

TIF Application

Guidelines

APPLICATION FOR TAX INCREMENT FINANCING ("TIF") ASSISTANCE

- APPLICANT:
- ADDRESS:
- PHONE#:
- FAX #:
- CONTACT PERSON:
- PROJECT NAME:

***On a separate sheet of paper please answer
the following questions:***

1. In no more than three pages provide relevant information on the Applicant's background and development experience. Include resumes of key individuals assigned to the project.



Forward Development Group

Moving Business Forward
1601 Horizon Drive, Suite 300A
Verona, WI 53593
Ph: 608.848.9090
Fax: 608.848.9051
forwarddevgroup.com

Established in 2010, Forward Development Group (FDG) is a development company focused on combining the vision of responsible development with the science of today's best development practices. With expertise in the development and construction industry that spans over 25 years, FDG prides itself on using expert analysis to build, own, and manage properties. By focusing on the ownership and management of its properties, FDG can build long-lasting relationships with clients, tenants, and partners that surpass expectations.

FDG strives to continue developing the best properties available in response to the rapidly changing needs of our clientele. With projects ranging from medical, retail, professional, and beyond, FDG provides the expertise in a broad range of development sectors. With every project we undertake, we look to create the best for our clients and the community in which they are involved.

Dave M. Jenkins, President/Owner

As Owner and Principal of the Forward Development Group (FDG), Mr. Jenkins is responsible for the vision, success and growth of the company. His vision to see opportunity for development or redevelopment of a property allows FDG to build unique and successful projects.

Mr. Jenkins lives by the philosophy of "giving back to his clients" in order to build long and enduring relationships. He directs the daily operations of FDG. With over 20 years of development experience, he has been providing professional services for commercial, industrial, institutional, and residential developments.

Dennis Steinkraus, Development Manager

As Development Manager of the Forward Development Group (FDG), Mr. Steinkraus is responsible for the management, coordination, and site development of the properties controlled by FDG. Mr. Steinkraus supervises all land development activities, consultants, contractors, project schedule, budget administration, and is the prime contact with governmental agencies.

Prior to joining FDG, Mr. Steinkraus was President of Benton Land & Development, where he supervised the development of over 1,000 single family lots for a large production builder. Mr. Steinkraus has over 35 years of development and consulting experience. Mr. Steinkraus is a Wisconsin Registered Land Surveyor, a member of the Wisconsin Society of Land Surveyors, and a member of the International Council of Shopping Centers.

2. Identify the Applicant's consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, Applicant's legal counsel, Applicant's financial advisor

Kettle Park West, Stoughton, WI

Forward Development Group – Consultant List

Transaction Attorney

- Dan O'Callaghan, Michael- Best
One South Pinckney Street
Suite 700
Madison, WI 53703

Zoning & Entitlement Attorney

- Ron Trachtenberg, Desmond – Murphy
PO Box 2038
Madison, WI 53701-2038

Financial Advisor & Accountant

- Tom Sheahan, Baker – Tilly
PO Box 7398
Madison, WI 53707-7398

Retail Consultant

- Greg Kost, Told Development
20800 Swenson Dr. Ste 400
Waukesha, WI 53186

Lender

- Jim Walker, McFarland State Bank
5911 Main St
P.O. Box 7
McFarland, WI 53558

Project Manager

- Hans Justeson, JSD Professional Services
Madison Regional Office
181 Horizon Dr., Ste 101
Verona, WI 53593

Civil Engineer

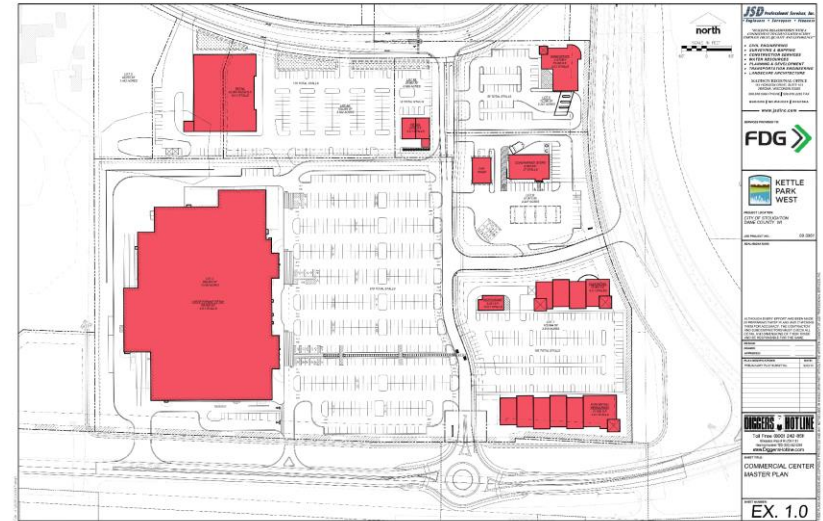
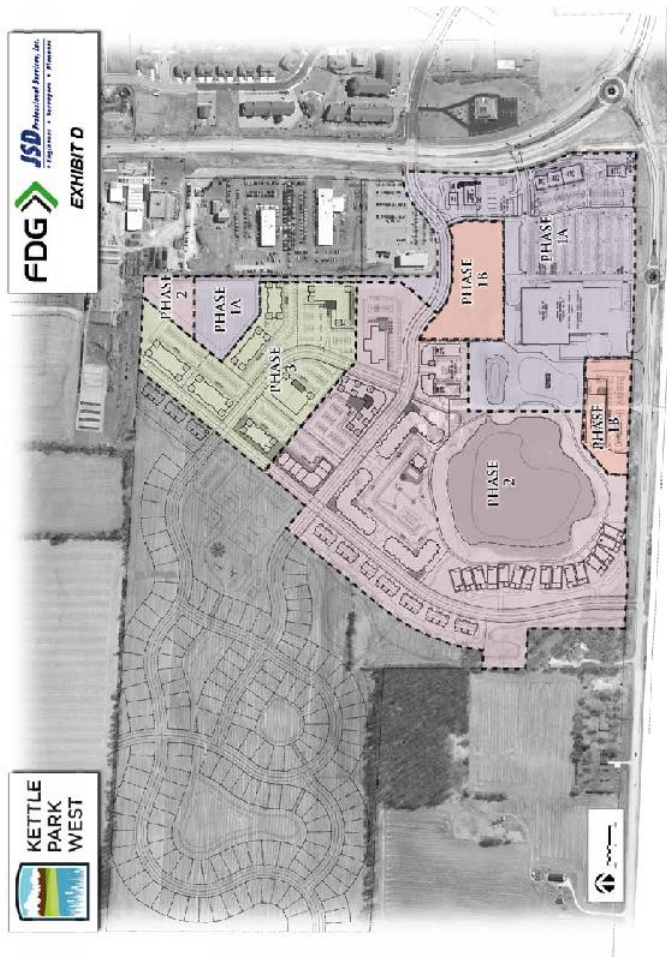
- Bill Dunlop, JSD Professional Services
Madison Regional Office
181 Horizon Dr., Ste 101
Verona, WI 53593

3. Describe the proposed project, including the size, scope, phasing, construction materials, and impact on parking, traffic and adjoining property. Discuss any development, planning, engineering, architectural or legal issues which may impact the City or adjoining property. Specifically outline residential development, if any, to be included in the project. Include any plans prepared for the project, if available. At a minimum, a concept plan shall be submitted with the application.

51-138 WESTSIDE

DETAILED NEIGHBORHOOD PLAN

4. Define the boundaries of the proposed project by address and on a map



5. Identify the property which is currently in the control of the Applicant via ownership or option. If under option note the option expiration date.

Kettle Park West Development- Parcels- Town of Rutland				
Parcel #	Owner name	Acres	2013 assessed value	2012 Total Taxes
052/0510-014-8375-0	1400 US Highway 51 LLC	5.706	\$ 1,600.00	\$ 29.99
052/0510-014-9820-3	Margaret Veek	1.267	74,200.00	1,309.33
052/0510-014-9920-2	Margaret Veek	0.75	6,800.00	120.00
052/0510-014-9810-5	Margaret Veek	3.076	265,700.00	4,688.55
052/0510-014-9840-9	Peter Bruno	2.039	248,900.00	4,392.09
052/0510-014-9570-6	Leslie Mabie	17.6	4,900.00	88.23
052/0510-014-8060-5	Leslie Mabie	24.3	7,000.00	128.82
052/0510-014-9001-4	Leslie Mabie	34.018	177,200.00	3,130.41
052/0510-014-8500-2	Leslie Mabie	40	10,300.00	188.81
Totals:		128.76	\$ 796,600.00	\$ 14,076.23

Kettle Park West development – Underlying property owners Stoughton, WI

Leslie R. and Jenette Mabie

3234 S IH 138
Stoughton, WI 53589
POS – Parcel G
Tax Parcels:
052-0510-014-8060-5 (part)
052-0510-014-8500-2 (part)
052-0510-014-9001-4
052-0510-014-9570-6

Robert and Margaret Veek

1355 Veek Road
Stoughton, WI 53589
POS – Parcels C, D, & E
Tax Parcels:

052-0510-014-9810-5
052-0510-014-9820-3
052-0510-014-9920-2

Peter H. and Laura Bruno

1343 Veek Road
Stoughton, WI 53589
POS – Parcel D
Tax Parcels:
052-0510-014-9840-9

1400 US Highway 51, LLC

PO Box 7700
Madison, WI 53707
By: T. Wall Properties LLC, it's Manager
POS – Parcel B
Tax Parcel:
052-0510-014-8375-0

6. Is the property currently zoned for the proposed use? If not, what zoning change will be required?

CITY OF STOUGHTON, 381 E. Main Street, Stoughton, WI 53589

ORDINANCE OF THE COMMON COUNCIL		
AN ORDINANCE PROVIDING FOR THE DIRECT ANNEXATION OF A PORTION OF THE TOWN OF RUTLAND TO THE CITY OF STOUGHTON, DANE COUNTY, WISCONSIN		
Committee Action: Recommend Council Approval - with the Mayor voting		
Fiscal Impact: TBD		
File Number:	O- 16 -2013	Date Introduced: June 25, 2013

RECITALS

- A. On May 17, 2013, Mabie/Veek/Burno/Guenther ("Owners") filed a petition with the City Clerk of the City of Stoughton seeking to annex to the City of Stoughton the lands described in Exhibit A & B (the "Territory"), pursuant to Wis. Stat. § 66.0217(2).
- B. A copy of the annexation petition, together with an annexation map and a legal description of the Territory, has been filed with the Wisconsin Department of Administration and the Town Clerk of the Town of Rutland.
- C. The City has considered the recommendations, if any, that the Department of Administration has made regarding the annexation.
- D. The City of Stoughton Planning Commission has recommended that the Territory be annexed to the City, and that the Territory be assigned a temporary zoning classification of RH- Rural Holding, pursuant to Wis. Stat. § 66.0217(8)(a).

NOW, THEREFORE, the Common Council of the City of Stoughton, Dane County, Wisconsin, does ordain as follows:

ORDINANCE

1. Recitals. The above recitals are material to and are incorporated in this Ordinance.
2. Territory Annexed. The Territory is annexed to the City of Stoughton pursuant to Wis. Stat. § 66.0217.
3. Effect of Annexation. From and after the effective date of this ordinance, the Territory shall be a part of the City of Stoughton for any and all purposes provided by law, and all

S:\RUS\Development\Kettle Park West\Annexation Materials\O- 16-13 Kettle Park West Annexation Ord-revised description.doc

Kettle Park West Progression

Concept Introduced for 30 Acres to Planning Commission – Sept, 2010

Large Retail Ordinance Review –

Planning Commission – November, 2010
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Traffic Impact Analysis

Authorize JSD to Complete and Submit TIA to State – Planning Commission – August, 2011
Authorize JSD to Complete and Submit TIA to State – Council – August, 2011

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138-51 Westside Neighborhood Plan

Establish Framework for Neighborhood Planning Process – Planning Commission - Sept, 2011
Neighborhood Plan Workshop – Planning Commission - November, 2011
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Resolution to Amend Comp Plan and incorporate Neighborhood Plan – Planning Commission - April, 2012

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Annexation Process

7. Will the proposed project result in the relocation of economic activity from another location within the City? If so, discuss the nature of any anticipated relocations and the impact the relocation would have on the neighborhood where such activity is currently located.

- Walmart is an existing City Retail business since mid 1980's.
- The store is leased not owned by Walmart.
- Walmart desires to upgrade its retail market in Stoughton.
- The existing building owner does not anticipate that there will be a vacancy for long.

8. State the need and justification for TIF assistance. Explain how the applicant intends to demonstrate compliance with the "but for" test. Substantiate that other alternative methods of financing have been thoroughly explored

benefit for the City and region. The City and FDG have been collaborating with the Wisconsin Department of Transportation (WisDOT) to set in motion a plan of improvement for this intersection and the adjoining highway approaches.

Additionally, the City, WDOT and FDG have collaborated on the appropriate locations and design for the multiple commercial driveway and public street intersections that are needed to support a successful commercial development on the KPW site. As noted, the KPW will infuse over \$27,000,000 into the City's tax base which will provides the opportunity to enable significant public investment in the critically needed transportation improvements at USH 51 x STH 138.

Access to the perimeter highways is critical for the success of the KPW/CC. WDOT has provisionally approved the specific access drive/public street locations along USH 51 and STH 138 which must be incorporated into site development plans.

Gap Amount

Removing public financing as a source of funds results in a significant shortfall for the overall project.

Projected costs for Phase I are \$14,999,714. Removing the public funding would result in sources of funds totaling \$9,841,557, leaving a shortfall of \$5,158,157. We also need to account for the developer's expected investment return for a project of this nature, totaling \$1,871,618. Taking into account the cost shortfall and developer's expected return, the gap totals \$7,029,775, matching our public financing request.

Projected costs for Phase II are \$5,592,261. Removing the public funding would result in sources of funds totaling \$4,594,384, leaving a shortfall of \$997,877. We also need to account for the developer's expected investment return for a project of this nature, totaling \$1,850,826. Taking into account the cost shortfall and the developer's expected return, the gap totals \$2,848,703.

Description and Rationale Behind Proposed Assistance

Without public financing for each phase of Kettle Park West, the developer would have no incentive to proceed with the proposed project and each phase would result in an investment loss. By providing the requested public funding, the City will assist in creating a transformative real estate development project that will significantly increase the tax base, provide a new regional stormwater facility and create needed improvements to both U.S. Highway 51 and State Trunk Highway 138, which will help in improving traffic flow.

9 and # 10: Details are in the Development Agreement

9. Identify sources, amounts, and status of all debt financing and/or equity funding available to complete the Project. Does the applicant anticipate the debt to be privately financed by the construction lender or developer or publicly sold? Please prepare information in the following table format'.

10. Provide an outline of the costs associated with the development of the proposed project(s) and related parcel(s) located within the TIF district. Identify in the outline those costs you would propose to fund with TIF and the proposed payback time frame.

Development Agreement

AGREEMENT TO UNDERTAKE DEVELOPMENT

(Kettle Park West Development)

THIS AGREEMENT TO UNDERTAKE DEVELOPMENT entered into as of the _____ day of _____, 2014 (the "Agreement"), by and between the City of Stoughton, a Wisconsin municipal corporation (the "City"), and Kettle Park West, LLC, a Wisconsin limited liability corporation (the "Developer").

RECITALS

1. Developer proposes to purchase the real property described on Attachment A attached hereto (the "Property"), and intends to undertake commercial development on the Property in accordance with the Planned Development District zoning of the Kettle Park West Commercial Property approved by the City in Ordinance No. 0-23-2013. Developer has also requested City approval of a land division plat known as Kettle Park West - Commercial Center.
2. Chapter 66 of the City of Stoughton Municipal Code requires that an agreement be made for the installation of improvements needed to serve the Plat.
3. Developer is unable to develop the Property without financial assistance in constructing certain public improvements, including improvements to U.S. Highway 51 and State Highway 138. Developer also requires financial assistance to offset the cost of substantial site grading and stormwater management costs within the Property.
4. The City wants to facilitate the development of the Property, but is unable to do so unless certain conditions are satisfied, including the creation of a Tax Increment Finance District that includes the Property, pursuant to Wis. Stat. § 66.1105.
5. In order to make the development financially feasible, the City finds it appropriate to enter this Agreement to set forth certain obligations and understandings in the event a Tax Increment District is created and the other conditions set forth in this Agreement are satisfied, all as described in, and subject to the reservations contained in, this Agreement.
6. The City finds and determines that unless the City provides the tax increment development assistance described in this Agreement, Developer will not develop the Property.
7. The City finds that the development of the Property and the fulfillment of the terms and conditions of this Agreement are in the vital and best interests of the City and its residents, by expanding the tax base and creating employment and commercial opportunities, thereby serving public purposes in accordance with state and local law.
8. The City Council on January 28, 2014, adopted Resolution No. 0-12-2014, approving this Agreement and authorizing the City, through its duly authorized officials and agents, to execute this Agreement.

11. In one page or less, discuss and document information used to describe the market feasibility of each element of the proposed project. If a formal feasibility or comparable studies have been prepared, attach such reports as an appendix to this application.

**Kettle Park West Commercial Center
Economic and Public Service
Considerations**

US Highway 51 at State Highway 138
Stoughton, Wisconsin



**KETTLE
PARK
WEST**

JSD Professional Services, Inc.
• Engineers • Surveyors • Planners

*Building relationships with a commitment to client
satisfaction through trust, quality and experience.*

JSD Project Number: 09-3951
Date: October, 2013



Forward Development Group

12. Estimate the incremental property taxes to be generated by the project.



Springsted Incorporated
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887
Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

DRAFT MEMORANDUM

TO: Donna Olson, Mayor of Sloughton
Laurie Sullivan, Director of Finance and Economic Development
Rodney Scheel, Director of Planning and Development

FROM: Mikaela Huot, Vice President/Consultant
Joseph Murray, Vice President/Client Representative

DATE: December 26, 2013

SUBJECT: Updated Preliminary Feasibility Analysis for Kettle West Development

The City of Sloughton has retained Springsted to review the information submitted by the developer for the proposed development of an area to be referred to as Kettle West. The developer has proposed the purchase of the site and subsequent new development in phases. Significant public improvements will be necessary for development of the site and the developer has requested public assistance to finance those improvements.

Based on available information, Springsted will be prepared to assist the City with financial review of the project by providing the following analyses:

- Revenue projection and cash flow analysis of the proposed project to determine financial feasibility and assess City's risk profile
- Review and analysis of the proposed public assistance request for the development project to determine necessity and appropriateness ("But-For" and Needs Analysis Determination Report)
- Assistance with negotiation of the development agreement, as necessary

The purpose of this memo is to provide a summary of the preliminary tax increment revenue projections based on the information provided by the developer. The underlying assumption includes the establishment of a Tax Incremental District to provide financing for certain eligible public improvement costs associated with the project. The estimates of incremental new value on the project site are based on the information provided by the developer using the additional tax increment assumptions outlined below.

More Financial Feasibility documents for #12.

\$2,665,000				
City of Stoughton, Wisconsin				
General Obligation Tax Increment Bonds, Series 2015				
Total Issue Sources And Uses				
Dated 10/01/2015 Delivered 10/01/2015				
	On-Site Improvements Developer (100%)	Off-Site Improvements Developer (70%)	Off-Site Improvements City (30%)	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$645,000.00	\$1,415,000.00	\$605,000.00	\$2,665,000.00
Total Sources	\$645,000.00	\$1,415,000.00	\$605,000.00	\$2,665,000.00
Uses Of Funds				
Deposit to Project Construction Fund	601,369.00	1,326,550.40	568,521.60	2,496,441.00
Deposit to Capitalized Interest (CIF) Fund	22,525.00	49,572.50	20,952.50	93,050.00
Costs of Issuance	10,086.44	22,127.63	9,460.93	41,675.00
Total Underwriter's Discount (1.200%)	7,740.00	16,960.00	7,260.00	31,960.00
Rounding Amount	3,279.56	(230.53)	(1,195.03)	1,854.00
Total Uses	\$645,000.00	\$1,415,000.00	\$605,000.00	\$2,665,000.00

2015 GO TIF Bonds 1.26.14 | Issue Summary | 3/24/2016 | 2:01 PM

Kettle Park West	
Stoughton, Wisconsin	
Preliminary Feasibility Analysis and Development Overview	
May 18, 2017	
Housing and Commercial Unit Summary	
Statement of Number and Location of Proposed Public Improvements	
Public Improvements Cost Detail	
Sources and Uses of Funds	
Land Sales and Occupancy Schedule	
Estimated Assessed Value and TIF Payback Analysis – Phase I	
- Municipal Financed	
- Developer Financed	
Estimated Assessed Value and TIF Payback Analysis – Phase II	
- Municipal Financed	
- Developer Financed	
Estimated Assessed Value and TIF Payback Analysis – Phase I and II	
- Municipal Financed	
- Developer Financed	

13. Provide an estimate of the market value of all fixtures and equipment to be used by all owners or tenants of the proposed project which will be taxed as personal property.

- Not Applicable
- Personal property is not used as part of the TIF calculation.

14. Identify any proposed tenants of the project. Have leases been negotiated or signed? What type of lease is contemplated?

- The Development Agreement (previously presented) identifies the Big Box Retailer and 3 more smaller retail stores as Phase 1 of the project.

15. Who will own and operate the developed property?

- Again, the Development agreement outlines the terms

16. Briefly describe the benefits of the proposed project to the City, particularly in economic and quality of life terms.

A large, empty rectangular box with a dark red border, intended for a response. The box is solid red and occupies the lower two-thirds of the page.

17. Attach a letter from a financial institution indicating that the applicant has sufficient financial resources to obtain the private financing for the project.

- Dev. Agreement
- Personal contact with Banker

18. Describe the project schedule:

- Preliminary Construction Start Date:
- Preliminary Construction Completion Date:
- Phasing Anticipated:
- Date Occupied or Opened:

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Annexation Process

Proposed Project Timeline

