

November 20, 2015

Project Plan for the Creation of Tax Incremental District No. 10 (Hotel & Conference Center Site)



Organizational Joint Review Board Meeting Held:	October 19, 2015
Public Hearing Held:	October 20, 2015
Adoption by Plan Commission:	October 20, 2015
Adoption by Common Council:	November 24, 2015
Approval by the Joint Review Board:	Scheduled for: December 7, 2015



Tax Incremental District No. 10 Creation Project Plan

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Common Council

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Dorothy Krause	Council Member
Carol Poole	Council Member
Julia Arata-Fratta	Council Member
Patrick Stern	Council Member
Jason Gonzalez	Council Member
Dan Carpenter	Council Member
Jake Johnson	Council Member
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City Staff

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Tony McGrath	Thomas Hovel
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	Madison Metro School District
Elton Crim	Public Member



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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 10 (the “TID” or “District”) would consist of approximately 4.75 acres located east of Fish Hatchery Road and west of Pike Drive. It is proposed to be created by the City of Fitchburg (“City”) as a rehabilitation - conservation district. A map of the proposed District boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures.

The City anticipates making total project expenditures of approximately \$3,370,000 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in a single phase. The Expenditure Period of this District is 22 years from the date of adoption of the authorizing Resolution of the Common Council (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with a Municipal Revenue Obligation (PAYGO Note) issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, is located in Section 10 of this plan.

Economic Development

As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$14,802,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment and associated values is located in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2030; 13 years earlier than the 27 year maximum life of this District.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project 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 Project 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 making this determination, the City has considered the following information:

- The City expects to conduct an independent review of the intended developer's sources and uses proforma for the initial proposed development and/or redevelopment project. Prior to the issuance of the PAYGO Note, this review will need to conclude that a public investment of approximately \$3,370,000 is required to enable the development to occur in the manner desired by the City, while providing the developer a fair and reasonable return on their investment.
 - Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the City that the use of Tax Incremental Financing ("TIF") may be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the City.
 - In order to make the areas included within the District suitable for development and/or redevelopment, the City will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, and other associated costs. . Due to the extensive initial investment in public infrastructure that is required in order to allow development and/or redevelopment to occur, the City has determined that redevelopment of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, redevelopment of the area is unlikely to occur.
 - The redevelopment proposed for this area is consistent with the City's master plan for this neighborhood.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
 - The development expected to occur is likely to generate approximately 96 construction jobs over the life of the District, with an average wage of between \$33/ Hr and \$67.50/ Hr and approximately 75 permanent full time jobs with an approximate wage range of between \$20,000 and \$60,000 / Yr. _ (source: John Colby, Project Developer).
 - The development expected to occur within the District would create additional hotel and conference space thereby enhancing the City's ability to serve existing and potential businesses within the community.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- If approved, the District's creation would become effective for valuation purposes as of January 1, 2015. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2015 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.

- Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 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 made and can be found in Appendix A of this plan.
4. Not less than 50% by area of the real property within the District is in need of rehabilitation - conservation work within the meaning of Wisconsin Statutes Section 66.1337(2m)(b). Furthermore, any property standing vacant for the entire seven years preceding adoption of the Creation Resolution does not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1.
 5. Based upon the findings, as stated above, the District is declared to be a rehabilitation - conservation District based on the identification and classification of the property included within the District.
 6. The project costs relate directly to promoting the rehabilitation of the area consistent with the purpose for which the District is created.
 7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
 8. The equalized value of taxable property of the District, plus the value increment 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 Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
 10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

SECTION 2: Type and General Description of District

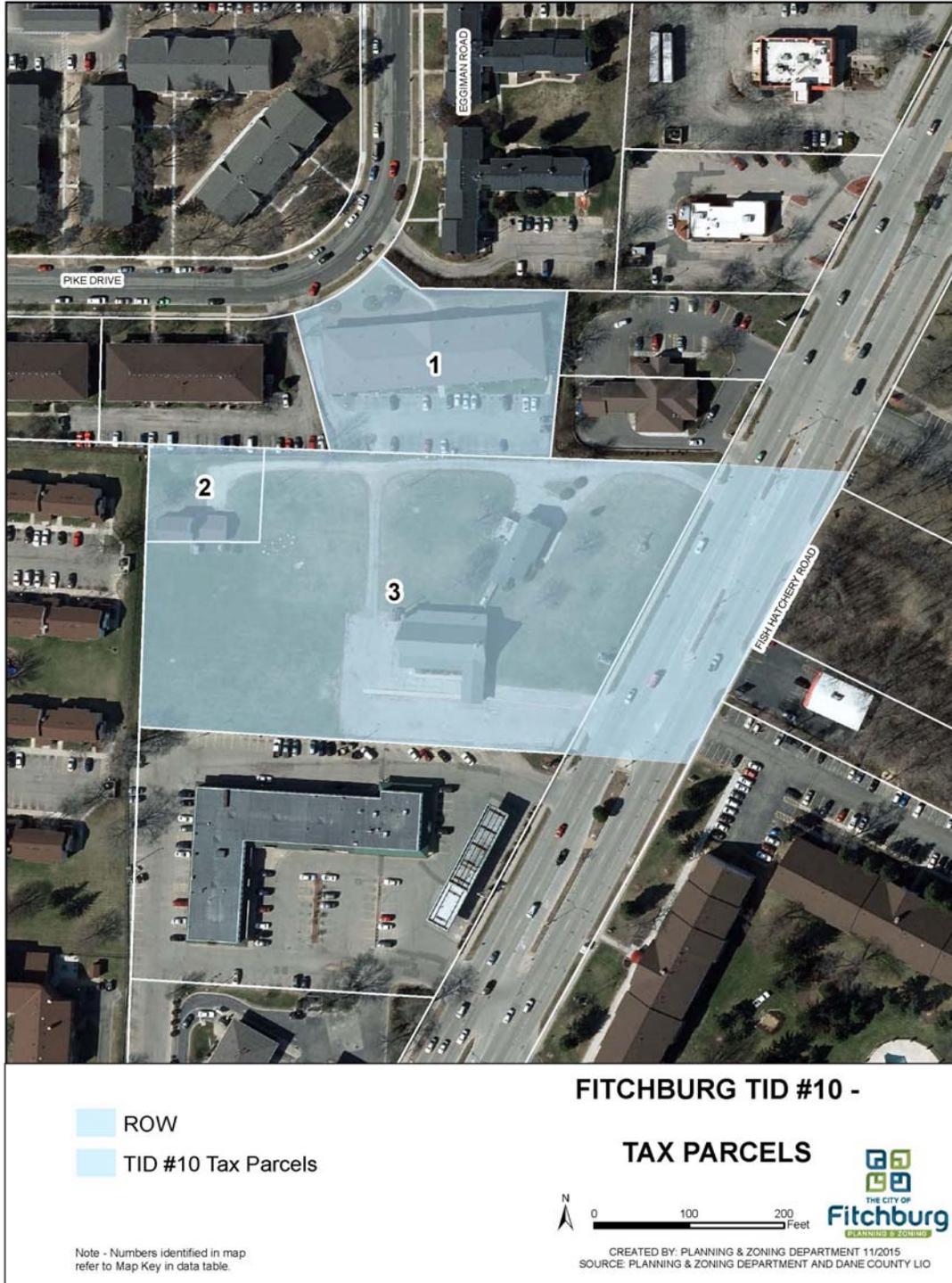
The District is being created by the City under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Rehabilitation - conservation District” based upon a finding that at least 50%, by area, of the real property within the District is in need of rehabilitation - conservation work. In Section 5 of this Plan, the City has identified those properties within the District that meet the criteria of “rehabilitation - conservation areas” as defined in Wisconsin Statutes Section 66.1337(2m)(a) and relies on these characterizations as the basis for making the above finding.

Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1. A calculation demonstrating compliance with this test is found as part of the Preliminary Parcel List in Section 5 of this plan.

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that private development occurs within the District consistent with the City's development and redevelopment objectives. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote development and redevelopment within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in this Plan relate directly to the rehabilitation - conservation of areas in the District consistent with the purpose for which the District is created.

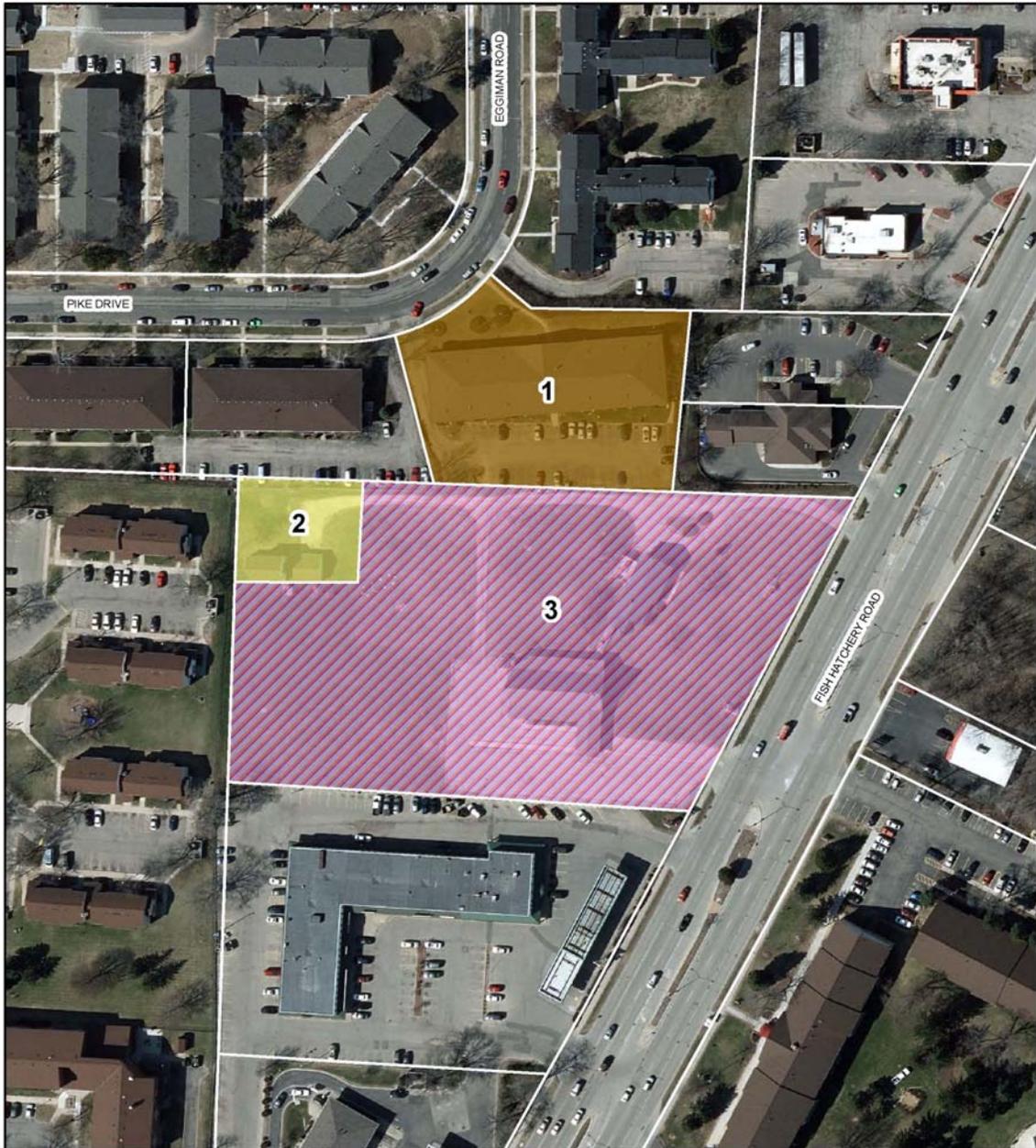
Based upon the findings, as stated within this Plan, the District is declared to be a rehabilitation - conservation District based on the identification and classification of the property included within the district.

SECTION 3: Map of Proposed District Boundary



SECTION 4: Maps Showing Existing Uses and Conditions





Current Land Use - TID #10 Tax Parcels

FITCHBURG TID #10 -

- 1 - Multi-family residence
- 2 - Single-family residence
- 3 - Religious facility

Note - Numbers identified in map refer to Map Key in data table.

CURRENT LAND USE



CREATED BY: PLANNING & ZONING DEPARTMENT 09/2015
SOURCE: PLANNING & ZONING DEPARTMENT AND DANE COUNTY LIO

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section.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 \$279,499,121. This value is less than the maximum of \$325,368,204 in equalized value that is permitted for the City of Fitchburg. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Fitchburg, Wisconsin						
Tax Increment District #10 (Hotel & Conference Center)						
Valuation Test Compliance Calculation						
Creation Date			11/24/2015			
			Valuation Data	Dollar	Percent	Valuation Data
			Currently Available	Charge	Change	Est. Creation Date
			2015			
Total EV (TID In)			2,711,401,700			2,711,401,700
12% Test			325,368,204			325,368,204
Increment of Existing TIDs						
	TID #4		165,243,700			165,243,700
	TID #6		106,831,500			106,831,500
	TID #7		6,225,900			6,225,900
	TID #8		0			0
	TID #9		0			0
Total Existing Increment			278,301,100			278,301,100
Projected Base of New or Amended District			1,198,021			1,198,021
Total Value Subject to 12% Test			279,499,121			279,499,121
Compliance			PASS			PASS

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The following is a list of public works and other TIF-eligible projects that the City expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development and/or Redevelopment

In order to promote and facilitate development and/or redevelopment 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 in order to make the property suitable for development and/or redevelopment. 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 and/or redevelopment 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 Wisconsin Statutes Section 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

Although not currently contemplated, 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 Wisconsin Statutes Sections 32.19 and 32.195.

Site Preparation Activities

Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development and/or redevelopment, 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 and/or redevelopment, 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

There are inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment 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; lift stations; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment 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; 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 and/or redevelopment within the District will cause stormwater runoff and pollution. 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; 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

In order to create sites suitable for development and/or redevelopment, 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

In order to create sites suitable for development and/or redevelopment, 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

In order to create sites suitable for development and/or redevelopment, 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

There are inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct and/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, utility relocation,; 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

In order to attract development and/or redevelopment 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.

CDA or RDA Type Activities

Contribution to Community Development or Redevelopment Authority

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

Miscellaneous

Projects outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 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:

- Intersection improvements and roadway extension for Fish Hatchery Road and Pike Drive Extensions to include roadway, signalization, utility improvements, streetscaping and signage.

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of 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.

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 in connection with 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.

With all projects 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.

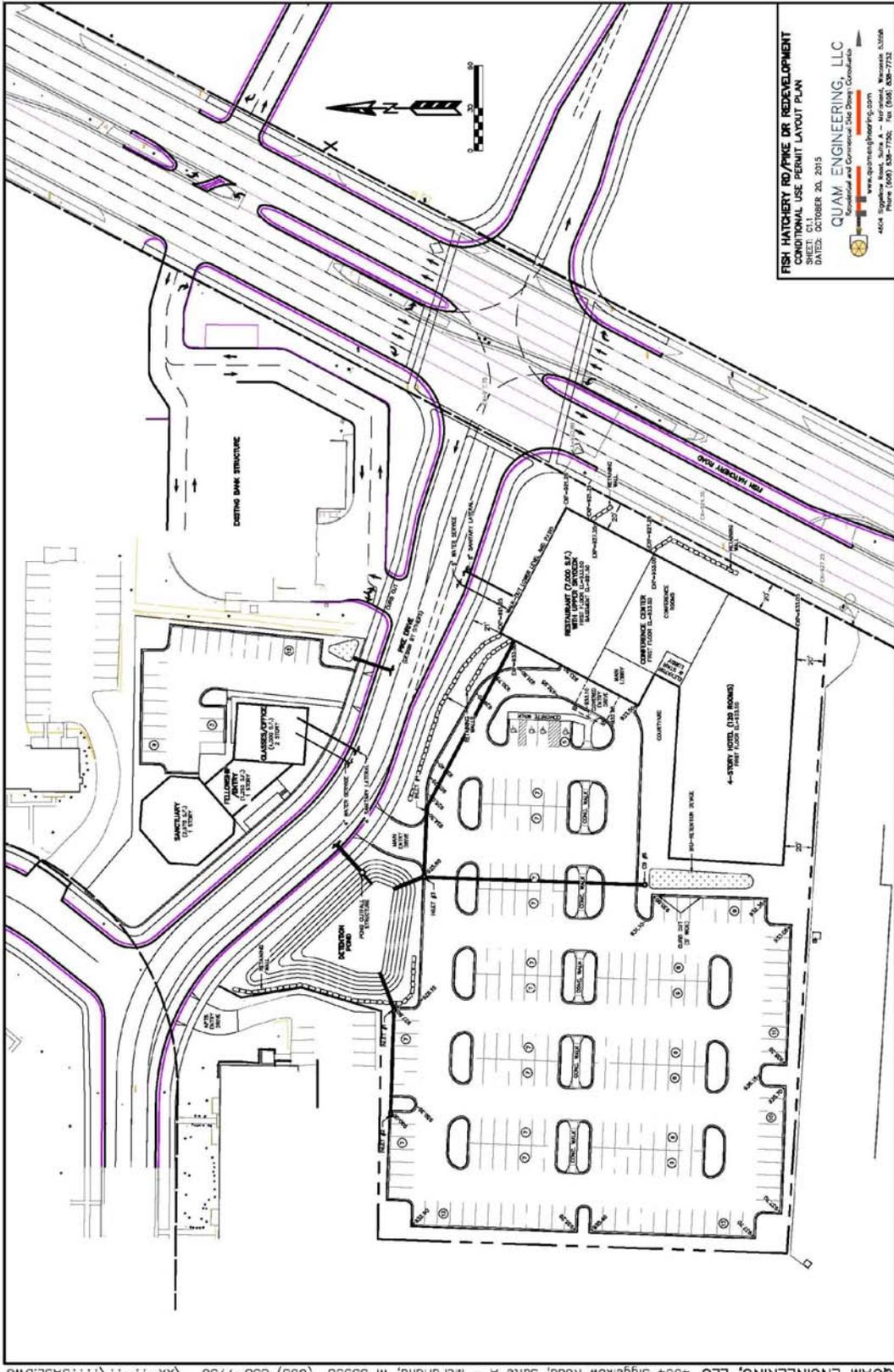
In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality 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 is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

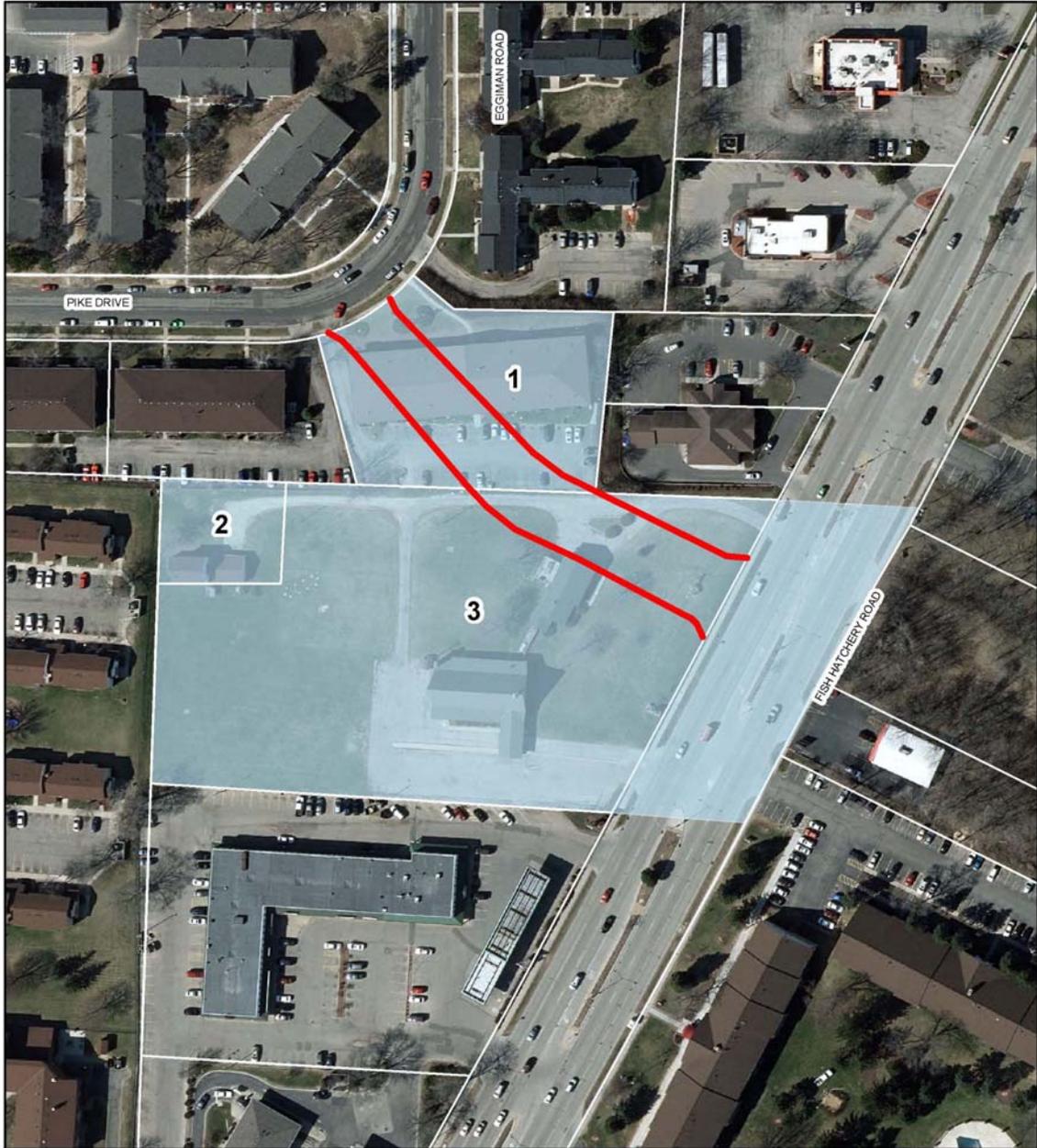
SECTION 8: Maps Showing Proposed Improvements and Uses





QUAM ENGINEERING, LLC 4504 Siggeikow Road, Suite A - McFarland, WI 53558 (608) 838-7750 \XX-99-99\9999BASE.DWG





- ROW
- TID #10 Tax Parcels
- Proposed New Street (Approximate)

Note - Numbers identified in map refer to Map Key in data table.

FITCHBURG TID #10 -

IMPROVEMENTS



CREATED BY: PLANNING & ZONING DEPARTMENT 11/2015
 SOURCE: PLANNING & ZONING DEPARTMENT AND DANE COUNTY LIO

SECTION 9: Detailed List of Project Costs

All costs are based on 2015 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2015 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without amending the Plan.

Proposed TIF Project Cost Estimates

City of Fitchburg, Wisconsin Tax Increment District #10 (Hotel & Conference Center) Estimated Project List			
Project ID	Project Name/Type	Phase I Year	Total (Note 1)
1	1911 Pike Dr. Purchase and Acquisition Costs	1,450,000	1,450,000
2	Demolition of 1911 Pike Dr.	125,000	125,000
3	Road Construction (including sidewalk, storm sewer, signals, water & sewer utility improvements within district and within 1/2 mile of district including but not limited to Pike Dr extension and Fish Hatchery Rd Intersection	1,235,000	1,235,000
4	Professional fees	110,000	110,000
5	Site Preparation	60,000	60,000
6	Potential Additional Earthwork	100,000	100,000
7	TID Admin Costs	50,000	50,000
8	Capitalized Interest	240,000	240,000
			0
Total Projects		3,370,000	3,370,000
Notes:			
Note 1 Project costs submitted by Charles Chvala on behalf of Developer and are estimates subject to modification			

SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development and/or redevelopment. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development and/or redevelopment expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Available Financing Methods

The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$135,570,085, of which \$89,735,085 is currently unused and could be made available to finance Project Costs.

Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These

bonds may be issued directly by the City, or as a form of lease revenue bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of the its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development or redevelopment occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

Implementation and Financing Timeline

City of Fitchburg, Wisconsin Tax Increment District #10 (Hotel & Conference Center) Estimated Financing Plan				
			Municipal Revenue Obligation (MRO) Year	Totals
Projects				
Phase I			3,370,000	3,370,000
Total Project Funds			3,370,000	3,370,000
Estimated Finance Related Expenses				
Financial Advisor				
Bond Counsel				
Rating Agency Fee				
Paying Agent				
Underwriter Discount		10.00		
Debt Service Reserve				
Capitalized Interest				
Total Financing Required			3,370,000	
Estimated Interest		0.25%		
Assumed spend down (months)		6		
Rounding			0	
Net Issue Size			3,370,000	3,370,000

Development Assumptions

<div style="text-align: center;"> City of Fitchburg, Wisconsin Tax Increment District #10 (Hotel & Conference Center) Development Assumptions </div>						
Construction Year		Actual	Hotel, Conf Center & Restaurant	Area B	Annual Total	Construction Year
1	2016	(1,198,021)	16,000,000		14,801,979	2016 1
2	2017				0	2017 2
3	2018				0	2018 3
4	2019				0	2019 4
5	2020				0	2020 5
6	2021				0	2021 6
7	2022				0	2022 7
8	2023				0	2023 8
9	2024				0	2024 9
10	2025				0	2025 10
11	2026				0	2026 11
12	2027				0	2027 12
13	2028				0	2028 13
14	2029				0	2029 14
15	2030				0	2030 15
16	2031				0	2031 16
17	2032				0	2032 17
18	2033				0	2033 18
19	2034				0	2034 19
20	2035				0	2035 20
21	2036				0	2036 21
22	2037				0	2037 22
23	2038				0	2038 23
24	2039				0	2039 24
25	2040				0	2040 25
26	2041				0	2041 26
Totals		(1,198,021)	16,000,000	0	14,801,979	

Notes: Value assumptions provided by Charles Chvala on behalf of Developer.

Cash Flow

City of Fitchburg, Wisconsin												
Tax Increment District #10 (Hotel & Conference Center)												
Cash Flow Projection												
Year	Projected Revenues				Expenditures				Balances			
	Tax Increments	Interest Earnings/ (Cost)	Less Administrative Expenses	Total Revenues	Municipal Revenue Obligation (MRO) 3,370,000			Total Expenditures	Bond Coverage	Annual	Cumulative	Principal Outstanding
					Dated Date: Principal	Est. Rate	Interest					
		0.20%				4.50%						
2016				0				0		0	0	3,370,000
2017				0				0		0	0	3,370,000
2018	353,009		(15,000)	338,009	170,000	4.50%	151,650	321,650	1.05	16,359	16,359	3,200,000
2019	356,539	33	(15,300)	341,272	180,000	4.50%	144,000	324,000	1.05	17,272	33,631	3,020,000
2020	360,104	67	(15,606)	344,566	190,000	4.50%	135,900	325,900	1.06	18,666	52,296	2,830,000
2021	363,705	105	(15,918)	347,892	200,000	4.50%	127,350	327,350	1.06	20,542	72,838	2,630,000
2022	367,342	146	(16,236)	351,252	210,000	4.50%	118,350	328,350	1.07	22,902	95,740	2,420,000
2023	371,016	191	(16,561)	354,646	225,000	4.50%	108,900	333,900	1.06	20,746	116,486	2,195,000
2024	374,726	233	(16,892)	358,067	235,000	4.50%	98,775	333,775	1.07	24,292	140,777	1,960,000
2025	378,473	282	(17,230)	361,525	250,000	4.50%	88,200	338,200	1.07	23,325	164,102	1,710,000
2026	382,258	328	(17,575)	365,011	260,000	4.50%	76,950	336,950	1.08	28,061	192,163	1,450,000
2027	386,081	384	(17,926)	368,539	280,000	4.50%	65,250	345,250	1.07	23,289	215,452	1,170,000
2028	389,941			389,941	290,000	4.50%	52,650	342,650	1.14	47,291	262,743	880,000
2029	393,841			393,841	300,000	4.50%	39,600	339,600	1.16	54,241	316,984	580,000
2030	397,779			397,779	310,000	4.50%	26,100	336,100	1.18	61,679	378,663	270,000
2031	401,757			401,757	270,000	4.50%	12,150	282,150	1.42	119,607	498,270	0
2032	405,775			405,775		4.50%	0	0		405,775	904,045	0
2033	409,832			409,832		4.50%	0	0		409,832	1,313,877	0
2034	413,931			413,931		4.50%	0	0		413,931	1,727,808	0
2035	418,070			418,070		4.50%	0	0		418,070	2,145,878	
2036	422,251			422,251		4.50%	0	0		422,251	2,568,128	
2037	426,473			426,473		4.50%	0	0		426,473	2,994,602	
2038	430,738			430,738	0	4.50%	0	0		430,738	3,425,339	
2039	435,045			435,045				0		435,045	3,860,385	
2040	439,396			439,396				0		439,396	4,299,780	
2041	443,790			443,790				0		443,790	4,743,570	
2042	448,228			448,228				0		448,228	5,191,798	
2043	452,710			452,710				0		452,710	5,644,508	
Total	10,422,810	1,769	(164,246)	10,260,333	3,370,000		1,245,825	4,615,825				Total
Notes:	Increment Projections and costs are based upon estimates from Developer's representatives. Payment on the MRO is strictly contingent upon Incremental revenues being available.									Projected TID Closure		

SECTION 11: Annexed Property

There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

SECTION 12: Estimate of Property to be Devoted to Retail Business

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, 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 13: Proposed Zoning Ordinance Changes

The City does not anticipate that the District will require any changes in zoning ordinances.

SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of Fitchburg Ordinances

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

SECTION 15: Relocation

It is not currently anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 16: Orderly Development or Redevelopment of the City of Fitchburg

The District contributes to the orderly development and redevelopment of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. The addition of hotel rooms, a conference center and restaurant will serve existing and future businesses and enhance the attractiveness of Fitchburg as a destination for business travelers and economic development.

SECTION 17: List of Estimated Non-Project Costs

Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

Examples would include:

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.

The City does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 18:
Opinion of Attorney for the City of Fitchburg Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105



Office of the City Attorney

5520 Lacy Road
Fitchburg, WI 53711-5318
Phone: (608) 270-4207
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mark.sewell@fitchburgwi.gov

November 2, 2015

Mayor Steve Arnold
City of Fitchburg
5520 Lacy Road
Fitchburg, WI 53711

RE: City of Fitchburg, Wisconsin Tax Incremental District No. 10

Dear Mayor:

As City Attorney for the City of Fitchburg, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Mark Sewell
City of Fitchburg

Exhibit A:
**Calculation of the Share of Projected Tax Increments
 Estimated to be Paid by the Owners of Property in the
 Overlying Taxing Jurisdictions**

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2014			Percentage	
	Dane County			7,690,783		16.24%
	City of Fitchburg			23,114,627		48.80%
	Madison Metropolitan School District			14,255,560		30.10%
	Madison Area Technical College			2,303,813		4.86%
	Total			47,364,783		100.00%
Revenue Year	Dane County	City of Fitchburg	Madison Metropolitan School District	Madison Area Technical College	Total	Revenue Year
2018	57,319	172,273	106,246	17,170	353,009	2018
2019	57,892	173,996	107,309	17,342	356,539	2019
2020	58,471	175,736	108,382	17,515	360,104	2020
2021	59,056	177,493	109,466	17,691	363,705	2021
2022	59,647	179,268	110,560	17,867	367,342	2022
2023	60,243	181,061	111,666	18,046	371,016	2023
2024	60,846	182,871	112,783	18,227	374,726	2024
2025	61,454	184,700	113,911	18,409	378,473	2025
2026	62,069	186,547	115,050	18,593	382,258	2026
2027	62,689	188,412	116,200	18,779	386,081	2027
2028	63,316	190,296	117,362	18,967	389,941	2028
2029	63,949	192,199	118,536	19,156	393,841	2029
2030	64,589	194,121	119,721	19,348	397,779	2030
2031	65,235	196,063	120,918	19,541	401,757	2031
2032	65,887	198,023	122,128	19,737	405,775	2032
2033	66,546	200,003	123,349	19,934	409,832	2033
2034	67,211	202,004	124,582	20,133	413,931	2034
2035	67,883	204,024	125,828	20,335	418,070	2035
2036	68,562	206,064	127,086	20,538	422,251	2036
2037	69,248	208,124	128,357	20,744	426,473	2037
2038	69,940	210,206	129,641	20,951	430,738	2038
2039	70,640	212,308	130,937	21,161	435,045	2039
2040	71,346	214,431	132,247	21,372	439,396	2040
2041	72,060	216,575	133,569	21,586	443,790	2041
2042	72,780	218,741	134,905	21,802	448,228	2042
2043	73,508	220,928	136,254	22,020	452,710	2043
	<u>1,692,388</u>	<u>5,086,466</u>	<u>3,136,993</u>	<u>506,963</u>	<u>10,422,810</u>	

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