

Kettle Park West Phase II TIF Request Summary

Project Summary

- Projected to contain 195 residential units in several formats including single-family detached dwellings, 18 twin/duplex units and 24 multi-family units spread between six quad buildings
- Anticipate \$69 million in incremental value over 8 years of sales and development
- Combined development characteristics
 - 23% Commercial
 - 32% Residential
 - 22% Public Open Space
 - 23% Local Street ROW and Arterial Highways

Financing Information

- TIF assistance is contemplated to be provided by a Pay-Go structure
 - This structure shifts risk to the developer
 - No upfront City borrowing
- Developer proposes to monetize the Pay-Go by borrowing against the projected cash flow of the tax increment receipts - Approximately \$3 million in available proceeds
- Increment from both phases that exceeds developer incentives will be used by the City for approximately \$3.8 million of off-site projects

City TIF Project Approval Requirements

- ❑ Is the project authorized by the Project Plan for the TIF District?
 - *The existing Project Plan for TIF District #7 needs to be evaluated to determine if an amendment is necessary*

- ❑ Does the project serve one or more of the City's general goals for the use of TIF?
 - *Expand and diversify housing opportunities in the City of Stoughton which will attract new households into the City and School District*
 - *New infrastructure to accommodate future growth and expansion*
 - *Provide an opportunity for the City to develop an attractive neighborhood park that will enhance the character and quality of life in the Westside Neighborhood and the City as a whole*
 - *Phase II is anticipated to add \$69 million in assessed property value*

City TIF Project Approval Requirements (cont.)

- ❑ Is Tax Incremental Financing feasible, in that the TIF District will support the level of TIF investment?
 - *TIF assistance will be provided using the Pay-Go method*
 - *The City will provide a Municipal Revenue Obligation (MRO) to establish the criteria for reimbursement and limit financial exposure*
 - *According to the analysis conducted by the City's Municipal Advisor, the TIF District will support the level of requested investment*

City TIF Project Approval Requirements (cont.)

- ❑ Is the amount of Tax Increment Financing requested reasonably necessary to make the project financially viable?
 - *Internal Rate of Return (IRR) for the developer is considered fair and does not unduly enrich the developer*
 - *By reducing the sales volume by 25% per year, discounting the sales price by 5% and limiting price increases, the IRR was slightly above zero*
 - *This would not attract investment capital*
 - *No TIF assistance would result in a negative IRR*

City TIF Project Approval Requirements (cont.)

- ❑ Should a development agreement be required?
 - *A development agreement will be required*
- ❑ If a development agreement is required, what terms should be included in the agreement?
 - *The following slides address this question in detail*

Development Agreement Main Elements

Developer Obligations

- On-site public improvements
- Agree to lookback provision in the final development agreement
- Annual Tax Increment will be allocated as follows:
 - Pay City Administrative Costs
 - Pay Annual Debt Service on City borrowing (Phase I Commercial Center)
 - Fund Oak Opening/Deer Point Drive Project
 - Pay the Municipal Revenue Obligation (MRO) related to Phase II
 - Pay for off-site public improvements related to Jackson Street Force Main and HWY 138 Water Main
 - Pay the MRO related to Phase I

Development Agreement Main Elements (cont.)

Developer Obligations (cont.)

- Guarantee sufficient increment to:
 - Pay City Administrative Costs
 - Pay Annual Debt Service on City borrowing (Phase I Commercial Center)
 - Fund Oak Opening/Deer Point Drive Project
- This guarantee will be secured by a letter of credit (LOC) if needed; however, current projections indicate a LOC will not be needed
- Jackson Street Force Main and HWY 138 Water Main projects will **not** commence until sufficient unreserved fund balance exists to fund these projects
 - The developer will **not** be permitted to develop beyond point ____ (*this needs to be defined*) until this occurs

Development Agreement Main Elements (cont.)

Developer Obligations (cont.)

- Connection of Oak Opening Drive to HWY 138 will **not** commence until sufficient unreserved fund balance exists to fund the project
 - The developer will **not** be permitted to develop the lands within the CSM adjacent to HWY 138 until the intersection at HWY 138 has been completed

Development Agreement Main Elements (cont.)

City of Stoughton Obligations

- Off-site public improvements
 - Jackson Street Force Main
 - HWY 138 Water Main Extension
 - Will **not** commence until sufficient unreserved fund balance exists to fund these projects
 - Developer will **not** be permitted to develop beyond specific point until this happens
- Issue MRO in the principal amount of \$3 million
 - Rate not to exceed 6% (actual rate if lower)
 - Only required to pay on MRO in amounts that can be paid with tax increment

Development Agreement Main Elements (cont.)

Off-Site Improvements – At City’s Discretion

- Oak Opening/Deer Point Drive in Town of Rutland
 - Agreement with Town will determine scope/timing
 - Agreement will ensure sufficient tax increment is available to fund this project
 - Or cover projected debt service if borrowing is necessary (current projections indicate borrowing will not be necessary)
 - Annual tax increment must exceed 125% of project debt service on all outstanding City borrowing
 - Project will commence only after the roundabout at HWY 51 is completed by the State in 2021

Development Agreement Main Elements (cont.)

Off-Site Improvements – At City’s Discretion (cont.)

- Connection of Oak Opening Drive to HWY 138
 - Developer will **not** be allowed to develop lands within CSM adjacent to HWY 138 until intersection has been completed
 - Work will **not** commence until sufficient unreserved fund balance exists to fund the project
 - Scope and timing of the project will be influenced by development to the south

Development Agreement Main Elements (cont.)

Risk Assessment

- MRO is issued on a Pay-Go basis and poses no financial risk to the City
- Allocation of annual actual tax increment is defined to ensure all City financial obligations are satisfied first
- Off-site improvements committed to by the City will **not** commence until sufficient unreserved fund balance exists to fund these projects
 - Developer will **not** be permitted to develop beyond specific point until this happens

Development Agreement Main Elements (cont.)

Risk Assessment

- Off-site discretionary improvements will **not** commence until sufficient unreserved fund balance exists to fund these projects
 - Developer will **not** be permitted to develop the lands within the CSM adjacent to HWY 138 until the intersection at HWY 138 has been completed
- Limiting interest payable on MRO to 6%
- Incorporate lookback provision into development agreement
- In the unlikely event City borrowing is required, a guarantee in the form of a LOC will be required

Related Documents

- Kettle Park West, LLC TIF Application => Included in Council Packet
- Finance Director's KPW Phase II TIF Request Memo => Attached
- Summary of Main Elements => Attached
- Financial Development Assumptions => Attached
- Off-Site Improvement Summary => Attached
- Concept Plan => Attached
- Infrastructure Concept Plan => Attached



CITY OF STOUGHTON
FINANCE DEPARTMENT
207 S Forrest Street, Stoughton, WI 53589

(608) 873-6677 www.ci.stoughton.wi.us

DATE: September 16, 2019
TO: Finance Committee and Common Council
RE: Kettle Park West Phase 2 TIF Application

Phase 2 opens up 82 acres for development including: a variety of different sized single-family residential parcels, over 33 acres of open space including public parkland, stormwater management facilities and a natural area conservancy.

Kettle Park West, LLC has stated that the proposed project will not occur without TIF assistance and the authority to approve the use of TIF assistance is vested solely in the Common Council. The City of Stoughton has a policy in place to assist the Common Council in determining whether or not to create a TIF District, and in determining whether or not to approve the use of TIF assistance for particular projects. Section 4 of the aforementioned policy instructs the Finance Director to provide a report to the Finance Committee and the Common Council addressing the following issues, which shall be considered by the Finance Committee and City Council prior to approving any TIF project:

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

The following section of this report addresses the issues noted above for consideration by the Finance Committee and Common Council.

A. Is the project authorized by the Project Plan for the TIF District?

The existing Project Plan for TIF District #7 needs to be evaluated to determine if an amendment is necessary; however, the 2013 Pre-Annexation Agreement contemplated that Kettle Park West would be developed in three phases.

B. Does the project serve one or more of the City's general goals for the use of TIF?

It is believed Phase 2 will achieve the following:

- 1. Expand and diversify housing opportunities in the City of Stoughton which will attract new households into the City and School District*
- 2. Provide an opportunity for the City to develop an attractive neighborhood park that will enhance the character and quality of life in the Westside Neighborhood and the City as a whole.*
- 3. Phase II is anticipated to add \$69 million in assessed property value.*

C. Is Tax Incremental Financing feasible, in that the TIF District will support the level of TIF investment?

Kettle Park West, LLC is requesting TIF assistance utilizing the "pay-as-you-go" method. This particular method, also known as developer financing, will reduce the financial exposure of the City and require Kettle Park West, LLC to pay for the upfront costs of the proposed project costs related to on-site work. The City will provide a Municipal Revenue Obligation (MRO) to establish the criteria for reimbursement and to limit its financial exposure.

According to the initial analysis conducted by Ehlers, the TIF District will support the level of requested investment.

See Exhibit 1 attached to this report.

D. Is the amount of Tax Increment Financing requested reasonably necessary to make the project financially viable?

Overall cash flows to FDG's \$1.7M investment were estimated at \$2.785M, providing a 12.5% internal rate of return (IRR). Expected returns for development projects can range from 11% to 18% or higher, depending on the project type and risk profile. For a substantial land assemblage and parcel improvement program of this nature, Ehlers feels the proposed return is fair and does not unduly enrich the developer, which is one of the 'but for' criteria in providing TIF assistance. Conversely, Ehlers stressed the developer's projections by reducing the sales volume by about 25% per year,

discounting the sales prices by 5%, and also limiting the expected price increases from 3% to 1.5%. As a result, the project IRR was slightly above zero, which would not be at a level to attract investment capital. Alternatively, with no TIF assistance provided at all, the returns were negative, obviating any investment interest. Therefore, the 'but for' test is met given these results.

- E. Should a development agreement be required, and what terms should be included in the agreement?

A Development Agreement will be required. Refer to Exhibit 2 for additional information related to this subject.

- F. Is more process (such as additional public hearings or a referendum) appropriate?

This will need to be determined by the Common Council and is strictly left to its discretion. If Project Plan amendment is deemed necessary, a Public Hearing will be required.

- G. Such other factors as either the Finance Committee or the City Council deem appropriate.

Similar to Item F above, this is strictly left to the Common Council's discretion.

Respectfully submitted,



Jamin Friedl, CPA
Director of Finance/Comptroller

KETTLE PARK WEST PHASE II– SUMMARY OF MAIN ELEMENTS
SEPTEMBER 16, 2019

FOR DISCUSSION ON SEPTEMBER 17, 2019

1. *Kettle Park West, LLC (Developer) Obligations.*
 - A. Construct On-Site projects.
 - Jackson Street Extension
 - Oak Opening Drive (within KPW limits)
 - Bio-Retention Facility Expansion
 - Infiltration Basin Expansion
 - Interior Streets, Alleys, Trails
 - Engineering and contingency
 - B. Includes all required grading, sanitary, water, storm, landscaping, etc.
 - C. Agree to lookback provision in the final Development Agreement – Additional detail will be provided in the final Development Agreement
 - D. Annual Actual Tax Increment to be allocated as follows:
 1. First, to pay City Administrative Costs
 2. Second, to pay Annual Debt Service on City borrowing related to Phase I Commercial Center
 3. Third, to pay Annual Debt Service on City borrowing related to Phase II Residential Development (Oak Opening/Deer Point Drive)
 4. Fourth, to pay the Municipal Revenue Obligation (MRO) to the Developer related to Phase II
 5. Fifth, to pay for Off-Site Infrastructure costs related to Jackson Street Force Main and Water Main Extension HWY 138
 6. Sixth, to pay the MRO to the Developer related to Phase I
 - E. Guarantee the City will receive sufficient Actual Tax Increment, to fund all of the costs associated with items 1 through 3 above. This guarantee will be secured by a Letter of Credit (LOC) if needed. The LOC will be calculated based on the difference between Actual Tax Increment and the Tax Increment required to cover costs associated with items 1 through 3 above; however, current projections indicate a LOC may not be needed.
 - F. The Developer will not be allowed to develop the lands within the CSM adjacent to HWY 138 until the intersection at HWY 138 has been completed.

The City will not consider commencing with this work until sufficient Unreserved Fund Balance within TIF No. 7 is available to fund the entire project.

- G. The City will not complete the Off-Site Infrastructure costs associated with the Jackson Street Force Main and HWY 138 Water Main Extension projects until sufficient Unreserved Fund Balance within TIF No. 7 exists. The Developer will not be permitted to develop beyond point [redacted] (*this needs to be defined*) until this occurs.

2. *City Obligations.*

- A. Construct Off-Site projects.

- Jackson Street Force Main
- Water Main Extension HWY 138

- (1) The Off-Site Infrastructure projects will only occur when sufficient Unreserved Fund Balance within TIF No. 7 exists unless the City is required to do so as a result of regulatory requirements.
- (2) Developer will not be permitted to develop beyond point [redacted] (*this needs to be defined*) until this occurs.

Funding Source – TIF No. 7 Fund Balance

- B. Issue a MRO to Developer to finance On-Site Public Improvements in the principal amount of \$3,000,000 plus an interest rate not to exceed 6%. If actual interest rate on the loan intended to be paid by the MRO is less than 6%, the actual interest rate will be used.

- (1) Timing of release of MRO? (*this will be defined at a later date*)
- (2) Payment schedule from available Tax Increment with prepayment option (*this will be developed at a later date*)
- (3) The City will only be required to pay on the MRO in amounts that can be paid with Projected Actual Tax Increment.

Funding source – "Pay-Go MRO" [City will issue a Municipal Revenue Obligation to Developer, payable in installments each year solely from tax increment remaining after paying annual City debt-service and administrative costs.

3. *Off-Site Public Improvements – At City’s Discretion*

- A. Oak Opening/Deer Point Drive in Town of Rutland
 - (1) Agreement between the City and the Town of Rutland will define the scope and timing of this improvement.
 - (2) The Development Agreement will ensure sufficient Tax Increment is available to fund this improvement in its entirety or cover Projected Debt Service if borrowing is necessary. This will be achieved by requiring the Annual Projected Tax Increment exceeds 125% of Annual Projected Debt Service on all outstanding and any proposed City borrowing.
 - (3) We anticipate this construction to commence only after the roundabout at HWY 51 is completed by the State in 2021.

Funding Source – TIF No. 7 Fund Balance or General Obligation Debt issuance

- B. Connection of Oak Opening Drive to HWY 138
 - (1) Kettle Park West, LLC will not be allowed to develop the lands within the CSM adjacent to HWY 138 until the intersection with HWY 138 has been completed.
 - (2) The City will not consider commencing this work until sufficient Unreserved Fund Balance within TIF No. 7 is available to fund the entire project.
 - (3) The scope of the improvement and timing of the improvement will be influenced by development to the south of HWY 138.

Funding Source – TIF No. 7 Fund Balance

4. *Conditions precedent to Parties obligations.*

- A. Execute this Agreement.
- B. Evaluate the need to amend the existing Project Plan.
- C. Developer must acquire fee simple title to the Property.
- D. A plat or CSMs must be approved. [CSMs approved - pending city signature]
- E. The lands needed for construction of the Jackson Street improvements must be dedicated to the City. [Will be completed with recording of CSMs and Plats]
- F. Reach agreement with Town of Rutland related to the Oak Opening and Deer Point Drive.

If all conditions precedent are not satisfied by [REDACTED], the Agreement terminates. Shall be extended 90 days due to event beyond Developer's reasonable control.

5. *Risk Assessment.*

- A. The MRO is issued on a Pay-Go basis and poses no financial risk to the City.
- B. Allocation of Annual Actual Tax Increment is defined to ensure all City financial obligations are satisfied first.
- C. The City will require a guarantee that the City will receive sufficient Actual Tax Increment to fund all the costs associated with any Administrative Costs, existing Annual Debt Service on City Borrowing and any associated Annual Debt Service on City Borrowing related to the Oak Opening/Deer Point Drive Off-Site Improvements. This guarantee will be secured by a LOC.
- D. The City will not consider commencing work on the following Off-Site Infrastructure projects until sufficient Unreserved Fund Balance within TIF No. 7 is available to fund the entirety of the projects. The Developer will not be permitted to develop beyond point [REDACTED] (*this needs to be defined*) until this occurs.
 - (1) Jackson Street Force Main
 - (2) HWY 138 Water Main Extension
- E. The City will not consider commencing work on the following Off-Site Infrastructure project until sufficient Unreserved Fund Balance within TIF No. 7 is available to fund the entirety of the projects. The Developer will not be allowed to develop the lands within the CSM adjacent to HWY 138 until this project is complete.
 - (1) Connection of Oak Opening Drive to HWY 138
- F. If City borrowing is required to complete the Oak Opening/Deer Point Drive project in the Town of Rutland, the Development Agreement will ensure sufficient Tax Increment is available to fund this improvement in its entirety or cover Projected Debt Service if borrowing is necessary.
- G. Limiting interest payable to on the MRO to 6%.

H. Incorporate Lookback Provision into Development Agreement in relation to Phase II.

6. *Other Considerations.*

A. Transfer of property located south of existing roundabout to the City as part of the overall agreement.

City of Stoughton, WI

Tax Increment District #7

Development Assumptions - All In (v2)

| Construction Year | | Actual | Phase I Other | Phase I Senior Housing | Phase I Hotel | Phase II | Annual Total | Construction Year | |
|-------------------|------|------------|---------------|------------------------|---------------|------------|--------------|-------------------|----|
| 1 | 2015 | 10,174,500 | | | | | 10,174,500 | 2015 | 1 |
| 2 | 2016 | 7,252,000 | | | | | 7,252,000 | 2016 | 2 |
| 3 | 2017 | 5,510,000 | | | | | 5,510,000 | 2017 | 3 |
| 4 | 2018 | 1,259,900 | | | | | 1,259,900 | 2018 | 4 |
| 5 | 2019 | | 4,154,916 | 12,000,000 | 7,592,200 | | 23,747,116 | 2019 | 5 |
| 6 | 2020 | | 3,660,000 | | | 2,555,000 | 6,215,000 | 2020 | 6 |
| 7 | 2021 | | 1,500,000 | | | 11,085,000 | 12,585,000 | 2021 | 7 |
| 8 | 2022 | | 750,000 | | | 10,475,000 | 11,225,000 | 2022 | 8 |
| 9 | 2023 | | 500,000 | | | 11,010,000 | 11,510,000 | 2023 | 9 |
| 10 | 2024 | | | | | 14,145,000 | 14,145,000 | 2024 | 10 |
| 11 | 2025 | | | | | 11,850,000 | 11,850,000 | 2025 | 11 |
| 12 | 2026 | | | | | 7,450,000 | 7,450,000 | 2026 | 12 |
| 13 | 2027 | | | | | 0 | 0 | 2027 | 13 |
| 14 | 2028 | | | | | 0 | 0 | 2028 | 14 |
| 15 | 2029 | | | | | 0 | 0 | 2029 | 15 |
| 16 | 2030 | | | | | 0 | 0 | 2030 | 16 |
| 17 | 2031 | | | | | 0 | 0 | 2031 | 17 |
| 18 | 2032 | | | | | 0 | 0 | 2032 | 18 |
| 19 | 2033 | | | | | 0 | 0 | 2033 | 19 |
| Totals | | 24,196,400 | 10,564,916 | 12,000,000 | 7,592,200 | 68,570,000 | 122,923,516 | | |

Notes:

1. Development assumptions taken from Ehlers Proforma review information.

City of Stoughton, WI

Tax Increment District #7

Tax Increment Projection Worksheet - All In (v2)

| | | | | |
|--------------------------------|-------------------|------------|--------------------------|-----------|
| Type of District | Mixed Use | | Base Value | 1,111,800 |
| District Creation Date | November 11, 2014 | | Appreciation Factor | 0.00% |
| Valuation Date | Jan 1, | 2015 | Base Tax Rate | \$22.96 |
| Max Life (Years) | 20 | | Rate Adjustment Factor | -0.10% |
| Expenditure Period/Termination | 15 | 11/11/2029 | Tax Exempt Discount Rate | 3.00% |
| Revenue Periods/Final Year | 19 | 2035 | Taxable Discount Rate | 4.50% |
| Extension Eligibility/Years | Yes | 3 | | |
| Eligible Recipient District | No | | | |

| Construction | Year | Value Added | Valuation Year | Inflation | Total | Revenue | Tax Rate | Tax Increment |
|---------------|------|--------------------|----------------|-----------|-------------|----------------------------------|----------|-------------------|
| | | | | Increment | Increment | Year | | |
| 1 | 2015 | 10,174,500 | 2016 | 0 | 10,174,500 | 2017 | \$23.79 | 242,013 |
| 2 | 2016 | 7,252,000 | 2017 | 0 | 17,426,500 | 2018 | \$23.87 | 415,963 |
| 3 | 2017 | 5,510,000 | 2018 | 0 | 22,936,500 | 2019 | \$22.96 | 526,673 |
| 4 | 2018 | 1,259,900 | 2019 | 0 | 24,196,400 | 2020 | \$22.94 | 555,048 |
| 5 | 2019 | 23,747,116 | 2020 | 0 | 47,943,516 | 2021 | \$22.92 | 1,098,690 |
| 6 | 2020 | 6,215,000 | 2021 | 0 | 54,158,516 | 2022 | \$22.89 | 1,239,873 |
| 7 | 2021 | 12,585,000 | 2022 | 0 | 66,743,516 | 2023 | \$22.87 | 1,526,459 |
| 8 | 2022 | 11,225,000 | 2023 | 0 | 77,968,516 | 2024 | \$22.85 | 1,781,398 |
| 9 | 2023 | 11,510,000 | 2024 | 0 | 89,478,516 | 2025 | \$22.82 | 2,042,330 |
| 10 | 2024 | 14,145,000 | 2025 | 0 | 103,623,516 | 2026 | \$22.80 | 2,362,821 |
| 11 | 2025 | 11,850,000 | 2026 | 0 | 115,473,516 | 2027 | \$22.78 | 2,630,392 |
| 12 | 2026 | 7,450,000 | 2027 | 0 | 122,923,516 | 2028 | \$22.76 | 2,797,297 |
| 13 | 2027 | 0 | 2028 | 0 | 122,923,516 | 2029 | \$22.73 | 2,794,499 |
| 14 | 2028 | 0 | 2029 | 0 | 122,923,516 | 2030 | \$22.71 | 2,791,705 |
| 15 | 2029 | 0 | 2030 | 0 | 122,923,516 | 2031 | \$22.69 | 2,788,913 |
| 16 | 2030 | 0 | 2031 | 0 | 122,923,516 | 2032 | \$22.67 | 2,786,124 |
| 17 | 2031 | 0 | 2032 | 0 | 122,923,516 | 2033 | \$22.64 | 2,783,338 |
| 18 | 2032 | 0 | 2033 | 0 | 122,923,516 | 2034 | \$22.62 | 2,780,555 |
| 19 | 2033 | 0 | 2034 | 0 | 122,923,516 | 2035 | \$22.60 | 2,777,774 |
| Totals | | 122,923,516 | | 0 | | Future Value of Increment | | 36,721,865 |

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

City of Stoughton, WI

Tax Increment District #7

Cash Flow Projection - All In (v2)

| Year | Projected Revenues | | | | Expenditures | | | | | | | | Balances | | | Year | | | | | | | |
|-------|--------------------|---------------------------|---------------|----------------|--|-------|---------|--|-------|-----------|-------------|--------------|----------------------|-----------------------|--------|-----------|--------------------|---------|------------|-----------------------|------------|-----------|-------|
| | Tax Increments | Interest Earnings/ (Cost) | Debt Proceeds | Total Revenues | Note Anticipation Notes, Series 2015 4,775,000 Dated Date: 10/21/15 Principal Rate Interest | | | General Obligation Bonds, Series 2018A 4,090,000 Dated Date: 04/26/18 Principal Rate Interest | | | Phase I MRO | Phase II MRO | Capital Expenditures | Professional Services | Admin. | | Total Expenditures | Annual | Cumulative | Principal Outstanding | | | |
| 2015 | 0 | 745 | 4,738,194 | 4,738,939 | | | | | | | | | | | | 380,760 | | 3,363 | 384,123 | 4,354,816 | 4,354,816 | 4,775,000 | 2015 |
| 2016 | 0 | 10,200 | | 10,200 | | 1.25% | 0 | | | | | | | | | 3,308,319 | 850 | | 3,309,169 | (3,298,969) | 1,055,847 | 4,775,000 | 2016 |
| 2017 | 242,013 | 8,449 | | 250,462 | | 1.25% | 116,059 | | | | | | | | | 75,684 | 1,239 | 23,678 | 216,660 | 33,802 | 1,089,649 | 4,775,000 | 2017 |
| 2018 | 415,963 | 4,678 | 4,184,948 | 4,605,589 | 4,775,000 | 1.25% | 39,792 | | | | | | | | | 679,308 | 1,460 | 8,983 | 5,504,543 | (898,954) | 190,695 | 4,640,000 | 2018 |
| 2019 | 526,673 | 1,907 | | 528,580 | | | | 150,000 | 2.00% | 183,149 | 200,000 | | | | | | | 10,000 | 543,149 | (14,569) | 176,126 | 8,708,136 | 2019 |
| 2020 | 555,048 | 1,761 | | 556,809 | | | | 210,000 | 2.00% | 123,975 | 200,000 | | | | | | | 10,000 | 543,975 | 12,834 | 188,960 | 8,298,136 | 2020 |
| 2021 | 1,098,690 | 1,890 | | 1,100,580 | | | | 215,000 | 2.00% | 119,725 | 150,000 | | | | | | | 10,000 | 494,725 | 605,855 | 794,815 | 7,933,136 | 2021 |
| 2022 | 1,239,873 | 7,948 | | 1,247,821 | | | | 220,000 | 3.00% | 114,275 | | 202,248 | | | | 690,000 | | 10,000 | 1,236,523 | 11,298 | 806,113 | 7,510,888 | 2022 |
| 2023 | 1,526,459 | 8,061 | | 1,534,520 | | | | 225,000 | 3.00% | 107,600 | | 202,248 | | | | 661,250 | | 10,000 | 1,206,098 | 328,422 | 1,134,535 | 7,083,640 | 2023 |
| 2024 | 1,781,398 | 11,345 | | 1,792,743 | | | | 235,000 | 3.00% | 100,700 | | 487,248 | | | | 310,500 | | 10,000 | 1,143,448 | 649,295 | 1,783,830 | 6,361,392 | 2024 |
| 2025 | 2,042,330 | 17,838 | | 2,060,168 | | | | 240,000 | 3.00% | 93,575 | | 785,148 | | | | 2,138,250 | | 10,000 | 3,266,973 | (1,206,805) | 577,025 | 5,336,244 | 2025 |
| 2026 | 2,362,821 | 5,770 | | 2,368,591 | | | | 245,000 | 3.00% | 86,300 | | 1,099,148 | | | | | | 10,000 | 1,440,448 | 928,143 | 1,505,168 | 3,992,096 | 2026 |
| 2027 | 2,630,392 | 15,052 | | 2,645,444 | | | | 255,000 | 4.00% | 77,525 | | 1,392,148 | | | | | | 10,000 | 1,734,673 | 910,771 | 2,415,939 | 2,344,948 | 2027 |
| 2028 | 2,797,297 | 24,159 | | 2,821,456 | | | | 265,000 | 4.00% | 67,125 | | 249,948 | | | | | | 10,000 | 592,073 | 2,229,383 | 4,645,322 | 1,830,000 | 2028 |
| 2029 | 2,794,499 | 46,453 | | 2,840,952 | | | | 280,000 | 4.00% | 56,225 | | | | | | | | 10,000 | 346,225 | 2,494,727 | 7,140,049 | 1,550,000 | 2029 |
| 2030 | 2,791,705 | 71,400 | | 2,863,105 | | | | 290,000 | 4.00% | 44,825 | | | | | | | | 10,000 | 344,825 | 2,518,280 | 9,658,329 | 1,260,000 | 2030 |
| 2031 | 2,788,913 | 96,583 | | 2,885,496 | | | | 300,000 | 3.00% | 34,525 | | | | | | | | 10,000 | 344,525 | 2,540,971 | 12,199,300 | 960,000 | 2031 |
| 2032 | 2,786,124 | 121,993 | | 2,908,117 | | | | 310,000 | 3.00% | 25,375 | | | | | | | | 10,000 | 345,375 | 2,562,742 | 14,762,042 | 650,000 | 2032 |
| 2033 | 2,783,338 | 147,620 | | 2,930,958 | | | | 320,000 | 3.13% | 15,725 | | | | | | | | 10,000 | 345,725 | 2,585,233 | 17,347,275 | 330,000 | 2033 |
| 2034 | 2,780,555 | 173,473 | | 2,954,028 | | | | 330,000 | 3.25% | 5,362 | | | | | | | | 10,000 | 345,362 | 2,608,666 | 19,955,941 | 0 | 2034 |
| 2035 | 2,777,774 | 199,559 | | 2,977,333 | | | | | | | | | | | | | | 10,000 | 10,000 | 2,967,333 | 22,923,274 | 0 | 2035 |
| Total | 36,721,865 | 976,884 | 8,923,142 | 46,621,891 | 4,775,000 | | 155,851 | 4,090,000 | | 1,255,986 | 550,000 | 4,418,136 | | | | 8,244,071 | 3,549 | 206,024 | 23,698,617 | | | | Total |

Notes:

1. Development assumptions taken from Ehlers Proforma review information.

Projected TID Closure

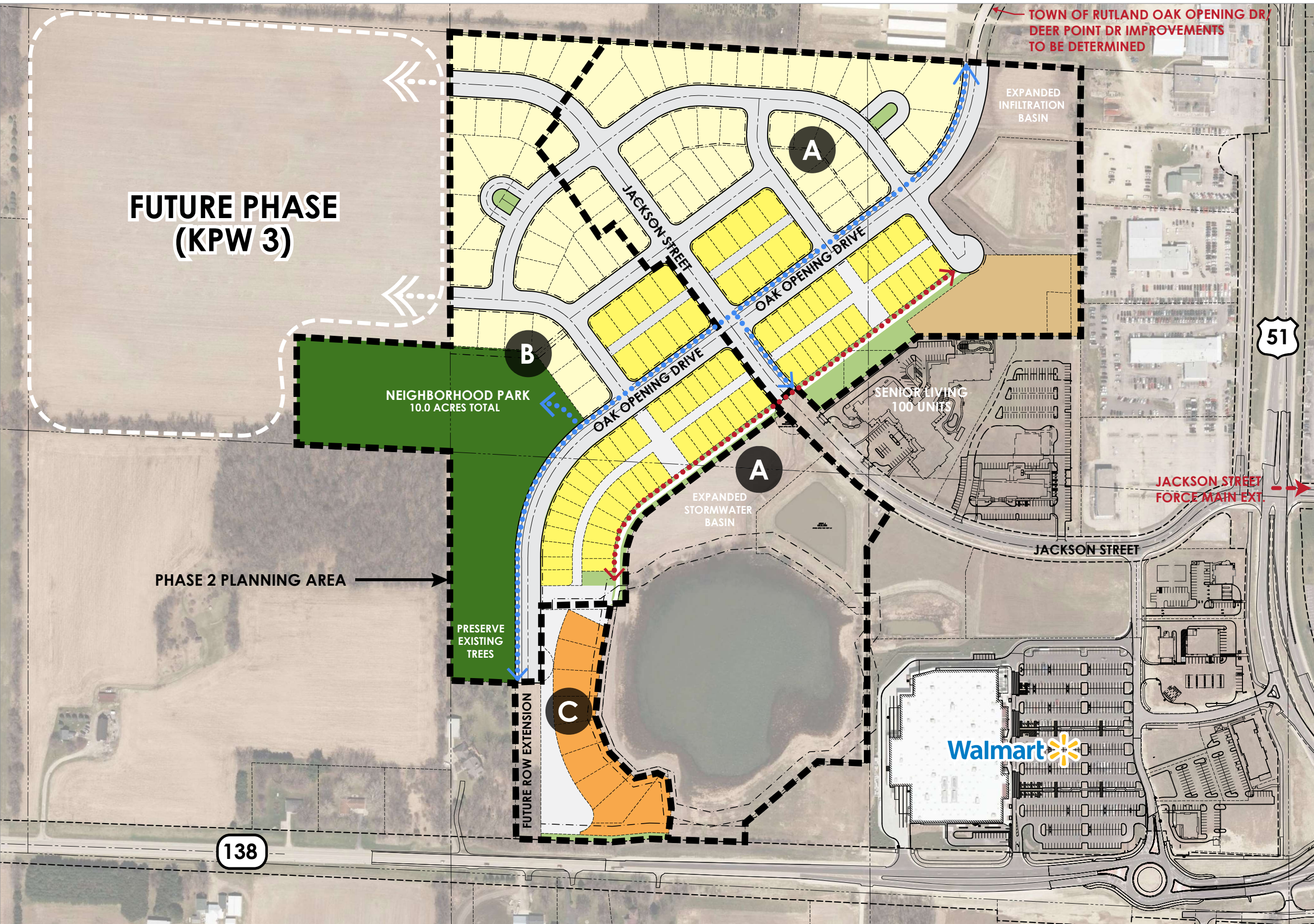
EXHIBIT III

Off-Site Public Improvements - City Obligations

| <u>Description</u> | <u>Item in Exhibit 6-1</u> | <u>Anticipated Costs</u> | <u>Earliest Construction</u> | <u>Funding Mechanism</u> |
|-----------------------------|----------------------------|--------------------------|------------------------------|-----------------------------------|
| Jackson Street Force Main | K | \$ 661,250 | 2023 | TIF No. 7 Unreserved Fund Balance |
| Watermain Extension HWY 138 | L | \$ 310,500 | 2024 | TIF No. 7 Unreserved Fund Balance |
| | | <u>\$ 971,750</u> | | |

Off-Site Public Improvements at City's Discretion

| <u>Description</u> | <u>Item in Exhibit 6-1</u> | <u>Anticipated Costs</u> | <u>Earliest Construction</u> | <u>Funding Mechanism</u> |
|--|----------------------------|--------------------------|------------------------------|--|
| Oak Opening/Deer Point Drive (Rutland) | H | \$ 690,000 | 2022 | TIF No. 7 Unreserved Fund Balance/General Obligation Debt |
| Connection of Oak Opening Drive to HWY 138 | J | \$ 2,138,250 | 2025 | TIF No. 7 Unreserved Fund Balance |
| | | <u>\$ 2,828,250</u> | | |



LEGEND

ZONING

- SR-5 - 72 UNITS
- PD - 80 UNITS
- TR-6 - 18 UNITS
- MR-10 - 25 UNITS
- PARKLAND
- PRIVATE OPEN SPACE
- MULTI-USE PATH

PARK DEDICATION

- EQUATION • 1,468 SF LAND/DU
(1,468 SF X (195 +100 DU))
- 433,060 SF
 - 10.0 ACRES

**FUTURE PHASE
(KPW 3)**

B
NEIGHBORHOOD PARK
10.0 ACRES TOTAL

A
SENIOR LIVING
100 UNITS

C

PHASE 2 PLANNING AREA

PRESERVE EXISTING TREES

FUTURE ROW EXTENSION

JACKSON STREET

JACKSON STREET

OAK OPENING DRIVE

OAK OPENING DRIVE

OAK OPENING DRIVE

EXPANDED STORMWATER BASIN

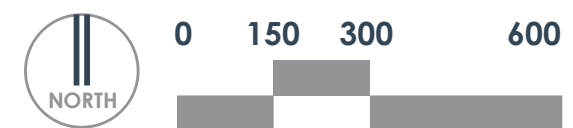
EXPANDED INFILTRATION BASIN

JACKSON STREET FORCE MAIN EXT.

Walmart

138

51



LEGEND

PHASE 2
KPW 2

On-Site Infrastructure Projects (Proposed Developer Obligation Debt TIF)

- C - Complete Jackson Street Extension
- D - Construct Oak Opening Drive
- E - Bio-Retention Facility Expansion (water quality treatment)
- F - Infiltration Basin Expansion
- G - Mass grading and site restoration of park site area

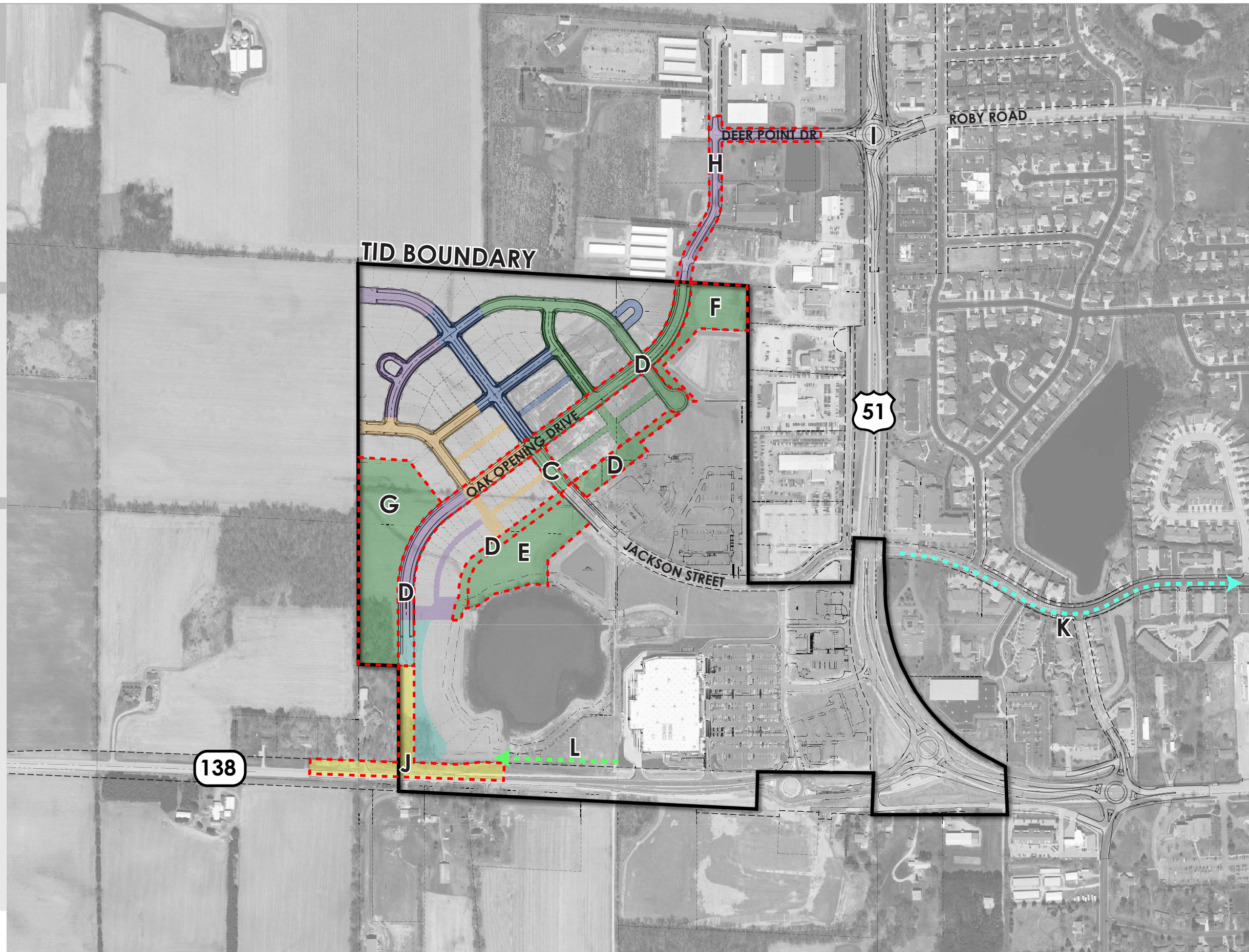
PHASE 2
KPW 2

Off-Site Infrastructure Projects (Proposed Conventional City Issued TIF)

- H - Reconstruct Oak Opening Drive/Deer Point Drive to USH 51
- I - Reconstruct Deer Point Drive (Roby Road) x USH 51 Intersection
- J - STH 138 x Oak Opening Drive Intersection
- K - Install Storm Sewer Force Main on Jackson Street
- L - Watermain Extension - STH 138

YEAR OF
CONSTRUCTION

- 2019
- 2020
- 2021
- 2022
- 2023
- 2024
- 2025



MAP 4 - General Location of KPW Phase 2 Infrastructure Projects

