

**Project Plan
for the Creation of
Tax Incremental District No. 6
in the
CITY OF FITCHBURG, WISCONSIN**



July 28, 2006

<i>Organizational Joint Review Board Meeting Held:</i>	<i>July 18, 2006</i>
<i>Public Hearing Held:</i>	<i>July 18, 2006</i>
<i>Anticipated Adoption by Plan Commission:</i>	<i>July 18, 2006</i>
<i>Anticipated Adoption by City Council:</i>	<i>August 8, 2006</i>
<i>Anticipated Approval by Joint Review Board:</i>	<i>August 23, 2006</i>



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Tax Incremental District No. 6 Creation Project Plan

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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
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Plan Commission

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

Joint Review Board

Tom Hovel	City Representative
Dave Gawenda	Dane County
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Chris Hannemann	Verona Area School District
Jack Martz	Public Member

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STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

Tax Incremental District No. 6 (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 “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of commercial and residential uses within the meaning of Wisconsin Statute Section 66.1105(2)(cm). Lands proposed for newly platted residential development comprise less than 35% of the area of the District. To the extent that project costs will be incurred by the City for newly platted residential development, the residential development will have a density of at least 3 units per acre.

The District consists of approximately 120 acres and is located generally North & West of Nesbitt Rd and South of McKee Rd. The City intends that tax increment financing (TIF) will be used to assure that a combination of private commercial and residential development occurs within the District consistent with the City’s development objectives. This will be accomplished by causing the installation of public improvements, and making necessary related expenditures, to promote development within the District. The goal is to increase the tax base and to provide for economic development opportunities and additional housing within the City.

The following is a list of public works projects that the City expects to implement in conjunction with this District. Any costs directly or indirectly related to the public works are considered “project costs” and eligible to be paid with tax increment revenues of the District.

- **POWER LINE RELOCATION OR BURIAL.** The development of the area will require removal or relocation of power lines for aesthetic and functional purposes.
- **BUS PLAZAS.** Bus Stop improvements will be needed to provide adequate transportation facilities to the district.
- **TRAFFIC SIGNAL INSTALLATION.** For safety & Traffic Control traffic signals are required including at Nesbitt Rd.
- **SEWER COLLECTION SYSTEM.** Sewer system improvements are anticipated particularly in conjunction with the FitchRona Road Project.
- **WATER SYSTEM IMPROVEMENTS.** Water system improvements are anticipated particularly in conjunction with the FitchRona Road Project.
- **STORM SEWER SYSTEM.** Storm Sewer system improvements are anticipated particularly in conjunction with the FitchRona Road Project.
- **STREETS, INCLUDING FITCHRONA ROAD.** Streets to service the developing properties will need to be constructed. To maintain good traffic flow inside the area and control ingress and egress, it may be necessary to provide, traffic control signs and signals, and other street amenities.

- **LANDSCAPING.** The City will provide landscaping such as berms, street trees, lighting and other facilities along streets to attract high quality development to the area.
- **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.
- **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.
- **PROPERTY TAX PAYMENTS TO TOWN.** Property tax payments due to the Town of Verona under s 66.1105(4)(gm)1, as a result of the inclusion of lands annexed after January 1, 2004 within the boundaries of the District are an eligible project cost.
- **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.
- **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.

As discussed later under the Economic Feasibility & Financing section of this plan, the City may require the developer to install the majority of the above improvements using private capital and then provide for the reimbursement of said costs through the issuance of a "Pay As You Go" municipal revenue obligation.

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>\$21,742,830</u>
Total Existing Increment Plus Proposed Base Value	\$26,737,530

The equalized value of the increment of existing Tax Incremental Districts within the City, plus the base value of the proposed District, totals \$26,737,530. 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.

3

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.

A method of financing for the Fitch Rona Road segment may involve the use of a "Pay As You GO" Developer Bond, or Municipal Revenue Obligation in which the Developer raises the up front construction capital and installs the improvement. Upon completion the City would issue a Pay As You Go Bond or Note to the Developer in the amount of the cost of the improvement. Principal and Interest payments to the Developer or assignee would be scheduled to coincide with anticipated increment from the developers project. Payments would not be made if the increment were not available.

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 \$21,742,830
- The new construction and redevelopment estimates are based on the anticipated construction of 673,850 square feet of commercial development. In addition, the City should realize residential increment from the construction of 38 additional residential dwelling units..
- 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 3% each year reflecting ordinary inflation of property values within District.
- Tax base will be generated as of January 1 each year as follows:

<i>Valuation Year</i>	<i>Value Added</i>
2008	32,730,000
2009	18,943,500
2010	5,730,000
2011	7,767,000
2012	4,875,000
	70,045,500

DEVELOPMENT ASSUMPTIONS

Orchard Pointe Assumed Absorption Schedule

Updated from Addendum 1 CDP June 12, 2006 (Provided by City 7_25_06 w Acres per Site)

Site	Lot	Square Feet	Ratio	Acres	Value per Sq. Ft.	Value Added	Opening Date	2007	2008	2009	2010	2011
Ryan Site (100)												
Super Target	4	174,550	85.92%	17.44	\$100.00	\$17,455,000	July-07	\$17,455,000				
Retail Strip	3	18,000	8.86%	1.80	\$125.00	\$2,250,000	December-07	\$2,250,000				
Bank	1	5,000	2.46%	0.50	\$150.00	\$750,000	March-08		\$750,000			
Restaurant	2	5,000	2.78%	0.56	\$160.00	\$896,000	March-08		\$896,000			
Total Ryan Site (100)	20.3 Acres	203,150		20.30		\$21,351,000						
Peterson Site (200)												
Arts and Craft Store	9	20,000	22.35%	1.25	\$105.00	\$2,100,000	March-08		\$2,100,000			
Office Supply Store		25,000	27.93%	1.56	\$105.00	\$2,625,000	March-08		\$2,625,000			
Specialty Retail Center		20,000	22.35%	1.25	\$105.00	\$2,100,000	October-07	2,100,000				
Specialty Retail Center		6,000	6.70%	0.37	\$125.00	\$750,000	October-07	750,000				
Specialty Retail Center		7,500	8.38%	0.47	\$125.00	\$937,500	March-08		\$937,500			
Restaurant		6,000	6.70%	0.37	\$160.00	\$960,000	June-08		\$960,000			
Bank		5,000	5.59%	0.31	\$150.00	\$750,000	September-08		\$750,000			
Total Peterson Site (200)	5.58 Acres	89,500		5.58		10,222,500						
Wingra Site (300)												
Home Improvement Store	5	42,000	84.00%	10.08	\$100.00	4,200,000	2008		4,200,000			
Specialty Retail Center		8,000	16.00%	1.92	\$125.00	1,000,000	2008		1,000,000			
Total Wingra Site (300)	12.0 Acres	50,000		12.00		5,200,000						
Wingra Site (400)												
General Office	8	16,000	58.39%	2.21	\$110.00	1,760,000	2010				1,760,000	
Specialty Retail Center		6,200	22.63%	0.86	\$125.00	775,000	2010				775,000	
Quality Restaurant		5,200	18.98%	0.72	\$160.00	832,000	2010				832,000	
Mixed Residential (24 units)		24 SF & Values Included In Above Numbers as Mixed Use			See Above						See Above	
Total Wingra Site (400)	3.78 Acres	27,400		3.78		3,367,000						
Wingra Sites (600/700)												
Convenience Market (no fuel)	6	3,900	11.24%	0.65	\$175.00	665,000	2009			665,000		
Specialty Retail	7	6,000	17.75%	1.03	\$125.00	750,000	2009			750,000		
General Office	7	10,000	29.59%	1.72	\$110.00	1,100,000	2009			1,100,000		
Warehousing	7	14,000	41.42%	2.40	\$75.00	1,050,000	2009			1,050,000		
Total Wingra Site (600/700)	5.8 Acres	33,800		5.80		3,565,000						
Neitzel Sites (800/900)												
Apparel Store	10/11	90,000	68.70%	8.38	\$105.00	9,450,000	2007 & 2008	4,725,000	4,725,000			
Specialty Retail		15,000	11.45%	1.40	\$125.00	1,875,000	2007	1,875,000				
High Turn-over Restaurant		7,000	5.34%	0.65	\$125.00	875,000	2007	875,000				
Fast Food w/Drive thru		6,000	4.58%	0.56	\$125.00	750,000	2007	750,000				
Bank (2 Story LEEDS)		13,000	9.92%	1.21	\$150.00	1,950,000	2007	1,950,000				
Total Neitzel Sites (800/900)	12.2 Acres	131,000		12.20		14,950,000						
Sara Investment Site (1000)												
Specialty Retail		6,000	11.76%	0.61	\$125.00	\$750,000					750,000	
General Office		15,000	29.41%	1.53	\$125.00	\$1,875,000					1,875,000	
Warehousing		30,000	58.82%	3.06	\$75.00	\$2,250,000					2,250,000	
Total Sara Investment Site (1000)	5.2 Acres	51,000		5.20		\$4,875,000						
Nesbitt Spahr Site (1100)												
Specialty Retail (Existing)		30,000	75.00%	4.35								
High Turn-over Restaurant		5,000	12.50%	0.73	\$125.00	\$625,000	2009			625,000		
General Office		5,000	12.50%	0.73	\$110.00	\$550,000	2009			550,000		
Total Spahr Site (1100)	5.3 Acres	40,000		1.46		\$1,175,000						
Whitish Farm Site												
Specialty Retail/General Office	13	24,000	61.54%	2.94	\$125.00	\$3,000,000	2010				3,000,000	
Residential 14 Units		15,000	38.46%	1.84	\$100,000.00	\$1,400,000	2010				1,400,000	
Total Whitish Farm Site	4.78 Acres	39,000		4.78		\$4,400,000						
Commercial Site (Gan Office)												
Commercial Site	12	9,000	100.00%	2.11	\$110.00	\$990,000	2009			990,000		
Total Commercial Site	2.11 Acres	9,000		2.11		\$990,000						
Grand Total	83.05 Acres	673,850		73.21		\$ 70,045,500		32,730,000	18,943,500	5,730,000	7,767,000	4,875,000

Less Value of Razed Buildings (Deverment)

Exhibit 1

City of Fitchburg

Fitchburg Retail Development Proposal (FULL BUILDOUT)

Tax Increment Forecast

(Value Assumptions as Provided by Ryan Companies US, Inc. & Fitchburg Staff 7_25_06)



Base Value 21,742,830

Property Appreciation Factor 2.50%
Tax Rate Adjustment Factor -0.50%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Added	Valuation Increment	Tax Rate	Tax Increment
1	2006	2007	543,571		543,571	20.25	11,007
2	2007	2008	557,160	32,730,000	33,830,731	20.15	681,647
3	2008	2009	1,389,339	18,943,500	54,163,570	20.05	1,085,872
4	2009	2010	1,897,660	5,730,000	61,791,230	19.95	1,232,597
5	2010	2011	2,088,351	7,767,000	71,646,581	19.85	1,422,043
6	2011	2012	2,334,735	4,875,000	78,856,317	19.75	1,557,317
7	2012	2013	2,514,979	0	81,371,295	19.65	1,598,949
8	2013	2014	2,577,853	0	83,949,148	19.55	1,641,356
9	2014	2015	2,642,299	0	86,591,448	19.45	1,684,553
10	2015	2016	2,708,357		89,299,805	19.36	1,728,555
11	2016	2017	2,776,066		92,075,871	19.26	1,773,379
12	2017	2018	2,845,468		94,921,338	19.16	1,819,042
13	2018	2019	2,916,604		97,837,942	19.07	1,865,560
14	2019	2020	2,989,519		100,827,462	18.97	1,912,951
15	2020	2021	3,064,257		103,891,719	18.88	1,961,233
16	2021	2022	3,140,864		107,032,583	18.78	2,010,422
17	2022	2023	3,219,385		110,251,968	18.69	2,060,538
18	2023	2024	3,299,870		113,551,838	18.60	2,111,600
19	2024	2025	3,382,367		116,934,205	18.50	2,163,625
20	2025	2026	3,466,926		120,401,131	18.41	2,216,635
				Totals	70,045,500		32,538,882



EHLERS & ASSOCIATES, INC.

Present value at 6.5% 15,992,868

*NOTE: City Share & Developer Shares are Illustrative Only and are subject to Development Agreement Negotiation & Modification.

MAXIMUM DOLLAR AMOUNT OF PROJECT COSTS THAT TID WOULD SUPPORT

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	2006-7	Pay-As-You-Go-Developer Bonds	\$3,500,000
2	2008	G.O. Community Development Bonds	\$1,720,000

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce an accumulated surplus of \$1,017,063 by the year 2014.

Exhibit 2



Proposed Tax Increment District No. 6 (Orchard Pointe)

Cash Flow Proforma

Year	Revenues				Issue #1 (2006-7 Projects) Pay As You Go -Developer Bond				Issue #2 (2008 Projects) G.O. Comm Dev Bonds Dated 2-1-07				City ³ Admin Costs	Fund Balance		Principal Outstanding	Year
	100% Increment	Interest ¹	Cap. Int.	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL		Annual	Cumulative		
2006			0	0				0				0		0	0	3,500,000	2006
2007		0	283,800	283,800				0		5.500%	47,300	47,300	10,000	226,500	226,500	5,220,000	2007
2008	11,007	4,530		15,537				0		5.500%	94,600	94,600	25,000	(104,063)	122,437	5,220,000	2008
2009	681,647	2,449		684,096	176,470	6.500%	227,500	403,970		5.500%	94,600	94,600	25,000	160,526	282,963	5,043,530	2009
2010	1,085,872	5,659		1,091,531	368,997	6.500%	216,029	585,026		5.500%	94,600	94,600	10,000	401,905	684,868	4,674,533	2010
2011	1,232,597	13,697		1,246,294	429,865	6.500%	192,045	621,909	100,000	5.500%	91,850	191,850	10,000	422,535	1,107,403	4,144,669	2011
2012	1,422,043	22,148		1,444,191	480,075	6.500%	164,103	644,178	250,000	5.500%	82,225	332,225	10,000	457,788	1,565,191	3,414,594	2012
2013	1,557,317	31,304		1,588,620	533,943	6.500%	132,899	666,842	300,000	5.500%	67,100	367,100	10,000	544,679	2,109,870	2,580,651	2013
2014	1,598,949	42,197		1,641,147	591,715	6.500%	98,192	689,907	520,000	5.500%	44,550	564,550	10,000	376,690	2,486,560	1,468,936	2014
2015	1,641,356	49,731		1,691,088	653,652	6.500%	59,731	713,382	550,000	5.500%	15,125	565,125	10,000	402,580	2,889,140	265,284	2015
2016	1,684,553	57,783		1,742,336	265,284	6.500%	17,243	282,528		5.500%	0	0	10,000	1,449,808	4,338,947	0	2016
2017	1,728,555	86,779		1,815,334	0	6.500%	0	0		5.500%	0	0	10,000	1,805,334	6,144,282	0	2017
2018	1,773,379	122,886		1,896,265	0	6.500%	0	0		5.500%	0	0	10,000	1,886,265	8,030,547	0	2018
2019	1,819,042	160,611		1,979,653	0	6.500%	0	0		5.500%	0	0	10,000	1,969,653	10,000,200	0	2019
2020	1,865,560	200,004		2,065,564	0	6.500%	0	0		5.500%	0	0	10,000	2,055,564	12,055,764	0	2020
2021	1,912,951	241,115		2,154,067			0	0		5.500%	0	0	10,000	2,144,067	14,199,831	0	2021
2022	1,961,233	283,997		2,245,229				0		5.500%	0	0	10,000	2,235,229	16,435,060	0	2022
2023	2,010,422	328,701		2,339,123				0		5.500%	0	0	10,000	2,329,123	18,764,183	0	2023
2024	2,060,538	375,284		2,435,822				0		5.500%	0	0	10,000	2,425,822	21,190,005	0	2024
2025	2,111,600	423,800		2,535,400				0		5.500%	0	0		2,535,400	23,725,405	0	2025
2026	2,163,625	474,508		2,638,133				0		5.500%	0	0		2,638,133	26,363,538	0	2026
2027	2,216,635	527,271		2,743,905				0	0	5.500%	0	0		2,743,905	29,107,444	0	2027
TOTALS	32,538,882	3,454,454	283,800	36,277,136	3,500,000		1,107,743	4,607,743	1,720,000		631,950	2,351,950	210,000				

NOTES:

- ¹ Interest earnings projection equal to 2% of preceding year's estimated fund balance.
- ² Estimated Rates for Pay As You Go Based on Developers Cost of Capital Rates for Tax Exempt for 07 Issue hedged over current levels as of 5_3_06
- ³ City Admin Costs Include Payment of Property Tax to Town.

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 & BOND ISSUE SIZING



Proposed Tax Increment District No. 6 (Orchard Pointe)

Project Costs & Bond Issue Sizing¹

PROJECT LIST	PHASE I PAYG Issue 2006	PHASE II GO Issue 2007
FitchRona Road	3,500,000	
Bury Power Lines		1,200,000
Subtotal	3,500,000	1,200,000
Bus Plazas		60,000
Nesbitt Traffic Signal		130,000
Subtotal		190,000
TID Planning & Contingency		25,000
TOTAL ESTIMATED PROJECT COSTS	3,500,000	1,415,000
Financing Expenses		
Fees (Advisory, Bond Counsel, Discount, Rating)		42,700
Capitalized Interest		283,800
Subtotal	0	326,500
TOTAL CAPITAL REQUIRED	3,500,000	1,741,500
Less Rounding/Interest Earnings	0	(21,500)
NET BOND SIZE	3,500,000	1,720,000

NOTES:

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



EHLERS
& ASSOCIATES INC.

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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.

A method of financing for the Fitch Rona Road segment may involve the use of a "Pay As You GO" Developer Bond, or Municipal Revenue Obligation in which the Developer raises the up front construction capital and installs the improvement. Upon completion the City would issue a Pay As You Go Bond or Note to the Developer in the amount of the cost of the improvement. Principal and Interest payments to the Developer or assignee would be scheduled to coincide with anticipated increment from the developers project. Payments would not be made if the increment were not available.

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.

Fitchburg Orchard Pointe Pay As You Go Sample Schedule
Revenue Projection and Loan Repayment Assuming \$3,500,000 Principal

CASH FLOW PROJECTION / VILLAGE ADMINISTRATIVE COSTS & TAX INCREMENT REVENUE BOND

Basic Assumptions:

Base year
TID 6 Site Base Value @ 90%
Appreciation factor
Initial tax rate (Dollars per thousand)
Tax rate inflation
Interest rate on loan
Interest starting date
First Annual Loan payment date
Depreciated Value Due To Razing
Original loan principal
Racheting formula
First construction increment @ 90% of Ryan Site
Second construction increment @ 90% of Ryan & Petersen Site

2006
19,568,547
2.50%
20.25
-0.50%
6.50%
01-Jan-09
01-Apr-09
3,500,000
none
20,299,500
8,116,650

Qualification

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.

Asset Levy Year	Tax Year	Initiation Increment	New Construction	TID 6 Current Increment Value	Equalized Tax Rate	90% of Value & Increment Net Tax Increment Allocated to Spec Red. Fund	City Administration Costs	Loan Principal Outstanding	Accrued Interest	Interest Paid	Principal Paid	Total Principal & Interest
2007	2008	489,214		489,214	20.25	9,907		3,500,000	0	0	0	0
2008	2009	501,444	20,299,500	21,290,158	20.15	428,970	25,000	3,500,000	227,500	227,500	176,470	403,970
2009	2010	1,021,468	8,116,650	30,428,275	20.05	610,026	25,000	3,333,530	216,029	216,029	368,997	585,026
2010	2011	1,249,921		31,678,196	19.95	631,909	10,000	2,954,533	192,045	192,045	429,865	621,909
2011	2012	1,281,169		32,959,364	19.85	654,178	10,000	2,594,669	164,103	164,103	480,075	644,178
2012	2013	1,313,198		34,272,562	19.75	676,842	10,000	2,044,594	132,899	132,899	533,543	666,842
2013	2014	1,346,028		35,618,590	19.65	699,907	10,000	1,510,651	98,192	98,192	591,715	689,907
2014	2015	1,379,678		36,998,268	19.55	723,582	10,000	918,956	59,731	59,731	653,652	713,382
2015	2016	1,414,170		38,412,439	19.45	747,277	10,000	265,284	17,243	17,243	265,284	282,528
2016	2017	1,449,525		39,861,963	19.36	771,599	10,000	0	0	0	0	0
2017	2018	1,485,763		41,347,726	19.26	796,556	10,000	0	0	0	0	0
2018	2019	1,522,907		42,870,633	19.16	821,559	10,000	0	0	0	0	0
2019	2020	1,560,979		44,431,612	19.07	847,216	10,000	0	0	0	0	0
2020	2021	1,600,004		46,031,616	18.97	873,336		0	0	0	0	0
2021	2022	1,640,004		47,671,621	18.88	899,929		0	0	0	0	0
2022	2023	1,681,004		49,352,625	18.78	927,004		0	0	0	0	0
2023	2024	1,723,029		51,075,654	18.69	954,571		0	0	0	0	0
2024	2025	1,766,105		52,841,759	18.60	982,641		0	0	0	0	0
2025	2026	1,810,258		54,652,017	18.50	1,011,222		0	0	0	0	0
2026	2027	1,855,514		56,507,531	18.41	1,040,327		0	0	0	0	0
2027	2028	1,901,902		58,409,433	18.32	1,069,965		0	0	0	0	0
2028	2029	1,949,449		60,358,882	18.23	1,100,147		0	0	0	0	0
2029	2030	1,996,186		62,357,068	18.14	1,130,885		0	0	0	0	0
Totals			28,416,150			18,409,155	0	150,000	1,107,743	3,500,000	4,607,743	

This Schedule is Illustrative Only and is Subject to Development Agreement Negotiation

**Issue No. 2
\$1,720,000**

Proposed Maturity Schedule

The 2008 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 5.5%.

Issue #2 (2008 Projects)			
G.O. Comm Dev Bonds Dated 2-1-07			
Year	Prin (2/1)	Interest	TOTAL
2007		47,300	47,300
2008		94,600	94,600
2009		94,600	94,600
2010		94,600	94,600
2011	100,000	91,850	191,850
2012	250,000	82,225	332,225
2013	300,000	67,100	367,100
2014	520,000	44,550	564,550
2015	550,000	15,125	565,125
TOTALS	1,720,000	631,950	2,351,950

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 64% of the territory within the District will be devoted to retail business (total acreage = 126.5, commercial = 81.2) at the end of the District's maximum expenditure period.

7

ANNEXED PROPERTY

One of the properties proposed for inclusion within the District was annexed by the City on or after January 1, 2004. To satisfy the requirements of s.66.1105(4)(gm)1. Wis. Stats., the City pledges to pay to the Town of Verona for the next five years an amount equal to the property taxes levied on the annexed property by the Town at the time of annexation.

8

A LIST OF ESTIMATED NON-PROJECT COSTS

Anticipated construction by private parties: \$70,045,500

9

PROPOSED CHANGES IN ZONING ORDINANCES

The City of Fitchburg anticipates that a portion of the District will be rezoned prior to development.

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 that 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. 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.

Orchard Pointe TID

Assessed 2005 Values:

Map	Parcel Number	Description	Site	Parcel Situs Address	Land	IMPR	Peris Prop	Total	Acres
	1 060907286511	quarry	100,300,400,500	6300+/- MCKEE RD	\$212,500	\$0		\$212,500	56.222
	2 060907280704	Golf Dome	200,800	6255 MCKEE RD	\$3,400,000	\$300,000	\$31,900	\$3,731,900	17.703
	3 060907280606	EZ Gregory	900	E Z GREGORY Back parcel	\$1,085,000	\$0		\$1,085,000	4.976
	4 060907280400	EZ Gregory	900	6227 MCKEE RD	\$940,000	\$685,000		\$1,625,000	3.996
	5 060907280204	Car Quest		6211 MCKEE RD	\$236,000	\$390,000	\$17,900	\$642,900	0.724
	6 060907280106	Monkeyshines		6209 MCKEE RD	\$110,000	\$450,000	\$4,300	\$564,300	0.315
	7 060907284504	Monkeyshines		6209 MCKEE RD	\$155,000	\$70,000		\$225,000	0.797
	8 060907186412	Monkeyshines		6209 MCKEE RD	\$80,000	\$10,000		\$90,000	0.420
	9 060907186709	Jung		6192 NESBITT RD	\$75,000	\$0		\$75,000	0.357
	10 060907284406	Jung		6192 NESBITT RD	\$875,000	\$645,000	\$52,800	\$1,572,800	5.837
	11 060907284308	Madison Urgent Care		6196 NESBITT RD	\$191,000	\$0	\$74,830	\$265,830	0.456
	12 060907284200	Madison Urgent Care		6198 NESBITT RD	\$200,000	\$0		\$200,000	0.418
	13 060907284102	Res		6200 NESBITT RD	\$35,000	\$155,000		\$190,000	0.419
	14 060907284004	Res		6202 NESBITT RD	\$35,000	\$74,500		\$109,500	0.306
	15 060907283907	Res		6204 NESBITT RD	\$35,000	\$71,200		\$106,200	0.409
	16 060907268302	Belle Domicile		6210 NESBITT RD	\$465,000	\$700,000	\$298,900	\$1,463,900	1.944
	17 060907267802	Pancake Cafe	1100	6220 NESBITT RD	\$1,250,000	\$1,820,000	\$302,300	\$3,372,300	5.207
	18 060907266097	American H&S	1000	6250 NESBITT RD	\$1,329,000	\$770,000		\$2,099,000	5.510
	19 060907256071	vacant	700	Lt 7 Nesbitt Hts	\$360,000	\$0		\$360,000	1.837
	20 060907256063	vacant	700	Lt 6 Nesbitt Hts	\$360,000	\$0		\$360,000	1.837
	21 060907254055	vacant	700	Lt 5 Nesbitt Hts	\$360,000	\$0		\$360,000	1.837
	22 060907253047	vacant	700	Lt 4 Nesbitt Hts	\$360,000	\$0		\$360,000	1.848
	23 060907252039	vacant	700	Lt 3 Nesbitt Hts	\$370,000	\$0		\$370,000	1.881
	24 060907251021	Gymfinity		6300 NESBITT RD	\$375,000	\$590,000	\$72,300	\$1,037,300	1.918
	25 060907250013	vacant	600	Lt 1 Nesbitt Hts	\$390,000	\$0		\$390,000	1.999
	26 225 0608 124 8000 7	Annexation	Town of Verona	6338/6340 Nesbitt Road	\$127,000	\$173,400		\$300,400	5.733
				2005 values	\$13,419,500	\$6,804,100	\$855,230	\$21,078,830	

Estimated 2006 Assessed Values:

2 060907280704	Golf Dome	200,800		6255 MCKEE RD	\$3,550,000	\$150,000	\$31,900	\$3,731,900	
3 060907280606	EZ Gregory	900		E Z GREGORY Back parcel	\$1,570,000	\$0		\$1,570,000	
4 060907280400	EZ Gregory	900		6227 MCKEE RD	\$1,130,000			\$1,130,000	
11 060907284308	Dr. Kahn			6196 NESBITT RD	\$190,000	\$575,000	\$74,830	\$839,830	
				2006 Values	\$14,243,500	\$6,644,100	\$855,230	\$21,742,830	

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MAP OF PROPOSED DISTRICT BOUNDARY



Orchard Pointe TID

- Legend**
- City Limit
 - Orchard Pointe TID Boundary
 - Orchard Pointe TID
 - Parcels
 - Proposed Annexation



Prepared By:
Public Works Dept
05/11/06
Source Date:
Parcels - DCL0 A pril 2006
All Others - City of Fitchburg

Orchard Pointe TID

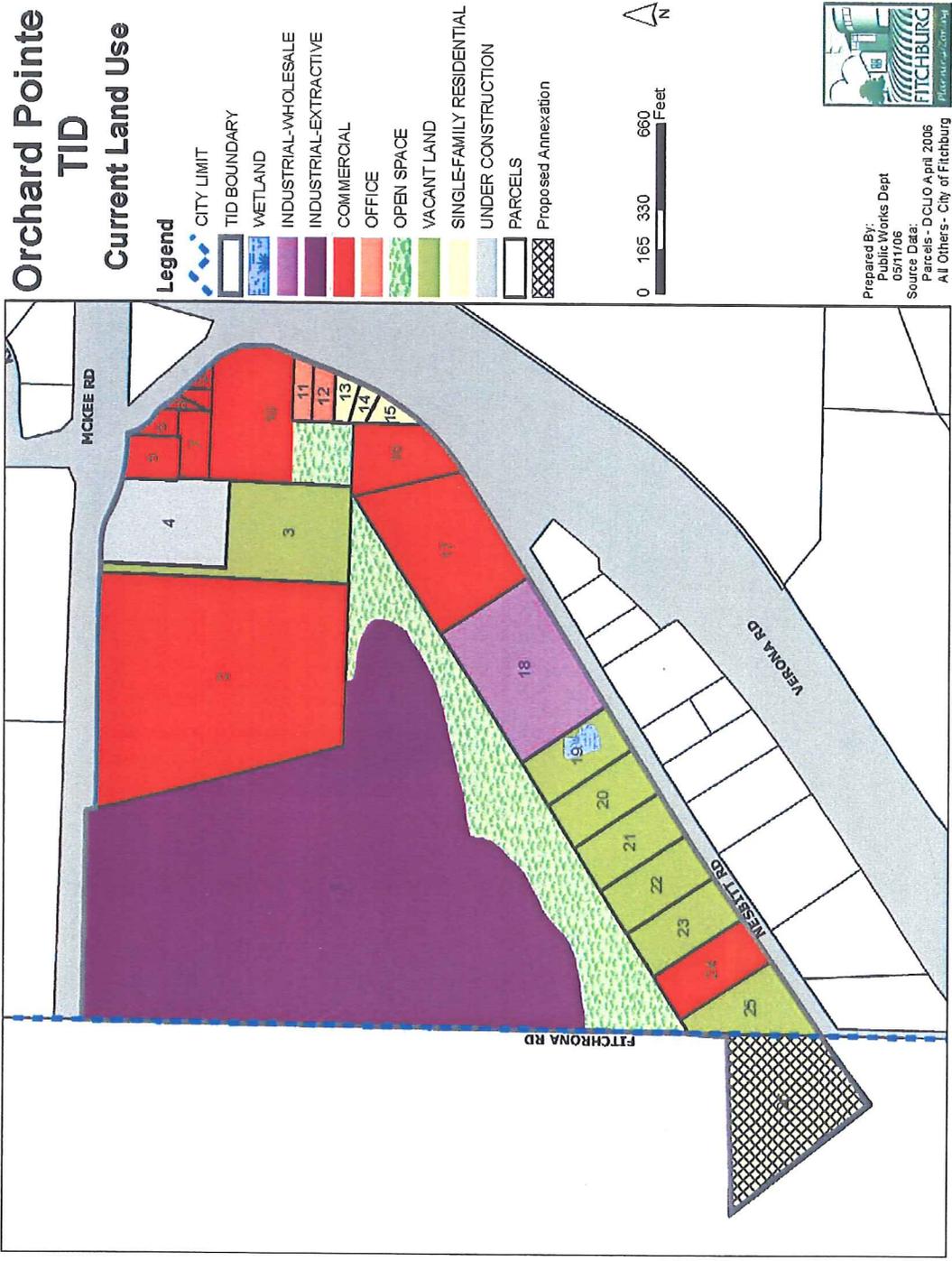
- Legend**
-  City Limit
 -  Orchard Pointe TID Boundary
 -  Parcels
 -  Proposed Annexation



Prepared By:
Public Works Dept
05/11/06
Source Data:
Parcels- DCUO April, 2006
All Others- City of Fitchburg

15

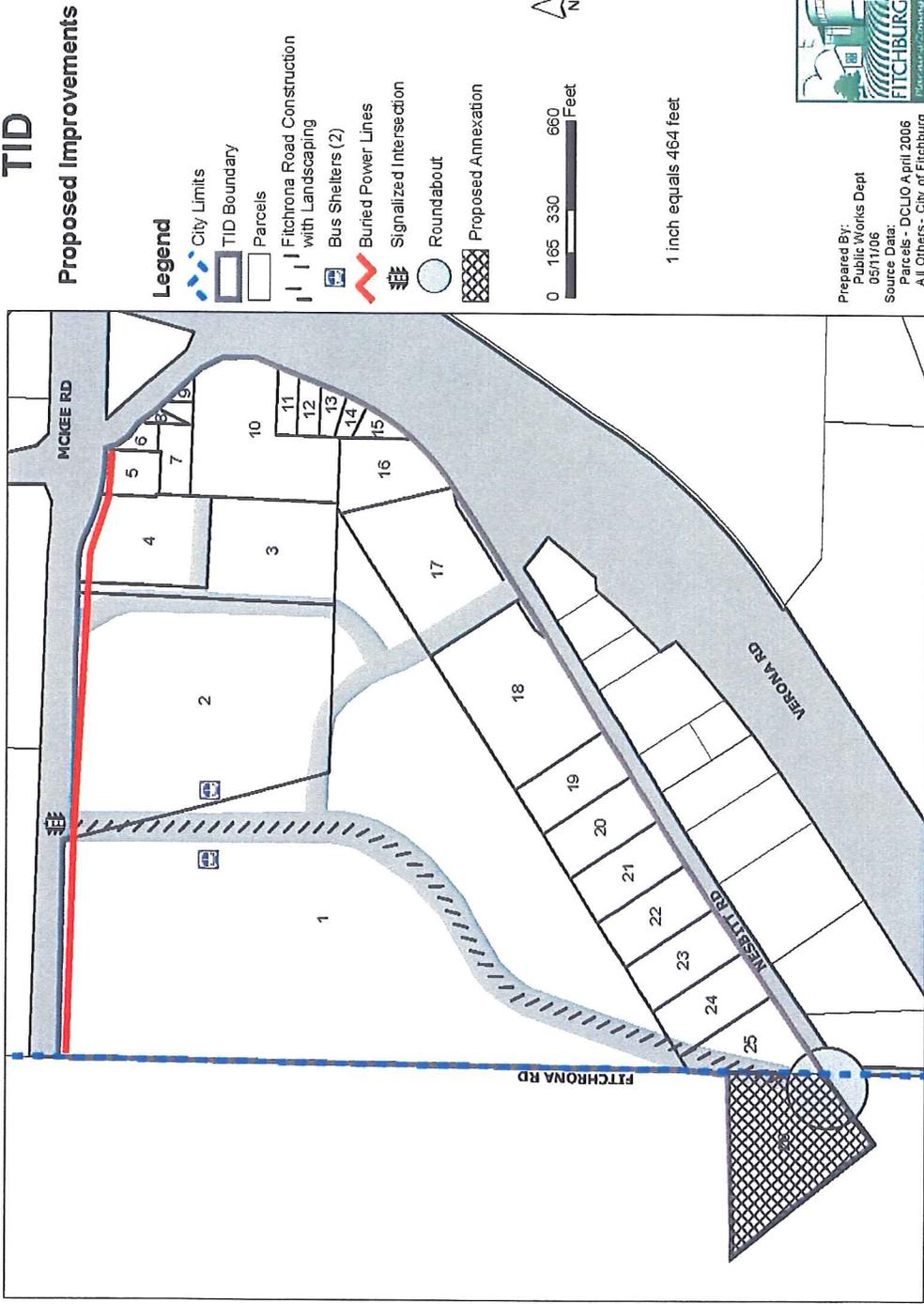
MAP SHOWING EXISTING USES AND CONDITIONS



16

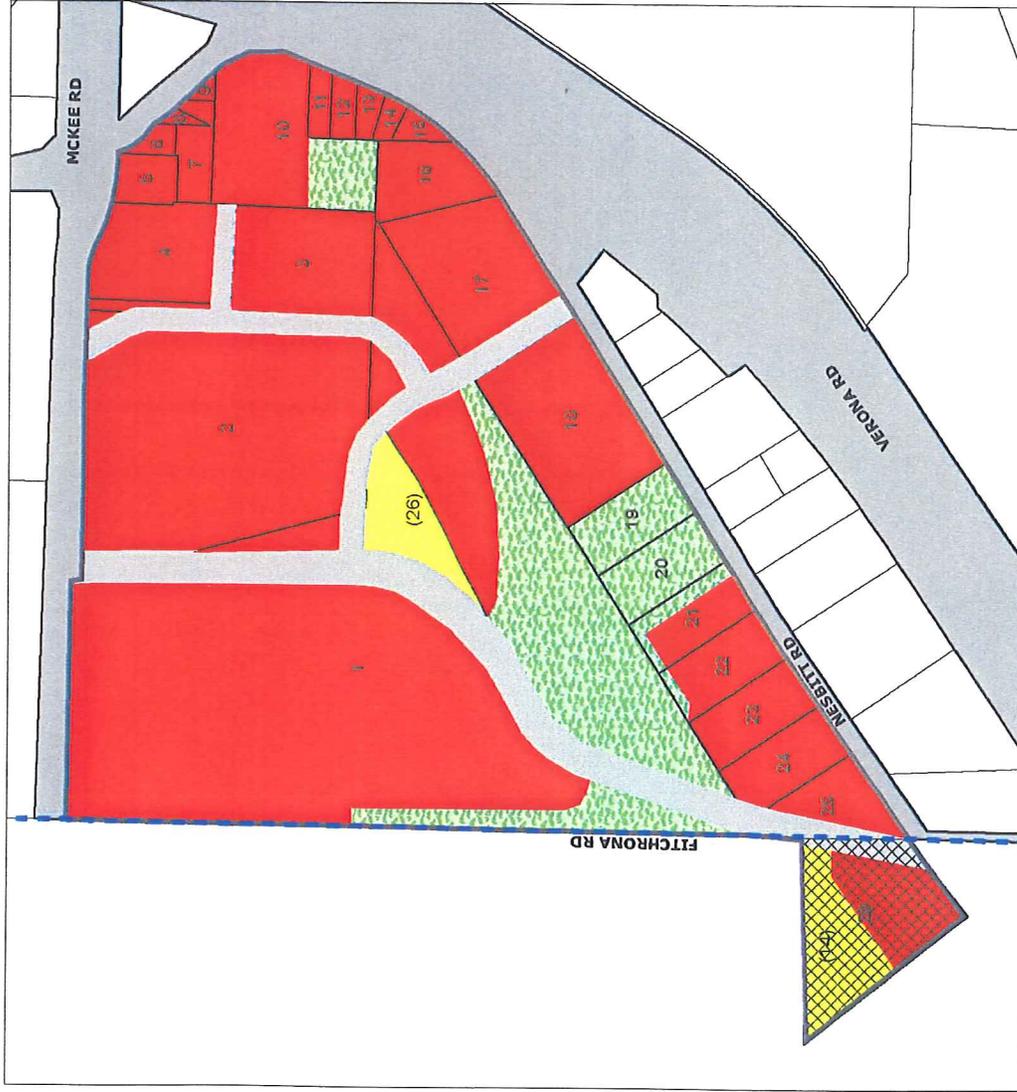
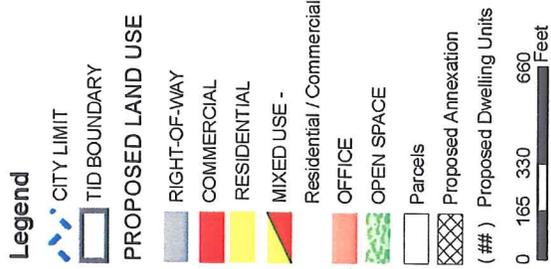
MAP SHOWING PROPOSED IMPROVEMENTS AND USES

Orchard Pointe
TID



Orchard Pointe TID

Proposed Land Use



Prepared By:
PLANNING Dept
05/11/06
Rev. 07/10/06
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**



**DEWITT
ROSS & STEVENS**
LAW FIRM

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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: 608-252-9354
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. 6

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. 6 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.

Mark R. Sewell

MRS:jaj