City of Stoughton
Tax Incremental Financing Application

Please complete this application, along with such additional documentation and information you wish to supplement this application.

APPLICANT INFORMATION

Name: Emmi Roth, USA, Inc.

Mailing Address: 5525 Nobel Drive, Suite 100, Fitchburg, WI 53711

Phone: 608-285-9817 Email: _____

Legal Entity (check one): ____ Individual(s) __X Corporation ____ LLC ____ Partnership

____Other: _____

If not a Wisconsin corporation / partnership / LLC, state where organized: _____

Will a new entity be created for ownership (check one)? ____ Yes __X No

Principals of existing or proposed corporation / partnership / LLC and extent of ownership interests (add more pages, if necessary):

Name	Address	Title	Interest
Tim Omer	5525 Nobel Drive, Suite 100, Fitchburg, WI 53711	Emmi Roth US CEO	
Nate Kieper	5525 Nobel Drive, Suite 100, Fitchburg, WI 53711	Emmi Roth US CFO	
Rob Fisher	5525 Nobel Drive, Suite 100, Fitchburg, WI 53711	Emmi Roth Special Projects Leader	

DEVELOPMENT TEAM

Developer: _____ Architect: _____

Surveyor: _____ Contractor: _____

Other Members (add more pages, if necessary): _____

Describe the Applicant and Development Team's background, expertise, and experience in developing similar projects: Emmi Roth is a recognized leader in the specialty cheese industry. The project team has significant experience both in the United States and internationally in developing facilities for cheese-making, cheese processing, and ancillary assets for the company. The project team has undertaken comparable projects, for example, a new facility in Platteville, WI in 2015.

Format approved 03/28/2023 R-xxx-2023

CITY GOALS OF TAX INCREMENTAL FINANCING

The City has established goals for the use of tax incremental financing. Please indicate which goals you believe the proposed project advances. Select all that apply. *If checked as applicable, please describe in further detail how the goal will be achieved.*

☐ Whether the proposed tax increment district or project assists in the implementation of the City's Comprehensive Plan. *Please describe*: The project will accomplish goals within the Comprehensive Plan to accomplish industrial development in Industrial Park North and create jobs within the City of Stoughton.

☐ Whether the proposed tax increment district or project would eliminate blight, redevelop underused lands, or provide suitable sites for industrial, commercial, or residential development. *Please describe* This project will further develop Emmi Roth's property into state-of-the-art processing facilities. The property and surrounding properties have been identified as growth opportunities for the City of Stoughton specifically for industrial use.

☐ Whether the proposed tax increment district or project would increase employment opportunities. *Please describe:* The facility expansion will allow for additional employment in Emmi Roth's facility and continue to grow to meet the demand of their customers. Approximately 30-45 new jobs will be created as a result of the project.

☐ Whether the proposed tax increment district or project would increase the property tax base. *Please describe* The 2023 assessed value of the parcel's land is $684,400 and the improved value is $1,700,000, totaling $2,384,400. The current project's total capital investment in real property will be $48,800,000 and total project costs of $82,100,000.

Future expansion is expected to cost approximately $15-$25 million in real property improvements.

☐ Whether the proposed tax increment district or project would increase the availability of a range of workforce housing options, including affordable housing. *Please describe* _____

☐ Whether the proposed tax increment district or project would include sustainability measures that will promote a healthy environment, including measures to reduce climate change impacts. *Please describe* See attached presentation describing sustainability measures within the project.

☐ Whether the proposed tax increment district or project would encourage unsubsidized private development. *Please describe* _____

PROJECT AND PROPERTY INFORMATION

Address and / or Parcel Number(s) of proposed development: 1800 Williams Drive, Stoughton, WI

Overall Project Summary and Objectives (include information describing the current and proposed zoning and uses of the site; description of end users; estimated jobs created; anticipated value created; consistency with TID project plan, City Comprehensive Plan, zoning ordinance, subdivision ordinance, and other City ordinances and policies as applicable; whether there has been or will be outreach to the public or neighborhood):

Emmi Roth is currently under construction on a new US headquarters, cheese processing, and storage facility in Stoughton, WI. Upon completion, the facility will be 161,000 square feet of office and industrial space and will create 130 jobs.

Emmi Roth is considering two additional components to the project. First, Emmi Roth is considering adding a solar array to the facility. Solar panels had been initially explored to meet corporate goals to become less carbon dependent, but the cost could not be justified. As solar panel costs have decreased, tax credits through the Inflation Reduction Act, and assistance from the City, the investment in solar panels has become more financially feasible. The anticipated cost of the solar array and associated infrastructure upgrades to support the panels is approximately $3.5 million.

Second, Emmi Roth is considering future expansion of the facility. The future expansion would nearly double the square footage of the processing space and continue to scale as Emmi Roth grows. This expansion would occur in the next five to seven years, would add 30-45 additional jobs to the site, and cost approximately $15-$25 million.

These projects accomplish goals stated within the City's Comprehensive Plan and TID project plan. The Comprehensive Plan specifically calls out industrial development as a future land use within the areas in and surrounding the Business Park North. The Comprehensive Plan and TIF project plan specifically target job creation within economic development goals, of which this project accomplishes.

For a project that contains housing, describe whether the project would increase the availability of a range of workforce housing options, including affordable housing. If the project will not increase the availability of affordable housing, explain why it does not, and explain whether the project could include affordable housing if the City provides additional TIF support.

Describe whether the project would include sustainability measures that will promote a healthy environment, including measures to reduce climate change impacts.

See attached presentation describing sustainability measures within the project.

Describe the request for tax increment financing.

Emmi Roth requests that the City provides up-front funding of $3.5 million to install a solar system. In addition, Emmi Roth requests a Pay-As-You-Go (PAYGo) TIF incentive with a value of $1.2 million and a 5% interest rate. The PAYGo TIF incentive shall be earned upon the completion of the expansion as a rebate of 100% of property taxes during the life of the TID until $1.2 million is received.

"BUT FOR" TEST

Why is the requested TIF funding needed? Explain why the project cannot proceed without such support? In addition, provide a complete description of the sources and uses of funding for the project. If land will be purchased for the project, please describe the purchase price, and supply any appraisal or other documentation available that provides information relating to the fair market value of the property. If you are paying more than fair market value for the property, please explain why.

There are two elements that satisfy the "but for" test. First, during initial design it was previously evaluated whether to include a solar array to the facility. Due to the return on investment and capital constraints the installation of solar panels was determined to not be economically feasible at that time.

Second, Emmi Roth is currently considering how to address future demand and would be willing to commit to future expansion of the facility. While the expansion of the facility is not anticipated to occur within five to seven years, planning and forecasting will begin with an expectation of future expansion. Without a commitment of future support, Emmi Roth will continue to evaluate alternative solutions to support their future processing needs. This could be served by third-party processors or an alternative location could be considered.

Should a TIF incentive not be provided, Emmi Roth would not install solar panels on site nor commit to future expansion of the facility.

What economic benefits will result due to the development?

Emmi Roth will invest approximately $3.5 million in the installation of solar array on site that reduces carbon dependent energy use helping both Emmi Roth and the City of Stoughton achieve their sustainability objectives. An additional investment of $15-$25 million in an expansion of the processing space will occur in five to seven years. This expansion will allow for an additional 30-45 jobs to be created.

What non-economic benefits will the development provide to the community?

The installation of solar array on site that reduces carbon dependent energy use helping both Emmi Roth and the City of Stoughton achieve their sustainability objectives.

FILING REQUIREMENTS

You must provide all the following items with your signed application:

- **Reimbursement Agreement**: Provide a signed Reimbursement Agreement in the form approved by the City.
- **Site Map**: Provide a map that shows the location of the site and its immediate surroundings.
- **Project Renderings**: Provide preliminary architectural drawings, plans, and renderings for the project.
- **Analysis of Financial Need:** Each application must include financial analyses that demonstrate the need for TIF assistance, including project budgets, proformas describing sources and uses of funds, and revenue projections.
- **Project Timeline:** An outline of the timeline envisioned for the project to completion.

The City may require additional documentation, including but not limited to market studies, appraisals, and / or other documents.

AGREEMENT

By signing this application, Applicant agrees to the following:

- The information submitted is correct.
- I understand that the City reserves the right to approve or not approve this application, in the City's sole discretion.

Tim Omer	President / Managing Director
Applicant Printed Name	Applicant Title
	June 8, 2023
Applicant Signature	Date

City of Stoughton Policy
for the Creation of Tax Incremental Finance Districts
and the Approval of TIF Projects.

1. *Purpose*. This policy has been prepared to assist the City in determining whether to create a Tax Incremental Finance District, and in determining whether to approve the use of Tax Incremental Financing for particular projects. The authority to approve the use of Tax Incremental Financing is vested solely in the City Council. The City reserves the right to reject any and all projects, including projects that are eligible for the use of Tax Incremental Financing, for any reason or no reason. The City Council reserves the right to approve or disapprove any project as it deems appropriate.

2. *General Goals for the use of Tax Incremental Financing*. The City may consider whether a TIF District or a TIF project serves one or more of the following general goals when deciding whether to create a TIF District, or whether to provide TIF financing for a particular project:

   A. Eliminate blighting influences, redevelop underutilized lands, and provide suitable sites for industrial, commercial or residential development.
   B. Achieve or accelerate development on sites that would not be developed without the use of Tax Incremental Financing.
   C. Increase employment opportunities in the City.
   D. Increase the tax base for the City and other taxing jurisdictions.
   E. Assists implementation of the City's Comprehensive Plan.
   F. Provide workforce and affordable housing opportunities.
   G. Includes sustainability measures that will promote a healthy environment, including measures to reduce climate change impacts.
   H. Encourage unsubsidized private development in the City.

3. *TIF District Creation*.

   A. TIF Districts will be created in accordance with the procedures and standards in Wis. Stat. § 66.1105, and as such statute may be amended. (See Appendix A - Department of Revenue TIF Creation Checklist).
   B. The City Council may, in individual cases, expand the process for creating a TIF District in such manner as it deems appropriate.

4. *TIF Project Approval*. All TIF projects must be approved by the City Council, following review and report by the Finance Committee. The Finance Director shall provide a report to the Finance Committee and the City Council addressing

the following issues, which shall be considered by the Finance Committee and City Council before approving any TIF project:

A. Is the project authorized by the Project Plan for the TIF District?
B. Does the project serve one or more of the City's general goals for the use of TIF?
C. Is Tax Incremental Financing feasible, in that the TIF District will support the level of TIF investment?
D. Is the amount of Tax Increment Financing requested reasonably necessary to make the project financially viable?
E. Should a development agreement be required, and what terms should be included in the agreement?
F. Is more process (such as additional public hearings or a referendum) appropriate?
G. Such other factors as either the Finance Committee or the City Council deem appropriate.

5. *Permissive Referendum*. Before the City may issue bonds or otherwise borrow funds that will be payable over more than 10 years to fund a TIF project, the City Council must first adopt a resolution declaring its intent to borrow the funds. If a number of electors of the city equal to at least 15% of the of the votes cast for governor at the last general election in the city sign and file a petition conforming to the requirements of Wis. Stat. § 8.40 with the city clerk requesting submission of the resolution, the City may not issue bonds or borrow funds for financing the TIF project without calling a special election to submit the question of bonding or borrowing to the city electors for their approval.

6. *Negotiations*. City staff and the city attorney will negotiate development agreements within the parameters established by the City Council, and subject to final approval by the City Council.

7. *Suspension of Policy*. This policy shall be followed in all cases, except where the common council approves deviating from this policy by a vote of two-thirds of all members of the common council.

Emmi Roth- Stoughton Facility

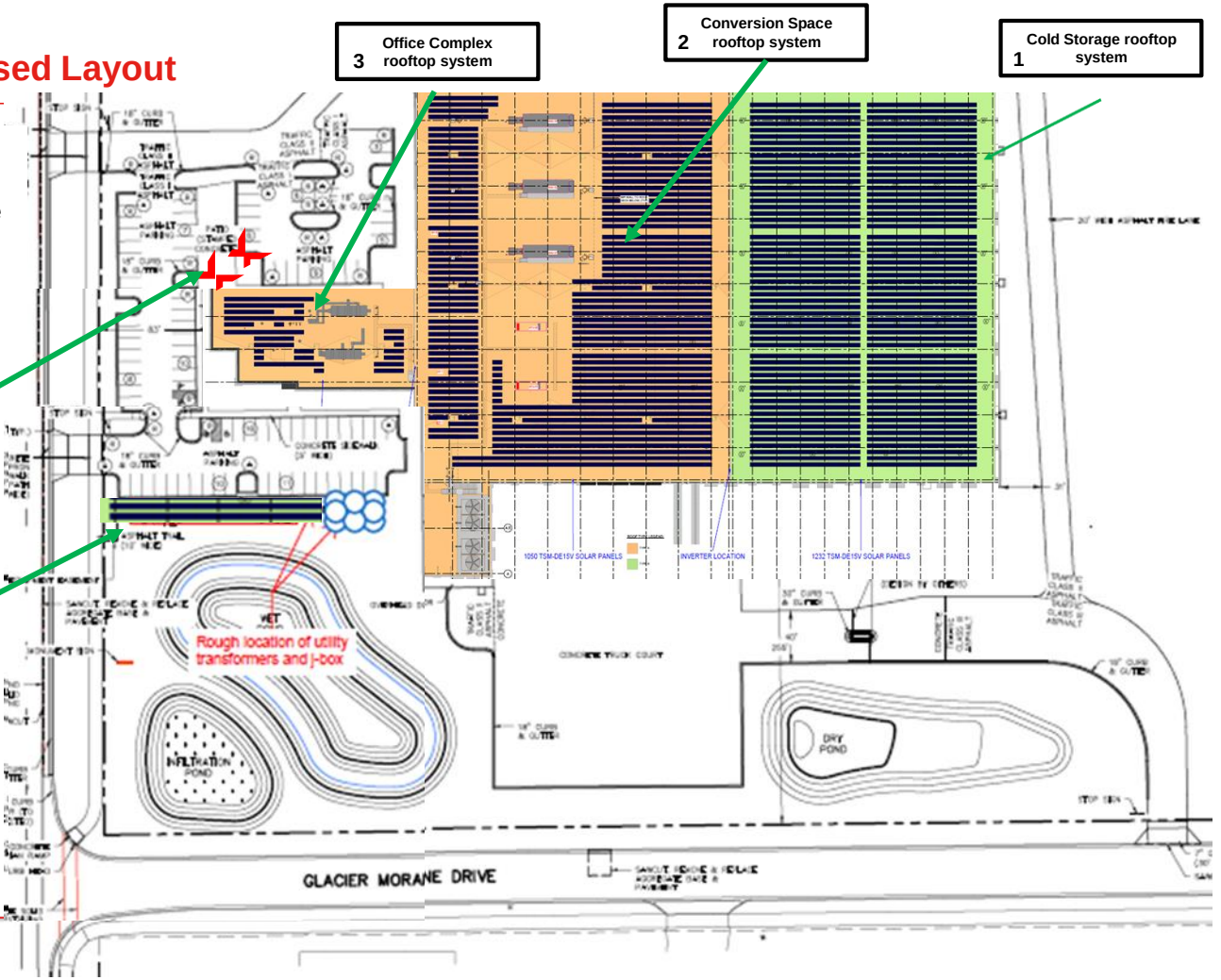
Proposed Solar Project Review

August 30, 2023

Stoughton Solar Array- Proposed Layout

The Solar arrays would be located in 5 areas:

1) Roof of the Cold Storage warehouse
2) Roof of the Production/Conversion space
3) Roof of the office complex
4) Ground mounted system along the south employee parking lot
5) Small Trestle system on the employee patio



Emmi Roth- Stoughton Solar Project Projected Cost

Project Element	Budgeted Cost ($000s)
1160 kW Solar System	**$2,349**
Design, building structural modifications, electrical, electrical controls, fall protection system, Egauge management system, project management	**$1,124**
Total project cost	**$3,474**

1. Complete turnkey design
2. Stamped structural engineering review
3. Zoning, building and electrical permits (City of Stoughton)
4. Utility Interconnection Application and engineering fees
5. Back-feed breakers, disconnects and other required fault protection
6. Labor and balance of system components
7. Fully grounded solar array
8. Fully Engineered and Stamped Electrical Design
9. PV module location as noted on preliminary layout drawing.
10. Full system commissioning
11. Construction facilities and equipment for the duration of the project.
12. Safety plan and safety management throughout construction
13. Design and installation of Fall Protection Safety System for Roof-mounted arrays
14. Fall protection implementation throughout construction
15. Non-permeable, weather resistant ballast block
16. Directional boring for Spotlight Solar Trestle conductors
17. Egauge and inverter integrated monitoring
18. Cantilevered ground mount array
19. Directional boring to building connection point
20. Civil Engineering
21. Owner training

Stoughton- Proposed Solar Panel Rack Installation

Solar Electrical System Details	
KW Size	1160.43 kW
Solar Modules	(2443) Trina Solar Tier 1 475W
Racking	Ecolibrium Ecofoot & Sky-Rack Fixed-tilt
Inverter	Rapid Shutdown Compliant
Monitoring	Inverter Integrated
Miscellaneous	

ROOFMOUNT | RM10 EVO

UNIRAC
BETTER SOLAR STARTS HERE

LAY IT DOWN AND POWER UP! Unirac has taken the tried-and-true form and functionality of RM10 and evolved it to maximize the potential of flat roof solar projects. We have paired simplicity with power by improving the function, strength and reliability of the module clamps and modified the shape of the north row bay to optimize space and increase module density by up to 20%. The system continues to consist of only three major components, minimizing installation time and reducing soft costs. Quickly design around roof obstacles and bond the system with just the turn of a wrench. As with our legacy systems, optional roof attachments, roof pads, and MLPE mounts provide a complete solution. Unirac's unmatched commercial project support makes construction easy, from permitting through installation, and as always, Unirac is supported by North America's largest distribution network and industry leading 25-year warranty. AERODYNAMIC DESIGN. SIMPLICITY OF FORM.

SOLID Bifacial

60 cell

Frameless _ Glass/Glass_Transparent

Positive sorting up to +5W

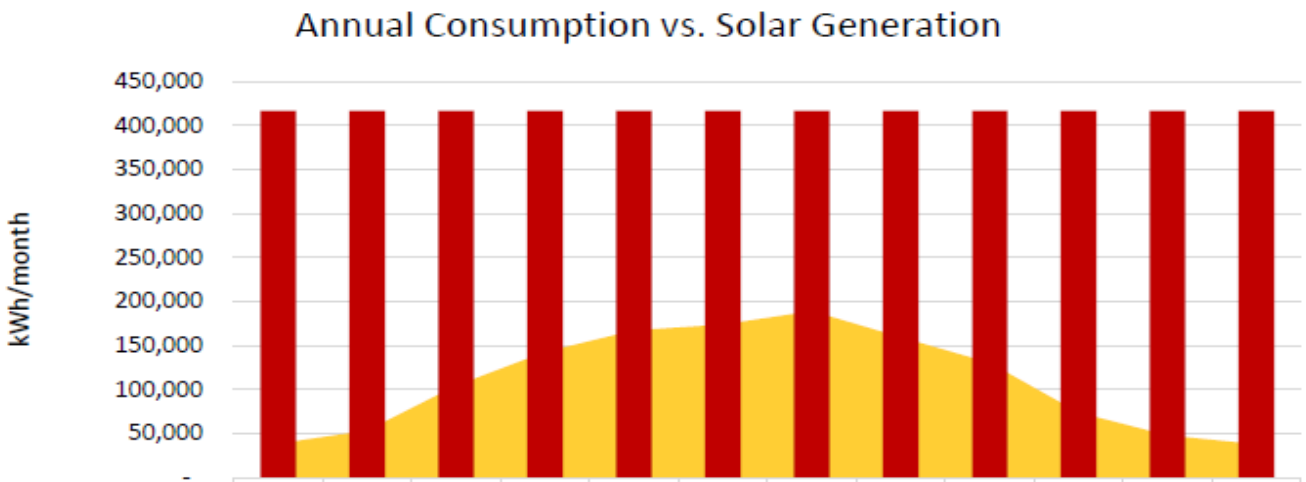
Front side ⚡370 W

30 Year product warranty

87% Power warranty

30 Year efficiency warranty

Stoughton- Consumption Vs. Generation



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Solar Production	38,57	53,28	104,2	142,6	167,3	173,7	189,1	159,2	130,5	73,73	47,71	37,75
Electric Usage	416,6	416,6	416,6	416,6	416,6	416,6	416,6	416,6	416,6	416,6	416,6	416,6

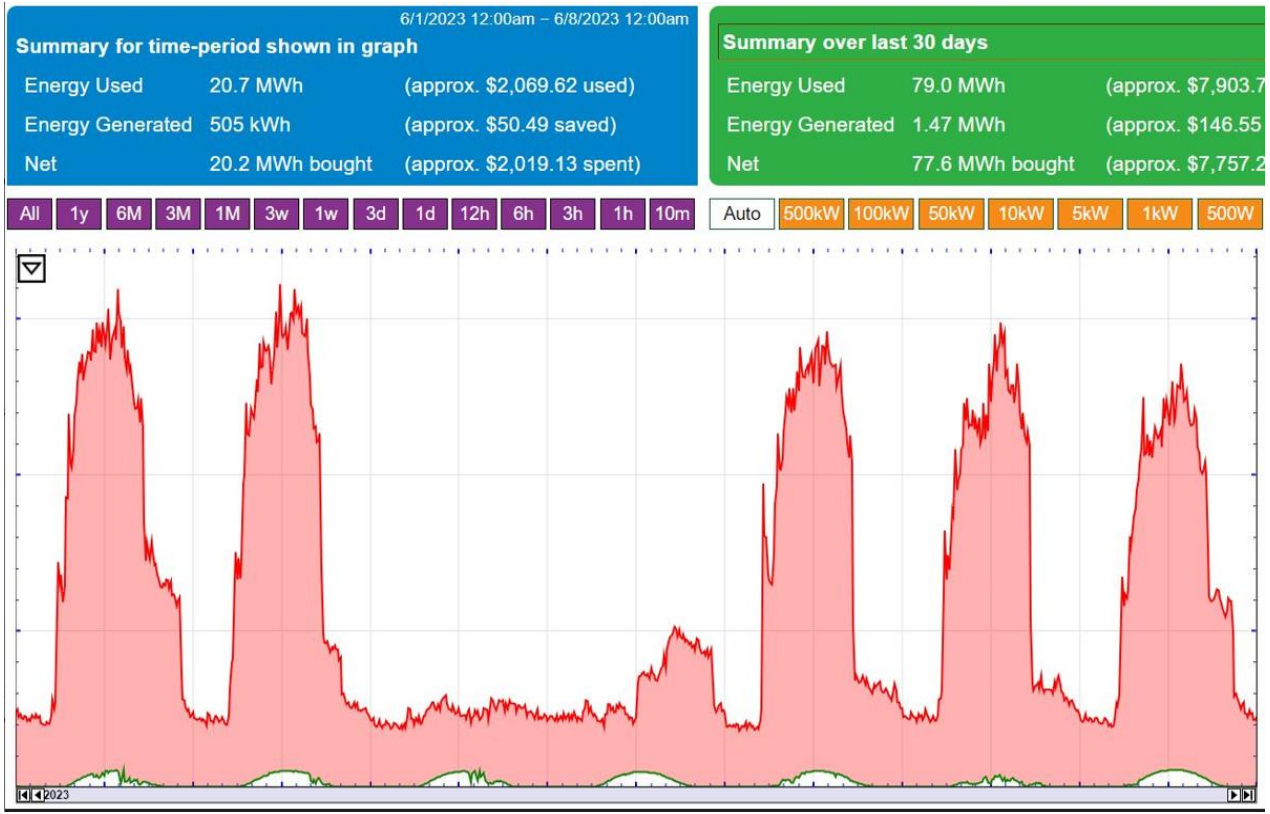
- **1363 GWh expected annual production**
- **At it's peak performance period (July) the system will provide approximately 45% of our electricity requirements**

Emmi Roth- Stoughton Solar Project- Representative Examples

Emmi Roth- Stoughton Solar Project- *Egauge* Management System (screenshot)

Egauge **Management System:**

- **Digital Display**
- **Real-time system performance**
- **Provide historical performance over a variety of timeframes**



Emmi Roth- Stoughton Solar Project Projected Environmental Impacts

2,422,596.7 miles

2,422,596.7 miles driven by an average passenger vehicle.

1,076,709.7 pounds

CO_2 emission from burning 1,076,709.7 pounds of coal.

329.6 tons of waste

329.6 tons of waste recycled instead of being sent to a landfill

1,258.5 acres

The carbon sequestered by 1,258.5 acres of forests a year.