

**Boundary & Project Plan Amendment to
Tax Incremental District No. 4
Within the
CITY OF FITCHBURG, WISCONSIN**



July 29, 2005

<i>Joint Review Board Organizational Meeting Held:</i>	<i>July 27, 2005</i>
<i>Public Hearing Held:</i>	<i>August 2, 2005</i>
<i>Adopted by Plan Commission:</i>	<i>August 2, 2005</i>
<i>Adopted by City Council:</i>	<i>August 9, 2005</i>
<i>Anticipated approval by Joint Review Board:</i>	<i>August 23, 2005</i>



EHLERS
& ASSOCIATES INC

Prepared by: EHLERS & ASSOCIATES, INC.
375 Bishops Way, Suite 225, Brookfield, WI 53005-6202
(262) 785-1520 fax: (262) 785-1810 www.ehlers-inc.com

Tax Incremental District No. 4 Project Plan & Boundary Amendment

City of Fitchburg Officials

City Council

Thomas Clauder	Mayor
Jason Williams	Council President
Andrew Potts	Council Member
Bob Bello	Council Member
Thomas Darcy	Council Member
Richard Bloomquist	Council Member
William Horns	Council Member
Steve Arnold	Council Member
Scott Norton	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
DeWitt, Ross & Stevens	Attorney

Plan Commission

Ed Kinney	Ron Nagel
John Freiburger	Kim Lobdell
James Anderson	Bob Bello
Tom Hovel	Tom Clauder
Jack Martz	Patricia Delker

Joint Review Board

Tom Hovel	City Representative
Dave Gawenda	Dane County
Ryan Liebert	Madison Area Technical College District
Juan Jose Lopez	Madison Metropolitan School District School District
Robert Gorsuch	Public Member

TABLE OF CONTENTS

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS	4
EQUALIZED VALUE TEST	6
ECONOMIC FEASIBILITY STUDY	7
DETAILED LIST OF NEW AND AMENDED PROJECT COSTS	15
A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED	17
ADDITIONAL TERRITORY - ANNEXED PROPERTY	19
A LIST OF ESTIMATED NON-PROJECT COSTS.....	19
PROPOSED CHANGES IN ZONING ORDINANCES	19
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF FITCHBURG ORDINANCES.....	20
RELOCATION	20
ORDERLY DEVELOPMENT OF THE CITY OF FITCHBURG.....	20
PRELIMINARY PARCEL LIST.....	21
MAP OF PROPOSED DISTRICT BOUNDARY.....	22
MAP SHOWING EXISTING USES & CONDITIONS	24
MAP SHOWING PROPOSED PROJECTS & IMPROVEMENTS	26
OPINION OF ATTORNEY FOR THE CITY OF FITCHBURG ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105	28

1

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

Tax Incremental District No. 4 (the “District”) was created by resolution of the City Council on May 27, 2003 under the authority provided by Wisconsin Statute Section 66.1105.

This District was created as an “Industrial District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for industrial sites within the meaning of Wisconsin Statute Section 66.1101 and has been zoned for industrial use.

According to the original Project Plan, the District was formed for the following purposes:

Tax Incremental District No. 4 in the City of Fitchburg is created under authority of Wisconsin Statutes 66.1105 primarily to assist expansion of the tax base by providing public improvements necessary to promote industrial technology development. The inducement is to install public utilities including sewer, water, stormwater facilities, streets and other related improvements on unimproved property that will allow industrial development to take place.

TID No. 4 is located along S. Fish Hatchery Road on the East side of Fish Hatchery, South of E. Cheryl Pkwy. and adjacent to and including part of the existing Fitchburg Research Park (see maps). The goal is to achieve land uses which are more compact, higher density and thus more sustainable and effective while increasing property value, and high quality tax base. This will also lead to higher quality employment and tax revenue to all taxing jurisdictions over the long run.

To further the goals contained in the original Project Plan, the City of Fitchburg now finds it desirable to amend the District’s boundaries to add additional territory, and to amend the Project Plan to provide for the undertaking of additional expenditures. A map of the District boundary and the areas to be incorporated by amendment can be found within this Project Plan.

Pursuant to Section 66.1105(4)(h), Wisconsin Statutes, a City may amend the boundaries of a tax increment finance district to either add or subtract property from the original District. Up to four boundary amendments are allowed during the life of the District. This amendment will be the first boundary amendment of Tax Incremental District No. 4.

A portion of the costs of a parking structure is the primary additional public expenditure that the City expects to implement in conjunction with the Town Center Office Project within the amended areas. Any costs directly or indirectly related to the public works are considered “project costs” and are eligible to be paid with tax increment revenues of the District.

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 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 or any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and 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.

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 Additional Territory, 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.

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

Equalized Value (as of January 1, 2004)		Maximum Allowable TID Property Value
\$1,892,988,500	X 12% =	\$227,158,620

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	\$ 9,663,600
Proposed Base of Additional Territory	\$32,620,100
Total Existing Increment Plus Proposed Base	\$42,283,700

The equalized value of the base of the Additional Territory plus the value of all other existing Tax Incremental Districts within the City, totals \$42,283,700. This value is less than the maximum of \$227,158,620 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.

3

ECONOMIC FEASIBILITY STUDY

The City of Fitchburg, located in the south central part of Dane County near the “beltline” highway (State Highways 14 & 18), is a community of approximately 21,257 in population. The City, which contains approximately 35 square miles of land, is located adjacent to the City of Madison in south central Wisconsin.

The charts and exhibits on the following pages demonstrate that the City will be able to obtain the funds necessary to implement the updated and amended 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 2000 and 2004. The second method projects the future valuation based upon the average annual increment between 2000 and 2004. 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.

The primary form of financing for TID projects contemplated within this amendment is the issuance of a “Pay-As-You-Go” Developer Revenue Bond (issued to the Developer) which would be paid solely from the revenues generated by the tax increment generated by the amended area of the District. As such, there would be no liability to the City in the event that there were not sufficient TID revenues to make the payments on the Revenue Bond.

In addition to the Pay-As-You-Go Developer Revenue Bond, 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

	2000	1,198,743,800			2000	1,198,743,800	
	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	14.48%		2004	1,892,988,500	14.48%

Straight Line Method Value Increment

\$173,561,175

PROJECTED VALUATIONS

	2005	2,167,066,504	14.48%		2005	2,066,549,675	9.17%
	2006	2,480,827,133	14.48%		2006	2,240,110,850	8.40%
	2007	2,840,015,871	14.48%		2007	2,413,672,025	7.75%
	2008	3,251,210,066	14.48%		2008	2,587,233,200	7.19%
	2009	3,721,939,373	14.48%		2009	2,760,794,375	6.71%
	2010	4,260,823,638	14.48%		2010	2,934,355,550	6.29%
	2011	4,877,730,734	14.48%		2011	3,107,916,725	5.91%
	2012	5,583,957,267	14.48%		2012	3,281,477,900	5.58%
	2013	6,392,435,429	14.48%		2013	3,455,039,075	5.29%

CHART II

BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY
2005	1,892,988,500	94,649,425	17,184,752	77,464,673
2006	2,066,549,675	103,327,484	14,080,156	89,247,328
2007	2,240,110,850	112,005,543	11,050,000	100,955,543
2008	2,413,672,025	120,683,601	8,610,000	112,073,601
2009	2,587,233,200	129,361,660	7,105,000	122,256,660
2010	2,760,794,375	138,039,719	6,065,000	131,974,719
2011	2,934,355,550	146,717,778	5,065,000	141,652,778
2012	3,107,916,725	155,395,836	4,160,000	151,235,836
2013	3,281,477,900	164,073,895	3,295,000	160,778,895
2014	3,455,039,075	172,751,954	2,755,000	169,996,954
2015	3,628,600,250	181,430,013	2,165,000	179,265,013
2016	3,802,161,425	190,108,071	1,515,000	188,593,071
2017	3,975,722,600	198,786,130	795,000	197,991,130
2018	4,149,283,775	207,464,189		207,464,189
2019	4,322,844,950	216,142,248		216,142,248
2020	4,496,406,125	224,820,306		224,820,306
2021	4,669,967,300	233,498,365		233,498,365
2022	4,843,528,475	242,176,424		242,176,424
2023	5,017,089,650	250,854,483		250,854,483
2024	5,190,650,825	259,532,541		259,532,541
2025	5,364,212,000	268,210,600		268,210,600
2026	5,537,773,175	276,888,659		276,888,659
2027	5,711,334,350	285,566,718		285,566,718
2028	5,884,895,525	294,244,776		294,244,776
2029	6,058,456,700	302,922,835		302,922,835
2030	6,232,017,875	311,600,894		311,600,894
2031	6,405,579,050	320,278,953		320,278,953

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 property to be added to the District is \$32,620,100
- Tax increment will be generated as of January 1 each year as follows:

2008	\$24,592,215
2009	\$ 578,000
2010	\$ 289,000
2011	\$0
2012	\$10,000,000

- The equalized tax rate in 2005 is projected to be \$21.90 per thousand. It is projected to remain constant throughout the pro forma.
- Valuations are projected to increase 2% each year reflecting ordinary inflation of property values within District.

DEVELOPMENT ASSUMPTIONS

City of Fitchburg, TID # 4 Amendment # 1

Development Assumptions for Project Plan Amendment

<u>PROJECT</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
Town Center Project	23,142,215					23,142,215
Existing Promega Buildings	1,450,000	578,000	289,000			2,317,000
Lot 3 Building (In Existing TID Area)				10,000,000		10,000,000
Total	24,592,215	578,000	289,000	0	10,000,000	35,459,215



Exhibit 1

City of Fitchburg
Tax Increment District # 4, Plan & Boundary Amendment # 1
(AMENDED AREA ONLY)

Tax Increment Forecast ASSUMES FULL VALUE AS PROVIDED BY PROMEGA

Base Value		32,620,100		Property Appreciation Factor		2.00%	
Tax Rate Adjustment Factor		0.00%		Tax		Increment	
Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Added	Valuation Increment	Tax Rate	Tax Increment
1	2003	2004	0	0	0	21.90	0
2	2004	2005	0	0	652,402	21.90	14,336
3	2005	2006	662,402	24,592,216	25,910,087	21.90	567,430
4	2006	2007	665,460	578,000	27,658,670	21.90	605,725
5	2007	2008	1,170,603	289,000	29,153,248	21.90	638,456
6	2008	2009	1,205,575	0	30,368,713	21.90	665,518
7	2009	2010	1,235,467	10,000,000	41,648,889	21.90	912,111
8	2010	2011	1,260,176	0	43,134,269	21.90	944,640
9	2011	2012	1,485,380	0	44,649,358	21.90	977,821
10	2012	2013	1,515,087	0	46,194,745	21.90	1,011,665
11	2013	2014	1,545,389	0	47,771,042	21.90	1,046,166
12	2014	2015	1,576,397	0	49,378,865	21.90	1,081,397
13	2015	2016	1,607,823	0	51,018,844	21.90	1,117,315
14	2016	2017	1,639,979	0	52,691,623	21.90	1,153,847
15	2017	2018	1,672,719	0	54,397,899	21.90	1,191,315
16	2018	2019	1,706,734	0	56,138,217	21.90	1,229,427
17	2019	2020	1,740,569	0	57,913,363	21.90	1,268,305
18	2020	2021	1,775,166	0	59,724,053	21.90	1,307,957
19	2021	2022	1,810,070	0	61,570,936	21.90	1,348,403
20	2022	2023	1,846,883	0	63,454,757	21.90	1,389,659
21	2023	2024	1,883,821	0	65,376,254	21.90	1,431,740
22	2024	2025	1,921,497	0	67,336,181	21.90	1,474,662
23	2025	2026	1,959,927	0	69,334,844	21.90	1,518,441
Totals				35,459,215			21,377,956

Present value at 6 % **10,600,698**

NOTE: All Values are Equalized (Full Market) Values Tax Rate is from 2004 Tax Rate Calculation Worksheet.

MAXIMUM DOLLAR AMOUNT OF PROJECT COSTS THAT TID WOULD SUPPORT

Prepared By: EHLERS and ASSOCIATES, Inc.

TID #4 Amendment Pro Forma C_27_05-24 - Interest Fact1



City of Fitchburg Tax Increment District # 4, Plan & Boundary Amendment # 1 (AMENDED AREA ONLY) Tax Increment Forecast (ASSUMES 66.6% of Tax Increment Value)

INCREMENT ALLOCATION TO DEVELOPER BOND

Construction Year	Valuation Year	Revenue Year	Inflation Year	Value Added	Valuation Increment	Tax Rate	Tax Increment	Cumulative P.V.
1	2003	2004	2005	0	0	21.90	0	0
2	2004	2005	2006	0	0	21.90	0	0
3	2005	2006	2007	434,500	434,500	21.90	9,516	9,516
4	2006	2007	2008	443,190	16,376,415	21.90	377,909	346,552
5	2007	2008	2009	775,622	384,348	21.90	8,416	692,104
6	2008	2009	2010	802,913	192,474	21.90	4,252	1,036,342
7	2009	2010	2011	822,821	0	21.90	0	1,374,474
8	2010	2011	2012	838,277	0	21.90	0	1,815,036
9	2011	2012	2013	869,263	6,660,000	21.90	145,854	2,247,523
10	2012	2013	2014	1,009,048	0	21.90	0	2,671,863
11	2013	2014	2015	1,029,229	0	21.90	0	3,088,003
12	2014	2015	2016	1,049,814	0	21.90	0	3,495,307
13	2015	2016	2017	1,070,810	0	21.90	0	3,995,560
14	2016	2017	2018	1,092,226	0	21.90	0	4,268,388
15	2017	2018	2019	1,114,071	0	21.90	0	4,570,116
16	2018	2019	2020	1,136,352	0	21.90	0	5,411,827
17	2019	2020	2021	1,159,079	0	21.90	0	6,463,607
18	2020	2021	2022	1,182,261	0	21.90	0	7,069,992
19	2021	2022	2023	1,205,906	0	21.90	0	7,069,992
20	2022	2023	2024	1,230,024	0	21.90	0	7,069,992
21	2023	2024	2025	1,254,625	0	21.90	0	7,069,992
22	2024	2025	2026	1,279,717	0	21.90	0	7,069,992
23	2025	2026	2027	1,305,311	0	21.90	0	7,069,992
Totals				23,618,937				14,237,719

Present value at 6% = 7,069,992

NOTE: All Values are Equalized (Full Market) Values. Tax Rate is from 2004 Tax Rate Calculation Worksheet

MAXIMUM DOLLAR AMOUNT OF PROJECT COSTS THAT TID WOULD SUPPORT

TID #4 Amendment Proj Form 6_27_05.1, Inc @ 6%

6/27/2015

Prepared by EHLERS Assoc

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, for the purpose of analyzing the cash position associated with this amendment, as follows:

Issue No.	Year	Description	Amount
1	2008	Orion Seven, LLC Pay-As-You-Go Developer Bonds	\$2,331,484

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce a \$4,794 accumulated surplus by the year 2012.

Exhibit 2

FITCHBURG TID # 4 CASH FLOW PROJECTION SUMMARY (Amended Area Only)

Assumes Allocation of 20% of TID Revenues

Years of Increment	Revenue Year	Tax Increment	Developer PAVG 06 Principal	Developer PAVG 06 Interest @ 6.00%	TOTAL DEBT	Admin. & Mkt Expenses	Capitalized Interest	2.00% Interest Earned	TID Increment Annual Balance	TID Increment Cumulative Balance W/ 3.00% Interest	Total Debt Balance
2003			2,200,000								0
1	2004	0			0	0	0	0		0	0
2	2005	0			0	0	0	0		0	2,331,484
3	2006	0			0	0	0	0		0	2,331,484
4	2007	14,288		516	516	8,000			4,772	4,772	2,331,484
5	2008	567,430	225,020	138,889	362,009	15,000	95	3,888	1,087,533	194,389	2,331,484
6	2009	805,725	275,905	126,508	400,413	3,000	3,888	8,012	3,102,311	400,589	2,108,465
7	2010	639,455	312,138	110,074	422,212	3,000	8,012	12,437	2,132,244	621,845	1,834,560
8	2011	865,513	346,886	91,345	440,232	3,000	17,131	23,567	2,227,781	850,592	1,522,422
9	2012	912,111	530,054	70,412	604,466	3,000	30,348	49,415	3,145,916	1,170,340	1,173,556
10	2013	944,810	587,782	38,369	626,151	3,000	70,857	82,973	3,145,916	1,517,410	639,482
11	2014	977,821	51,720	3,103	54,924	0	92,984	92,984	2,470,762	2,470,762	51,720
12	2015	1,011,665	0	0	0	0	49,415	1,011,665	1,011,665	3,531,642	(0)
13	2016	1,045,186	0	0	0	0	70,857	1,316,109	4,842,865	4,842,865	(0)
14	2017	1,081,337	0	0	0	0	92,973	1,081,337	5,933,032	5,933,032	(0)
15	2018	1,117,313	0	0	0	0	116,461	1,117,313	7,066,609	7,066,609	(0)
16	2019	1,153,947	0	0	0	0	141,136	1,153,947	8,281,681	8,281,681	(0)
17	2020	1,191,313	0	0	0	0	167,898	1,191,313	9,710,242	9,710,242	(0)
18	2021	1,229,427	0	0	0	0	194,205	1,379,427	11,135,874	11,135,874	(0)
19	2022	1,268,303	0	0	0	0	222,877	1,368,303	12,624,652	12,624,652	(0)
20	2023	1,307,957	0	0	0	0	252,497	1,307,957	14,186,589	14,186,589	(0)
21	2024	1,348,403	0	0	0	0	283,706	1,348,403	15,817,413	15,817,413	(0)
22	2025	1,389,658	0	0	0	0	316,346	1,389,658	17,535,426	17,535,426	(0)
23	2026	1,431,740	0	0	0	0	350,469	1,431,740	19,305,634	19,305,634	(0)
24	2027	1,474,862	0	0	0	0	386,113	1,474,862	21,109,403	21,109,403	(0)
										2,331,484	18,427,750
										7,874,338	

YEAR OF TID CLOSURE

4

DETAILED LIST OF NEW AND AMENDED PROJECT COSTS

A detailed listing of the projects that the City may undertake within the additional territory is found on the following page. All costs are based on 2005 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2005 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.

The principal project cost will be a portion of the cost of a parking structure to serve a new office facility. The overall cost of building a parking structure for 282 stalls on this site is estimated at \$5,566,850. The cost providing comparable surface parking (including cost of additional land required) is \$516,000. This results in a gap of \$5,050,850. The gap caused by the underground parking project is \$5,566,850 less \$516,000 = \$5,050,850. Discussions with the City concluded that the TIF should roughly related to 50% of the net cost of the ramp times the ratio of underground to total parking spaces in the ramp (86%), or about \$2,200,000.

As was discussed in the original Project Plan, it is important to note that 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 further amending this Plan.

PROPOSED TIF PROJECT COST ESTIMATES

FITCHBURG ORION SEVEN, LLC TIF DEVELOPER BOND

Original Principal Amount = \$2,200,000

CASH FLOW PROJECTION/CITY ADMINISTRATIVE COSTS & TAX INCREMENT REVENUE BOND PAYMENT SCHEDULE

Basic Assumptions:		Qualification	
Base year	2003	This financial forecast is based on preliminary estimates and assumptions that are subject to change. The forecast like all forecasts is based on predictions that are may not materialize as demonstrated. The forecast is useful when compared to others made consistently but with different assumptions.	
TID 1 Site Base Value	21,724,927		
Appreciation factor	2.00%		
Initial tax rate (Dollars per thousand)	21.90		
Tax rate inflation	6.00%		
Interest rate on loan	01-Jan-07		
First Annual Loan payment date	01-Oct-07		
Depreciated Value Due To Razing	0		
Original loan principal	2,200,000		
Racheting formula	none		
First construction increment @ 66%	16,378,415		
Second construction increment @ 66%	384,548		
Third construction increment @ 66%	192,474		
Fourth construction increment @ 66%	4,660,000		

Revenue Year	Inflation Increment	66% of New Construction	TID 4 Current Incent Value	Equated Net Tax Increment Rate	Allocated to Spec Prod Fund	City Administration Costs	Loan Principal Outstanding	Accrued Interest	Interest Paid	Principal Paid	Unpaid Int addback	Total Residual TID Principal (Interest from 66% Share)
2003	0	0	0	21.90	0	0	0	0	0	0	0	0
2004	0	0	0	21.90	0	0	0	0	0	0	0	0
2005	434,300	0	434,300	21.90	0	0	2,200,000	0	0	0	0	0
2006	443,190	16,378,415	17,256,105	21.90	0	0	2,200,000	0	0	0	0	0
2007	779,622	384,548	18,420,674	21.90	9,516	9,000	2,200,000	132,000	516	223,020	131,484	516
2008	802,913	192,474	19,416,062	21.90	377,909	15,000	2,108,465	139,869	139,869	273,905	362,909	0
2009	822,621	0	20,238,683	21.90	403,413	3,000	1,834,560	126,508	126,508	312,138	400,413	0
2010	839,277	6,660,000	27,738,160	21.90	435,212	3,000	1,522,422	110,074	110,074	342,836	440,232	0
2011	989,263	0	28,727,423	21.90	443,232	3,000	1,173,536	70,412	70,412	387,762	604,466	0
2012	1,009,648	0	29,736,471	21.90	607,466	3,000	639,482	38,369	38,369	51,720	54,824	0
2013	1,032,229	0	30,765,700	21.90	639,131	3,000	51,720	3,103	3,103	0	56,605	0
2014	1,049,814	0	31,815,514	21.90	651,259	0	0	0	0	0	673,769	0
2015	1,070,810	0	32,886,324	21.90	673,769	0	0	0	0	0	696,700	0
2016	1,092,276	0	33,978,550	21.90	696,700	0	0	0	0	0	720,510	0
2017	1,114,071	0	35,092,621	21.90	720,510	0	0	0	0	0	744,130	0
2018	1,136,352	0	36,228,573	21.90	744,130	0	0	0	0	0	768,528	0
2019	1,159,079	0	37,388,052	21.90	768,528	0	0	0	0	0	793,415	0
2020	1,182,261	0	38,570,313	21.90	793,415	0	0	0	0	0	818,795	0
2021	1,205,906	0	39,776,219	21.90	818,795	0	0	0	0	0	844,690	0
2022	1,230,024	0	41,006,243	21.90	844,690	0	0	0	0	0	871,099	0
2023	1,254,625	0	42,260,866	21.90	871,099	0	0	0	0	0	898,037	0
2024	1,279,717	0	43,540,555	21.90	898,037	0	0	0	0	0	925,513	0
2025	1,305,311	0	44,845,896	21.90	925,513	0	0	0	0	0	953,170	0

12,302,055 0 39,000 589,216 2,331,484 2,911,700

Total Payments to Developer on Dev. Bond 2,911,700



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 and/or development incentives to the additional territory. It is anticipated these expenditures will be made during 2005. 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. The primary security to the City would be in the form of financing the Pay-As-You-Go Developer Bond which is paid to the extent TID revenues are available. In addition, these agreements can provide for development guarantees or a payment in lieu of development.

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.

Issue No. 1
Orion Seven, LLC Pay-As-You-Go Developer Bonds
\$2,331,484

Proposed Maturity Schedule

The 2007 projects are anticipated to be financed with Developer Bonds to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 6%.

YEAR	PRINCIPAL	INTEREST	TOTAL
2007		516	\$516
2008	223,020	139,889	\$362,909
2009	273,905	126,508	\$400,413
2010	312,138	110,074	\$422,212
2011	348,886	91,345	\$440,232
2012	534,054	70,412	\$604,466
2013	587,762	38,369	\$626,131
2014	51,720	3,103	\$54,824
TOTAL	\$2,331,484	\$580,216	\$2,911,700

6 ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Section 66.1105(5)(b) of the Wisconsin State Statutes the City estimates that 15% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

7 ADDITIONAL TERRITORY - ANNEXED PROPERTY

There is not any property (or *Properties*) 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 within the Additional Territory : \$35,545,000

9 PROPOSED CHANGES IN ZONING ORDINANCES

The City of Fitchburg does not anticipate that adding the Additional Territory to 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 of Fitchburg 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 of Fitchburg 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 of Fitchburg 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 of Fitchburg 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

Incorporation of the Additional Territory to the District contributes to the orderly development of the City by providing the opportunity for continued growth in tax base and job opportunities.

13

PRELIMINARY PARCEL LIST

TAX INCREMENT DISTRICT # 4 AMENDMENT INFORMATION June 2, 2005

Property to be Added to TID #4									
Map #	Parcel Number	Lot	Plat	Owner	Acres	Zoning Class	Ind Acres	Asd Value	
24	2.25061E+14	9	FRP	FRPA	1.621	PDD-GIP (retail/office)		\$388,400	
25	2.25061E+14	10	FRP	FRPA	1.657	PDD-GIP (retail/office)		\$397,000	
26	2.25061E+14	11	FRP	FRPA	1.694	PDD-GIP (retail/office)		\$405,900	
27	2.25061E+14	12	FRP	FRPA	1.784	PDD-GIP (retail/office)		\$10,000	
28	2.25061E+14	1	CSM 9025	Promega Corp	12.49	I-S	12.49	\$16,089,600	
29	2.25061E+14	Varies		Promega Corp	10.48	I-S	10.48	\$913,600	
30	2.25061E+14	Varies		Promega Corp	8.65	I-S	8.65	\$4,307,400	
31	2.25061E+14	Varies		Promega Corp	2.14	I-S	2.14	\$186,500	
#s 28--31	Personal property			Promega Corp	N/A		N/A	\$9,921,700	
Total addition					40.516	Industrial addition	33.76	\$32,620,100	

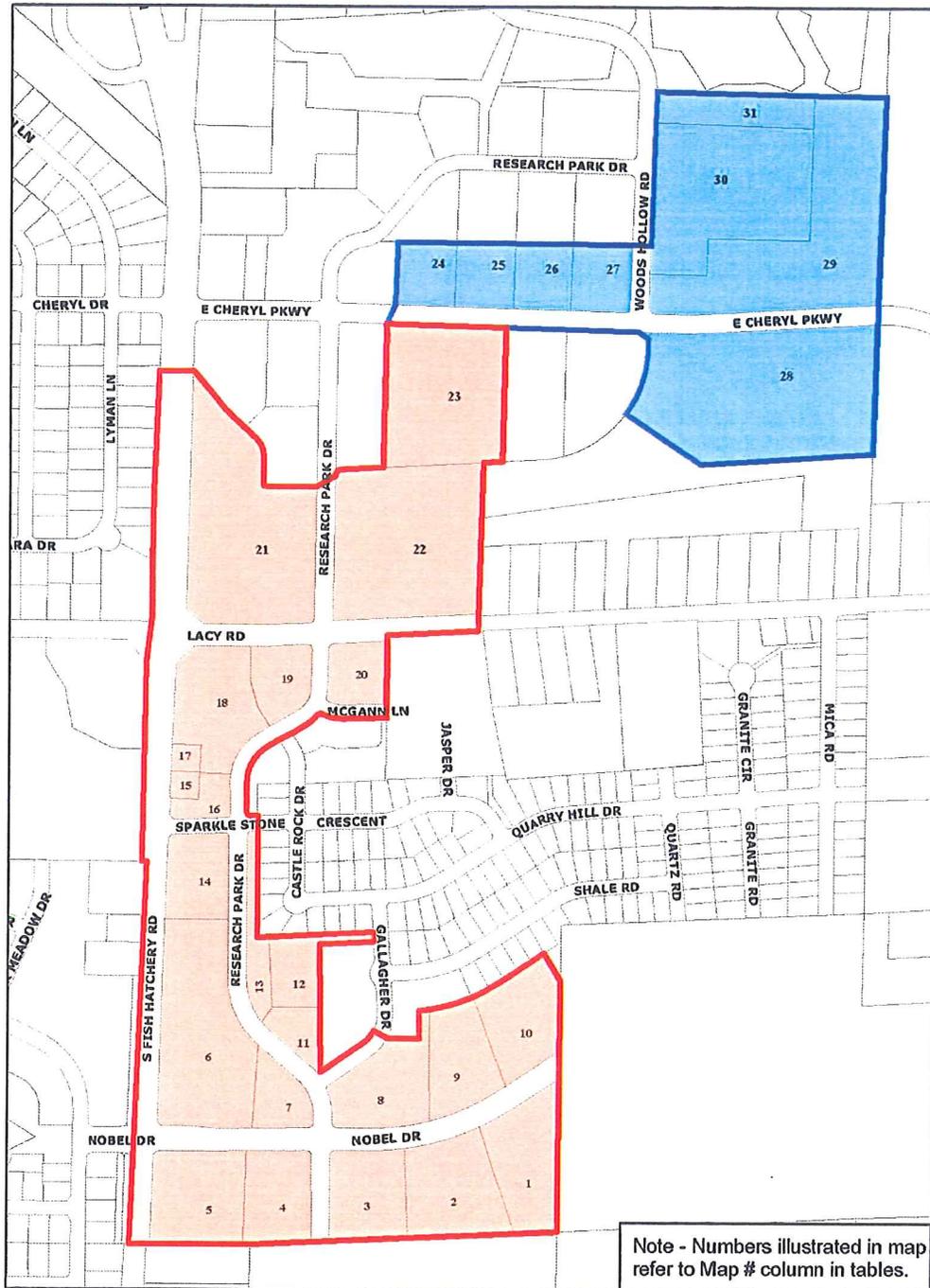
Original TID # 4 by current parcels (6/2/05)									
Map #	Parcel Number	Lot	Plat	Owner	Acres	Zoning Class	Ind Acres		
1	2.25061E+14	22	FTC 1st add	FTC LLC	3.58	PDD-GIP (tech)	3.58		
2	2.25061E+14	23	FTC 1st add	FTC LLC	3.82	PDD-GIP (tech)	3.82		
3	2.25061E+14	24	FTC 1st add	FTC LLC	2.92	PDD-GIP (tech)	2.92		
4	2.25061E+14	25	FTC 1st add	FTC LLC	2.66	PDD-GIP (tech)	2.66		
5	2.25061E+14	26	FTC 1st add	FTC LLC	3.73	PDD-GIP (tech)	3.73		
6	2.25061E+14	28	FTC 1st add	FTC LLC	7.23	PDD-GIP (tech)	7.23		
7	2.25061E+14	27	FTC 1st add	FTC LLC	1.48	PDD-GIP (tech)	1.48		
8	2.25061E+14	1	CSM 11387	New Venture Cntr LLC	3.3	PDD-SIP (tech)	3.3		
9	2.25061E+14	2	CSM 11387	FTC LLC	2.79	PDD-GIP (tech)	2.79		
10	2.25061E+14	21	FTC 1st add	Kelly & Kelly Invstmnt	3.25	PDD-GIP (tech)	3.25		
11	2.25061E+14	17	FTC 1st add	FTC LLC	1.01	PDD-GIP (open space)			
12	2.25061E+14	OL 2		C. of Fitchburg	1.74	PDD-SIP (open space)			
13	2.25061E+14	OL 6	FTC 1st add	C. of Fitchburg	1.24	PDD-GIP (open space)			
14	2.25061E+14	29	FTC 1st add	FTC LLC	2.3	PDD-GIP (tech)	2.3		
15	2.25061E+14			Torgerud, L.	0.017	R-L			
16	2.25061E+14	30	FTC 1st add	FTC LLC	0.85	PDD-GIP (tech)	0.85		
17	2.25061E+14			Fitchburg Bldg LLC	0.39	R-L			
18	2.25061E+14	31, p 30	FTC 1st add	Fitchburg Bldg LLC	3.82	PDD-SIP (office)			
19	2.25061E+14	32, p 31	FTC 1st add	FTC Retail West LLC	1.75	PDD-SIP (retail/office)			
20	2.25061E+14	14	FTC 1st add	FTC Retail East LLC	1.59	PDD-SIP (retail/office)			
Continued									
Map #	Parcel Number	Lot	Plat	Owner	Acres	Zoning Class	Ind Acres		
21	2.25061E+14	20	FRP 2nd add	City of Fitchburg	10	I-S	10		
22	2.25061E+14	1	CSM 5223	City of Fitchburg	10	B-G			
23	2.25061E+14	part 3	CSM 6142	FRPA	7.125	I-S	7.125		
Grand Total					117.108	Industrial Acres	88.795		

Abbreviations Used:

Symbol	Meaning
FRP	Fitchburg Research Park
FRPA	Fitchburg Research Park Associates
FTC	Fitchburg Technology Campus
FTC LLC	Fitchburg Technology Campus LLC
PDD-GIP	Planned Development District General Implementation Plan
PDD-SIP	Planned Development District Specific Implementation Plan
R-L	Low Density Residential
I-S	Specialized Industrial
CSM	Certified Survey Map

14 MAP OF PROPOSED DISTRICT BOUNDARY

The following map identifies the Additional Territory and its relationship to the existing District's boundaries.



FITCHBURG TAX INCREMENT FINANCE DISTRICT #4
Parcels as of 06/05

T.I.D. #4

T.I.D. #4 Proposed Addition

1 inch equals 600 feet

Prepared by: Fitchburg Planning Department
06/06/05



15 MAP SHOWING EXISTING USES & CONDITIONS

The following map identifies the existing uses and conditions of the Additional Territory.



**TAX INCREMENTAL FINANCE DISTRICT #4
EXISTING LAND USE, JUNE 2005**

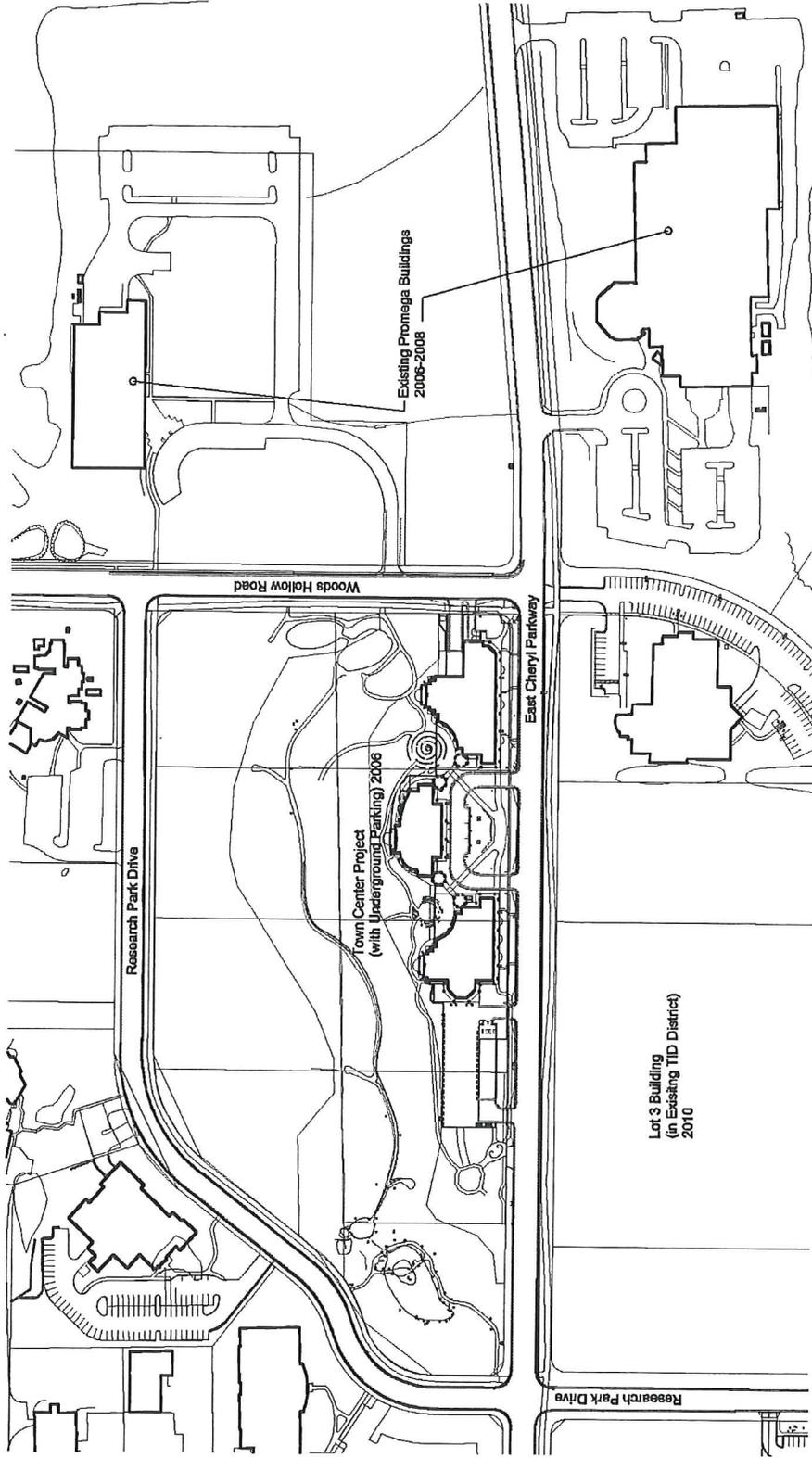
5520 Lacy Rd
Fitchburg, VI 53711-5318
(608) 270-4200

Parcels as of 06/05

16

MAP SHOWING PROPOSED PROJECTS & IMPROVEMENTS

The following map identifies the proposed projects and improvements of the Additional Territory.



17

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



**DEWITT
ROSS & STEVENS**
LAW FIRM

www.dewittross.com

Capitol Square Office
Two East Mifflin Street
Suite 600
Madison, WI 53703-2865
Tel 608-255-8891
Fax 608-252-9243

West Office
8000 Excelsior Drive
Suite 401
Madison, WI 53717-1914
Tel 608-831-2100
Fax 608-831-2106

Metro Milwaukee Office
13935 Bishop's Drive
Suite 300
Brookfield, WI 53005-6605
Tel 262-754-2840
Fax 262-754-2845

Please respond to: Capitol Square Office
Direct line: 608-252-9365
Email: mrc@dewittross.com

August 16, 2005

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

RE: Orion Seven, LLC
Amended Tax Incremental District #4

Dear Mayor Clauder:

As attorneys for the City of Fitchburg, we have reviewed the Project Plan Amendment document and various resolutions passed by the City Council, Plan Commission and Joint Review Board regarding the Amendment of Tax Incremental District #4 (the "District") located in the City of Fitchburg. In our opinion, the Project Plan is complete and complies with Section 66.1105 of the Wisconsin Statutes.

If any member of the Joint Review Board has a present or anticipated direct financial interest in any property located within the amended District, that person would be legally obligated to abstain from voting on this issue and would be required to recuse himself or herself from any participation or discussion of this issue.

Sincerely,

DEWITT ROSS & STEVENS s.c.

Michael R. Christopher

MRC:mtc