.

Land Uses

As with population, the Department began analyzing land uses as a result of the Wisconsin Supreme Court's decision in *Pleasant Prairie*²². The court in that case examined the nature and distribution of land uses, noting that urban land uses such as residential, commercial, industrial, and institutional tend to be indicative of compactness and urban form rather than rural characteristics.

²¹ *City of Beloit Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, August 30, 2018, page 5.

²² *Pleasant Prairie v. Department of Local Affairs & Development*, 113 Wis. 2d 327 (1983).

Table 7 identifies land uses within the Town of Beloit. The table show a majority of urban land uses are found within the Proposed Village while a majority of open space uses are found within the Town Remnant. This is favorable because the statute and *Pleasant Prairie* require petitioned territory to be urban in nature to meet this standard.

Table 7²⁵: Town of Beloit Land Use

| Land Use Category | Remnant Town | | Proposed Village | |
|-----------------------------------|------------------|--------------|------------------|---------------|
| | Acres | % | Acres | % |
| Single-Family Residential | 898.87 | 6.0% | 1,232.74 | 16.4% |
| Multi-Family Residential | 0.00 | 0% | 60.99 | .8% |
| Commercial | 5.33 | 0% | 129.59 | 1.7% |
| Utilities | 10.79 | 0% | 134.87 | 1.7% |
| Governmental | 9.39 | 0% | 84.59 | 1.1% |
| Industrial | 66.89 | .4% | 428.01 | 5.6% |
| Transportation | 741.91 | 4.9% | 578.47 | 7.6% |
| Subtotal – Urban Land Uses | 1,733.18 | 11.3% | 2,649.26 | 34.87% |
| Agricultural | 8,824.86 | 59.0% | 1,361.77 | 18.1% |
| Recreation | 2.64 | 0% | 224.34 | 2.9% |
| Surface Water | 381.37 | 2.5% | 2,198.50 | 29.2% |
| Wetlands | 1,546.89 | 10.3% | 127.63 | 1.7% |
| Woodlands | 640.46 | 4.3% | 291.87 | 3.8% |
| Open Lands | 1,829.17 | 12.2% | 675.14 | 8.9% |
| Subtotal – Open Space Uses | 13,225.39 | 88.3% | 4,879.25 | 64.6% |
| Grand Total | 14,958.57 | | 7,528.51 | |

However, what is problematic is that the East-Side Proposed Village is urban, but not the West-Side. Specifically, the East-Side contains 91% of the Proposed Village’s housing units, and as mentioned previously, three of its four schools (and soon all four of its schools), most of its businesses, its major parks, and the future Town Hall.

Land Uses of East-Side Proposed Village Land Uses

For purposes of describing East-Side land uses, the East-Side is broken into Southeast (adjacent to the City), Uptown, and Northeast. The *Town of Beloit Marketing & Economic Development Plan* (2018), which functions as a collection of neighborhood plans, uses these same area break-downs.

- **Southeast & Riverside Drive** - the East-Side Proposed Village just north of the City of Beloit and Bayliss Avenue includes extensive urban development at a density that is unique for unincorporated territory. Much of this development dates from the post-World War II era and is characterized by small residential lots connected via a grid-style network of streets. Two manufactured home parks are found within this area, as well as commercial and industrial businesses, Armstrong Eddy Park, and the Beloit Club. Development activity tends to be focused more on re-development rather than new development.

²⁵ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 26.

- **Uptown** – the area south of Philhower Road and north of Elmwood Avenue, primarily focused around Inman Parkway and Prairie Avenue where the Beloit Turner Schools are located as well as an industrial park and substantial residential development. Because of this area’s proximity to the I-39/90, particularly since Inman Parkway has been extended to the interchange, it is anticipated as prime for development and re-development. The Town envisions Uptown as a central downtown-like area for the community to live, shop, work, study, and play. Beloit Memorial Hospital’s location in the City just adjacent to the Town as well as the YMCA also bring people to this area. Interest in living in this area is strong. Existing subdivisions such as Blackhawk Run and Courtney Condos continue to fill-out and a development called Riverstone is entering the preliminary plat stage. Re-development is planned for the existing industrial park, as existing buildings are small and obsolete and sit on larger lots that are under-utilized given market demand.²⁶
- **Northeast** – the area along Philhower Road and extending north to Townline Road includes significant undeveloped acreage, such as agricultural lands, active quarry operations, the Beloit Rifle Club, industrial uses, wetlands, floodplains, some limited residential and commercial, and lands designated as archeological areas of interest due to numerous Winnebago settlements.²⁷ Roughly 400-500 acres of developable farmland exists scattered throughout the East-Side, however a majority is found in this Northeast area. Future land uses are anticipated to remain the same, with the exception that as quarry lands are gradually reclaimed they will be developed with commercial and industrial uses. A Riverwalk is also proposed to be extended north from Preservation Park to facilitate pedestrian and bicycle travel into this area.

West-Side Proposed Village Land Uses

For purposes of describing West-Side land uses, the West-Side is broken into the Northcentral and Western areas. The *Town of Beloit Marketing & Economic Development Plan* (2018) uses these same area break-downs. The Plan describes development occurring at an “exhilarating rate”²⁸ However, during its site visit, Department staff observed extensive tracts of cropped farmland and rural lands. Development staff also observed considerable activity occurring at the Alliant Energy Facility related to expansion of that facility.

- **Northcentral** - north of Big Hill Park, the Alliant Energy Facility is perhaps the most dominant land use, but other land uses include agricultural lands, two industrial businesses, conservation lands owned by DNR, the Town’s proposed Hemmer Nature Preserve, the Town’s WWTF and new Public Works Building, as

²⁶ *Town of Beloit Marketing & Economic Development Plan* (2018), page 25.

²⁷ *Ibid.*, page 30.

²⁸ *Ibid.*, page 32.

well as a pocket of residences in the northwest corner. The *Town of Beloit Marketing & Economic Development Plan* (2018) anticipates extensive residential development in this area, compact in nature and served by municipal sewer and water. The anticipated development is shown graphically by the *Walters-Duggan Conceptual Development Plan Map* (see **Map 8**). However, currently much of the West-Side's roughly 1600-1800 acres of developable territory is located within this Northcentral area. As the City points out, these developable lands are currently zoned for long term farmland preservation under the State's farmland preservation program.²⁹

- Western – this area includes remaining West-Side Proposed Village lands south of Big Hill Park, as well as the entire remaining Town West of CTH D which includes the Town Remnant. This area is primarily agricultural with pockets of isolated residential, including the fragmented 208 Agreement area described previously which is just north of the City.

²⁹ City of Beloit Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit, August 30, 2018, page 7.

DETERMINATION

Characteristics the Board utilizes to determine compactness and homogeneity, described above, contrast sharply depending on whether one is looking at the East-Side Proposed Village or the West-Side Proposed Village. For example, the West-Side's Karst geography which makes development more difficult, and the West-Side's extensive agricultural lands and sparse population, is much different in character than the populous and urban East-Side Proposed Village with its schools, businesses, street network, transit stops, parks and social activity, and occurring development and re-development. Most of the West-Side Proposed Village currently has greater homogeneity with the Town Remnant than with the East-Side Proposed Village.

Furthermore, the southern part of the West-Side Proposed Village has boundaries that are fragmented and irregular and more homogenous with the City than with the East-Side Proposed Village.

In its materials and at the Public Hearing and Board meeting, to show compactness and homogeneity, Petitioners emphasized that West-Side development is hoped-for and planned-for. Statute, caselaw, and Department and Board precedent all consistently hold that compactness and homogeneity must exist at the time of the petition, not at some future point in time. Specifically, section 66.0203(9)(g), Wis. Stats., says the Board's review is confined to the "facts as they existed at the time of the filing of the petition." Some of the standards, such as *Territory Beyond the Core* in s. 66.0207(1)(b), Wis. Stats., and *Tax Revenue* under s. 66.0207(2)(a), Wis. Stats., permit the Board to look to the future for what might be reasonably anticipated. However, that is not the case with the compactness and homogeneity standard. Therefore, future-based development proposals such as the Walters-Duggan Conceptual Development Plan, by themselves, are unable to show compactness and homogeneity.

On the other hand, the East-Side Proposed Village does compare favorably to the characteristics the Board utilizes to examine this standard. Specifically, the proposed boundaries are compact and rational in terms of physical, natural and political boundaries, transportation connectivity is good, social connections and economic opportunity are existent, population density is high, and land uses tend to be concentrated and urban in nature.

Because the petition does include the West-Side Proposed Village, most of the West-Side's lack of compactness and homogeneity with the East-Side means that the Board must find that the petition does not currently meet the standard in s. 66.0207(1)(a), Wis. Stats.

SECTION 1(B), TERRITORY BEYOND THE CORE

The standard to be applied for metropolitan communities is found in §66.0207(1)(b), Wis.Stats, and reads as follows:

The territory beyond the most densely populated square mile as specified in s. 66.0205 (3) or (4) shall have the potential for residential or other land use development on a substantial scale within the next three years. The Board may waive these requirements to the extent that water, terrain or geography prevents such development.

Most Densely Populated Square Mile

Map 7 identifies the most densely populated square mile, which is in the East-Side Proposed Village in the vicinity of the Uptown area.

Lands Subject to Waiver

The statute permits the Board to waive certain lands from the ‘substantial development within three years’ standard to the “extent that water, terrain or geography prevents such development.” The types of lands which the Board has found in the past to be appropriate for waiver include wetlands, lakes, streams, or other surface water, and steep slopes, among others.

In this case, **Table 7** from Petitioners submittal shows that 2,198 acres of surface water lie within the Proposed Village along with 127 acres of wetlands which are appropriate for waiver.

However, at the Board’s November 13, 2018 meeting, and in materials submitted following the meeting, Petitioners indicate that all lands abutting the Rock River and unnamed tributaries within 300-feet should be waived, as well as numerous steep slopes. However, there is no basis in state law for waiving from development lands within 300-feet of a navigable river or stream, nor are there any Town ordinances, programs, or policies currently in place to explain or justify such a set-back area from development. In addition, it appears that some of the territory Petitioners request a waiver of are simultaneously identified as developable parcels by the *Walters-Duggan Conceptual Development Plan*. Therefore, the Board will rely on the figures in **Table 7** from Petitioners initial submittal. The City also agrees with these figures.

Lands Subject to Standard

Waiving 2,198 of surface water and 127 acres of wetlands leaves a total of 2,325 acres which are subject to the standard. This constitutes roughly 34% of the total Proposed Village.

At the Board’s November 13, 2018 meeting, and in materials submitted post-meeting, Petitioners stated that just 1,192 acres are subject to the standard, with all remaining Proposed Village territory either already developed or waivable.

It is unclear though how Petitioners arrived at 1,192 acres. No methodology is provided. Therefore, the Board will utilize Petitioners’ initial figure of 2,325 acres as being subject

to this standard. Department staff estimates that roughly 400-500 acres of this total are found in scattered locations in the East-Side Proposed Village with the remaining developable acres found in the more rural West-Side Proposed Village.

Future Growth

The paragraphs below examine the future growth potential of the Proposed Village, and particularly of the remaining developable lands. Building permit data, population trends, and planning documents are examined.

Building Permits

Building permits are a direct measure of building activity – past and current, as well as possible future activity. **Table 8** captures the Town of Beloit’s building permit activity since 2013, showing a steep increase recently in construction, remodeling, and other building activity.

Table 8³⁰: Town Building Permits 2013-2017

| Permit Type | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| Residential | 185 | 209 | 248 | 230 | 504 |
| Commercial | 23 | 23 | 25 | 15 | 16 |
| Agricultural | 1 | 0 | 0 | 0 | 0 |
| TOTAL | 209 | 232 | 273 | 245 | 520 |

Table 9 provides a longer view of development, showing new housing units added since 1990. The table shows strong and consistent development from 1992-2009, with a precipitous decline after 2009, and then some activity again starting in 2015. The table shows the Town has historically averaged 28.57 new housing units per year.

Table 9³²: New Housing Units in Town of Beloit

| | Single Family | Duplex | Multi-Family | Total Housing Units |
|------|----------------------|---------------|---------------------|----------------------------|
| 1990 | 4 | 1 | 0 | 5 |
| 1991 | 14 | 1 | 0 | 15 |
| 1992 | 25 | 2 | 4 | 31 |
| 1993 | 29 | 0 | 4 | 33 |
| 1994 | 52 | 4 | 0 | 56 |
| 1995 | 25 | 8 | 0 | 33 |
| 1996 | 22 | 12 | 0 | 34 |
| 1997 | 28 | 4 | 0 | 32 |
| 1998 | 26 | 0 | 8 | 34 |
| 1999 | 25 | 2 | 101 | 128 |
| 2000 | 22 | 8 | 71 | 101 |
| 2001 | 22 | 2 | 0 | 24 |

³⁰ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 39.

³² Wisconsin Demographic Services Center Annual Housing Survey Data.

| | Single Family | Duplex | Multi- Family | Total Housing Units |
|--------------|------------------|-----------|------------------|---------------------------|
| 2002 | 32 | 6 | 0 | 38 |
| 2003 | 22 | 6 | 0 | 28 |
| 2004 | 33 | 6 | 0 | 39 |
| 2005 | 27 | 0 | 0 | 27 |
| 2006 | 27 | 0 | 0 | 27 |
| 2007 | 26 | 6 | 0 | 32 |
| 2008 | 10 | 6 | 0 | 16 |
| 2009 | 1 | 0 | 40 | 41 |
| 2010 | 0 | 0 | 0 | 0 |
| 2011 | 1 | 0 | 0 | 1 |
| 2012 | 1 | 0 | 0 | 1 |
| 2013 | 1 | 0 | 0 | 1 |
| 2014 | -1 | 0 | 0 | -1 |
| 2015 | 1 | 0 | 0 | 1 |
| 2016 | 6 | 6 | 0 | 12 |
| 2017 | 5 | 6 | 0 | 11 |
| TOTAL | 486 | 86 | 228 | 800 |
| AVG | | | | 28.57 |

Analyzing housing data from between 1992 to 2017, the City calculates an average of 22 new housing units per year³⁴, and notes that at this rate it would take 102 years to build out the 2,325 acres subject to the standard.

Population

Table 10 provides the Town of Beloit's historic population growth. The table shows consistent growth until 1970, when population began to fall due in part to annexations by the City of Beloit. Since 2000 annexation activity has lessened and population has slowly increased to 7,682 which is still less than the Town's population was in 1970.

Table 10³⁵: Historical Town Population Growth: 1930-2017

| Year | 1930 | 1940 | 1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2017 |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Population | 2,646 | 3,369 | 5,660 | 8,395 | 9,182 | 8,382 | 6,778 | 7,038 | 7,622 | 7,682 |

³⁴ City of Beloit Planning Expert Report on Town of Beloit/Village of Riverside Incorporation Petition, by Mark Roffers, page 7.

³⁵ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 10.

Table 11 shows population projections for the Town of Beloit by the Department of Administration Demographic Services Center. The table shows continued slow increase out to 2040, climbing almost to the Town’s 1970 population.

Table 11³⁸: Town Population Projections: 2020-2040

| Year | 2020 | 2025 | 2030 | 2035 | 2040 |
|-----------------------|-------|-------|-------|-------|-------|
| Population Projection | 8,090 | 8,355 | 8,600 | 8,750 | 8,795 |

Sewer Service Area

Analysis of sewer service can be significant because oftentimes urban development requires municipal sewer service. Development may still occur without municipal sewer service by utilizing private individual on-site sanitary systems, however individual systems typically require that development be lower density to avoid too many private systems discharging into a limited area and potentially contaminating groundwater. Furthermore, the Walters-Duggan Conceptual Development Plan anticipates municipal sewer and water service.

Map 5 shows Sewer Service Areas for the Beloit region. As mentioned, the East-Side Proposed Village falls entirely within the Town of Beloit Sewer Service Area (SSA), and **Map 6** shows that extensive sewer infrastructure already exists.

However, sewer service availability is more complicated in most of the West-Side Proposed Village. As mentioned in the previous statutory standard, North of Big Hill Park some areas fall within the Town of Beloit SSA and some areas fall outside of any SSA. South of Big Hill Park, a large area falls outside of any SSA and an area adjacent to the City falls within the City’s SSA. Areas outside of an SSA could potentially still receive municipal sewer service, but it may be more complicated because the existing SSA would need to be expanded to include that area. Even parts of the West-Side that fall within the SSA may be potentially more difficult to serve given the challenging karst topography and a lack of existing infrastructure such as interceptor mains and lift stations. Petitioners indicate that the Town of Beloit Sewer Utility does have additional capacity to serve development of these areas should the SSAs be expanded and infrastructure be extended and developed. However, the time frame for all this work occurring seems likely to extend beyond the three years required by this statutory standard.

Further south on the West-Side, in the area within the City’s SSA, the development situation regarding sewer service is even more complicated. Although within the City’s SSA, the City and Town developed the 208 Agreement to clarify how this area will be served to avoid duplication and inefficiency. However, the City and Town now disagree on interpretation and implementation of this Agreement and the dispute appears headed towards litigation.

³⁸ Wisconsin Demographic Services Center Population Projections 2020-2040.

Water Service

Analysis of municipal water service can be significant because oftentimes urban development requires municipal water service. Development may still occur without municipal water service by utilizing private individual wells, however individual wells typically require lower density development to avoid water quality and quantity problems.

The Town of Beloit does not provide municipal water service on its own but does receive some service by the City pursuant to an *Agreement for Provision of Water utility Services to the Town of Beloit* (2003) (203 Water Agreement) between the Communities. The agreement calls for water service to generally match the Town of Beloit SSA. **Map 6** shows that current municipal water infrastructure extends up through much of the East-Side Proposed Village, but it is very limited in the West-Side Proposed Village. Municipal water service is theoretically possible for some parts of the West-Side Proposed Village, however cost is a substantial hurdle due to the diffuse and rural character of the West-Side as well as to the challenging karst topography. Additionally, the 203 Water Agreement is set to expire in 2028, so it is unknown how much financial burden the Communities want to assume given that uncertainty. After 2028, the Communities could choose to renew the Agreement or the Town could decide to develop a municipal water system of its own.

Accessibility

The Proposed Village is part of the Janesville-Beloit metropolitan area, and proximate to the Madison and Rockford metropolitan areas. These three metropolitan areas are connected via the USH 39/90 corridor, which is itself undergoing expansion to improve capacity, traffic flow, and safety. In effect, USH 39/90 creates one larger functional region. The new village would benefit from opportunities generated by being in the heart of this region in areas such as economic development, educational facilities, shopping, recreation, and employment.

More locally, accessibility to the East-Side Proposed Village was substantially improved with Inman Drive being extended to the USH 39/90 Interchange.

Current Development Activity

A significant ongoing development activity is the Alliant Energy Facility Expansion. The expanded facility has a very large footprint on the West-Side's northeast corner, and development activity appears to be well-underway, including an extensive array of solar collectors and natural gas power generators. Petitioners anticipate that the Alliant Energy Facility Expansion will lead to an explosion of nearby residential development. The City strongly disagrees, pointing out that power plants typically repel rather than attract nearby residential growth due to noises, fumes, and safety risks typically associated with power plants.

Petitioners indicate that some residential development projects are underway, as shown by **Map 9**. These specific projects are:

- Blackhawk Run – located in the Uptown area of the East-Side Proposed Village, this development was purchased by the Town in 2016. It has sewer and water infrastructure in place as well as roads. The City estimates that 23 units have been developed with another 150 remaining to be built. The Town has an agreement with a contractor requiring construction of at least 4 dwelling units per year.³⁹
- Courtney Condos – located in the Uptown area of the East-Side Proposed Village. The City estimates that 6 dwelling units have been built with another 24 units planned. The Town has an agreement with a contractor requiring construction of at least one dwelling unit per year.⁴⁰
- Glen Hills Plats 6 & 7 – located in the Uptown area of the East-Side Proposed Village. It has sewer and water infrastructure in place and 36 lots platted. The Town has entered into a development agreement calling for ground to be broken yet by 2019.⁴¹
- River Bay Estates – located in the Uptown area of the East-Side Proposed Village. Sewer and water infrastructure has already been installed, as well as roads. Twenty-Six (26) lots are platted.
- Heron Bay – located just south of the Alliant Energy Facility on the West-Side Proposed Village. Petitioners indicate that all lots have been sold and 15 homes have been built or started.
- Riverstone – located south of the Alliant Energy Facility. Proposed for 135 homes in various phases, a site plan has been developed. No infrastructure has been built yet.

Based on these projects, and on the Department’s site visit, it appears that current development activity is much further along on the East-Side Proposed Village in the Uptown area. Sewer, water and road infrastructure appear to be either available or already physically extended, dwelling units are being constructed, over 90% of the Town’s population lives proximate to Uptown, a referendum passed to build a new elementary school in Uptown, and Inman Parkway has been extended to the interstate. All these factors point to Uptown as being a place where people want to be and where growth is occurring. In contrast, planned West-Side development activity appears to still be more theoretical or at the conceptual stage, except for the Alliant Energy Facility Expansion which is well underway.

³⁹ *Supplemental Submission of the Town of Beloit Incorporation Petition to Become the Village of Riverside*, November 26, 2018, page 7, and *City of Beloit Planning Expert Report on Town of Beloit/Village of Riverside Incorporation Petition*, by Mark Roffers, Exhibit F.

⁴⁰ *Supplemental Submission of the Town of Beloit Incorporation Petition to Become the Village of Riverside*, November 26, 2018, page 7.

⁴¹ *Ibid.*, page 7.

DETERMINATION

This standard requires the Board to examine the vacant developable land included within an incorporation petition to determine whether the vacant land may potentially be developed on a substantial scale within the next three years.

In this case, the Petitioners have included extensive agricultural lands, primarily on the West-Side of the Rock River. Past building trends have been modest, as has past population growth. Additionally, population is projected to increase at a modest pace, with the Town adding a few hundred people every five years out to 2040. Given the modest past, current, and projected growth trends, the Board concludes that Petitioners have included too much vacant rural land, the development potential of which is too uncertain and too unlikely to be able to meet this statutory standard.

On the other hand, the East-Side Proposed Village does compare favorably to the standard. Just 400-500 acres of vacant agricultural territory remains on the East-Side, much of it scattered between existing development, and the development activity occurring at Uptown provides evidence that these 400-500 acres can substantially develop within three years.

However, because the petition does include the more rural West-Side Proposed Village, the Board must find that the petition does not currently meet the *Territory Beyond the Core* standard in s. 66.0207(1)(b), Wis. Stats.

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SECTION 2(A) TAX REVENUE

The standard to be applied is found in §66.0207(2)(a), Wis. Stats., and provides as follows:

"The present and potential sources of tax revenue appear sufficient to defray the anticipated cost of governmental services at a local tax rate which compares favorably with the tax rate in a similar area for the same level of services."

Prior to the incorporation standards in s. 66.0207 Wis. Stats. being developed, some incorporations occurred in Wisconsin that were very small. Containing just a few hundred households, these new villages struggled to function as a village. They lacked enough population to fill village board and committee positions, and lacked sufficient tax base to raise the revenue required to provide village services. Therefore, when the legislature created the incorporation standards in 1959, the tax revenue standard was included to ensure that new cities and villages would have the financial resources to function as a city or village.

The Town of Beloit may have a head-start with this statutory standard because it already functions as a village, at least within much of the Proposed Village area, providing residents with a range of services that exceeds what many Wisconsin cities and villages provide. This means that the new village would not need to purchase new equipment, or create departments, hire staff, etcetera as these things already exist.

The Town is also uniquely benefitting from the Alliant Energy Facility Payment, which enables the Town to maintain a lower tax rate than it otherwise might given the service level it provides.

The following paragraphs describe the Town's financial situation, examining equalized value, proposed budget, tax rate, and debt capacity to determine whether it can likely operate as a village.

Equalized Value

Table 12 shows the Town of Beloit's equalized value by land use class. The table shows equalized value in 2017 was \$463,528,300. Roughly 80% of this comes from the Proposed Village, or \$341,351,616, with the Town Remnant having 20%, or \$85,711,584.

Table 12⁴⁴: Equalized Value in the Town of Beloit

| Land Use | 2017 |
|--------------------|---------------|
| Residential | \$375,453,200 |
| Commercial | \$43,511,300 |
| Manufacturing | \$14,972,500 |
| Agricultural | \$2,235,800 |
| Undeveloped | \$466,300 |
| Agriculture/Forest | \$255,000 |

⁴⁴ Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside, July 11, 2018, page 80.

| Land Use | 2017 |
|-------------------------|---------------|
| Forest | \$290,000 |
| Other | \$11,492,300 |
| Total Real Estate | \$450,156,000 |
| Total Personal Property | \$13,372,300 |
| Total | \$463,528,300 |

This equalized value compares favorably with other Wisconsin cities and villages.

Proposed Budget

Appendix C shows the proposed budget for the Proposed Village as well as the Town Remnant. The budget allocates expenditure and revenue categories roughly 80% for the Proposed Village and roughly 20% for the Town Remnant. The Budget assumes that most of these services will be shared between the Proposed Village and Town Remnant, with the Town Remnant contracting with the Proposed Village and charged for those services at a rate based on their 20% proportion of total equalized value. **Appendix C** provides a breakdown of budget expenses by category for the Proposed Village and Town Remnant. The figures show that expense percentages will be identical.

The proposed budget also assumes an increased 2/3 share of the Alliant Energy Facility Payment versus the Town's current 1/3. The Town currently receives an annual utility payment of \$1,073,585, which represents a 1/3 portion with Rock County getting the other 2/3. The Town's payment would increase to \$1,865,379 after expansion of the Alliant Energy Facility with the 1/3 portion of the payment. The Town's payment would be \$2,950,757 after the completed Alliant Energy Facility Expansion and receiving a 2/3 share of the payment after incorporation.

The Proposed Budget appears to indicate that the Proposed Village would share its 2/3 Alliant Energy Payment with the Town Remnant, and Petitioners indicate that the Proposed Village will also temporarily share its 2/3 Payment with Rock County to ensure that Rock County does not experience a decrease in revenue.⁴⁶ However, sharing the payment with both Town Remnant and Rock County is not represented in the Proposed Village's budget. These payments would have a significant impact the Proposed Village's budget and operations. However, there currently is no official binding agreement regarding sharing the payment.

The City points out that revenue sharing payments from utilities such as Alliant Energy are a creation of the Wisconsin legislature. The legislature created the formula under which the Town and County currently benefit, and the legislature could easily amend the statute to change the formula or could also discontinue the requirement of utility payments entirely. The City questions the wisdom of communities such as the Town of

⁴⁶ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 34.

Beloit in becoming too financially dependent on these payments. Furthermore, the City asserts that the Board should consider the Town's finances and proposed budget without considering the Alliant Energy Facility Payment. However, the statutory standard includes "present *and potential*" revenue sources, so the Board is bound to consider the current Alliant Energy Facility Payment as well as the potential for an increased payment if the statutory portion increases to 2/3 portion and the Expanded Alliant Energy Facility generates increased revenue. If the legislature should change the formula at some point in the future, then the Proposed Village may need to increase its tax rate. Fortunately, the tax rate is currently low, as discussed below, and could be increased if needed.

Tax Rate

The Town's current tax rate is \$6.84 per \$1,000 of assessed value. Because the Proposed Village anticipates continuing the same service level as the current Town of Beloit, and these services will be shared with the Town Remnant, the Town's current tax rate is anticipated to remain at \$6.84. This tax rate is higher than Rock County Towns, not surprising given the more urban-type services the Town of Beloit provides. On the other hand, the Town's tax rate is considerably less than the Rock County Cities of Beloit, Milton, and Janesville (\$11.32, \$10.10, and \$9.24 respectively), and slightly less than the Rock County Villages of Orfordville, Edgerton, and Clinton (\$8.98, \$8.05, and \$8.00 respectively).

Debt

State statutes limit the amount of general obligation debt a municipality may issue to 5% of its total equalized value. In this case, there is considerable debate concerning the Town's debt limit. Petitioners and the City cite varying debt capacity figures of 53.3%, 66.8%, 76%, and 83%. Meanwhile, the City points out that whatever figure is used, the Town's bottom line is the same; lots of outstanding debt.

Table 13⁴⁷ shows that this debt level is significantly higher than other Rock County towns, and higher than most Rock County cities and villages too. Additionally, **Table 14** shows this debt level is significantly higher than other incorporation petitions reviewed by the Board.

Table 13: Debt - Rock County Communities

| Community | % of Equalized Value ⁴⁸ |
|-------------------------|------------------------------------|
| C. Milton | 3.70% |
| T. Beloit | 3.30% |
| V. Footville | 3.50% |
| C. Beloit | 3.20% |
| V. Orfordville | 3.00% |
| C. Janesville | 2.20% |
| C. Evansville | 1.90% |
| C. Edgerton | 1.40% |
| V. Clinton | .85% |
| T. Milton ⁴⁹ | .1% ⁵⁰ |

Table 14: Debt – Past Incorporation Communities

| Community | % of Equalized Value |
|---------------|----------------------|
| T. Beloit | 3.30% |
| T. Somers | 2.90% |
| T. Menasha | 1.20% |
| T. Lisbon | 1.20% |
| T. Summit | 1.15% |
| T. Brookfield | .23% |
| T. Harrison | .05% |
| T. Waukesha | .30% |
| T. Bloomfield | 0% |

Table 15 shows the anticipated effect of incorporation for both the new Village and Town Remnant's debt limit and debt service. Under the distribution of assets and liabilities process in s. 66.0235, Wis. Stats., this debt would be apportioned between the new Village and Town Remnant based on equalized value.

Table 15⁵¹: Proposed Village/Remnant Town Forecast of 2019 Municipal Debt Limit/Capacity

| | Proposed Village | Town Remnant |
|--------------------------------------|------------------|--------------|
| Estimated Equalized | \$376,071,850 | \$94,435,448 |
| Municipal Debt Limit | \$18,803,592 | \$4,721,772 |
| Outstanding Principal Balance | \$12,545,134 | \$2,839,749 |
| Remaining Debt Capacity | \$6,258,458 | \$1,882,023 |
| % of Equalized Value | 3.3% | 3.3% |

⁴⁷ Wisconsin Department of Revenue Local Government Dashboard.

⁴⁸ In accordance with Wisconsin State Statutes, the total general obligation indebtedness of a municipality may not exceed 5% of its total equalized value.

⁴⁹ The Towns of Milton and Fulton are included in this table because they have the most debt among Rock County Towns, excepting the Town of Beloit. All other Rock County Towns are at 0% of their statutory limit.

⁵⁰ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 34. page 48.

⁵¹ *Ibid.*, page 48.

Petitioners indicate that much of its current general obligation debt was undertaken because of statutory limitations in Town borrowing. Thus, the Town had to obtain interim financing for projects such as the new DPW building and sewer infrastructure spending in the 208 Agreement area in the form of a State Trust Fund Loan, which is recorded as General Obligation Debt. The Town has applied to refinance the sewer portion of the debt using a Clean Water Fund Loan from the Department of Administration, which would decrease the Town's debt capacity to 53% of its total. Department staff working in the Clean Water Fund Loan program verify that the Town submitted an application which the Department will be acting upon shortly.

Anticipated Future Capital Needs

Future capital needs are lessened to the extent that the Town already provides a high service level, with existing departments with equipment, buildings, and facilities. However, the following needs could have a significant impact on the Proposed Village's finances:

- New Town Hall at Preservation Park on the East-Side;
- New DPW facility on West-Side adjacent to WWTF;
- 13-miles of sidewalks and a 4-mile long Riverwalk along both East- and West-Sides of the Rock River, and
- New water utility, should the Town's 203 Water Agreement with the City not be renewed.

The City also points out constructing the sewer, water, and road infrastructure needed to serve Petitioners' proposed West-Side developments will cost millions of dollars. Also, the increased population from new development always corresponds with more vehicles on roadways, increased medical emergencies, traffic congestion, accidents, and crime, and greatly increased stormwater needing to be managed among others, all of which will require increased services and expenditures.

These capital needs, both anticipated and unanticipated, could result in significant costs to the New Village and perhaps a need to borrow, increase the tax rate, or find other sources of revenue.

DETERMINATION

For the preceding reasons, it is the Board's finding that the Proposed Village would have sufficient revenue to effectuate typical home-rule powers and services.

The Board appreciates the City's comments and materials submitted and does not disagree that the Town of Beloit is a community which has benefitted greatly from the Alliant Energy Facility Payment. Without this payment, its tax rate would almost certainly be higher than \$6.84 considering the service level residents receive. It is also true that the legislature could alter the statutory formula for utility revenue payments. Were this to occur, the Proposed Village would face a more challenging financial picture and would likely need to increase its tax rate.

Debt capacity is also a concern, as this is a Town with more debt than the Board has previously seen. However, borrowing is a characteristic of urbanizing communities, so the fact that the Town has debt is not the problem so much as the statutory limit on borrowing which caps general obligation borrowing at 5% of level of equalized value. The fact that the Town has applied for a Clean Water Fund Loan to shift some of this debt onto special purpose district bonds will add space to its debt capacity.

Because the Proposed Village has sufficient equalized value, because its proposed budget appears reasonable, because its tax rate has room for increase, and because the Town already provides the level of services that it proposes to continue, the Board determines that this petition meets the *Tax revenue* standard set forth in §66.0207 (2) (a), Wis. Stats.

SECTION 2(B) LEVEL OF SERVICES

The standard to be applied is found in §66.0207(2)(b), Wis. Stats., and provides as follows:

The level of governmental services desired or needed by the residents of the territory compared to the level of services offered by the proposed village or city and the level available from a contiguous municipality which files a certified copy of a resolution as provided in §66.0203(6), Wis. Stats.

The City of Beloit adopted a resolution indicating its willingness to annex the entire territory proposed for incorporation.⁵³ The City's resolution triggers the services standard in s. 66.0207(2)(b), Wis. Stats., which requires the Board to compare the services proposed by the Proposed Village with those offered by the City.

Table 16⁵⁵: Town and City Services

| Service | Town | City |
|-----------------------------------|--|--|
| Administration | Administrator, Clerk, Finance Director, 4 FT staff, 74 PT staff | 39.85 FTE , 37 FT – 2.85 PT City Manager, City Attorney/Deputy City Manager Economic Development Director IT Director, Finance & Admin. Services Director |
| Public Works | 1 FT Director, 6 FT staff, 1 PT staff | 51.17 FTE, 46 FT – 5.17 PT Public Works Director, City Engineer, Director of Operations |
| Community Development | 1 FT Director, 1 FT staff, 1 PT staff | 27.5 FTE, 27 FT - .50 PT Community Development Director, Executive Director of Beloit Housing Authority |
| Police | 1 FT Chief, 3 FT Sergeants, 1 FT Lieutenant, 8 FT Officers 6 PT officers, 2 FT admin. Staff, 2 PT admin. staff | 92.41 FTE, 85 FT – 7.41 PT 73 FT Officers, 1 Police Chief, 2 Police Captains, 4 Lieutenants, 6 Detectives, 1 narcotics Officer, 3 school officers |
| Fire | 1 FT Chief, 3 FT Dpty. Chiefs, 3 FT Lieutenants, 6 FT Firefighters/Paramedics, 33 Paid on Call Firefighters/Paramedics | 61.83 FTE, 60 FT – 1.83 PT 1 Fire Chief, 1 Assistant Fire Chief, 2 Deputy Fire Chief's, 6 Lieutenants 12 Acting Lieutenants |
| Water Utility | No | 8.36 FTE, 6 FT – 2.36 PT |
| Sewer Utility⁵⁶ | Limited, staff shared with DPW | 28.54 FTE, 27 FT – 1.54 PT Director of Water Resources |

⁵³ City of Beloit resolution, September 5, 2017.

⁵⁵ *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 34. page 57-95, and correspondence from Lori Luther, City of Beloit Manager, on December 17, 2018. City of Beloit staffing counts are based on 395.93 full-time-equivalents (FTE) not bodies, and does not include election officials (roughly 150 individuals), nor seasonal staff (roughly 100 individuals).

⁵⁶ For the City of Beloit, staffing numbers includes both the Sewer Utility and Stormwater Utility.

| Service | Town | City |
|--------------------|----------------------------|---|
| Transit Service | No | 20.50 FTE, 16 FT – 4.50 PT Director of Transit |
| Library | No | 25.44 FTE, 13 FT – 12.44 PT Library Director |
| Parks & Recreation | Yes, Staff shared with DPW | 40.33 FTE, 20 FT – 20.33 PT Director of Parks & Recreation |

Table 16 shows that the Town provides a range of urban services that is well beyond most Towns and more similar to incorporated places. Services range from police and fire to planning, parks, code enforcement, financial oversight, among many others. Petitioners’ submittal describes how many of the Town’s services have grown over time. For example, where snowplowing was once done by elected officials, now a full DPW departments handles that plus much more. The Town’s service facilities are located on both East- and West-Sides. East-Side service facilities include the police department, a fire station, and a proposed new Town hall, among others. West-Side facilities include the DPW building and the Town’s WWTF.

Meanwhile, the City asserts that it can provide residents of the Proposed Village with an even higher level of services at less cost. Some of these services are ones the Town does not provide, such as library, transit, water, municipal electric service, planning, and social and recreational programs, among others.⁵⁷ Other services are ones the City could provide at a higher level. For example, the City’s police department has specialized units such as a detective bureau, narcotics unit, SWAT team, crisis negotiators, bilingual officers, school resources team, evidence team, and a violent crime interdiction team, among others.

The City calculates that the Town’s true cost for providing its services, excluding the Alliant Energy Facility Payment, is a \$9.35 tax rate, while the City’s is \$8.23. Furthermore, were the Town to increase its service levels to match the City’s, its tax rate would jump by two dollars to \$11.35, compared with the City’s \$8.23.⁵⁸ Therefore, the City concludes that area residents would best be served by consolidation of the communities into the City of Beloit where both could benefit from merged services, increased territory and resources, and increased population, all of which could benefit the Rock County region which strives to compete in a global economy. In contrast, the City is concerned that adding yet another new annexing municipality to the region simply adds complexity and increases costs, service inefficiency, and possible disputes.

Sewer and Water Service

Petitioners contend that municipal sewer and water are available to serve the West-Side Proposed Village. However, closer examination reveals issues that will need to be addressed. Water service is theoretically available to territory within the Town of Beloit SSA, however not all West-Side territory falls within this SSA. Also, the 203 Water

⁵⁷ *City of Beloit’s Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, August 20, 2018, page 21

⁵⁸ *City of Beloit’s Supplemental Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, November 26, 2018, page 9.

Agreement expires in 2028, after which the Town could attempt to renew the Agreement or develop a water system of its own at significant cost. Similarly, sewer service is only theoretically possible to some areas that fall within the Town of Beloit SSA. Extending sewer infrastructure to these areas would require a significant investment and may require expansion of the Town's WWTF.

Serving West-Side Areas within the City Sewer Service area would require an intergovernmental agreement between the City and Town. As mentioned, the Communities' 208 Agreement is in dispute over interpretation and implementation issues, with the Communities likely headed for litigation.

According to the City, every annexation over the past 20 years has been due to residents desiring municipal sewer and water and service and not being able obtain it from the Town.⁵⁹ In fact, during the course of this incorporation petition, a Town landowner within the 208 Agreement area petitioned for annexation under s. 66.0217(2), Wis. Stats., due to a failing private on-site sanitary system and the desire for municipal sewer and water service.⁶⁰

The City indicates that it can immediately provide both sewer and water service to the entire West-Side without needing to add capacity to either its wastewater treatment plant or water system.⁶¹

⁵⁹ *City of Beloit's Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, August 20, 2018, page 22

⁶⁰ Dammen annexation, DOA Petition #14173.

⁶¹ *City of Beloit's Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, August 20, 2018, page 22.

DETERMINATION

Given past annexations, the City's boundaries adjoin the Proposed Village's southern, eastern, and western edges. As a result, City buildings, equipment, and staff are proximate to enable the City to efficiently serve Proposed Village territory and residents. In fact, through past annexations, the City has shown that it has efficiently served former Town territory and residents.

However, the wording of this statutory standard does not place primacy on the efficiency of providing services, the cost, or on the absolute level of services provided. The standard requires the Board to evaluate the level of services "*desired or needed*" by the Proposed Village residents. The Board finds that the East-Side Proposed Village meets this *Services* standard in s. 66.0207(2)(b) Wis. Stats. Since the 1950s when the East-Side was developed in urban land uses, residents have received the services they desire. Very little annexation activity has occurred on the East-Side, indicating residents' have been satisfied with these services for more than 50 years. The Town already has buildings, equipment, staff, and infrastructure in place and is well-positioned to continue providing this same service level.

However, the Board finds that the West-Side Proposed Village does not meet this *Services* standard, primarily because Petitioners have not shown how municipal sewer and water will be provided to the southern portion of the West-Side Proposed Village. In this southern area the City appears better positioned to serve. Furthermore, large existing City annexations have brought the City's boundaries to adjoin, and nearly surround, this area.

The Board encourages the Town and City to resolve their dispute over the 208 Agreement by developing a more comprehensive Cooperative Plan under s. 66.0307 Wis. Stats. This could resolve the service questions and problems in this part of the Town and benefit area residents.

SECTION 2(C) IMPACT ON THE REMAINDER OF THE TOWN

Section 66.0207(2)(c), Wis. Stats., requires that the Board consider “the impact, financial and otherwise, upon the remainder of the town from which the territory is to be incorporated”. This standard ensures the well-being of those town residents who are not included within the proposed village area, safeguarding that incorporation will not negatively impact them by making continued governance of their remaining community difficult. To make this determination, the Board examines the Town Remnant’s boundary and shape, population, financial capacity, and relevant plans for the Remnant.

Physical Remnant Boundary and Shape

Map 2 shows Town remnant areas and shows the entire western one-half of the current Town of Beloit is proposed to remain as Town territory.

Additionally, the map shows that a collection of Town island areas (Town Islands) along CTH D would also remain. These islands total 97 acres and contain 73 households. They would be isolated from the larger Town Remnant by the surrounding Proposed Village and City of Beloit. These Town Islands specifically consist of:

- Twenty-three (23) properties between Newark Road (County Highway Q) and Burton Street on Afton Road;
- Sixty-one (61) properties on Udell, Froebel, and Green Drives;
- Six (6) parcels on Cherry Avenue;
- Two (2) parcels on Burton Street, and
- Four (4) parcels on McKinley Avenue.

The Town Islands are all that remain of a much larger Town territory which was annexed by the City in the 1960s and 1970s. Petitioners acknowledge that the Islands are irregular in shape and attribute them to the City’s incremental past annexations. Petitioners suggest that residents within the Islands could annex to either the City or the Proposed Village in the future to obtain services. However, as mentioned, the 208 Agreement that was developed between the City and Town to help resolve this part of the Town appears to be in dispute and headed towards litigation. As a result, the Board has no assurance that these Town Islands, or the larger 208 Agreement area, will be resolved. Prior incorporation petitions which featured islands, peninsulas and other fragmented and irregular municipal boundaries were able to resolve these problems using boundary agreements. Examples are *Somers* (2016), *Summit* (2010), *Harrison* (2012), and *Fox Crossing* (2016). Alternatively, Petitioners could have chosen not to include these problematic areas within their petition.

Another problem is that the two Town Remnant areas differ sharply in character, with the Town Islands being residential with higher service level needs, while the larger Town Remnant is agricultural and rural in character. The Board is reluctant to create problematic areas like these for communities right at their outset, with the Parties having developed no solution.

Population

Population is an essential factor in determining whether a community can continue to operate because sufficient population is needed to fill required town elective and appointive offices and sustain needed boards, committees and commissions. The Town Remnant would include 1,541 persons. This population would rank 556th out of 1,852 municipalities within Wisconsin, so larger than most.

Facilities

Facilities for the Town Remnant are problematic because all current Town of Beloit facilities are located within the Proposed Village. As a result, after incorporation the Town Remnant would be left with no facilities to operate as a separate and unique community.

99-Year Intergovernmental Services Agreement

Petitioners anticipate that the Town Remnant will enter into a 99-year Intergovernmental Services Agreement (Services Agreement) with the New Village. This Services Agreement is contained in Petitioners' Submittal at Appendix 27 and Petitioners have stated that the Town Remnant and the Proposed Village will enter into this draft version of the agreement, not some other draft version with different provisions.

Petitioners assert that the Services Agreement ensures that the Town Remnant maintains its current level and cost of services for nearly a century, and also serves as evidence of the Petition's compliance with this statutory standard.⁶² The Town Remnant and Proposed Village would split the costs of joint departments, facilities and staff with each responsible for a cost share based on each municipality's equalized value. Currently, the Town Remnant's equalized value constitutes roughly 20% of the current Town's total. Also, under the Services Agreement the Town may opt out, but the Proposed Village may not. This is designed to provide security and peace of mind for residents of the Town Remnant. The Town Board has passed a resolution⁶³ committing the future Village to enter into this contract.

However, as the City points out, whether a town can bind a not-yet-existent village to the terms of a contract (which the yet-to-be-elected village officials have not approved) is unknown. Newly elected village board members may take office, look at the draft Services Agreement, and decide that it is not in the Village's best interests.

Also legally questionable is Petitioners' request that the Board include as part of the Board's findings and determination, a condition that the Proposed Village must enter into the Services Agreement. Specifically, Petitioners' request that the Board include language in its determination that the Board's approval will be rescinded, and the statutory standards not met should the new Village fail to subsequently adopt the Services Agreement. Petitioners will also request the Circuit Court, upon the Board's

⁶² *Memorandum in Support of the Town of Beloit Incorporation petition to Become the Village of Riverside*, July 11, 2018, page 50.

⁶³ Town of Beloit Resolution #18-10, May 7, 2018.

determination being referred back to the Court, to include as part of it's the Court's Order a condition that the incorporation will be effective only upon the new Village subsequently signing of the Intergovernmental Service Agreement.⁶⁴

However, Petitioners presume that the Board and Circuit Court have greater discretion and authority than can expressly be found in the statute. As s. 227.10(2m), Wis. Stats., provides, "no agency may implement or enforce any . . . requirement . . ., including as a term or condition of any license issued by the agency, unless that . . . requirement . . . is explicitly required or explicitly permitted by statute or by a rule. . ."

Here, s. 66.0203(9), Wis. Stats., authorizes the Board to take only three actions: grant the incorporation petition, dismiss it, or dismiss it with a recommendation to submit a new petition. There is no provision expressly authorizing the Board to impose, implement, or enforce additional requirements on the new Village or otherwise issue conditional approvals. Similarly, the Court's authority in s. 66.0203(8), Wis. Stats., appears ministerial. The Court is required to do one of two things: either dismiss the petition if the Board finds the standards unmet, or set a referendum date if the Board finds the standards met. The statute does not appear to allow the Court to condition the results of the referendum vote on the occurrence of an intergovernmental agreement being later entered into by the new Village. As a result, the Board considers the Services Agreement to be a proposal, but not an agreement that is binding on the Proposed Village or Town Remnant. It cannot, *by itself*, show compliance with this *Impact on the Town Remainder* statutory standard.

There is also some question whether Remnant Residents are in favor of the Services Agreement. A petition signed by roughly 100 residents was submitted to the Board strongly opposed to the idea of the Town Remnant entering into an agreement with the Proposed Village to receive current services at current cost. Instead, some of these residents believe that the Town Remnant's service needs would be much different than the Proposed Village and that the Town Remnant may be better off obtaining services from other area municipalities and jurisdictions. For example, police protection from the County Sheriff's Department may be more cost-effective. Also, because the Services Agreement appears to require the Town Remnant to accept all current services, it would be unable to pick and choose for the services it desires to receive from the new Village. As a result, the Town Remnant may be forced to pay for some services that it does not want or need.

Furthermore, if full build-out of both East-Side and West-Side Proposed Village does occur as Petitioners say it will, the level and range of services would likely increase, as well as the Remnant's 20% contribution of costs, even though Remnant may have no need or desire for increased level and range of services.

⁶⁴ Town of Beloit Resolution #18-10.

Equalized Value

Valuation is also an essential factor in determining whether a community can continue to operate because sufficient valuation enables the community to generate the taxes necessary to provide needed and desired services. As indicated, roughly 20% of the existing Town of Beloit's equalized value, or \$93,704,660, is attributable to the Town Remnant. This would place the Remnant near the bottom of Rock County communities.

Debt

As part of the division of assets and liabilities in s. 66.0235 Wis. Stats., the Town Remnant could be stuck with roughly 20% of the current Town's debt, based on its 20% share of equalized value. However, the majority of the debt was incurred for projects located within the Proposed Village Areas, not the Town Remnant. For example, the new DPW building, the fire and police stations and equipment, parks and events, and sewer to the 208 Agreement area are projects that benefit the Proposed Village Areas, not the Town Remnant. The Town Remnant faces the prospect of losing all its buildings and equipment while gaining a sizable debt load incurred for projects it is not benefitting from. Furthermore, at the Town's current 66%-83% of debt capacity, the Town Remnant would start out significantly hindered in terms of future borrowing. This means that should an emergency arise requiring Town funding, the Remnant may not have capacity to respond.

Tax rate

Petitioners anticipate the Town Remnant's tax rate will remain the same - \$6.84. This would rank as the highest tax rate for any Rock County town.

Proposed Budget

Appendix C shows Petitioners' proposed budget for both the New Village and Town Remnant. This budget makes several assumptions that may not be correct when applied to the Town Remnant.

First, the budget assumes continuation of current service levels and costs based on the Town Remnant and Proposed Village entering into the 99-year Services Agreement. However, as mentioned, there is no guarantee that the Proposed Village, or Town Remnant, will actually enter into this agreement. Therefore, the Board must consider the Town Remnant's revenues and expenditures without the Services Agreement in place.

Second, the budget assumes the Town Remnant's continued receipt of an Alliant Energy Facility Payment, in fact it assumes an expanded 2/3 portion share Alliant Energy Facility Payment. However, after incorporation of the Proposed Village, the statutory formula calls for the Town Remnant's share to be a 0/3 portion share, or \$0. Petitioners concede this but contend that the Services Agreement requires the Proposed Village to share the expanded 2/3 portion share with the Town Remnant for 99-years. The City contends that the Services Agreement in Appendix 27 includes no such language requiring sharing of the Payment, and Department staff are unable to locate any such provision for sharing either.

The City calculates that adjusting for the lost Alliant Energy Facility Payment would leave the Town Remnant with a budget of just \$651,234. Taking debt service into consideration would further reduce this to \$541,127, which is 57% less than what Petitioners' budget proposed. This is well short of the \$1,078,768 in expenditures the Town Remnant currently receives.⁶⁵ Furthermore, the City calculates the Town Remnant's expenses at \$1,229,944, resulting in a substantial budget shortfall, forcing it to cut services.

Petitioners should have developed a budget limited to just the Town Remnant, without assuming continued assistance from the Proposed Village. Not doing so makes it unclear whether the Town Remnant can meet this statutory standard

⁶⁵ *City of Beloit's Supplemental Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, November 26, 2018, page 18.

DETERMINATION

The Town Remnant would include isolated Town Islands that would continue to exist as Town Islands even after incorporation, with no plan or arrangement that resolves them. The presence of three separate and indistinguishable municipal jurisdictions adjacent to one another is likely to create confusion for residents, visitors, and service providers. These Island problems may get resolved in time, like Petitioners attest, but they may just as easily not get resolved.

The Town Remnant's finances are equally problematic. Losing all its community buildings, equipment, and facilities, losing the Alliant Energy Facility Payment, and assuming 20% of the Town's current debt from projects benefitting the Proposed Village are acute problems which could significantly hinder the new community. Furthermore, from Petitioners' proposed budget, it is unclear whether the Town Remnant could successfully operate as an independent and distinct community.

For the preceding reasons, the Board finds the *Impact on the Remainder of the Town* standard set forth in §66.0207 (2) (c), Wis. Stats. is not met.

SECTION 2(D), IMPACT UPON THE METROPOLITAN COMMUNITY

The standard to be applied is found in s. 66.0207(2)(d) Wis. Stats. and is as follows:

The effect upon the future rendering of governmental services both inside the territory proposed for incorporation and elsewhere within the metropolitan community. There shall be an express finding that the proposed incorporation will not substantially hinder the solution of governmental problems affecting the metropolitan community.

The “metropolitan community” term in the above standard is defined in s. 66.013(2)(c), Wis. Stats., to mean:

[T]he territory consisting of any city having a population of 25,000 or more, or any two incorporated municipalities whose boundaries are within 5 miles of each other whose populations aggregate 25,000, plus all the contiguous area which has a population density of 100 or more persons per square mile, or which the department has determined on the basis of population trend and other pertinent facts will have a minimum density of 100 persons per square mile within 3 years.

This standard evaluates how incorporation would impact the larger metropolitan area and region, and in particular how incorporation would impact the larger metropolitan area’s ability to resolve regional issues such as stormwater, transportation, groundwater, housing, and economic development, among other issues. The Board must be able to make an express finding that *the proposed incorporation will not substantially hinder the solution of governmental problems* affecting the metropolitan community.

The metropolitan communities for this petition are the Cities of Beloit, Janesville, and Milton, the Villages of Clinton, Footville, and Orfordville, and the adjoining Towns of Beloit, Turtle, Rock, and La Prairie.

The Petitioners believe that an incorporated Village of Riverside would benefit the metropolitan community because its expanded powers and authority as a village will enable it to play a more significant role in the region in terms of economic development, infill development in existing East-Side neighborhoods, stronger environmental standards such as stormwater management, and improved intergovernmental cooperation. By elevating their community to the same municipal status as the Cities of Beloit and Janesville, Petitioners believe the divisive issues of annexation and extraterritorial authority would be removed enabling the communities to finally cooperate as equal partners.

The paragraphs below assess intergovernmental agreements, services, and the Alliant Energy Facility Expansion to help determine whether incorporation would hinder the solution of governmental problems affecting the metropolitan community.

Intergovernmental Agreements

The existence of intergovernmental agreements often shows that a community functions well within its region and can resolve regional issues that extend beyond the community's borders. In this case, Petitioners provide an extensive list of intergovernmental agreements between the current Town of Beloit and area communities and jurisdictions. Among these 67 agreements are agreements involving mutual aid, sewer and water service, zoning, stormwater management, animal welfare, parks, and bike/pedestrian paths. Additionally, during this incorporation proceeding the Town agreed to a boundary agreement with the Town of Turtle that curtails the new Village's annexation authority, and also agreed to a Memorandum of Understanding (MOU) with the Town of Beloit to develop a cooperative plan under s. 66.0307 Wis. Stats. should the Proposed Village successfully incorporate.

Noticeably, cooperating with municipal boundaries with the City is absent from the list. The City was able to develop a Cooperative Plan with its neighboring Town of Turtle in 1999, so there is experience on the side of the City. However, the Town of Beloit and City have never been able to agree to a long-term boundary agreement that could have established boundaries and service provisions. The City and Town of Beloit did as part of this incorporation process attempt mediation and did retain the expertise of a facilitator. However, the Communities were not able to come to any agreement. The absence of an agreement is seen most directly on the West-Side Proposed Village, where fragmented boundaries and service duplication, inefficiency, and disputes are occurring.

The City contends that absent a boundary agreement, the creation of a new annexing entity could create a premature race towards the USH 39/90/Shopiere Road interchange area, leading to farmland loss, competition with other development areas, and potentially lower development standards. Petitioners dispute this, arguing that incorporation would give the Proposed Village the land use tools to re-develop East-Side lands to their highest potential and best use, thereby lessening pressure on new "greenfield" development.

Nevertheless, despite the current lack of a boundary agreement with the City, it has not been shown that this is a problem that would be *substantially hindered* by the incorporation of the new Village. Stated differently, the City has not shown that it would be *substantially harder* for the City to finalize a boundary agreement with the new Village than it historically has been with the Town. Even assuming the new Village may have its own development priorities that diverge from those of the City, it does not necessarily follow that the two municipalities would not be able to reach a boundary agreement as equals at the bargaining table, preventing the problems the City fears.

Services

Services can be an intergovernmental issue, particularly where a community is failing to provide services, in which case other communities and jurisdictions in the region may be forced to fill the need. However, the Town of Beloit currently provides a high level of municipal services, which is proposed to continue. In fact, the Town already provides sewer service, stormwater management, and fire protection services to neighboring communities.

Two areas of concern are economic development and transit. The Town currently does not participate with the Greater Beloit Chamber of Commerce, an entity that promotes the region.

Although Beloit-Janesville Transit makes several stops within the East-Side proposed village, the Town is not a participating member of the service. While the Town's comprehensive plan frequently mentions cooperating with the City of Beloit on transit, thus far that cooperation has not included financial assistance other than ridership.

Nonetheless, despite these two areas of concern, the Town of Beloit's current and proposed service level does not appear to present a problem for other regional communities and jurisdictions, let alone a *substantial* hindrance to problem-solving.

Alliant Energy Facility Expansion

The Board has received substantial testimony about how increased revenue from the Alliant Energy Facility Expansion is to be shared. Petitioners assert that because the Alliant Facility is served by the Town, and will be served by the Proposed Village, that a 2/3 share of the Payment is justified. Meanwhile the City and Rock County point out that the Alliant Energy Facility is primarily a self-sufficient operation with its own sewer and water systems and own emergency response equipment and staff. Any emergency response requiring outside assistance would necessarily be regional in nature, involving mutual aid response from the Cities of Beloit and Janesville and Rock County, not just from the Town of Beloit. The City further argues that receiving a 2/3 Expanded Alliant Energy Facility Payment represents a "windfall" to a community of 6,121 residents. Specifically, a 2/3 payment would represent \$507.12 per capita, over twice as much as the next-most benefitted Wisconsin community, the Village of Rothschild's \$224.29 per capita amount.⁶⁶

Petitioners point out that because the Expanded Alliant Energy Facility will generate more revenue, Rock County's payment will not be reduced, even with a 1/3 share, but will actually increase by approximately \$100,000. As mentioned, the Town even adopted a resolution⁶⁷ ensuring the County's share does not drop below its current amount. Rock County does not dispute this, but instead argues that its harm stems from a lost opportunity. The County stands to miss out on a potential increase of more than \$1.1 million annually if the Proposed Village incorporates, and the County asserts that this money could benefit the County's 161,000 residents, not just a village of 6,121. The money could go towards County programs benefitting all regional residents, such as improving the criminal justice system, mitigating groundwater contamination, responding to the opioid epidemic, updating an outdated 911 system, among others.⁶⁸

⁶⁶ *City of Beloit's Supplemental Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, November 26, 2018, page 11.

⁶⁷ Town of Beloit Resolution #18-19, May 21, 2018.

⁶⁸ Josh Smith, Rock County Administrator, Correspondence to Incorporation Review Board Members, August 20, 2018, and also Josh Smith presentation at the Board's August 20, 2018 public hearing.

The City also asserts that its residents will be impacted by the County's lost opportunity. Because the City faces significant socioeconomic challenges - its median housing value of \$85,000 is almost 100% lower than the \$167,000 median value statewide, 21.2% of the City's population lives in poverty as compared to 12.7% statewide, and 12% of the City's population is unemployed as compared to 5.5% statewide – its residents theoretically utilize and benefit from County services more so than residents within the Proposed Village.⁶⁹

Despite the concerns of the City and the County, the statutory standard that the Board is required to apply focuses not on the perceived “best” or “fairest” use of the Alliant Energy Facility Payments, but on whether the incorporation of the Proposed Village would, in and of itself, create substantial hindrances to solving governmental problems in the region. The fact that the County has ideas for how it would use the additional money it would receive if the incorporation did not occur does not, in and of itself, constitute a “problem” that would be substantially hindered—particularly in light of the fact that the County's payment will actually increase after Alliant Energy Facility Expansion, even with a 1/3 share. Notably, the County has not stated that it will be required to reduce services to County residents if the incorporation proceeds. The City and County characterize the Proposed Village as receiving a “windfall,” but it does not explain why the same could not be said about the County's receipt of that money if the incorporation does not proceed.

⁶⁹ *City of Beloit's Supplemental Response in Opposition to the Proposed Petition for Incorporation by the Town of Beloit*, August 23, page 31.

DETERMINATION

From its intergovernmental agreements, the Town of Beloit has shown that it already has a positive impact on the region. It provides its residents with a reasonable service level and even provides services to some municipal neighbors.

The East-Side's 'Uptown' area with its concentration of four public schools, a business park, shopping, dense residential areas, a Riverwalk, and Preservation and McKearn Parks will serve the larger region as a gathering point. The Town of Beloit not only serves its own residents but also regional residents, for shopping, services and employment.

The Board encourages the Town and City to develop a Cooperative Plan, particularly regarding the Town Islands in the southwest part of the West-Side Proposed Village. That being said, even if the lack of a current cooperative plan between the Town and City were considered a "governmental problem" that is in need of a solution, the City has not shown convincingly that the incorporation of the Proposed Village would substantially hinder the solution of that problem, as compared to the status quo without incorporation.

The communities have expressed different opinions on how the Alliant Energy Facility Payment relates to this standard. The County contends that incorporation will cost it an opportunity for a substantially greater payment which could be put towards county programs benefitting all of Rock County's 160,000 residents, not just a village of 6,121 residents. On the other hand, Petitioners point out that the Alliant Energy Facility happens to fall within its territory and the Town does provide some services to the Facility.

The statutory formula governing utility payments are apportioned between area jurisdictions and many of these shared payments exist across the state of Wisconsin. The Legislature could amend the statutory formula if it desired a different apportionment, or consideration of other equity, social, or intergovernmental issues. However, from the standpoint of the *Metropolitan Impact* standard, the County's missing an opportunity for *additional* revenue on top of its anticipated increase does not, by itself, constitute a substantial hindrance to the solution of governmental problems.

In sum, none of the objections raised under this standard have identified any specific governmental problems in the metropolitan community that will be *substantially more* difficult to solve if the Proposed Village incorporates than if the status quo remains in place. For the preceding reasons, the Board is able to make the required finding that the incorporation of the proposed Village of Riverside would not substantially hinder the solution of governmental problems affecting the metropolitan community. Although the Board finds the *Metropolitan Impact* standard set forth in s. 66.0207(2)(d), Wis. Stats. to be met, the Board urges the Communities to continue their intergovernmental cooperation efforts. The Department is also responsible for administering boundary agreements under s. 66.0307 Wis. Stats. and would be available to assist the Communities with information and technical assistance on developing a cooperative plan.

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APPENDIX

Appendix A: Incorporation Review Board

The Incorporation Review Board was created by 2003 Wisconsin Act 171. It is charged with reviewing incorporation petitions forwarded by the circuit court in order to ensure that these petitions meet the public interest standards in s. 66.0207 Wis.Stats. The board advises the circuit court on whether incorporation petitions should be granted, dismissed, or resubmitted with new boundaries. The Board is also authorized to set and collect an incorporation review fee to pay for the costs of reviewing the petition. The Board has currently set the fee at \$25,000.

Members

Department of Administration Member and Chair

Dawn Vick, Chair of Incorporation Review Board

Administrator, DOA Division of Intergovernmental Relations

Wisconsin Towns Association Member #1

Terry J. McMahon, Supervisor

Village of Yorkville (Racine County)

Wisconsin Towns Association Member #2

William Goehring, Chairperson

Town of Sherman (Sheboygan County)

Wisconsin League of Municipalities Member

Steve Ponto, Mayor

City of Brookfield

Wisconsin League of Municipalities Member

Rich Eggleston

Staff

Erich Schmidtke

Renee Powers

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Appendix B: Proposed Village of Riverside Businesses

Appendix B Proposed Village of Riverside Businesses

| Business Name | Type of Business |
|--|----------------------------|
| ABT Water Treatment, Inc. | Contractor |
| Accurate Cutting Tool, LLC | Machinists |
| Advance Disposal | Refuse Collection/Disposal |
| Alliant Energy/Southern Area | Energy Generation |
| Al's Hairstyling | Salon |
| American Family - S. West Agency | Insurance |
| American Family Mutual Insurance Co | Insurance |
| Apple Hut | Ag Tourism-Apple Orchard |
| Archie Monument & Stone Inc | Burial Monuments |
| Aurum Roofing & Siding | Contractor |
| Baars Plumbing | Contractor |
| Badger Veterinary Hospital - Beloit Inc | Veterinary Hospital |
| Baker's Tree Service LLC | Tree & Lawn Care |
| Ballou Masonry, Inc. | Contractor |
| Barnes Building & Remodeling LLC | Contractor |
| Bayliss Avenue Storage | Mini-Warehouses |
| BBM LLC | Land Management |
| Behnke Materials Engineering LLC | Professional Office |
| Bel Ray Tavern | Restaurant/Bar |
| Beloit Dental | Professional Office |
| Beloit Floral | Florist |
| Beloit Horseshoe Club | Private Club |
| Beloit Mobile Home Park | Short-Term Rentals |
| Beloit Moose Lodge 191 | Non-Profit Club |
| Beloit Rifle Club | Private Club |
| Benedetti's Supper Club | Restaurant/Bar |
| Bernier's Towing & Recovery | Towing/Auto Repair |
| Big Bothers/Big Sisters of Rock, Walworth and Jefferson Counties | Non-Profit Club |
| Big Red Sheds | Construction Supplies |
| Bill's Light Truck & Auto Repair | Auto Repair |
| Bills' Warehouse Rentals | Mini-Warehouses |
| Bio Systems Corporate Office | Bio-Manufacturing |
| Bio-Systems International | Bio-Manufacturing |
| Blooming of Beloit | Florist |
| Blue Collar Body Shop | Auto Repair |
| BMO Harris Bank | Banking/Finance |
| Body Shock, Inc. | Health & Wellness |
| Bouc Family Wellness Center, LLC | Health & Wellness |
| Boundaries Bar & Grill | Restaurant/Bar |
| Brian-Mark Funeral Home, Inc. | Funeral Home |
| Brickson Brothers | Contractor |
| Bue Realty & Auction | Real Estate |
| Buzz's Garage | Auto Repair |
| C & J Tack Shop | Farm Equipment/Livestock |

| Business Name | Type of Business |
|--|----------------------------------|
| CAM's Lawn Care LLC | Tree & Lawn Care |
| Caritas | Non-Profit Club |
| Carroll Service, Inc. | Auto Repair |
| Casey's General Store | Gas Station/Convenience |
| CCM Printing, LLC d/b/a Vance Printing | Printing |
| Christopher Kinast, Attorney At Law, LLC | Professional Office |
| Christopherson Mover's | Cold Storage |
| Christopherson Satellite Systems | Cable |
| Cindy's House of Style | Salon |
| Circus Drive In | Restaurant/Bar |
| CK Enterprises, Inc. | Property Management |
| Color My World Childcare Center LLC | Child Care |
| Consolidated Electrical Distributors, Inc. Lappin Electric | Construction Supplies |
| Country Glass Inc. | Construction Supplies/Contractor |
| CR Styles Hair Salon | Salon |
| Crave Photography | Photographer |
| Creative Hair & Nail Design/ Tropical Tanning | Salon |
| Cut Above the Rest | Salon |
| D & J Towing | Towing/Auto Repair |
| D & M Auto | Auto Repair |
| D. B. R. Builders Inc. | Contractor |
| Dale Walker Roofing Contractor, LLP | Contractor |
| David J. Grzenia Agency | Insurance |
| Dewey's Service Inc. | Towing/Auto Repair |
| Do-It Tool & Die, Inc. | Machinists |
| Doneright Metal Works, LLC | Fabrication |
| Double B Farm Country Store Inc. | Restaurant/Bar |
| Double H Trucking of Rock County | Trucking |
| Dr. Detail (U S Cellular) | Cellular |
| Dr. Detail Inc. | Auto Repair |
| Dr. Ken Johnson D.D.S. S.C. | Professional Office |
| Dr. Steven Hough, DDS, SC | Professional Office |
| Draeving Companies, LLC | Machinists |
| Draeving Concrete Gifts | Retail |
| Draeving Machine & Tool, Inc. | Machinists |
| Draeving Travel Agency | Travel |
| Draves Remodeling | Contractor |
| Dream Dealers | Retail |
| Dwyer's Specialty Systems | Retail |
| Elk II Manufacturing, Inc. | Manufacturing |
| Expressions Hair Salon | Salon |
| Fairchild Equipment | Equipment Service/Sales |
| First National Bank & Trust Company | Banking/Finance |
| Fish Window Cleaning | Contractor |

| Business Name | Type of Business |
|--|------------------------------------|
| Fitzgerald Schweiger LLC d/b/a The Fitzgerald Law Firm | Professional Office |
| Foley Electric, Inc. | Contractor |
| Forward Construction Group | Contractor |
| Forward Machine LLC d/b/a House of Spring | Machinists |
| Foss Signs | Contractor |
| Foster Funeral & Cremation Service | Funeral Home |
| Four Star Mini Storage | Mini-Warehouses |
| Frank Beer Distributors Inc. | Distribution |
| Frank C. Kollins, D.C. S.C. | Professional Office |
| Franks Electric, Inc. | Contractor |
| Frederick Tax & Accounting LLC | Banking/Finance |
| Full Circle Furnishings | Retail |
| Gale Drive Self Storage | Mini-Warehouses |
| Gary's Motorcycle Service | Auto Repair |
| Grasshopper, Limited | Tree & Lawn Care |
| Greenblatts Financial Tax Service | Banking/Finance |
| Grooming by Debbie | Pet Services |
| Grover's Spirits of 51 LLC | Retail |
| Grubb Law Firm S.C. | Professional Office |
| H. Dan Wright Insurance Group LLC | Insurance |
| Hanson's Bar and Grill | Restaurant/Bar |
| Happy House Liquor, Inc. | Retail |
| Happy House Storage | Mini-Warehouses |
| Harris Chimney Construction Co. | Contractor |
| Harry Sieren Maintenance Shop | Auto Repair |
| Heights Tower Service | Contractor |
| Herbst Auto Repair | Auto Repair |
| Hillison Seamless Gutters Inc. | Contractor |
| Hill-Rom Company, Inc. | Professional Services |
| Hog Cabin Saloon | Restaurant/Bar |
| Horizon Farms | Agriculture |
| Impact Cycle | Auto Repair |
| Iron Fox Preservation LLC/ Iron Fox Mobile Welding | Fabrication |
| Jerry's Sport Service Inc. | Marina/Boat Service & Sales |
| JR Computer Service | Information Technology |
| Ken Peters & Sons | Contractor |
| Kolden Automotive Inc. | Auto Repair |
| KSR Services, LLC DBA the Heart of Quilting | Retail |
| Laboratory Craftsmen, Inc. | Laboratory Equipment Manufacturing |
| Leader Accessories LLC | Manufacturing |
| Lee Marine & Computer Systems | Marina/Boat Service & Sales |
| Lentells Disposal LLC | Refuse Collection/Disposal |
| Linde LLC | Industrial Gas Distributor |
| Luxury Wood Star, LLC | Retail |

| Business Name | Type of Business |
|--|------------------------------------|
| Lycon Inc. | Concrete Manufacturer/Distributor |
| Madego's Hair Design | Salon |
| Manic Racing Auto Repair | Auto Repair |
| Marathon Gas Station | Gas Station |
| Marcella's Ceramics, Inc. | Salon |
| Markley Investigations Inc. | Private Investigations |
| Marx Dance Academy | Dance Academy |
| MBX Packaging Specialists | Business Services |
| McGilvra Electric Inc. | Contractor |
| McMahon Construction | Contractor |
| Meglaur LLC | Manufacturing |
| Metallic Bonds Ltd. | Fabrication |
| Midwest League Pro Baseball | Retail |
| Midwest Pain Treatment | Professional Office |
| Midwest Security Inc | Security |
| Miracle Ear | Health & Wellness |
| Molecular Models Enterprises | Laboratory Equipment Manufacturing |
| Moran's Diesel & Auto Repair | Auto Repair |
| Moving On LLC | Moving Company |
| Nelson Management Group, LLC | Land Management |
| Nemesis Sporting Goods | Retail |
| North Central Irrigation | Farming Services |
| Nu Attitude Hair Studio | Salon |
| Out of Sun Tanning, Tuxedo & Indoor Golf | Salon/Entertainment |
| Paradise Guitars, Inc. | Retail |
| Parkway Hair Fashions, Inc. | Salon |
| Patch Products Distribution Center | Manufacturing |
| Patch Products Maintenance | Manufacturing |
| Paulson Specialties/ Philhower Properties LLC | Land Management |
| Peca Products Inc. | Food Products |
| Physicians Billing Service | Professional Services |
| Play Monster | Manufacturing |
| Powder Booth Restoration Co. | Auto Repair |
| Prairie Avenue Concrete Inc. | Retail |
| R & D Tire Shop | Auto Repair |
| R.H. Batterman & Co. Inc. | Professional Office |
| Rattray Aero Products | Fabrication |
| Retired & Senior Volunteer Program of Rock Co. | Non-Profit Club |
| Riemers-Beloit Roofing Inc. | Contractor |
| Riverside Energy Center | Energy Generation |
| Riverside Gas Mart Inc | Gas Station |
| Riverside Laundromat Inc. | Laundrymat |
| Riverside Professional Building LLP | Contractor |
| Riverside Terrace | Assisted Living |

| Business Name | Type of Business |
|---|----------------------------------|
| Road Medic Auto Repair, Inc. | Auto Repair |
| Rock County Fence & Deck | Construction Supplies/Contractor |
| Rock River BBQ Ranch | Short-Term Rentals |
| Rock River Construction | Contractor |
| Rock River Generating Station | Energy Generation |
| Rock Road Companies, LLC | Quarry/Construction |
| Rosman Uehling & Kinzer Funeral Home | Funeral Home |
| Salon Etc | Salon |
| Seitz Insurance Agency, LLC | Insurance |
| Skatin Station Roller Rink | Entertainment |
| Slippery Nickel LLC | Business Services |
| Sophia's Restaurant | Restaurant/Bar |
| Spectrum Finishes LLC | Business Services |
| Spring Creek H2O | Business Services |
| St Dennis Aluminum Recycling | Recycling |
| Star Wellness | Health & Wellness |
| Star Zenith Boat Club | Private Club |
| State Farm Insurance | Insurance |
| STATE Materials Engineering LLC | Fabrication |
| Stop-N-Go Store #262 | Gas Station |
| Swanson Spray Systems, Inc. | Contractor |
| Taqueria El Amigo | Restaurant/Bar |
| The Bat Cave | Entertainment |
| The Beloit Club LLC | Private Club/Golf Course |
| The Club | Restaurant/Bar |
| The Corvette Guys | Auto Repair |
| Thorpe Chiropractic Works, S.C. | Professional Office |
| Torkelson Construction LLC | Contractor |
| Tri-City Manufacturing Co., Inc. | Manufacturing |
| Tricor Insurance | Insurance |
| Tropic Juice of WI., Inc. | Distribution |
| U.S. 7 LLC d/b/a Stateline Tank & Fabrication | Fabrication |
| U-Auto-Store-It | Mini-Warehouses |
| Universal PC Services | Information Technology |
| Vintage Bliss | Retail |
| Western Container Corp. | Manufacturing |
| Wilfred II Properties LLC | Land Management |
| Willard Trucking LLC | Trucking |
| Wilson Consulting & Tax Service, LLC | Banking/Finance |
| Witte-Barker LLC | Professional Office |
| Wolter Pools & Spas | Retail |
| Wright World Sports | Retail |
| Yesteryears Auto/ All Storage | Mini-Warehouses |
| Young Hearts Day Care | Child Care |

| Business Name | Type of Business |
|---------------|------------------|
| Wisen Daycare | Child Care |

Appendix C: Town of Beloit Incorporation Budget

Summary - Expenditures

| Expenditure | Total Budget | Percent of Shared Services |
|---|-------------------------|---|
| Shared Services | | |
| Boards & Commissions | \$286,849 | 5.9% |
| Administration | 110,636 | 2.3% |
| Clerk | 123,604 | 2.5% |
| Finance | 117,237 | 2.4% |
| Fire & Ambulance | 1,660,822 | 33.9% |
| Police | 1,672,295 | 34.1% |
| Community Development | 108,647 | 2.2% |
| Public Works (Roads, Parks & Forestry, Recycling) | 766,480 | 15.6% |
| Celebrations | 53,116 | 1.1% |
| Separate Services | | |
| Boards & Commissions Payroll - Village | 8,098 | |
| Boards & Commissions Payroll - Town | 8,098 | |
| Contracted Services | | |
| Municipal Court | 27,324 | |
| Other - Special Funds | | |
| CDBG - Community Development Block Grant | 0 | |
| Boat Launch | 4,700 | |
| Storm Water Fund | 3,000 | |
| Cemetery | 3,250 | |
| Debt Service | | |
| Debt Service - Village | 74,248 | |
| Debt Service - Town | 7,137 | |
| Debt Service - Shared | 1,114,181 | |
| Total | \$6,149,723 | |

Source: 2018 Town of Beloit Budget, with the following adjustments:

Boards & Commissions - Eliminated \$40,000 for consolidation expenses, added \$8,098 for payroll for new Village boards and commissions and \$7,000 for legal expenses for the remainder Town.

Finance Department - Increased payroll by \$5,000 and accounting expense by \$8,500.

Police Department - Increased payroll by \$40,000.

Public Works - Included an additional \$200,000 for road maintenance.

Debt Service - Amounts shown are estimated total principal and interest payments on general obligation debt, net of special assessment revenues, for 2020, the first full year of payments on permanent financing to be issued for 2018 capital improvement projects including the 208 Sewer Project and DPW Building. See debt service payment schedules for details of existing and estimated debt and allocation between Village and Town.

TOWN OF BELOIT INCORPORATION BUDGET

Summary - Revenues

| Revenue | Total Budget |
|---|--------------------|
| Shared Services | |
| Boards & Commissions | \$49,900 |
| Administration | 390,221 |
| Clerk | 25,784 |
| Finance | 0 |
| Fire & Ambulance | 427,823 |
| Police | 53,205 |
| Community Development | 159,850 |
| Public Works (Roads, Parks & Forestry, Recycling) | 269,558 |
| Celebrations | 47,200 |
| Contracted Services | |
| Municipal Court | 51,040 |
| Other | |
| CDBG - Community Development Block Grant | 500 |
| Boat Launch | 9,000 |
| Storm Water Fund | 3,000 |
| Cemetery | 4,200 |
| Property Taxes and Other Revenues | |
| Other General Revenues | 1,739,210 |
| Local Property Tax Levy | 2,919,232 |
| Total | \$6,149,723 |

Source: Town of Beloit 2018 Budget, with the following adjustments:

- Elimination of transfer from Sewer Fund.
- Increase of 60 percent (\$639,000) in the Shared Revenue Utility Payment due to higher rates for incorporated municipalities.
- Increase of \$21,000 in interest income.
- Reduction of \$2,095 in property tax levy.

Note: Other General Revenues includes Shared Revenue Utility Payment, Interest Income, and FC/MFL Taxes.

TOWN OF BELOIT INCORPORATION BUDGET

Summary - Budget and Tax Rates for New Village and Remainder of the Town

| Services | Percent of Shared Services Budget | Total | Village | Town |
|---------------------------------------|--|--------------|----------------|-------------|
| Shared Services | | | | |
| Boards and Commissions | | | | |
| Shared Expenses | 5.9% | \$286,849 | \$229,276 | \$57,573 |
| Less: Department Revenues | | (\$49,900) | (\$39,885) | (\$10,015) |
| Less: Share of Other General Revenues | | (\$101,821) | (\$81,384) | (\$20,436) |
| Net Cost | | \$135,128 | \$108,007 | \$27,122 |
| Administration | | | | |
| Expenses | 2.3% | \$110,636 | \$88,430 | \$22,206 |
| Less: Department Revenues | | (\$390,221) | (\$311,900) | (\$78,321) |
| Less: Share of Other General Revenues | | (\$39,272) | (\$31,390) | (\$7,882) |
| Net Cost | | (\$318,857) | (\$254,859) | (\$63,998) |
| Clerk | | | | |
| Expenses | 2.5% | \$123,604 | \$98,795 | \$24,809 |
| Less: Department Revenues | | (\$25,784) | (\$20,609) | (\$5,175) |
| Less: Share of Other General Revenues | | (\$43,875) | (\$35,069) | (\$8,806) |
| Net Cost | | \$53,945 | \$43,118 | \$10,827 |
| Finance | | | | |
| Expenses | 2.4% | \$117,237 | \$93,706 | \$23,531 |
| Less: Department Revenues | | \$0 | \$0 | \$0 |
| Less: Share of Other General Revenues | | (\$41,615) | (\$33,262) | (\$8,353) |
| Net Cost | | \$75,622 | \$60,444 | \$15,178 |
| Fire Department | | | | |
| Expenses | 33.9% | \$1,660,822 | \$1,327,479 | \$333,343 |
| Less: Department Revenues | | (\$427,823) | (\$341,955) | (\$85,868) |
| Less: Share of Other General Revenues | | (\$589,531) | (\$471,206) | (\$118,325) |
| Net Cost | | \$643,468 | \$514,318 | \$129,150 |
| Police Department | | | | |
| Expenses | 34.1% | \$1,672,295 | \$1,336,649 | \$335,646 |
| Less: Department Revenues | | (\$53,205) | (\$42,526) | (\$10,679) |
| Less: Share of Other General Revenues | | (\$593,604) | (\$474,462) | (\$119,142) |
| Net Cost | | \$1,025,486 | \$819,661 | \$205,825 |
| Community Development | | | | |
| Expenses | 2.2% | \$108,647 | \$86,840 | \$21,807 |
| Less: Department Revenues | | (\$159,850) | (\$127,767) | (\$32,083) |
| Less: Share of Other General Revenues | | (\$38,566) | (\$30,825) | (\$7,741) |
| Net Cost | | (\$89,769) | (\$71,751) | (\$18,017) |
| Public Works | | | | |
| Expenses | 15.6% | \$766,480 | \$612,640 | \$153,840 |
| Less: Department Revenues | | (\$269,558) | (\$215,455) | (\$54,103) |
| Less: Share of Other General Revenues | | (\$272,072) | (\$217,465) | (\$54,608) |
| Net Cost | | \$224,850 | \$179,720 | \$45,130 |
| Celebrations | | | | |
| Expenses | 1.1% | \$53,116 | \$42,455 | \$10,661 |
| Less: Department Revenues | | (\$47,200) | (\$37,726) | (\$9,474) |
| Less: Share of Other Revenues | | (\$18,854) | (\$15,070) | (\$3,784) |
| Net Cost | | (\$12,938) | (\$10,341) | (\$2,597) |

TOWN OF BELOIT INCORPORATION BUDGET

Summary - Budget and Tax Rates for New Village and Remainder of the Town

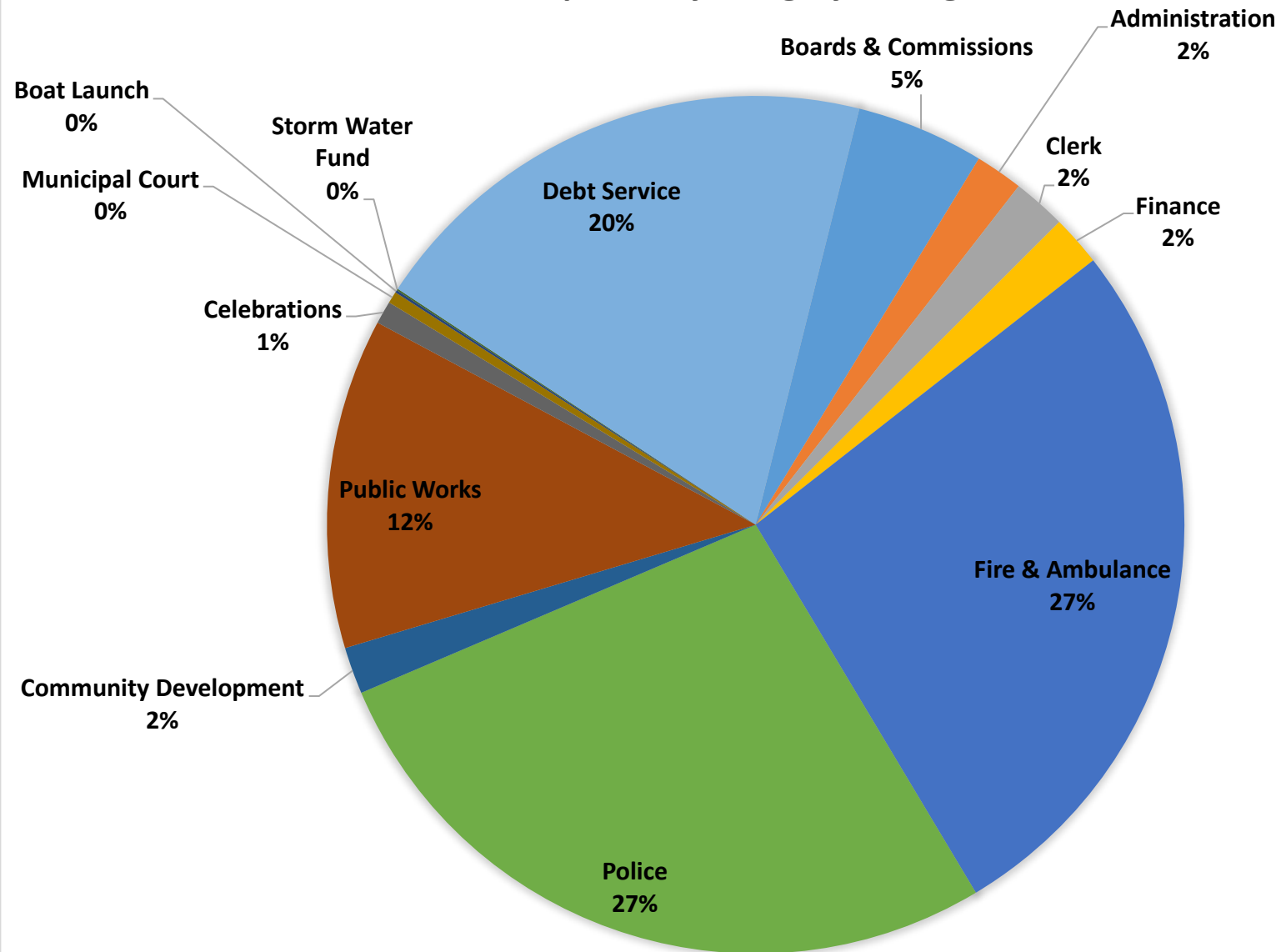
| Services | Percent of Shared Services Budget | Total | Village | Town |
|--|--|----------------------|----------------------|---------------------|
| Separate Services | | | | |
| Boards & Commissions Payroll - Village | | \$8,098 | \$8,098 | |
| Boards & Commissions Payroll - Town | | \$8,098 | | \$8,098 |
| Contracted Services | | | | |
| Municipal Court | | | | |
| Expenses | | \$27,324 | \$21,777 | \$5,547 |
| Less: Department Revenues | | (\$51,040) | (\$40,679) | (\$10,361) |
| Net Cost | | (\$23,716) | (\$18,902) | (\$4,814) |
| Other - Special Funds | | | | |
| CDBG - Community Development Block Grant | | | | |
| Expenses | | \$0 | \$0 | \$0 |
| Less: Department Revenues | | (\$500) | (\$500) | \$0 |
| Net Cost | | (\$500) | (\$500) | \$0 |
| Boat Launch | | | | |
| Expenses | | \$4,700 | \$4,700 | |
| Less: Department Revenues | | (\$9,000) | (\$9,000) | |
| Net Cost | | (\$4,300) | (\$4,300) | \$0 |
| Storm Water | | | | |
| Expenses | | \$3,000 | \$3,000 | |
| Less: Department Revenues | | (\$3,000) | (\$3,000) | |
| Net Cost | | \$0 | \$0 | \$0 |
| Cemetery | | | | |
| Expenses | | \$3,250 | | \$3,250 |
| Less: Department Revenues | | (\$4,200) | | (\$4,200) |
| Net Cost | | (\$950) | \$0 | (\$950) |
| Debt Service | | | | |
| Debt Service - Village | | \$74,248 | \$74,248 | |
| Debt Service - Town | | \$7,137 | | \$7,137 |
| Debt Service - Shared | | \$1,114,181 | \$890,554 | \$223,627 |
| Total | | \$1,195,567 | \$964,802 | \$230,764 |
| Total Expenses | | \$6,149,723 | \$4,918,649 | \$1,231,074 |
| Departmental Revenues | | \$1,491,281 | \$1,191,001 | \$300,280 |
| Other General Revenues | | \$1,739,210 | \$1,390,133 | \$349,076 |
| Property Tax Levy | | \$2,919,232 | \$2,337,514 | \$581,718 |
| Total Revenues | | \$6,149,723 | \$4,918,649 | \$1,231,074 |
| Assessed Value | | \$427,063,200 | \$341,347,410 | \$85,715,790 |
| Tax Rate per \$1,000 Assessed Value | | \$6.84 | \$6.85 | \$6.79 |

Assumptions:

- 'Shared Services' are those services to be operated as a joint department of the Town and Village or to be provided to the Town on a contract basis by the Village. Net costs to the Village and Town are the estimated total expenses, less estimated department revenues, less a portion of 'Other General Revenues' based on department expenses as a percentage of total shared services expenses. Net costs are allocated to the Town and Village in proportion to assessed property value.
- 'Separate Services' are payroll for boards and commissions for the Town and Village.
- 'Contracted Services' are those services for which the Town and Village would contract separately with an outside entity. Expense and revenues for the Town and Village for Municipal Court services were estimated based on estimated population in each municipality.
- 'Other - Special Funds' are separate funds established to provide limited special purpose services in either the Town or the Village. These were assumed to be provided by either the Town or the Village according to the location and nature of the service.
- Debt Service - Debt service for road projects for past years was allocated to the Village and Town based on the location of the road project. Shared debt service is allocated between the Town and Village in proportion to January 1, 2017 assessed property value. See debt service payment schedules for details of debt service and allocation between Village and Town.

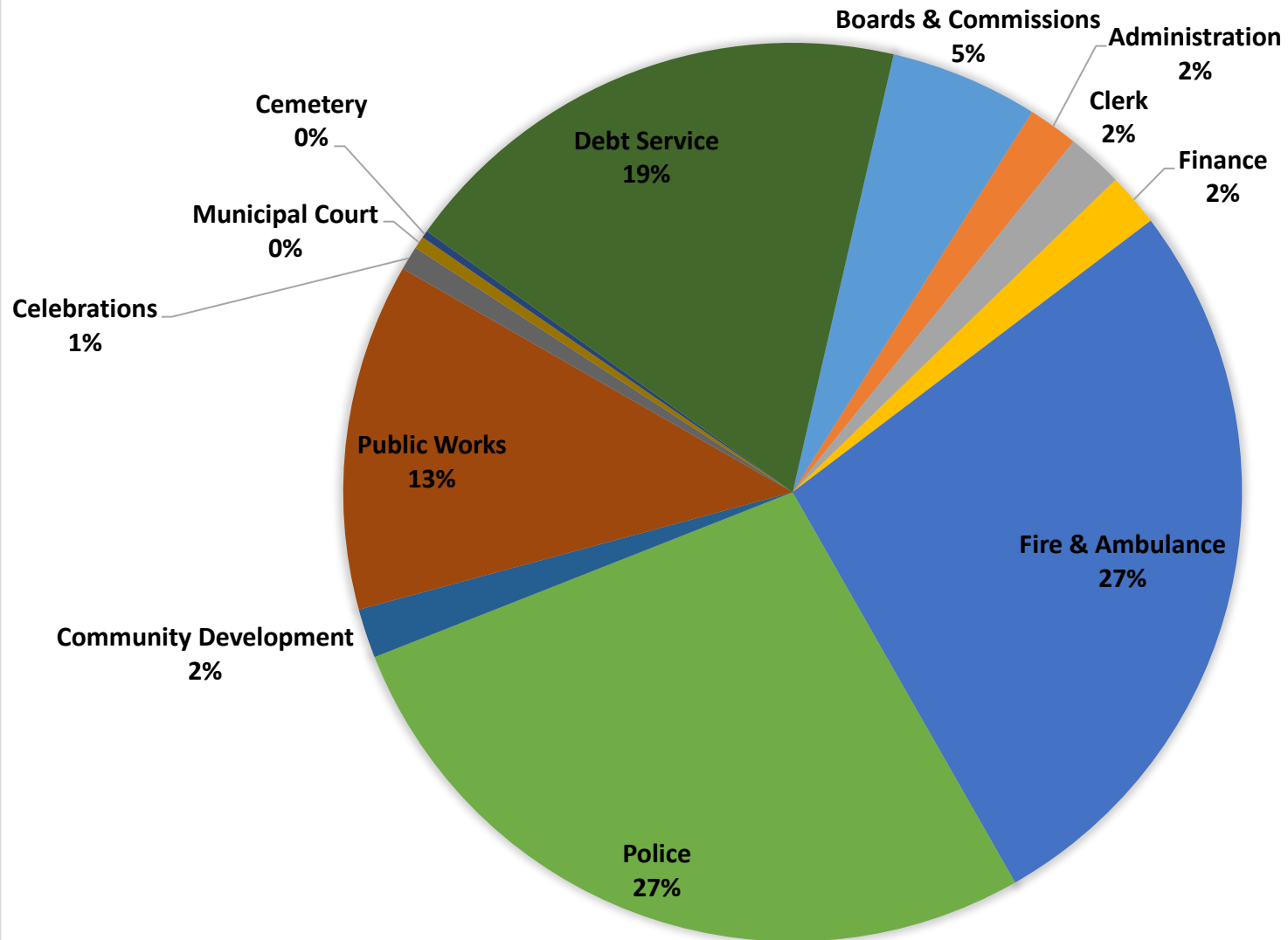
TOWN OF BELOIT INCORPORATION BUDGET

Expenses by Category - Village



TOWN OF BELOIT INCORPORATION BUDGET

Expenses by Category - Town



TOWN OF BELOIT INCORPORATION BUDGET

Forecast of Municipal Debt Limit and Available Debt Capacity

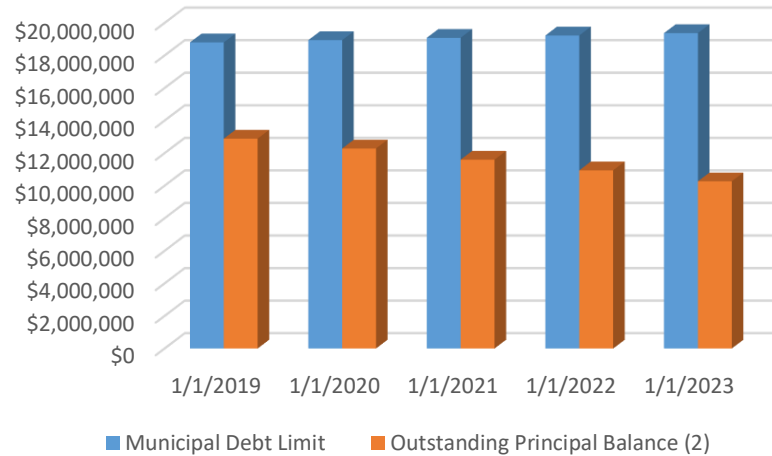
| | 1/1/2019 | 1/1/2020 | 1/1/2021 | 1/1/2022 | 1/1/2023 |
|--|---------------|---------------|---------------|---------------|---------------|
| Village | | | | | |
| Estimated Equalized Value ⁽¹⁾ | \$376,071,850 | \$378,892,389 | \$381,734,081 | \$384,597,087 | \$387,481,565 |
| Municipal Debt Limit | \$18,803,592 | \$18,944,619 | \$19,086,704 | \$19,229,854 | \$19,374,078 |
| Outstanding Principal Balance ⁽²⁾ | \$12,893,251 | \$12,285,926 | \$11,602,157 | \$10,944,846 | \$10,269,831 |
| Remaining Debt Capacity | \$5,910,342 | \$6,658,694 | \$7,484,547 | \$8,285,008 | \$9,104,248 |
| Town | | | | | |
| Estimated Equalized Value ⁽¹⁾ | \$94,435,448 | \$95,143,714 | \$95,857,292 | \$96,576,222 | \$97,300,543 |
| Municipal Debt Limit | \$4,721,772 | \$4,757,186 | \$4,792,865 | \$4,828,811 | \$4,865,027 |
| Outstanding Principal Balance ⁽²⁾ | \$2,491,633 | \$2,343,336 | \$2,175,849 | \$2,016,308 | \$1,855,213 |
| Remaining Debt Capacity | \$2,230,140 | \$2,413,849 | \$2,617,016 | \$2,812,503 | \$3,009,815 |

Notes:

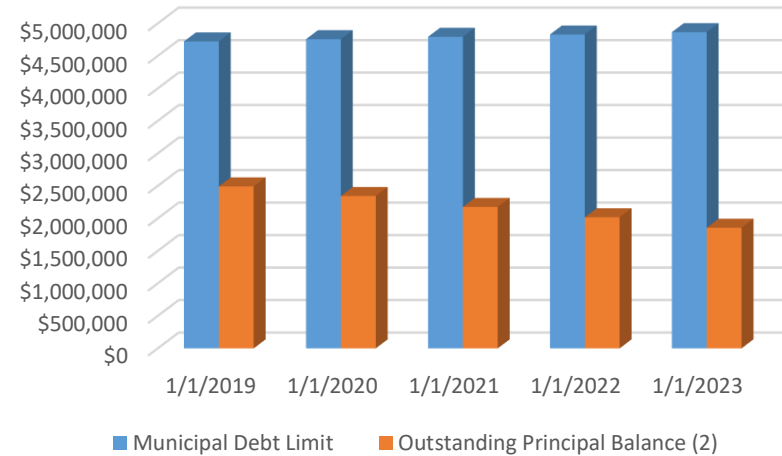
(1) Assumes increase in property value of 0.75% per year.

(2) See debt service payment schedules for details of debt service and allocation between Village and Town.

Forecast Debt Limit - Village



Forecast Debt Limit - Town



TOWN OF BELOIT INCORPORATION BUDGET

Allocation of Principal Payments for General Obligation Debt

| Payments | | | | | | | | | | |
|--|------------|--------------|----------------|------------|-----------|------------|------------|------------|------------|------------|
| Loan Description | Allocation | Original Amt | Balance 1/1/19 | Percentage | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Assets '15 ⁽¹⁾ | | | | | | | | | | |
| Roads | Village | \$153,076 | \$76,538 | 23.19% | \$25,513 | \$25,513 | \$25,513 | \$0 | \$0 | \$0 |
| Other | Shared | \$506,924 | \$253,462 | 76.81% | \$84,487 | \$84,487 | \$84,487 | \$0 | \$0 | \$0 |
| Total | | \$660,000 | \$330,000 | 100.00% | \$110,000 | \$110,000 | \$110,000 | \$0 | \$0 | \$0 |
| Assets '16 ⁽¹⁾ | | | | | | | | | | |
| Roads | Village | \$18,400 | \$12,884 | 2.98% | \$4,280 | \$4,280 | \$4,299 | \$0 | \$0 | \$0 |
| Other | Shared | \$598,560 | \$419,111 | 97.02% | \$139,220 | \$139,220 | \$139,836 | \$0 | \$0 | \$0 |
| Total | | \$616,960 | \$431,995 | 100.00% | \$143,500 | \$143,500 | \$144,134 | \$0 | \$0 | \$0 |
| Assets '17 ⁽¹⁾ | | | | | | | | | | |
| Roads | Village | \$62,090 | \$55,881 | 9.91% | \$12,418 | \$12,418 | \$12,418 | \$12,418 | \$6,209 | \$0 |
| Roads | Town | \$34,000 | \$30,600 | 5.43% | \$6,800 | \$6,800 | \$6,800 | \$6,800 | \$3,400 | \$0 |
| Boat Launch | Village | \$8,151 | \$7,336 | 1.30% | \$1,630 | \$1,630 | \$1,630 | \$1,630 | \$815 | \$0 |
| Other | Shared | \$522,199 | \$469,979 | 83.36% | \$104,440 | \$104,440 | \$104,440 | \$104,440 | \$52,220 | \$0 |
| Total | | \$626,440 | \$563,796 | 100.00% | \$125,288 | \$125,288 | \$125,288 | \$125,288 | \$62,644 | \$0 |
| Blackhawk Run | Shared | \$224,230 | \$179,330 | | \$44,900 | \$44,900 | \$44,900 | \$44,630 | \$0 | \$0 |
| Blackhawk Run #2 | Shared | \$34,668 | \$31,201 | | \$6,934 | \$6,934 | \$6,934 | \$6,934 | \$3,467 | \$0 |
| Police Station | Shared | \$2,310,000 | \$1,405,000 | | \$125,000 | \$130,000 | \$130,000 | \$135,000 | \$140,000 | \$140,000 |
| Fire Station ARRA | Shared | \$1,575,000 | \$1,130,000 | | \$65,000 | \$65,000 | \$70,000 | \$75,000 | \$80,000 | \$85,000 |
| Fire Station Refi | Shared | \$2,455,000 | \$1,905,000 | | \$125,000 | \$130,000 | \$135,000 | \$140,000 | \$145,000 | \$150,000 |
| Assets '18 | Shared | \$1,608,561 | \$1,608,561 | | \$0 | \$0 | \$35,000 | \$170,000 | \$175,000 | \$180,000 |
| DPW Building - Permanent ⁽²⁾ | Shared | \$4,860,000 | \$4,860,000 | | \$0 | \$0 | \$50,000 | \$85,000 | \$190,000 | \$255,000 |
| 208 Project Roads - Permanent ⁽²⁾ | Village | \$865,000 | \$865,000 | | \$0 | \$0 | \$0 | \$35,000 | \$40,000 | \$40,000 |
| 208 Project Water - Permanent ⁽²⁾ | | \$2,075,000 | \$2,075,000 | | \$0 | \$65,000 | \$80,000 | \$80,000 | \$85,000 | \$85,000 |
| Less: Water Spec. Assess. ⁽²⁾ | | | | | \$0 | (\$65,000) | (\$80,000) | (\$80,000) | (\$85,000) | (\$85,000) |
| Net Water | Village | \$2,075,000 | \$2,075,000 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Summary | | | | | | | | | | |
| Separate Debt - Village | | \$3,181,717 | \$3,092,639 | | \$43,841 | \$43,841 | \$43,860 | \$49,048 | \$47,024 | \$40,000 |
| Separate Debt - Town | | \$34,000 | \$30,600 | | \$6,800 | \$6,800 | \$6,800 | \$6,800 | \$3,400 | \$0 |
| Shared Debt ⁽³⁾ | | \$14,695,142 | \$12,261,645 | | \$694,981 | \$704,981 | \$800,596 | \$761,004 | \$785,687 | \$810,000 |
| Village Share | | \$11,745,682 | \$9,800,612 | | \$555,491 | \$563,484 | \$639,909 | \$608,263 | \$627,992 | \$647,425 |
| Town Share | | \$2,949,460 | \$2,461,033 | | \$139,490 | \$141,497 | \$160,688 | \$152,741 | \$157,695 | \$162,575 |
| Total - Village | | \$14,927,400 | \$12,893,251 | | \$599,332 | \$607,325 | \$683,768 | \$657,311 | \$675,016 | \$687,425 |
| Total - Town | | \$2,983,460 | \$2,491,633 | | \$146,290 | \$148,297 | \$167,488 | \$159,541 | \$161,095 | \$162,575 |
| Total | | \$17,910,859 | \$15,384,884 | | \$745,622 | \$755,622 | \$851,256 | \$816,852 | \$836,111 | \$850,000 |

Notes:

(1) Original amounts borrowed for roads versus other capital improvements taken from the Town of Beloit budget, actual amounts expended on roads and other capital improvements for 2015, 2016 and 2017. Identification of amounts expended for road projects in the proposed Village area and the remainder of the Town provided by Town staff.

(2) Source: "2018 Financial Plan", prepared by Ehlers Associates, March 8, 2018.

(3) Shared debt is allocated to the Town and Village in proportion to January 1, 2017 assessed property value.

TOWN OF BELOIT INCORPORATION BUDGET

Allocation of Interest Payments for General Obligation Debt

| Loan Description | Allocation | Original Amt | Percentage | Payments | | | | | |
|--|------------|--------------|------------|-----------|------------|------------|------------|------------|------------|
| | | | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Assets '15 ⁽¹⁾ | | | | | | | | | |
| Roads | Village | \$153,076 | 23.19% | \$2,098 | \$1,335 | \$574 | \$0 | \$0 | \$0 |
| Other | Shared | \$506,924 | 76.81% | \$6,947 | \$4,421 | \$1,900 | \$0 | \$0 | \$0 |
| Total | | \$660,000 | 100.00% | \$9,045 | \$5,755 | \$2,474 | \$0 | \$0 | \$0 |
| Assets '16 ⁽¹⁾ | | | | | | | | | |
| Roads | Village | \$18,400 | 2.98% | \$278 | \$177 | \$76 | \$0 | \$0 | \$0 |
| Other | Shared | \$598,560 | 97.02% | \$9,031 | \$5,760 | \$2,488 | \$0 | \$0 | \$0 |
| Total | | \$616,960 | 100.00% | \$9,309 | \$5,937 | \$2,564 | \$0 | \$0 | \$0 |
| Assets '17 ⁽¹⁾ | | | | | | | | | |
| Roads | Village | \$62,090 | 9.29% | \$1,162 | \$889 | \$615 | \$342 | \$68 | \$0 |
| Roads | Town | \$34,000 | 5.09% | \$636 | \$487 | \$337 | \$187 | \$37 | \$0 |
| Boat Launch | Village | \$8,151 | 1.22% | \$153 | \$117 | \$81 | \$45 | \$9 | \$0 |
| Other | Shared | \$564,350 | 84.41% | \$10,562 | \$8,077 | \$5,592 | \$3,107 | \$621 | \$0 |
| Total | | \$668,591 | 100.00% | \$12,513 | \$9,569 | \$6,625 | \$3,680 | \$736 | \$0 |
| Blackhawk Run | Shared | \$224,230 | | \$3,782 | \$2,772 | \$1,762 | \$752 | \$0 | \$0 |
| Blackhawk Run #2 | Shared | \$34,668 | | \$663 | \$507 | \$351 | \$195 | \$39 | \$0 |
| Police Station | Shared | \$2,310,000 | | \$21,113 | \$20,050 | \$18,750 | \$17,255 | \$15,568 | \$13,608 |
| Fire Station ARRA | Shared | \$1,575,000 | | \$24,278 | \$21,942 | \$19,425 | \$16,594 | \$13,574 | \$10,213 |
| Fire Station Refi | Shared | \$2,455,000 | | \$49,698 | \$47,148 | \$44,329 | \$41,235 | \$37,993 | \$34,488 |
| Assets '18 | Shared | \$1,608,561 | | \$0 | \$56,076 | \$56,230 | \$55,005 | \$49,055 | \$42,930 |
| DPW Building - Permanent ⁽²⁾ | Shared | \$4,860,000 | | \$0 | \$211,376 | \$162,758 | \$161,221 | \$157,848 | \$145,061 |
| 208 Project Roads - Permanent ⁽²⁾ | Village | \$865,000 | | \$0 | \$37,594 | \$29,043 | \$28,631 | \$27,720 | \$26,700 |
| 208 Project Water - Permanent ⁽²⁾ | | \$2,075,000 | | \$0 | \$87,334 | \$65,850 | \$64,050 | \$62,048 | \$59,880 |
| Less: Water Spec. Assess. ⁽²⁾ | | | | \$0 | (\$87,334) | (\$65,850) | (\$64,050) | (\$62,048) | (\$59,880) |
| Net Water | Village | \$2,075,000 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Summary | | | | | | | | | |
| Separate Debt - Village | | \$3,181,717 | | \$3,690 | \$40,111 | \$30,389 | \$29,018 | \$27,797 | \$26,700 |
| Separate Debt - Town | | \$34,000 | | \$636 | \$487 | \$337 | \$187 | \$37 | \$0 |
| Shared Debt ⁽³⁾ | | \$14,737,293 | | \$126,075 | \$378,127 | \$313,585 | \$295,363 | \$274,698 | \$246,299 |
| Village Share | | \$11,779,373 | | \$100,770 | \$302,233 | \$250,645 | \$236,081 | \$219,563 | \$196,864 |
| Town Share | | \$2,957,920 | | \$25,304 | \$75,894 | \$62,940 | \$59,282 | \$55,135 | \$49,435 |
| Village - Total | | \$14,961,091 | | \$104,460 | \$342,345 | \$281,034 | \$265,099 | \$247,360 | \$223,564 |
| Town - Total | | \$2,991,920 | | \$25,941 | \$76,380 | \$63,276 | \$59,469 | \$55,172 | \$49,435 |
| Total | | \$17,953,010 | | \$130,401 | \$418,725 | \$344,311 | \$324,568 | \$302,532 | \$272,999 |

Notes:

(1) Original amounts borrowed for roads versus other capital improvements taken from the Town of Beloit budget, actual amounts expended on roads and other capital improvements for 2015, 2016 and 2017.


Identification of amounts expended for road projects in the proposed Village area and the remainder of the Town provided by Town staff.


(2) Source: "2018 Financial Plan", prepared by Ehlers Associates, March 8, 2018.

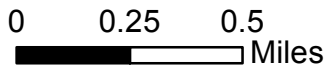
(3) Shared debt is allocated to the Town and Village in proportion to January 1, 2017 assessed property value.

Appendix D: Maps

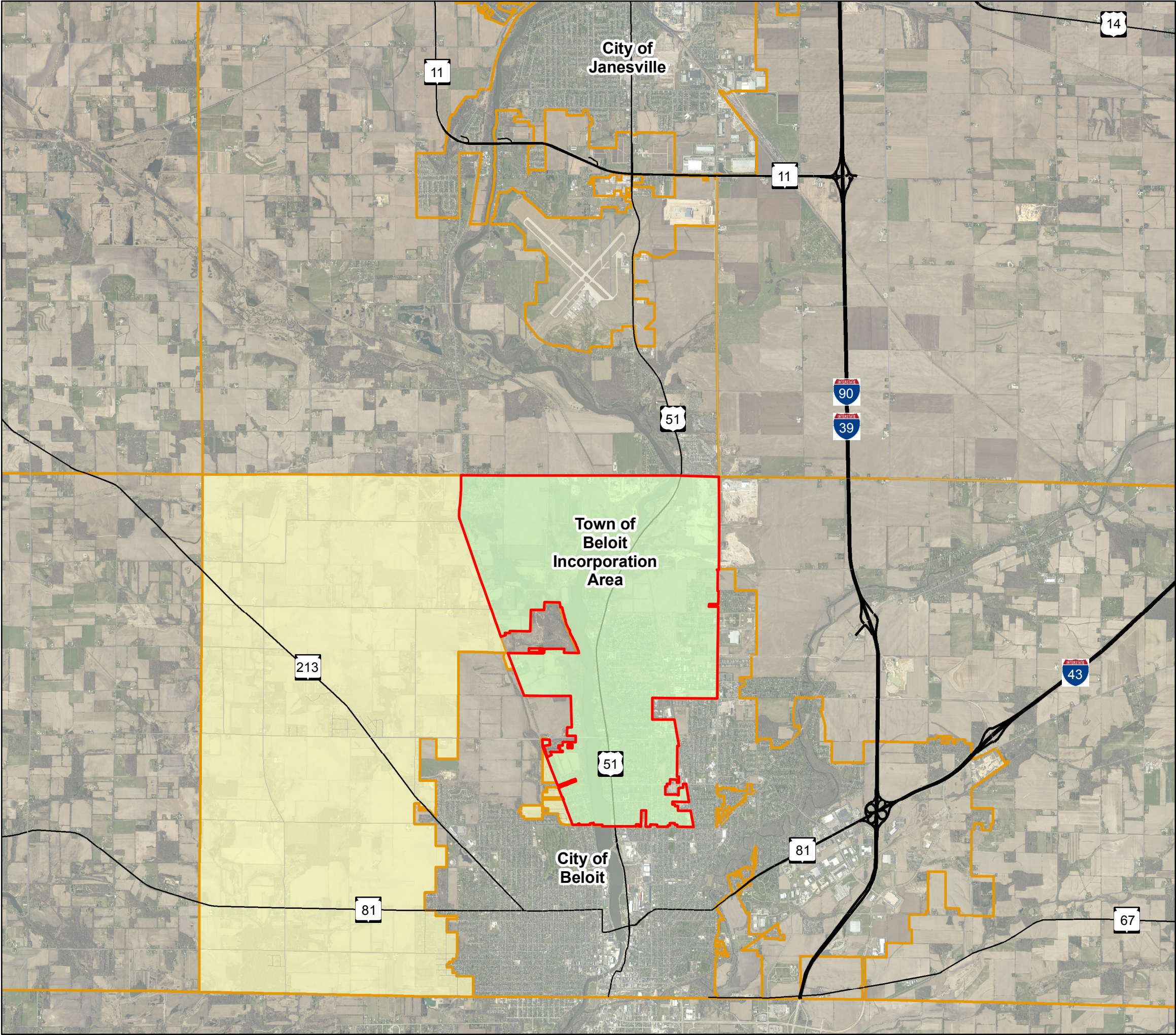
Town Incorporation Area: Parcels

 Incorporation_Area_Parcel

 Proposed Village Boundary



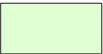

Document Path: K:\Arc GIS\Town of Beloit\Incorporation Maps\Petition Support Maps\Map 3 Local Context.mxd



Map 2

Local Context

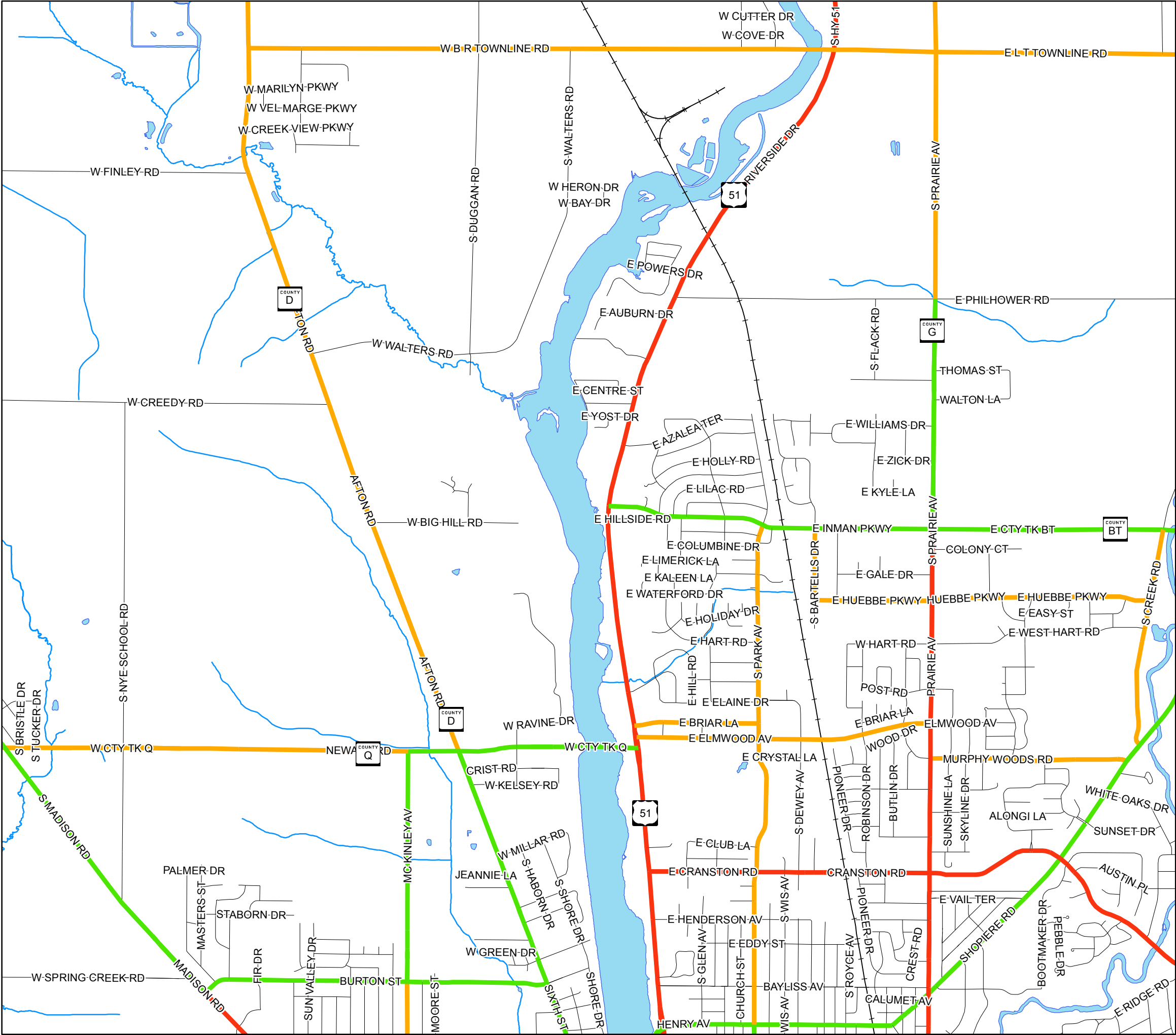
Town of Beloit, Wisconsin
March 6, 2018

-  Proposed Village Boundary
-  Town of Beloit Remnant

0 0.5 1
Miles



Data Source: Rock County



Map 3

Functional Road Classification

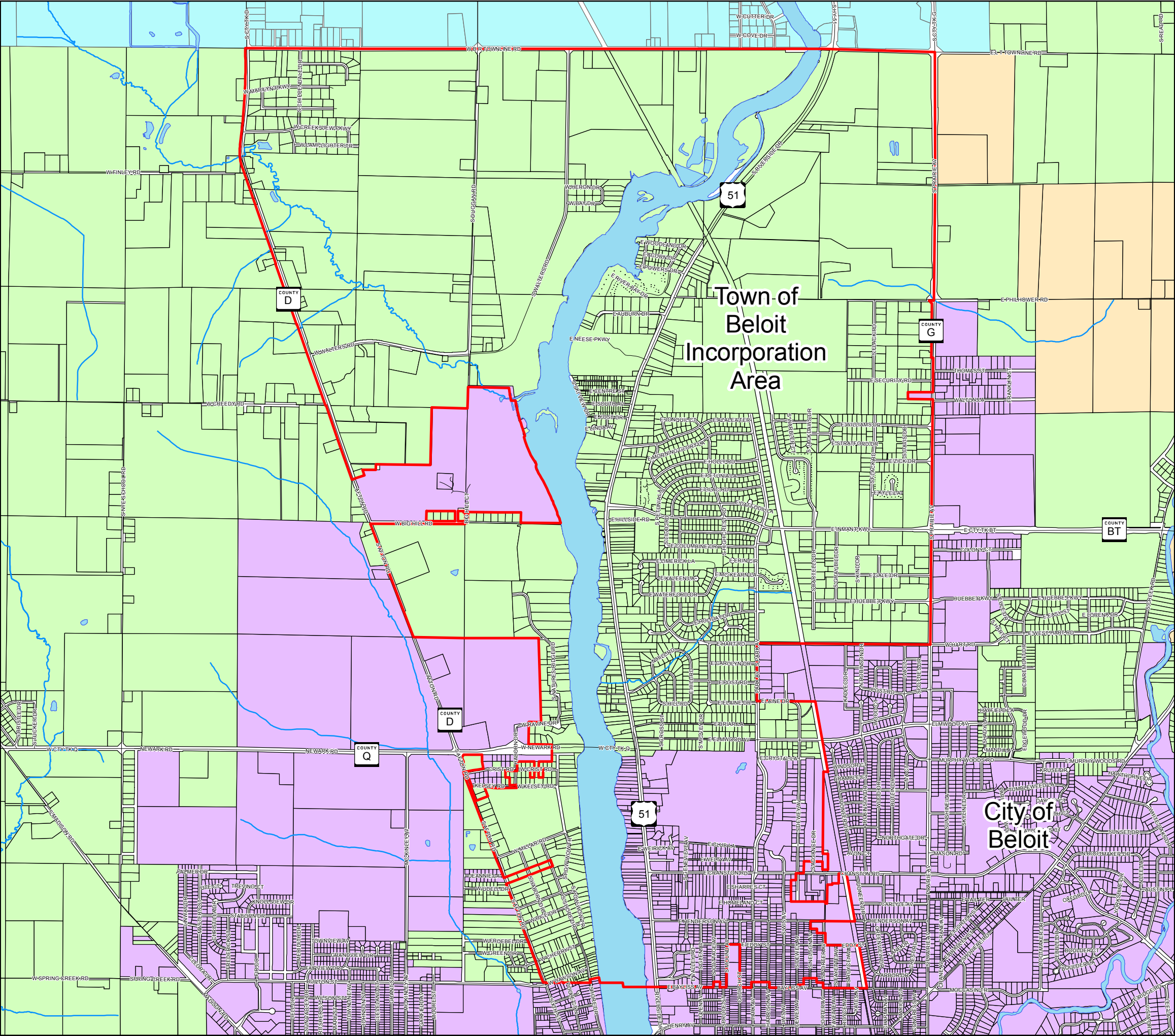
Town of Beloit, Wisconsin
March 6, 2018

- Principal Arterial
- Minor Arterial
- Collector
- Local
- Countywide_Railroads

0 0.25 0.5 Miles



Daa Source: Rock County







Map 4

School District Boundaries

Town of Beloit, Wisconsin
April 2, 2018

Legend

School District




-  Beloit
-  Beloit Turner
-  Clinton
-  Janesville

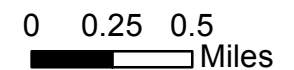
0 0.25 0.5
Miles



Data Source: Rock County, City of Beloit

Legend

-  City of Janesville
-  Town of Beloit
-  City of Beloit







Daa Source: Rock County

Map 6

Utilities

Town of Beloit, Wisconsin
March 6, 2018

Legend

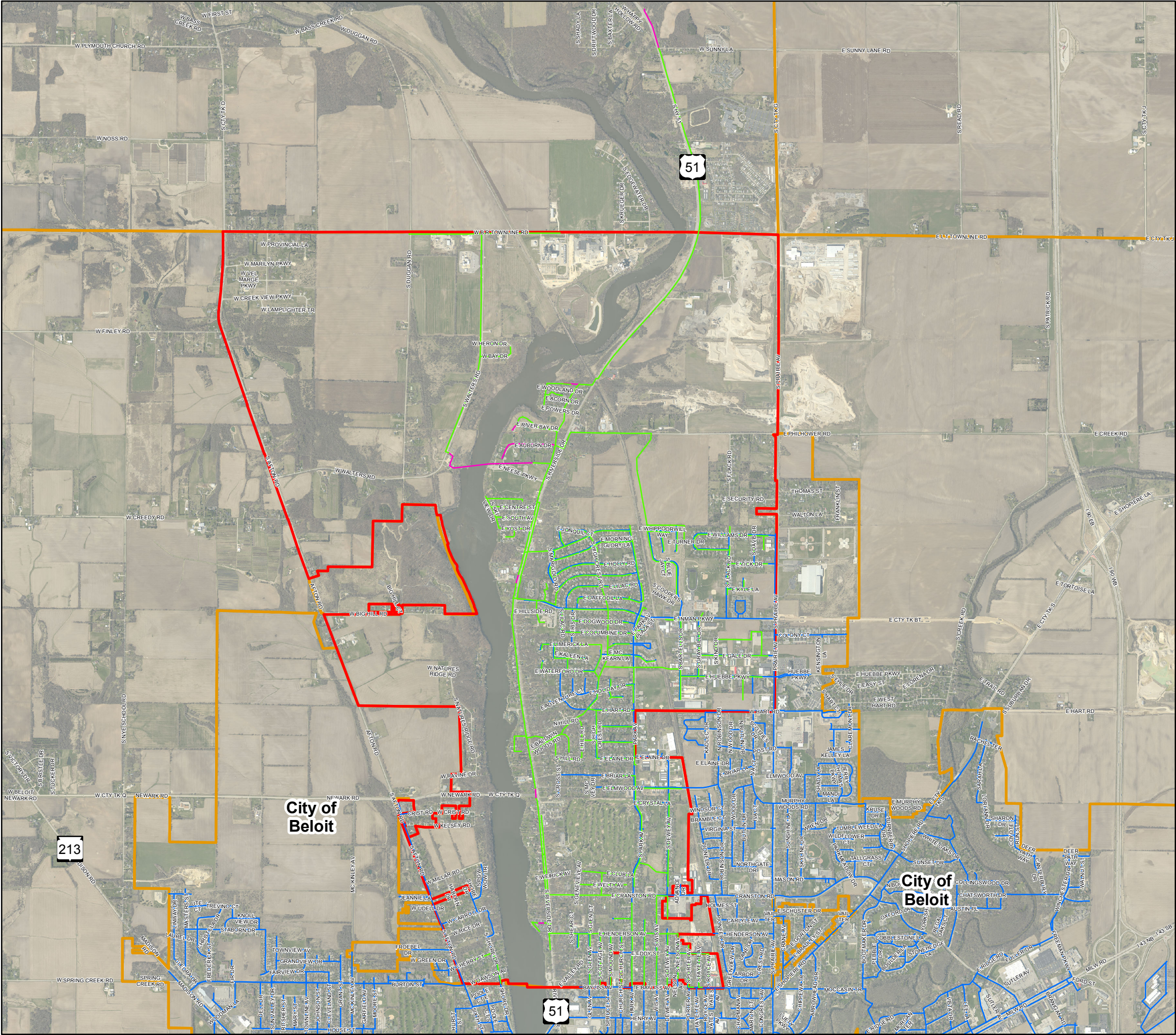
-  Proposed Village Boundary
-  Sanitary Main - Gravity
-  Sanitary Main - Force
-  Water Main

- Note:
- The water mains shown belong to the City of Beloit Water Utility
 - See Map 11 for sewer service area boundaries

0 0.25 0.5
Miles

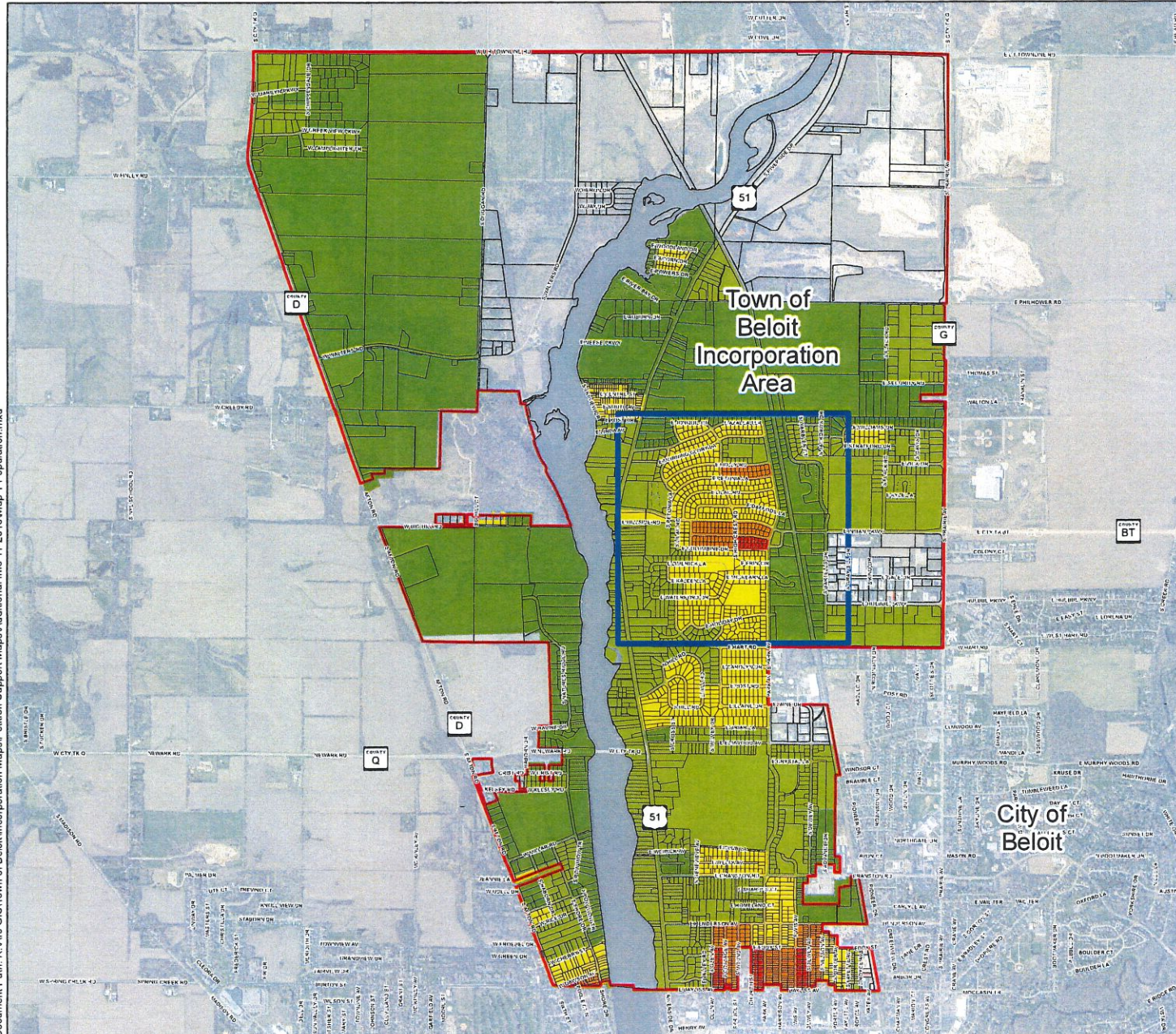


Data Source: Rock County



MAP 7

Document Path: K:\Arc GIS\Town of Beloit\Incorporation Maps\Petition Support Maps\Additional Info 11-2018\Map 1 Population.mxd



Town Incorporation Area: Population Density

- Most Populated Square Mile
- Proposed Village Boundary
- Incorporation_Area_Parcel

Census Population/Acre

- 0.00 - 1.00
- 1.01 - 4.00
- 4.01 - 7.00
- 7.01 - 10.00
- 10.01+

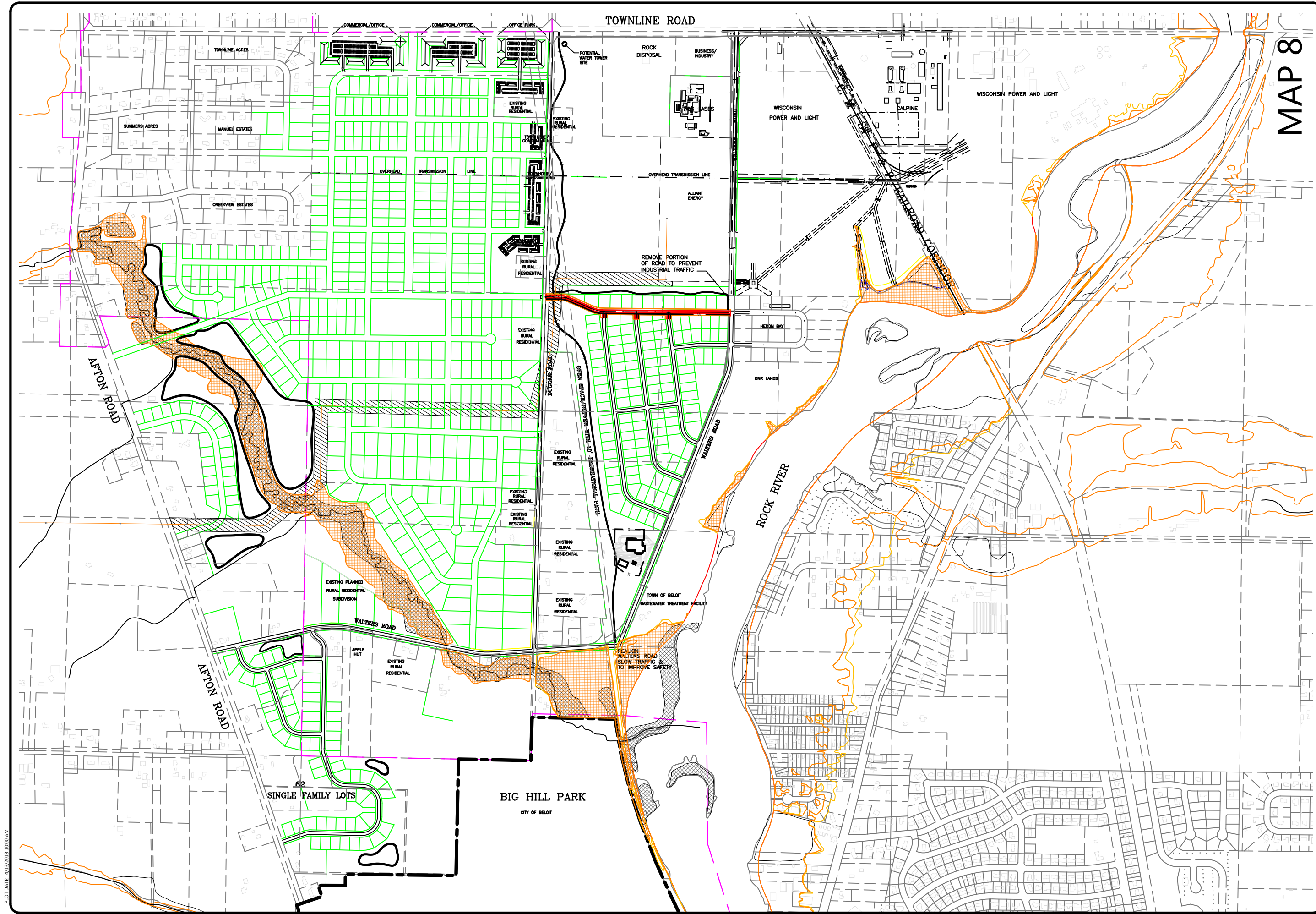
0 0.25 0.5
Miles



 **BELOIT**
Michigan

Batterman
engineers surveyors planners

Data Source: Rock County, US Census Bureau



PLOT DATE: 4/13/2018 10:00 AM

MAP 8

NOTE: DIMENSIONAL DATA IS NOT TO BE OBTAINED BY SCALING ANY PORTION OF THIS DRAWING.

| | |
|--------------|--|
| DESIGNED BY: | |
| DRAWN BY: | |
| CHECKED BY: | |
| APPROVED BY: | |

WALTERS ROAD MASTER PLAN
DEVELOPMENT GUIDE

SHEET NO.

1 OF 1

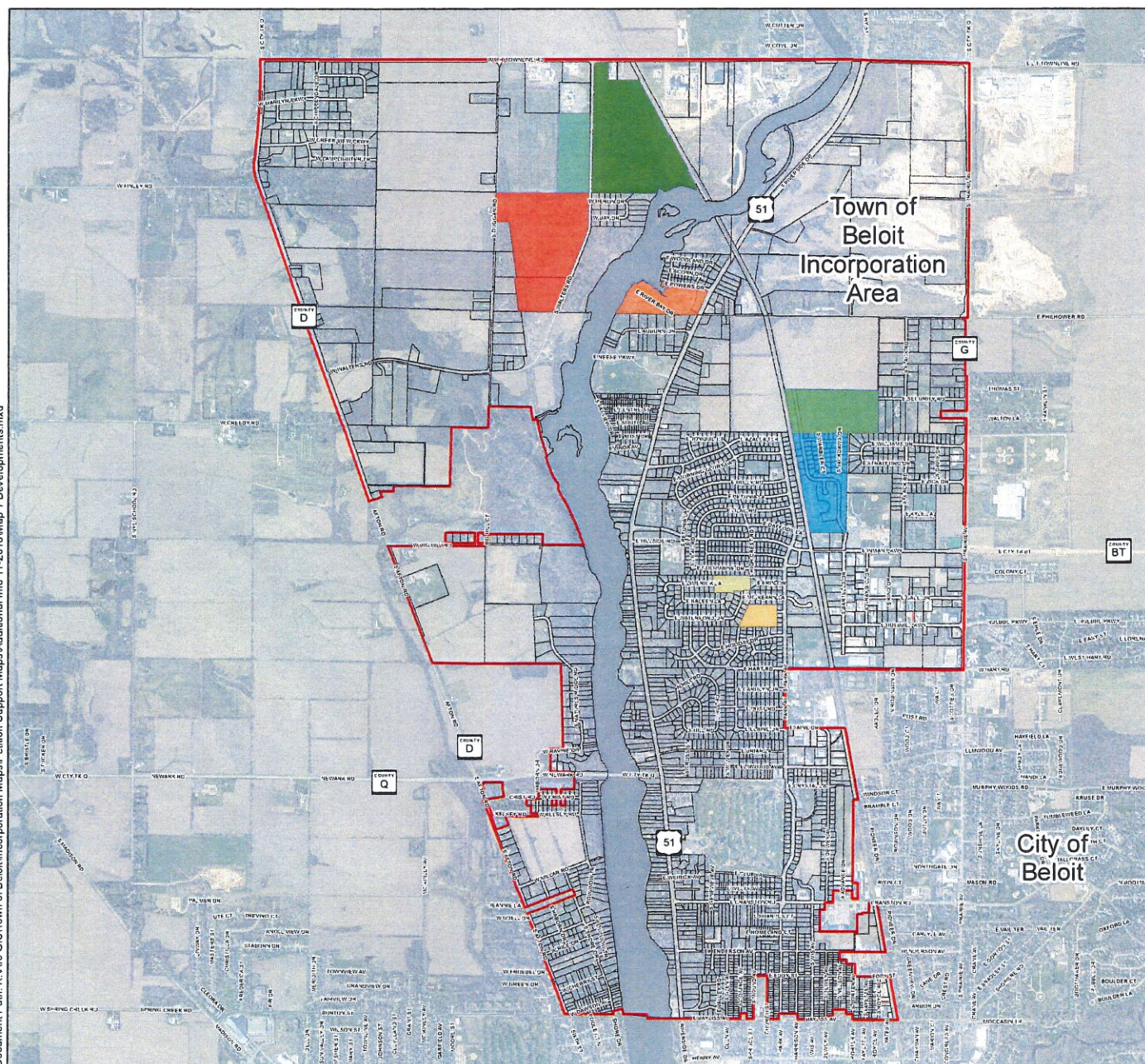
Batterman
engineers surveyors planners

2857 Bartells Drive
Beloit, Wisconsin 53511
608.365.4464
www.rhbatterman.com



MAP 9

Document Path: K:\Arc GIS\Town of Beloit\Incorporation Maps\Petition Support Maps\Additional Info 11-2018\Map 1 Developments.mxd



Town Incorporation Area: Developments

- Proposed Village Boundary
- Developments**
 - Blackhawk Run - Infrastructure Completed; Construction Underway
 - Courtney Condos - Infrastructure Completed; Construction Underway
 - Glen Hills Plat 6 - Design Completed
 - Glen Hills Plat 7 - Design Completed
 - River Bay Estates - Infrastructure Completed; Construction Underway
 - Riverstone - Finalizing Development Agreement; Starting Preliminary Design
- Commercial**
 - Proposed Turner Elementary School
 - Casey's General Store
 - Alliant Energy - Riverside West
 - ATC Transmission

0 0.25 0.5
Miles



CITY OF
BELOIT
Wisconsin

Batterman
CONSULTANTS