



## ***CITY OF FITCHBURG, WISCONSIN***

### ***Territory & Project Plan Amendment # 2 to Tax Incremental District No. 4***



*Joint Review Board Organizational Meeting Held: March 15, 2011*

*Public Hearing Held: March 15, 2011 & April 19, 2011*

*Adopted by Plan Commission: April 19, 2011*

*Adopted by Common Council: April 26, 2011*

*Adopted by the Joint Review Board: May 5, 2011*

# Tax Incremental District No. 4 Territory & Project Plan Amendment #2

## City of Fitchburg Officials

### *Common Council*

Shawn Pfaff	Mayor
Dorothy Krause	Aldersperson
Carol Poole	Aldersperson
Swami Swaminathan	Aldersperson
Patrick Stern	Aldersperson
Richard Bloomquist	Aldersperson
Denise Solie	Aldersperson
Steve Arnold	Aldersperson
Becky Baumbach	Aldersperson

### *City Staff*

Anthony D. Roach	Administrator
Nancy L. Solberg	Finance Director / Treasurer
Linda Cory	Clerk
Tom Hovel	City Planner / Zoning Administrator
Michael Zimmerman	Economic Development Director
Paul Woodard	Public Works Director / City Engineer
Michael Procknow	Assessor
Mark R. Sewell	Attorney

### *Plan Commission*

Carol Poole, Chair	Mark McNally
Becky Baumbach, Alder	John Freiburger
Ron Johnson	Ed Kinney

## Joint Review Board

Tom Hovel

City Representative

Dave Worzala

Dane County

Roger Price

Madison Area Technical College District

Lucy Mathiak

Madison Metropolitan School District

Tom Clauder

Public Member

# TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	5
TYPE & GENERAL DESCRIPTION OF DISTRICT .....	9
MAPS OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED	10
SEE FOLLOWING PAGES .....	10
MAPS SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED .....	14
PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO THE EXISTING DISTRICT & ANALYSIS.....	17
EQUALIZED VALUE TEST .....	18
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS.....	19
MAPS SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED.....	23
DETAILED LIST OF ADDITIONAL AND/OR UPDATED PROJECT COSTS.....	26
ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED .....	28
ANNEXED PROPERTY .....	36
ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS.....	36
PROPOSED CHANGES IN ZONING ORDINANCES.....	36
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF FITCHBURG ORDINANCES .....	37
RELOCATION .....	37
ORDERLY DEVELOPMENT OF THE CITY OF FITCHBURG .....	37
A LIST OF ESTIMATED NON-PROJECT COSTS .....	38
OPINION OF ATTORNEY FOR THE CITY OF FITCHBURG ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105.....	39
EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS .....	40
EXHIBIT B – EXISTING AREA PROJECTED DEVELOPMENT & COSTS ONLY.....	41

# 1

## EXECUTIVE SUMMARY

### ***DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT***

- Original District Purpose.
  - Tax Incremental District (“TID”) No. 4 (“District”) is an existing industrial district, which was created by a resolution of the Common Council adopted on May 27, 2003
- Additional Amendments.
  - The District was previously amended on August 9, 2005, a resolution was adopted to add additional territory to the District, and to provide for the undertaking of additional expenditures. This amendment was the first of four territory amendments permitted for this District.
- Purpose of this Amendment.
  - Add territory to the District, providing incentive and opportunities for additional development and/or redevelopment.
  - Modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional development and/or redevelopment
  - Allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Section 66.1105(2)(f)1.n. Wisconsin Statutes.
- Estimated Total Project Expenditures.
  - The City anticipates making project expenditures of approximately \$31,480,000 to undertake projects in the amendment areas as listed in this Project Plan. It is anticipated that the remaining and additional projects will be completed in 3 phases. The Expenditure Period of this District terminates on 5/27/21. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with General Obligation Bonds issued in 2011, 2012 and in the future, 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.

- Economic Development.
  - As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$216,500,000 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 amendment 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.
  
- Expected Termination of District.
  - TID No. 4 has a maximum statutory life of 23 years, and must close not later than May 27, 2026, resulting in a final collection of increment in budget year 2027. Pre-amendment cash flow considering only existing increment value and assuming no additional projects are undertaken anticipate total cumulative revenues that will exceed total liabilities by the year 2014, enabling the District to close 12 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 2014 to 2025, 2 years earlier than its maximum life.

## **SUMMARY OF FINDINGS**

As required by s.66.1105 Wis. Stats., 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 developer’s intended sources and uses proforma for Phases I & II of the proposed development. This preliminary review has concluded that a public investment of approximately \$31,050,000 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.
  - The sites proposed for development have remained vacant for many years due to lack of adequate infrastructure, obsolete platting and ownership by multiple parties. 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 TIF will be required to provide the necessary infrastructure inducements to encourage development on the sites consistent with that desired by the City.
  - In order to make the amendment areas 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 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.

- Previous City plans for this area have envisioned the use of TIF funding.

**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 amendment areas. On this basis alone, the finding is supported.
- The additional development expected to occur in the amendment area(s) is likely to generate between 1,000 and 3,354 jobs over the life of the District, with an average wage of between \$25 K and \$70 K / Year (*source: Vandewalle & Assoc. report of 1/26/11*).
- The development expected to occur within the amendment area(s) is expected to create approximately 444 dwelling units, providing housing opportunities for workers, at the time of full build-out.

**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, 2011. 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, 2011 would be collected by the Tax Increment District and used to repay the costs of TIF-eligible projects undertaken within the District.
- Given that additional development is not likely to occur 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 is 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 Section 66.1101 of the Wisconsin Statutes 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 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 less than 35% 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 Sections 66.1105(5)(b) of the Wisconsin Statutes.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## 2

### TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District No. 4 (the “District”) was created under the authority provided by Wisconsin Statutes Section 66.1105 on May 27, 2003 by resolution of the Common Council. The District’s valuation date, for purposes of establishing base value, was January 1, 2003.

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 territory up to a total of four times during the life of the District. The boundaries of TID No. 4 have been amended once, prior to this Amendment. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

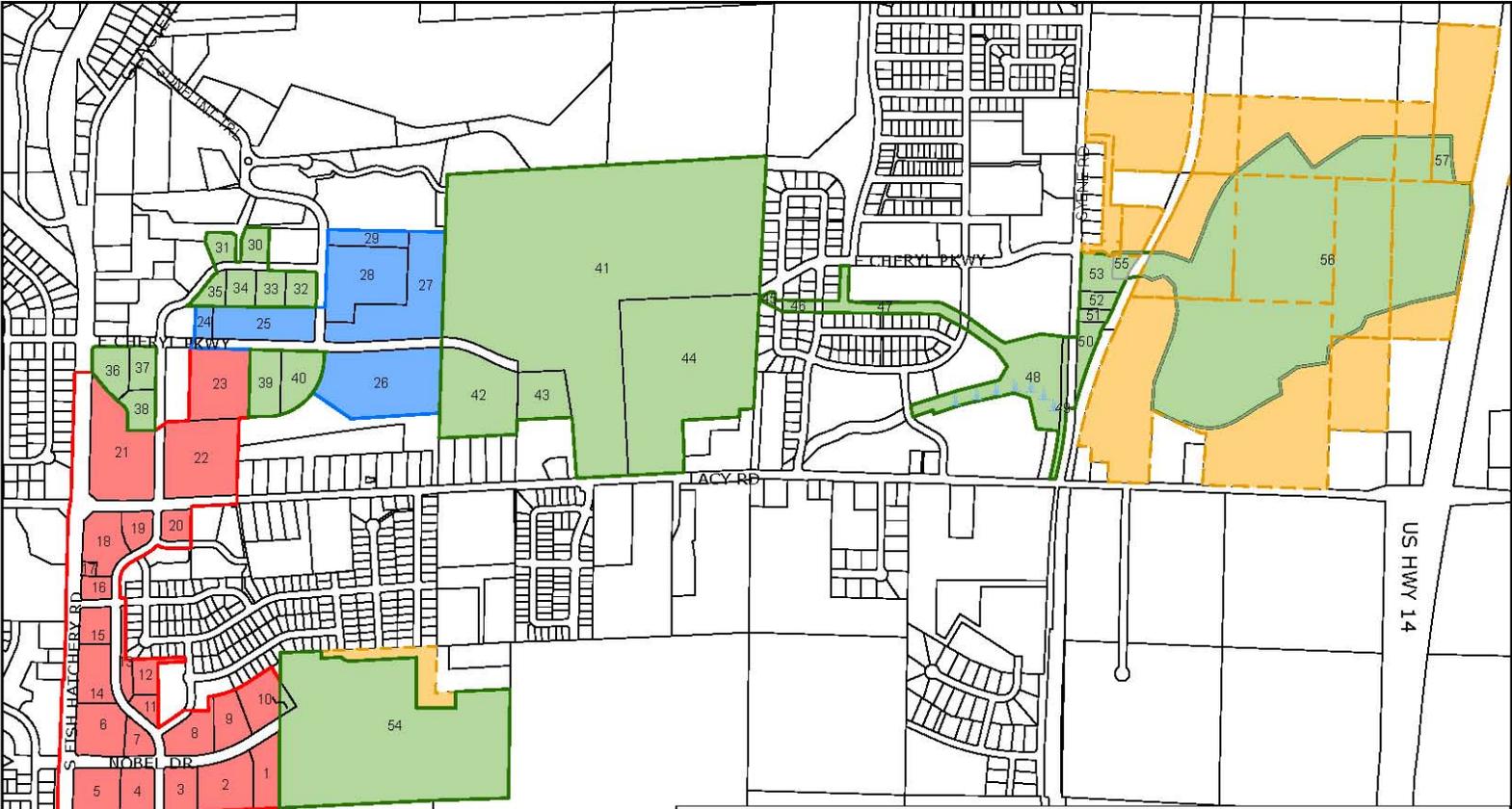
The purpose of the Territory Amendment is to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the City to install additional public improvements, and to make additional necessary related expenditures that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

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.

**3**

**MAPS OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED**

See following pages



Lot line adjustments or platting will need to occur prior to the creation of TID#4 amendment. New lots to be created are labeled 54-57 (green color). The parent parcels are represented by the orange dashed lines, with the land to be adjusted outside of the TID boundary in tan.

### FITCHBURG TAX INCREMENT FINANCE DISTRICT #4

Note - Numbers illustrated in map refer to Map #'s in tables.

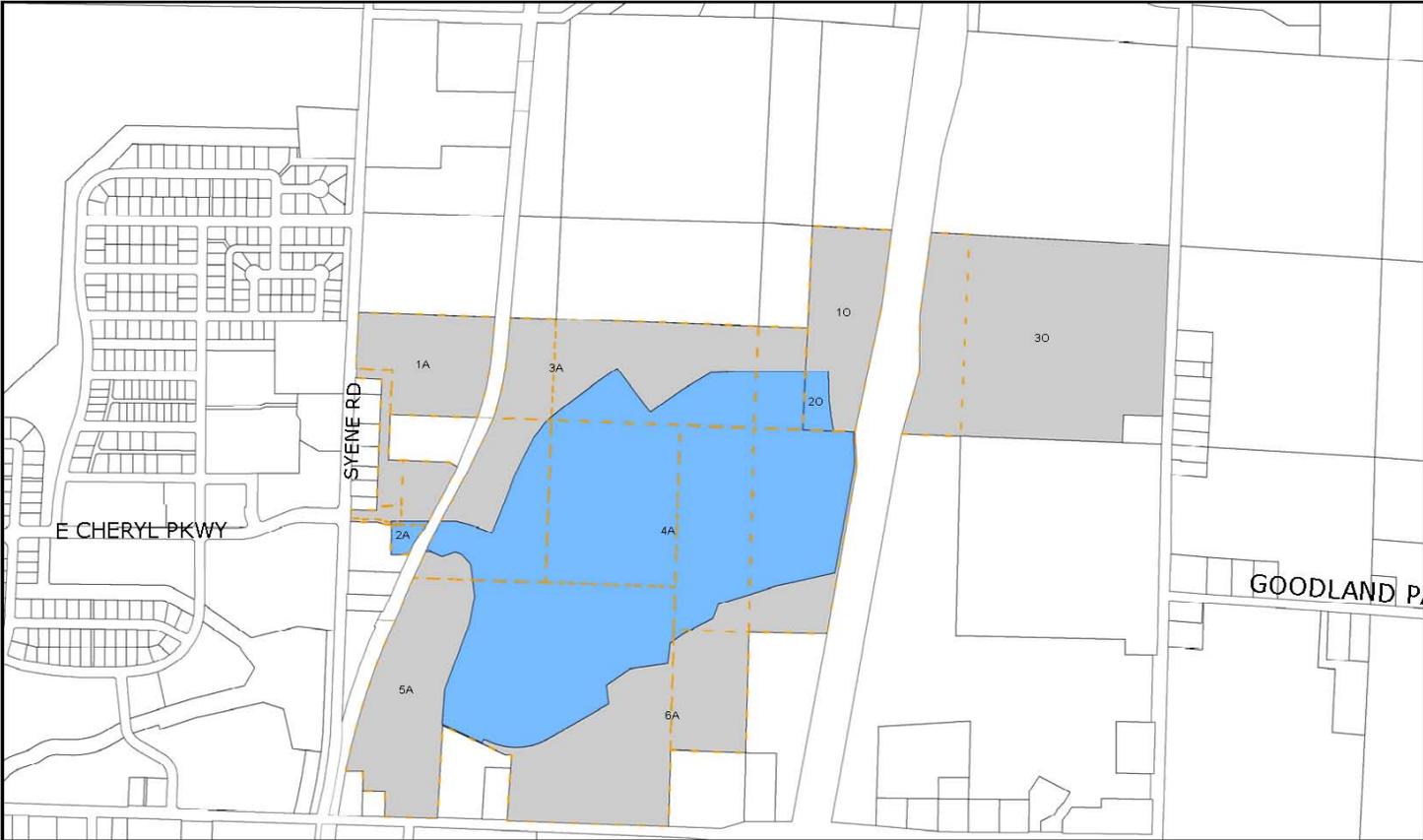
Prepared by: Planning Department  
 February 14, 2011  
 Data Source: City of Fitchburg  
 Dane County LIO

- Original TID #4
- Approved Amendment 2005
- Proposed Addition
- Parent Parcel Boundary
- Lot Line Adj. Parcel Boundary
- Parcel Boundary

Wetlands

1 inch = 1,200 feet





### Proposed Lot Line Adjustment - TID #4 Parcels

Lot line adjustments or platting will need to occur prior to the creation of TID#4 amendment.

Note - Numbers illustrated in map are last digits of the parcel number.

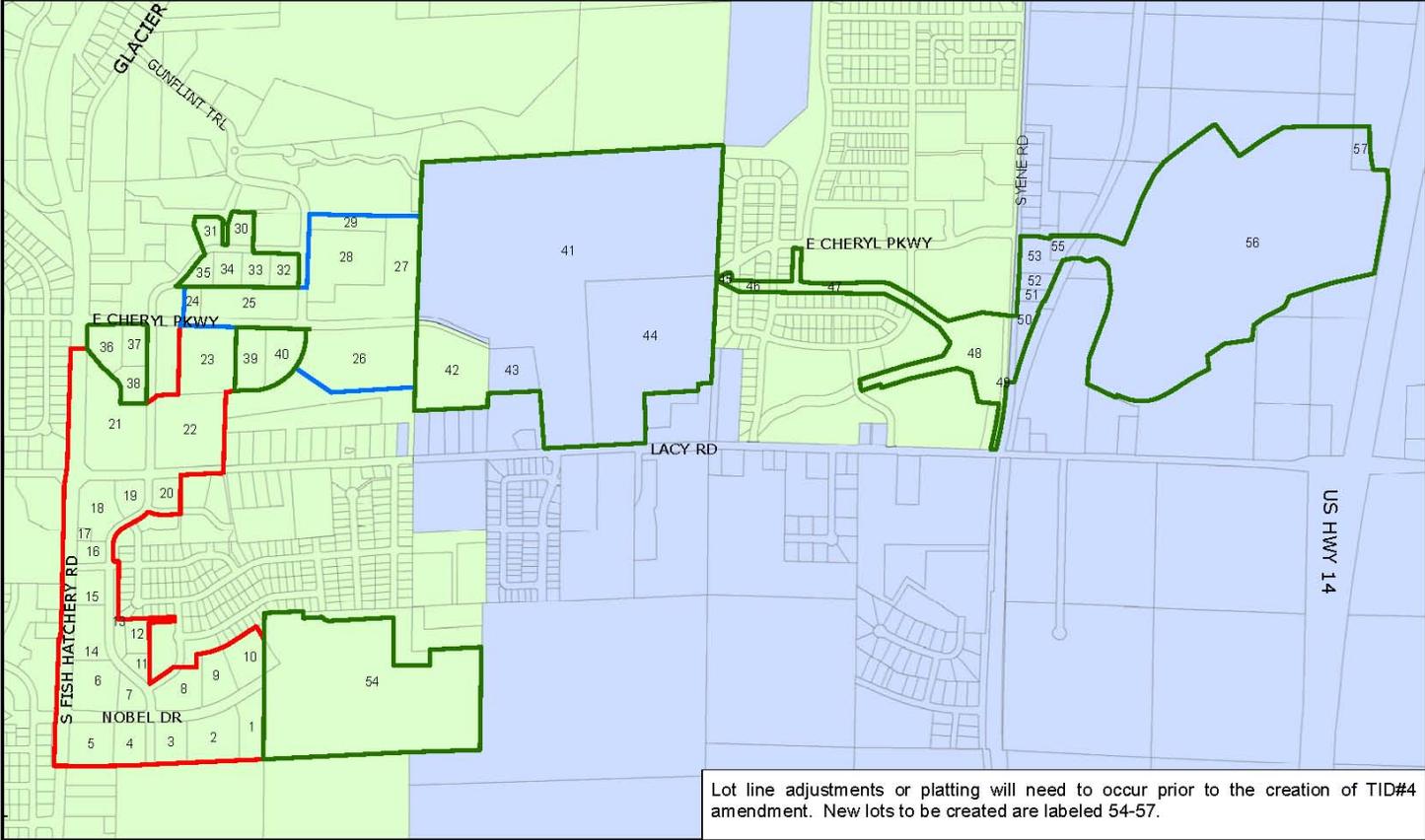
Prepared by: Planning Department  
February 14, 2011  
Data Source: City of Fitchburg  
Dane County LIO

-  Proposed Parcels Inside TID
-  Proposed Parcels Outside TID
-  Existing Parcel Boundary



1 inch = 875 feet





### FITCHBURG TAX INCREMENT FINANCE DISTRICT #4 SCHOOL DISTRICTS

Note - Numbers illustrated in map refer to Map #'s in tables.

Prepared by: Planning Department  
 February 14, 2011  
 Data Source: City of Fitchburg  
 Dane County LIO

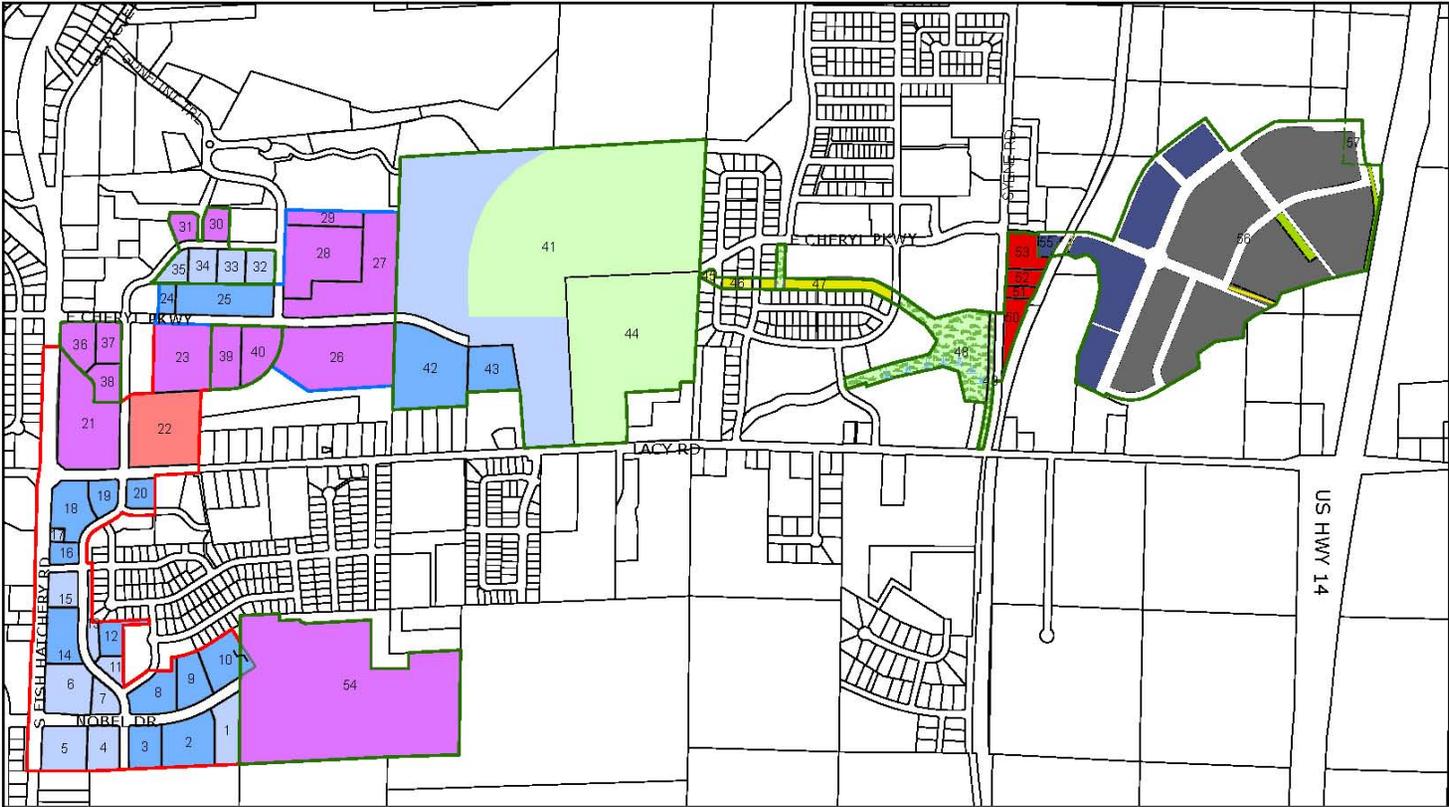
- Original TID #4
- Approved Amendment 2005
- Proposed Addition
- Madison School District
- Oregon School District
- Parcel Boundary

N  
  
 1 inch = 1,200 feet

**4**

**MAPS SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED**

See following pages



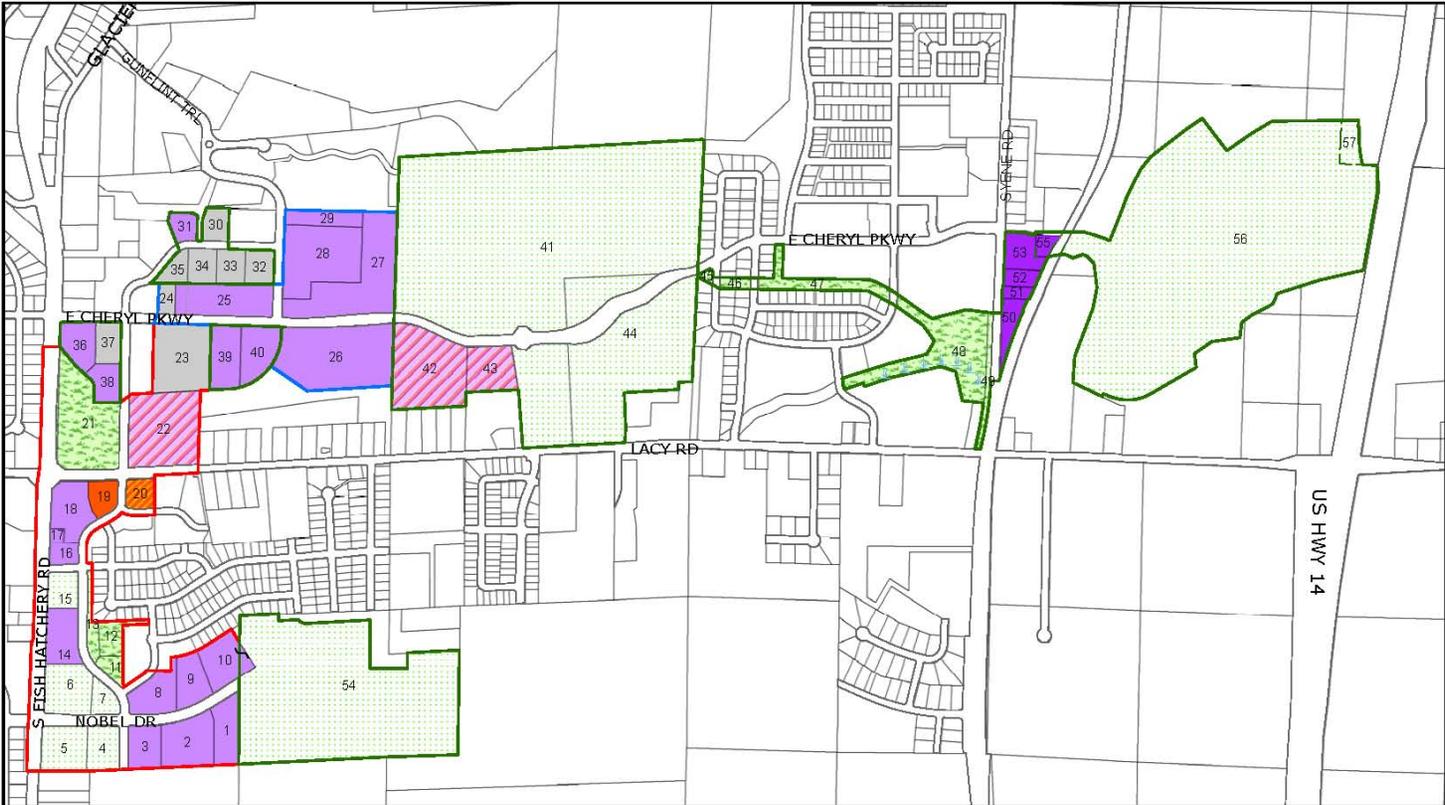
**FITCHBURG TAX INCREMENT FINANCE DISTRICT #4  
EXISTING ZONING MAP**

Note - Numbers illustrated in map refer to Map #'s in tables.  
Prepared by: Planning Department  
February 14, 2011  
Data Source: City of Fitchburg  
Dane County LIO

- |   |  |                              |                               |
|---|--|------------------------------|-------------------------------|
| R-L; Low Density Residential            | PDD-GIP - General Implementation Plan  | SmartCode Zoning Civic Space | Original TID #4               |
| R-LM; Low to Medium Density Residential | PDD-SIP - Specific Implementatino Plan | Private Plazas               | Approved Amendment 2005       |
| B-G; General Business                   | P-R; Park and Recreation District      | Special District             | Proposed Addition             |
| B-H; Highway Business                   | A-T; Transitional Agriculture          | T5                           | Lot Line Adj. Parcel Boundary |
| R-D; Rural Development                  | A-X; Exclusive Agriculture             | Wetlands                     |                               |
| I-S; Specialized Industrial             |  |                              |                               |

1 inch = 1,200 feet



**FITCHBURG TAX INCREMENT FINANCE DISTRICT #4  
EXISTING LAND USE MAP**

Note - Numbers illustrated in map refer to Map #'s in tables.

Prepared by: Planning Department  
February 14, 2011  
Data Source: City of Fitchburg  
Dane County LIO

-  Agriculture
-  Industrial-General
-  Original TID #4
-  Wetlands
-  Business
-  Mixed-Use
-  Approved Amendment 2005
-  Government/Institutional
-  Park & Open Space
-  Proposed Addition
-  Industrial-Commercial
-  Vacant
-  Lot Line Adj. Parcel Boundary



**5**

**PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO THE EXISTING DISTRICT & ANALYSIS**

City of Fitchburg, WI Tax Increment Distric Project Plan & Boundary Amendment Preliminary Parcel List										
MAP REF. #	PARCEL NO.	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	EQUALIZED VALUE	PARCEL ACREAGE	ACRES ZONED AND SUITABLE FOR INDUSTRIAL USE
<b>ORIGINAL DISTRICT AREA DATA</b>										
									116.116	89.497
10	060915243022	New Venture Center II LLC	2,947,800	1,065,000	4,219,400	5,284,400	3 - Manufacturing	5,284,400	0.500	0.500
30	060910327630	FITCHBURG RESEARCH PARK ASSC		431,000	-	431,000	2 - Commercial	437,875	1.570	1.570
31	060910326122	PROMEGA CORP		310,000	420,000	730,000	2 - Commercial	741,644	1.420	1.420
32	060910330671	FITCHBURG RESEARCH PARK ASSOCIATES (LTD PARTNERSHIP)		370,000	-	370,000	2 - Commercial	375,902	1.829	1.829
33	060910330564	FITCHBURG RESEARCH PARK ASSOCIATES (LTD PARTNERSHIP)		170,000	-	170,000	2 - Commercial	172,712	1.801	1.801
34	060910330457	FITCHBURG RESEARCH PARK ASSOCIATES (LTD PARTNERSHIP)		385,000	-	385,000	2 - Commercial	391,141	1.839	1.839
35	060910330340	FITCHBURG RESEARCH PARK ASSOCIATES (LTD PARTNERSHIP)		360,000	-	360,000	2 - Commercial	365,742	1.500	1.500
36	060910345012	HEALTH PROFESSIONALS OF WISCONSIN INC	443,700	990,000	1,005,000	1,995,000	2 - Commercial	2,026,821	2.530	2.530
37	060910345325	FITCHBURG RESEARCH PARK ASSOCIATES LTD PARTNERSHIP		610,000	-	610,000	2 - Commercial	619,730	2.020	2.020
38	060910345638	PROMEGA CORPORATION	49,600	534,200	1,590,800	2,125,000	3 - Manufacturing	2,125,000	2.017	2.017
39	060910391782	BRUKER AXS INC	0	642,300	-	642,300	3 - Manufacturing	642,300	3.478	3.478
40	060910392355	BRUKER AXS INC	1,011,700	627,100	2,575,300	3,202,400	3 - Manufacturing	3,202,400	3.508	3.508
41	060910485022	FITCHBURG RESEARCH PARK ASSC		32,500	-	32,500	5M - Agricultural Forest	61,286	98.337	
42	060910395709	HOSPICECARE HOLDINGS INC		-	-	0	Exempt		10.189	10.189
43	060910493222	HOSPICECARE HOLDINGS INC		-	-	0	Exempt		3.985	3.985
44	060910483362	FITCHBURG RESEARCH PARK ASSOCIATES LTD PARTNERSHIP		8,700		8,700	4 - Agricultural	8,700	32.082	
45	060911325002	FITCHBURG, CITY OF		-	-	0	Exempt		0.266	
46	060911326002	FITCHBURG, CITY OF		-	-	0	Exempt		0.621	
47	060911326252	FITCHBURG, CITY OF		-	-	0	Exempt		3.300	
48	060911362002	FITCHBURG, CITY OF		-	-	0	Exempt		9.450	
49	060911362252	FITCHBURG, CITY OF		-	-	0	Exempt		1.400	
50	060911491102	PERKINS INVESTMENT CORP	12,800	400,000	20,000	420,000	2 - Commercial	426,699	1.802	1.802
51	060911487402	MAREET LLC	244,500	165,000	745,000	910,000	2 - Commercial	924,515	0.672	0.672
52	060911487304	GJL & TLL REV LIVING TR	3,500	255,000	235,000	490,000	2 - Commercial	497,816	1.073	1.073
53	060911487019	GERLACH WHOLESALE FLOORING INC	0	555,000	35,000	590,000	2 - Commercial	599,411	2.273	2.273
54	060915260262	TECH LANDS LLC		12,500	-	12,500	4 - Agricultural	12,500	48.880	46.880
55		Green-Tech Land Company LLC		65,000	49,000	114,000	7 - Other	214,973	0.902	
56		Green-Tech Land Company LLC		23,500	-	23,500	4 - Agricultural	23,500	96.654	58.453
57		Duane Osborn		300	-	300	4 - Agricultural	300	1.533	0.782
		SUBTOTAL PERSONAL PROPERTY >	4,713,600			18,906,600		8,888,554	NA	NA
								<b>28,043,918</b>	<b>453.546</b>	<b>239.618</b>
								ESTIMATED BASE VALUE	TOTAL DISTRICT ACREAGE	TOTAL INDUSTRIAL ACREAGE
										<b>52.832%</b>



# 6 EQUALIZED VALUE TEST

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., 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 (“TIDs”), 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. 4, plus the value of all other existing Tax Incremental Districts within the City, totals \$151,358,818. This value is less than the maximum of \$302,955,336 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.

<i>City of Fitchburg, WI</i>				
Tax Increment District No. 4				
Valuation Test Compliance Calculation				
		Valuation Data Currently Available	Valuation Data Establishing 12% Limit Based on Anticipated Creation Date	Estimated Valuation Data Establishing Base Value
Anticipated Creation Date: 3/22/2011		<b>ACTUAL</b>	<b>ESTIMATED</b>	<b>ESTIMATED</b>
Property Appreciation Factor: 5.00%		2010	2011	2012
As of January 1,		2,524,627,800	2,650,859,190	
Total Equalized Value (TID IN)		302,955,336	318,103,103	
Limit for 12% Test				
Increment Value of Existing TID's				
TID No. 4 Increment	68,872,600	72,316,230		Percentage Increase in Base Value at Which EV Test will Fail  540.57%
TID No. 6 Increment	49,254,600	51,717,330		
TID No. 7 Increment	4,632,600	4,864,230		
TID No. 8 Increment	555,100	582,855		
Total Existing Increment	123,314,900	129,480,645		
Projected Base Value of New District		28,043,918	29,446,114	30,918,420
Existing TID New Construction Factor				
TOTAL VALUE SUBJECT TO TEST/LIMIT		151,358,818	158,926,759	160,399,065
COMPLIANCE		PASS	PASS	PASS



# 7

## STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

The following is a list of public works and other 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

- **ACQUISITION OF RIGHTS-OF-WAY.** The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.
- **ACQUISITION OF EASEMENTS.** The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.
- **RELOCATION COSTS.** If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by 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.
- **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

- **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; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **STREETS AND STREETSCAPE**

- **STREET IMPROVEMENTS.** There are inadequate street improvements serving the District. To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, highways, interchange access, roundabouts, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.
- **STREETSCAPING AND LANDSCAPING.** 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 TYPE ACTIVITES**

- **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**

- **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.

- Sustainability, environmental, structured parking, green building certification, and relocation and revolving loan fund expenses.
  - Potential development incentives include possible funding for a variety of sustainability initiatives, relocation costs, and establishment of low interest loans to promote sustainability. Initiatives that may be funded, provided sufficient increment is generated or available, include environmental initiatives such as green roofs, or water harvesting to help promote sustainable water use; structured parking to promote compact development and help attain a .5 floor area ratio; funding to assist in covering costs for LEED, or other green building certification. If necessary, certain existing uses may need to be relocated for public improvements, or to advance development, and relocation costs are provided as part of the potential incentives. Low interest loans may be provided to assist with sustainability initiatives or incentives that will become part of a revolving loan fund.
  - A summary of the types of development incentives which would be eligible would include:
    - ✓ Payment for Structured Parking
    - ✓ Costs associated with full compliance with Smart Growth Code.
    - ✓ Costs associated with environmental remediation or providing more energy efficient building including Leed Certifications.
    - ✓ Land Writedown for prospective businesses demonstrating need.
    - ✓ Assistance with relocation expenses.
- **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:
  - The entire interchange and MM connection is outside the District boundary, but within the ½ mile area. Total costs attributable to this is \$10,000,000.
- **PROFESSIONAL SERVICE AND ORGANIZATIONAL COSTS.** The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.
- **ADMINISTRATIVE COSTS.** The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees 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 of Fitchburg 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 Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the City of Fitchburg 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 (this "Plan").

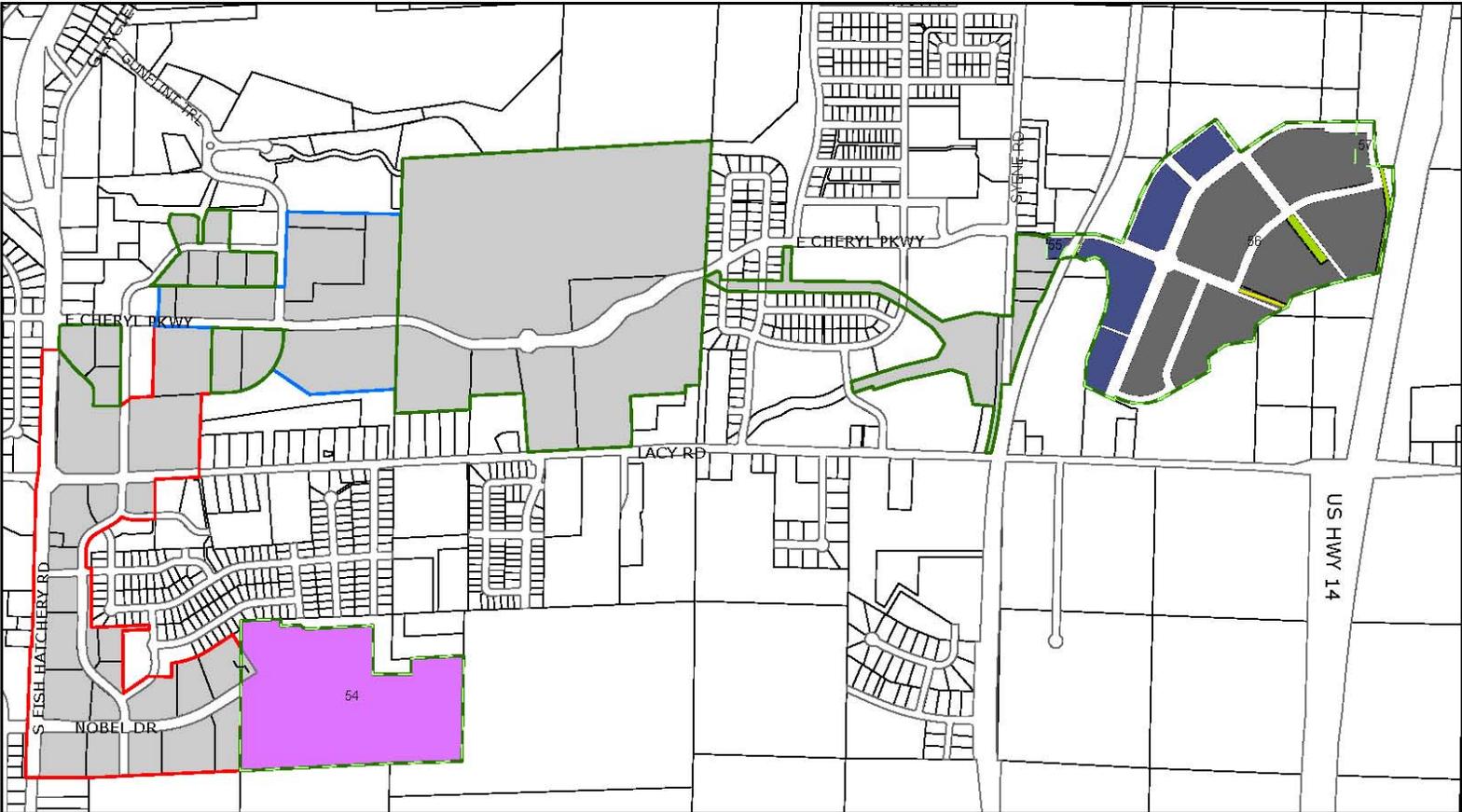
**The City of Fitchburg reserves the right to implement only those projects that remain viable as the Plan period proceeds.**

Project Costs are any expenditures 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 of Fitchburg 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. Proration 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.

**8**

**MAPS SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED**

See following pages



**FITCHBURG TAX INCREMENT FINANCE DISTRICT #4  
 PROPOSED ZONING MAP AMENDMENTS**

Note - Numbers illustrated in map refer to Map #'s in tables.

Prepared by: Planning Department  
 February 14, 2011  
 Data Source: City of Fitchburg  
 Dane County LIO

- |                         |                             |                               |
|-------------------------|-----------------------------|-------------------------------|
| <b>SmartCode Zoning</b> | <b>Standard Zoning</b>      | <b>TID #4 Boundary</b>        |
| Civic Space             | I-S; Specialized Industrial | Original TID #4               |
| Private Plazas          |                             | Approved Amendment 2005       |
| Special District        |                             | Proposed Addition             |
| T5                      |                             | Lot Line Adj. Parcel Boundary |



1 inch = 1,200 feet



### FITCHBURG TAX INCREMENT FINANCE DISTRICT #4 PROPOSED IMPROVEMENTS

Note - Locations of proposed improvements may be adjusted.

Prepared by: Planning Department  
April 18, 2011  
Data Source: City of Fitchburg  
Dane County LIO

-  Parking Ramp
-  Road & Utility Improvements
-  1/2 mile TID Boundary
-  Original TID #4
-  Approved Amendment 2005
-  Proposed Addition



1 inch = 1,500 feet

# 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.

All costs are based on 2011 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2011 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.

Potential development incentives include relocation costs, the establishment of a revolving loan fund, and establishment of loan interest loans, or grants to promote sustainability. If necessary, certain existing uses may need to be relocated to better promote efficiency of land use or street improvements, and relocation costs are part of this incentive. Low interest loans may be provided to assist with sustainability initiatives or incentives that will become part of a revolving loan fund. Initiatives that may be funded, include, but are not limited to, green roofs, water harvesting techniques to promote sustainable water use; structured parking to promote compact development; funding to assist in covering certification costs for LEED, or other green building certification.

**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**

 <b>City of Fitchburg, WI</b> Tax Increment District No. 4 Project List				Phase I	Phase II	Phase III	TOTALS
				2011	2012	Future	
<b>Projects</b>							
FITCHBURG TECHNOLOGY CAMPUS Phase II							
Nobel Drive & Mica Road	1,000,000	700,000	300,000	2,000,000	0	0	0
NINE SPRINGS NEIGHBORHOOD/ GREEN TECH							
Interchange Project & Lacy Road East to MM	5,000,000	5,000,000		10,000,000			
Lacy Road Connection--Roundabout & Faulhaber Land over wetland Underpass		1,000,000		1,000,000			
E. Cheryl/Lacy Rd Connector--Interchange west to Syene & S. to Wetland	3,200,000	800,000		800,000			
		3,200,000		6,400,000			
TID Planning & Expenses City	100,000	100,000		200,000			
					0		
					0		
					0		
					0		
<b>Subtotal Needed for Projects</b>	<b>9,300,000</b>	<b>10,800,000</b>	<b>300,000</b>	<b>20,400,000</b>			
City Administration	50,000	50,000	50,000	150,000			
Potential Development Incentives							
Environmental & Sustainability initiatives such as green roofs, water harvesting, green building ceertification & structure parking			10,500,000	10,500,000			
<b>Grand Total Project &amp; Incentive Costs</b>	<b>9,350,000</b>	<b>10,850,000</b>	<b>10,850,000</b>	<b>31,050,000</b>			

Project Costs as provided by City Administrator via email 4/19/11.

# 10

## **ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO 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 more 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 incur 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**

Implementation of this Plan will require that the City issue obligations to provide direct or indirect financing for the Projects to be undertaken. 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. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values). The tables on page 24 provide a calculation of the City’s current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the City’s equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects future valuation of the City using the average annual percentage of valuation growth experienced between 2006 and 2010. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2006 and 2010. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City,

demonstrating that the City will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

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

The City may issue a bond 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 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 issued to developers in this fashion are not general obligations of the City and therefore do not count against the City’s 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 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 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 sewer and/or water 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 underwriters 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 G.O. debt limit. 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.

## EQUALIZED VALUATION PROJECTION

		<i>City of Fitchburg, WI</i>			
Projection of General Obligation Debt Borrowing Capacity					
<b>Table 1 - Projection of Growth in Equalized Value (TID IN)</b>					
----PERCENTAGE METHOD----			--STRAIGHT LINE METHOD--		
HISTORICAL DATA					
2006	2,296,882,600		2006	2,296,882,600	
2007	2,557,266,700		2007	2,557,266,700	
2008	2,582,601,800		2008	2,582,601,800	
2009	2,582,226,200		2009	2,582,226,200	
2010	2,524,627,800	2.48%	2010	2,524,627,800	56,936,300
PROJECTED VALUATIONS					
2011	2,587,209,564	2.48%	2011	2,581,564,100	2.26%
2012	2,651,342,638	2.48%	2012	2,638,500,400	2.21%
2013	2,717,065,474	2.48%	2013	2,695,436,700	2.16%
2014	2,784,417,482	2.48%	2014	2,752,373,000	2.11%
2015	2,853,439,046	2.48%	2015	2,809,309,300	2.07%
2016	2,924,171,552	2.48%	2016	2,866,245,600	2.03%
2017	2,996,657,411	2.48%	2017	2,923,181,900	1.99%
2018	3,070,940,087	2.48%	2018	2,980,118,200	1.95%
2019	3,147,064,119	2.48%	2019	3,037,054,500	1.91%
<b>Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)</b>					
BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY	
2011	2,524,627,800	126,231,390	19,743,057	106,488,333	
2012	2,581,564,100	129,078,205	17,752,632	111,325,573	
2013	2,638,500,400	131,925,020	15,887,354	116,037,666	
2014	2,695,436,700	134,771,835	13,885,732	120,886,103	
2015	2,752,373,000	137,618,650	12,142,282	125,476,368	
2016	2,809,309,300	140,465,465	10,306,794	130,158,671	
2017	2,866,245,600	143,312,280	8,433,951	134,878,329	
2018	2,923,181,900	146,159,095	6,718,698	139,440,397	
2019	2,980,118,200	149,005,910	4,895,000	144,110,910	
2020	3,037,054,500	151,852,725	4,125,000	147,727,725	
2021	3,093,990,800	154,699,540	3,335,000	151,364,540	
2022	3,150,927,100	157,546,355	3,075,000	154,471,355	
2023	3,207,863,400	160,393,170	2,800,000	157,593,170	
2024	3,264,799,700	163,239,985	2,510,000	160,729,985	
2025	3,321,736,000	166,086,800	2,205,000	163,881,800	
2026	3,378,672,300	168,933,615	1,885,000	167,048,615	
2027	3,435,608,600	171,780,430	1,545,000	170,235,430	
2028	3,492,544,900	174,627,245	1,190,000	173,437,245	
2029	3,549,481,200	177,474,060	815,000	176,659,060	
2030	3,606,417,500	180,320,875	420,000	179,900,875	
2031	3,663,353,800	183,167,690		183,167,690	
2032	3,720,290,100	186,014,505		186,014,505	

## **PLAN IMPLEMENTATION**

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 2011, 2012 and 2014. 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 Section 66.1105(6)(am) of the Wisconsin Statutes.

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 issued.

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



**DEVELOPMENT ASSUMPTIONS**



*City of Fitchburg, WI*

**Tax Increment District No. 4**

**Development Assumptions COMBINED (FTC, Promega , GTV & ERA Mkt Study)**



Construction Year	Actual	Existing Area		Phase 1	Phase II	Phase III	Annual Total
		Promega (per City)	Fitchburg Tecnology Campus I (Data Center)	Fitchburg Tecnology Campus I (per Developer)	Fitchburg Tecnology Campus II (Per Developer)	Nine Springs Office/ R & D (per Developer)	
2003	9,663,600						9,663,600
2004	(4,668,900)						(4,668,900)
2005	22,733,900						22,733,900
2006	30,051,100						30,051,100
2007	6,721,800						6,721,800
2008	8,117,800						8,117,800
2009	(3,746,700)						(3,746,700)
2010							0
2011		21,000,000	3,500,000				24,500,000
2012		21,000,000	3,500,000				24,500,000
2013				3,000,000		13,450,000	16,450,000
2014					2,500,000	8,170,000	10,670,000
2015						5,000,000	15,040,000
2016				4,000,000		10,062,000	14,062,000
2017				2,500,000		9,938,000	12,438,000
2018						5,000,000	15,250,000
2019				3,000,000		9,645,000	12,645,000
2020						4,000,000	12,625,000
2021				2,000,000		10,600,000	12,600,000
2022				4,000,000		8,690,000	12,690,000
2023						5,000,000	12,770,000
2024						4,000,000	6,600,000
2025						6,850,000	6,850,000
2026						6,810,000	6,810,000
<b>TOTALS</b>	<b>68,872,600</b>	42,000,000	7,000,000	7,000,000	14,000,000	23,000,000	285,372,600

NOTES: Projected development 2011 & Beyond as provided by City of Fitchburg, Avante Development Group/Vandewalle & ERA Market Study Report.

**INCREMENT REVENUE PROJECTIONS**

### City of Fitchburg, WI

**Tax Increment District No. 4**  
**Tax Increment Projection Worksheet COMBINED VALUE PROJECTIONS (FTC, PROMEGA, GTV & ERA Mkt Study)**

Type of District	Industrial	Projected Base Value	62,203,018
Actual Creation Date	5/27/2003	Pre-Amendment Base Value (Actual)	34,159,100
Valuation Date	Jan. 1, 2003	Property Appreciation Factor	2.00% <span style="color: red;">X</span>
Maximum Life (In Years)	23	Current Tax Rate (Per \$1,000 EV)	\$22.00
Expenditure Period (In Years)	18	Tax Rate Adjustment Factor (Next 2 Years)	-5.00%
Revenue Periods/Final Rev Year	23   2027	Tax Rate Adjustment Factor (Following 2 Years)	-2.50%
End of Expenditure Period	5/27/2021	Tax Rate Adjustment Factor (Thereafter)	-0.50%
Latest Termination Date	5/27/2026	Discount Rate 1 for NPV Calculation	5.00%
Eligible for Extension/No. of Years	Yes   3	Discount Rate 2 for NPV Calculation	7.00%
Eligible Recipient District	No		



Apply Inflation Factor to Base?

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @ 5.00%	Cumulative @ 7.00%	
<i>The two zero tax increments to the right are included in the sum of the NPV calculations to accurately reflect the time value of the delay</i>								0	0	
1	2003	9,663,600	2004	9,663,600	2005	21.91	211,729	182,900	172,834	
2	2004	(4,668,900)	2005	4,994,700	2006	20.25	101,143	266,110	249,996	
3	2005	22,733,900	2006	27,728,600	2007	19.49	540,430	689,552	635,315	
4	2006	30,051,100	2007	57,779,700	2008	19.31	1,115,726	1,522,124	1,378,770	
5	2007	6,721,800	2008	64,501,500	2009	19.34	1,247,459	2,408,669	2,155,625	
6	2008	8,117,800	2009	72,619,300	2010	20.21	1,467,636	3,402,023	3,009,803	
7	2009	(3,746,700)	2010	68,872,600	2011	22.28	1,534,482	4,391,164	3,844,459	
8	2010	0	2011	71,494,112	2012	22.17	1,584,924	5,364,170	4,650,154	
9	2011	24,500,000	2012	2,673,943	98,668,055	2013	22.06	2,176,396	6,636,663	5,684,144
10	2012	24,500,000	2013	3,217,421	126,385,476	2014	21.95	2,773,841	8,181,242	6,915,763
11	2013	16,450,000	2014	3,771,770	146,607,246	2015	21.84	3,201,570	9,879,103	8,244,300
12	2014	10,670,000	2015	4,176,205	161,453,452	2016	21.73	3,508,148	11,650,956	9,604,821
13	2015	15,040,000	2016	4,473,129	180,966,581	2017	21.62	3,912,479	13,532,925	11,022,883
14	2016	14,062,000	2017	4,863,392	199,891,973	2018	21.51	4,300,036	15,502,821	12,479,454
15	2017	12,438,000	2018	5,241,900	217,571,873	2019	21.40	4,656,961	17,534,638	13,953,729
16	2018	15,250,000	2019	5,595,498	238,417,371	2020	21.30	5,077,627	19,644,497	15,456,016
17	2019	12,645,000	2020	6,012,408	257,074,778	2021	21.19	5,447,603	21,800,299	16,962,323
18	2020	12,625,000	2021	6,385,556	276,085,334	2022	21.08	5,821,199	23,994,247	18,466,631
19	2021	12,600,000	2022	6,765,767	295,451,101	2023	20.98	6,198,374	26,219,106	19,963,620
20	2022	12,690,000	2023	7,153,082	315,294,184	2024	20.87	6,581,596	28,469,024	21,449,173
21	2023	12,770,000	2024	7,549,944	335,614,128	2025	20.77	6,970,735	30,738,495	22,919,627
22	2024	6,600,000	2025	7,956,343	350,170,471	2026	20.67	7,236,706	32,982,365	24,346,320
23	2025	6,850,000	2026	8,247,470	365,267,941	2027	20.56	7,510,970	35,200,375	25,730,210
		278,562,600	86,705,341				Future Value of Increment	83,177,770		



CASH FLOW

City of Fitchburg, WI		FTC 1, Promega, FTC 2 & Nine Springs (Green Tech Village) & ERA Mkt Projections												EHLERS LEADERS IN PUBLIC FINANCE														
Tax Increment District No. 4																												
Cash Flow Pro Forma																												
Year	Revenues				Existing Obligations								Future Expenditures						Balances		Project Cost Principal Outstanding	Year						
	Tax Increments	Investment Earnings <sup>1</sup>	FTC Computer Exemption	Promega Computer Exemption	Total Revenues	FTC PAYGO Developer Bonds	FTC GO Bonds for Infrastructure	FTC Trust Fund Loan for Dev. Incentive	FTC City Cash Expenditures <sup>2</sup>	Orion PAYGO Developer Bond	Promega PAYGO Developer Bond	Promega City Cash Expenses	TOTAL EXISTING OBLIGATIONS	G.O. Bond \$9,435,000			G.O. Bond \$11,000,000			G.O. Bond \$10,645,000			Total Future Expenditures	TOTAL ALL EXPENDITURES	Annual	Cumulative		
		0.75%				\$1.923 M				\$2.2 M	\$2.0 M		Phase I Dated 5/1/11			Phase II Dated 5/1/12			Phase III Dated 5/1/14									
													Prin (5/1)	Est. Rate	Interest	Prin (5/1)	Est. Rate	Interest	Prin (5/1)	Est. Rate	Interest							
2003	0	0			0																	0	0			2003		
2004	0	0			0				379,234			379,234										0	379,234	(379,234)	(379,234)	2004		
2005	211,729	0	0	0	211,729				313,329		17,550	330,879										0	330,879	(119,150)	(498,384)	2005		
2006	101,143	0	1,006	0	102,149			61,003	487,567		2,701	551,271										0	551,271	(449,123)	(947,506)	2006		
2007	540,430	0	106,675	0	647,105	290,672		61,003	63,161		571	415,407										0	415,407	231,698	(715,808)	4,156,108	2007	
2008	1,115,726	(13,027)	24,575	71,346	1,198,620	226,415		61,003	70,745	241,499	4,005	603,667										0	603,667	594,953	(120,855)	4,476,509	2008	
2009	1,247,459	1,210	106,994	(7,000)	1,348,663	226,147		133,308	999,195	254,899	210	1,613,759										0	1,613,759	(265,096)	(385,951)	5,394,462	2009	
2010	1,467,636	0	112,985	2,897	1,583,518	225,860	94,790	133,308	80,000	215,887	75	749,920										0	749,920	833,598	447,647	4,971,186	2010	
2011	1,534,482	3,357			1,537,839	225,553	94,150	133,308	5,000	281,172	1,200	740,384	5.250%	495,338								495,338	1,235,721	302,118	749,765	14,001,480	2011	
2012	1,584,924	5,623			1,590,548	225,225	97,650	133,308	5,000	295,972	1,200	758,355	0 5.250%	495,338	5.500%	605,000						1,100,338	1,858,692	(268,145)	481,620	26,537,212	2012	
2013	2,176,396	3,612			2,180,008	224,874	96,050	133,308	5,000	304,272	1,200	993,658	5.250%	495,338	0 5.500%	605,000						1,100,338	2,093,995	86,013	567,633	26,014,513	2013	
2014	2,773,841	4,257			2,778,098	224,497	99,450	133,308	5,000	316,222	1,200	1,022,031	100,000 5.250%	495,338	100,000 5.500%	605,000	5.750%	306,044				1,606,381	2,628,413	149,686	717,319	35,765,768	2014	
2015	3,201,570	5,380			3,206,949	224,095	97,750	133,308	5,000	336,672	1,200	1,001,367	200,000 5.250%	490,088	175,000 5.500%	599,500	5.750%	612,088				2,076,675	3,078,042	128,908	846,226	34,635,935	2015	
2016	3,508,148	6,347			3,514,495	223,665	100,838	72,305	5,000	424,122	1,200	1,095,757	225,000 5.250%	479,588	200,000 5.500%	589,875	150,000 5.750%	612,088				2,256,550	3,352,307	162,188	1,008,414	33,311,243	2016	
2017	3,912,479	7,563			3,920,042	223,204	103,588	72,305	5,000	556,325	1,200	1,245,049	500,000 5.250%	467,775	350,000 5.500%	578,875	250,000 5.750%	603,463				2,500,113	3,745,161	174,881	1,183,296	31,509,598	2017	
2018	4,300,036	8,875			4,308,911	222,712	100,975	-	5,000	-	1,200	621,614	500,000 5.250%	454,650	750,000 5.500%	559,625	500,000 5.750%	589,088				3,353,363	3,974,977	333,934	1,517,230	28,957,293	2018	
2019	4,656,961	11,379			4,668,340	-	103,125	-	5,000	-	1,200	413,002	650,000 5.250%	428,400	900,000 5.500%	518,375	700,000 5.750%	560,338				3,757,113	4,170,114	498,226	2,015,456	26,167,112	2019	
2020	5,077,627	15,116			5,092,743	-	-	-	5,000	-	1,200	330,327	800,000 5.250%	394,275	1,000,000 5.500%	468,875	900,000 5.750%	520,088				4,083,238	4,413,564	679,179	2,694,635	23,217,112	2020	
2021	5,447,603	20,210			5,467,813	-	-	-	5,000	-	1,200	417,777	850,000 5.250%	352,275	1,000,000 5.500%	413,875	1,000,000 5.750%	468,338				4,084,488	4,502,264	965,549	3,660,183	20,052,112	2021	
2022	5,821,199	27,451			5,848,650	-	-	-	5,000	-	1,200	340,889	1,000,000 5.250%	307,650	1,200,000 5.500%	358,875	1,000,000 5.750%	410,838				4,277,363	4,618,252	1,230,398	4,890,582	16,427,112	2022	
2023	6,198,374	36,679			6,235,053	-	-	-	5,000	-	1,200	6,200	1,050,000 5.250%	255,150	1,250,000 5.500%	292,875	1,145,000 5.750%	353,338				4,346,363	4,352,563	1,882,491	6,773,072	12,885,000	2023	
2024	6,581,596	50,798			6,632,394	-	-	-	5,000	-	1,200	6,200	1,100,000 5.250%	200,025	1,325,000 5.500%	224,125	1,600,000 5.750%	287,500				4,736,650	4,742,850	1,889,544	8,662,616	8,860,000	2024	
2025	6,970,735	64,970			7,035,704	-	-	-	1,200	-	1,200	1,200	1,250,000 5.250%	142,275	1,350,000 5.500%	151,250	1,700,000 5.750%	195,500				4,789,025	4,790,225	2,245,479	10,908,095	4,560,000	2025	
2026	7,236,706	81,811			7,318,517	-	-	-	-	-	-	-	1,460,000 5.250%	76,650	1,400,000 5.500%	77,000	1,700,000 5.750%	97,750				4,811,400	4,811,400	2,507,117	13,415,212	0	2026	
2027	7,510,970	100,614			7,611,584	-	-	-	-	-	-	-	0 5.250%	0	0 5.500%	0	0 5.750%	0				0	0	7,611,584	21,026,796	0	0	2027
<b>Total</b>	<b>83,177,770</b>	<b>442,225</b>	<b>352,235</b>	<b>67,243</b>	<b>84,039,473</b>	<b>2,762,919</b>	<b>988,366</b>	<b>1,260,775</b>	<b>2,463,232</b>	<b>3,227,043</b>	<b>2,892,499</b>	<b>43,112</b>	<b>13,258,712</b>	<b>9,435,000</b>	<b>6,030,150</b>	<b>11,000,000</b>	<b>6,648,125</b>	<b>10,645,000</b>	<b>5,323,206</b>	<b>49,374,731</b>	<b>63,012,677</b>	<b>21,026,796</b>						

NOTES:  
 1 Interest earnings based on actual for 2008/2009 from City, projected at 0.75% on any positive fund balance forward.  
 2 FTC City Cash expenditures based on City actual costs (1-21-11) spreadsheet

Projected TID Closure

## **11** ANNEXED PROPERTY

No annexed territory will be added to the District as a result of this amendment.

## **12** ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS

The City estimates that less than 35% 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 Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

## **13** PROPOSED CHANGES IN ZONING ORDINANCES

The City of Fitchburg anticipates that a portion of the Territory to be incorporated into the District by Amendment will be rezoned prior to development. 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.

**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 of Fitchburg ordinances for the implementation of this Plan.

**15**

**RELOCATION**

It is currently anticipated there may be one location required for a property on Lacy Road to enable the necessary roadway connections within the plan. For the relocation or the acquisition of property the City will follow applicable state statutes as required in Wisconsin Statutes chapter 32.

**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 and job opportunities.

# 17

## A 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.

18

**OPINION OF ATTORNEY FOR THE CITY OF FITCHBURG ADVISING  
WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN  
STATUTES, SECTION 66.1105**



**CITY OF FITCHBURG**

Office of the City Attorney

5520 Lacy Road  
Fitchburg, WI 53711-5318

Phone: (608) 270-4207 ■ Fax: (608) 270-4212

[www.city.fitchburg.wi.us](http://www.city.fitchburg.wi.us)

April 22, 2011

Mayor Shawn Pfaff  
City of Fitchburg  
5520 Lacy Road  
Fitchburg, WI 53711

**RE: City of Fitchburg, Wisconsin Tax Incremental District No. 4 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 Section 66.1105(4)(f), Wis. Stat.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark R. Sewell", is written over a light blue horizontal line.

Mark R. Sewell  
Fitchburg City Attorney

## 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 Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

Revenue Year	City	County	Madison Metro School District	Oregon School District	Tech College	Total
<b>Pre-Amendment</b>	<b>46.14%</b>	<b>15.28%</b>	<b>30.28%</b>		<b>8.30%</b>	
<b>Amendment Avg</b>	<b>38.10%</b>	<b>12.62%</b>	<b>25.00%</b>	<b>17.42%</b>	<b>6.85%</b>	
<b>2005</b>	97,696	32,357	64,106	0	17,570	<b>211,729</b>
<b>2006</b>	46,669	15,457	30,623	0	8,393	<b>101,143</b>
<b>2007</b>	249,365	82,591	163,627	0	44,848	<b>540,430</b>
<b>2008</b>	514,818	170,510	337,809	0	92,589	<b>1,115,726</b>
<b>2009</b>	575,603	190,642	377,694	0	103,521	<b>1,247,459</b>
<b>2010</b>	677,197	224,290	444,357	0	121,792	<b>1,467,636</b>
<b>2011</b>	708,040	234,506	464,596	0	127,339	<b>1,534,482</b>
<b>2012</b>	603,935	200,025	396,285	276,064	108,616	<b>1,584,924</b>
<b>2013</b>	829,314	274,672	544,173	379,087	149,150	<b>2,176,396</b>
<b>2014</b>	1,056,971	350,073	693,554	483,150	190,094	<b>2,773,841</b>
<b>2015</b>	1,219,956	404,054	800,501	557,652	219,406	<b>3,201,570</b>
<b>2016</b>	1,336,778	442,746	877,156	611,052	240,416	<b>3,508,148</b>
<b>2017</b>	1,490,848	493,774	978,253	681,479	268,125	<b>3,912,479</b>
<b>2018</b>	1,638,526	542,686	1,075,155	748,984	294,685	<b>4,300,036</b>
<b>2019</b>	1,774,532	587,732	1,164,398	811,153	319,145	<b>4,656,961</b>
<b>2020</b>	1,934,827	640,822	1,269,579	884,426	347,974	<b>5,077,627</b>
<b>2021</b>	2,075,806	687,515	1,362,086	948,868	373,329	<b>5,447,603</b>
<b>2022</b>	2,218,164	734,664	1,455,497	1,013,941	398,931	<b>5,821,199</b>
<b>2023</b>	2,361,887	782,265	1,549,804	1,079,638	424,779	<b>6,198,374</b>
<b>2024</b>	2,507,913	830,630	1,645,622	1,146,388	451,042	<b>6,581,596</b>
<b>2025</b>	2,656,195	879,741	1,742,920	1,214,169	477,710	<b>6,970,735</b>
<b>2026</b>	2,757,543	913,308	1,809,422	1,260,496	495,937	<b>7,236,706</b>
<b>2027</b>	2,862,051	947,922	1,877,997	1,308,267	514,733	<b>7,510,970</b>
	<b>32,194,636</b>	<b>10,662,980</b>	<b>21,125,216</b>	<b>13,404,814</b>	<b>5,790,124</b>	<b>83,177,770</b>

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

## **EXHIBIT B – EXISTING AREA PROJECTED DEVELOPMENT & COSTS ONLY**

See following pages

**DEVELOPMENT ASSUMPTIONS**

		<p style="text-align: center;"><i>City of Fitchburg, WI</i></p> <p style="text-align: center;">Tax Increment District No. 4</p> <p style="text-align: center;">Development Assumptions Existing Area FTC I Only.</p>						
Construction Year	Actual	Promega (per City)	Existing Area Fitchburg Technology Campus I (Data Center)	Fitchburg Technology Campus I (Per Developer)	Phase I Fitchburg Technology Campus II (Per Developer)	Phase II Nine Springs Office/ R & D (Per Developer)	Phase III Development per ERA Market Study	Annual Total
2003	9,663,600							9,663,600
2004	(4,668,900)							(4,668,900)
2005	22,733,900							22,733,900
2006	30,051,100							30,051,100
2007	6,721,800							6,721,800
2008	8,117,800							8,117,800
2009	(3,746,700)							(3,746,700)
2010								0
2011		21,000,000	3,500,000					24,500,000
2012		21,000,000	3,500,000					24,500,000
2013								0
2014								0
2015								0
2016								0
2017								0
2018								0
2019								0
2020								0
2021								0
2022								0
2023								0
2024								0
2025								0
2026								0
<b>TOTALS</b>	<b>68,872,600</b>	42,000,000	7,000,000	0	0	0	0	117,872,600

NOTES: Projected development 2011 & Beyond as provided by City of Fitchburg.

# INCREMENT REVENUE PROJECTIONS

## City of Fitchburg, WI

### Tax Increment District No. 4

#### Tax Increment Projection Worksheet Existing Area FTC I Only

Type of District	Industrial
Actual Creation Date	5/27/2003
Valuation Date	Jan. 1, 2003
Maximum Life (In Years)	23
Expenditure Period (In Years)	18
Revenue Periods/Final Rev Year	23   2027
End of Expenditure Period	5/27/2021
Latest Termination Date	5/27/2026
Eligible for Extension/No. of Years	Yes   3
Eligible Recipient District	No

Projected Base Value	34,159,100
Pre-Amendment Base Value (Actual)	34,159,100
Property Appreciation Factor	2.00%
Current Tax Rate (Per \$1,000 EV)	\$22.00
Tax Rate Adjustment Factor (Next 2 Years)	-5.00%
Tax Rate Adjustment Factor (Following 2 Years)	-2.50%
Tax Rate Adjustment Factor (Thereafter)	-0.50%
Discount Rate 1 for NPV Calculation	5.00%
Discount Rate 2 for NPV Calculation	7.00%

Apply Inflation Factor to Base?

Net Present Value Calculation	

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @ 5.00%	Cumulative @ 7.00%	
The two zero tax increments to the right are included in the sum of the NPV calculations to accurately reflect the time value of the delay										
							0			
1	2003	9,663,600	2004	9,663,600	2005	21.91	211,729	182,900	172,834	
2	2004	(4,666,900)	2005	4,994,700	2006	20.25	101,143	266,110	249,996	
3	2005	22,733,900	2006	27,728,600	2007	19.49	540,430	689,552	635,315	
4	2006	30,051,100	2007	57,779,700	2008	19.31	1,115,726	1,522,124	1,378,770	
5	2007	6,721,800	2008	64,501,500	2009	19.34	1,247,459	2,408,669	2,155,625	
6	2008	8,117,800	2009	72,619,300	2010	20.21	1,467,636	3,402,023	3,009,803	
7	2009	(3,746,700)	2010	68,872,600	2011	22.28	1,534,482	4,391,164	3,844,459	
8	2010	0	2011	2,060,634	70,933,234	2012	22.17	1,572,490	5,356,536	4,643,833
9	2011	24,500,000	2012	2,101,847	97,535,081	2013	22.06	2,151,405	6,614,418	5,665,950
10	2012	24,500,000	2013	2,633,884	124,668,964	2014	21.95	2,736,168	8,138,019	6,880,842
11	2013	0	2014	3,176,561	127,845,526	2015	21.84	2,791,856	9,618,600	8,039,363
12	2014	0	2015	3,240,093	131,085,618	2016	21.73	2,848,299	11,057,185	9,143,982
13	2015	0	2016	3,304,894	134,390,512	2017	21.62	2,905,509	12,454,785	10,197,073
14	2016	0	2017	3,370,992	137,761,505	2018	21.51	2,963,498	13,812,397	11,200,912
15	2017	0	2018	3,438,412	141,199,917	2019	21.40	3,022,277	15,131,007	12,157,688
16	2018	0	2019	3,507,180	144,707,097	2020	21.30	3,081,859	16,411,583	13,069,498
17	2019	0	2020	3,577,324	148,284,421	2021	21.19	3,142,256	17,655,080	13,938,358
18	2020	0	2021	3,648,870	151,933,291	2022	21.08	3,203,480	18,862,438	14,766,198
19	2021	0	2022	3,721,848	155,655,139	2023	20.98	3,265,545	20,034,580	15,554,870
20	2022	0	2023	3,796,285	159,451,424	2024	20.87	3,328,462	21,172,415	16,306,148
21	2023	0	2024	3,872,210	163,323,635	2025	20.77	3,392,246	22,276,833	17,021,732
22	2024	0	2025	3,949,655	167,273,289	2026	20.67	3,456,909	23,348,709	17,703,250
23	2025	0	2026	4,028,648	171,301,937	2027	20.56	3,522,466	24,388,903	18,352,261
			117,872,600		53,429,337		Future Value of Increment	53,603,331		

