

September 9, 2019

## Annual Tax Increment District Report – TID No. 4

City of Fitchburg, Wisconsin



Prepared by:

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# Annual Tax Increment District Report

City of Fitchburg, Wisconsin  
Tax Increment District No. 4

**Purpose:** State law requires municipalities with an active Tax Incremental District (TID) to electronically file an Annual Report for each TID by July 1 of each calendar year. This is a summary of that filing to be used at the annually required meeting of the standing Joint Review Board.

**District Summary:** Tax Increment District No. 4 (“District”) was created on May 27, 2003 as an industrial district. This district enabled the development of the Fitchburg Technology Campus and Fitchburg Technology Campus II / Uptown.

- On 8/9/2005 and again on 4/26/2011, the District was amended for territory and project plan amendments involving adding lands for the District and providing additional incentives and opportunities for development.
- The plan was amended in 2018 to allow projects within a ½ mile radius, and for rail crossing and intersection improvements within the existing boundaries.

The TID has an expenditure period that ends on May 27, 2021 and has a mandatory termination date of May 27, 2026. The final year of increment collection is 2027.

<b>Background Data:</b>	Base Value	\$49,144,000
	Incremental Value (1/1/2019)	\$215,916,700
	Year End Fund Balance (12/31/2018)	\$8,747,151
	Projected Closure (based on current cash flow*)	2021
	Closure with housing extension	2022

\* The City expects to make additional projects costs through the end of the District’s expenditure period. The projected closure year identified is based on current cash flow projections only.

**Notes:** The City called the 2012B G.O. Bonds in 2019 and paid off the TID #4 portion of the bonds in full totaling \$8,105,000 in principal.

**Joint Review Board Action:** Resolution acknowledging filing of Annual TID Report and compliance with annual meeting requirements.

**Attachments:**

- TID increment projection
- TID Cash Flow Projection
- City of Fitchburg financial report
- PE-300 form

# City of Fitchburg

## Tax Increment District #4

### Tax Increment Projection Worksheet - Madison SD

Type of District	Ind (Pre 10-1-04)		Base Value	21,498,100
District Creation Date	May 27, 2003		Appreciation Factor	1.50%
Valuation Date	Jan 1,	2003	Base Tax Rate	\$22.99
Max Life (Years)	23		Rate Adjustment Factor	-0.50%
Expenditure Period/Termination	18	5/27/2021	Tax Exempt Discount Rate	N/A
Revenue Periods/Final Year	23	2027	Taxable Discount Rate	N/A
Extension Eligibility/Years	Yes	3		
Eligible Recipient District	No			

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
15	<b>2017</b>		<b>2018</b>		<b>171,130,200</b>	<b>2019</b>	<b>\$22.99</b>	<b>3,934,481</b>
16	<b>2018</b>	<b>11,198,600</b>	<b>2019</b>		<b>182,328,800</b>	2020	\$22.88	<b>4,170,990</b>
17	2019	0	2020	2,734,932	185,063,732	2021	\$22.76	<b>4,212,387</b>
18	2020	0	2021	2,775,956	187,839,688	2022	\$22.65	<b>4,254,195</b>
19	2021	0	2022	2,817,595	190,657,283	2023	\$22.53	<b>4,296,418</b>
20	2022	0	2023	2,859,859	193,517,143	2024	\$22.42	<b>4,339,060</b>
21	2023	0	2024	2,902,757	196,419,900	2025	\$22.31	<b>4,382,125</b>
22	2024	0	2025	2,946,298	199,366,198	2026	\$22.20	<b>4,425,617</b>
23	2025	0	2026	2,990,493	202,356,691	2027	\$22.09	<b>4,469,542</b>
<b>Totals</b>		<b>11,198,600</b>		<b>20,027,891</b>		<b>Future Value of Increment</b>		<b>38,484,813</b>

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

# City of Fitchburg

## Tax Increment District #4

### Tax Increment Projection Worksheet - Oregon SD

Type of District	Ind (Pre 10-1-04)		Base Value	3,331,600
District Creation Date	May 27, 2003		Appreciation Factor	1.50%
Valuation Date	Jan 1,	2003	Base Tax Rate	\$23.30
Max Life (Years)	23		Rate Adjustment Factor	-0.50%
Expenditure Period/Termination	18	5/27/2021	Tax Exempt Discount Rate	N/A
Revenue Periods/Final Year	23	2027	Taxable Discount Rate	N/A
Extension Eligibility/Years	Yes	3		
Eligible Recipient District	No			

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
15	<b>2017</b>		<b>2018</b>		<b>21,498,100</b>	<b>2019</b>	<b>\$23.30</b>	<b>501,005</b>
16	<b>2018</b>	<b>12,089,800</b>	<b>2019</b>		<b>33,587,900</b>	2020	\$23.19	<b>778,839</b>
17	2019	0	2020	503,819	34,091,719	2021	\$23.07	<b>786,569</b>
18	2020	0	2021	511,376	34,603,094	2022	\$22.96	<b>794,376</b>
19	2021	0	2022	519,046	35,122,141	2023	\$22.84	<b>802,260</b>
20	2022	0	2023	526,832	35,648,973	2024	\$22.73	<b>810,223</b>
21	2023	0	2024	534,735	36,183,707	2025	\$22.61	<b>818,264</b>
22	2024	0	2025	542,756	36,726,463	2026	\$22.50	<b>826,386</b>
23	2025	0	2026	550,897	37,277,360	2027	\$22.39	<b>834,587</b>
	<b>Totals</b>	<b>12,089,800</b>		<b>3,689,460</b>		<b>Future Value of Increment</b>		<b>6,952,511</b>

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

# City of Fitchburg

## Tax Increment District #4

### Cash Flow Projection 2018-2027

Year	Projected Revenues					Expenditures										Balances			Year			
	Tax Increments	Interest Earnings/ (Cost)	Computer Aid	Personal Property Aid payment	Total Revenues	G.O. Bonds Series 2011 \$5,395,000		G.O. Bonds Series, 2012B \$15,350,000		G.O. Notes, Series 2015A \$3,240,000			2017 Promega PAYGO	2019 CAMECA PAYGO	Cash Capital Expenditures	Admin.	Total Expenditures	Annual		Cumulative	Outstanding (Debt and PAYGO)	
						Dated Date: 12/13/11	Principal	Interest	Dated Date: 03/21/12	Principal	Interest	Dated Date: 04/04/15	Principal	Rate	Interest							
2018		1.00%																			8,747,151	2018
2019	4,435,486	87,472	630,000	21,154	5,174,111	350,000	103,038	8,105,000	97,125	90,000	2.00%	12,800	219,391		30,014		30,000	9,037,367	(3,863,256)	4,883,895	6,577,982	2019
2020	4,949,829	48,839	630,000		5,628,668	400,000	96,038			95,000	2.00%	10,950	211,391		160,664	35,775	30,000	1,039,817	4,588,851	9,472,746	5,710,927	2020
2021	4,998,956	94,727	630,000		5,723,684	425,000	88,038			95,000	2.00%	9,050	203,391		88,639	800,000	30,000	1,739,117	3,984,567	13,457,313	4,898,897	2021
2022	5,048,571	134,573	630,000		5,813,144	450,000	79,538			100,000	2.00%	7,100	195,391		85,289		30,000	947,317	4,865,827	18,323,140	4,068,218	2022
2023	5,098,678	183,231	630,000		5,911,909	500,000	69,413			100,000	2.00%	5,100	187,391		81,939		30,000	973,842	4,938,067	23,261,208	3,198,888	2023
2024	5,149,282	232,612	630,000		6,011,894	500,000	58,163			100,000	2.00%	3,100	179,391		78,589		30,000	949,242	5,062,652	28,323,860	2,340,909	2024
2025	5,200,389	283,239	630,000		6,113,628	550,000	45,663			105,000	2.00%	1,050	171,391		75,239		30,000	978,342	5,135,286	33,459,146	1,439,279	2025
2026	5,252,003	334,591	630,000		6,216,594	575,000	31,913						151,506		71,889		30,000	860,308	5,356,287	38,815,432	640,884	2026
2027	5,304,129	388,154	630,000		6,322,283	575,000	16,388						65,884				30,000	687,272	5,635,012	44,450,444	0	2027
Total	45,437,324	1,787,439	5,670,000	21,154	52,915,917	4,325,000	588,188	8,105,000	97,125	685,000		49,150	1,519,240		738,146	835,775	270,000	17,212,624				Total

Notes: Call 12/1/2021 Call 4/1/2022

Projected TID Closure without housing extension

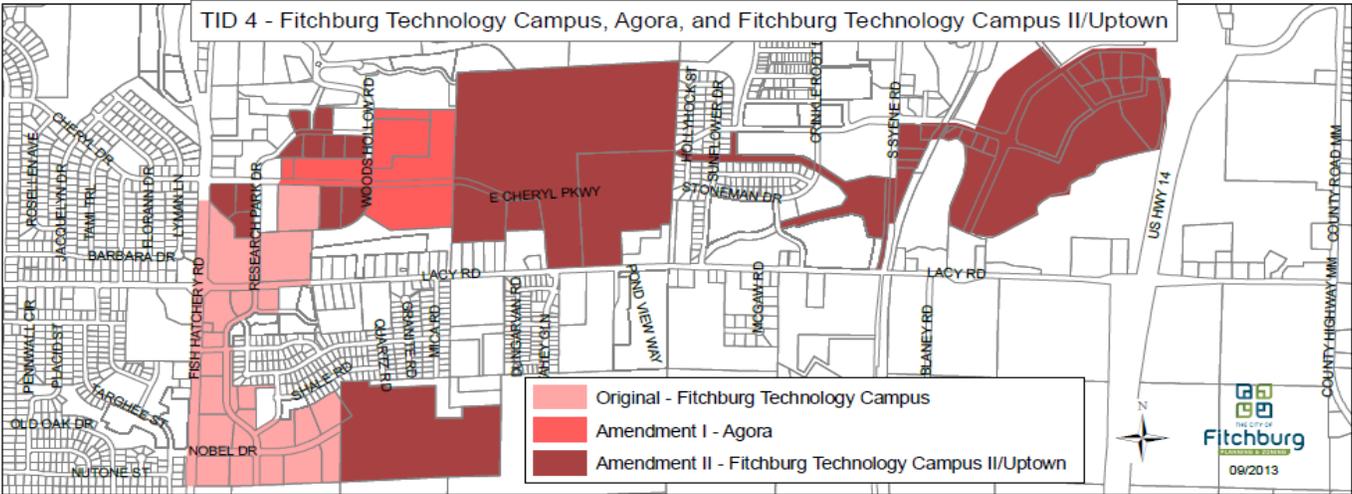
1. Cash capital expenditures include \$800,000 for S. Syene - McCoy to Lacy Road and \$35,775 for Fish Hatchery Road turn lane.

Projected TID Closure with housing extension

**ANNUAL REPORT OF  
TAX INCREMENTAL FINANCING (TIF) DISTRICT NO. 4**

**CITY OF FITCHBURG**

**December 31, 2018**



**CITY OF FITCHBURG  
TAX INCREMENTAL DISTRICT NO. 4**

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>PROJECT COSTS</u></b>		
Capital expenditures	\$ 3,540,002	\$ 34,887,046
Interest on advances	-	60,800
Administration expenditures	32,150	485,418
Debt issuance costs	-	283,736
Interest on long-term debt	332,255	2,661,945
	<u>3,904,407</u>	<u>2,661,945</u>
Total Costs	<u>3,904,407</u>	<u>38,378,945</u>
 <b><u>PROJECT REVENUES</u></b>		
Tax increments	4,343,241	28,599,885
Exempt computer aid	641,991	4,831,902
Investment income	165,304	294,558
Premium on debt issued	-	278,571
Miscellaneous	-	6,180
	<u>5,150,536</u>	<u>34,011,096</u>
Total Revenues	<u>5,150,536</u>	<u>34,011,096</u>
 <b><u>RECONCILIATION OF RECOVERABLE COSTS</u></b>		
G.O. debt		13,115,000
Less: Fund balance		<u>(8,747,151)</u>
 <b>NET COSTS RECOVERABLE/(RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2018</b>		<b>\$ 4,367,849</b>

**CITY OF FITCHBURG  
TAX INCREMENTAL DISTRICT NO. 4**

**HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS**

For The Year Ended December 31, 2018  
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b><u>SOURCES OF FUNDS</u></b>		
Tax increments	\$ 4,343,241	\$ 28,599,885
Exempt computer aid	641,991	4,831,902
Investment income	165,304	294,558
Premium on debt issued	-	278,571
Miscellaneous revenues	-	6,180
Proceeds from long-term debt	-	19,250,000
	<hr/>	<hr/>
Total Sources	5,150,536	53,261,096
	<hr/>	<hr/>
<b><u>USES OF FUNDS</u></b>		
Capital expenditures	3,540,002	34,887,046
Interest on advances	-	60,800
Administration expenditures	32,150	485,418
Debt issuance costs	-	283,736
Interest on long-term debt	332,255	2,661,945
Principal on long-term debt	1,160,000	6,135,000
	<hr/>	<hr/>
Total Uses	5,064,407	44,513,945
	<hr/>	<hr/>
<b>BEGINNING FUND BALANCE (DEFICIT)</b>	8,661,022	-
	<hr/>	<hr/>
<b>ENDING FUND BALANCE (DEFICIT)</b>	\$ 8,747,151	\$ 8,747,151
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**CITY OF FITCHBURG  
TAX INCREMENTAL DISTRICT NO. 4**

**DETAILED SUMMARY OF PROJECT COSTS**

From The Date Of Creation Through December 31, 2018

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital Expenditures:		
Fitchburg Technology Campus	\$ 1,784,323	\$ 5,352,875
Fish Hatchery Road upgrade	921,243	1,485,000
Technology assessment plan	-	15,000
Fitchburg Technology Campus Phase II - Nobel Drive & Mica Road	1,918,536	2,000,000
Nine Springs/Green Tech - Interchange project & Lacy Road East to MM	7,520,560	10,000,000
Nine Springs/Green Tech - Lacy Road connection/roundabout	2,160,892	1,000,000
Nine Springs/Green Tech - Underpass	1,318,976	800,000
Nine Springs/Green Tech - E. Cheryl/Lacy Road connector	6,763,176	6,400,000
Development incentives	12,495,727	16,200,000
Left Turn Lane at Fish Hatchery Rd (within 1/2 mile)	-	17,000
Railroad (within 1/2 mile)	3,613	1,250,000
Watermain (within 1/2 mile)	-	20,000
<b>SUBTOTAL PROJECT COSTS</b>	<u>34,887,046</u>	<u>44,539,875</u>
Interest on advance	60,800	-
Administration expenditures	485,418	1,217,500
Debt issuance costs	283,736	588,093
Interest on long-term debt	2,661,945	27,935,856
Principal on long-term debt	<u>6,135,000</u>	<u>44,070,000</u>
<b>TOTAL DISTRICT COSTS</b>	<u>\$ 44,513,945</u>	<u>\$ 118,351,324</u>

**CITY OF FITCHBURG  
TAX INCREMENTAL DISTRICT NO. 4**

**NOTES TO ANNUAL REPORT**

December 31, 2018

**NOTE 1 - TIF District Information**

The City of Fitchburg Tax Incremental District No. 4 (the "District") was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

Project costs may not be incurred longer than five years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or maximum life based on the resolution date and type of TID, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by

<u>Original Project Plan</u>	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
District #4	May 27, 2003	May 27, 2021	2026
<u>Plan Amendment</u>			
Amendment #1	August 9, 2005	May 27, 2021	
Amendment #2	April 26, 2011	May 27, 2021	
Amendment #3	January 9, 2018	May 27, 2021	

**NOTE 2 - Long-Term Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes and bonds borrowed to finance District expenditures will be retired by tax increments accumulated by the debt service fund. If those revenues are not sufficient, payments will be made by future tax levies.

<u>Title of Issue</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rates</u>	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12/31/18</u>
2005 State Trust Fund Loan	6/23/2005	3/15/2015	4.00%	\$ 500,000	\$ 500,000	\$ -
2007 State Trust Fund Loan	11/16/2007	3/15/2017	5.25%	500,000	500,000	-
2009 G.O. Notes	9/16/2009	9/1/2019	2.00 - 3.125%	860,000	860,000	-
2011 G.O. Bonds	12/13/2011	12/1/2027	2.00 - 2.850%	5,395,000	1,070,000	4,325,000
2012B G.O. Bonds	3/21/2012	3/1/2029	2.00 - 3.00%	10,540,000	2,435,000	8,105,000
2012C G.O. Refunding Bonds	3/21/2012	3/1/2017	0.40 - 1.30%	500,000	500,000	-
2015A G.O. Notes	4/14/2015	4/1/2025	1.00 - 2.00%	955,000	270,000	685,000
Totals				<u>\$ 19,250,000</u>	<u>\$ 6,135,000</u>	<u>\$ 13,115,000</u>

**CITY OF FITCHBURG  
TAX INCREMENTAL DISTRICT NO. 4**

**NOTES TO ANNUAL REPORT**

December 31, 2018

**NOTE 2 - Long-Term Debt (continued)**

Aggregate maturities of all long-term debt related to the District are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	1,120,000	304,888	1,424,888
2020	1,195,000	282,238	1,477,238
2021	1,245,000	258,088	1,503,088
2022	1,550,000	230,388	1,780,388
2023	1,600,000	197,638	1,797,638
2024	1,600,000	162,513	1,762,513
2025	1,655,000	121,713	1,776,713
2026	1,575,000	76,913	1,651,913
2027	1,575,000	31,388	1,606,388
Totals	<u>13,115,000</u>	<u>1,665,763</u>	<u>14,780,763</u>

\$8,747,151 is now available in the District funds to service the debt shown.

**NOTE 3 - Subsequent Event**

This \$8,105,000 outstanding 2012 debt was called in 2019.

<b>Form PE-300</b>	<b>TID Annual Report</b>	<b>2018</b> WI Dept of Revenue
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Municipality/TID					
Co-muni code <b>13225</b>	Municipality <b>FITCHBURG</b>		County <b>DANE</b>	Due date <b>07-01-2019</b>	Report type <b>ORIGINAL</b>
TID number <b>004</b>	TID type <b>4</b>	TID name <b>FTC Agora FTC II Uptown</b>	Creation date <b>05-27-2003</b>	Mandatory termination date <b>05-27-2026</b>	Expected termination date <b>05-27-2023</b>

<b>Section 1 : Beginning Balance</b>	
<b>TID fund balance at beginning of fiscal year</b>	<b>\$8,661,022</b>

<b>Section 2. Revenue</b>	
<b>Does this TID receive allocated funds from another TID?</b>	<b>No</b>
<b>Allocation from another TID</b>	<b>Allocation amount</b>
N/A	\$0
<b>Subtotal allocation from another TID amount</b>	<b>\$0</b>
<b>Developer guarantee name</b>	<b>Developer guarantee amount</b>
<b>Subtotal developer guarantee amount</b>	<b>\$0</b>
<b>Transfer from other fund source</b>	<b>Transfer from other fund amount</b>
<b>Subtotal transfer from other fund amount</b>	<b>\$0</b>
<b>Other grant sources</b>	<b>Other grant amount</b>
<b>Subtotal other grant source amount</b>	<b>\$0</b>
<b>Other revenue sources</b>	<b>Other revenue amount</b>
<b>Subtotal other revenue source amount</b>	<b>\$0</b>
<b>Tax increment</b>	<b>\$4,343,241</b>
<b>Investment income</b>	<b>\$165,304</b>
<b>Debt proceeds</b>	<b>\$0</b>
<b>Special assessments</b>	<b>\$0</b>
<b>Exempt computer aid</b>	<b>\$641,991</b>
<b>Sale of property</b>	<b>\$0</b>
<b>Total Revenue (deposits)</b>	<b>\$5,150,536</b>

Section 3. Expenditures	
<b>Developer grant name</b>	<b>Developer grant amount</b>
Avante Properties	\$0
Promega Corporation	\$3,523,390
Tech Lands LLC	\$12,999
Green Tech Land Company LLC	\$0
<b>Subtotal developer grant amount</b>	<b>\$3,536,389</b>
<b>Does this TID allocate funds to another TID?</b>	<b>No</b>
<b>Allocation to another TID</b>	<b>Allocation amount</b>
N/A	\$0
<b>Subtotal allocation to another TID</b>	<b>\$0</b>
<b>Transfer to other fund name</b>	<b>Transfer to other fund amount</b>
<b>Subtotal transfer to other fund amount</b>	<b>\$0</b>
<b>Other expenditure name</b>	<b>Other expenditure amount</b>
Notice Publish/Record Documents	\$14
<b>Subtotal other expenditures amount</b>	<b>\$14</b>
<b>Capital expenditures</b>	<b>\$3,613</b>
<b>Administration</b>	<b>\$2,493</b>
<b>Professional services</b>	<b>\$29,493</b>
<b>Interest and fiscal charges</b>	<b>\$332,255</b>
<b>DOR fees</b>	<b>\$150</b>
<b>Discount on long-term debt</b>	<b>\$0</b>
<b>Debt issuance costs</b>	<b>\$0</b>
<b>Principal on long-term debt</b>	<b>\$1,160,000</b>
<b>Environmental costs</b>	<b>\$0</b>
<b>Real property assembly costs</b>	<b>\$0</b>
<b>Total Expenditures</b>	<b>\$5,064,407</b>

Section 4. Ending Balance	
<b>TID fund balance at end of fiscal year</b>	<b>\$8,747,151</b>
<b>Future costs</b>	<b>\$26,780,974</b>
<b>Future revenue</b>	<b>\$44,312,410</b>
<b>Surplus or deficit</b>	<b>\$26,278,587</b>

<b>Form PE-300</b>	<b>TID Annual Report</b>	<b>2018 WI Dept of Revenue</b>
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<b>Preparer/Contact Information</b>	
Preparer name <b>Misty Dodge</b>	Preparer title <b>Finance Director</b>
Preparer email <b>misty.dodge@fitchburgwi.gov</b>	Preparer phone <b>(608) 270-4252</b>
Contact name <b>Misty Dodge</b>	Contact title <b>Finance Director</b>
Contact email <b>misty.dodge@fitchburgwi.gov</b>	Contact phone <b>(608) 270-4252</b>

<b>Submission Information</b>	
You successfully submitted your form. Save and/or print a copy for your records.	
Co-muni code	<b>13225</b>
TID number	<b>004</b>
Recording time	<b>05-30-2019 12:20 PM</b>
Confirmation	<b>TIDAR201813225O1559236791289</b>
Submission type	<b>ORIGINAL</b>