



Feasibility Study

City of Stoughton, Wisconsin

Tax Incremental Financing District No. 6

September 22, 2015

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Mission Statement

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.

1. Purpose

The City of Stoughton has hired Springsted to perform a feasibility analysis related to the proposed Tax Incremental Financing District No. 6 within the City. The City has received a request for tax increment assistance from a private developer for the development of certain properties within the proposed Tax Incremental Financing District.

The report that follows has been prepared to analyze the financial feasibility of the proposed development project within the District as being considered by the City. Project costs include public improvements and utilities/road improvements. With establishment of the Tax Incremental Financing District, Springsted has prepared revenue projections based on planned activities within the District to determine if the revenues generated from the project as a result of the proposed redevelopment could finance the costs associated with the implementation of the Project Plan. We have approached the feasibility analysis based on the proposed plans regarding development costs, outcomes, and timing, to develop a measure of the level of risk for payment of the obligations when compared to the anticipated amount of development and revenues that will be received.

The City hired Springsted as an independent financial advisor. Springsted was founded on the belief of avoidance of conflicts of interest when representing our clients. Our independence covers all service lines from Public Finance to Economic Development and Housing to Investment Services. Our only clients are public entities and non-profit corporations. In every case we stand on only one side of the transaction, with our sole client.

In Public Finance, we do not buy or sell municipal bonds. We are not affiliated through ownership or otherwise with investment or commercial banks. In Economic Development and Housing, we do not work for developers or their representatives. In Investment Services, we act only as the public or non-profit fund manager's agent in any analysis and placement of securities. In Organizational Management and Human Resources, we only work for the public entity. We do not do business with employees or specific groups within a public entity. Since Springsted's founding, clients have relied upon and valued our independent approach on their behalf.

2. Executive Summary

The City of Stoughton has been approached by a private developer for the proposed development of certain properties within the City and boundaries of the Tax Incremental Financing District. The City would establish a Tax Increment Financing District to provide a financing mechanism for a portion of the project costs.

The study is based on the development of the properties listed in the table below as proposed to be included within the boundaries of the proposed Tax Incremental Financing District. The City has received interest for the development of a portion of the expanded business park within the city. Prior to development, significant public improvements including utilities and streets are necessary. The development is requesting the City finance those improvements. It is anticipated that additional development activities will occur on the remaining properties as a component of the City's master development plans and as demand occurs. The parcels within the proposed Tax Increment Financing District would be developed to support financing of certain project costs related redevelopment.

Proposed TID Project Area

Parcel ID	Legal Description
281/0611-324-9175-2 and 281/611-324-9680-2	<p>Parts of the SE ¼ of the SE ¼ and the SW ¼ of the SE ¼ of Section 32, T.6N., R.11E., Town of Pleasant Springs, Dane County, Wisconsin, being more fully described as follows:</p> <p>Commencing at the Southeast corner of Section 32; thence S89°21'30"W, 470.58 feet to the Southwest corner of Dane County Certified Survey Map number 7842 and the point of beginning; thence continue S89°21'30"W along the North line of the plat of Stoughton Business Park North, 1932.45 feet; thence N01°25'30"E, 255.84 feet; thence S89°21'30"W, 262.23 feet to the West line of the SW ¼ of the SE ¼; thence N00°00'18"W along said West line, 487.64 feet; thence N89°21'30"E, 2188.77 feet to the Northwest corner of the aforesaid Certified Survey Map number 7842; thence S00°01'55"W along the West line of said survey, 744.33 feet to the point of beginning. The above described containing 35.823 acres, being subject to a right of way for Williams Drive.</p>

Springsted is preparing an economic feasibility study in conjunction with the Project Plan for proposed Tax Incremental District No. 6, as required by Statute, to determine if the projected revenues generated from the proposed project as a result of anticipated redevelopment can finance the costs associated with the redevelopment activities of the property.

The tax increment revenue projections are based on the potential development of the project area subject to demand and available land use. The development projections used in this study are based on information provided by the City and proposed developer relating to the general market conditions and feasibility within the area. Any changes in the type or size of buildings in the proposed plan would result in expected increases and/or decreases in projected revenues.

3. The Project

General Development Description

The purpose of Tax Incremental Financing District Number 6 is to be a public financing tool for development of additional land suitable for industrial and light industrial businesses in the City of Stoughton, including job creation. The first phases of development are anticipated to result in the retainage and possible creation of existing and new jobs in the community. Future phases of development are anticipated to create additional jobs. The area is approximately 35 acres in size. The project boundaries are described in the next section.

The proposed project shall include the development of land for future business expansion and growth. Proposed project costs within the district may also include future cash grants for reimbursement of construction of business expansion, utility extension, road extension, storm sewer and grading work for individual building constructions, as deemed necessary and applicable for development to occur. Public improvements shall also include the installation of new streets and utilities to facilitate development within the area.

With the adoption of this Project Plan, the City Common Council is enabled to make TIF-eligible expenditures for development of these areas, as well as off-site expenditures if they are related to the District. The infrastructure improvements will provide services to approximately 35 acres of new developable land with future phases of development occurring as demand exceeds current available space.

Based on current estimates, we anticipate the new incremental value will be approximately \$8,500,000 for the first phase including two potential users with a total of \$17,500,000 of assessed value that would include additional phases of development within the project boundaries. It is unknown when full build out would occur for all phases so assumptions have been made relative to timing and values. The incremental value estimates may be refined as additional information on projected future build-outs becomes available. Values may change as timing changes, development square footages and development values per square foot may increase or decrease, etc.

Proposed TID: Table I
Projected Development

Project		Value	Acres	Expected Date of Construction
Phase 1 Development	Parcel 1	5,000,000	10	2015
	Parcel 2	3,500,000	10	2015
Phase 2 Development	Parcel 1	\$3,000,000	6	2017
	Parcel 2	\$3,000,000	6	2019
	Parcel 3	\$3,000,000	6	2021
TOTAL ESTIMATED VALUE INCREMENT		\$17,500,000		

The objective of the District creation is to facilitate the creation of new assessed value growth and job opportunities for both retention and creation within the proposed District and City. The new development is anticipated to create approximately \$8,500,000 of assessed value for phase 1 and a total estimated incremental value of \$17,500,000 upon full build out. The economic feasibility projections are based on both the feasibility of the first phase including incremental value of \$8,500,000 and associated project costs to support that phase, as well as full build out of the project site and the utilization of the maximum allowed tax increment collection period of 20 years, which is the maximum for industrial TIDs. The actual District life may be shorter based on actual development and increment revenue collections.

4. Development Costs

The total development project costs to be financed with tax increment are estimated to be \$7,878,876. This includes the first phase and all estimated subsequent future phases. The estimated project costs are divided into capital costs, other costs, and administrative costs and financing costs.

Proposed TID Number 6: Table II
Proposed Project Costs, Public Works and Improvements

Estimated Costs for Development	Original Cost Estimate	2015	2016	2017	2018	2019	2020	2021	2022	2023-2034	Total
Land Acquisition											
Initial 37 Acres (\$37,500/acre)	\$0		-								-
Remaining 35 Acres (est. \$37,500/acre)	\$1,312,500	-		1,312,500							1,312,500
Total	\$1,312,500	-	-	1,312,500	-	-	-	-	-	-	1,312,500
Soft Costs											
Engineering/Design	\$155,000				155,000						155,000
Administrative	\$200,000	15,000	5,000	5,000	15,000	10,000	10,000	10,000	10,000	120,000	200,000
Consulting	\$0										-
Total	\$355,000	15,000	5,000	5,000	170,000	10,000	10,000	10,000	10,000	120,000	355,000
Business Park Expansion											
Sanitary Sewer	\$213,200	94,824			118,376						213,200
Water Main	\$298,000	97,300			200,700						298,000
Storm Sewer	\$343,450	224,500			118,950						343,450
Detention Basins	\$280,000	200,000			80,000						280,000
Site Grading and Street Construction	\$789,200	337,679			431,521						789,200
Shared Use Path Construction	\$255,000				255,000						255,000
Street Lighting	\$30,000				30,000						30,000
Erosion Control and Restoration	\$49,350	30,900			18,450						49,350
Miscellaneous	\$93,500	80,500			13,000						93,500
Monument Sign	\$100,000				100,000						100,000
Utility Extension	\$63,000				63,000						63,000
Subtotal	\$2,484,700	1,065,703	-	-	1,418,997	-	-	-	-	-	2,484,700
Contingency (25%)	\$621,175	266,426	-	-	354,749	-	-	-	-	-	621,175
Total	\$3,105,875	1,332,129	-	-	1,773,746	-	-	-	-	-	3,105,875
Looping Water Main to Marie Drive											
Water Main	\$0		-								-
Subtotal	\$0	-	-	-	-	-	-	-	-	-	-
Contingency (25%)	\$0	-	-	-	-	-	-	-	-	-	-
Total	\$0	-	-	-	-	-	-	-	-	-	-
Williams Drive Reconstruction											
Sanitary Sewer	\$0										-
Water Main	\$0										-
Storm Sewer	\$0										-
Detention Basin	\$0										-
Site Grading and Street Construction	\$0										-
Street Lighting	\$0										-
Erosion Control	\$0										-
Miscellaneous	\$0										-
Subtotal	\$0	-	-	-	-	-	-	-	-	-	-
Contingency (25%)	\$0	-	-	-	-	-	-	-	-	-	-
Total	\$0	-	-	-	-	-	-	-	-	-	-
Other Costs											
Interest Expense	\$1,167,861			134,145	89,430	88,800	87,960	86,560	84,160	596,806	1,167,861
Developer Cash Grants											-
Total	\$1,167,861	-	-	134,145	89,430	88,800	87,960	86,560	84,160	596,806	1,167,861
Subtotal Land Acquisition	\$1,312,500	-	-	1,312,500	-	-	-	-	-	-	1,312,500
Subtotal Soft Costs	\$355,000	15,000	5,000	5,000	170,000	10,000	10,000	10,000	10,000	120,000	355,000
Subtotal Infrastructure	\$3,105,875	1,332,129	-	-	1,773,746	-	-	-	-	-	3,105,875
Subtotal Other Costs	\$1,167,861	-	-	134,145	89,430	88,800	87,960	86,560	84,160	596,806	1,167,861
Totals	\$5,941,236	1,347,129	5,000	1,451,645	2,033,176	98,800	97,960	96,560	94,160	716,806	5,941,236

Subject to change based on final financing plan for individual projects. The City reserves the right to adjust the total amount financed for certain identified eligible projects contained within this Project Plan.

The public works and improvement activities located within the proposed Tax Incremental Financing Districts are listed in Table II above, which provides a listing of all District activities. The estimated project costs shall be refined as future redevelopment occurs and specific project activities are undertaken.

Phase 1 of the development is anticipated to commence in late 2015. Any future phases of development will need to be considered through an amendment of the Project Plan and Economic Feasibility Study and have not been included.

Capital Costs for Development of the TID:

Capital costs most often include projects located within the boundaries of the District. Infrastructure costs for projects located outside of the District, benefiting or necessary for the development within the District may also be eligible District projects. Such costs must be shared in a reasonable manner relating to the amount of benefit to the District. Infrastructure costs may include:

1. Street construction or reconstruction, installation/upgrading of sanitary sewer, water, and storm water infrastructure to facilitate development or redevelopment.
2. Installation or improvements to other utilities including electric, natural gas, telecommunications, cable TV, fiber optic, etc.
3. Construction of sidewalks, trails and other related improvements to facilitate pedestrian travel in and around the District.
4. Installation/construction of landscaping improvements, streetscaping, and way finding.

Administrative Costs:

Administrative costs may include, but are not limited to, a portion of City staff time, consultants and others directly involved with planning and administering of the District over the statutory expenditure period.

Organization Costs:

Organization costs may include, but are not limited to, financial consultant fees, attorneys, engineers, planners, surveyors, appraisers, and other contracted services related to the District. This shall also include the District economic or environmental feasibility studies, traffic studies, preparation of this Project Plan, financial projections, preliminary engineering to determine project costs, maps, legal services, and other payments made which are necessary or convenient to the District.

Financing Costs:

Financing costs include interest, finance fees, bond discounts, bond redemption premiums, bond legal opinions, bond fees, ratings, capitalized interest, bond insurance and other expenses related to financing.

5. Projected Revenues

The tax increment revenue projections are based on the potential of development opportunities within the proposed District and based on information provided by the developer and reviewed by City staff, including an understanding of the general market conditions and feasibility within the area. The City has received development proposals for two prospective businesses that would generate \$5.0 million and \$3.5 million of new incremental value. Additional value assumptions for future phases of development are estimates based on density and remaining available land for development. Any changes in the type or size of buildings in the proposed site plan would result in expected increases and/or decreases in projected revenues.

Proposed TID NO. 6: Table I
Projected Development

Project		Value	Acres	Expected Date of Construction
Phase 1 Development	Parcel 1	5,000,000	10	2015
	Parcel 2	3,500,000	10	2015
Phase 2 Development	Parcel 1	\$3,000,000	6	2017
	Parcel 2	\$3,000,000	6	2019
	Parcel 3	\$3,000,000	6	2021
TOTAL ESTIMATED VALUE INCREMENT		\$17,500,000		

The City has the ability to use up to 100% of the tax increment revenues generated by the project based on the increased value over current value. This increase in value is referred to as the Incremental Value.

The estimates of incremental new value in the District are based on site plans and general density estimates for the proposed area. Using that information, the estimated incremental new value has been estimated to be approximately \$8,500,000 for the first phase of development and a total of \$17,500,000 for all phases and upon full build-out of the site. The incremental value estimates will be refined as additional information on projected future build-outs becomes available.

Springsted applied the following assumptions to calculate the estimated amount of tax incremental revenues as outlined below:

- Estimated incremental valuation of the proposed developments
 - Phase 1 includes \$8,500,000
 - Future phases includes \$9,000,000
- Construction schedule

- Commences in 2015
 - Future buildout over 10 years
- Creation Resolution approved before October 31, 2015, allowing base value to be established as of January 2, 2015
- 2014 tax rate of 22.49, no change throughout term of TID
- \$0 value increment from personal property
- No annual assessed value inflator
- Industrial TID
 - 20 year maximum term
 - Excluding possible 3-year extension

It is important to note the source of market value assumptions. The value of the incremental building has been provided by the City. It is assumed all new valuations are within the range of values for existing buildings. The actual future development of the project may be unknown and valuation estimates will need to be adjusted as actual development occurs.

The projected tax increment revenues based on full build-out of the site is included as Table III below. Additional tax increment revenues scenarios as further outlined in the feasibility section of the report are also included as exhibits at the end of the report.

Proposed TID No. 6: Table III
Tax Incremental District Revenues
Phase 1 Only

	Annual	Annual	Cumulative	Cumulative		Total				Annual
	Increased	Increased	Value of New	Value	Due to	Estimated		TID	2014	Increment
	Value of New	Value of New	Buildings &	with	Personal	Taxable	Base	Value	Net Total	Revenue
Year	Buildings	Improvements	Improvements	Inflation	Property	Value	Value	Increment	Tax Rate	/1000
(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
12/31/2015	-		-	-	-	-	-	-	-	-
12/31/2016	1,700,000	-	1,700,000	1,700,000	-	1,700,000	-	1,700,000	22.490	-
12/31/2017	6,800,000		8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	38,233
12/31/2018			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2019			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2020			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2021			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2022			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2023			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2024			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2025			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2026			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2027			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2028			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2029			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2030			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2031			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2032			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2033			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
12/31/2034			8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	191,165
Totals:	\$ 8,500,000	\$ -								\$ 3,288,028

Proposed TID No. 6: Table III
Tax Incremental District Revenues
Future Phases (Phase 2)

	Annual	Annual	Cumulative	Cumulative		Total				Annual
	Increased	Increased	Value of New	Value	Due to	Estimated		TID	2014	Increment
	Value of New	Value of New	Buildings &	with	Personal	Taxable	Base	Value	Net Total	Revenue
Year	Buildings	Improvements	Improvements	Inflation	Property	Value	Value	Increment	Tax Rate	/1000
(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
12/31/2015	-		-	-	-	-	-	-	-	-
12/31/2016		-	-	-	-	-	-	-	22.490	-
12/31/2017			-	-	-	-	-	-	22.490	-
12/31/2018	3,000,000		3,000,000	3,000,000	-	3,000,000	-	3,000,000	22.490	-
12/31/2019	-		3,000,000	3,000,000	-	3,000,000	-	3,000,000	22.490	67,470
12/31/2020	3,000,000		6,000,000	6,000,000	-	6,000,000	-	6,000,000	22.490	67,470
12/31/2021	-		6,000,000	6,000,000	-	6,000,000	-	6,000,000	22.490	134,940
12/31/2022	3,000,000		9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	134,940
12/31/2023			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2024			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2025			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2026			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2027			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2028			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2029			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2030			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2031			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2032			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2033			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
12/31/2034			9,000,000	9,000,000	-	9,000,000	-	9,000,000	22.490	202,410
Totals:	\$ 9,000,000	\$ -								\$ 2,833,730

Proposed TID No. 6: Table III
Tax Incremental District Revenues
Combined All Phases

	Annual Increased	Annual Increased	Cumulative Value of New	Cumulative Value	Due to	Total Estimated		TID	2013	Annual Increment
	Value of New	Value of New	Buildings &	with	Personal	Taxable	Base	Value	Net T total	Revenue
Year	Buildings	Improvements	Improvements	Inflation	Property	Value	Value	Increment	Tax Rate	/1000
(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
12/31/2015	-		-	-	-	-	-	-	-	-
12/31/2016	1,700,000		1,700,000	1,700,000	-	1,700,000	-	1,700,000	22.490	-
12/31/2017	6,800,000		8,500,000	8,500,000	-	8,500,000	-	8,500,000	22.490	38,233
12/31/2018	3,000,000		11,500,000	11,500,000	-	11,500,000	-	11,500,000	22.490	191,165
12/31/2019	-		11,500,000	11,500,000	-	11,500,000	-	11,500,000	22.490	258,635
12/31/2020	3,000,000		14,500,000	14,500,000	-	14,500,000	-	14,500,000	22.490	258,635
12/31/2021	-		14,500,000	14,500,000	-	14,500,000	-	14,500,000	22.490	326,105
12/31/2022	3,000,000		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	326,105
12/31/2023	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2024	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2025	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2026	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2027	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2028	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2029	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2030	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2031	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2032	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2033	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
12/31/2034	-		17,500,000	17,500,000	-	17,500,000	-	17,500,000	22.490	393,575
Totals:	\$ 17,500,000	\$ -								\$ 6,121,768

6. Project Financing

For purposes of the analysis we have assumed that the City will be financing the project costs in multiple phases as determined to be necessary for development that is occurring and as deemed feasible. Phase 1 project costs of \$1,347,129 would be financed through the City issuance of debt in spring of 2015 and supported by incremental revenues generated from the first phase of development (estimated to be \$8,500,000 of incremental value). Projected debt service schedules for phase 1 are included below:

Proposed TID No. 6: Table III

Estimated Debt Service

Phase 1 Only

\$1,420,000	
City of Stoughton, Wisconsin	
General Obligation Corporate Purpose Bonds, Series 2016	
Phase 1	
Sources & Uses	
Dated 04/01/2016 Delivered 04/01/2016	
Sources Of Funds	
Par Amount of Bonds.....	\$1,420,000.00
Total Sources.....	\$1,420,000.00
Uses Of Funds	
Deposit to Project Construction Fund.....	1,347,129.00
Costs of Issuance.....	45,000.00
Total Underwriter's Discount (1.000%).....	14,200.00
Deposit to Capitalized Interest (CIF) Fund.....	13,000.00
Deposit to Project Fund.....	671.00
Total Uses.....	\$1,420,000.00

Proposed TID No. 6: Table III
Estimated Debt Service
Phase 1 Only

\$1,420,000

City of Stoughton, Wisconsin
General Obligation Corporate Purpose Bonds, Series 2016
Phase 1

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Cap.Interest	Net New D/S	Revenue	Surplus(Deficit)
10/01/2016	-	-	-	-	-	-	-	-
10/01/2017	-	-	50,317.50	50,317.50	(13,000.00)	37,317.50	38,233.00	915.50
10/01/2018	70,000.00	0.900%	33,545.00	103,545.00	-	103,545.00	191,165.00	87,620.00
10/01/2019	70,000.00	1.200%	32,915.00	102,915.00	-	102,915.00	191,165.00	88,250.00
10/01/2020	75,000.00	1.400%	32,075.00	107,075.00	-	107,075.00	191,165.00	84,090.00
10/01/2021	75,000.00	1.600%	31,025.00	106,025.00	-	106,025.00	191,165.00	85,140.00
10/01/2022	75,000.00	1.850%	29,825.00	104,825.00	-	104,825.00	191,165.00	86,340.00
10/01/2023	75,000.00	2.000%	28,437.50	103,437.50	-	103,437.50	191,165.00	87,727.50
10/01/2024	80,000.00	2.100%	26,937.50	106,937.50	-	106,937.50	191,165.00	84,227.50
10/01/2025	80,000.00	2.250%	25,257.50	105,257.50	-	105,257.50	191,165.00	85,907.50
10/01/2026	80,000.00	2.350%	23,457.50	103,457.50	-	103,457.50	191,165.00	87,707.50
10/01/2027	85,000.00	2.500%	21,577.50	106,577.50	-	106,577.50	191,165.00	84,587.50
10/01/2028	85,000.00	2.600%	19,452.50	104,452.50	-	104,452.50	191,165.00	86,712.50
10/01/2029	90,000.00	2.700%	17,242.50	107,242.50	-	107,242.50	191,165.00	83,922.50
10/01/2030	90,000.00	2.850%	14,812.50	104,812.50	-	104,812.50	191,165.00	86,352.50
10/01/2031	95,000.00	2.950%	12,247.50	107,247.50	-	107,247.50	191,165.00	83,917.50
10/01/2032	95,000.00	3.100%	9,445.00	104,445.00	-	104,445.00	191,165.00	86,720.00
10/01/2033	100,000.00	3.200%	6,500.00	106,500.00	-	106,500.00	191,165.00	84,665.00
10/01/2034	100,000.00	3.300%	3,300.00	103,300.00	-	103,300.00	191,165.00	87,865.00
Total	\$1,420,000.00	-	\$418,370.00	\$1,838,370.00	(13,000.00)	\$1,825,370.00	\$3,288,038.00	\$1,462,668.00

SIGNIFICANT DATES

Dated.....	4/01/2016
Delivery Date.....	4/01/2016
First Coupon Date.....	4/01/2017

Yield Statistics

Bond Year Dollars.....	\$15,700.00
Average Life.....	11.056 Years
Average Coupon.....	2.6647771%
Net Interest Cost (NIC).....	2.7552229%
True Interest Cost (TIC).....	2.7407169%
Bond Yield for Arbitrage Purposes.....	2.6337181%
All Inclusive Cost (AIC).....	3.0895750%
Net Interest Cost in Dollars.....	418,370.00
Weighted Average Maturity.....	11.056 Years

Future phases of project costs as included within the Project Plan are also anticipated to be financed through City debt issuance and supported by future increments generated by development, as determined to be necessary based on a review of each development proposal and request for assistance. Updates to the feasibility study will be done prior to any City bond issuance to ensure project feasibility and ability of the project to support total project costs. Table II on page 8 outlines the estimated public project costs that are anticipated to be financed with tax increment. . Additional future phase project costs of \$1,928,746 would be financed through the City issuance of debt and supported by incremental revenues generated from the future phases of development (estimated to be \$9,000,000 of incremental value) plus any surplus revenues from Phase 1. Projected debt service schedules for phase 2 are included below:

Proposed TID No. 6: Table III

Estimated Debt Service

Future Phases (Phase 2) Only

\$2,140,000

City of Stoughton, Wisconsin

General Obligation Corporate Purpose Bonds, Series 2016

Phase 2

Sources & Uses

Dated 04/01/2016 | Delivered 04/01/2016

Sources Of Funds

Par Amount of Bonds..... \$2,140,000.00

Total Sources..... \$2,140,000.00

Uses Of Funds

Deposit to Project Construction Fund..... 1,928,746.00

Deposit to Capitalized Interest (CIF) Fund..... 139,712.50

Costs of Issuance..... 50,000.00

Total Underwriter's Discount (0.900%)..... 19,260.00

Deposit to Project Fund..... 2,281.50

Total Uses..... \$2,140,000.00

Proposed TID No. 6: Table III
Estimated Debt Service
Future Phases (Phase 2) Only

\$2,140,000

City of Stoughton, Wisconsin
General Obligation Corporate Purpose Bonds, Series 2016
Phase 2

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Cap.Interest	Net New D/S	Revenue	Surplus(Deficit)
10/01/2016	-	-	-	-	-	-	-	-
10/01/2017	-	-	83,827.50	83,827.50	(83,827.50)	-	-	-
10/01/2018	-	-	55,885.00	55,885.00	(55,885.00)	-	-	-
10/01/2019	-	-	55,885.00	55,885.00	-	55,885.00	67,470.00	11,585.00
10/01/2020	25,000.00	1.400%	55,885.00	80,885.00	-	80,885.00	67,470.00	(13,415.00)
10/01/2021	75,000.00	1.600%	55,535.00	130,535.00	-	130,535.00	134,940.00	4,405.00
10/01/2022	75,000.00	1.850%	54,335.00	129,335.00	-	129,335.00	134,940.00	5,605.00
10/01/2023	145,000.00	2.000%	52,947.50	197,947.50	-	197,947.50	202,410.00	4,462.50
10/01/2024	145,000.00	2.100%	50,047.50	195,047.50	-	195,047.50	202,410.00	7,362.50
10/01/2025	150,000.00	2.250%	47,002.50	197,002.50	-	197,002.50	202,410.00	5,407.50
10/01/2026	150,000.00	2.350%	43,627.50	193,627.50	-	193,627.50	202,410.00	8,782.50
10/01/2027	155,000.00	2.500%	40,102.50	195,102.50	-	195,102.50	202,410.00	7,307.50
10/01/2028	160,000.00	2.600%	36,227.50	196,227.50	-	196,227.50	202,410.00	6,182.50
10/01/2029	165,000.00	2.700%	32,067.50	197,067.50	-	197,067.50	202,410.00	5,342.50
10/01/2030	170,000.00	2.850%	27,612.50	197,612.50	-	197,612.50	202,410.00	4,797.50
10/01/2031	175,000.00	2.950%	22,767.50	197,767.50	-	197,767.50	202,410.00	4,642.50
10/01/2032	180,000.00	3.100%	17,605.00	197,605.00	-	197,605.00	202,410.00	4,805.00
10/01/2033	185,000.00	3.200%	12,025.00	197,025.00	-	197,025.00	202,410.00	5,385.00
10/01/2034	185,000.00	3.300%	6,105.00	191,105.00	-	191,105.00	202,410.00	11,305.00
Total	\$2,140,000.00	-	\$749,490.00	\$2,889,490.00	(139,712.50)	\$2,749,777.50	\$2,833,740.00	\$83,962.50

SIGNIFICANT DATES

Dated.....	4/01/2016
Delivery Date.....	4/01/2016
First Coupon Date.....	4/01/2017

Yield Statistics

Bond Year Dollars.....	\$27,150.00
Average Life.....	12.687 Years
Average Coupon.....	2.7605525%
Net Interest Cost (NIC).....	2.8314917%
True Interest Cost (TIC).....	2.8239673%
Bond Yield for Arbitrage Purposes.....	2.7385125%
All Inclusive Cost (AIC).....	3.0503923%
Net Interest Cost in Dollars.....	749,490.00
Weighted Average Maturity.....	12.687 Years

2016 GO Corp Purpose Bond | SINGLE PURPOSE | 9/23/2015 | 2:28 PM



7. Feasibility Analysis

The City is considering the establishment of Tax Incremental Financing District No. 6 for the financing of public improvement costs associated with the development of additional land for light industrial and business opportunities. Phase 1 of the project is anticipated to include \$1,347,129 of public improvement costs and be supported by approximately \$8,500,000 of incremental revenues. Future phases (Phase 2) of the project is anticipated to include an additional \$1,928,746 of public improvement costs and be supported by \$9,000,000 of incremental revenues, plus any surplus revenues from Phase 1.

The feasibility analysis consists of projected revenues based on assumptions made relative to the new development and estimated project costs as provided by the City. It is important to note the various assumptions that have been used in this analysis may impact the actual financing structure to the extent adjustments occur.

The purpose of the feasibility study is to determine if the projected revenues generated from the District as a result of the proposed development can finance the costs associated with the implementation of the Project Plan. Based on the current assumptions used in the analysis, the total projected revenues of the District are anticipated to support the estimated project costs over the maximum 20 year period.

The economic feasibility analysis should be considered as a baseline projection that is annually monitored to ensure projected targets are met. The purpose of the annual monitoring is to determine that total incremental value has been achieved rather than whether a specific identified project created those increments. Future public borrowing and/or expenditures should be based on this annual review process.

Table I summarized the development assumptions that have been used in the economic feasibility analysis. These projections have been prepared based on information received from developer and City staff. The projections in Table I include assumptions on total number of units and estimated assessed value per unit for the proposed project. Assumptions of the taxable value per unit are based on a review of comparable real estate values.

The incremental new value projections included in Table I are not total construction cost estimates, but are factored to equate to the anticipated equalized value to which an annual mill rate will be applied. The actual construction costs may be higher than projected value because construction costs may include soft costs not necessarily assessed by the City. Real estate valuation can also significantly fluctuate from year to year. For that reason,

there should be an annual review and evaluation of the stability of the increment value prior to making annual borrowing and/or spending decisions.

Table II provides the proposed project costs, public works and improvements that will be financed by the incremental revenues as shown in Table III. The estimated project costs shall be refined as future redevelopment occurs and specific project activities are undertaken.

Table III includes the projected tax increment revenues of the project based on the assumptions outlined in Section 5. Table IV as shown on the following page provides a cash flow summary incorporating the projected revenues from Table III as available to finance the project costs outlined in Table II. The cash flow analysis is shown for Phase 1 only and combined between Phase 1 and future phases including total project costs and estimated incremental revenues. The purpose of the economic feasibility analysis is to show the projected revenues of the project are able to support total estimated project costs within the maximum 20-year term of the District.

Proposed TID No. 9: Table IV
Cash Flow Analysis
Phase 1 Only

Assumed Funding Date	Project Cost Amount	Plus Issuance Costs (5%)	Plus Capitalized Interest	Total GO Bond Issuance							
10/1/2015	\$1,347,129	\$59,871.00	\$ 13,000	\$1,420,000							
TID Year	Assessment Year	Incremental Assessed Value (Land and Improvements)	Projected Total Incremental AV	Annual Incremental Tax Revenue	Estimated City TID Admin Costs	Tax Increment Available for Debt Service	Cumulative Tax Increment	City GO Bond Debt Service	Developer Cash Grant	Annual Tax Increment Available After DS	Cumulative Tax Increment Available After Debt Service
0	2014										
1	2015				\$ (15,000)	\$ (15,000)	\$ (15,000)			\$ (15,000)	\$ (15,000)
2	2016	\$ 1,700,000	\$ 1,700,000	\$ -	\$ (5,000)	\$ (5,000)	\$ (20,000)			\$ (5,000)	\$ (20,000)
3	2017	\$ 6,800,000	\$ 8,500,000	\$ 38,233	\$ (5,000)	\$ 33,233	\$ 13,233	\$37,318		\$ (4,085)	\$ (24,085)
4	2018	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 199,398	\$103,545		\$ 82,620	\$ 58,536
5	2019	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 385,563	\$102,915		\$ 83,250	\$ 141,786
6	2020	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 571,728	\$107,075		\$ 79,090	\$ 220,876
7	2021	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 757,893	\$106,025		\$ 80,140	\$ 301,016
8	2022	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 944,058	\$104,825		\$ 81,340	\$ 382,356
9	2023	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 1,130,223	\$103,438		\$ 82,728	\$ 465,083
10	2024	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 1,316,388	\$106,938		\$ 79,228	\$ 544,311
11	2025	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 1,502,553	\$105,258		\$ 80,908	\$ 625,218
12	2026	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 1,688,718	\$103,458		\$ 82,708	\$ 707,926
13	2027	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 1,874,883	\$106,578		\$ 79,588	\$ 787,513
14	2028	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 2,061,048	\$104,453		\$ 81,713	\$ 869,226
15	2029	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 2,247,213	\$107,243		\$ 78,923	\$ 948,148
16	2030	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 2,433,378	\$104,813		\$ 81,353	\$ 1,029,501
17	2031	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 2,619,543	\$107,248		\$ 78,918	\$ 1,108,418
18	2032	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 2,805,708	\$104,445		\$ 81,720	\$ 1,190,138
19	2033	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 2,991,873	\$106,500		\$ 79,665	\$ 1,269,803
20	2034	\$ -	\$ 8,500,000	\$ 191,165	\$ (5,000)	\$ 186,165	\$ 3,178,038	\$103,300		\$ 82,865	\$ 1,352,668
Total		\$ 8,500,000		\$ 3,288,038	\$ (110,000)	\$ 3,178,038		\$ 1,825,370.00	\$ -	\$ 1,352,668.00	

Proposed TID No. 9: Table IV
Cash Flow Analysis
Phase 1 and Future Phases Combined

Assumed Funding Date	First Issue Phase 1	Project Cost Amount	Plus Capitalized Interest	Costs of Issuance	Total Bond Issue	Future Land Purchase							
5/1/2015	\$1,420,000	\$1,928,746	\$ 139,713	\$71,542	\$2,140,000	\$1,312,500							
TID Year	Assessment Year	Incremental Assessed Value (Land and Improvements)	Projected Total Incremental AV	Annual Incremental Tax Revenue	Estimated City TID Admin Costs	Tax Increment Available for Debt Service	Cumulative Tax Increment	City GO Bond Debt Service 1st Issue (Phase 1)	City GO Bond DS 2nd Issue (Future Phases)	GO Debt Coverage Ratio Column	City GO Bond Debt Service (Land)	Annual Tax Increment Available After DS	Cumulative Tax Increment Available After Debt Service
0	2014												
1	2015				\$ (15,000)	\$ (15,000)	\$ (15,000)					\$ (15,000)	\$ (15,000)
2	2016	\$ 1,700,000	\$ 1,700,000	\$ -	\$ (5,000)	\$ (5,000)	\$ (20,000)	\$ -		-		\$ (5,000)	\$ (20,000)
3	2017	\$ 6,800,000	\$ 8,500,000	\$ 38,233	\$ (5,000)	\$ 33,233	\$ 13,233	\$ 37,318		-		\$ (4,085)	\$ (24,085)
4	2018	\$ 3,000,000	\$ 11,500,000	\$ 191,165	\$ (15,000)	\$ 176,165	\$ 189,398	\$ 103,545		(1.70)		\$ 72,620	\$ 48,536
5	2019		\$ 11,500,000	\$ 258,635	\$ (10,000)	\$ 248,635	\$ 438,033	\$ 102,915	\$ 55,885	(1.57)		\$ 89,835	\$ 138,371
6	2020	\$ 3,000,000	\$ 14,500,000	\$ 258,635	\$ (10,000)	\$ 248,635	\$ 686,668	\$ 107,075	\$ 80,885	(1.32)		\$ 60,675	\$ 199,046
7	2021		\$ 14,500,000	\$ 326,105	\$ (10,000)	\$ 316,105	\$ 1,002,773	\$ 106,025	\$ 130,535	(1.34)		\$ 79,545	\$ 278,591
8	2022	\$ 3,000,000	\$ 17,500,000	\$ 326,105	\$ (10,000)	\$ 316,105	\$ 1,318,878	\$ 104,825	\$ 129,335	(1.35)		\$ 81,945	\$ 360,536
9	2023		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 1,702,453	\$ 103,438	\$ 197,948	(1.27)		\$ 82,190	\$ 442,726
10	2024		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 2,086,028	\$ 106,938	\$ 195,048	(1.27)		\$ 81,590	\$ 524,316
11	2025		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 2,469,603	\$ 105,258	\$ 197,003	(1.27)		\$ 81,315	\$ 605,631
12	2026		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 2,853,178	\$ 103,458	\$ 193,628	(1.29)		\$ 86,490	\$ 692,121
13	2027		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 3,236,753	\$ 106,578	\$ 195,103	(1.27)		\$ 81,895	\$ 774,016
14	2028		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 3,620,328	\$ 104,453	\$ 196,228	(1.26)		\$ 82,895	\$ 856,911
15	2029		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 4,003,903	\$ 107,243	\$ 197,068	(1.26)		\$ 79,265	\$ 936,176
16	2030		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 4,387,478	\$ 104,813	\$ 197,613	(1.27)		\$ 81,150	\$ 1,017,326
17	2031		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 4,771,053	\$ 107,248	\$ 197,768	(1.26)		\$ 78,560	\$ 1,095,886
18	2032		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 5,154,628	\$ 104,445	\$ 197,605	(1.27)		\$ 81,525	\$ 1,177,411
19	2033		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 5,538,203	\$ 106,500	\$ 197,025	(1.26)		\$ 80,050	\$ 1,257,461
20	2034		\$ 17,500,000	\$ 393,575	\$ (10,000)	\$ 383,575	\$ 5,921,778	\$ 103,300	\$ 191,105	(1.30)		\$ 89,170	\$ 1,346,631
Total		\$ 17,500,000		\$ 6,121,778	\$ (200,000)	\$ 5,921,778		\$ 1,825,370	\$ 2,749,778		\$ -	\$ 1,346,631	

8. Conclusion

In order to establish a Tax Incremental Financing District, the economic feasibility analysis must demonstrate that the total estimated revenues are expected to exceed and are sufficient to pay all project costs. The projected revenues consist of total estimated tax incremental revenues received over the anticipated 20-year term of the District. Based on incremental revenue of \$8,500,000, total revenues are expected to be \$3,288,028 over a 20 year period, as necessary to support debt service (principal of \$1,400,000 with project costs of \$1,347,129 and interest/soft costs of \$513,370 with projected surplus revenues to support future phases of development and to finance other City public improvement and administrative expenditures. Future phases are anticipated to generate an additional \$9,000,000 of incremental revenues as available to support debt service (principal of \$2,140,000 with project costs of \$1,928,746 and interest/soft costs of \$839,490). Combined cash flow for all phases shows annual and cumulative cash flow and sufficient debt service coverage. Should all assumptions remain constant, the project as proposed would be economically feasible.