CITY OF STOUGHTON, 207 S. FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL	
Resolution Creating Tax Incremental District No. 9, Approving its Project Plan and Establishing its Boundaries – City of Stoughton, Wisconsin Committee Action: Fiscal Impact: Tax Incremental Financing	
File Number:	**Date Introduced:** **April 12, 2022**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS

WHEREAS, the City of Stoughton (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 9 (the "District") is proposed to be created by the City as a mixed-use district in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, a Project Plan for the District has been prepared that includes:

a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
b. An economic feasibility study;
c. A detailed list of estimated project costs;
d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
e. A map showing existing uses and conditions of real property in the District;
f. A map showing proposed improvements and uses in the District;
g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
h. A list of estimated non-project costs;
i. A statement of the proposed plan for relocation of any persons to be displaced;
j. A statement indicating how the District promotes the orderly development of the City;
k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).; and

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Dane County, the Stoughton Area School District, and the Madison Area Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Planning Commission, on March 14, 2022 held a public hearing concerning the project plan and boundaries and proposed creation of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the Planning Commission designated the boundaries of the District, adopted the Project Plan, and recommended to the Common Council that it create such District and approve the Project Plan.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Stoughton that:

1. The boundaries of the District that shall be named "Tax Incremental District No. 9, City of Stoughton", are hereby established as specified in Exhibit A of this Resolution.

2. The District is created effective as of January 1, 2022.

3. The Common Council finds and declares that:

   (a) Not less than 50% by area of the real property within the District is suitable for mixed-use development as defined by Wisconsin Statutes Section 66.1105(2)(cm).

   (b) Based upon the finding stated in 3.a. above, the District is declared to be a mixed-use district based on the identification and classification of the property included within the District.

   (c) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.

   (d) The equalized value of the taxable property in the District plus the value increment of all other existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.

   (e) That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.

   (f) The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).

   (g) The project costs relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.

(h) Lands proposed for newly platted residential development comprise no more than 35% of the real property area within the District.

(i) Costs related to newly platted residential development may be incurred based on the proposed development having a density of at least three (3) units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.

4. The Project Plan for "Tax Incremental District No. 9, City of Stoughton" (see Exhibit B) is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to apply to the Wisconsin Department of Revenue, in such form as may be prescribed, for a "Determination of Tax Incremental Base", as of January 1, 2022, pursuant to the provisions of Wisconsin Statutes Section 66.1105(5)(b).

BE IT FURTHER RESOLVED THAT pursuant to Section 66.1105(5)(f) of the Wisconsin Statutes that the City Assessor is hereby authorized and directed to identify upon the assessment roll returned and examined under Wisconsin Statutes Section 70.45, those parcels of property which are within the District, specifying thereon the name of the said District, and the City Clerk is hereby authorized and directed to make similar notations on the tax roll made under Section 70.65 of the Wisconsin Statutes.

Adopted this 12th day of April, 2022.

_____
Mayor

_____
City Clerk

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____
Tim Swadley, Mayor Date

Council Action: _____ ☐ **Override** **Vote** _____

EXHIBIT A -

LEGAL BOUNDARY DESCRIPTION
OR
MAP OF
TAX INCREMENTAL DISTRICT NO. 9
CITY OF STOUGHTON

[INCLUDED WITHIN PROJECT PLAN]

EXHIBIT B -

PROJECT PLAN

April 12, 2022

PROJECT PLAN

City of Stoughton, Wisconsin

Tax Incremental District No. 9

(51 West Development)

Prepared by:

Ehlers

N21W23350 Ridgeview Parkway West,

Suite 100

Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	March 14, 2022
Public Hearing Held:	March 14, 2022
Approval by Plan Commission:	March 14, 2022
Adoption by Common Council:	Scheduled for April 12, 2022
Approval by the Joint Review Board:	Scheduled for May 5, 2022

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District ("TID") No. 9 ("District") is a proposed Mixed-Use District comprising approximately 76 acres located on the City's northwest side. The District is located just south of Rutland-Dunn Town Line Road and split by US Highway 51. The District will be created to pay the costs of a development incentive and necessary City infrastructure needed for mixed use purposes ("Project") to be developed by RHD Properties, LLC ("Developer").

The Project is comprised of commercial lots and residential lots. It is estimated to provide 9 single family lots and approximately 348 multi-family units including a mix of multifamily, duplex and condo developments. In addition, the District will provide parks and recreation along with stormwater management facilities.

Authority

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately $14,720,660 ("Project Costs") to undertake the projects listed in this Project Plan ("Plan"). The primary project cost is a $8,598,567 developer incentive to reduce the financial gap for infrastructure installation and a developer incentive of $2,669,693 to fund the financial gap for the affordable housing development. The developer incentive will be provided on a "pay-as-you-go" basis meaning the developer is required to complete the project and all related public improvements before a developer incentive is paid by the City. A developer incentive is subject to approval of a development agreement by the City Council.

Incremental Valuation

The City projects that new land and improvements value of approximately $62,046,082 will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption's as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within its allowable 20 years.

Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

1. That "but for" the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has considered the following:

   A review of the Project's sources and uses, and cash flow proforma was undertaken by the City to perform its due diligence regarding the "but for" test. The review examines the Project's projected return on investment to determine if the amount the Developer has requested is necessary to provide an acceptable return on investment and indicates that "but for" the incentives, the project would not likely proceed. The Project's projected return on investment is 0.51%. The Developer has requested that the City provide an incentive payment on a pay as you go basis with an estimated future value of $8,598,567. Projects of this type typically need to provide a return in the range of 10% to 18% to attract the necessary investment capital. Based on Ehlers review, with the provision of pay as you go incentives, in the amount requested, is necessary to provide a positive return on investment and indicates that "but for" the incentives, the project would not likely proceed.

   In addition, the City anticipates required infrastructure to be installed by the City. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements.

2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered that the Developer is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and services from retailers, restaurants and service companies.

   The expectation is that the Project will provide housing opportunities that may create employment opportunities to workers within the area of the TID or other parts of the City once the Project is fully operational.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.

4. Not less than 50% by area of the real property within the District is suitable for mixed use development as defined by Wis. Stat. § 66.1105(2)(cm). Lands proposed for newly-platted residential development comprise no more than 35% (actual per plan, 29.28%) of the real property area within the District. Costs related to newly-platted residential development may be incurred based on the proposed development having a density of at least three (3) units per acre as defined in Wis. Stat. § 66.1105(2)(f)3.a.

5. Based on the foregoing finding, the District is designated as a mixed-use district.

6. The Project Costs relate directly to promoting mixed use development in the District, consistent with the purpose for which the District is created.

7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.

8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.

9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).

10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.

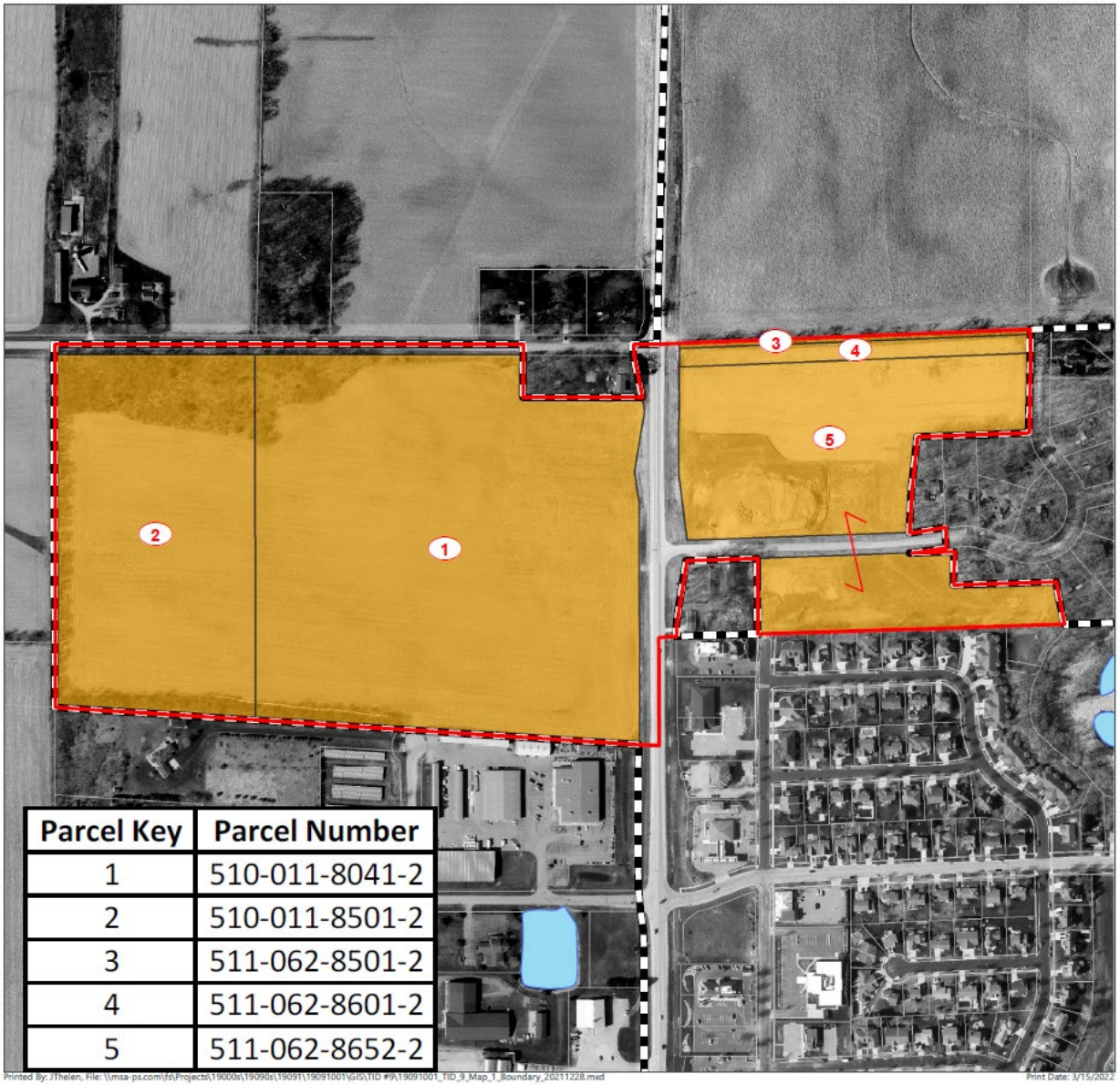
11. The Plan for the District is feasible and is in conformity with the Comprehensive Plan of the City.

SECTION 2:
Preliminary Map of Proposed District Boundary

Map Found on Following Page.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.

The District does include a very small amount of wetlands, however the wetlands do not appear on the National or Wisconsin Wetland inventory and a federal exemption to fill them has been approved by the Wisconsin DNR. Wetland acreage for this plan is included in the District.



Parcel Key	Parcel Number
1	510-011-8041-2
2	510-011-8501-2
3	511-062-8501-2
4	511-062-8601-2
5	511-062-8652-2

TID No. 9 Parcels & Boundary

City of Stoughton
Dane County, Wisconsin

Data Sources: MSA & Dane County

LEGEND

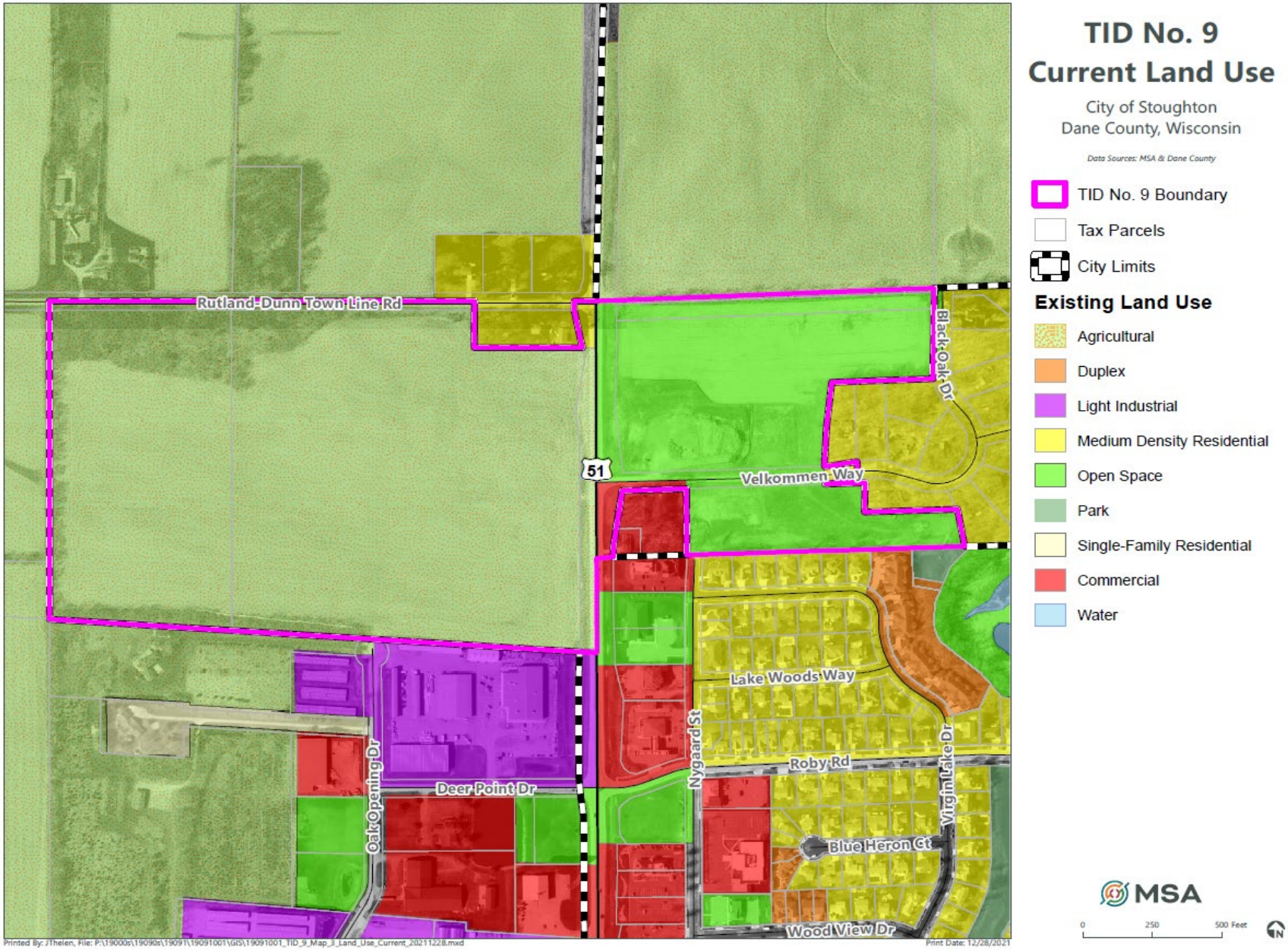
- TID No. 9 Boundary
- TID No. 9 Parcels
- Tax Parcels
- City Limits
- Surface Water

MSA

0 250 500 Feet

SECTION 3:
Map Showing Existing Uses and Conditions

Map Found on Following Page.


TID No. 9
Current Land Use
City of Stoughton
Dane County, Wisconsin
Data Sources: MSA & Dane County
TID No. 9 Boundary
Tax Parcels
City Limits
Existing Land Use
Agricultural
Duplex
Light Industrial
Medium Density Residential
Open Space
Park
Single-Family Residential
Commercial
Water
Rutland-Dunn Town Line Rd
51
Velkommen Way
Black Oak Dr
Lake Woods Way
Nygaard St
Roby Rd
Virgin Lake Dr
Deer Point Dr
Oak Opening Dr
Blue Heron Ct
Wood View Dr
MSA
0
250
500 Feet
N
Printed By: JThelen, File: P:\19000s\19090s\19091\19091001\GIS\19091001_TID_9_Map_3_Land_Use_Current_20211228.mxd
Print Date: 12/28/2021

SECTION 4:
Preliminary Parcel List and Analysis

City of Stoughton, Wisconsin

Tax Increment District No. 9

Base Property Information

Property Information							Assessment Information			Equalized Value				District Classification				Assessment Roll Classification? *(Residential = Class 1, Commercial = Class 2, Manufacturing = Class 3, Ag = Class 4 , Undeveloped = Class 5, Ag Forest = Class 5M, Forest = Class 6, Other = Class 7 & Exempt = X)*
Map Ref#	Parcel Number	Street Address	Owner	Acreage	Annexed Post 1/1/04?	Part of Existing TID?	Land	Imp	Total	Equalized Value Ratio	Land	Imp	Total	Commercial/ Business	Institutional	Newly Platted Residential	Suitable for Mixed Use	
1	51001180412	1547 US HIGHWAY 51	RHD PROPERTIES LLC	33.40	No	No	10,400	0	10,400	99.00%	10,505	0	10,505	13.7270	8.0800	11.5930	33.40	4
2	51001185012	N/A	RHD PROPERTIES LLC	17.90	No	No	14,100	0	14,100	99.00%	14,242	0	14,242		13.4800	4.4200	17.90	4, 5M
3	51106285012	N/A	RHD PROPERTIES LLC	0.50	No	No	100	0	100	99.00%	101	0	101		0.5000		0.50	X
4	51106286012	N/A	RHD PROPERTIES LLC	1.60	No	No	4,700	0	4,700	99.00%	4,747	0	4,747		1.6000		1.60	1
5	51106286522	N/A	RHD PROPERTIES LLC	16.90	No	No	5,300	0	5,300	99.00%	5,354	0	5,354		10.4510	6.4490	16.90	1
ROW	N/A	N/A	N/A	6.41	N/A	N/A	0	0	0	99.00%	0	0	0		6.41	0	6.41	4
			Total Acreage	**76.71**			34,600	0	34,600		34,949	0		13.727	40.521	22.464	76.712	
														17.89%	52.82%	29.28%	100.00%	

The above values are as of January 1, 2021. Actual base value certification of the territory will be based on January 1, 2022 assessed values.

Estimated Base Value **34,949**

Note - ROW is defined as Right of Way

SECTION 5:
Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals $54,999,149. This value is less than the maximum of $160,953,372 in equalized value that is permitted for the City.

City of Stoughton, Wisconsin

Tax Increment District No. 9

Valuation Test Compliance Calculation

District Creation Date	4/12/2022
	Valuation Data Currently Available 2021
Total EV (TID In)	1,341,278,100
12% Test	160,953,372
Increment of Existing TIDs	
TID #4	7,905,100
TID #5	3,214,400
TID #6	3,191,400
TID #7	40,319,500
TID #8	333,800
Total Existing Increment	54,964,200
Projected Base of New or Amended District	34,949
Total Value Subject to 12% Test	54,999,149
Compliance	PASS

SECTION 6:

Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Wis. Stat. § 66.1105(2)(f)1 k.

Water System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Miscellaneous

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside the District:

- 51 Corridor Enhanced Pedestrian Features, $30,600
- 51 Corridor Wider Sidewalks, $306,000
- 51 Corridor Lighting, $486,540
- 51 Corridor Trees and Landscaping, $102,000
- 51 Corridor Underpass, $2,070,000

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

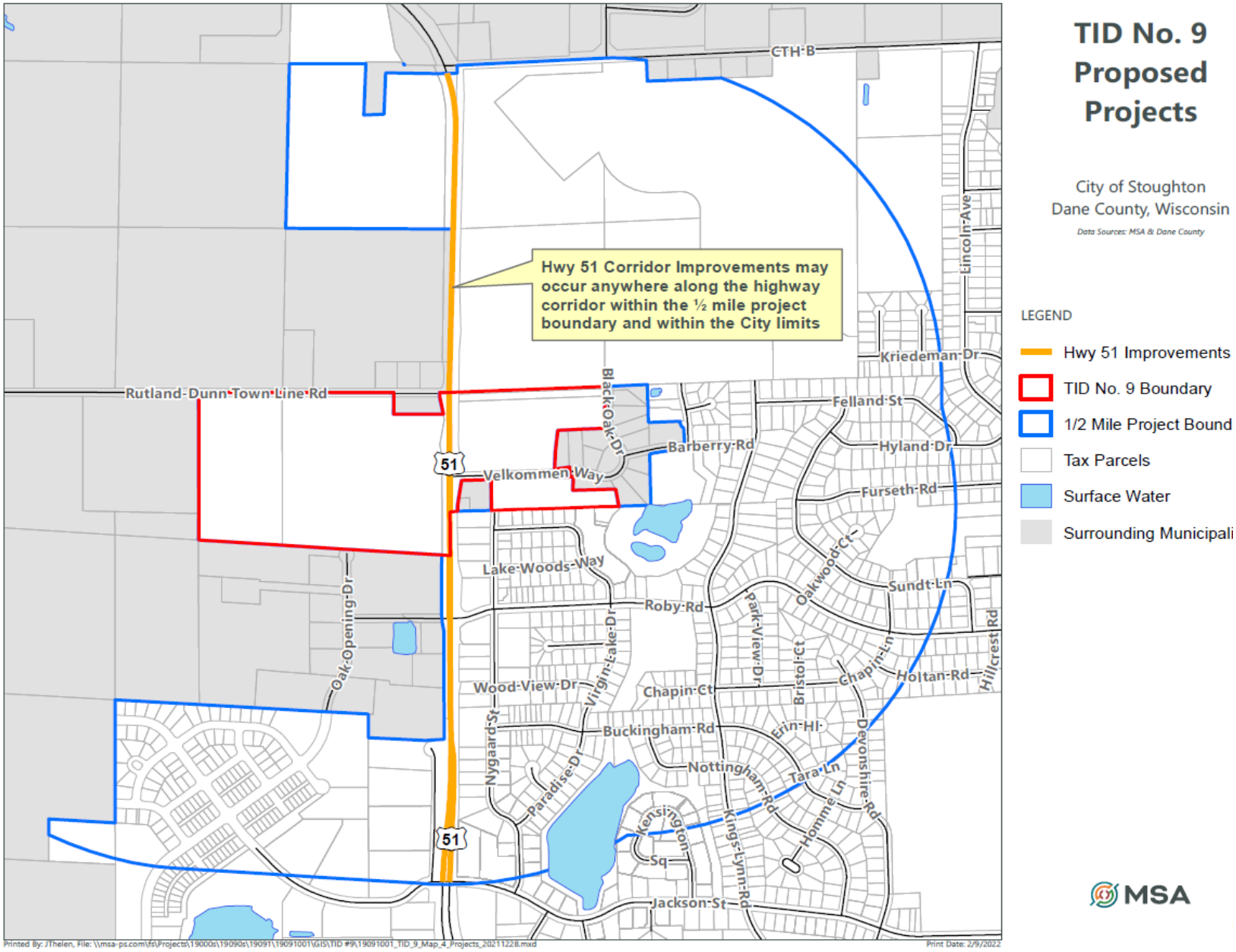
The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

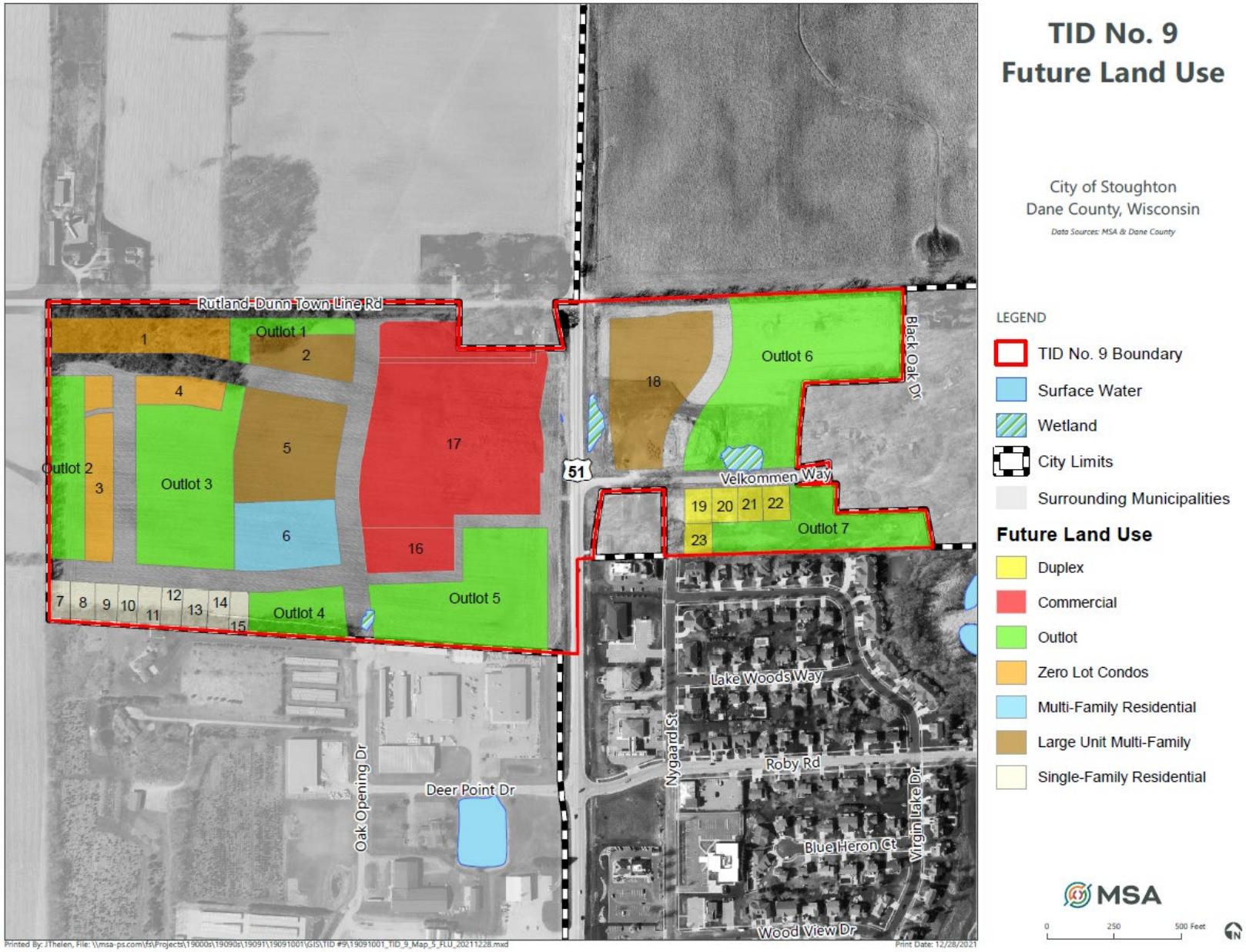
Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7:
Map Showing Proposed Improvements and Uses

Map Found on Following Page.


TID No. 9
Proposed
Projects
City of Stoughton
Dane County, Wisconsin
Data Sources: MSA & Dane County
Hwy 51 Corridor Improvements may occur anywhere along the highway corridor within the ½ mile project boundary and within the City limits
LEGEND
Hwy 51 Improvements
TID No. 9 Boundary
1/2 Mile Project Bound
Tax Parcels
Surface Water
Surrounding Municipali
CTH B
Lincoln Ave
Kriedeman Dr
Rutland Dunn Town Line Rd
Black Oak Dr
Felland St
Barberry Rd
Hyland Dr
51
Velkommen Way
Furseth Rd
Oakwood Ct
Lake Woods Way
Sundt Ln
Roby Rd
Park View Dr
Oak Opening Dr
Virgin Lake Dr
Bristol Ct
Chapin Ln
Hillcrest Rd
Holtan Rd
Wood View Dr
Chapin Ct
Nygaard St
Buckingham Rd
Erin Hl
Devonshire Rd
Nottingham Rd
Tara Ln
Paradise Dr
Kensington Sq
Kings Lynn Rd
Homme Ln
Jackson St
Printed By: JThelen, File: \\msa-ps.com\fs\Projects\19000s\19090s\19091\19091001\GIS\TID #9\19091001_TID_9_Map_4_Projects_20211228.mxd
Print Date: 2/9/2022


TID No. 9
Future Land Use
City of Stoughton
Dane County, Wisconsin
Data Sources: MSA & Dane County
LEGEND
TID No. 9 Boundary
Surface Water
Wetland
City Limits
Surrounding Municipalities
Future Land Use
Duplex
Commercial
Outlot
Zero Lot Condos
Multi-Family Residential
Large Unit Multi-Family
Single-Family Residential
Rutland-Dunn Town Line Rd
Outlot 1
Outlot 2
Outlot 3
Outlot 4
Outlot 5
Outlot 6
Outlot 7
Black Oak Dr
Velkommen Way
51
Lake Woods Way
Nygaard St
Roby Rd
Virgin Lake Dr
Blue Heron Ct
Wood View Dr
Oak Opening Dr
Deer Point Dr
MSA
0
250
500 Feet
N

SECTION 8:
Detailed List of Estimated Project Costs

The list on the next page identifies the Project Costs that the City currently expects to incur in implementing the District's Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Stoughton, Wisconsin

Tax Increment District No. 9

Estimated Project List

Project ID	Project Name/Type	Project Year	1/2 Mile Projects	Percentage in 1/2 Mile	TID Amount	Non TID Costs
					See Note 1	
1	Developer Incentive	2024 - 2041	No	NA	8,598,567	0
2	Affordable Housing Incentive	2026 - 2043	No	NA	2,669,693	0
3	Rutland-Dunn Intersection	2025 - 2026	No	NA	294,000	0
4	51 Corridor Enhanced Pedestrian Features[2]	2025 - 2026	Yes	85%	36,000	0
5	51 Corridor Wider Sidewalks[2]	2025 - 2026	Yes	85%	360,000	0
6	51 Corridor Lighting[2]	2025 - 2026	Yes	85%	572,400	0
7	51 Corridor Trees and Landscaping[2]	2025 - 2026	Yes	85%	120,000	0
8	51 Corridor Underpass[3]	TBD	Yes	100%	2,070,000	0
	Total Projects				14,720,660	0

Notes:

Note 1 Project costs are estimates and are subject to modification

Note 2 The 2025/2026 51 Corridor Improvements are estimated to be financed with a debt issue in 2025.

Note 3 The underpass will be constructed based upon approval by the City Council and available increment revenue.

SECTION 9:
Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create $62 million in incremental value by the end of 2030. Estimated valuations and timing for construction of the Project are included in Table 1. Assuming the City's current equalized TID Interim tax rate of $20.64 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate $22.3 million in incremental tax revenue over the 20-year term of the District as shown in Table 2.

Table 1 – 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:

Table 2 – Tax Increment Projection Worksheet

City of Stoughton, Wisconsin

Tax Increment District No. 9

Tax Increment Projection Worksheet

Type of District	Mixed Use		Base Value	34,949
District Creation Date	April 12, 2022		Appreciation Factor	0.50%
Valuation Date	Jan 1,	2022	Base Tax Rate	$20.64
Max Life (Years)	20		Rate Adjustment Factor	0.00%
Expenditure Period/Termination	15	4/12/2037		
Revenue Periods/Final Year	20	2043		
Extension Eligibility/Years	Yes	3	Tax Exempt Discount Rate	2.00%
Eligible Recipient District	No		Taxable Discount Rate	3.50%

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2022	2,009,150	2023	0	2,009,150	2024	$20.64	**41,473**	39,081	37,406
2	2023	8,004,871	2024	10,046	10,024,067	2025	$20.64	**206,919**	230,242	217,724
3	2024	8,943,986	2025	50,120	19,018,173	2026	$20.64	**392,576**	585,810	548,263
4	2025	16,009,348	2026	95,091	35,122,612	2027	$20.64	**725,007**	1,229,596	1,138,057
5	2026	9,531,456	2027	175,613	44,829,681	2028	$20.64	**925,382**	2,035,197	1,865,399
6	2027	14,182,552	2028	224,148	59,236,381	2029	$20.64	**1,222,768**	3,078,817	2,793,982
7	2028	3,364,719	2029	296,182	62,897,282	2030	$20.64	**1,298,337**	4,165,207	3,746,612
8	2029	0	2030	314,486	63,211,769	2031	$20.64	**1,304,828**	5,235,621	4,671,630
9	2030	0	2031	316,059	63,527,828	2032	$20.64	**1,311,352**	6,290,293	5,569,835
10	2031	0	2032	317,639	63,845,467	2033	$20.64	**1,317,909**	7,329,456	6,442,005
11	2032	0	2033	319,227	64,164,694	2034	$20.64	**1,324,499**	8,353,336	7,288,895
12	2033	0	2034	320,823	64,485,518	2035	$20.64	**1,331,121**	9,362,160	8,111,238
13	2034	0	2035	322,428	64,807,945	2036	$20.64	**1,337,777**	10,356,148	8,909,744
14	2035	0	2036	324,040	65,131,985	2037	$20.64	**1,344,466**	11,335,518	9,685,105
15	2036	0	2037	325,660	65,457,645	2038	$20.64	**1,351,188**	12,300,486	10,437,993
16	2037	0	2038	327,288	65,784,933	2039	$20.64	**1,357,944**	13,251,263	11,169,057
17	2038	0	2039	328,925	66,113,858	2040	$20.64	**1,364,734**	14,188,059	11,878,931
18	2039	0	2040	330,569	66,444,427	2041	$20.64	**1,371,557**	15,111,078	12,568,229
19	2040	0	2041	332,222	66,776,649	2042	$20.64	**1,378,415**	16,020,523	13,237,547
20	2041	0	2042	333,883	67,110,532	2043	$20.64	**1,385,307**	16,916,593	13,887,465
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.

Net Present Value (NPV) calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Financing and Implementation

Table 3 provides a summary of the District's financing plan. However, the City anticipates entering into Municipal Revenue Obligations (MRO) with developers as a form of financing of infrastructure improvements constructed by developer and to incentivize an affordable housing development.

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2041 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Table 3 – Financing Plan

City of Stoughton, Wisconsin

Tax Increment District No. 9

Estimated Financing Plan

		G.O. Bond 2025	Totals
Projects			
Rutland-Dunn Signals		294,000	294,000
51 Corridor Enhanced Pedestrian Features		36,000	36,000
51 Corridor Wider Sidewalks		360,000	360,000
51 Corridor Lighting		572,400	572,400
51 Corridor Trees and Landscapting		120,000	120,000
Total Project Funds		1,382,400	1,382,400
Estimated Finance Related Expenses			
Municipal Advisor		20,000	
Bond Counsel		12,000	
Disclosure Counsel		7,200	
Rating Agency Fee		14,000	
Paying Agent		850	
Underwriter Discount	12.50	18,188	
Total Financing Required		1,454,638	
Estimated Interest	0.05%	(346)	
Assumed spend down (months)	6		
Rounding		708	
Net Issue Size		1,455,000	1,455,000

Notes:

Table 4 – 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

SECTION 10:
Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11:
Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12:
Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for mixed use development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13:
How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by creating opportunities for mixed use development, providing necessary public infrastructure improvements and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment opportunities and additional housing which will have a positive impact on the local school district.

SECTION 14:
List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 15:
Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f)

Legal Opinion Found on Following Page.

Insert Signed Legal Opinion

SAMPLE

Mayor
City of Stoughton
381 E Main St
Stoughton, Wisconsin 53589

RE: Project Plan for Tax Incremental District No. 9

Dear Mayor:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As City Attorney for the City of Stoughton, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of Stoughton Tax Incremental District No. 9 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

City Attorney

SECTION 16:
Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.

Statement of Taxes Data Year:	2021	
		Percentage
Dane County	3,720,257	14.01%
City of Stoughton	9,911,584	37.33%
School District of Stoughton Area	11,882,736	44.75%
Madison Area Technical College	1,037,741	3.91%
Total	26,552,317	

Revenue Year	Dane County	City of Stoughton	School District of Stoughton Area	Madison Area Technical College	Total	Revenue Year
2024	5,811	15,481	18,560	1,621	41,473	2024
2025	28,991	77,240	92,601	8,087	206,919	2025
2026	55,004	146,543	175,686	15,343	392,576	2026
2027	101,581	270,634	324,456	28,335	725,007	2027
2028	129,656	345,431	414,128	36,167	925,382	2028
2029	171,323	456,441	547,215	47,789	1,222,768	2029
2030	181,911	484,650	581,034	50,743	1,298,337	2030
2031	182,820	487,073	583,939	50,996	1,304,828	2031
2032	183,734	489,508	586,859	51,251	1,311,352	2032
2033	184,653	491,956	589,793	51,508	1,317,909	2033
2034	185,576	494,416	592,742	51,765	1,324,499	2034
2035	186,504	496,888	595,706	52,024	1,331,121	2035
2036	187,437	499,372	598,684	52,284	1,337,777	2036
2037	188,374	501,869	601,677	52,546	1,344,466	2037
2038	189,316	504,378	604,686	52,808	1,351,188	2038
2039	190,262	506,900	607,709	53,072	1,357,944	2039
2040	191,213	509,435	610,748	53,338	1,364,734	2040
2041	192,170	511,982	613,802	53,604	1,371,557	2041
2042	193,130	514,542	616,871	53,872	1,378,415	2042
2043	194,096	517,115	619,955	54,142	1,385,307	2043
	3,123,561	8,321,854	9,976,850	871,296	22,293,560	

Notes:

The projection shown above is provided to meet the requirments of Wisconsin Statute 66.1105(4)(i)4.