

January 25, 2024

PROJECT PLAN

City of Stoughton, Wisconsin

Tax Incremental District No. 10
(Downtown Overlay)



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	Scheduled for February 12, 2024
Public Hearing Held:	Scheduled for February 12, 2024
Approval by :	Scheduled for February 12, 2024
Adoption by City Council:	Scheduled for March 12, 2024
Approval by the Joint Review Board:	Scheduled for TBD

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 10 (“District”) is a proposed In Need of Rehabilitation or Conservation District comprising of approximately 5.49 acres located in the City’s downtown. The District will be created to pay the costs of infrastructure and development incentives needed (the “Projects”) to support the redevelopment of downtown properties to include the rehabilitation of 211 Water Street by Dustin Oler and Justin Hanson (the “Developers”). In addition to the incremental property value that will be created, the City expects the Projects will rehabilitate or conserve real property and public infrastructure thereby preserving and growing the City’s tax base and preventing further deterioration of property and infrastructure, as well as the potential development of blight.

AUTHORITY

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

ESTIMATED TOTAL PROJECT COST EXPENDITURES

The City anticipates making total expenditures of approximately \$5 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$3.7 million in development incentives, \$250 thousand for water infrastructure improvements, \$500 thousand for a revolving loan fund program, \$50 thousand for parking infrastructure, \$265 thousand in interest and financing expenses, and \$240 thousand for ongoing administration of the District.

INCREMENTAL VALUATION

The City projects that new land and improvements value of approximately \$10 million will result from the new development and rehabilitation within the District. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

EXPECTED TERMINATION OF DISTRICT

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within its allowable 27 years.

SUMMARY OF FINDINGS

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

1. That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has considered:
 - i. The Developer’s representation that the Project is not economically viable without public participation based on extraordinary costs associated with demolition of structures and redevelopment of existing sites.
 - ii. The substantial investment needed to provide the public infrastructure necessary to rehabilitate the properties located within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements.
2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:

Activities related to implementation of the Project will create opportunity for business and individuals in the form of employment, private contracts for rehabilitation of property and public contracts for rehabilitation of public infrastructure and facilities. Further, the developer(s) are likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and services from retailers, restaurants and service companies.

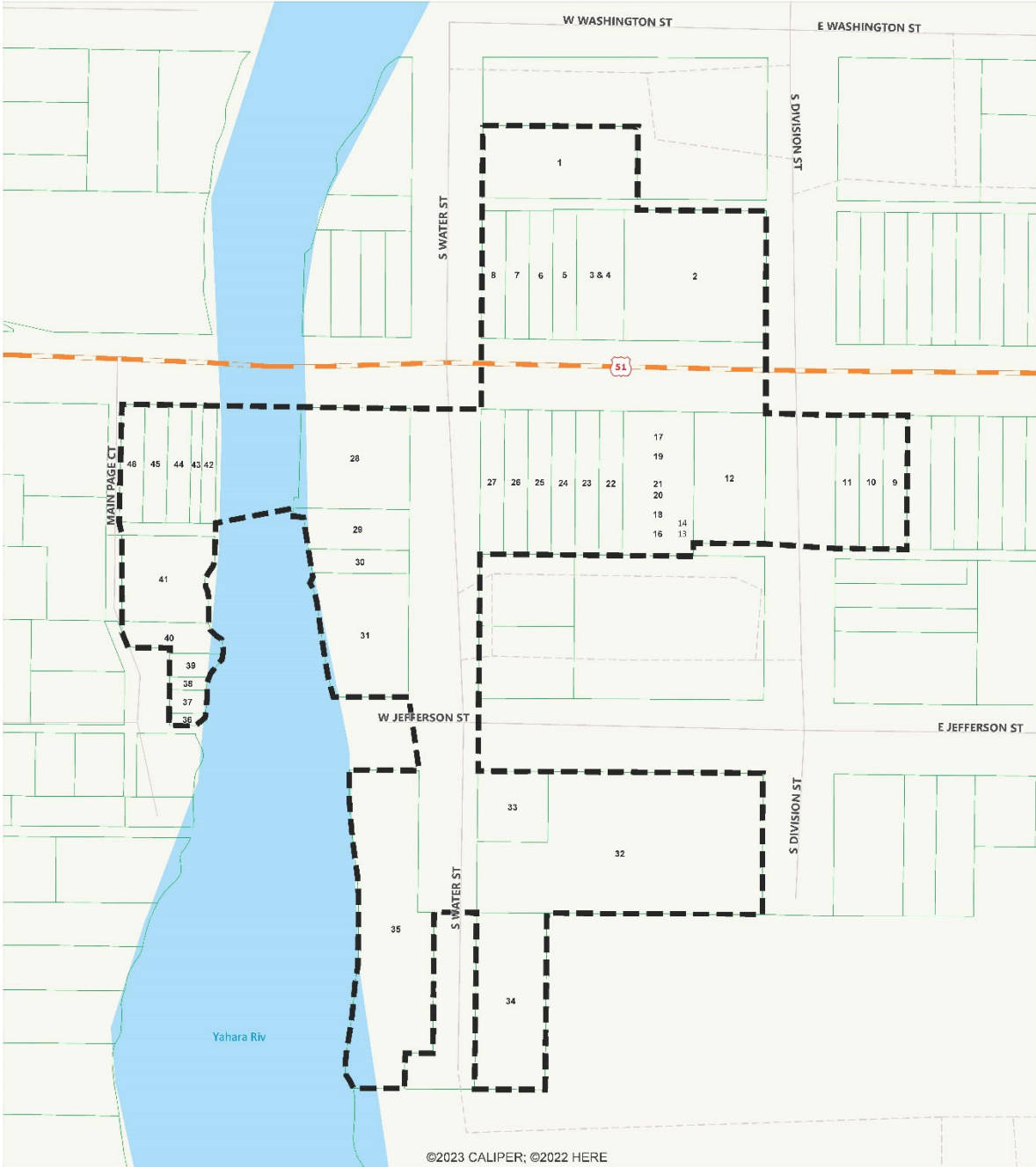
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the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

expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.

4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a).
5. Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.
6. The Project Costs relate directly to the rehabilitation or conservation of property and improvements in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2: Preliminary Map of Proposed District Boundary

Map Found on Following Page.

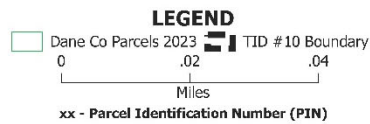


January 22, 2024



City of Stoughton
TID #10
Boundary Map

Sources: Dane County, City of Stoughton, Becker Professional Services



Proposed Boundaries in Relationship to Tax Increment District No. 4:

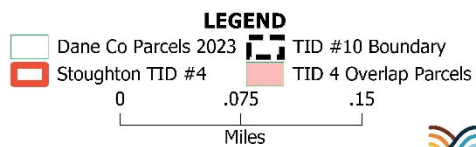


January 23, 2024



City of Stoughton TID #10 TID Overlap Map

Sources: Dane County, City of Stoughton, Becker Professional Services



SECTION 3:

Map Showing Existing Uses and Conditions

Map Found on Following Page.

Existing Land Use:



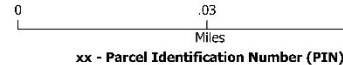
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LEGEND
 TID #10 Boundary
 Dane Co Parcels 2023
 January 22, 2024



City of Stoughton TID #10 Current Land Use Map

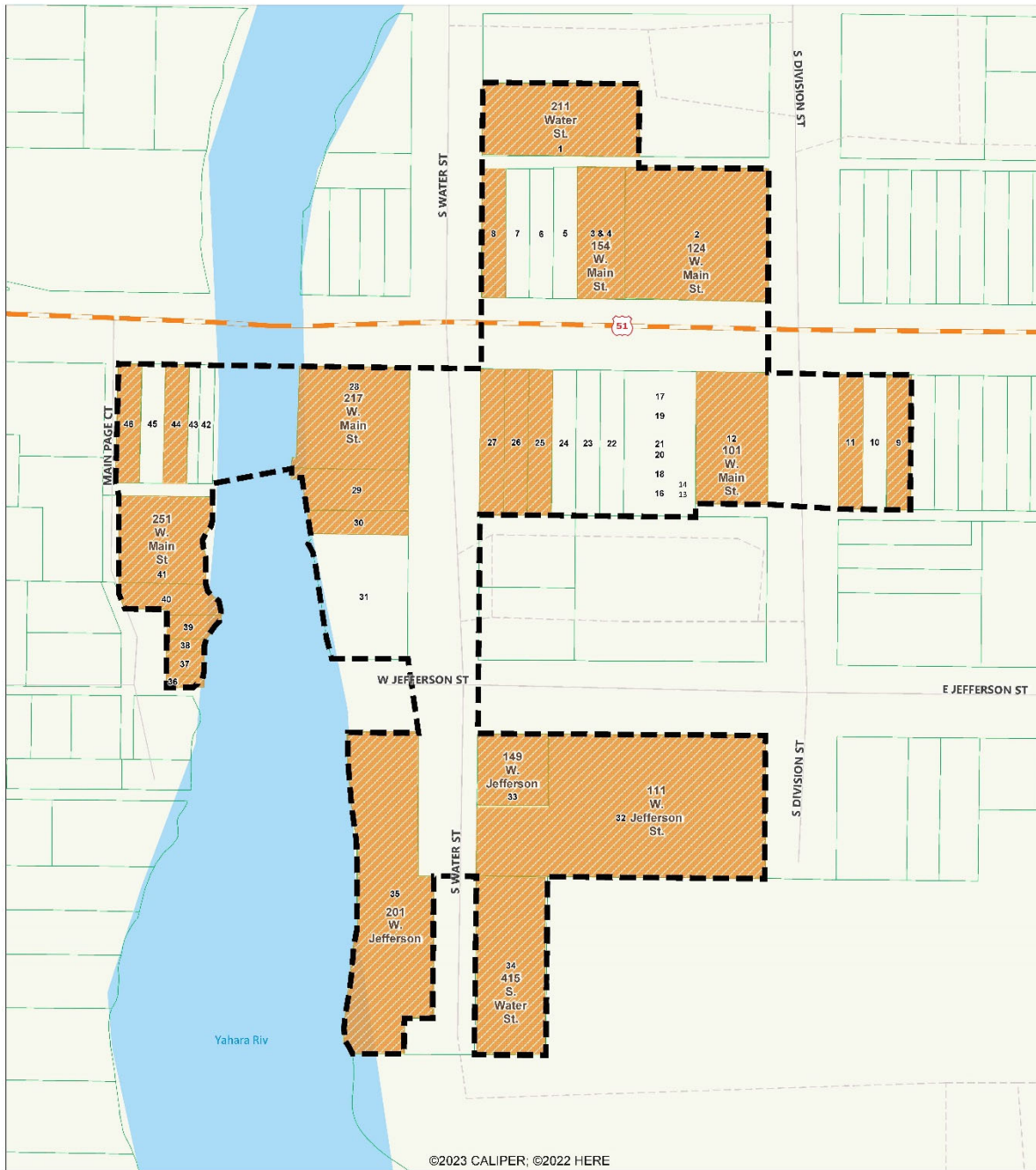
Sources: Dane County, City of Stoughton, Becker Professional Services

- | | | |
|--------------------------|---------------------------|------------------------|
| General Industrial | Heavy Industrial | Central Business |
| Neighborhood Business | Planned Business | Planned Development |
| Institutional | Park | Stormwater Management |
| Multi-Family Residential | Single-Family Residential | Two-Family Residential |
| Vacant | | |



xx - Parcel Identification Number (PIN)

Current Conditions:



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January 22, 2024



City of Stoughton
TID #10
Property Condition Map

Sources: Dane County, City of Stoughton, Becker Professional Services



xx - Parcel Identification Number (PIN)



SECTION 4: Preliminary Parcel List and Analysis

The District will include the parcels identified in the tables included below:

Map Reference Number	Parcel Number	Address	Acres	Designated Acres
				Rehab/ Conservation
N/A	Right of Way		1.29	
1	051108215520	211 S WATER ST	0.23	0.23
2	051108215977	124 W MAIN ST	0.40	0.40
3	051108217882	154 W MAIN STREET CONDO UNIT 2	0.13	0.13
4	051108217772	154 W MAIN STREET CONDO UNIT 1	0.00	
5	051108215815	168 W MAIN ST	0.07	
6	051108215753	176 W MAIN ST	0.06	
7	051108215708	184 W MAIN ST	0.06	
8	051108215655	188 W MAIN ST	0.06	0.06
9	051108121649	121 E MAIN ST	0.06	0.06
10	051108121694	109 E MAIN ST	0.06	
11	051108121747	111 E MAIN ST	0.06	0.06
12	051108216118	101 W MAIN ST	0.18	0.18
13	051108218252	135 W MAIN ST UNIT 209	0.01	
14	051108218012	135 W MAIN ST UNIT 107	0.05	
15	051108218072	135 W MAIN ST UNIT 102	0.02	
16	051108218102	135 W MAIN ST UNIT 207	0.02	
17	051108218192	135 W MAIN ST UNIT 202	0.01	
18	051108218222	135 W MAIN ST UNIT 200	0.03	
19	051108218042	135 W MAIN ST UNIT 100	0.02	
20	051108218132	135 W MAIN ST UNIT 205	0.02	
21	051108218162	135 W MAIN ST UNIT 203	0.01	
22	051108216369	155 W MAIN ST	0.07	
23	051108216412	161 W MAIN ST	0.07	
24	051108216467	171 W MAIN ST	0.07	
25	051108216510	177 W MAIN ST	0.07	0.07
26	051108216565	187 W MAIN ST	0.07	0.07
27	051108216618	193 W MAIN ST	0.07	0.07
28	051108213915	217 W MAIN ST	0.22	0.22
29	051108214012	312 S WATER ST	0.09	0.09

Map Reference Number	Parcel Number	Address	Acres	Designated Acres
				Rehab/ Conservation
30	051108214085	318 S WATER ST	0.05	0.05
31	051108214129	324 S WATER ST	0.21	
32	051108217117	111 W JEFFERSON ST	0.70	0.70
33	051108217448	149 W JEFFERSON ST	0.10	0.10
34	051108217555	415 S WATER ST	0.20	0.20
35	051108213817	201 W JEFFERSON ST	0.20	0.20
36	051108211873	405 MAIN-PAGE CT	0.01	
37	051108211980	405 MAIN-PAGE CT	0.02	0.02
38	051108212087	405 MAIN-PAGE CT	0.01	0.01
39	051108212283	405 MAIN-PAGE CT	0.02	0.02
40	051108212381	251 W MAIN ST	0.00	
41	051108212489	251 W MAIN ST	0.18	0.18
42	051108210516	233 W MAIN ST	0.05	
43	051108210614	233 W MAIN ST	0.01	
44	051108210712	245 W MAIN ST	0.06	0.06
45	051108210810	251 W MAIN ST	0.06	
46	051108210927	261 W MAIN ST	0.06	0.06
TOTALS			5.49	3.22

Percentage of TID Area Designated as in Need of Rehabilitation or Conservation (at least 50%)

59%

Percentage of TID Area Not in Need of Rehabilitation or Conservation

41%

Calculation of Estimated Base Value¹

Parcel	Assessed Value			Equalized Value ²		
	Land	Improvement	Total	Land	Improvement	Total
051108215520*	44,000	232,300	276,300	45,700	241,200	286,900
051108215977*	116,900	345,600	462,500	121,400	358,800	480,200
051108217882*	39,000	525,200	564,200	40,500	545,300	585,800
051108217772*	0	0	0	0	0	0
051108215815*	19,500	151,800	171,300	20,200	157,600	177,800
051108215753*	17,700	220,800	238,500	18,400	229,200	247,600
051108215708*	17,700	301,000	318,700	18,400	312,500	330,900
051108215655*	17,700	364,800	382,500	18,400	378,700	397,100
051108121649*	18,000	244,500	262,500	18,700	253,800	272,500
051108121694*	18,000	95,900	113,900	18,700	99,600	118,300
051108121747*	18,000	172,500	190,500	18,700	179,100	197,800
051108216118*	53,100	364,200	417,300	55,100	378,100	433,200
051108218252*	2,100	23,300	25,400	2,200	24,200	26,400
051108218012*	15,400	142,600	158,000	16,000	148,000	164,000
051108218072*	6,000	70,000	76,000	6,200	72,700	78,900
051108218102*	5,600	60,900	66,500	5,800	63,200	69,000
051108218192*	4,200	47,600	51,800	4,400	49,400	53,800
051108218222*	7,200	80,100	87,300	7,500	83,200	90,700
051108218042*	6,800	75,400	82,200	7,100	78,300	85,400
051108218132*	6,300	66,400	72,700	6,500	68,900	75,400
051108218162*	3,100	32,400	35,500	3,200	33,600	36,800
051108216369*	19,500	224,400	243,900	20,200	233,000	253,200
051108216412*	19,500	110,700	130,200	20,200	114,900	135,100
051108216467*	19,500	276,800	296,300	20,200	287,400	307,600
051108216510*	19,500	53,100	72,600	20,200	55,100	75,300
051108216565*	19,500	240,500	260,000	20,200	249,700	269,900
051108216618*	19,500	238,100	257,600	20,200	247,200	267,400
051108213915*	63,100	657,700	720,800	65,500	682,800	748,300
051108214012	16,700	49,200	65,900	17,300	51,100	68,400
051108214085	9,700	146,100	155,800	10,100	151,700	161,800
051108214129	40,500	219,500	260,000	42,000	227,900	269,900
051108217117	40,900	196,700	237,600	42,500	204,200	246,700
051108217448	17,400	0	17,400	18,100	0	18,100
051108217555	39,200	164,600	203,800	40,700	170,900	211,600
051108213817	39,100	280,800	319,900	40,600	291,500	332,100
051108211873	1,700	0	1,700	1,800	0	1,800
051108211980	3,000	0	3,000	3,100	0	3,100
051108212087	1,700	0	1,700	1,800	0	1,800
051108212283	3,000	0	3,000	3,100	0	3,100
051108212381	0	0	0	0	0	0
051108212489	8,000	20,200	28,200	8,300	21,000	29,300
051108210516*	15,500	129,500	145,000	16,100	134,400	150,500
051108210614*	0	0	0	0	0	0
051108210712*	16,200	61,300	77,500	16,800	63,600	80,400
051108210810*	16,200	179,000	195,200	16,800	185,800	202,600
051108210927*	16,200	137,300	153,500	16,800	142,500	159,300
TOTALS	901,400	7,002,800	7,904,200	935,700	7,270,100	8,205,800

*Parcel is currently in TID 4.

1) Estimated based on values as of January 1, 2023. Actual base value will be as of January 1, 2024.

2) Calculation based on assessment ratio of 96.32%.

SECTION 5: Equalized Value Test

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

Calculation of City Equalized Value Limit

City TID IN Equalized Value (Jan. 1, 2023)	\$ 1,787,763,800
TID Valuation Limit @ 12% of Above Value	\$ 214,531,656

Calculation of Value Subject to Limit

Estimated Base Value of Territory to be Included in District	\$ 8,205,800
Incremental Value of Existing Districts (Jan. 1, 2023)	\$ 81,140,500
Less: Value of Underlying TID 4 Parcels	<u>\$ (4,028,800)</u>
Total Value Subject to 12% Valuation Limit	\$ 85,317,500
Total Percentage of TID IN Equalized Value	4.77%
Residual Value Capacity of TID IN Equalized Value	\$ 129,214,156

The equalized value of the increment of existing tax incremental districts within the City, plus the estimated base value of the District, and less the incremental value of the overlapped Tax Incremental District No. 4 parcels, totals \$85,317,500, which is 4.77% of the City’s total equalized value. This value is less than the maximum of \$214,531,656 (12%) in equalized value that is permitted for the City. Following creation of the District, its base value is no longer counted towards the 12% limit, however, any incremental increase in value will be included in the calculation for creation of subsequent districts, or where territory is being added to an existing district.

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

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

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

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

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

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

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

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

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

Acquisition of Easements

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

Relocation Costs

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

Site Preparation Activities

Environmental Audits and Remediation

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

Demolition

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

Site Grading

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

Utilities

Sanitary Sewer System Improvements

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

Water System Improvements

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

implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

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

Electric Service

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

Gas Service

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

Communications Infrastructure

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

Streets and Streetscape

Street Improvements

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

Streetscaping and Landscaping

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

Community Development

Cash Grants (Development Incentives)

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

Contribution to Redevelopment Authority (RDA)

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its RDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the RDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan, the City, through its RDA, may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the RDA in the program manual. Any funds returned to the RDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the RDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Professional Service and Organizational Costs

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

Administrative Costs

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

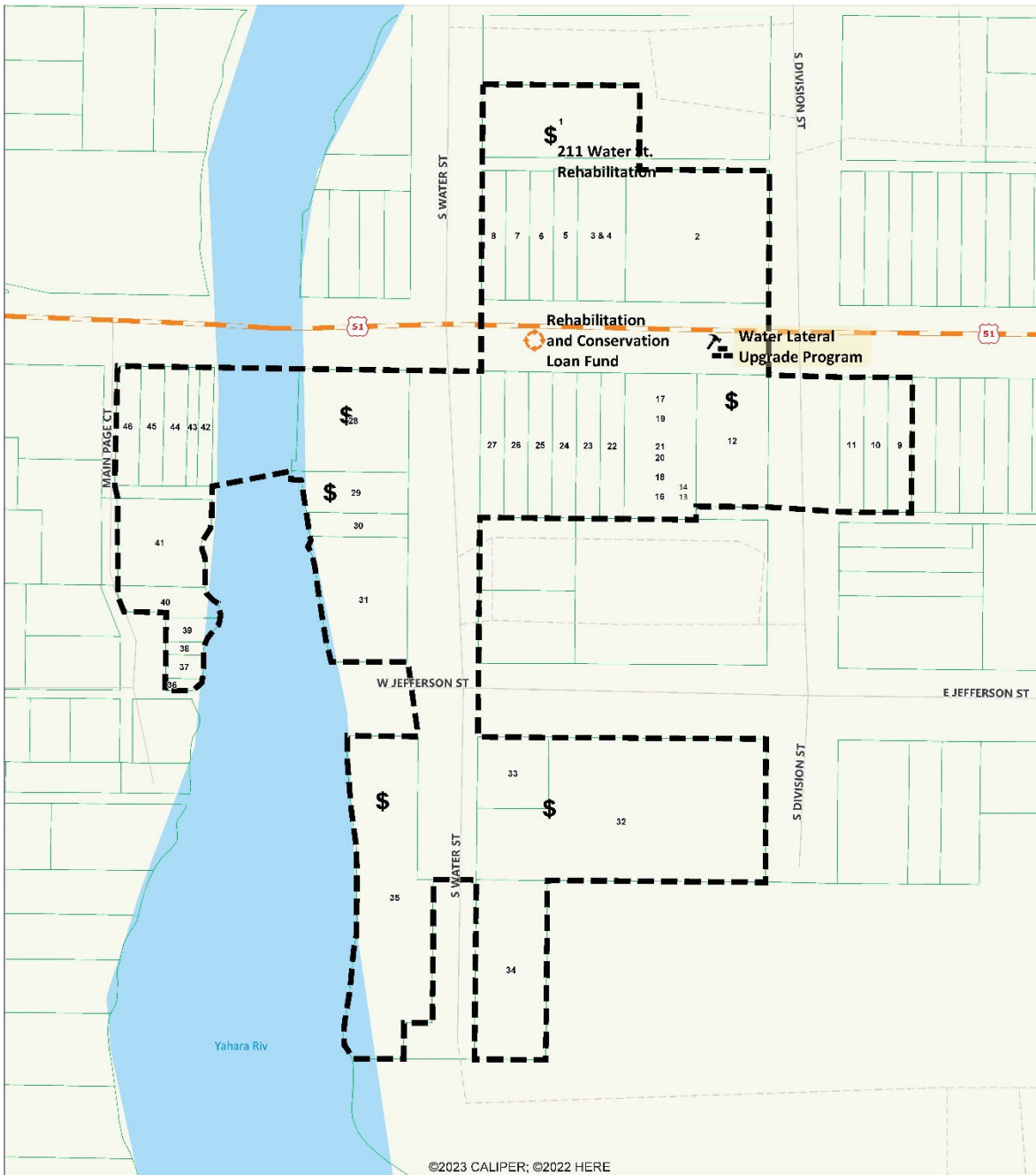
Financing Costs

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

SECTION 7: **Map Showing Proposed Improvements and Uses**

Map Found on Following Page.

Proposed Improvements:



©2023 CALIPER; ©2022 HERE

January 22, 2024



City of Stoughton TID #10 Proposed Improvements Map

Sources: Dane County, City of Stoughton, Becker Professional Services

LEGEND

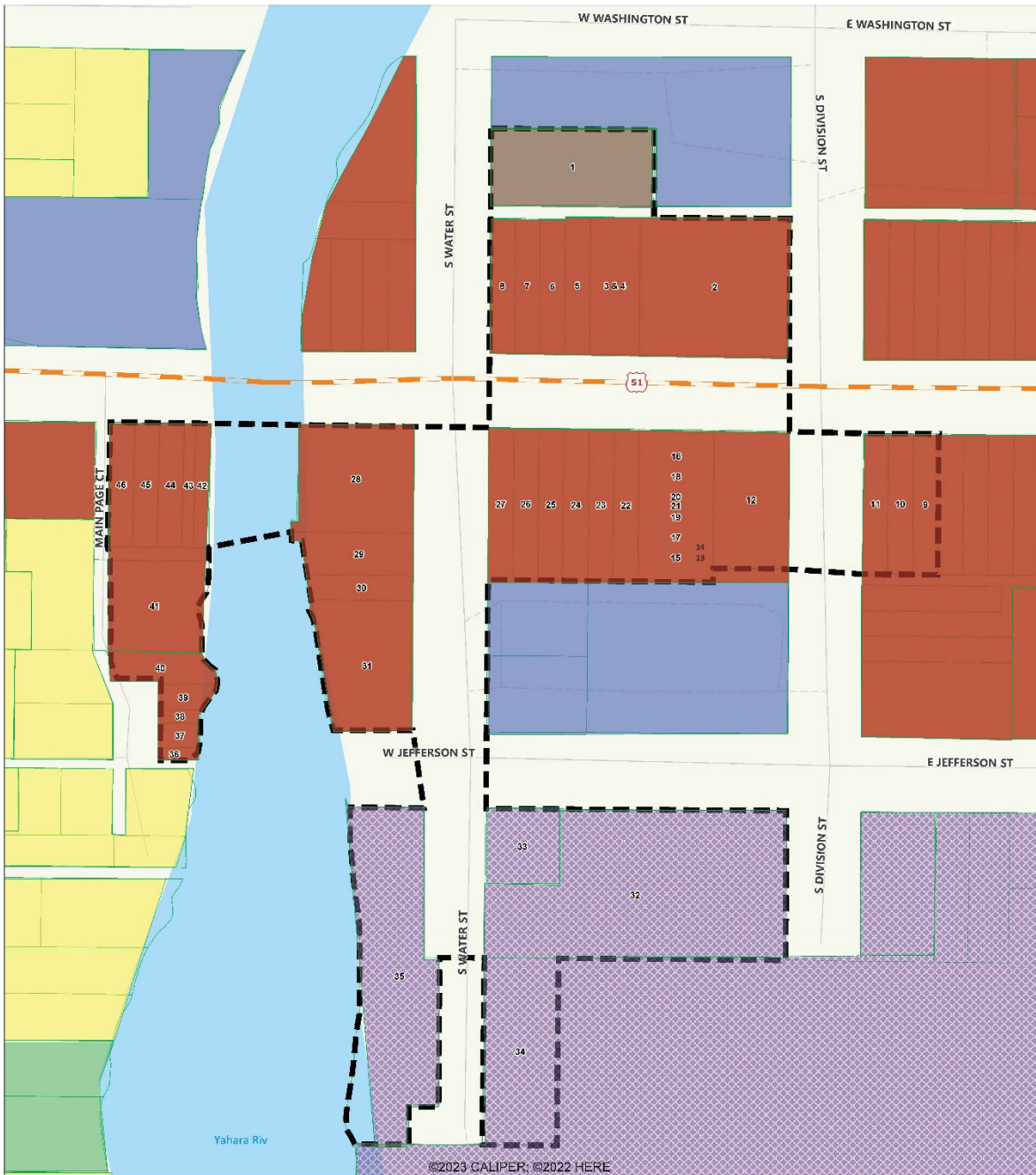
- TID #10 Boundary
- Revolving Loan Fund
- Development Incentive - MRO
- Infrastructure Improvements

0 .03 .06
Miles

xx - Parcel Identification Number (PIN)



Future Land Use:



City of Stoughton TID #10 Future Land Use Map

Sources: Dane County, City of Stoughton, Becker Professional Services

LEGEND

Dane Co Parcels 2023
 TID #10 Boundary

Land Use Category

 Central Business	 Commercial	 Institutional
 Planned Business	 Planned Mixed-Use	 Park
 Multi-family Residential	 Two-Family Residential	 Single-Family Residential
 Vacant	 Other	

0 0.03
Miles

xx - Parcel Identification Number (PIN)

January 22, 2024



SECTION 8:

Detailed List of Estimated Project Costs

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

Detailed List of Estimated Project Costs ¹						
Project ID	Project Name/Type	Est. Cost			Totals	Est. Timing
		Phase I	Phase II	Ongoing		
1	Development Grant - 211 Water St. Paygo	713,644			713,644	2024 - 2045
2	Development Grants - Other Paygo		3,000,000		3,000,000	2024 - 2035
3	Water Lateral Upgrade Program	250,000			250,000	2024 - 2028
4	Rehab & Conservation RLF	500,000			500,000	2024 - 2032
5	Mixed-Use Parking Solutions	50,000			50,000	2028
6	Interest on Long Term Debt	249,113			249,113	2025 - 2041
7	Financing Costs	16,900			16,900	2024 - 2032
8	Ongoing Planning & Administrative Costs			239,390	239,390	2024 - 2052
Total Projects		<u>1,779,657</u>	<u>3,000,000</u>	<u>239,390</u>	<u>5,019,047</u>	

Notes:
 1) Per information provided by City officials on December 4, 2023. The amount of any incentive to be provided will be established in applicable development agreements and may vary from the estimates included in this Project Plan.

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

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

Key Assumptions

The Project Costs the City plans to make are expected to create \$10 million in incremental value by January 1, 2030. Estimated valuations and timing for construction of the projects are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$16.79 per thousand of equalized value, and no economic appreciation or depreciation, the projects would generate \$4,193,709 in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

Table 1 - Development Assumptions

Construction Year	211 Water St. Rehab	Stoughton Hotel Rehab	Upper Floor Conversions	Department Co Rehab	Annual Total	Construction Year
1 2024	2,500,000		250,000		2,750,000	2024 1
2 2025		1,500,000	250,000		1,750,000	2025 2
3 2026		1,500,000	250,000		1,750,000	2026 3
4 2027			250,000		250,000	2027 4
5 2028			250,000	3,000,000	3,250,000	2028 5
6 2029			250,000		250,000	2029 6
7 2030					0	2030 7
8 2031					0	2031 8
9 2032					0	2032 9
10 2033					0	2033 10
11 2034					0	2034 11
12 2035					0	2035 12
13 2036					0	2036 13
14 2037					0	2037 14
15 2038					0	2038 15
16 2039					0	2039 16
17 2040					0	2040 17
18 2041					0	2041 18
19 2042					0	2042 19
20 2043					0	2043 20
21 2044					0	2044 21
22 2045					0	2045 22
23 2046					0	2046 23
24 2047					0	2047 24
25 2048					0	2048 25
26 2049					0	2049 26
27 2050					0	2050 27
Totals	<u>2,500,000</u>	<u>3,000,000</u>	<u>1,500,000</u>	<u>3,000,000</u>	<u>10,000,000</u>	

Notes:
 1) Per information provided by City officials on December 4, 2023.

Table 2 - Tax Increment Projection Worksheet

Type of District	Rehabilitation		Base Value	8,102,900
District Creation Date	March 12, 2024		Economic Change Factor	0.00%
Valuation Date	Jan 1,	2024	Apply to Base Value	
Max Life (Years)	27		Base Tax Rate	\$16.79
Expenditure Period/Termination	22	3/12/2046	Rate Adjustment Factor	0.00%
Revenue Periods/Final Year	27	2052		
Extension Eligibility/Years	Yes	3		
Eligible Recipient District	Yes			

Construction		Valuation	Economic	Total	Revenue	Tax Rate ¹	Tax Increment	
Year	Value Added	Year	Change	Increment	Year			
1	2024	2,750,000	2025	0	2,750,000	2026	\$16.79	46,177
2	2025	1,750,000	2026	0	4,500,000	2027	\$16.79	75,562
3	2026	1,750,000	2027	0	6,250,000	2028	\$16.79	104,948
4	2027	250,000	2028	0	6,500,000	2029	\$16.79	109,146
5	2028	3,250,000	2029	0	9,750,000	2030	\$16.79	163,718
6	2029	250,000	2030	0	10,000,000	2031	\$16.79	167,916
7	2030	0	2031	0	10,000,000	2032	\$16.79	167,916
8	2031	0	2032	0	10,000,000	2033	\$16.79	167,916
9	2032	0	2033	0	10,000,000	2034	\$16.79	167,916
10	2033	0	2034	0	10,000,000	2035	\$16.79	167,916
11	2034	0	2035	0	10,000,000	2036	\$16.79	167,916
12	2035	0	2036	0	10,000,000	2037	\$16.79	167,916
13	2036	0	2037	0	10,000,000	2038	\$16.79	167,916
14	2037	0	2038	0	10,000,000	2039	\$16.79	167,916
15	2038	0	2039	0	10,000,000	2040	\$16.79	167,916
16	2039	0	2040	0	10,000,000	2041	\$16.79	167,916
17	2040	0	2041	0	10,000,000	2042	\$16.79	167,916
18	2041	0	2042	0	10,000,000	2043	\$16.79	167,916
19	2042	0	2043	0	10,000,000	2044	\$16.79	167,916
20	2043	0	2044	0	10,000,000	2045	\$16.79	167,916
21	2044	0	2045	0	10,000,000	2046	\$16.79	167,916
22	2045	0	2046	0	10,000,000	2047	\$16.79	167,916
23	2046	0	2047	0	10,000,000	2048	\$16.79	167,916
24	2047	0	2048	0	10,000,000	2049	\$16.79	167,916
25	2048	0	2049	0	10,000,000	2050	\$16.79	167,916
26	2049	0	2050	0	10,000,000	2051	\$16.79	167,916
27	2050	0	2051	0	10,000,000	2052	\$16.79	167,916
Totals		10,000,000		0		Future Value of Increment		4,193,709

Notes:

1) Tax rates shown are based on the actual 2023 rate per DOR Form PC-202 (Tax Increment Collection Worksheet).

Financing and Implementation

Development incentives will be made on a “pay as you go” basis from tax increment generated by the new development within the District. The City’s obligation to make payments is solely limited to the available tax increment with specific terms to be negotiated and outlined in a developer agreement for eligible projects. To the extent incremental revenues are less than projected, the full amount of the development incentive may not ultimately be paid.

Implementation of the Plan will require the rehabilitation of public infrastructure within the District as well as funding to support private businesses with rehabilitation and conservation costs through a revolving loan program. The City intends to finance such costs through the issuance of tax-exempt General Obligation debt with debt service to be paid from the tax increment generated by the District. Cost of issuance will be paid from bond proceeds, and any interest due prior to availability of tax increment will be capitalized.

Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds by the year 2052 to pay off all Project Cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Table 3 - Cash Flow

Cash Flow Projection																			
Year	Projected Revenues				Projected Expenditures									Balances			Year		
	Tax Increments	Debt Project Proceeds	Capitalized Interest	Total Revenues	2024 G.O. Promissory Note \$225,000 Issue Total	2028 G.O. Promissory Note \$310,000 Issue Total	2032 G.O. Promissory Note \$310,000 Issue Total	MRO #1 ¹ 2024 211 Water St. \$450,000	MRO #2 ² TBD Future Project(s) \$3,000,000	Capital Projects	RLF Capitalization	Financing Costs	Ongoing Planning & Administration	Total Expenditures	Annual	Cumulative		Liabilities Outstanding	
2024		207,469	17,531	225,000				0		100,000	100,000	4,500	25,000	229,500	(4,500)	(4,500)	938,644	2024	
2025				0	17,531			0					5,000	22,531	(22,531)	(27,031)	938,644	2025	
2026	46,177			46,177	9,563			35,682					5,150	50,395	(4,218)	(31,249)	902,962	2026	
2027	75,562			75,562	9,563			35,682					5,300	50,545	25,018	(6,231)	867,280	2027	
2028	104,948	310,000		414,948	19,350	41,625		35,682		200,000	100,000	6,200	5,460	408,317	6,630	399	1,101,598	2028	
2029	109,146			109,146	28,713	39,000		35,682					5,620	109,015	131	530	3,190,915	2029	
2030	163,718			163,718	42,544	37,750		35,682	15,000				5,790	136,766	26,952	27,482	3,080,233	2030	
2031	167,916			167,916	45,950	41,500		35,682	35,000				5,960	164,092	3,824	31,306	2,939,551	2031	
2032	167,916	310,000		477,916	44,250	40,000	41,625	35,682	5,000		300,000	6,200	6,140	478,897	(981)	30,326	3,108,869	2032	
2033	167,916			167,916	42,550	38,500	39,000	35,682	5,000				6,320	167,052	864	31,190	2,973,187	2033	
2034	167,916			167,916	40,850	37,000	37,750	35,682	10,000				6,510	167,792	124	31,314	2,832,504	2034	
2035	167,916			167,916	0	40,500	41,500	35,682	40,000				6,710	164,392	3,524	34,838	2,691,822	2035	
2036	167,916			167,916		38,750	40,000	35,682	45,000				6,910	166,342	1,574	36,412	2,546,140	2036	
2037	167,916			167,916		42,000	38,500	35,682	45,000				7,120	168,302	(386)	36,026	2,395,458	2037	
2038	167,916			167,916	0	37,000	37,000	35,682	85,000				7,330	165,012	2,904	38,930	2,244,775	2038	
2039	167,916			167,916			40,500	35,682	85,000				7,550	168,732	(816)	38,114	2,089,093	2039	
2040	167,916			167,916			38,750	35,682	85,000				7,780	167,212	704	38,818	1,933,411	2040	
2041	167,916			167,916			42,000	35,682	85,000				8,010	170,692	(2,776)	36,042	1,772,729	2041	
2042	167,916			167,916			0	35,682	120,000				8,250	163,932	3,984	40,026	1,617,047	2042	
2043	167,916			167,916				35,682	120,000				8,500	164,182	3,734	43,760	1,461,364	2043	
2044	167,916			167,916				35,682	120,000				8,760	164,442	3,474	47,235	1,305,682	2044	
2045	167,916			167,916				35,682	120,000				9,020	164,702	3,214	50,449	1,150,000	2045	
2046	167,916			167,916					155,000				9,290	164,290	3,626	54,075	995,000	2046	
2047	167,916			167,916					155,000				9,570	164,570	3,346	57,421	840,000	2047	
2048	167,916			167,916					155,000				9,860	164,860	3,056	60,477	685,000	2048	
2049	167,916			167,916					155,000				10,160	165,160	2,756	63,234	530,000	2049	
2050	167,916			167,916					155,000				10,460	165,460	2,456	65,690	375,000	2050	
2051	167,916			167,916					155,000				10,770	165,770	2,146	67,836	220,000	2051	
2052	167,916			167,916					220,000				11,090	231,090	(63,174)	4,663	0	2052	
Totals	4,193,709	827,469	17,531	5,038,709	300,863	396,625	396,625	713,644	2,170,000	300,000	500,000	16,900	239,390	5,034,047				Totals	
NET PRESENT VALUE (5.00%)								\$403,337	\$1,027,569	PROJECTED CLOSURE YEAR									
Notes:																			
1) Assumes 85% of the 211 Water Street project tax increment is reimbursed to the developer for a period of 20 years up to a net present value of \$425,000, whichever is sooner. The amount and terms of any incentive to be provided will be established in applicable development agreements and may vary from the estimates.																			
2) Represents illustrative future incentive payments based on availability of tax increment revenues. The amount and terms of any incentive to be provided will be established in applicable development agreements and may vary from the estimates.																			
LEGEND: <div style="display: flex; align-items: center;"> CALLABLE MATURITIES END OF EXP. PERIOD </div>																			

SECTION 10: Annexed Property

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

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

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

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

Zoning Ordinances

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

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for central business and mixed use land uses.

Building Codes and Ordinances

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

SECTION 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by rehabilitating and conserving property, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. The City has determined that undertaking of such Projects will prevent further deterioration of property and infrastructure, and the potential development of blight, all facilitating the orderly development of the City.

SECTION 15:

List of Estimated Non-Project Costs

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

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

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

**SECTION 16:
Legal Opinion Advising Whether the Plan is Complete
and Complies with Wis. Stat. § 66.1105(4)(f)**

Legal Opinion Found on Following Page.

**NEED WET SIGNATURE & DATED LEGAL OPINION ON ATTORNEY
LETTERHEAD**

SAMPLE

Mayor
City of Stoughton
207 S. Forrest Street
Stoughton, Wisconsin 53589

RE: Project Plan for Tax Incremental District No. 10

Dear Mayor:

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

As City Attorney for the City of Stoughton, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of Stoughton Tax Incremental District No. 10 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

City Attorney

SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4. Allocation of future tax increments is based on the projections included in this Plan and assumes the same proportions as the actual breakdown of tax collections for the 2023/24 levy year.

Revenue Year	Dane County	City of Stoughton	Stoughton School District	Madison Technical College	Total	Revenue Year
2026	8,303	19,627	16,252	1,994	46,177	2026
2027	13,587	32,117	26,595	3,263	75,562	2027
2028	18,871	44,607	36,937	4,532	104,948	2028
2029	19,626	46,392	38,415	4,713	109,146	2029
2030	29,439	69,588	57,622	7,070	163,718	2030
2031	30,193	71,372	59,100	7,251	167,916	2031
2032	30,193	71,372	59,100	7,251	167,916	2032
2033	30,193	71,372	59,100	7,251	167,916	2033
2034	30,193	71,372	59,100	7,251	167,916	2034
2035	30,193	71,372	59,100	7,251	167,916	2035
2036	30,193	71,372	59,100	7,251	167,916	2036
2037	30,193	71,372	59,100	7,251	167,916	2037
2038	30,193	71,372	59,100	7,251	167,916	2038
2039	30,193	71,372	59,100	7,251	167,916	2039
2040	30,193	71,372	59,100	7,251	167,916	2040
2041	30,193	71,372	59,100	7,251	167,916	2041
2042	30,193	71,372	59,100	7,251	167,916	2042
2043	30,193	71,372	59,100	7,251	167,916	2043
2044	30,193	71,372	59,100	7,251	167,916	2044
2045	30,193	71,372	59,100	7,251	167,916	2045
2046	30,193	71,372	59,100	7,251	167,916	2046
2047	30,193	71,372	59,100	7,251	167,916	2047
2048	30,193	71,372	59,100	7,251	167,916	2048
2049	30,193	71,372	59,100	7,251	167,916	2049
2050	30,193	71,372	59,100	7,251	167,916	2050
2051	30,193	71,372	59,100	7,251	167,916	2051
2052	30,193	71,372	59,100	7,251	167,916	2052
	754,082	1,782,514	1,476,012	181,102	4,193,709	