CITY OF STOUGHTON, 207 S. FORREST STREET, STOUGHTON, WISCONSIN

RESOLUTION OF THE PLAN COMMISSION

RESOLUTION DESIGNATING PROPOSED BOUNDARIES AND APPROVING A PROJECT PLAN FOR TAX INCREMENTAL DISTRICT NO. 9, CITY OF STOUGHTON, WISCONSIN

Commission Action:	Plan Commission Approved -
Fiscal Impact:	

File Number:	R-7-2022	**Date Introduced:**	March 14, 2022

WHEREAS, the City of Stoughton (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 9 (the "District") is proposed to be created by the City as a mixed-use district in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, a Project Plan for the District has been prepared that includes:

a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
b. An economic feasibility study;
c. A detailed list of estimated project costs;
d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
e. A map showing existing uses and conditions of real property in the District;
f. A map showing proposed improvements and uses in the District;
g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
h. A list of estimated non-project costs;
i. A statement of the proposed plan for relocation of any persons to be displaced;
j. A statement indicating how the District promotes the orderly development of the City;
k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Dane County, the Stoughton Area School District, and the Madison Area Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on March 14, 2022 held a public hearing concerning the project plan and

boundaries and proposed creation of the District, providing interested parties a reasonable opportunity to express their views thereon.

NOW, THEREFORE, BE IT RESOLVED by the Plan Commission of the City of Stoughton that:

1. It recommends to the Common Council that Tax Incremental District No. 9 be created with boundaries as designated in Exhibit A of this Resolution.

2. It approves and adopts the Project Plan for the District, attached as Exhibit B, and recommends its approval to the Common Council.

3. Creation of the District promotes orderly development in the City.

Adopted this _____ day of _____, 2022.

_____
Planning Commission Chair

_____
Secretary of the Planning Commission

EXHIBIT A -

LEGAL BOUNDARY DESCRIPTION OR MAP OF TAX INCREMENTAL DISTRICT NO. 9 CITY OF STOUGHTON

THIS CAN BE FOUND IN THE PROJECT PLAN

EXHIBIT B -

PROJECT PLAN

THIS WILL BE HANDED OUT SEPARATELY

March 14, 2022

PROJECT PLAN

City of Stoughton, Wisconsin

Tax Incremental District No. 9

(51 West Development)

Prepared by:

Ehlers

N21W23350 Ridgeview Parkway West,

Suite 100

Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	Scheduled for 3/14/22
Public Hearing Held:	Scheduled for 3/14/22
Approval by Plan Commission:	Scheduled for 3/14/22
Adoption by Common Council:	Scheduled for 4/12/22
Approval by the Joint Review Board:	TBD

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District ("TID") No. 9 ("District") is a proposed Mixed-Use District comprising approximately 76 acres located on the City's northwest side. The District is located just south of Rutland-Dunn Town Line Road and split by US Highway 51. The District will be created to pay the costs of a development incentive and necessary City infrastructure needed for mixed use purposes ("Project") to be developed by RHD Properties, LLC ("Developer").

The Project is comprised of commercial lots and residential lots. It is estimated to provide 9 single family lots and approximately 348 multi-family units including a mix of multifamily, duplex and condo developments. In addition, the District will provide parks and recreation along with stormwater management facilities.

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 $15,314,552 ("Project Costs") to undertake the projects listed in this Project Plan ("Plan"). The primary project cost is a $8,600,000 developer incentive to reduce the financial gap for infrastructure installation and a developer incentive of $3,262,152 to fund the financial gap for the affordable housing development. The developer incentive will be provided on a "pay-as-you-go" basis meaning the developer is required to complete the project and all related public improvements before a developer incentive is paid by the City. A developer incentive is subject to approval of a development agreement by the City Council.

Incremental Valuation

The City projects that new land and improvements value of approximately $45,219,668 will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption's 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 20 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 the following:

   A review of the Project's sources and uses, and cash flow proforma is being undertaken by the City to perform its due diligence regarding the "but for" test. The review will look at the Project's projected return on investment to determine if the amount the Developer has requested is necessary to provide an acceptable return on investment and indicates that "but for" the incentives, the project would not likely proceed. The results of this review will be incorporated into the project plan in time for consideration by the City Council.

   In addition, the City anticipates required infrastructure to be installed by the City. 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 that the Developer is 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.

   The expectation is that the Project will provide housing opportunities that may create employment opportunities to workers within the area of the TID or other parts of the City once the Project is fully operational.

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.

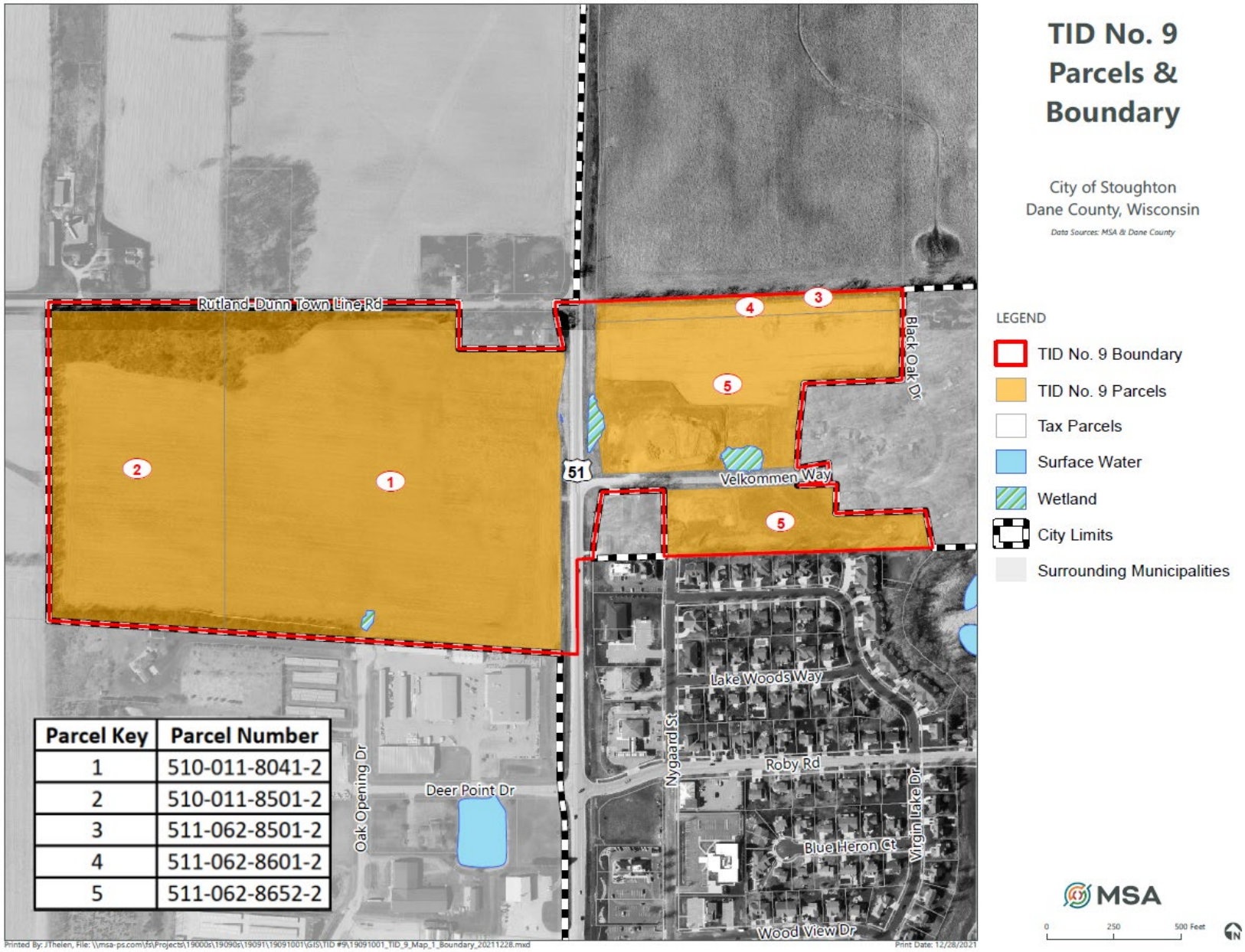
4. Not less than 50% by area of the real property within the District is suitable for mixed use development as defined by Wis. Stat. § 66.1105(2)(cm). Lands proposed for newly-platted residential development comprise no more than 35% (actual per plan, 29.28%) of the real property area within the District. Costs related to newly-platted residential development may be incurred based on the proposed development having a density of at least three (3) units per acre as defined in Wis. Stat. § 66.1105(2)(f)3.a.
5. Based on the foregoing finding, the District is designated as a mixed-use district.
6. The Project Costs relate directly to promoting mixed use development 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. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Comprehensive Plan of the City.

SECTION 2:
Preliminary Map of Proposed District Boundary

Map Found on Following Page.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.

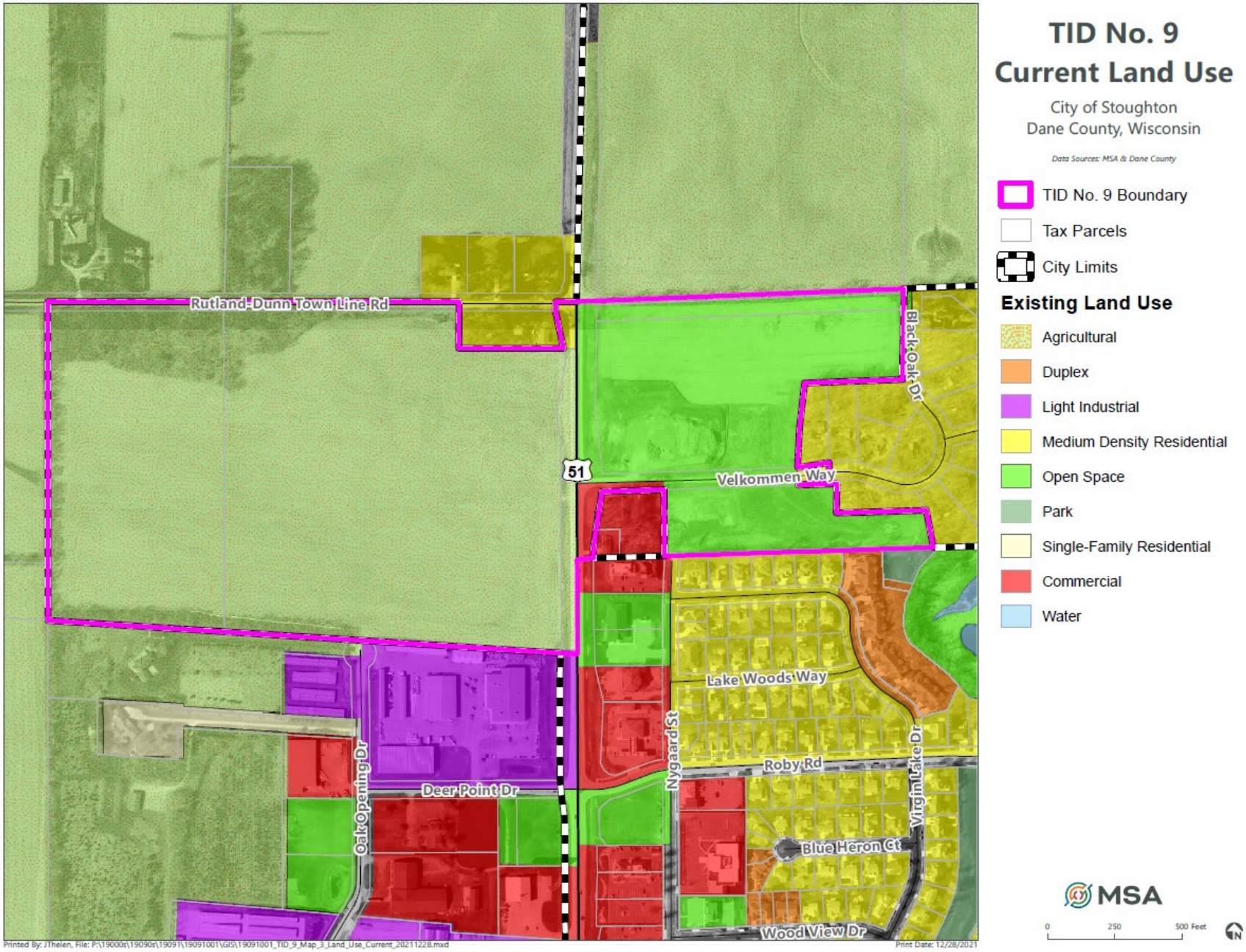
The District does include a very small amount of wetlands, however the wetlands do not appear on the National or Wisconsin Wetland inventory and a federal exemption to fill them has been approved by the Wisconsin DNR. Wetland acreage for this plan is included in the District.



Parcel Key	Parcel Number
1	510-011-8041-2
2	510-011-8501-2
3	511-062-8501-2
4	511-062-8601-2
5	511-062-8652-2

SECTION 3:
Map Showing Existing Uses and Conditions

Map Found on Following Page.


TID No. 9
Current Land Use
City of Stoughton
Dane County, Wisconsin
Data Sources: MSA & Dane County
TID No. 9 Boundary
Tax Parcels
City Limits
Existing Land Use
Agricultural
Duplex
Light Industrial
Medium Density Residential
Open Space
Park
Single-Family Residential
Commercial
Water
Rutland-Dunn Town Line Rd
51
Velkommen Way
Black Oak Dr
Lake Woods Way
Nygaard St
Roby Rd
Virginia Lake Dr
Deer Point Dr
Oak Opening Dr
Blue Heron Ct
Wood View Dr
MSA
0
250
500 Feet
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Print Date: 12/28/2021

SECTION 4:
Preliminary Parcel List and Analysis

City of Stoughton, Wisconsin

Tax Increment District #9

Base Property Information

Property Information							Assessment Information				Equalized Value				District Classification			
Map Ref#	Parcel Number	Street Address	Owner	Acreage	Annexed Post 1/1/04? ...*Indicate date*	Part of Existing TID? ...Indicate TID #	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	Total	Commercial/ Business	Institutional	Newly Platted Residential	Suitable for Mixed Use
1	51001180412	1547 US HIGHWAY 51	RHD PROPERTIES LLC	33.40	No	No	10,400	0	0	10,400	99.00%	10,505	0	10,505	13.7270	8.0800	11.5930	33.40
2	51001185012	N/A	RHD PROPERTIES LLC	17.90	No	No	14,100	0	0	14,100	99.00%	14,242	0	14,242		13.4800	4.4200	17.90
3	51106285012	N/A	RHD PROPERTIES LLC	0.50	No	No	100	0	0	100	99.00%	101	0	101		0.5000		0.50
4	51106286012	N/A	RHD PROPERTIES LLC	1.60	No	No	4,700	0	0	4,700	99.00%	4,747	0	4,747		1.6000		1.60
5	51106286522	N/A	RHD PROPERTIES LLC	16.90	No	No	5,300	0	0	5,300	99.00%	5,354	0	5,354		10.4510	6.4490	16.90
ROW	N/A	N/A	N/A	6.41	N/A	N/A	0	0	0	0	99.00%	0	0	0		6.41	0	6.41
			Total Acreage	**76.71**			34,600	0	0	34,600		34,949	0		13.727	40.521	22.464	76.712
															17.89%	52.82%	29.28%	100.00%
The above values are as of January 1, 2021. Actual base value certification of the territory will be based on January 1, 2022 assessed values.												**Estimated Base Value**		**34,949**				

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 value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals $54,999,149. This value is less than the maximum of $160,953,372 in equalized value that is permitted for the City.

City of Stoughton, Wisconsin

Tax Increment District #9

Valuation Test Compliance Calculation

District Creation Date	3/8/2022
	Valuation Data Currently Available 2021
Total EV (TID In)	1,341,278,100
12% Test	160,953,372
Increment of Existing TIDs	
TID #4	7,905,100
TID #5	3,214,400
TID #6	3,191,400
TID #7	40,319,500
TID #8	333,800
Total Existing Increment	54,964,200
Projected Base of New or Amended District	34,949
Total Value Subject to 12% Test	54,999,149
Compliance	PASS

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.

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. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Wis. Stat. § 66.1105(2)(f)1 k.

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.

Miscellaneous

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside the District:

- 51 Corridor Enhanced Pedestrian Features, $30,600
- 51 Corridor Wider Sidewalks, $306,000
- 51 Corridor Lighting, $486,540
- 51 Corridor Trees and Landscaping, $102,000
- 51 Corridor Underpass, $2,070,000

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

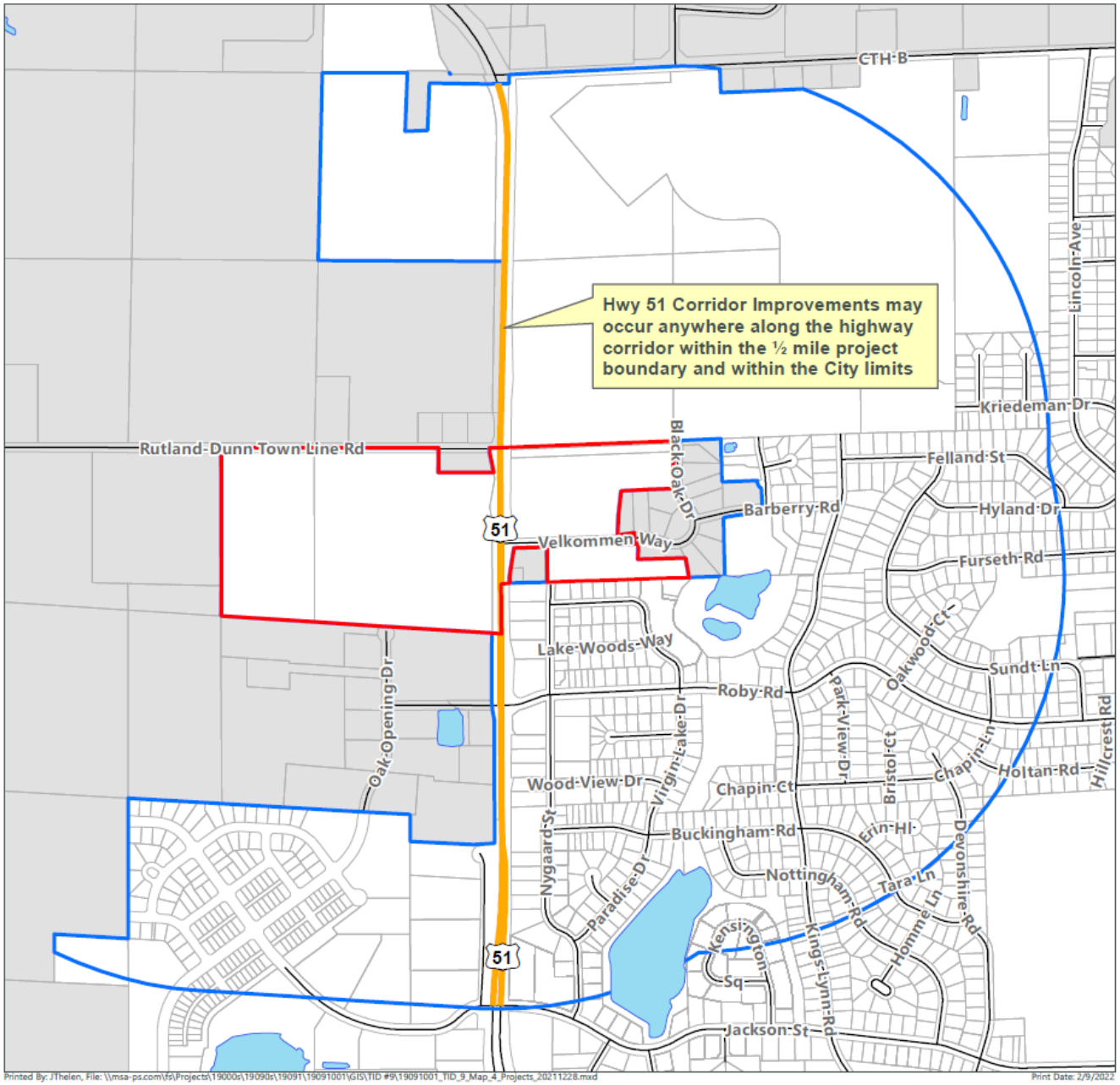
The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

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.



TID No. 9 Proposed Projects

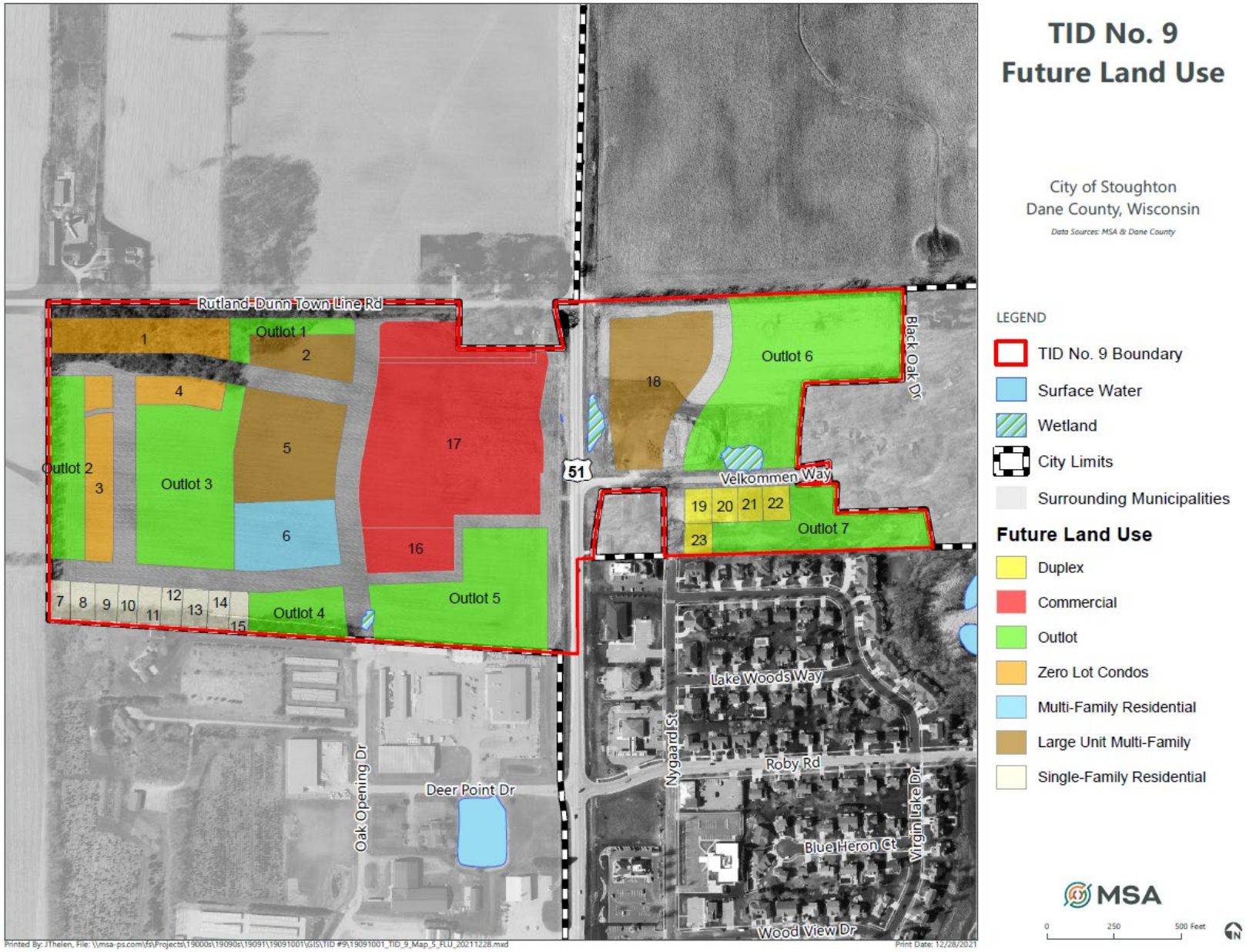
City of Stoughton
Dane County, Wisconsin

Data Sources: MSA & Dane County

LEGEND

- Hwy 51 Improvements
- TID No. 9 Boundary
- 1/2 Mile Project Bound
- Tax Parcels
- Surface Water
- Surrounding Municipali

MSA


TID No. 9
Future Land Use
City of Stoughton
Dane County, Wisconsin
Data Sources: MSA & Dane County
LEGEND
TID No. 9 Boundary
Surface Water
Wetland
City Limits
Surrounding Municipalities
Future Land Use
Duplex
Commercial
Outlot
Zero Lot Condos
Multi-Family Residential
Large Unit Multi-Family
Single-Family Residential
Rutland-Dunn Town Line Rd
Outlot 1
Outlot 2
Outlot 3
Outlot 4
Outlot 5
Outlot 6
Outlot 7
Black Oak Dr
Velkommen Way
51
Lake Woods Way
Nygaard St
Roby Rd
Virgin Lake Dr
Blue Heron Ct
Wood View Dr
Oak Opening Dr
Deer Point Dr
MSA
0
250
500 Feet
N

SECTION 8:
Detailed List of Estimated Project Costs

The list on the next page 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.

City of Stoughton, Wisconsin

Tax Increment District #9

Estimated Project List

Project ID	Project Name/Type	Project Year	1/2 Mile Projects	Percentage in 1/2 Mile	TID Amount	Non TID Costs
					See Note 1	
1	Developer Incentive	2024 - 2041	No	NA	8,600,000	0
2	Affordable Housing Incentive	2026 - 2043	No	NA	3,262,152	0
3	Rutland-Dunn Intersection	2025 - 2026	No	NA	294,000	0
4	51 Corridor Enhanced Pedestrian Features[2]	2025 - 2026	Yes	85%	36,000	0
5	51 Corridor Wider Sidewalks[2]	2025 - 2026	Yes	85%	360,000	0
6	51 Corridor Lighting[2]	2025 - 2026	Yes	85%	572,400	0
7	51 Corridor Trees and Landscaping[2]	2025 - 2026	Yes	85%	120,000	0
8	51 Corridor Underpass[3]	TBD	Yes	100%	2,070,000	0
	Total Projects				15,314,552	0

Notes:

Note 1 Project costs are estimates and are subject to modification

Note 2 The 2025/2026 51 Corridor Improvements are estimated to be financed with a debt issue in 2025.

Note 3 The underpass will be constructed based upon approval by the City Council and available increment revenue.

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 $45 million in incremental value by the end of 2030. Estimated valuations and timing for construction of the Project are included in Table 1. Assuming the City's current equalized TID Interim tax rate of $20.64 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate $16.6 million in incremental tax revenue over the 20-year term of the District as shown in Table 2.

Table 1 – Development Assumptions

City of Stoughton, Wisconsin

Tax Increment District #9

Development Assumptions

Construction Year		Actual	Multifamily Housing	Affordable Housing	Commercial	Condominium Housing	Duplex Housing	Single Family Housing	Annual Total	Construction Year	
1	2022		9,930,600				865,398		10,795,998	2022	1
2	2023						593,698		593,698	2023	2
3	2024		2,398,543	6,500,000	4,229,678				13,128,221	2024	3
4	2025			2,500,000				673,644	3,173,644	2025	4
5	2026				7,519,003	1,571,574		608,452	9,699,029	2026	5
6	2027							619,318	619,318	2027	6
7	2028							923,544	923,544	2028	7
8	2029					3,143,148			3,143,148	2029	8
9	2030					3,143,068			3,143,068	2030	9
10	2031								0	2031	10
11	2032								0	2032	11
12	2033								0	2033	12
13	2034								0	2034	13
14	2035								0	2035	14
15	2036								0	2036	15
16	2037								0	2037	16
17	2038								0	2038	17
18	2039								0	2039	18
19	2040								0	2040	19
20	2041								0	2041	20
	Totals	0	12,329,143	9,000,000	11,748,681	7,857,790	1,459,096	2,824,958	45,219,668		

Notes:

Table 2 – Tax Increment Projection Worksheet

City of Stoughton, Wisconsin

Tax Increment District #9

Tax Increment Projection Worksheet

Type of District	Mixed Use		Base Value	34,949
District Creation Date	March 8, 2022		Appreciation Factor	0.50%
Valuation Date	Jan 1,	2022	Base Tax Rate	$20.64
Max Life (Years)	20		Rate Adjustment Factor	0.00%
Expenditure Period/Termination	15	3/8/2037		
Revenue Periods/Final Year	20	2043		
Extension Eligibility/Years	Yes	3	Tax Exempt Discount Rate	2.00%
Eligible Recipient District	No		Taxable Discount Rate	3.50%

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2022	10,795,998	2023	0	10,795,998	2024	$20.64	**222,853**	209,999	201,001
2	2023	593,698	2024	53,980	11,443,676	2025	$20.64	**236,222**	428,232	406,855
3	2024	13,128,221	2025	57,218	24,629,115	2026	$20.64	**508,398**	888,704	834,913
4	2025	3,173,644	2026	123,146	27,925,905	2027	$20.64	**576,451**	1,400,577	1,303,856
5	2026	9,699,029	2027	139,630	37,764,563	2028	$20.64	**779,543**	2,079,216	1,916,570
6	2027	619,318	2028	188,823	38,572,704	2029	$20.64	**796,224**	2,758,785	2,521,232
7	2028	923,544	2029	192,864	39,689,112	2030	$20.64	**819,270**	3,444,314	3,122,355
8	2029	3,143,148	2030	198,446	43,030,705	2031	$20.64	**888,247**	4,172,986	3,752,050
9	2030	3,143,068	2031	215,154	46,388,927	2032	$20.64	**957,568**	4,943,122	4,407,933
10	2031	0	2032	231,945	46,620,872	2033	$20.64	**962,356**	5,701,934	5,044,804
11	2032	0	2033	233,104	46,853,976	2034	$20.64	**967,168**	6,449,586	5,663,215
12	2033	0	2034	234,270	47,088,246	2035	$20.64	**972,004**	7,186,243	6,263,701
13	2034	0	2035	235,441	47,323,687	2036	$20.64	**976,864**	7,912,068	6,846,782
14	2035	0	2036	236,618	47,560,305	2037	$20.64	**981,748**	8,627,218	7,412,962
15	2036	0	2037	237,802	47,798,107	2038	$20.64	**986,657**	9,331,851	7,962,731
16	2037	0	2038	238,991	48,037,097	2039	$20.64	**991,590**	10,026,122	8,496,565
17	2038	0	2039	240,185	48,277,283	2040	$20.64	**996,548**	10,710,184	9,014,925
18	2039	0	2040	241,386	48,518,669	2041	$20.64	**1,001,531**	11,384,185	9,518,260
19	2040	0	2041	242,593	48,761,263	2042	$20.64	**1,006,538**	12,048,275	10,007,006
20	2041	0	2042	243,806	49,005,069	2043	$20.64	**1,011,571**	12,702,599	10,481,585
Totals		**45,219,668**		**3,785,401**			**Future Value of Increment**	**16,639,353**		

Notes:

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

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Financing and Implementation

Table 3 provides a summary of the District's financing plan. However, the City anticipates entering into Municipal Revenue Obligations (MRO) with developers as a form of financing of infrastructure improvements constructed by developer and to incentivize an affordable housing development.

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2041 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 – Financing Plan

City of Stoughton, Wisconsin

Tax Increment District #9

Estimated Financing Plan

		G.O. Bond 2025	Totals
Projects			
Rutland-Dunn Signals		294,000	294,000
51 Corridor Enhanced Pedestrian Features		36,000	36,000
51 Corridor Wider Sidewalks		360,000	360,000
51 Corridor Lighting		572,400	572,400
51 Corridor Trees and Landscapting		120,000	120,000
Total Project Funds		1,382,400	1,382,400
Estimated Finance Related Expenses			
Municipal Advisor		20,000	
Bond Counsel		12,000	
Disclosure Counsel		7,200	
Rating Agency Fee		14,000	
Paying Agent		850	
Underwriter Discount	12.50	18,188	
Total Financing Required		1,454,638	
Estimated Interest	0.05%	(346)	
Assumed spend down (months)	6		
Rounding		708	
Net Issue Size		1,455,000	1,455,000

Notes:

Table 4 – Cash Flow

City of Stoughton, Wisconsin

Tax Increment District #9

Cash Flow Projection

	Projected Revenues				Expenditures									Balances			
					G.O. Bond												
					1,455,000												
	Tax	Interest Earnings/	Proceeds from Long-	Total	Dated Date:	06/15/25		Dvorak	Affordable Housing		Debt Issuance		Total			Principal	
Year	Increments	(Cost)	Term Debt	Revenues	Principal	Est. Rate	Interest	MRO	MRO	Capital	Costs	Admin.	Expenditures	Annual	Cumulative	Outstanding	Year
2022				0								15,500	15,500	(15,500)	(15,500)	8,600,000	2022
2023				0								5,000	5,000	(5,000)	(20,500)	8,600,000	2023
2024	222,853			222,853				151,727	0			5,100	156,827	66,026	45,526	11,710,425	2024
2025	236,222	346	1,455,000	1,691,568				175,216	0	1,382,400	72,238	5,202	1,635,056	56,512	102,038	12,990,209	2025
2026	508,398			508,398	100,000	3.00%	58,640	278,679	127,465			5,306	570,090	(61,692)	40,347	12,484,065	2026
2027	576,451			576,451	100,000	3.00%	39,150	290,471	177,128			5,412	612,161	(35,710)	4,637	11,916,466	2027
2028	779,543			779,543	115,000	3.00%	35,925	442,050	178,014			5,520	776,509	3,034	7,671	11,181,402	2028
2029	796,224			796,224	125,000	3.00%	32,325	453,817	178,904			5,631	795,677	547	8,218	10,423,681	2029
2030	819,270			819,270	130,000	3.00%	28,500	470,352	179,798			5,743	814,393	4,877	13,095	9,643,531	2030
2031	888,247			888,247	155,000	3.00%	24,225	521,333	180,697			5,858	887,113	1,134	14,229	8,786,501	2031
2032	957,568			957,568	175,000	3.00%	19,275	572,566	181,601			5,975	954,417	3,151	17,381	7,857,334	2032
2033	962,356			962,356	180,000	3.00%	13,950	575,395	182,509			6,095	957,949	4,407	21,788	6,919,430	2033
2034	967,168			967,168	185,000	3.00%	8,475	578,238	183,421			6,217	961,351	5,817	27,605	5,972,771	2034
2035	972,004			972,004	190,000	3.00%	2,850	581,094	184,338			6,341	964,623	7,381	34,985	5,017,339	2035
2036	976,864			976,864				583,964	185,260			6,468	775,692	201,172	236,157	4,248,115	2036
2037	981,748			981,748				586,848	186,186			6,597	779,631	202,117	438,274	3,475,081	2037
2038	986,657			986,657				589,745	187,117			6,729	783,591	203,066	641,340	2,698,219	2038
2039	991,590			991,590				592,656	188,053			6,864	787,573	204,017	845,357	1,917,510	2039
2040	996,548			996,548				595,580	188,993			7,001	791,574	204,974	1,050,331	1,132,937	2040
2041	1,001,531			1,001,531				560,269	189,938			7,141	757,348	244,183	1,294,514	382,730	2041
2042	1,006,538			1,006,538				0	190,888			7,284	198,172	808,366	2,102,881	191,842	2042
2043	1,011,571			1,011,571				0	191,842			7,430	199,272	812,299	2,915,180	0	2043
Total	16,639,353	346	1,455,000	18,094,698	1,455,000		263,315	8,600,000	3,262,152	1,382,400	72,238	144,414	15,179,519				Total

Notes:

Projected TID Closure

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 mixed use development.

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:
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 creating opportunities for mixed use development, 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. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment opportunities and additional housing which will have a positive impact on the local school district.

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.

Insert Signed Legal Opinion

SAMPLE

Mayor
City of Stoughton
381 E Main St
Stoughton, Wisconsin 53589

RE: Project Plan for Tax Incremental District No. 9

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. 9 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.

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.

Statement of Taxes Data Year:	2021	
		Percentage
Dane County	3,720,257	14.01%
City of Stoughton	9,911,584	37.33%
School District of Stoughton Area	11,882,736	44.75%
Madison Area Technical College	1,037,741	3.91%
Total	26,552,317	

Revenue Year	Dane County	City of Stoughton	School District of Stoughton Area	Madison Area Technical College	Total	Revenue Year
2024	31,224	83,188	99,731	8,710	222,853	2024
2025	33,097	88,178	105,715	9,232	236,222	2025
2026	71,232	189,778	227,519	19,870	508,398	2026
2027	80,767	215,181	257,974	22,529	576,451	2027
2028	109,222	290,992	348,862	30,467	779,543	2028
2029	111,559	297,219	356,328	31,119	796,224	2029
2030	114,788	305,821	366,641	32,019	819,270	2030
2031	124,453	331,569	397,510	34,715	888,247	2031
2032	134,165	357,446	428,532	37,425	957,568	2032
2033	134,836	359,233	430,675	37,612	962,356	2033
2034	135,510	361,029	432,829	37,800	967,168	2034
2035	136,188	362,835	434,993	37,989	972,004	2035
2036	136,869	364,649	437,168	38,179	976,864	2036
2037	137,553	366,472	439,353	38,370	981,748	2037
2038	138,241	368,304	441,550	38,561	986,657	2038
2039	138,932	370,146	443,758	38,754	991,590	2039
2040	139,627	371,997	445,977	38,948	996,548	2040
2041	140,325	373,857	448,207	39,143	1,001,531	2041
2042	141,027	375,726	450,448	39,338	1,006,538	2042
2043	141,732	377,604	452,700	39,535	1,011,571	2043
	2,331,347	6,211,222	7,446,470	650,314	16,639,353	

Notes:

The projection shown above is provided to meet the requirments of Wisconsin Statute 66.1105(4)(i)4.