BECKER Professional Services
Community Economic Development
5813 Piping Rock Rd.
Madison, WI 53711
Tel: (608)444-0836
Email: gary@beckerproservices.com

June 9, 2023

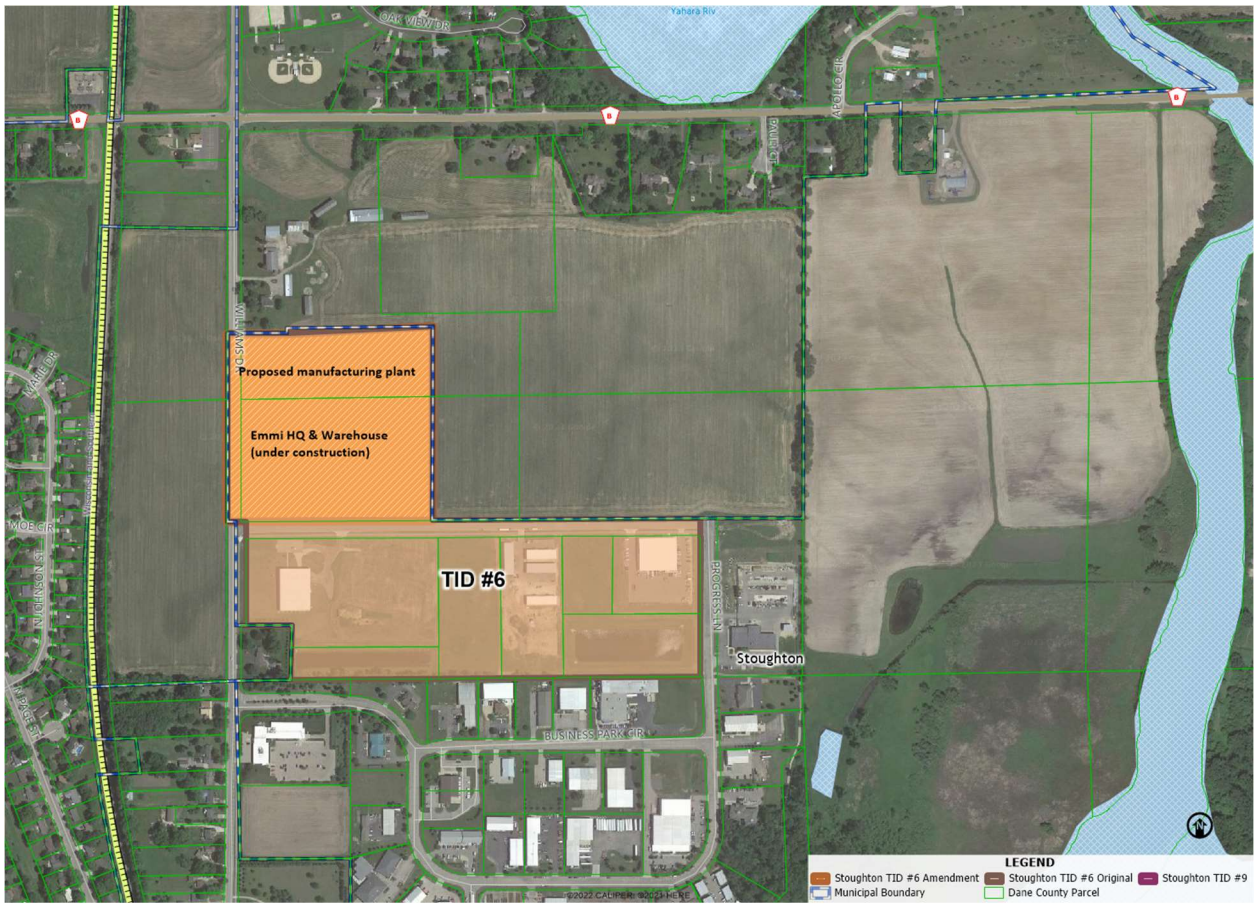
Memo

Resolution Regarding Emmi Roth TIF Request

Emmi Roth, USA, Inc (Emmi) submitted a request (attachment to resolution) for $3.5 million in tax increment financing (TIF) assistance for construction of a cheese manufacturing plant with an expected value of approximately $50 million on land adjacent to and to the north of the headquarters and warehouse facility currently being constructed. The new facility will employ 130 and is scheduled for completion/occupancy in 2025.

The applicant indicates TIF is needed due to the extraordinary costs of development, but little further detail has been provided. It is the City's policy, as part of the process of reviewing a request for TIF assistance to have the City's financial advisor evaluate the request in terms of whether they are eligible TIF costs, whether they are reasonable and appropriate and whether they meet the "But For" test. This detail will be required to be submitted once the city's financial advisor begins their review.

TIF is a financing option that allows a municipality to fund infrastructure and other improvements, through property tax revenue on newly developed property. A municipality identifies an area, the Tax Incremental District (TID), as appropriate for a certain type of development. The municipality identifies projects to encourage and facilitate the desired development. Then as property values rise, the municipality uses the property tax paid on that development to pay for the projects. After the project costs are paid, the municipality closes the TID. The municipality, schools, county, and technical college can levy taxes on the value of the new development.

Emmi's current development site is adjacent to TID #6 and the new development site was annexed to the city with the current development. The City has been discussing amending TID #6 to capture the value of the current development to fund improvements to Williams Drive. To be able to capture this value as well as the value that is the subject of this TIF request, the TID #6 boundary must be amended to include the entire Emmi site no later than September 30th of this year. This will allow any value created since January 1 of this year to be captured and used for public improvements and the future value of the manufacturing facility to fund the TIF request.

BECKER Professional Services
Community Economic Development
5813 Piping Rock Rd.
Madison, WI 53711
Tel: (608)444-0836
Email: gary@beckerproservices.com