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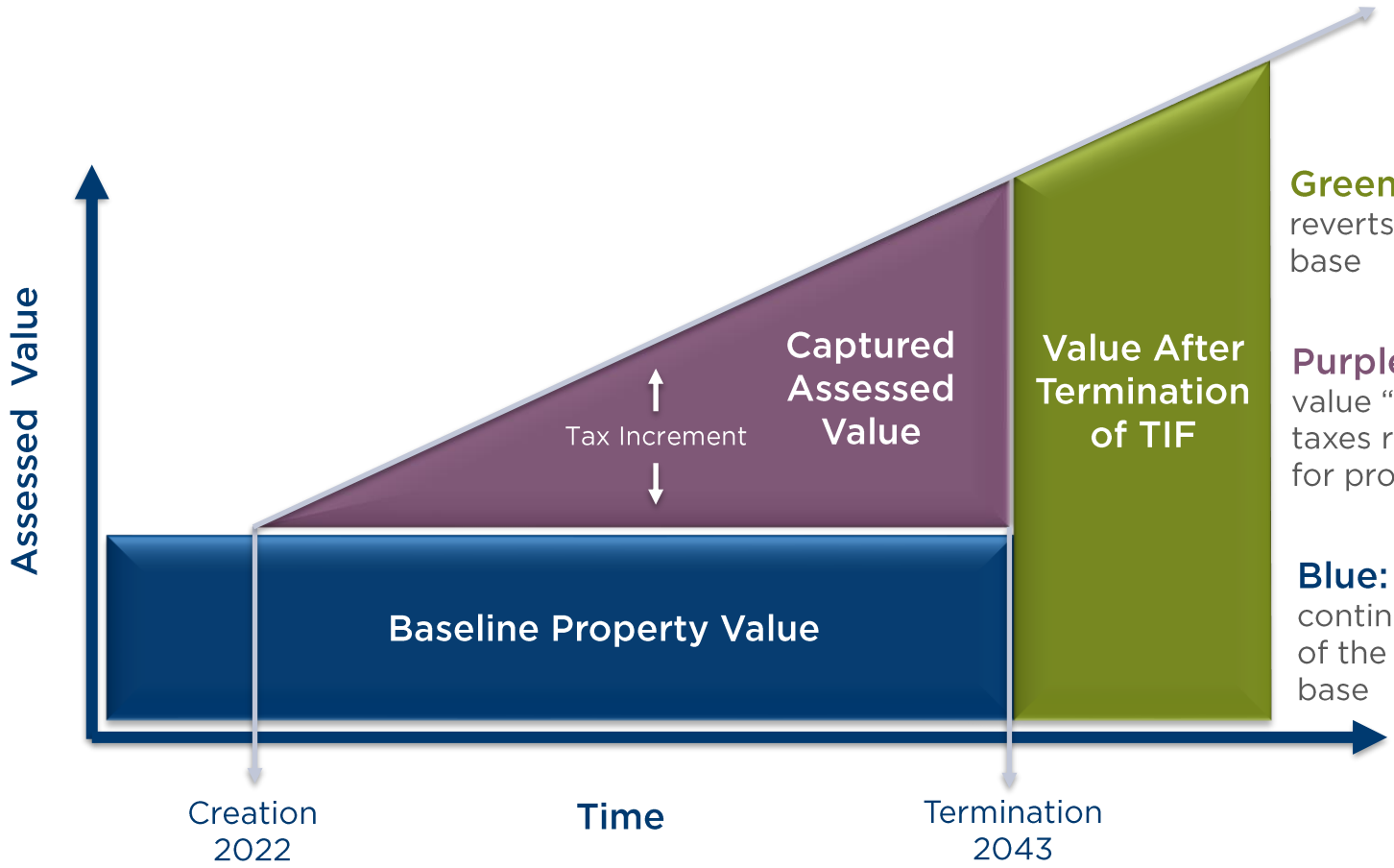
Creation of Tax Increment District No. 9

City of Stoughton, Wisconsin

Preliminary Timeline

- March 14, 2022
  - ✓ Initial Joint Review Board meeting (organizational)
  - ✓ Plan Commission public hearing
  - ✓ Consider approving resolution recommending creation of TID No. 9 to City Council
- April 12, 2022
  - ✓ City Council considers approving resolution creating TID No. 9
- May 5, 2022
  - ✓ JRB meeting to vote on the creation of TID No. 9

TIF Building Blocks: Cash Flows



Green: Full value reverts to general tax base

Purple: Increased value "captured" & taxes remitted to City for project assistance

Blue: Base value continues to be part of the general tax base

The Expenditure Period for the District ends on April 12, 2037.

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Tax Increment District No. 9 Creation

Purpose

- Provide funding for incentives:
  - For a new residential development, including an affordable housing project
  - For future commercial development
- Construct infrastructure improvements to the Highway 51 corridor including a roundabout

Goal

- Expand housing opportunities within City

Required Finding

- Less than 35% of area within District is proposed for newly platted residential development (Actual 29.28%)

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Tax Increment District No. 9 Creation

Preliminary Projects:

• Development incentives for housing development	$8,598,567
• Development incentives for an affordable housing development	2,669,693
• Construct improvements to the Highway 51 Corridor including intersection, pedestrian features, wider sidewalks, lighting, trees and landscaping and a potential underpass*	3,452,400
• Planning, Promotion & Economic Development Costs (Administration)	144,414

*The underpass project will only take place upon approval by the City Council and if there is available increment.

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Tax Increment District No. 9 Creation Preliminary Development Assumptions

City of Stoughton, Wisconsin

Tax Increment District No. 9

Development Assumptions

Construction Year		Multifamily Housing	Affordable Housing	Commercial	Condominium Housing	Duplex Housing	Single Family Housing	Annual Total	Construction Year	
1	2022	1,597,144				412,006		2,009,150	2022	1
2	2023	5,000,377	1,131,845			1,872,649		8,004,871	2023	2
3	2024	3,171,194	4,318,235			1,065,345	389,212	8,943,986	2024	3
4	2025	11,041,865	2,000,000		1,497,483		1,470,000	16,009,348	2025	4
5	2026			4,650,766	3,900,690		980,000	9,531,456	2026	5
6	2027			8,230,464	5,101,827		850,261	14,182,552	2027	6
7	2028			2,644,192			720,527	3,364,719	2028	7
8	2029							0	2029	8
9	2030							0	2030	9
10	2031							0	2031	10
11	2032							0	2032	11
12	2033							0	2033	12
13	2034							0	2034	13
14	2035							0	2035	14
15	2036							0	2036	15
16	2037							0	2037	16
17	2038							0	2038	17
18	2039							0	2039	18
19	2040							0	2040	19
20	2041							0	2041	20
	Totals	20,810,580	7,450,080	15,525,422	10,500,000	3,350,000	4,410,000	62,046,082		

Notes:

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Tax Increment District No. 9 Creation

Preliminary Development & Increment Assumptions

City of Stoughton, Wisconsin

Tax Increment District No. 9

Tax Increment Projection Worksheet

Type of District	Mixed Use	
District Creation Date	April 12, 2022	
Valuation Date	Jan 1,	2022
Max Life (Years)	20	
Expenditure Period/Termination	15	4/12/2037
Revenue Periods/Final Year	20	2043
Extension Eligibility/Years	Yes	3
Eligible Recipient District	No	

Base Value	34,949
Appreciation Factor	0.50%
Base Tax Rate	$20.64
Rate Adjustment Factor	0.00%
Tax Exempt Discount Rate	2.00%
Taxable Discount Rate	3.50%

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
1	2022	2,009,150	2023	0	2,009,150	2024	$20.64	**41,473**
2	2023	8,004,871	2024	10,046	10,024,067	2025	$20.64	**206,919**
3	2024	8,943,986	2025	50,120	19,018,173	2026	$20.64	**392,576**
4	2025	16,009,348	2026	95,091	35,122,612	2027	$20.64	**725,007**
5	2026	9,531,456	2027	175,613	44,829,681	2028	$20.64	**925,382**
6	2027	14,182,552	2028	224,148	59,236,381	2029	$20.64	**1,222,768**
7	2028	3,364,719	2029	296,182	62,897,282	2030	$20.64	**1,298,337**
8	2029	0	2030	314,486	63,211,769	2031	$20.64	**1,304,828**
9	2030	0	2031	316,059	63,527,828	2032	$20.64	**1,311,352**
10	2031	0	2032	317,639	63,845,467	2033	$20.64	**1,317,909**
11	2032	0	2033	319,227	64,164,694	2034	$20.64	**1,324,499**
12	2033	0	2034	320,823	64,485,518	2035	$20.64	**1,331,121**
13	2034	0	2035	322,428	64,807,945	2036	$20.64	**1,337,777**
14	2035	0	2036	324,040	65,131,985	2037	$20.64	**1,344,466**
15	2036	0	2037	325,660	65,457,645	2038	$20.64	**1,351,188**
16	2037	0	2038	327,288	65,784,933	2039	$20.64	**1,357,944**
17	2038	0	2039	328,925	66,113,858	2040	$20.64	**1,364,734**
18	2039	0	2040	330,569	66,444,427	2041	$20.64	**1,371,557**
19	2040	0	2041	332,222	66,776,649	2042	$20.64	**1,378,415**
20	2041	0	2042	333,883	67,110,532	2043	$20.64	**1,385,307**
	Totals	**62,046,082**		**5,064,450**			**Future Value of Increment**	**22,293,560**

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

- Construction of multi-family housing development to begin 2023 and Affordable Housing in 2024.
- Estimated $62.0MM to be created throughout the life of the District
- Total tax increment revenue projected to be approximately $22.3 million through life of TID
- Inflation Rate is 0.5%

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Tax Increment District No. 9 Creation
Preliminary Cash Flow

City of Stoughton, Wisconsin

Tax Increment District No. 9

Cash Flow Projection

	Projected Revenues				Expenditures									Balances			
					G.O. Bond 1,455,000												
Year	Tax Increments	Interest Earnings/ (Cost)	Proceeds from Long-Term Debt	Total Revenues	Dated Date: 06/15/25 Principal	Est. Rate	Interest	Dvorak MRO	Affordable Housing MRO	Capital	Debt Issuance Costs	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	Year
2022				0								15,500	15,500	(15,500)	(15,500)	8,598,567	2022
2023				0								5,000	5,000	(5,000)	(20,500)	8,598,567	2023
2024	41,473			41,473				13,817	0			5,100	18,917	22,556	2,056	11,254,443	2024
2025	206,919	346	1,455,000	1,662,264				135,715	19,725	1,382,400	72,238	5,202	1,615,280	46,985	49,041	12,554,003	2025
2026	392,576			392,576			60,140	207,979	104,467			5,306	377,892	14,684	63,725	12,241,557	2026
2027	725,007			725,007	105,000	3.00%	42,075	425,876	144,172			5,412	722,535	2,472	66,197	11,566,509	2027
2028	925,382			925,382	160,000	3.00%	38,100	575,538	144,854			5,520	924,012	1,370	67,567	10,686,117	2028
2029	1,222,768			1,222,768	240,000	3.00%	32,100	797,954	145,539			5,631	1,221,224	1,544	69,111	9,502,624	2029
2030	1,298,337			1,298,337	265,000	3.00%	24,525	854,003	146,227			5,743	1,295,498	2,839	71,950	8,237,394	2030
2031	1,304,828			1,304,828	275,000	3.00%	16,425	858,241	146,917			5,858	1,302,441	2,387	74,337	6,957,236	2031
2032	1,311,352			1,311,352	285,000	3.00%	8,025	862,499	147,610			5,975	1,309,109	2,243	76,581	5,662,127	2032
2033	1,317,909			1,317,909	125,000	3.00%	1,875	866,778	148,305			6,095	1,148,053	169,856	246,437	4,522,044	2033
2034	1,324,499			1,324,499			0	871,077	149,003			6,217	1,026,297	298,202	544,639	3,501,964	2034
2035	1,331,121			1,331,121				875,398	149,704			6,341	1,031,443	299,678	844,317	2,476,862	2035
2036	1,337,777			1,337,777				879,739	150,407			6,468	1,036,614	301,163	1,145,480	1,446,716	2036
2037	1,344,466			1,344,466				373,953	151,113			6,597	531,663	812,803	1,958,283	921,650	2037
2038	1,351,188			1,351,188				0	151,822			6,729	158,551	1,192,637	3,150,920	769,828	2038
2039	1,357,944			1,357,944				0	152,533			6,864	159,397	1,198,547	4,349,467	617,295	2039
2040	1,364,734			1,364,734				0	153,247			7,001	160,248	1,204,486	5,553,952	464,048	2040
2041	1,371,557			1,371,557				0	153,963			7,141	161,104	1,210,453	6,764,406	310,085	2041
2042	1,378,415			1,378,415				0	154,682			7,284	161,966	1,216,449	7,980,855	155,403	2042
2043	1,385,307			1,385,307				0	155,403			7,430	162,833	1,222,474	9,203,329	0	2043
Total	22,293,560	346	1,455,000	23,748,906	1,455,000		223,265	8,598,567	2,669,693	1,382,400	72,238	144,414	14,545,577				Total

Notes:

Projected TID Closure

- Development incentives shown as Municipal Revenue Obligations (MRO)

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