

# **City of Stoughton, Wisconsin**

## **Project Plan**

**for**

## **Tax Incremental Financing District No. 6**

**Recommended by the City Plan Commission  
Following Public Hearing Held: September 14, 2015**

**Adopted by the Common Council  
Expected: September 29 2015**

**Adopted by Joint Review Board  
Expected: September 30, 2015**

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## **Section A        Introductions**

Wisconsin's Tax Incremental Law was created to help cities and villages rehabilitate blighted areas and improve or develop industrial sites. In creating Wisconsin's Tax Incremental Law, the State Legislature expressed its concern that cities and villages had neither the incentive nor the financial resources necessary to carry out projects that benefited not only the city or village, but all jurisdictions which share in the tax base.

The Tax Incremental Law gives cities and villages the authority, under certain conditions, to designate a specific area within its boundaries as a Tax Incremental Financing District and requires them to prepare a plan to develop or redevelop the District. Cities or villages may use all increased property taxes generated by the increased property value generated by such development or redevelopment to pay for eligible costs, which they incur to improve the District. This law assumes that all governmental units that tax properties within the District will eventually benefit from the increased value which will be generated. The municipality that created the District is allowed to retain the increased taxes generated during the existence of the District to pay for the costs of the public improvements.

State Statute places certain limitations on the creation of Tax Incremental Financing Districts. Only whole parcels of property that are assessed for general property tax purposes and which are contiguous can be included within a District. In addition, at least fifty percent (50%) of the real property in a District must meet at least one of the following criteria:

1.        It is a blighted area;
2.        It is an area in need of conservation or rehabilitation work;
3.        It is an area suitable for industrial sites and has been zoned for industrial use; or
4.        It is an area suitable for mixed-use development.

It also must be found that:

1.        The improvement of the area is likely to enhance significantly the value of substantially all the other real property in the District;
2.        The project costs relate directly to eliminating blight, directly serve to rehabilitate or conserve the area or directly serve to promote industrial and/or mixed use development; and
3.        The equalized value of taxable property of the District plus the value increment of all existing Districts does not exceed 12 percent of the total equalized value of taxable property within the City.

Before a Tax Incremental Financing District can be created, a Joint Review Board, which is comprised of representatives of the authorities having the power to levy taxes in the District and one public member, must approve the municipality's action relative to the creation of the District.

A Tax Incremental Financing District shall terminate when the earlier of the following occurs:

1.        That time when the City has received aggregate tax increments with respect to such District in an amount equal to the aggregate of all project costs under the Project Plan and any amendments to the Project Plan for such District.
2.        Twenty years after the District is created for mixed use TIDs.
3.        The local legislative body, by resolution, dissolves the District, at which time the City shall become liable for all unpaid project costs actually incurred, except this paragraph does not make the City liable for any tax incremental bonds or notes issued.

The Project Plan for Tax Incremental Financing District No. 6, “the District,” in the City of Stoughton has been prepared in compliance with s. 66.1105(4), Wisconsin Statutes. TID No. 6 is defined by the boundary shown on Map 1 found on Page 12. Pursuant to s. 66.1105(4)(f), the Project Plan shall include:

- A statement listing the kind, number and location of all proposed public works or improvements within the district;
- an economic feasibility study;
- a detailed list of estimated project costs;
- a description of the methods of financing all estimated project costs;
- the time when the related costs or monetary obligations are to be incurred;
- a map showing existing uses and condition of real property in the district;
- a map showing proposed improvements and uses in the district;
- proposed changes of zoning ordinances, master plan, if any, maps, building codes and city ordinances;
- a list of estimated non-project costs;
- a statement of the proposed method for the relocation of any persons to be displaced;
- an indication as to how creation of the tax incremental district promotes the orderly development of the city;
- an analysis of the overlying taxing districts;
- a map showing the district boundaries; and
- an opinion of the City attorney advising whether the plan is complete and complies with s. 66.1105(4)(f), Wisconsin Statutes.

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

The public works and improvement activities located within Tax Incremental Financing District No. 6 are listed on Table I found on page 4, which provides a listing of all District activities; and Map 3 on Page 14, which shows the location of the proposed project costs, public works and improvements. The estimated project costs shall be refined as future development occurs and specific project activities are undertaken. Some public improvements may occur off-site, but are necessary expenditures in terms of benefiting the TIF District. Project costs incurred for territory that is located within a one-half mile radius of the district’s boundaries may also be financed by the district. Any economic incentives granted will be consistent with the TIF statutory requirements.

**A. 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 project costs (must be within one-half mile radius of the district). Such costs must be shared in a reasonable manner relating to the amount of benefit to the District. Infrastructure costs may include:

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

**B. 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. The City is anticipating incurring costs over the term of the District for certain administrative costs associated with the proposed developments.

**C. Organization Costs:**

Organization costs may include, but are not limited to, financial consultant fees, attorneys, engineers, planners, 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.

**D. 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.

The previous activities shall provide necessary facilities and incentives that should enable and encourage development and redevelopment within the District. A detailed list of estimated project costs, including anticipated year of installation, is included in Table I as shown on the following page.

Table I

(as shown on following page)

**TID NUMBER 6 - TABLE I**  
**Proposed Project Costs, Public Works and Improvements**

<b>Estimated Costs for Development</b>	<b>Original Cost Estimate</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023-2034</b>	<b>Total</b>
<b>Land Acquisition</b>											
Initial 37 Acres (\$37,500/acre)	\$0		-								-
Remaining 35 Acres (est. \$37,500/acre)	\$1,312,500	-		1,312,500							1,312,500
<b>Total</b>	<b>\$1,312,500</b>	<b>-</b>	<b>-</b>	<b>1,312,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,312,500</b>
<b>Soft Costs</b>											
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										-
<b>Total</b>	<b>\$355,000</b>	<b>15,000</b>	<b>5,000</b>	<b>5,000</b>	<b>170,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>120,000</b>	<b>355,000</b>
<b>Business Park Expansion</b>											
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	\$769,200	337,679			431,521						769,200
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	\$53,000				53,000						53,000
<b>Subtotal</b>	<b>\$2,484,700</b>	<b>1,065,703</b>	<b>-</b>	<b>-</b>	<b>1,418,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,484,700</b>
<b>Contingency (25%)</b>	<b>\$621,175</b>	<b>266,426</b>	<b>-</b>	<b>-</b>	<b>354,749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>621,175</b>
<b>Total</b>	<b>\$3,105,875</b>	<b>1,332,129</b>	<b>-</b>	<b>-</b>	<b>1,773,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,105,875</b>
<b>Looping Water Main to Marie Drive</b>											
Water Main	\$0		-							-	-
<b>Subtotal</b>	<b>\$0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingency (25%)</b>	<b>\$0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Williams Drive Reconstruction</b>											
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										-
<b>Subtotal</b>	<b>\$0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingency (25%)</b>	<b>\$0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Costs</b>											
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											-
<b>Total</b>	<b>\$1,167,861</b>	<b>-</b>	<b>-</b>	<b>134,145</b>	<b>89,430</b>	<b>88,800</b>	<b>87,960</b>	<b>86,560</b>	<b>84,160</b>	<b>596,806</b>	<b>1,167,861</b>
<b>Subtotal Land Acquisition</b>	<b>\$1,312,500</b>	<b>-</b>	<b>-</b>	<b>1,312,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,312,500</b>
<b>Subtotal Soft Costs</b>	<b>\$355,000</b>	<b>15,000</b>	<b>5,000</b>	<b>5,000</b>	<b>170,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>120,000</b>	<b>355,000</b>
<b>Subtotal Infrastructure</b>	<b>\$3,105,875</b>	<b>1,332,129</b>	<b>-</b>	<b>-</b>	<b>1,773,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,105,875</b>
<b>Subtotal Other Costs</b>	<b>\$1,167,861</b>	<b>-</b>	<b>-</b>	<b>134,145</b>	<b>89,430</b>	<b>88,800</b>	<b>87,960</b>	<b>86,560</b>	<b>84,160</b>	<b>596,806</b>	<b>1,167,861</b>
<b>Totals</b>	<b>\$5,941,236</b>	<b>1,347,129</b>	<b>5,000</b>	<b>1,451,645</b>	<b>2,033,176</b>	<b>98,800</b>	<b>97,960</b>	<b>96,560</b>	<b>94,160</b>	<b>716,806</b>	<b>5,941,236</b>

*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.*

## **Section C      Local Action**

Before a Tax Incremental Financing District Plan can be created, the City Plan Commission must hold a public hearing(s) on the proposed creation of the District, the proposed boundaries thereof and the proposed Project Plan for the District. The public hearing on the creation of and the boundaries for the District may be held separately from or concurrent with a public hearing on the proposed Project Plan. The City has chosen to hold the public hearings concurrently. After the public hearing, the City Plan Commission must submit the recommended Tax Incremental Financing District boundaries and Project Plan to the local legislative body for action if it desires to create a District. Before adopting such resolution, the local legislative body may amend both the proposed District boundaries and Project Plan. The Public Hearing for the District as scheduled by the Plan Commission was held on September 14, 2015. Notice of the Public Hearing shall be published in the Stoughton Courier Hub on August 28, 2015 and September 4, 2015. The resolution approving the District shall be introduced to the Common Council for approval on September 29, 2015.

State Statutes require the City seeking to create a Tax Incremental Financing District convene a Joint Review Board (JRB) to review the proposal. The first meeting of the JRB must be held within fourteen days after the Notice of the above-referenced hearing(s) is published. For any Tax Incremental Financing Districts proposed by the City of Stoughton, the membership of the Joint Review Board shall consist of a representative chosen by the City, a representative chosen by the County, a representative chosen by the Technical College District, a representative chosen by the School District, and one public member. The public member and the chair of the JRB must be selected by a majority vote of the other JRB members. It is the responsibility of the JRB to review the public record, planning documents and the resolution passed by the local legislative body creating the District, and to either approve or not approve such resolution based on certain criteria by a majority vote after receiving the resolution. The first meeting of the JRB was held on September 3, 2015, with the final meeting to act on the Common Council's resolution scheduled to occur on September 30, 2015.

### **Capacity to Create Tax Incremental Districts**

In 2004 the State Legislature amended the Tax Incremental Financing Law to allow up to 12% of the total equalized value of taxable property within the City be included within Tax Incremental Districts. The City of Stoughton's 2014 total equalized value is 1,664,973,700. The City can include up to twelve percent (12%) of the total equalized value of the community in existing and new tax incremental finance districts. 12% of the City's equalized value is \$199,796,844.

The City has 3 outstanding Tax Incremental Districts with \$50,060,900 of equalized value. This district is expected to generate approximately \$17,500,000 of incremental value upon full build out of the entire district. Therefore, this district can be created within the 12% capacity limit enacted by statute. The Department of Revenue will certify the values in the proposed tax incremental district to confirm compliance with this requirement.

The City should carefully monitor the annual growth within this district and existing districts, as well as the capacity to create additional districts.

## **Section D      General Description of Tax Incremental District Number 6**

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 retention and creation. The first phase of development is anticipated to result in the addition of 80-100 new jobs in the community. Future phases are anticipated to create and possibly retain additional jobs as development occurs. Within the boundaries of this Tax Incremental District are sites suitable for industrial and business/office development. The area is approximately 35 acres in size with an additional 35 acres available for future phases of development. 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 shall 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 applicable. Public improvements shall also include the installation new streets 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.

## **Section E      District Boundary**

The boundaries of Tax Incremental Financing District Number 6 are shown on Map 1 on Page 12 and are further described in Appendix A. The District includes the properties with the identification numbers and legal descriptions as found in Appendix A.

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>

## **Section F      Economic Feasibility Study**

### **Purpose**

The purpose of this study is to determine if the projected revenues generated from the District as a result of the proposed developments can finance the costs associated with the implementation of the Project Plan.

### **General Development Description**

This section focuses on the new development projections and corresponding incremental new value. These projections have been prepared based on assumptions provided by the City and proposed developer.

The tax increment revenue projections in this section are based on the potential development of certain buildings and/or sites to accommodate land uses. The development projections are based on information provided by the



proposed developer along with an understanding of the general market conditions and feasibility within the area. These projections are summarized in Table II below.

**TID NUMBER 6 – TABLE II**

**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
<b>TOTAL ESTIMATED VALUE INCREMENT</b>		<b>\$17,500,000</b>		

The City has estimated that the project including all phases of development may create incremental new value of approximately \$17,500,000. Any future projects with private developers may be required to enter into an assessment agreement to guarantee future values. Estimates of incremental new value of the project are based on estimated square footage and business type. The objective of the District creation is to facilitate construction of future phases of industrial, light industrial and business development, including the expansion of existing businesses. Total development of the area has been estimated to create a total of \$17,500,000 in incremental value. We anticipate that prospective businesses may be required to sign individual development agreements prior to any City-incurred development expenditures, specifically any cash grants. The economic feasibility projections are based on the utilization of approximately 20 years of the allowed tax increment collection period, which is the maximum for industrial use TIDs.

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. It is the intent of this Project Plan to maximize the potential of Tax Incremental Financing District Number 6 to accomplish the proposed public improvements identified in Table I found on Page 4.

Table II and Map 5 summarize the development assumptions that have been used in the economic feasibility analysis. These projections have been prepared based on information received from the developer and City staff. The projections in Table II include assumptions on square footage and business type that have been proposed in the preliminary site plan. Assumptions of the taxable value by type of use are based on a review of comparable real estate values.

The incremental new value projections included in Table II are not total construction costs 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.

In compliance with the statutory requirements of tax incremental financing, a finding has been made that the private development activities projected would "not otherwise occur without the use of tax incremental financing." It must be understood that these projected private development increments will not naturally occur without the proactive implementation of this Project Plan. The implementers of the Project Plan will need to be aggressive in stimulating the identified private development projects. The posture cannot be to expect that private developers will have financially feasible projects without implementation of the public improvement activities identified in this Plan. There

are significant public improvement costs needed to allow the project area to be developable and those costs cannot be supported solely by the first new businesses without tax increment financing as an additional revenue source to finance them.

The economic feasibility analysis for the first phase of development within Tax Incremental District Number 6 is presented in Tables I, II and III. Additional information relative to the feasibility analysis and development of both the first phase and of the entire District are included in the separate Economic Feasibility Analysis attached as Appendix E. Table III shows the projected tax increments from the first phase only, as well as the projected cash flow of phase 1 revenues and project costs based on the development assumptions made in Table II for Phase 1. Additional details on the feasibility of the entire district, including future phases is contained within the Economic Feasibility Analysis.

**TID Number 6 – TABLE III**  
**Projected Tax Increment and Estimated Cash Flow**

**Projected Tax Increment: 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

Estimated Cash Flow: 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	

Tables I and III show the anticipated project costs and projected tax increment revenues for financing of the proposed public improvement project costs of the first phase of development within the District, and the projected cash flow. Phase 1 includes only the first phase of development and project costs. The City anticipates financing the proposed project costs outlined in Table 1 through bond issuance but reserves the right to finance project costs through pay-as-you-go reimbursement and developer cash grants.

Table III indicate that projected tax increments are expected to be sufficient to support the project costs through the maximum term of the district. Additional information relative to this analysis is included in the Economic Feasibility Study.

The retirement of the District, taking into consideration the assumptions identified in Table I (Proposed Project Costs, Public Works & Improvements) and Table II (Projected Development Assumptions), is based on the property tax collection that was in place at the time of the Public Hearing held on September 14, 2015.

The future development assumptions have been based on a review of market conditions that exist at the time of drafting of the Project Plan and potential future development and redevelopment opportunities. It is expected and recommended that the City annually review the financial condition of Tax Incremental District Number 6. The economic feasibility analysis indicates that the District is feasible, provided the development assumptions have been achieved. The City should not spend at levels projected in Table I without developer agreements that guarantee repayment of expenditures or without a "risk assessment" that defines the maximum financial exposure the City finds acceptable. The City should analyze the fiscal condition of Tax Incremental Financing District Number 6 on the basis of how well the development assumptions are being met. Decisions to continue spending annually should be based on the status of the district. The City will only finance those project costs that are financially feasible and supported by new revenues generated by the project.

## **Section G      Financing**

Financing for the proposed project is anticipated to be done primarily on an upfront basis through City bond issuance. The City anticipates using bonds (possibly internal loans or cash from future land sales, if applicable) to finance the upfront costs necessary for the project to proceed. With pay-as-you-go financing the developer finances the improvement costs upfront and is reimbursed with future tax increment revenues. TIF borrowing may be done annually or on a project-specific basis. The development within this district is anticipated to occur in phases and it is not anticipated that the total amount of project costs would be considered for one borrowing. The City may also pursue grant funding to finance a portion of the project costs.

Tables I and III, which is also referenced in the Economic Feasibility Study provide a summary of project costs, proposed cash flow schedule, and projected tax increment revenues on an annual basis during the duration of the District. Current projections indicate that all project costs of the district should be financed by tax increment revenue within the twenty year statutorily-required retirement period. The TID Project Plan has been written to enable project costs to be completed in order to encourage new development within the District boundaries. An annual analysis should be made to strategize financing alternatives in consideration of potential shortfalls between tax increments collected and debt service required to pay the bonds. Excess tax increments will be available to cover potential shortfalls with repayment to the City prior to retirement of the District. The City anticipates annually reviewing future expenditures and determining economic feasibility prior to authorizing additional expenditures.

The total scope of activities is estimated within the project cost estimates in Table I. Any non-tax revenues received may reduce the applicable TIF project expenditure which, in turn, will reduce the total amount of TIF project costs. This reduction will allow the City more flexibility in determining the timeframe for other project expenditures.

## **Section H      Estimated Non-Project Costs**

Non-Project costs are public works projects that may only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds. There are currently not any estimated non-project costs of the district.

## **Section I      Existing Land Uses and Conditions**

Map 2, found on Page 13, has been provided to give a general description of the conditions within the area. Map 4, found on page 15, is a zoning map that generally describes the existing uses within the District. These two maps should be used in combination when studying the Project Plan.

The map shows that more than fifty percent (50%) of the lands within the TIF boundary have been found to be suitable for industrial development. The purpose and intent of this district is to encourage new industrial development.

## **Section J      Proposed Land Use**

The land use proposed in Tax Incremental District Number 6 is primarily light industrial and business/office. The proposed TID will promote the orderly development within the City by reducing and/or eliminating under-utilized land uses, while remaining financially feasible for the City to replace such uses with more appropriate uses. Map 5 on Page 16 illustrates the proposed land uses within the district.

## **Section K      Existing and Proposed Zoning**

Map 4, found on Page 15, shows the TIF District boundary overlaid onto an existing zoning map.

It is anticipated that many of these zoning districts will remain with their associated parcels unless future proposed uses are in conflict with the existing zoning.

#### **Section L        Building Codes and City Ordinances**

No changes are currently being anticipated in the City's Building Code or other City codes.

#### **Section M        Relocation**

If acquisition would occur within Tax Incremental District Number 6 which causes displacements, the City will conform to the requirements as set forth by the Department of Commerce in the State of Wisconsin Relocation Laws. If federal funds are used in the relocation process, the federal relocation process will also be followed.

#### **Section N        Statement Indicating How Creation of the TID Promotes the Orderly Development of the City of Stoughton**

The purpose of TID No. 6 is to assist with the expansion of business, commerce, and potentially residential growth within the City of Stoughton. The creation of this district should provide a financial resource for the City to promote orderly development by making sites suitable for development that otherwise may not be occurring, by providing new employment opportunities that would not otherwise be available, and, in general, promoting the public health, safety and general welfare. The development stimulated by the use of this TID shall increase the overall tax base of the City, increase employment, increase household income, and generally improve the quality of life in the City.

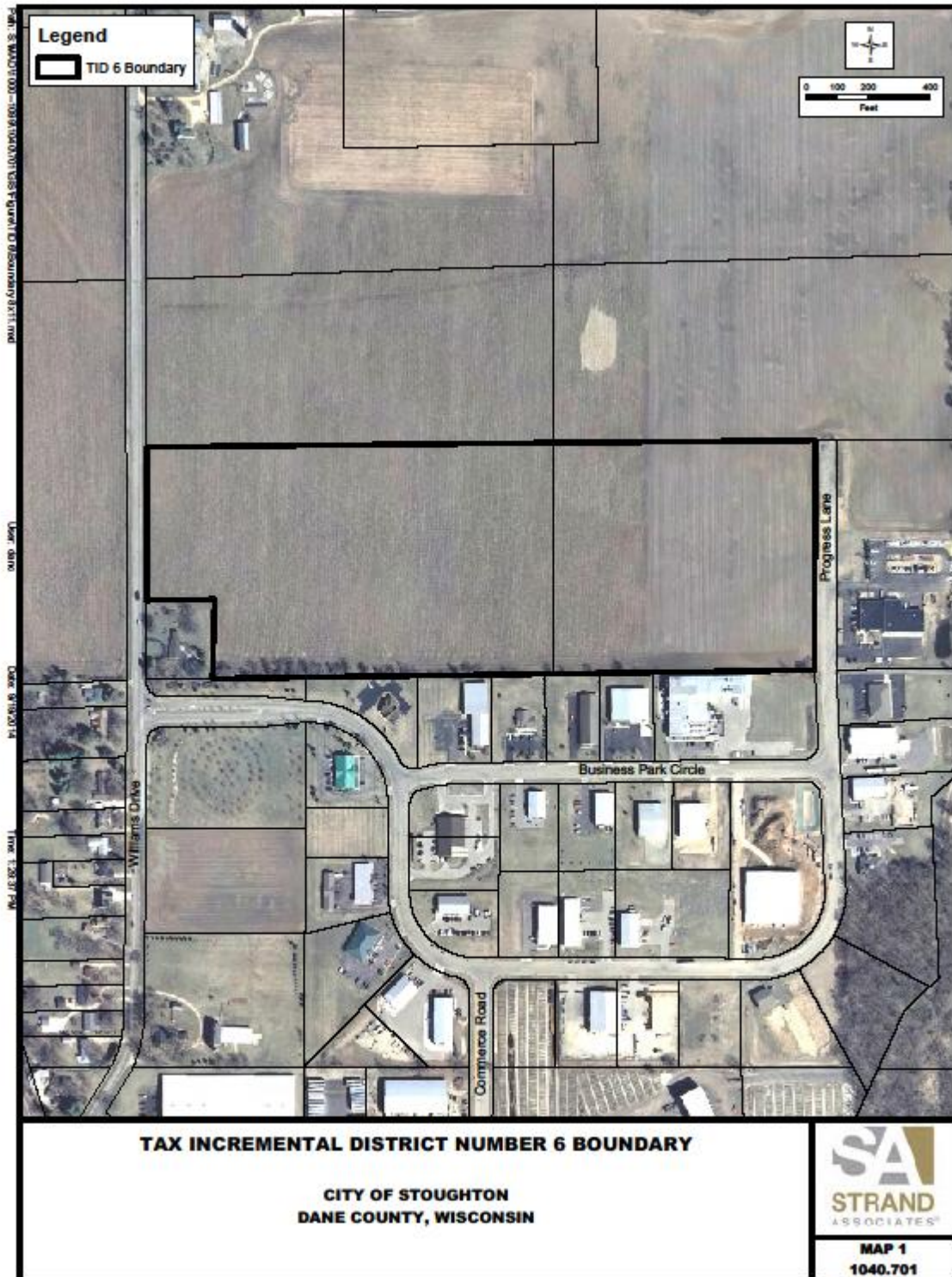
#### **Section O        Findings**

- A.     A minimum of 50% of the area occupied by real property within TID No. 6 is suitable for industrial development.
- B.     The improvement of TID No. 6 is likely to significantly enhance the value of substantially all of the other real property in the district.
- C.     The project costs relate directly to promoting industrial development, consistent with the purpose for which the district is created.
- D.     The equalized value of taxable property of TID No. 6, plus the value increment of all existing districts, does not exceed 12% of the total equalized value of taxable property within the City.

#### **Section P        City Attorney Opinion**

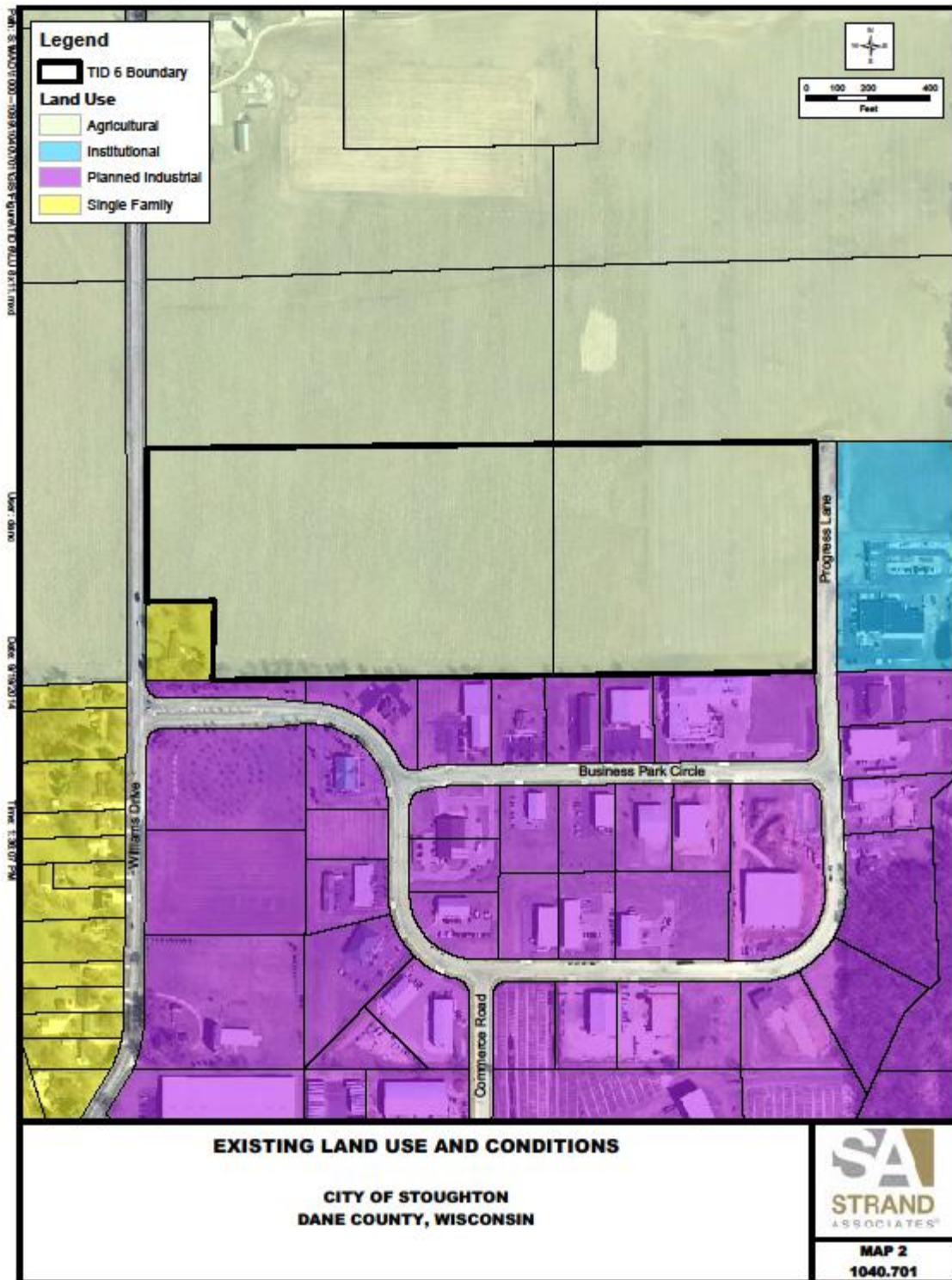
The City Attorney for the City of Stoughton, Wisconsin has reviewed the Project Plan for Tax Incremental Finance District Number 6, City of Stoughton, Wisconsin, dated September 30, 2015, and has found that it is complete and complies with Section 66.1105, Wisconsin Statutes. The City Attorney letter is included as Appendix D.

# MAP 1 -- TAX INCREMENTAL FINANCING DISTRICT NUMBER 6 BOUNDARIES

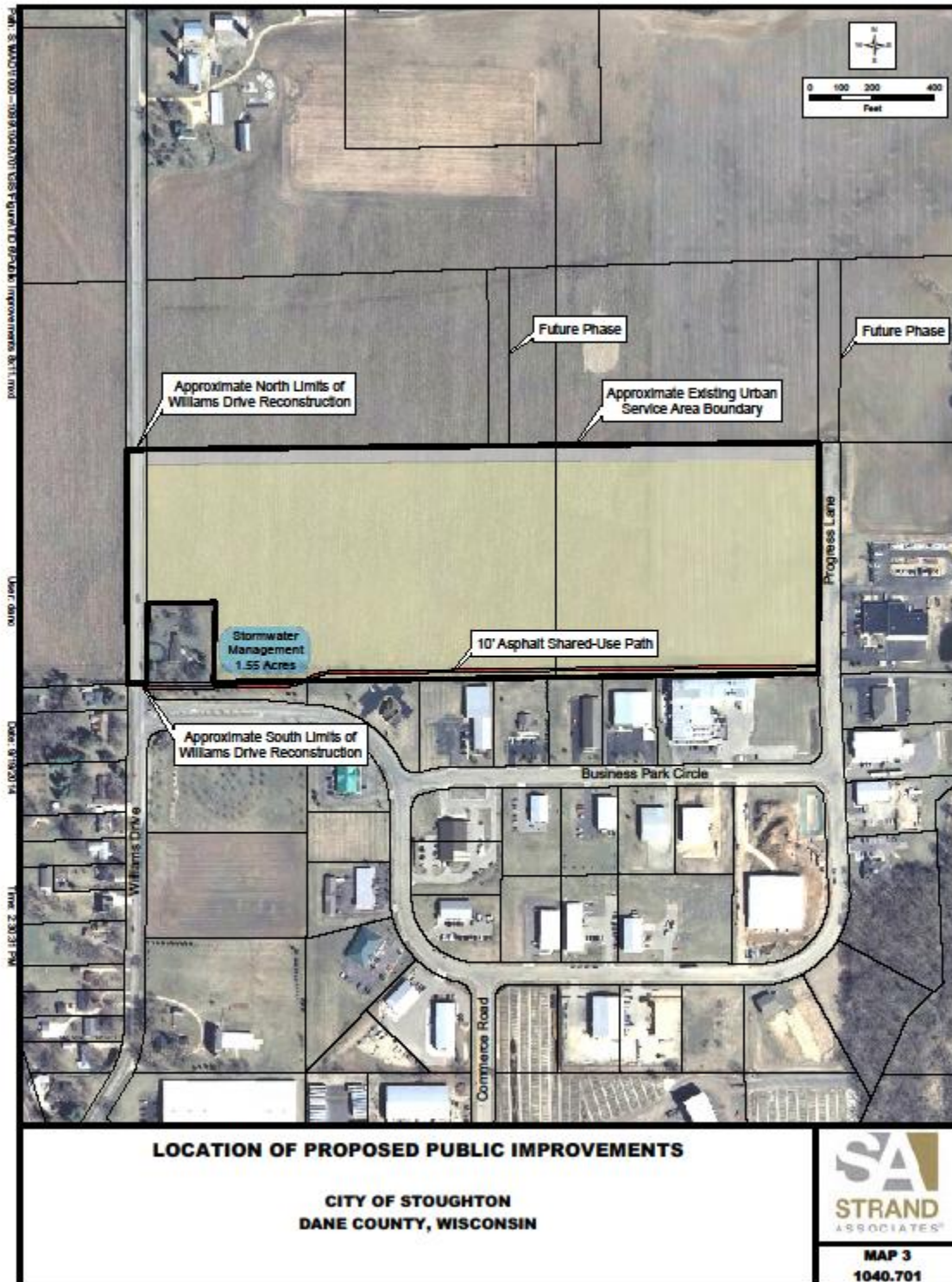




## MAP 2 – EXISTING LAND USE & CONDITIONS

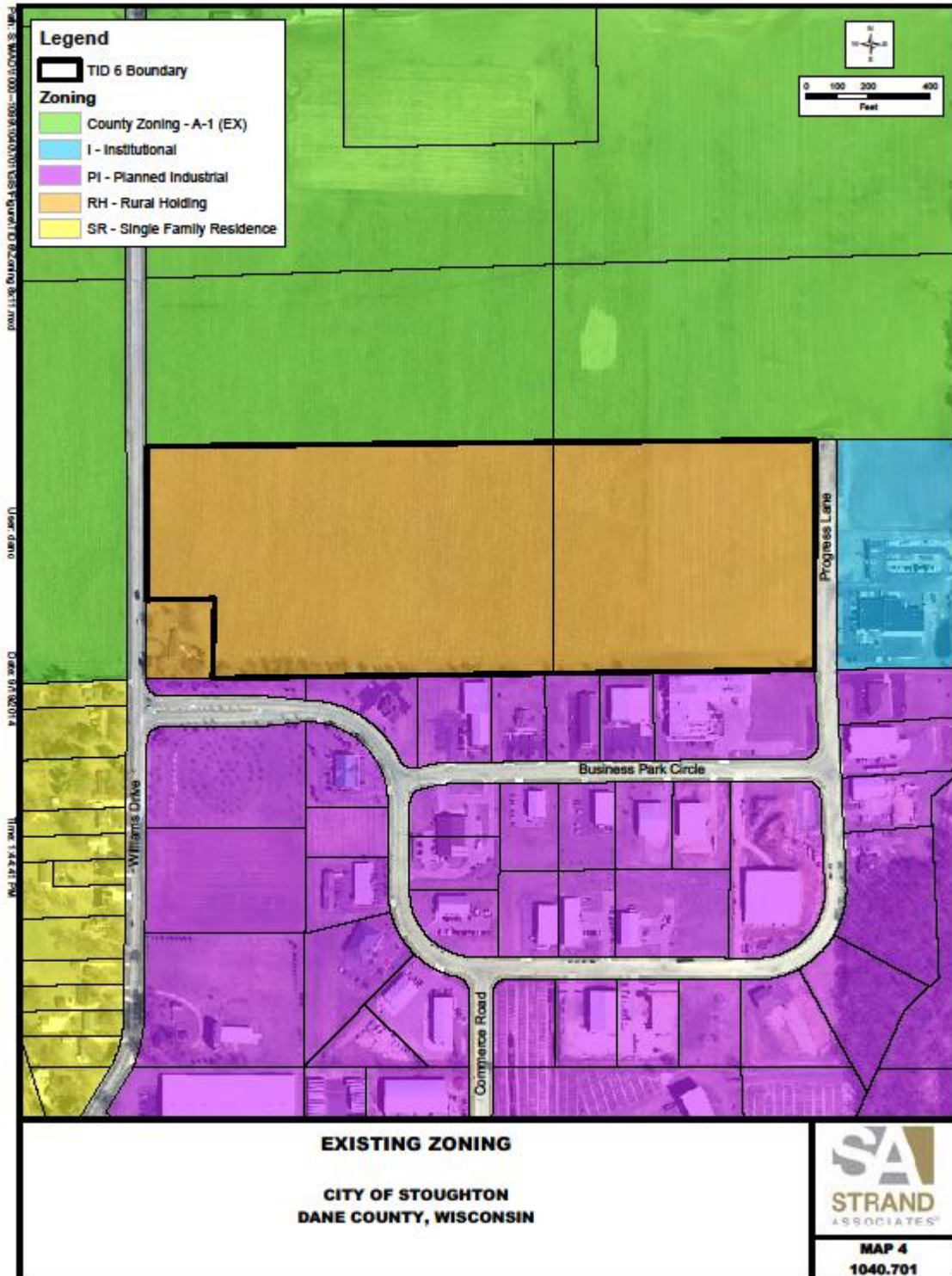


### MAP 3 – LOCATION OF PROPOSED PUBLIC IMPROVEMENTS

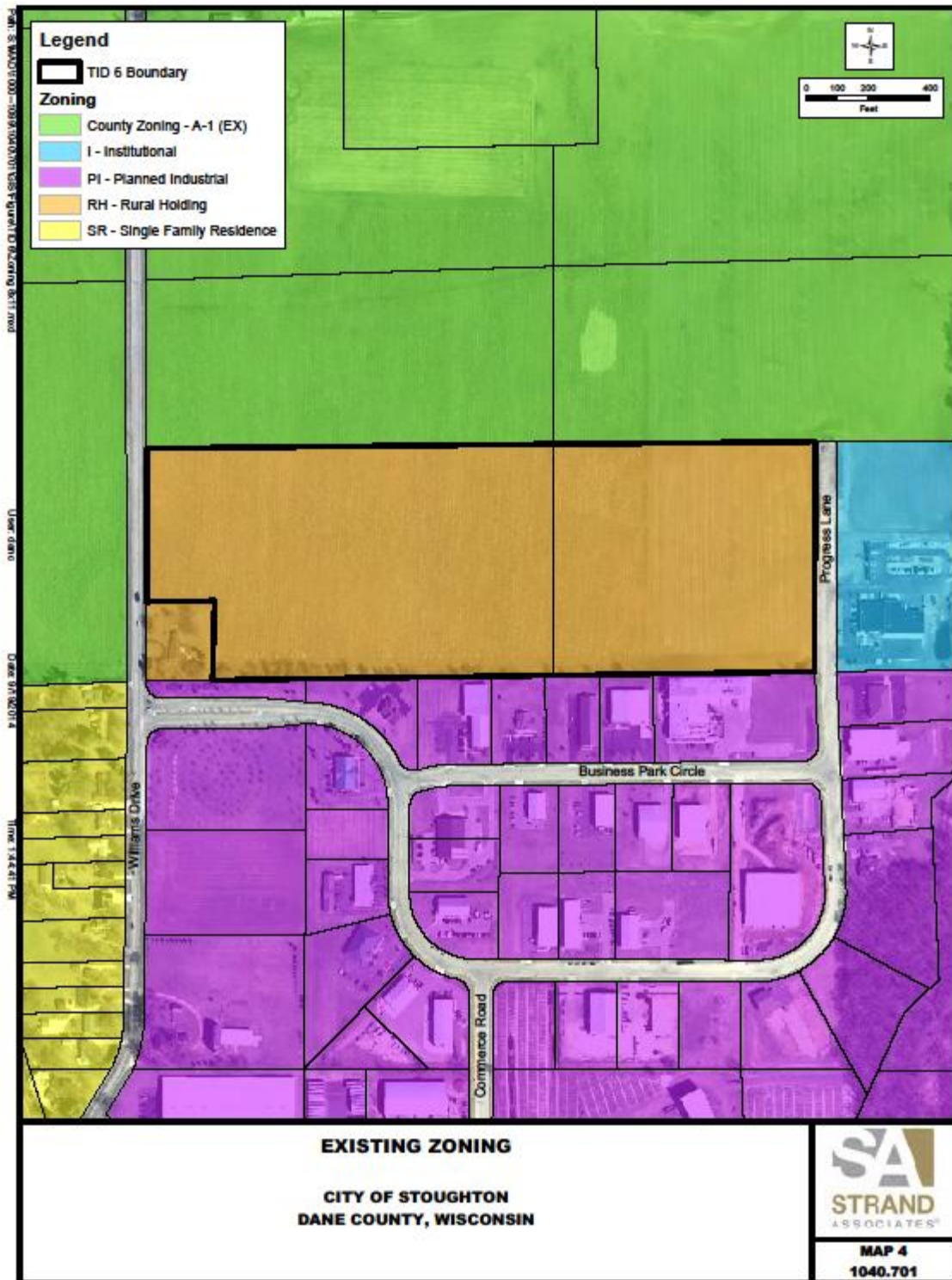




## MAP 4 – EXISTING ZONING



## MAP 5 – PROPOSED LAND USE & ZONING



**APPENDIX A**  
**PARCEL ID AND DESCRIPTION**

The description of the proposed boundaries of the Tax Incremental District being considered is located in the City of Stoughton, Dane County, Wisconsin, generally, more particularly described as follows:

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>
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**APPENDIX B**  
**PUBLIC HEARING NOTICE**

## **APPENDIX C**

### **PROOF OF PUBLICATION**

(Will be inserted upon receipt from the Stoughton Hub)

**APPENDIX D**  
**CITY ATTORNEY REVIEW LETTER**

**APPENDIX E**  
**ECONOMIC FEASIBILITY STUDY**