

Kettle Park West FAQ's

**Citizens have questions,
we are listening and responding**

Why haven't you asked the public what they want?

- In fact the City has held many public strategy sessions and forums over the last several years. The City held public sessions with the help of UW Madison consultant Bill Rizzo and with Gary Becker from Vierbicher.
- The common theme of these sessions from Public Input was Economic Development.
- Citizens wanted the Mayor and Council to:
 - Bring more businesses to Stoughton
 - Additional shopping opportunities
 - Additional housing opportunities

Why haven't you had public meetings regarding this development?

- *See the “Kettle Park West Progression” document attached
- The City has held several Public Meetings including Public Hearings throughout the three year process, including:
 - Public Hearings for:
 - Amendments to the Comprehensive Plan
 - Rezoning from Rural to GDP
 - Public Meetings for:
 - The Kettle West Neighborhood Plan
 - Urban Service Area Amendment
 - Annexation process

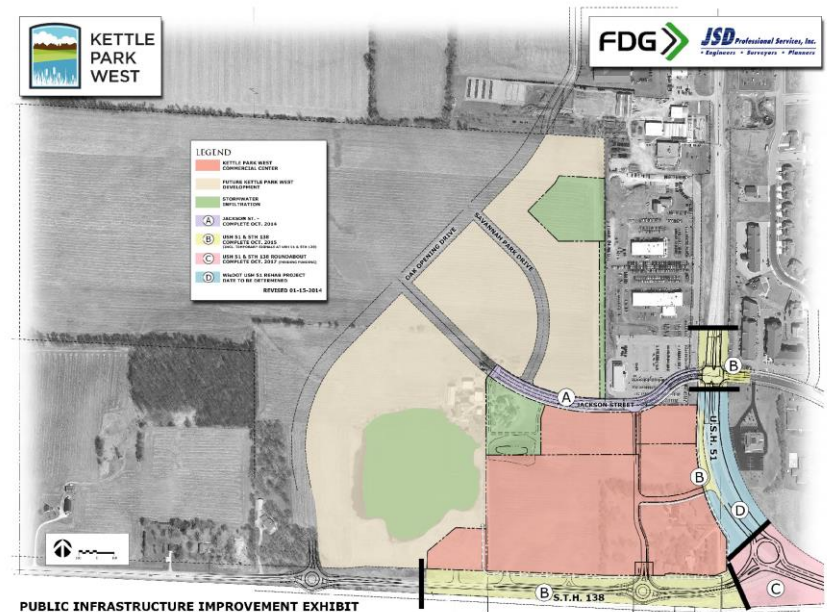
During initial meetings, was the developer asked who the tenant was?

- Yes. Legally the developer doesn't have to tell us who the tenant is, it is also not legal for the City to base its process or decisions on 'WHO' the tenant is. As long as the land use is appropriate and allowed by the City's ordinances and zoning regulations and follows the Comprehensive Plan.

Why is this development on such a fast track?

Kettle Park West

- *See the “Kettle Park West Progression” document attached.
- The City has been working with this developer for well over three years.
- While some details of the plan have changed over the years, a large major retailer has always been on the map and part of the plan.



Why is the Development Agreement so important to the City?

- The Development Agreement is an important tool for the City. It protects the City and ensures that all City/State requirements are met before the City has to expend any TIF Dollars. (*See the 14 contingencies that need to be met in the Development Agreement).
- The Development Agreement lays out specifically what the Developer needs to do and to guarantee before the City moves ahead with the project.
- The Agreement also itemizes all of the approvals that are needed before construction can begin.

When was the Developer Agreement Signed?

- Resolution 12-2014, authorizes and directs the Mayor and City Clerk to execute the Agreement on the City's behalf.
- This motion passed 8-4 on the Council floor.
- Using normal procedures, the contract was signed following the Council meeting.

How do you justify giving \$5 million in TIF money to a Large Corporation?

- Its important to understand the City is not giving funds to any large corporation or developer.
- The City is funding the actual costs of infrastructure improvements and safety enhancements to benefit not only the development area but the entire community.
- This development is about so much more than just the large retail store.

Who stands to benefit if this development is approved?

- The benefit will be to the citizens of the City of Stoughton. This development will provide the positive growth and progression greatly needed for the Stoughton Community.
- Unlike other Dane County communities, Stoughton is becoming unattractive to young families, its population is aging and it is impacting the city and the schools.
- We need to attract young families to Stoughton. Young families need and want good schools and local, convenient access to the things families need..... Groceries, diapers, toilet paper, school supplies, house wares, etc.

So where is the proof that we can sustain all of this retail?

- Retailers do their own Market research before they select a site.
- A site needs to meet a certain criteria before a retailer will consider building.
- It is up to each individual retailer to determine whether their business will be viable in a selected location.

How does this project proceed without violating the Big Box ordinance?

- The ordinance includes a process for review as a part of the site plan approval.
- Email excerpt from City Attorney Dregne:

“Since the January 28 meeting, I have reviewed the Big Box ordinance in detail. I have prepared a memo to the council that addresses the development agreement requirement, and the economic impact analysis requirement. Based on that review, I believe the City's actions approving the General Development Plan and approving the development agreement do not violate the City's zoning regulations, including the Big Box ordinance.

What happened to Big Box ordinance requiring them to pay?

- The development agreement requires the developer to install all public improvements needed to serve the development.
- Neither the Large Development Regulations nor the land division regulations prevent the use of Tax Increment Financing to finance such improvements.
- These requirements in the City's ordinances are satisfied by the approved development agreement

Do you think that the Hwy 51 rerouting will have an effect on the Kettle West development

- The developer is aware of the future DOT plans for Highway 51.
- The developer has also met with the DOT regarding Hwy 51 improvements and the future of the corridor.
- This area remains a commercial center even if Hwy 51 is rerouted.

**Would like to know more about the
“but for” criteria?**

Is it really true that we would get no development if no public funding?

- In this case it is true. The land area has been identified in the Comprehensive Plan as appropriate for Commercial/mixed use development for over 10 years. No developer has attempted to begin a project here. The site needs highway and traffic safety improvements in order to make it ready for development. These are costs that cannot be absorbed by a developer.

What happened to asking developers to pay for public improvements?

- The Kettle Park West Developer is paying for the public improvements inside the development. FDG will pay for public water, sewer, storm water, and electric utility improvements that are located on site.

In addition to the TIF financing, will they be getting other assistance for the public improvements?

- No. The Developer is required to pay for and install all public improvements on their site.
- The developer will be installing roads, sidewalks, water, sewer, electric and storm water improvements to the site.

Will there be other monies that will come from Stoughton taxpayers?

- No. The TIF will only fund offsite infrastructure improvements including:
 - Highway improvements
 - Traffic control improvements
- And certain onsite improvements that are more regional such as Storm Water pumping and an infiltration basin that services the entire area.

Who's going to pay for increased and extra costs with fire, police, EMS, road maintenance, etc?

- This will be covered with the 'base' value taxes from the development area.

What is the total amount funded plus interest?

- Total Off-Site infrastructure costs=\$3,011,373
- Total On-Site Regional Storm Water costs=\$1,593,368
- Based on interest of 3.5% on the 2014 borrowing and 4.0% on the 2015 borrowing, interest costs over 17 years is estimated to be \$2,037,652
- Total = \$6,642,393.
- All Debt service costs including interest will be paid by tax increment revenues.
- Any additional development will reduce the years and interest for debt service.

What are the other costs associated with the TIF?

- Other TIF costs include consulting fees, financing costs and administrative costs.
- These costs will all be recovered with TIF increment revenue.

What is the effect on Stoughton Taxpayers?

- There will be no effect on the City of Stoughton taxpayers for this development. All costs will be recovered from the taxable value of the new development.
- Increased service costs will come from the base value of the TIF district parcels.
- Stoughton Citizens will see NO increases to their property taxes for this development.

Does this set a precedent for future development?

Why wasn't a TIF offered for other developments ?

Stoughton TIF Districts

TIF #3: Business Park North



TIF #4: Downtown



Stoughton TIF #2

- City purchased land
- Land used for expansion of an existing Stoughton business (Stoughton Trailers)
- Increment value at the start of the TIF
- Shared increment with TIF #3 and TIF #4

Compare

TIF 3 – Business Park

- City purchased the land
- City funds all on-site improvements- Streets, water, sewer, storm water, electric \$2,300,000.
- City has no tenants ready to move in
- City responsible for marketing lots
- TIF 3 starts with NO increment revenue. Shares increment from TIF 2 (\$1,041,310), General fund paid debt (\$181,240), until 2011.
- Now is successful and is funding Williams Drive improvements.
- Will soon close.

Proposed new TIF - KPW

- Developer purchases the land \$5,053,753
- Developer installs and pays for on site improvements (except regional storm water)
- Developer has tenant contracts
 - 1 large retail
 - 3 other commercial
- Increment value will be \$18,000,000 at build out in 2016.

TIF use is intended to increase property values

- TIF investments have increased area property values as intended, often in a dramatic fashion.

For Example:

- TID #3 – Business Park North

- Base Value = \$94,000
- Increment Value = \$15,733,200
- **New Value= \$15,827,200**

- TID #4 – Downtown

- Base Value = 9,765,300
- Increment Value = \$11,178,900
- **New Value = \$20,944,200**

Use reasonable conditions to help mitigate municipal risk.

- Ensure municipal development is consistent with existing comprehensive plans
- Use well-crafted developer agreements with project specific conditions are recommended during negotiations.
- Municipalities should always consider worst case scenarios regarding TIF performance (e.g. no property value growth) to weigh the potential fiscal impact of new TIF deals.