City of Stoughton
Tax Incremental Financing Application

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

APPLICANT INFORMATION

Name: Emmi Roth, USA, Inc.

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

Phone: 608-285-9800 Email: _____

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

____Other: _____

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

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

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

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

DEVELOPMENT TEAM

Developer: _____ Architect: _____

Surveyor: _____ Contractor: _____

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

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

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

CITY GOALS OF TAX INCREMENTAL FINANCING

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

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

☐ Whether the proposed tax increment district or project would eliminate blight, redevelop underused lands, or provide suitable sites for industrial, commercial, or residential development. *Please describe* This project will develop currently undeveloped farmland into a world-class US headquarters, processing, and storage and distribution facility. The property and surrounding properties have been identified as potential growth opportunities for the City of Stoughton specifically for industrial use.

☐ Whether the proposed tax increment district or project would increase employment opportunities. *Please describe:* The facility will be the home to Emmi Roth's corporate headquarters and processing operation. This project will bring 130 jobs to this facility across a wide spectrum of employment opportunities. Executive leadership, administrative support, and operations will all be housed within the facility.

☐ Whether the proposed tax increment district or project would increase the property tax base. *Please describe* The 2023 assessed value of the parcel's land is $684,400 and the improved value is $1,700,000, totaling $2,384,400. It is anticipated that the total capital investment in real property will be $48,800,000 and total project costs of $81,400,000.

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

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

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

PROJECT AND PROPERTY INFORMATION

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

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

Emmi Roth intends to complete a new US headquarters, cheese processing, and storage facility in Stoughton, WI. Upon completion, the facility will be 156,000 square feet of office and industrial space and will create 130 jobs. This project accomplishes goals stated within the City's Comprehensive Plan and TID project plan. The Comprehensive Plan specifically calls out industrial development as a future land use within the areas in and surrounding the Business Park North. The Comprehensive Plan and TIF project plan specifically target job creation within economic development goals, of which this project accomplishes.

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

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

See attached presentation describing sustainability measures within the project.

Describe the request for tax increment financing.

Emmi Roth requests that the City provide a Pay-As-You-Go (PAYGo) TIF incentive with a maximum value of $3,500,000. The PAYGo TIF incentive shall be earned as a rebate of property taxes during the life of the TID until the $3,500,000 is received.

"BUT FOR" TEST

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

The project has experienced significantly higher costs than anticipated, specifically related to steel, electrical equipment, and other building materials. When originally planned, the project costs for real property improvements were $30 million. Those costs have escalated to $48.8 million due to increased costs of materials and labor. The TIF incentive would offset some of those costs to ensure the long-term success of the project as well as encourage future development on the site.

What economic benefits will result due to the development?

The project consists of real property improvements of approximately $48.8 million and personal property and equipment of another $32.6 million, totaling $81.4 million in costs. This significant investment in an initial phase could support future expansion on site of equal or greater value. The project will also bring 130 new jobs to the City of Stoughton across varying wage and salary levels.

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

FILING REQUIREMENTS

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

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

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

AGREEMENT

By signing this application, Applicant agrees to the following:

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

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

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

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

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

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

3. *TIF District Creation.*

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

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

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

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

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

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

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