

**Project Plan
for the Creation of
Tax Incremental District No. 7
in the
CITY OF FITCHBURG, WISCONSIN**



July 6, 2006

<i>Organizational Joint Review Board Meeting Held:</i>	<i>August 15, 2006</i>
<i>Public Hearing Held:</i>	<i>August 15, 2006</i>
<i>Adopted by Plan Commission:</i>	<i>August 15, 2006</i>
<i>Adopted by City Council:</i>	<i>September 12, 2006</i>
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Tax Incremental District No. 7 Creation Project Plan

City of Fitchburg Officials

City Council

Thomas Clauder	Mayor
Andrew Potts	Council Member
Jason Williams	Council Member
Tom Darcy	Council Member
Richard Bloomquist	Council Member
William Horns	Council Member
Steve Arnold	Council Member
Scott Norton	Council Member
Roger Laurel Tesch	Council Member

City Staff

Thomas Clauder	Mayor
Anthony D. Roach	Administrator
Nancy L. Solberg	Finance Director / Treasurer
Ruth Becker	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

James Anderson	Mayor Tom Clauder
Ron Nagel	Scott Norton
Kim Lobdell	Tom Hovel
Ed Kinney	Patricia Delker
John Freiburger	

Joint Review Board

Jack Martz	City Representative
Dave Gawenda	Dane County
Mary Rapp	Madison Area Technical College District
Johnny Winston, Jr.	Madison Metropolitan School District
Tom Hovel	Public Member

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STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

Tax Incremental District No. 7 (the “District”) is being created by the City of Fitchburg under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a “Rehabilitation District” based upon a finding that at least 50%, by area, of the real property within the District is blighted and/or is in need of rehabilitation and/or conservation work within the meaning of Wisconsin Statute Section 66.1337(2m)(b).

The District is located along both sides of Fish Hatchery Road, south of Greenway Cross and east of Eggiman Road. The City of Fitchburg intends that tax increment financing (TIF) will be used to assure that private development and redevelopment occurs within the District consistent with the City’s development and redevelopment objectives. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote development and redevelopment within the District. The goal is to increase the tax base, enhance the “Gateway” corridor to the City, and to provide for and preserve employment opportunities within the City.

- **STORM SEWER SYSTEM.** Redevelopment of the area may cause new storm water runoff. To avoid problems in the District and adjacent areas, improvements to the storm water collection and retention system may need to be installed.
- **LANDSCAPING.** The City will provide landscaping such as berms, street trees, benches and other facilities to attract high quality development to the area.
- **STREET / LIGHTING.** The City will provide street lighting to enhance safety.
- **BURY POWER LINES.** The City will need to bury power lines to improve usability and sight lines of the redevelopment areas.
- **REPLACE BUS SHELTERS.** The City will replace bus shelters to provide adequate facilities for users.
- **RELOCATION COSTS.** No relocation is anticipated, however, in the event any property is acquired for the projects, expenses including the cost of a relocation plan, director, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195 are considered eligible project costs.
- **REDEVELOPMENT FUND / FAÇADE IMPROVEMENTS.** The City will fund an account for existing building façade improvements. This may involve either grants or loans. Development incentives may also be funded from the redevelopment fund. It is expected that the loan will be repaid at the time of a sale.
- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There are no environmental problems known to exist within the proposed District. If, however, it becomes necessary to evaluate

properties, the costs related to all environmental audits and remediation will be considered eligible project costs.

- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** The City may provide funds to its CDA to be used for administration, planning and operations related to the purposes for which it was established.
- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The City may enter into agreements with property owners, leases, 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 a developer agreement is executed with the recipient of the cash grant.
- **ADMINISTRATIVE COSTS.** These include but are not limited to a portion of the salaries of City administrative staff, public works employees and others involved with the projects throughout the project plan implementation. Audit expenses and any expenses associated with dissolving the district are also considered eligible costs.
- **ORGANIZATIONAL / PLANNING COSTS.** These costs include but are not limited to fees of the financial consultant, attorney, engineers, surveyors, mapmakers and other contracted services by consultants, project plan, estimate of costs, and plan development.
- **FINANCE COSTS.** Interest, financing fees, redemption premiums, and other financing fees are included as project costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as project costs.

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

The City 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. Project costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a project cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

2 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 taxable property in the proposed District, plus the value increment of all existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the City.

STEP 1. Calculation of Maximum Equalized Property Value Allowed within Tax Incremental Districts in the City of Fitchburg

Equalized Value (as of January 1, 2005)		Maximum Allowable TID Property Value
\$2,098,978,800	X 12% =	\$251,877,456

STEP 2. Calculation of Equalized Property Value Currently Located and Proposed to be Located within Tax Incremental Districts

Tax Incremental Districts	Equalized Value
TID No. 4 Increment	\$ 4,994,700
Proposed Base Value of New District	<u>\$12,688,500</u>
Total Existing Increment Plus Proposed Base Value	\$17,683,200

The equalized value of the increment of existing Tax Incremental Districts within the City, plus the base value of the proposed District, totals \$17,683,200. This value is less than the maximum of \$251,877,456 in equalized value that is permitted for the City of Fitchburg. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

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ECONOMIC FEASIBILITY STUDY

The City of Fitchburg, located in Dane County is a community of approximately 22,604 in population.

The charts and exhibits on the following pages demonstrate that the City will be able to obtain the funds necessary to implement the projects in this Plan and that the revenue from the District will be sufficient to pay for them. Charts I and II on the following page 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 the future valuation of the City using the average annual percentage of valuation growth experienced between 2001 and 2005. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2001 and 2005. This method is identified as the straight-line method. Chart II projects the general obligation borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City. The chart demonstrates that the City is likely to have sufficient general obligation capacity during the implementation period of the District.

In addition to general obligation 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 no 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.

Special assessments may be levied against benefited properties to pay part of the street, curb, gutter, sewer and water extension costs. 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 general obligation ("G.O.") debt limit.

The City also has the authority to issue Lease Revenue Bonds through a Community Development Authority ("CDA") should this financing vehicle be useful in accomplishing the objectives of the Plan. These obligations are secured by lease payments to be made by the City and are not to be counted against the City's G.O. debt limit.

Based on the economic characteristics and the financing resources of the City, all projects outlined in this Plan can be financed and are feasible.

EQUALIZED VALUATION PROJECTION City of Fitchburg, Wisconsin

CHART I

|---PERCENTAGE METHOD---|

|---STRAIGHT LINE METHOD---|

HISTORICAL DATA

2001	1,363,848,300		2001	1,363,848,300	
2002	1,516,111,600		2002	1,516,111,600	
2003	1,659,614,900		2003	1,659,614,900	
2004	1,892,988,500		2004	1,892,988,500	
2005	2,098,978,800	13.48%	2005	2,098,978,800	13.48%

Straight Line Method Value Increment \$183,782,625

PROJECTED VALUATIONS

2006	2,381,822,452	13.48%	2006	2,282,761,425	8.76%
2007	2,702,780,129	13.48%	2007	2,466,544,050	8.05%
2008	3,066,987,810	13.48%	2008	2,650,326,675	7.45%
2009	3,480,273,563	13.48%	2009	2,834,109,300	6.93%
2010	3,949,250,802	13.48%	2010	3,017,891,925	6.48%
2011	4,481,424,123	13.48%	2011	3,201,674,550	6.09%
2012	5,085,309,386	13.48%	2012	3,385,457,175	5.74%
2013	5,770,569,989	13.48%	2013	3,569,239,800	5.43%
2014	6,548,171,501	13.48%	2014	3,753,022,425	5.15%

CHART II

<u>BUDGET YEAR</u>	<u>EQUALIZED VALUE</u>	<u>GROSS DEBT LIMIT</u>	<u>DEBT BALANCE</u>	<u>NET BORROWING CAPACITY</u>
2006	2,098,978,800	104,948,940	13,517,217	91,431,723
2007	2,282,761,425	114,138,071	10,803,647	103,334,424
2008	2,466,544,050	123,327,203	9,002,306	114,324,896
2009	2,650,326,675	132,516,334	7,660,481	124,855,852
2010	2,834,109,300	141,705,465	6,348,076	135,357,389
2011	3,017,891,925	150,894,596	5,193,339	145,701,258
2012	3,201,674,550	160,083,728	4,074,858	156,008,870
2013	3,385,457,175	169,272,859	3,277,392	165,995,467
2014	3,569,239,800	178,461,990	2,430,827	176,031,163
2015	3,753,022,425	187,651,121	1,525,000	186,126,121
2016	3,936,805,050	196,840,253	795,000	196,045,253
2017	4,120,587,675	206,029,384		206,029,384
2018	4,304,370,300	215,218,515		215,218,515
2019	4,488,152,925	224,407,646		224,407,646
2020	4,671,935,550	233,596,778		233,596,778
2021	4,855,718,175	242,785,909		242,785,909
2022	5,039,500,800	251,975,040		251,975,040
2023	5,223,283,425	261,164,171		261,164,171
2024	5,407,066,050	270,353,303		270,353,303
2025	5,590,848,675	279,542,434		279,542,434
2026	5,774,631,300	288,731,565		288,731,565
2027	5,958,413,925	297,920,696		297,920,696
2028	6,142,196,550	307,109,828		307,109,828
2029	6,325,979,175	316,298,959		316,298,959
2030	6,509,761,800	325,488,090		325,488,090
2031	6,693,544,425	334,677,221		334,677,221
2032	6,877,327,050	343,866,353		343,866,353


PROJECTED REVENUE

Exhibit 1 estimates the TIF revenues that will be available to retire the debt incurred to finance project costs. This Exhibit also projects revenues sufficient to retire the debt proposed to finance all projects of the District. This Exhibit is based on the following assumptions:

- The base value of the District is \$12,688,520
- The new construction estimates are based on the number of acres available for development for the commercial / residential areas. It was assumed the area would develop in equal increments over a period beginning in 2006.
- The new construction and redevelopment estimates are based on the anticipated construction of residential and commercial development. In addition, the City should realize land sale revenues which have not been included in this analysis.
- The equalized tax rate in 2006 is projected to be \$20.25 per thousand. It is projected to decline ½ of 1% per year.
- Valuations are projected to increase 2.5% each year reflecting ordinary inflation of property values within District.
- Tax base will be generated as of January 1 each year as follows:

Valuation Year	Value Added
2007	5,300,000
2008	2,000,000
2009	273,333
2010	273,333
2011	273,333
2012	273,333
2013	273,333
	8,666,667

DEVELOPMENT ASSUMPTIONS

					
CITY of FITCHBURG					
Proposed Tax Increment District No. 7 (Park Bank Area)					
<i>Development Assumptions¹</i>					
Const. Year	New Bank Branch	Park Bank Headquarters	Miscellaneous Redevelopment ²	Annual Total	
2006		5,300,000		5,300,000	
2007	2,000,000			2,000,000	
2008			273,333	273,333	
2009			273,333	273,333	
2010			273,333	273,333	
2011			273,333	273,333	
2012			273,333	273,333	
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	
TOTAL	2,000,000	5,300,000	1,366,667	0	8,666,667

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NOTES:
¹ Development assumption numbers provided by City of Fitchburg 4/21/06 Email
² Miscellaneous Redevelopment based on 30% match from TIF

Exhibit 1



Proposed Tax Increment District No. 7 (Park Bank Area)

Projected Tax Increment

Base Value ¹	12,688,500	Inflation Factor	2.50%
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Proposed District	Tax Rate Adjustment Factor	-0.50%
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Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Added	Valuation Increment	Tax Rate	Tax Increment	
1	2006	2007	2008	317,213	5,300,000	5,617,213	20.25	113,731
2	2007	2008	2009	457,643	2,000,000	8,074,855	20.15	162,673
3	2008	2009	2010	519,084	273,333	8,867,273	20.04	177,743
4	2009	2010	2011	538,894	273,333	9,679,500	19.94	193,054
5	2010	2011	2012	559,200	273,333	10,512,034	19.84	208,611
6	2011	2012	2013	580,013	273,333	11,365,380	19.75	224,418
7	2012	2013	2014	601,347	273,333	12,240,061	19.65	240,480
8	2013	2014	2015	623,214	0	12,863,275	19.55	251,461
9	2014	2015	2016	638,794	0	13,502,069	19.45	262,629
10	2015	2016	2017	654,764	0	14,156,833	19.35	273,988
11	2016	2017	2018	671,133	0	14,827,966	19.26	285,542
12	2017	2018	2019	687,912	0	15,515,878	19.16	297,295
13	2018	2019	2020	705,109	0	16,220,988	19.06	309,251
14	2019	2020	2021	722,737	0	16,943,725	18.97	321,415
15	2020	2021	2022	740,806	0	17,684,530	18.87	333,791
16	2021	2022	2023	759,326	0	18,443,856	18.78	346,382
17	2022	2023	2024	778,309	0	19,222,165	18.69	359,194
18	2023	2024	2025	797,767	0	20,019,932	18.59	372,231
19	2024	2025	2026	817,711	0	20,837,642	18.50	385,497
20	2025	2026	2027	838,154	0	21,675,796	18.41	398,998

EXPENDITURE PERIOD



Totals	8,666,667	5,518,384
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NET PRESENT VALUE OF 2007-2026 INCREMENT @ 5.0% **3,170,141**

NOTES:

¹ Base Value taken from value spreadsheet provided by City of Fitchburg 3/20/06.

CASH FLOW

Exhibit 2 summarizes the District's cash position throughout its potential life. It shows revenues, expenses and balances by year.

Revenues include tax increments from Exhibit 1, capitalized interest, and interest earned investing year-end balances. This Exhibit is based on the same assumptions as used for Exhibit 1.

Expenditures represent payments for contract agreements with developers, and principal and interest payments on this District's share of debt issued to finance projects listed in the Plan. The tentative proposed issues are identified as follows:

Issue No.	Year	Description	Amount
1	2006	G.O. Community Development Bonds	\$690,000
2	2007	G.O. Community Development Bonds	\$455,000

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce a \$127,990 accumulated surplus by the year 2015.

Exhibit 2



Proposed Tax Increment District No. 7 (Park Bank Area)

Cash Flow Proforma

Year	Revenues				Issue #1 (2006-7 Projects) G.O. Comm Dev Bonds Dated 5-1-06				Issue #2 (2007 Projects) G.O. Comm Dev Bonds Dated 2-1-07				Fund Balance		Principal Outstanding	Year
	Increment	Interest ¹	Cap. Int.	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Prin (2/1)	Taxable Rate ²	Interest	TOTAL	Annual	Cumulative		
2006	0	0	77,625	77,625			8,625	8,625			0	0	69,000	69,000	1,145,000	2006
2007	0	690		690		5.000%	34,500	34,500			15,925	15,925	(49,735)	19,265	1,145,000	2007
2008	113,731	193		113,923		5.000%	34,500	34,500	50,000	7.000%	30,100	80,100	(677)	18,588	1,095,000	2008
2009	162,673	186		162,859		5.000%	34,500	34,500	80,000	7.000%	25,550	105,550	22,809	41,397	1,015,000	2009
2010	177,743	414		178,157		5.000%	34,500	34,500	100,000	7.000%	19,250	119,250	24,407	65,805	915,000	2010
2011	193,054	658		193,712		5.000%	34,500	34,500	110,000	7.000%	11,900	121,900	37,312	103,117	805,000	2011
2012	208,611	1,031		209,642	45,000	5.000%	33,375	78,375	115,000	7.000%	4,025	119,025	12,242	115,359	645,000	2012
2013	224,418	1,154		225,571	130,000	5.000%	29,000	159,000		7.000%	0	0	66,571	181,930	515,000	2013
2014	240,480	1,819		242,300	160,000	5.000%	21,750	181,750		7.000%	0	0	60,550	242,480	355,000	2014
2015	251,461	2,425		253,886	175,000	5.000%	13,375	188,375		7.000%	0	0	65,511	307,990	180,000	2015
2016	262,629	3,080		265,709	180,000	5.000%	4,500	184,500		7.000%	0	0	81,209	389,199	0	2016
2017	273,988	3,892		277,880		5.000%	0	0		7.000%	0	0	277,880	667,079	0	2017
2018	285,542	6,671		292,213		5.000%	0	0		7.000%	0	0	292,213	959,292	0	2018
2019	297,295	9,593		306,888		5.000%	0	0		7.000%	0	0	306,888	1,266,180	0	2019
2020	309,251	12,662		321,913		5.000%	0	0		7.000%	0	0	321,913	1,588,093	0	2020
2021	321,415	15,881		337,296		5.000%	0	0		7.000%	0	0	337,296	1,925,389	0	2021
2022	333,791	19,254		353,044		5.000%	0	0		7.000%	0	0	353,044	2,278,433	0	2022
2023	346,382	22,784		369,166		5.000%	0	0		7.000%	0	0	369,166	2,647,600	0	2023
2024	359,194	26,476		385,670		5.000%	0	0		7.000%	0	0	385,670	3,033,270	0	2024
2025	372,231	30,333		402,564		5.000%	0	0		7.000%	0	0	402,564	3,435,833	0	2025
2026	385,497	34,358		419,856	0	5.000%	0	0		7.000%	0	0	419,856	3,855,689	0	2026
2027	398,998	38,557		437,555					0	7.000%	0	0	437,555	4,293,244	0	2027
TOTALS	5,518,384	232,110	77,625	5,828,119	690,000		283,125	973,125	455,000		106,750	561,750				

NOTES:

- ¹ Interest earnings projection equal to 1% of preceding year's estimated fund balance.
- ² Estimated Rates are Tax Exempt for 06 and Taxable for 08 and are at least 50 BP above market as of 3/21/06.


4

DETAILED LIST OF PROJECT COSTS

All costs are based on 2006 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2006 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 City Council, without amending the Plan.

PROPOSED TIF PROJECT COST ESTIMATES




Proposed Tax Increment District No. 7 (Park Bank Area)

Project Costs¹

PROJECT LIST	PHASE I PROJECTS 2006	PHASE II PROJECTS 2007	PHASE III PROJECTS 2007
Bury Power Lines	350,000		
Street Lights	20,000		
Subtotal	370,000		
Replace Bus Shelters		50,000	
Landscaping/Benches		50,000	
Fencing		50,000	
Subtotal		150,000	
Redevelopment Fund / Façade Improvement			440,000
Subtotal			440,000
TID Planning & Contingency	51,400		
TID Inventory	13,600		
TOTAL ESTIMATED PROJECT COSTS	435,000	150,000	440,000
07 Costs Finance in 06	150,000		
Financing Expenses			
Fees (Advisory, Bond Counsel, Discount, Rating)	29,100		16,690
Capitalized Interest	77,625		0
Subtotal	106,725		16,690
TOTAL CAPITAL REQUIRED	691,725		456,690
Less Rounding/Interest Earnings	(1,725)		(1,690)
NET BOND SIZE	690,000		455,000

NOTES:
¹ Source of project cost estimates are City ED Director email dated 3-01-06



5

A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

PLAN IMPLEMENTATION

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


It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties. Agreements for façade improvements or rehabilitation will have a clause which would require the payback of any loans in full at time of sale.

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

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


BOND ISSUE SIZING



Proposed Tax Increment District No. 7 (Park Bank Area)
Project Costs¹

PROJECT LIST	PHASE I PROJECTS 2006	PHASE II PROJECTS 2007	PHASE III PROJECTS 2007
TOTAL ESTIMATED PROJECT COSTS	435,000	150,000	440,000
07 Costs Finance in 06	150,000		
Financing Expenses			
Fees (Advisory, Bond Counsel, Discount, Rating)	29,100		16,690
Capitalized Interest	77,625		0
Subtotal	106,725		16,690
TOTAL CAPITAL REQUIRED	691,725		456,690
Less Rounding/Interest Earnings	(1,725)		(1,690)
NET BOND SIZE	690,000		455,000

NOTES:
¹ Source of project cost estimates are City ED Director email dated 3-01-06



Issue No. 1
\$690,000

Proposed Maturity Schedule

The 2006 projects are anticipated to be financed with G.O. Community Development Bonds to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 5%.

Issue #1 (2006-7 Projects)			
G.O. Comm Dev Bonds Dated 5-1-06			
Year	Prin (2/1)	Interest	TOTAL
2006		8,625	8,625
2007		34,500	34,500
2008		34,500	34,500
2009		34,500	34,500
2010		34,500	34,500
2011		34,500	34,500
2012	45,000	33,375	78,375
2013	130,000	29,000	159,000
2014	160,000	21,750	181,750
2015	175,000	13,375	188,375
2016	180,000	4,500	184,500
TOTALS	690,000	283,125	973,125

Issue No. 2
\$455,000

Proposed Maturity Schedule

The 2007 projects are anticipated to be financed with G.O. Community Development Bonds to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 7%.

Issue #2 (2007 Projects)			
G.O. Comm Dev Bonds Dated 2-1-07			
Year	Prin (2/1)	Interest	TOTAL
2007		15,925	15,925
2008	50,000	30,100	80,100
2009	80,000	25,550	105,550
2010	100,000	19,250	119,250
2011	110,000	11,900	121,900
2012	115,000	4,025	119,025
TOTALS	455,000	106,750	561,750

6

ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Section 66.1105(5)(b) of the Wisconsin State Statutes the City estimates that 30% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

7

ANNEXED PROPERTY

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

8

A LIST OF ESTIMATED NON-PROJECT COSTS

Anticipated construction by private parties: \$8,666,667

9

PROPOSED CHANGES IN ZONING ORDINANCES

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

10

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.

11

RELOCATION

It is not anticipated there will be a need to relocate any persons or businesses in conjunction with this Plan.

In the event relocation becomes necessary at some time during the implementation period, the City will take the following steps and actions:

Before negotiations begin for the acquisition of property or easements, all property owners will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Rights". The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of all or at least ten neighboring landowners to whom offers are being made. The City will file a relocation plan with the Department of Commerce and shall keep records as required in Wisconsin Statute Section 32.27.

12

ORDERLY DEVELOPMENT OF THE CITY OF FITCHBURG

The District contributes to the orderly development of the City by providing the opportunity for continued growth in tax base and job opportunities. In 2004, the City completed a comprehensive study for the development and redevelopment of North Fish Hatchery Road. This analysis identified that the area within this proposed District had at least 50% of the properties that were in need of rehabilitation and redevelopment. For a complete analysis, please refer to that report which is on file with the City Planning Staff and City Clerk. Alternate redevelopment concept plans were submitted as a part of that report. This proposed District will facilitate implementation of the redevelopment plans for this area.

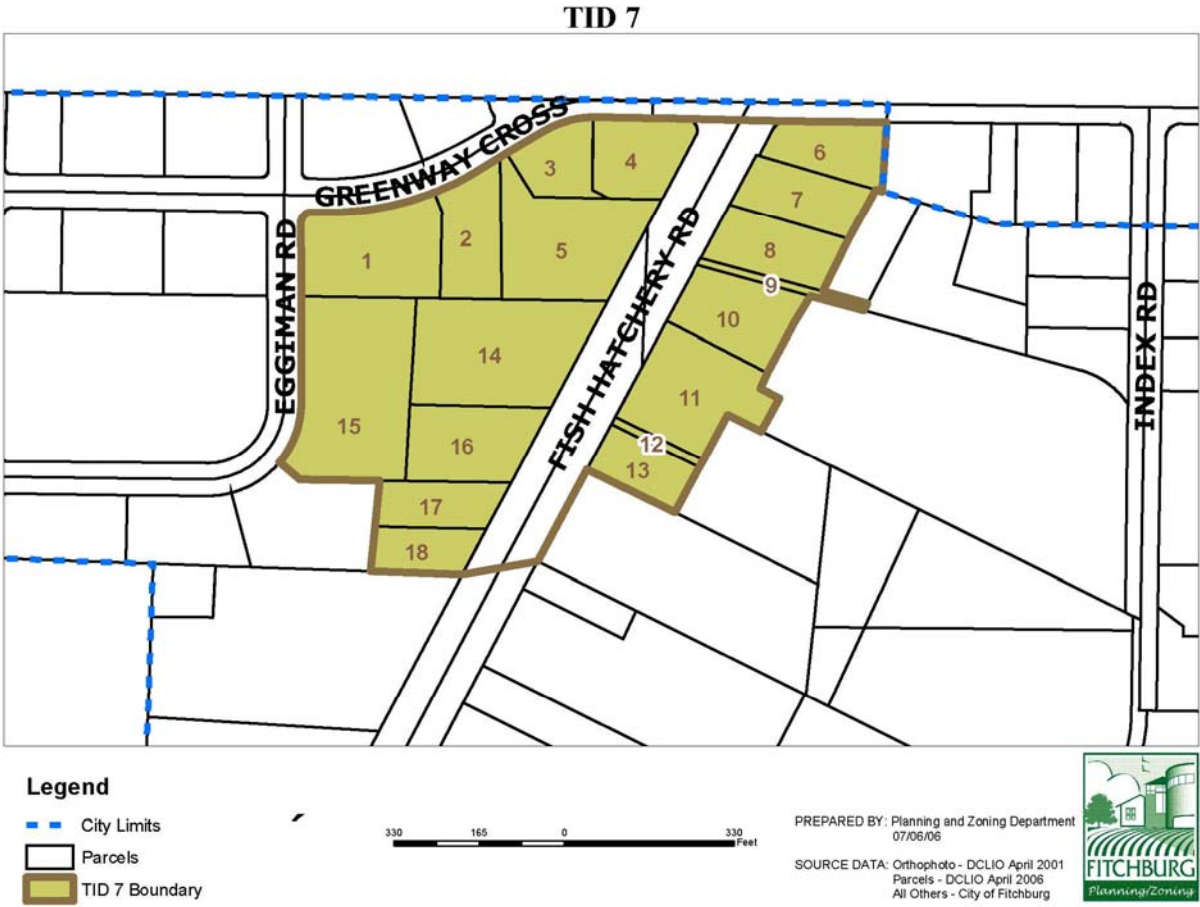
13 PRELIMINARY PARCEL LIST

Boundaries include only whole parcels and the District is contiguous. The 7 year rule / 25% vacant land test has been met, per Wisconsin State Statutes 66.11054gm(1).

2005 Assessment Information											
Map	Parcel Number	Lot	Plat	Owner	Zoning	Acres	Land Value	Improved Value	Total L/I Value	Total PP Value	Total Value
1	225060903121697	9	Bewick Addition	1809 Greenway Cross LLC	R-HA	1.110	360,000	0	360,000	0	720,000
2	225060903121580	1	CSM 03310	Park Bank	B-G	0.682	240,000	905,000	1,145,000	165,400	2,455,400
3	225060903121286	8	Bewick Addition	The Park Bank	B-G	0.439	155,000	0	155,000		310,000
4	225060903121179	7	Bewick Addition	The Park Bank	B-G	0.626	325,000	500,000	825,000	48,500	1,698,500
5	225060903121384	2	CSM 03310	Speedway Superamerica LLC	B-G	0.626	310,000	360,000	670,000	76,200	1,416,200
6	225060903103662	16	MLHCP	Wis Restaurant Assn Educ Fndtn	B-P	0.534	185,000	480,000	665,000	113,700	1,443,700
7	225060903110010	1	MLH	Skala Investment Group LLC	B-P	0.550	190,000	785,000	975,000	78,900	2,028,900
8	225060903110118	1	MLH	Tavern League of Wisconsin Inc	B-P	0.659	215,000	710,000	925,000	30,500	1,880,500
9	225060903110412	1	MLH	WI DOT	A-T	0.210			EXEMPT		
10	225060903116265	26	MLH	Brandon Elderly LLC	A-T, B-G	0.943	285,000	0	285,000		570,000
11	225060903115659	1	CSM 03505	McDonald's Corp 142/48	B-G	1.067	325,000	445,000	770,000	157,000	1,697,000
12	225060903115551	25	MLH	The Retardation Facilities Dev Fndtn	R-L	0.087			EXEMPT		
13	225060903115453	25	MLH	Fish Hatchery Oregon Car Wash	B-H	0.437	150,000	250,000	400,000	11,800	811,800
14	225060903118816	2	CSM 02827	The Carlson Corporation	B-G	1.526	400,000	425,000	825,000	326,100	1,976,100
15	225060903118512	1	CSM 02827	Brookstone Townhomes Invest LLC	B-G	1.800	420,000	1,170,000	1,590,000		3,180,000
16	225060903118923	3	CSM 02827	J M Limited Partnership	B-G	0.826	270,000	385,000	655,000	52,400	1,362,400
17	225060903127646	4	Hasz Subdivision	M&I Madison Bank	B-P	0.909	315,000	1,045,000	1,360,000	23,000	2,743,000
18	225060903127753	5	Hasz Subdivision	M&I Madison Bank	B-P	0.496			Assessed with 0609-031-2764-6		
TOTALS						13.527	4,145,000	7,460,000	11,605,000	1,083,500	12,688,500

14

MAP OF PROPOSED DISTRICT BOUNDARY



15

MAP SHOWING EXISTING USES AND CONDITIONS

TID 7 - Current Land Use



Legend

- City Limits
- TID 7 Boundary
- 01/01/2006 Land Use**
- COMMERCIAL/OFFICE
- MULTIPLE-FAMILY RESIDENTIAL
- VACANT LAND
- PRIVATE TRANSPORTATION CORRIDOR



PREPARED BY: Planning and Zoning Department
07/09/06

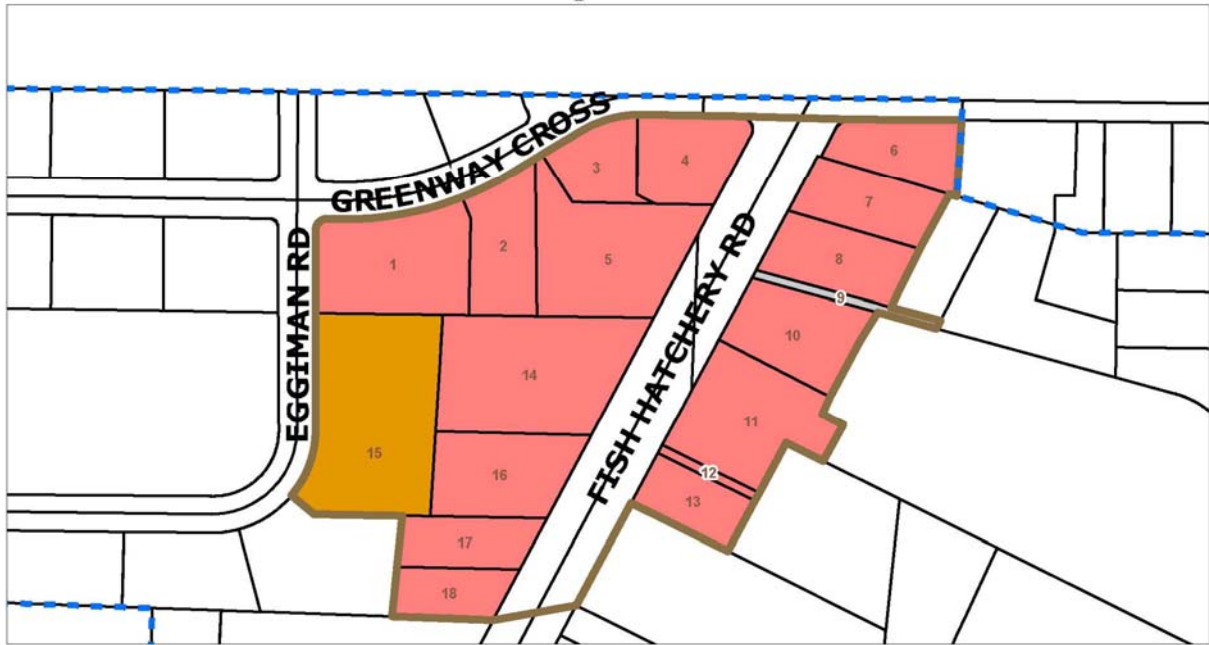
SOURCE DATA: Orthophoto - DCLIO April 2001
Land Use - DCRPC 2000
Parcels - DCLIO April 2006
All Others - City of Fitchburg



16

MAP SHOWING PROPOSED IMPROVEMENTS AND USES

TID 7 - Proposed Land Use



Legend

City Limits

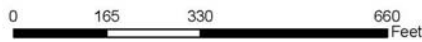
TID 7 Boundary

Proposed Land Use

COMMERCIAL/OFFICE

MULTIPLE-FAMILY RESIDENTIAL

PRIVATE TRANSPORTATION CORRIDOR

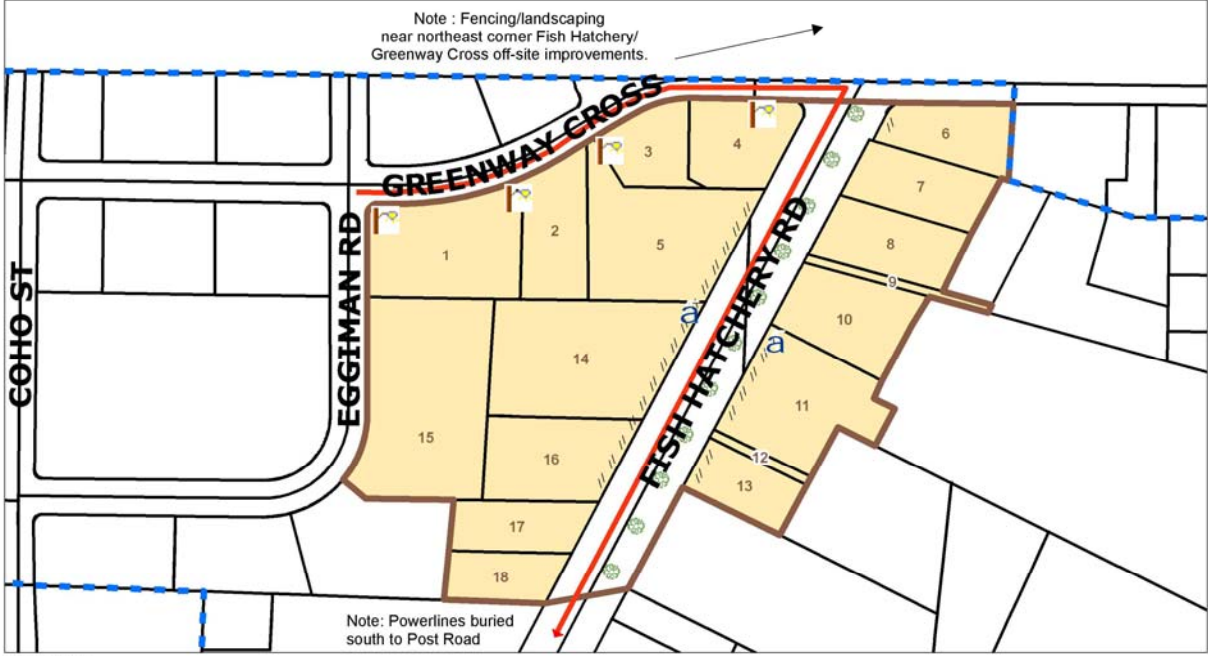


PREPARED BY: Planning and Zoning Department
07/09/06

SOURCE DATA: Orthophoto - DCLIO April 2001
Land Use - DCRPC 2000
Parcels - DCLIO April 2006
All Others - City of Fitchburg

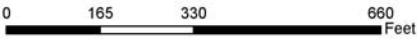


TID 7 - Proposed Improvements



Legend

- City Limits
- Parcels
- TID 7 Boundary
- Possible Facade Improvements/Redevelopment Fund
- Benches & Landscape Improvements (both sides of street)
- Bus Shelters (2)
- Buried Power Lines
- Street Lights (4)



PREPARED BY: Planning and Zoning Department
07/06/06

SOURCE DATA: Parcels - DCLIO April 2006
All Others - City of Fitchburg



17

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



www.dewittross.com

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Please respond to: Capitol Square Office
Direct line: 608-252-9354
Email: mrs@dewittross.com

July 10, 2006

**Via E-mail and
First Class Mail**

Mayor Thomas Clauder
City of Fitchburg
5520 Lacy Road
Fitchburg, WI 53711

RE: City of Fitchburg, Wisconsin Tax Incremental District No. 7

Dear Mayor:

As City Attorney for the City of Fitchburg, I have reviewed the Project Plan and various resolutions passed by the City Council, Plan Commission and Joint Revenue Board regarding Tax Incremental District No. 7 located in the City of Fitchburg. In my opinion, the Project Plan is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Very truly yours,

DEWITT ROSS & STEVENS s.c.

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

Mark R. Sewell

MRS:jaj