

August 16, 2016

Project Plan Amendment # 1 for the Territory & Project Costs for Tax Incremental District No. 9 (Sub-Zero Project)



Organizational Joint Review Board Meeting Held:	August 16, 2016
Public Hearing Held:	August 16, 2016
Consideration for Approval by Plan Commission:	August 16, 2016
Consideration for Adoption by Common Council:	September 13, 2016
Consideration for Approval by the Joint Review Board:	Scheduled for: September 26, 2016



Tax Incremental District No. 9 Territory & Project Plan Amendment

City of Fitchburg Officials

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Dorothy Krause	Council Member
Carol Poole	Council Member
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Jason Gonzalez	Council Member
Dan Carpenter	Council Member
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Joint Review Board

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Adam Gallagher	Dane County
Timothy Casper	Madison Area Technical College District
Noah Roberts	Verona Area School District
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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 9 (the “TID” or “District”) is an existing industrial, district, which was created by a resolution of the City of Fitchburg (“City”) Common Council adopted on June 9, 2015 (the “Creation Resolution”).

Amendments

The District has not been previously amended.

Purposes of this Amendment

This amendment will cause territory (approximately 30.5 acres) to be added to the District, providing incentive and opportunities for additional private development and redevelopment. The developer and user of lands, the Sub-Zero company intends to build a new training facility on the expanded territory.

This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment.

This amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Wisconsin Statutes Section 66.1105(2)(f)1.n.

Estimated Total Project Expenditures

The City anticipates making additional project expenditures of approximately \$2,247,000 to undertake projects in the amendment areas as listed in this Project Plan. The City also intends to make additional project expenditures of approximately \$1,000,000 within the original District area.

It is anticipated that the remaining and additional projects will be completed in a single phase. The Expenditure Period of this District terminates on June 9, 2030. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with a Municipal Revenue Obligation and General Obligation Bonds issued in 2016, 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 project financing by phase is located in Section 10 of this plan.

The additional project costs include costs for sewer & water improvements, road construction, storm water improvements, land acquisition for storm improvements and related costs. These project areas, , are located both in the current boundary & outside of, but within ½ mile of the current boundary of the District and within the City.

Economic Development

As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$10,300,000 over the original projection of \$11,225,000 (resulting in \$21,525,000 Total) 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 amended area(s) and within the original District boundaries. 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, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.

As the development plans materialized, the development projected value grew from \$11.25 M to a gross value of \$21.53 M. The original incentive calculated at 20% of the projected value. With the additional \$1.0 M funds being included in the direct incentive, the incentive value equals 15% of the projected \$21.53 M projected value or 17% of the guaranteed development value of \$18.8 M. In both instances the percentage of incentive has dropped from the original project plan.

Expected Termination of District

TID No. 9 has a maximum statutory life of 20 years, and must close not later than June 9, 2035, resulting in a final collection of increment in budget year 2034. Original Project Plan cash flow projections indicated that total cumulative revenues would exceed total liabilities by the year 2032, enabling the District to close 5 years earlier than its maximum life. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from 2032 to 2034 still allowing the district to close 3 years prior to its maximum allowed life.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas 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 has conducted an independent review of the intended developer’s sources and uses proforma for the initial proposed development project. This review has concluded that an additional public investment of approximately \$3,300,000 over the original project plan amount is required to enable the development to occur in the manner desired by the City, while providing this long time corporate citizen the ability to pay for unexpected costs associated with the expansion of their facilities..
 - In order to make the amendment areas suitable for development, 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; storm water improvements, and other associated costs. Due to the extensive initial investment in public infrastructure and/or rehabilitation that is required in order to allow development to occur, the City has determined that development of the amendment area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development and/or redevelopment of the amendment area is unlikely to occur.
 - The original findings of the Project Plan for TID # 9 are all still valid and are hereby referenced and incorporated into this amendment.
2. **The economic benefits of amending 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 total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amended areas. On this basis alone, the finding is supported.
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 boundary amendment would become effective for valuation purposes as of January 1, 2016. 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 amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2016 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Given that additional development is not likely to occur or in the same manner without the use of tax incremental financing (see finding # 1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional 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 amended. 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 the Project Plan.
4. Not less than 50% by area of the real property within the District, as amended, is suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101 and has been zoned for industrial use. Any real property within the District that was found suitable for industrial sites and was zoned for industrial use at the time of the creation of the District will remain zoned for industrial use for the life of the District. Additionally, any real property within the Territory incorporated **OR** removed by this Amendment that is found suitable for industrial sites and is zoned for industrial use at the time of the Amendment of the District will remain zoned for industrial use for the remaining life of the District.
5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared an industrial District based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting industrial development in the District consistent with the purpose for which the District was created.
7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of the taxable property within the territory to be added to the District by this amendment, plus the value increment of all other 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 none of the territory within the District, as amended, 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, as amended, is feasible, and is in conformity with the Master Plan of the City.

SECTION 2: Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on June 9, 2015 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2015.

The existing District is an "Industrial District," created on a finding that at least 50%, by area, of the real property within the District was zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101. The District will remain in compliance with this finding after the addition of the Territory identified in this Amendment. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with the 50% test.

Wisconsin Statutes Section 66.1105(4)(h)2 provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended.

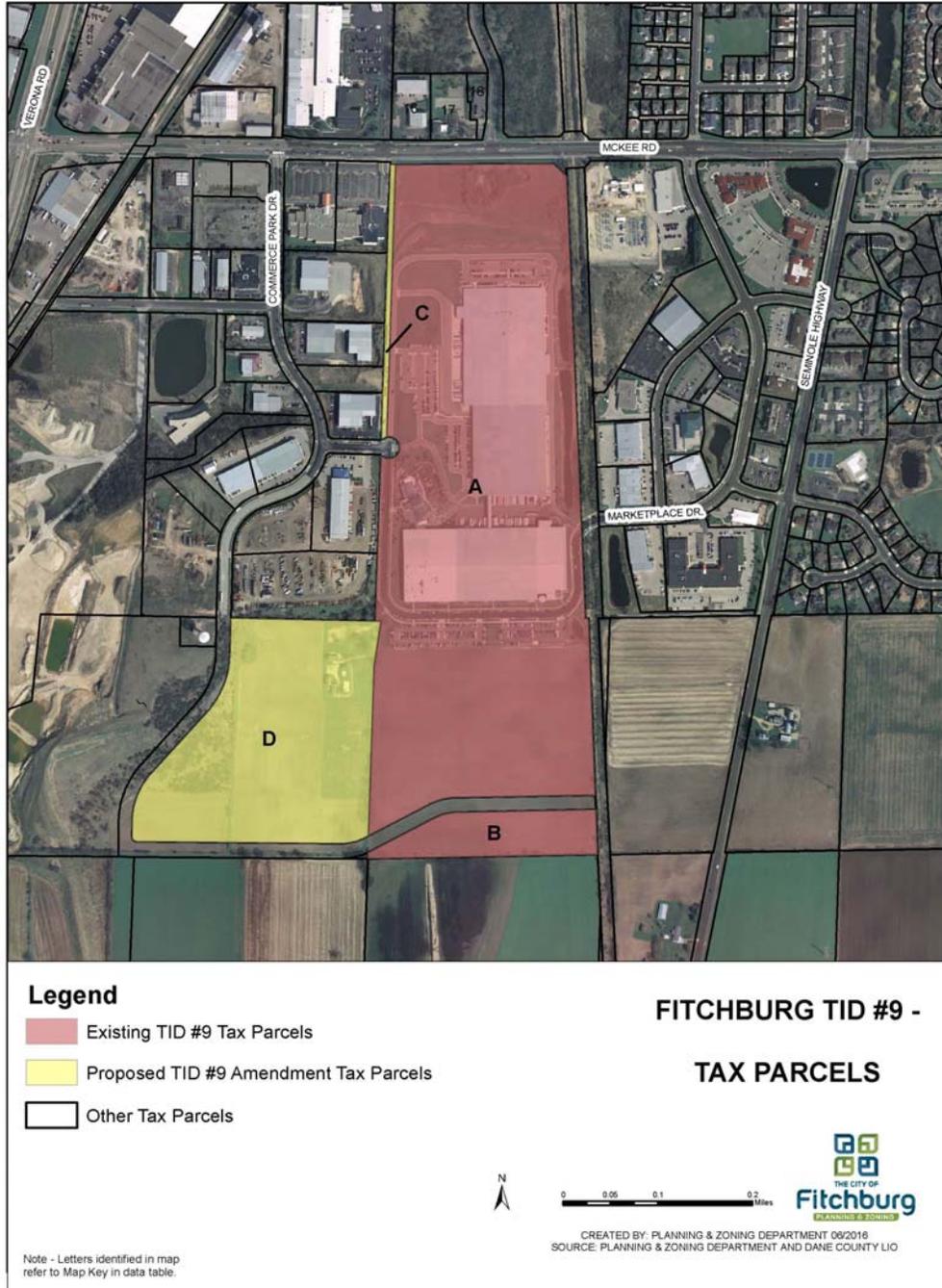
This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan unless specifically stated. All components of the original Project Plan remain in effect.

The purpose of the Amendment is to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the City to install additional public improvements, and to make additional necessary related expenditures that will create development opportunities consistent with the original purposes for which the District was created.

The amendment is also being done for the purpose of updating and to provide for the undertaking of additional expenditures.

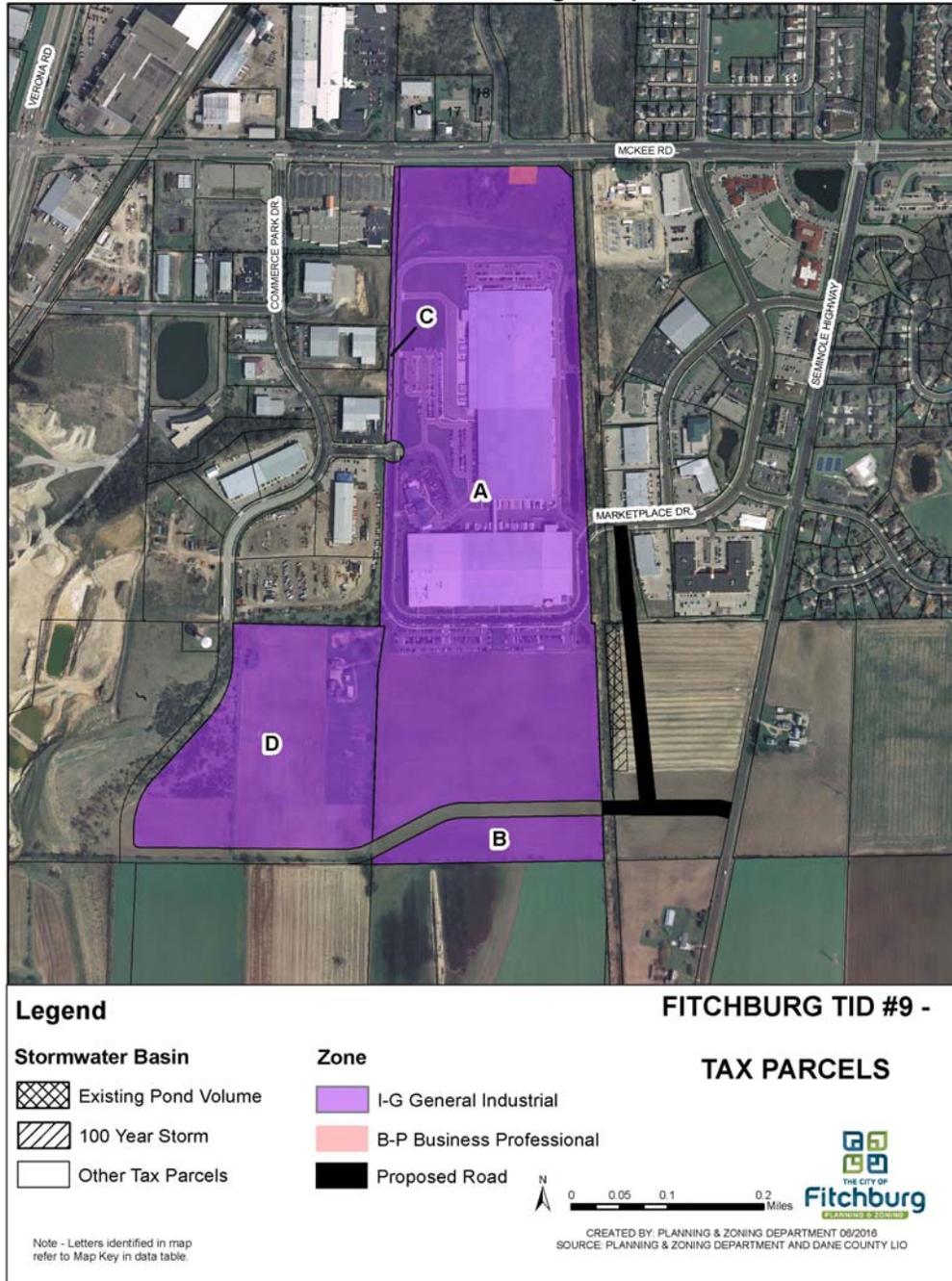
A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains an industrial District based on the identification and classification of the property included within the District.

SECTION 3: Preliminary Map of Original District Boundary and Territory Amendment Area Identified



SECTION 4: Map Showing Existing Uses and Conditions Within The Territory To Be Added

TID #9 Zoning Map



SECTION 5: Preliminary Parcel List and Analysis Within The Territory To Be Added

City of Fitchburg, Wisconsin Tax Increment District # 9 Project Plan and Boundary Amendment # 1 (Sub-Zero Project) Base Property Information														
Property Information				Assessment Information				Equalized Value				District Classification		
Map Ref #	1/1/16 Parcel Number	Current Parcel Number	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)
A	TID 9	6908386102	Sub-Zero Wolf	89.33	9,475,900	27,124,900	5,810,700	42,411,500	100.00%	9,475,900	27,124,900	5,810,700	42,411,500	89.33
B	TID 9	6908387402	Sub-Zero Wolf	6.23	8,500	8,500	0	8,500	100.00%	8,500	0	0	8,500	6.23
C	Being added to TID 9	060908286215 & 060908386251	Sub-Zero Wolf	1.75	325,100	515,000	0	840,100	100.00%	325,100	515,000	0	840,100	1.75
D	Being added to TID 9	060907489352	Sub-Zero Wolf	29.31	271,200	5,000	0	276,200	100.00%	271,200	5,000	0	276,200	29.31
Original District Base				95.56	42,420,000	0	0	42,420,000		0	0	0	42,420,000	
Amendment #1 Addition				31.06	10,080,700	27,644,900	5,810,700	43,536,300		10,080,700	27,644,900	5,810,700	43,536,300	106.62
Total Acreage				126.62										100.00%
Estimated Base Value 43,536,300														

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 Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 9, plus the value increment of all other existing tax incremental districts within the City, totals \$255,967,500. This value is less than the maximum of \$339,677,460 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 amendment of this District.

City of Fitchburg, Wisconsin				
Tax Increment District # 9 Project Plan and Boundary Amendment # 1 (Sub-Zero Project)				
Valuation Test Compliance Calculation				
District Creation Date	6/9/2015			
	Valuation Data Currently Available 2016	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	2,830,645,500			2,830,645,500
12% Test	339,677,460			339,677,460
Increment of Existing TIDs				
TID #4	166,232,200			166,232,200
TID #6	79,184,000			79,184,000
TID #7	5,213,200			5,213,200
TID #8	0			0
TID #9	4,226,900			4,226,900
TID #10	0			0
Total Existing Increment	254,856,300			254,856,300
Projected Base of New or Amended District	1,111,200			1,111,200
Total Value Subject to 12% Test	255,967,500			255,967,500
Compliance	PASS			PASS

Version 2

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

The proposed amendment would add additional territory to the existing District's boundaries, and amend the Project Plan to update and/or provide for the undertaking of additional expenditures.

Proposed additional and updated projects costs of approximately \$3,300,000 include various public improvements (road, sewer, water, storm, lighting,) acquisition for storm improvements and cash grants to owners or lessee or developers of land located within the district (development incentives) and professional and organizational services, administrative costs, and finance costs. The proposed costs include projects within the proposed boundary and within a ½ mile radius of the proposed boundary of the District.

The following is a list of public works and other TIF-eligible projects that the City has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs 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

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

No relocation is expected as a part of this plan however, 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 remediation 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 to occur, the City may 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; 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, are an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development to occur, the City may 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 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 and pollution. To manage this stormwater runoff, the City may 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; 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.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development 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, box culverts and bridges; rail crossings and signals; 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 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 Type Activities

Contribution to Community Development 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 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 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:

- Stormwater Pond Relocation
- Marketplace Drive North Extension
- Marketplace Drive South Extension
- Sub-Zero Parkway

For a more detailed breakdown of costs see Project List and map for locations.

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.

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, site preparation, 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 tax increment finance 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

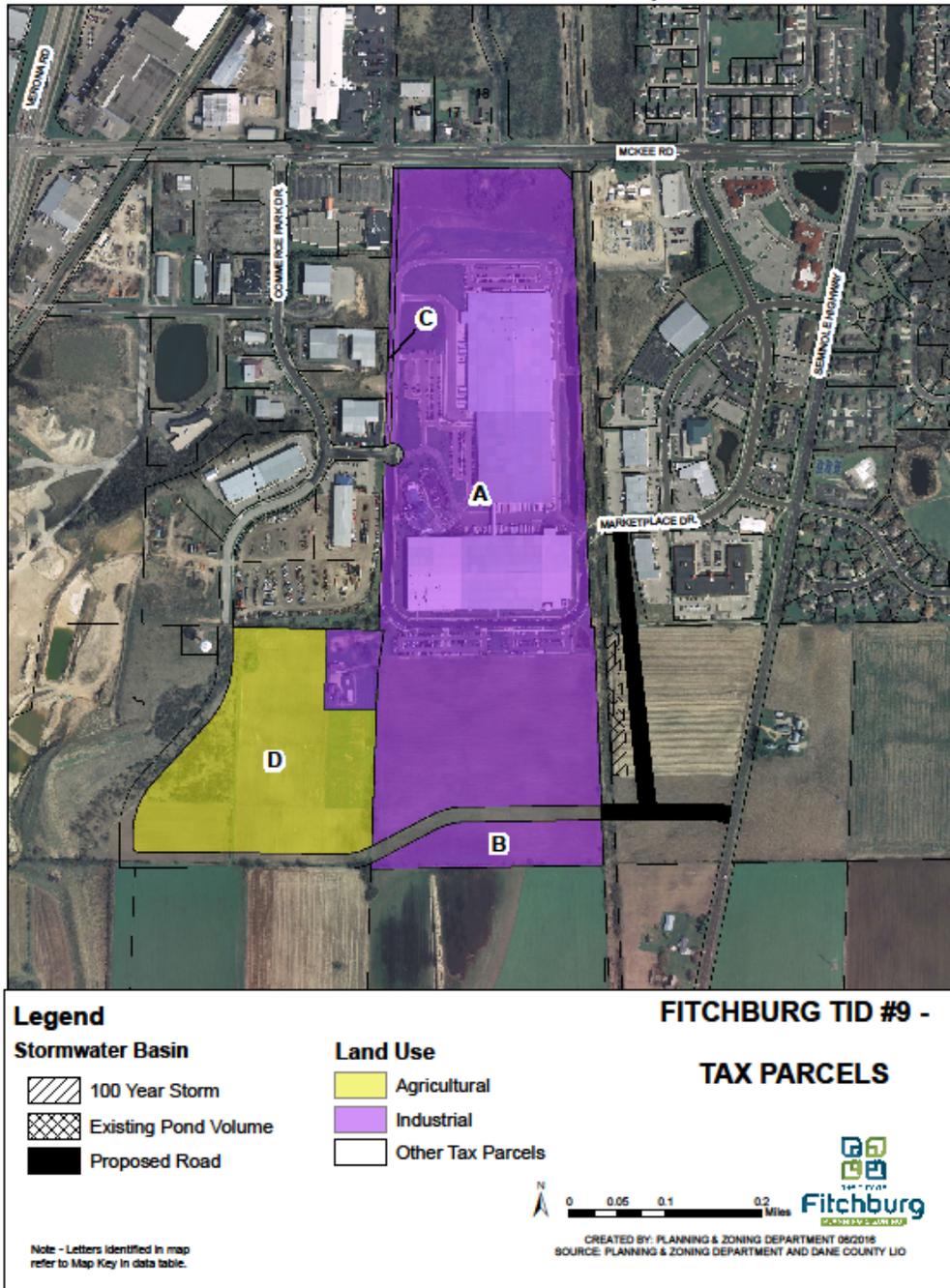
projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

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

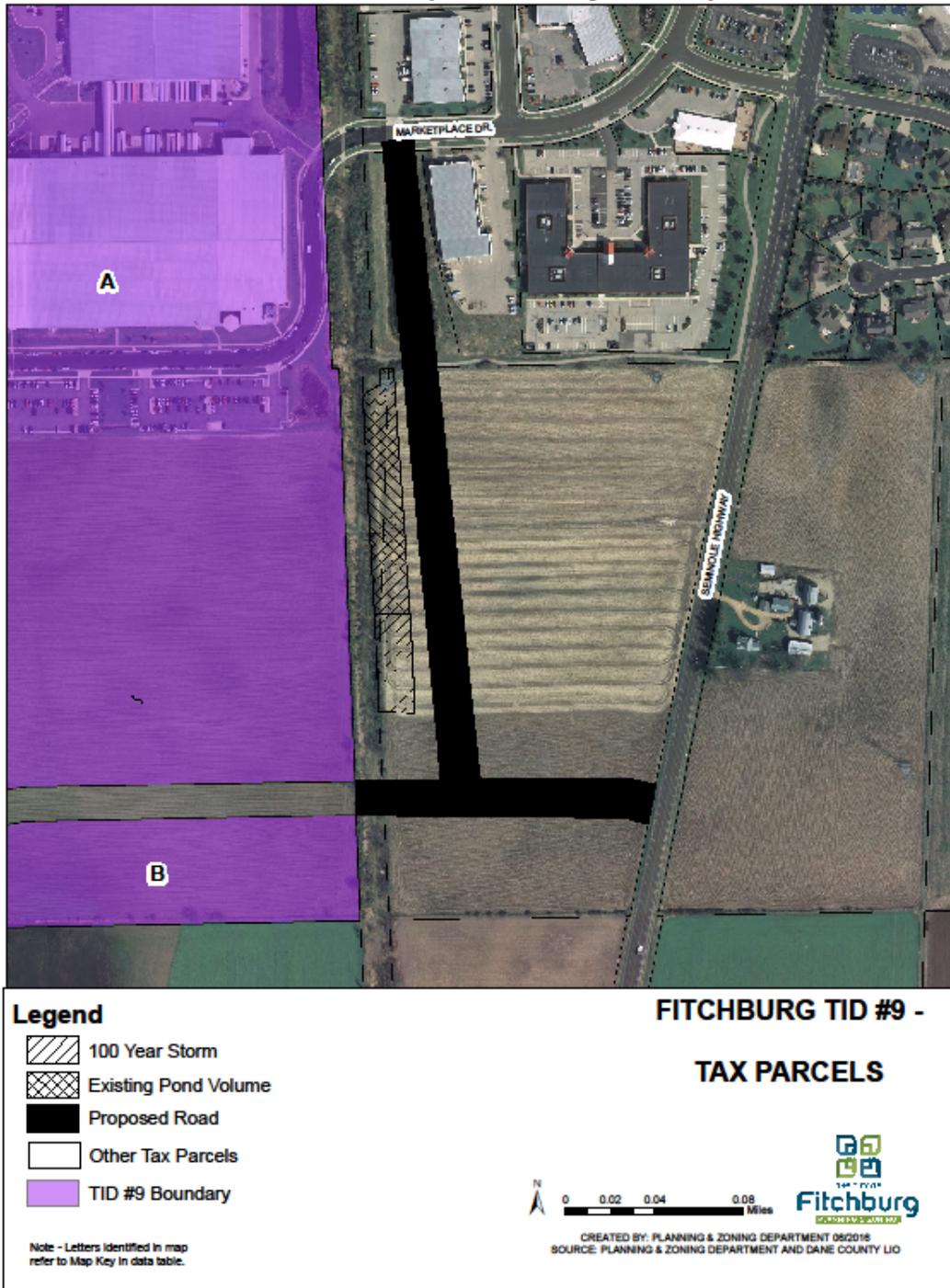
Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan or the original Project Plan. To the extent the costs benefit the City outside the District, a proportionate share of the cost is not a 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. 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 by the City in connection with the implementation of this Plan.

SECTION 8: Maps Showing Proposed Improvements and Uses Within The Territory To Be Added

TID #9 Land Use Map



TID #9 Proposed Project Map



SECTION 9: Detailed List of Additional **and/or** Updated Project Costs

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment. In addition, included for reference purposes, is a listing of the project cost estimates for the original District, and a comparison to the amended projected costs. As part of this Amendment, the City is also modifying the project cost estimates for the original District area to add additional projects. Details with respect to the added projects can also be found within this Section.

All costs are based on 2016 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2016 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 further amending this Plan.

Proposed TIF Project Cost Estimates

City of Fitchburg, Wisconsin					
Tax Increment District # 9 Project Plan and Boundary Amendment # 1 (Sub-Zero Project)					
Estimated Project List					
Project ID	Project Name/Type	2015 Original Estimates	2016 Amended Projection	2016 1/2 Mile Costs	Change to costs In District Boundary (Note 1)
1	Land Acquisition	2,050,000	2,050,000		0
2	Road Access	872,000	490,000		(382,000)
3	Utilities Extension	1,504,000	750,000		(754,000)
4	Engineering & Permitting	654,000	17,525		(636,475)
5	Demo & Reconstruct Cul de Sacs	60,000	60,000		0
6	Retention Pond	300,000	410,000		110,000
7	Parking lots	450,000	1,550,000		1,100,000
8	Engineering Services	140,000	263,900		123,900
9	Municipal Fees	141,000	72,323		(68,677)
10	Grading and other Site Work	550,000	3,008,000		2,458,000
11	Stormwork		600,000		600,000
12	Stormwater Land Acquisition		1,000,000		1,000,000
13	Road Construction		3,031,000		3,031,000
14	Stormwater Pond Relocation within 1/2 Mile			300,000	
15	Marketplace Dr. N. within 1/2 Mile			517,000	
16	Marketplace Dr. S. within 1/2 Mile			831,000	
17	Sub-Zero Parkway within 1/2 Mile			599,000	
Total Projects		6,721,000	13,302,748	2,247,000	6,581,748
LESS:					
	TEA Grant	(1,000,000)	(1,000,000)		
	WEDC Grant / Loan	(3,475,000)	(2,750,000)		725,000
	Contingency	4,000			(4,000)
Less Developer Funding		0	(6,302,748)		(6,302,748)
TID Participation Required		2,250,000	3,250,000	2,247,000	1,000,000
Notes:					
<p>Note 1 The Original TID participation authorized by the approved Project Plan was for \$2,250,000. This amendment seeks approval for an additional \$1,000,000 for costs within the District which would be used to offset the increased costs of \$6,581,748. The developer will be responsible for the remaining additional costs of \$6,302,748. In addition, this amendment seeks to add \$2,247,000 in costs within 1/2 Mi of District for project necessary to the development.</p>					

Version 2

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 District, as proposed to be amended by the addition of territory, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the remaining projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. 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 continued 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 expected to occur, 2) an updated projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) an updated 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 \$93,340,085 is currently unused and could be made available to finance Project Costs.

Bonds Issued to Developers (“Pay as You Go” or Municipal Revenue Obligation Financing)

The City may issue a bond or other Municipal Revenue Obligation (MRO) 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.

In addition, the size of the MRO in this plan is predicated upon the net taxable value of the Sub Zero project at \$21,525,000. This taxable value is expected to support both the GO Bonds and MRO with first priority payments to the GO Bonds. To the extent the taxable value is less, the principal amount of the MRO will be reduced to provide adequate revenue coverage.

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 its 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 its various utility 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

As stated in the original project plan, projects identified will provide the necessary anticipated governmental services and/or development incentives to the remaining district. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements, if any. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the additional territory. It is anticipated these expenditures will be made during 2016. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The order in which expenditures 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. In any event, all additional Project Costs are to be incurred within the period specified in Wisconsin Statutes Section 66.1105(6)(am).

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 expenditures 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 #9 Project Plan and Boundary Amendment #1 (Sub-Zero Project)			
Estimated Financing Plan			
	Municipal Revenue Obligation (MRO) 2016	G.O. Bond 2016	Totals
Projects			
Original Approved Costs	2,250,000		2,250,000
Project Plan Amendment #1 Additional Co	1,000,000		1,000,000
Stormwater Pond Relocation within 1/2 Mile		300,000	
Marketplace Dr. N. within 1/2 Mile		517,000	517,000
Marketplace Dr. S. within 1/2 Mile		831,000	831,000
Sub-Zero Parkway within 1/2 Mile		599,000	599,000
Total Project Funds	<u>3,250,000</u>	<u>2,247,000</u>	<u>5,197,000</u>
Estimated Finance Related Expenses			
Municipal Advisor		20,500	
Bond Counsel		17,000	
Rating Agency Fee		12,500	
Paying Agent		400	
Underwriter Discount	10.00	24,700	10.00
Debt Service Reserve			
Capitalized Interest		148,200	
Total Financing Required	3,250,000	2,470,300	
Estimated Interest	0.25%	(2,809)	0.25%
Assumed spend down (months)	6		6
Rounding	0	2,509	
Net Issue Size	3,250,000	2,470,000	5,720,000
Notes: Total increase in eligible costs = \$6,541,748. Developer will fund all but \$1,000,000. resulting in an increase in TID MRO of \$1,000,000.			
Version 1			

Development Assumptions

<div style="text-align: center;"> City of Fitchburg, Wisconsin Tax Increment District # 9 Project Plan and Boundary Amendment # 1 (Sub-Zero Project) Development Assumptions </div>							
Construction Year		Actual	Sub-Zero Expansion	Sub-Zero Training Facility	Annual Total	Construction Year	
1	2015	4,226,900			4,226,900	2015	1
2	2016		14,300,000	3,000,000	17,300,000	2016	2
3	2017				0	2017	3
4	2018				0	2018	4
5	2019				0	2019	5
6	2020				0	2020	6
7	2021				0	2021	7
8	2022				0	2022	8
9	2023				0	2023	9
10	2024				0	2024	10
11	2025				0	2025	11
12	2026				0	2026	12
13	2027				0	2027	13
14	2028				0	2028	14
15	2029				0	2029	15
16	2030				0	2030	16
17	2031				0	2031	17
18	2032				0	2032	18
19	2033				0	2033	19
20	2034				0	2034	20
Totals		4,226,900	14,300,000	3,000,000	21,526,900		

Notes:
2015 Actual represents the DOR reported value as of January 1, 2016.

Version 2

Increment Revenue Projections

City of Fitchburg, Wisconsin										
Tax Increment District # 9 Project Plan and Boundary Amendment # 1 (Sub-Zero Project)										
Tax Increment Projection Worksheet										
Type of District	Industrial		Initial Base	42,420,000		Amended Base	43,531,200		Apply to Base Value	
District Creation Date	June 9, 2015		Appreciation Factor	1.00%		Base Tax Rate	\$23.94			
Valuation Date	Jan 1,	2015	Rate Adjustment Factor							
Max Life (Years)	20									
Expenditure Period/Termination	15	6/9/2030	Tax Exempt Discount Rate	3.50%						
Revenue Periods/Final Year	20	2036	Taxable Discount Rate	5.00%						
Extension Eligibility/Years	Yes	3								
Recipient District	No									

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2015	4,226,900	2016	0	4,226,900	2017	\$23.94	101,192	97,770
2	2016	17,300,000	2017	42,269	21,569,169	2018	\$23.94	516,366	579,803
3	2017	0	2018	215,692	21,784,861	2019	\$23.94	521,530	1,050,193
4	2018	0	2019	217,849	22,002,709	2020	\$23.94	526,745	1,509,221
5	2019	0	2020	220,027	22,222,736	2021	\$23.94	532,012	1,957,161
6	2020	0	2021	222,227	22,444,964	2022	\$23.94	537,332	2,394,281
7	2021	0	2022	224,450	22,669,413	2023	\$23.94	542,706	2,820,843
8	2022	0	2023	226,694	22,896,108	2024	\$23.94	548,133	3,237,101
9	2023	0	2024	228,961	23,125,069	2025	\$23.94	553,614	3,643,305
10	2024	0	2025	231,251	23,356,319	2026	\$23.94	559,150	4,039,697
11	2025	0	2026	233,563	23,589,882	2027	\$23.94	564,742	4,426,515
12	2026	0	2027	235,899	23,825,781	2028	\$23.94	570,389	4,803,989
13	2027	0	2028	238,258	24,064,039	2029	\$23.94	576,093	5,172,345
14	2028	0	2029	240,640	24,304,680	2030	\$23.94	581,854	5,531,804
15	2029	0	2030	243,047	24,547,726	2031	\$23.94	587,673	5,882,580
16	2030	0	2031	245,477	24,793,204	2032	\$23.94	593,549	6,224,883
17	2031	0	2032	247,932	25,041,136	2033	\$23.94	599,485	6,558,919
18	2032	0	2033	250,411	25,291,547	2034	\$23.94	605,480	6,884,885
19	2033	0	2034	252,915	25,544,462	2035	\$23.94	611,534	7,202,979
20	2034	0	2035	255,445	25,799,907	2036	\$23.94	617,650	7,513,388
Totals	21,526,900		4,273,007		Future Value of Increment		10,847,229		

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).

Version 2

Cash Flow

City of Fitchburg, Wisconsin															
Tax Increment District # 9 Project Plan and Boundary Amendment # 1 (Sub-Zero Project)															
Cash Flow Projection															
Year	Projected Revenues				Expenditures				Balances						
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest	Less City Administrative Expense	Net Available TID Revenues	Municipal Revenue Obligation (MRO) Dated Date:	G.O. Bond 2,470,000 Dated Date:	Principal	Est. Rate	Interest	Total Expenditures	Annual	Cumulative	Principal Outstanding	
															Year
2015					0						0	0	0	0	2015
2016			148,200		148,200						0	148,200	148,200	5,720,000	2016
2017	101,192			(40,000)	61,192	0	6.00%	51,032	3.00%		51,032	10,160	158,360	5,863,968	2017
2018	516,366			(15,000)	501,366	100,000	6.00%	203,638	3.00%	74,100	427,738	73,628	231,988	5,713,968	2018
2019	521,530	580		(15,300)	506,810	100,000	6.00%	197,638	3.00%	72,600	430,238	76,571	308,559	5,553,968	2019
2020	526,745	771		(15,606)	511,910	100,000	6.00%	191,638	3.00%	70,800	422,438	89,472	398,032	5,393,968	2020
2021	532,012	995		(15,918)	517,089	150,000	6.00%	185,638	3.00%	69,000	464,638	52,451	450,483	5,183,968	2021
2022	537,332	1,126		(16,236)	522,222	150,000	6.00%	176,638	3.00%	67,200	463,838	58,384	508,867	4,963,968	2022
2023	542,706	1,272		(16,561)	527,417	150,000	6.00%	167,638	3.00%	65,100	462,738	64,679	573,545	4,733,968	2023
2024	548,133	1,434		(16,892)	532,674	200,000	6.00%	158,638	3.00%	62,700	521,338	11,336	584,882	4,433,968	2024
2025	553,614	1,462		(17,230)	537,846	200,000	6.00%	146,638	3.00%	59,700	506,338	31,508	616,390	4,133,968	2025
2026	559,150	1,541		(17,575)	543,116	200,000	6.00%	134,638	3.00%	56,700	501,338	41,778	658,168	3,823,968	2026
2027	564,742	1,645		(17,926)	548,461	200,000	6.00%	122,638	3.00%	53,400	496,038	52,423	710,591	3,503,968	2027
2028	570,389	1,776		(18,285)	553,881	200,000	6.00%	110,638	3.00%	49,800	510,438	43,443	754,033	3,153,968	2028
2029	576,093	1,885		(18,651)	559,328	200,000	6.00%	98,638	3.00%	45,300	518,938	40,389	794,423	2,778,968	2029
2030	581,854	1,986		(19,024)	564,816	200,000	6.00%	86,638	3.00%	40,050	511,688	53,128	847,551	2,393,968	2030
2031	587,673	2,119		(19,404)	570,387	200,000	6.00%	74,638	3.00%	34,500	509,138	61,249	908,800	1,993,968	2031
2032	593,549	2,272		(19,792)	576,029	200,000	6.00%	62,638	3.00%	28,500	516,138	59,891	968,691	1,568,968	2032
2033	599,485	2,422		(20,188)	581,718	200,000	6.00%	50,638	3.00%	21,750	497,388	84,330	1,053,022	1,143,968	2033
2034	605,480	2,633		(20,592)	587,520	200,000	6.00%	38,638	3.00%	15,000	503,638	83,882	1,136,904	693,968	2034
2035	611,534	2,842		(21,004)	593,373	220,000	6.00%	26,638	3.00%	7,500	504,138	89,235	1,226,139	223,968	2035
2036	617,650	3,065		(21,424)	599,291	223,968	6.00%	13,438	3.00%	0	237,406	361,885	1,588,024	0	2036
Total	10,847,229	31,828	148,200	(382,608)	10,644,648	3,393,968		2,298,956		893,700	9,056,624	1,588,024		Total	

Notes: Projected TID Closure

Version 2

Sub-Zero Expansion Project 2015										
I. TID MRO PAYMENT Information										
Date of Bond Issuance	9/1/2016									
Version 2				6.000000%						
Year Collected	Tax Increment	Principal Balance	31-Dec	Interest Due	1-Sep	Interest Paid	Interest Accrued	Principal Paid	TOTAL P & I Paid	
2015										
2016		3,250,000								
1	61,192	3,393,968		195,000		51,032	143,968	0	51,032	
2	501,366	3,293,968		203,638		203,638	0	100,000	303,638	
3	506,810	3,193,968		197,638		197,638	0	100,000	297,638	
4	511,910	3,093,968		191,638		191,638	0	100,000	291,638	
5	517,089	2,943,968		185,638		185,638	0	150,000	335,638	
6	522,222	2,793,968		176,638		176,638	0	150,000	326,638	
7	527,417	2,643,968		167,638		167,638	0	150,000	317,638	
8	532,674	2,443,968		158,638		158,638	0	200,000	358,638	
9	537,846	2,243,968		146,638		146,638	0	200,000	346,638	
10	543,116	2,043,968		134,638		134,638	0	200,000	334,638	
11	548,461	1,843,968		122,638		122,638	0	200,000	322,638	
12	553,881	1,643,968		110,638		110,638	0	200,000	310,638	
13	559,328	1,443,968		98,638		98,638	0	200,000	298,638	
14	564,816	1,243,968		86,638		86,638	0	200,000	286,638	
15	570,387	1,043,968		74,638		74,638	0	200,000	274,638	
16	576,029	843,968		62,638		62,638	0	200,000	262,638	
17	581,718	643,968		50,638		50,638	0	200,000	250,638	
18	587,520	443,968		38,638		38,638	0	200,000	238,638	
19	593,373	223,968		26,638		26,638	0	220,000	246,638	
20	599,291	0		13,438		13,438	0	223,968	237,406	
TOTALS	7,338,316			2,442,924		2,298,956		3,393,968	5,692,924	

SECTION 11: Annexed Property

There are no lands within the Territory proposed to be included within the District by Amendment that were annexed by the City on or after January 1, 2004.

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

The City estimates that none of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

SECTION 13: Proposed Zoning Ordinance Changes

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan. And any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.

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 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 of the City of Fitchburg

This amendment contributes to the orderly development of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity.

SECTION 17: List of Estimated Non-Project Costs

The City does not expect to incur any non-project costs in the implementation of this Project Plan, however due to the extent that the projects within the ½ mile radius identified in the plan benefit development outside the District; the City intends to negotiate participation from those developments.

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
Fax: (608) 270-4212
mark.sewell@fitchburgwi.gov

August 23, 2016

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

RE: City of Fitchburg, Wisconsin Tax Incremental District No. 9 Amendment

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 Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Sewell'.

Attorney Mark Sewell

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	16.98%		
Madison Metro Sewer District				0	0.00%		
City of Fitchburg				23,114,627	51.04%		
Verona Area School District				12,181,025	26.90%		
Madison Area Technical College				2,303,813	5.09%		
Total				45,290,248			

Revenue Year	Dane County	Madison Metro Sewer District	City of Fitchburg	Verona Area School District	Madison Area Technical College	Total	Revenue Year
2017	17,184	0	51,645	27,216	5,147	101,192	2017
2018	87,685	0	263,536	138,879	26,266	516,366	2018
2019	88,561	0	266,171	140,268	26,529	521,530	2019
2020	89,447	0	268,833	141,671	26,794	526,745	2020
2021	90,342	0	271,521	143,087	27,062	532,012	2021
2022	91,245	0	274,236	144,518	27,333	537,332	2022
2023	92,157	0	276,979	145,963	27,606	542,706	2023
2024	93,079	0	279,749	147,423	27,882	548,133	2024
2025	94,010	0	282,546	148,897	28,161	553,614	2025
2026	94,950	0	285,372	150,386	28,443	559,150	2026
2027	95,899	0	288,225	151,890	28,727	564,742	2027
2028	96,858	0	291,108	153,409	29,014	570,389	2028
2029	97,827	0	294,019	154,943	29,305	576,093	2029
2030	98,805	0	296,959	156,492	29,598	581,854	2030
2031	99,793	0	299,928	158,057	29,894	587,673	2031
2032	100,791	0	302,928	159,638	30,193	593,549	2032
2033	101,799	0	305,957	161,234	30,494	599,485	2033
2034	102,817	0	309,017	162,847	30,799	605,480	2034
2035	103,845	0	312,107	164,475	31,107	611,534	2035
2036	104,884	0	315,228	166,120	31,418	617,650	2036
	<u>1,841,979</u>	<u>0</u>	<u>5,536,063</u>	<u>2,917,413</u>	<u>551,774</u>	<u>10,847,229</u>	

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