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September 13, 2017

Project Plan for the Creation of Tax Incremental District No. 13

Organizational Joint Review Board Meeting Held:	September 11, 2017
Public Hearing Held:	September 12, 2017
Approval by Plan Commission:	September 12, 2017
Adoption by City Council:	September 26, 2017
Approval by the Joint Review Board:	October 3, 2017

Tax Incremental District No. 13 Creation Project Plan

City of Sun Prairie Officials

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Bill Connors	Council Member
Emily Lindsey	Council Member
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SECTION 1:
Executive Summary

Type of District, Size and Location

Tax Incremental District ("TID") No. 13 (the "TID" or "District") is a proposed industrial district consisting of 94.50 acres located in the southwest side of the City bounded generally by USH 151 to the west, Reiner Road to the east, and Capitol Drive to the north. A total of 35.64 acres to be included within the District are currently located in the Town of Burke and are pending annexation. A map of the proposed District boundaries is found in Section 3 of this Project Plan (the "Plan").

Estimated Total Project Expenditures.

The Plan includes potential expenditures ("Project Costs") of approximately $5.98 million consisting of $2.90 million for public infrastructure to be constructed within the District boundaries, $500,000 for utility extensions outside the District required to provide service, $800,000 for development incentives to be paid in two phases, $1.47 million in long-term debt interest expense and related finance charges, $226,411 in estimated property tax sharing payments to the Town of Burke, and $90,000 for administrative expense related to creation and ongoing administration of the District. It is important to note that this Plan does not constitute City Council approval to incur specific Project Costs. Based on the twenty-year maximum life of the District and corresponding fifteen-year expenditure period, it can be expected that economic conditions will change throughout the District's life and will alter the projections contained in this Plan. Decisions to undertake specific Project Costs through the life of the District must be made in the context of the current financial position of the District.

Economic Development

Creation of the District and the City's planned investment in related Project Costs is expected to generate $39.58 million in additional land and improvements value. Creation of the District is also expected to result in creation of new manufacturing and service industry jobs.

Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, the District would be expected to generate sufficient tax increments to recover all Project Costs by the year 2031, seven years earlier than the twenty-year maximum life of the District.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That "but for" the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:

    - The costs that the City must incur to offer the appropriate incentives required to attract industrial development under prevailing market conditions. Absent such incentives, the development proposed will not occur.

- The cost of street and utility extensions, and other related expenditures, that the City must incur to make the land ready for development. Without the availability of tax incremental financing, the City will not make these expenditures.

2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:

   - As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.

   - Creation of the District is also expected to result in creation of new manufacturing and service industry jobs.

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**

   - If approved, the District's creation would become effective for valuation purposes as of January 1, 2017. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2017 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.

   - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.

4. Not less than 50% by area of the real property within the District is suitable for industrial sites and zoned for industrial use within the meaning of Wisconsin Statutes Section 66.1101. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of the creation of the District will remain zoned for industrial use for the life of the District.

5. Based upon the findings, as stated above, the District is declared to be an industrial District based on the identification and classification of the property included within the District.

6. The project costs relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.

7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.

8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.

9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

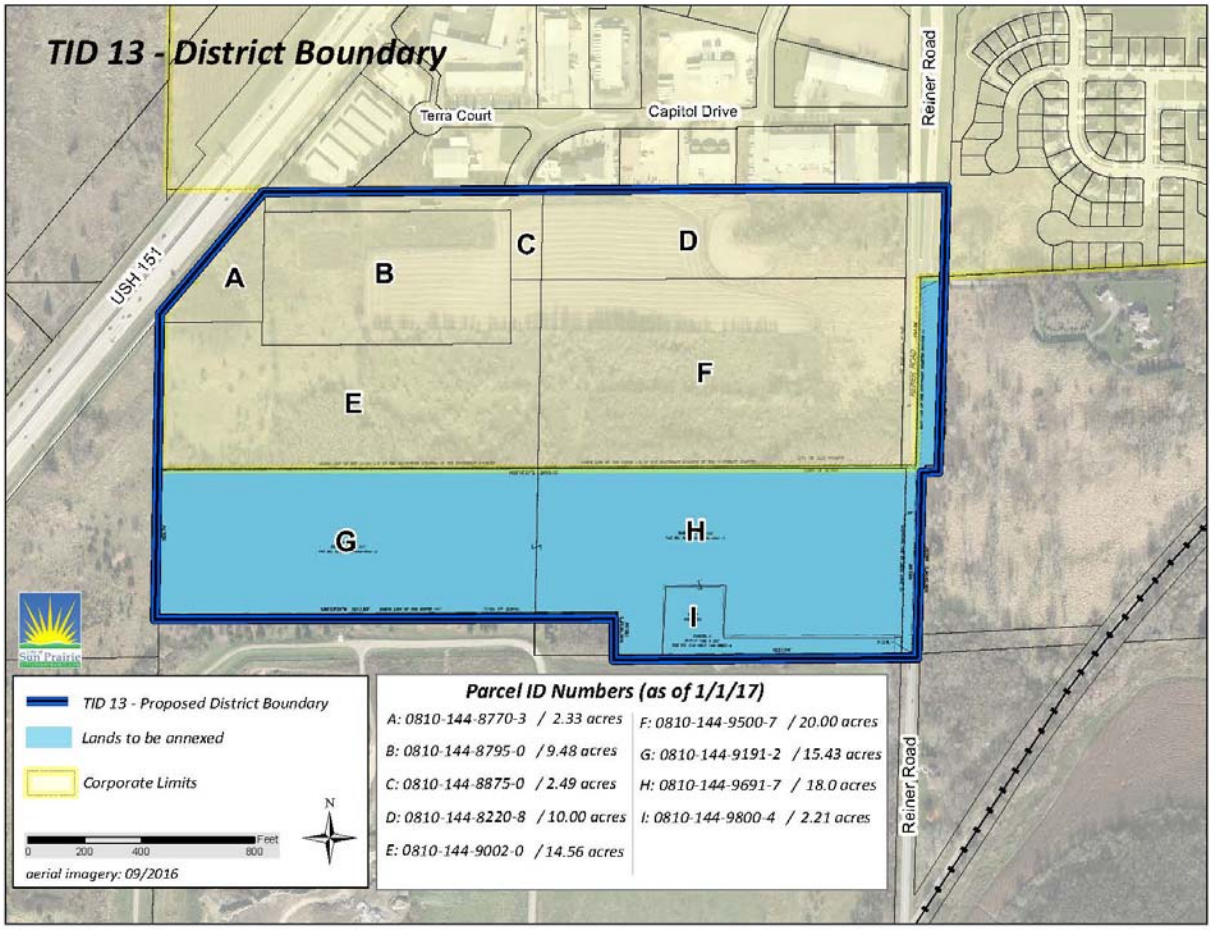
SECTION 2:

Type and General Description of District

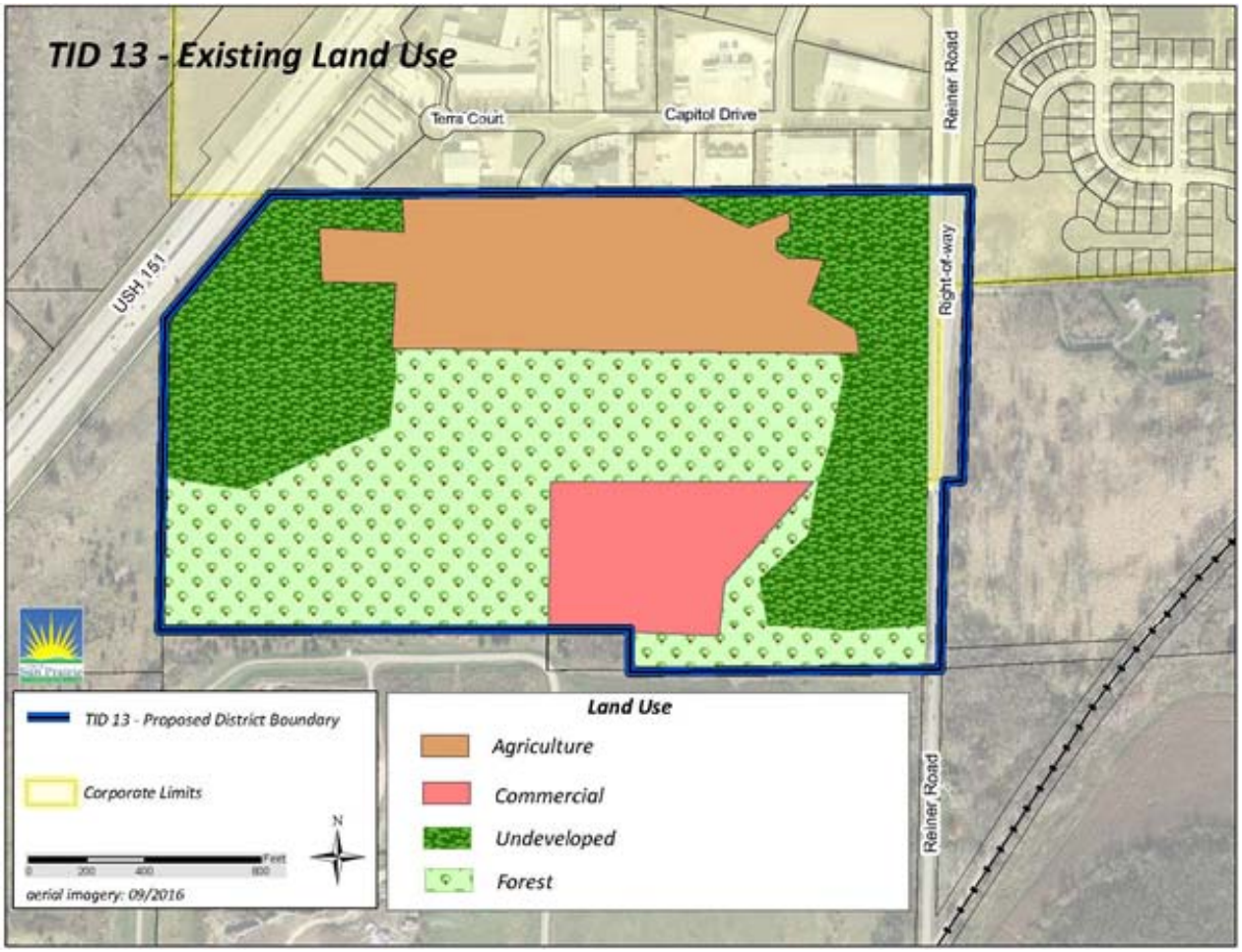
The District, consisting of 94.50 acres located in the southwest side of the City is being created under the authority provided by Wisconsin Statutes Section 66.1105 and will be classified as an “Industrial District” based upon a finding that at least 50%, by area, of the real property within the District is zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101.

Creation of the District is intended to facilitate industrial development by providing the means to recover the costs of the public investment that will need to be made to attract and support that development. A preliminary map of the proposed District boundary can be found in Section 3 of this Plan.

SECTION 3:
Preliminary Map of Proposed District Boundary



SECTION 4:
Map Showing Existing Uses and Conditions



SECTION 5:
Preliminary Parcel List and Analysis

City of Sun Prairie

Tax Increment District No. 13

Base Property Information

Property Information				Assessment Information			Equalized Value				District Classification
Parcel Number	Street Address	Acreage	Annexed Post 1/1/04? ...*Indicate date*	Land	Imp	Total	Equalized Value Ratio	Land	Imp	Total	Industrial (Zoned and Suitable)
0810-144-9800-4	5545 Reiner Rd	2.210	9/19/2017	88,700		88,700	100.00%	88,700	0	88,700	2.210
0810-144-9691-7	N/A	18.000	9/19/2017	227,500		227,500	100.00%	227,500	0	227,500	18.000
0810-144-9191-2	N/A	15.430	9/19/2017	55,500		55,500	100.00%	55,500	0	55,500	15.430
0810-144-9003-2	N/A	14.560	4/10/2017	107,800		107,800	100.00%	107,800	0	107,800	14.560
0810-144-9501-2	N/A	20.000	4/10/2017	10,300		10,300	100.00%	10,300	0	10,300	20.000
0810-144-8796-2	N/A	9.476	4/10/2017	3,800		3,800	100.00%	3,800	0	3,800	9.476
0810-144-8876-2	N/A	2.490	4/10/2017	900		900	100.00%	900	0	900	2.490
0810-144-8221-2	N/A	10.000	4/10/2017	4,100		4,100	100.00%	4,100	0	4,100	10.000
0810-144-8771-2	N/A	2.330	4/10/2017	90,200		90,200	100.00%	90,200	0	90,200	2.330
	Total Acreage	**94.50**		588,800	0	588,800		588,800	0		94.496 100.00%
								Estimated Base Value		**588,800**	

SECTION 6:

Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., 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. The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals $135,632,900. This value is less than the maximum of $358,164,924 in equalized value that is permitted for the City of Sun Prairie. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Sun Prairie

Tax Increment District No. 13

Valuation Test Compliance Calculation

District Creation Date	9/26/2017		
	Valuation Data Currently Available 2017	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	2,984,707,700		2,984,707,700
12% Test	358,164,924		358,164,924
Increment of Existing TIDs			
TID #6	5,563,700		5,563,700
TID #8	78,239,500		78,239,500
TID #9	44,051,200		44,051,200
TID #11	4,984,500		4,984,500
TID #12	2,205,200		2,205,200
Total Existing Increment	135,044,100		135,044,100
Projected Base of New District	588,800	3.00%	606,464
Total Value Subject to 12% Test	135,632,900		135,650,564
Compliance	**PASS**		**PASS**

SECTION 7:

Statement of Kind, Number and Location of Proposed Public Works and Other Projects

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges received. To the extent the costs of a Project benefit the City outside the District, the 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.

The following is a list of public works and other TIF-eligible projects that the City may need to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District, or directly or indirectly related to the public works and other projects, are considered Project Costs and eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way and Easement Acquisition

Property Acquisition

In order to promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered “real property assembly costs” as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate, and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

Site Preparation Activities

Environmental Audits and Remediation

Other than a review for wetlands, there have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development to occur, the City may need to construct streets. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, utility relocation, street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

In order to attract development consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

CDA Type Activities

Contribution to Community Development

As provided for in Wisconsin Statues Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Property Tax Payments to Town

Property tax payments due to the Town under Wisconsin Statutes Section 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.

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any Project Cost that would otherwise be eligible if undertaken within the District. To provide utility service and access to the District, the City will need to make various public improvements outside of the District's boundaries. To the extent that such Project Costs are not already permitted under certain exceptions provided for in the TIF law, the City will consider these costs to be eligible costs under Section 66.1105(2)(f)1.n. Joint Review Board approval of the resolution enacted by the City creating the District will be deemed to constitute Joint Review Board approval of these expenditures.

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.

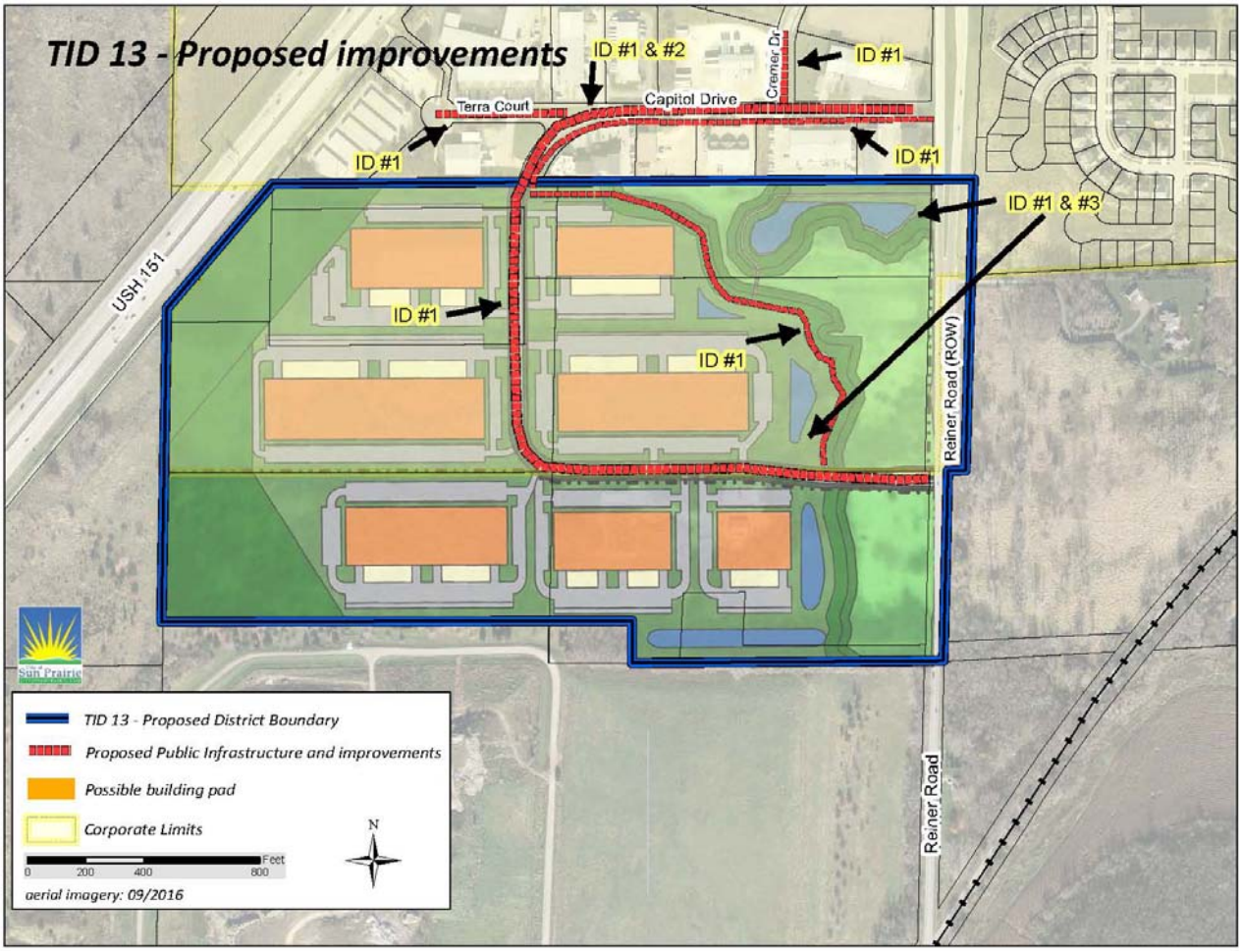
Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

With all Projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs. In the event any of the Project Cost expenditures included in this Plan are determined not to be reimbursable out of the TIF fund by counsel retained by the City for purposes of making such determination, or a court of record so rules in a final order, then such Project Cost is deleted from this Plan and the remainder of the Projects shall be deemed the entirety of the Projects for purposes of this Plan. **The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.**

SECTION 8:

Map Showing Proposed Improvements and Uses



SECTION 9:
Detailed List of Project Costs

All costs are based on 2017 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2017 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

City of Sun Prairie

Tax Increment District No. 13

Estimated Project List

Project ID	Project Name/Type	Phase I 2018	Phase II 2024	Ongoing	Total
1	Infrastructure and Other Costs	2,900,000			2,900,000
2	City Utility Extensions Not Included in Above	500,000			500,000
3	Development Incentive Payments[1]	300,000	500,000		800,000
4	Finance Related Expense	94,125			94,125
5	Interest on Long Term Debt	1,215,512	157,750		1,373,262
6	Administrative Expense			90,000	90,000
7	Payments Pursuant to Intergov. Agreement			226,411	226,411
8					0
9					0
10					0
Total Projects		**5,009,637**	**657,750**	**316,411**	**5,983,797**

Notes:

[1]Phase I incentive payment offsets cost of on-site stormwater management pond. Phase II incentive payment paid if District achieves $15M in valuation by 1-1-2023.

SECTION 10:

Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of "Available Financing Methods" follows.

- The City expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under "Plan Implementation" within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.

- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Available Financing Methods

To the extent Project Costs cannot be paid from cash on hand, the following is a list of the types of debt obligations that the City could utilize to raise the capital needed to finance Project Costs or to pay commitments to developers.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). At present, the City has in excess of $95 million in unused G.O. debt capacity available.

Bonds Issued to Developers ("Pay as You Go" Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City's statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued; however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

The Plan includes potential expenditures ("Project Costs") of approximately $5.98 million consisting of $2.90 million for public infrastructure to be constructed within the District boundaries, $500,000 for utility extensions outside the District required to provide service, $800,000 for development incentives to be paid in two phases, $1.47 million in long-term debt interest expense and related finance charges, $226,411 in estimated property tax sharing payments to the Town of Burke, and $90,000 for administrative expense related to creation and ongoing administration of the District. The City expects to issue debt in 2018 to pay the costs of the public infrastructure and utility extensions, and in 2024 to pay the costs of the second phase development incentive. The City may also advance additional funds as needed to pay for administrative and other costs of the District until cash flows are sufficient to cash fund these costs. It is important to note that this Plan does not constitute City Council approval to incur specific Project Costs. Based on the twenty-year maximum life of the District and corresponding fifteen-year expenditure period, it can be expected that economic conditions will change throughout the District's life and will alter the projections contained in this Plan. Decisions to undertake specific Project Costs through the life of the District must be made in the context of the current financial position of the District.

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.

Implementation and Financing Timeline

City of Sun Prairie

Tax Increment District No. 13

Estimated Financing Plan

		G.O. Bond 2018		State Trust Fund Loan 2024	Cash Paid Ongoing	Totals
Projects						
Infrastructure and Other Costs		2,900,000				2,900,000
City Utility Extensions Not Included in Above		500,000				500,000
Development Incentives[1]		300,000		500,000		800,000
Interest on Long Term Debt					1,373,262	1,373,262
Administrative Expense					90,000	90,000
Payments Pursuant to Intergov. Agreement					226,411	226,411
Total Project Funds		3,700,000		500,000	1,689,672	5,889,672
Estimated Finance Related Expenses[2]						
Municipal Advisor		24,400				24,400
Bond & Disclosure Counsel		18,000				18,000
Rating Agency Fee		11,500				11,500
Paying Agent		675				675
Underwriter Discount	10.00	39,550				39,550
Capitalized Interest		170,950				
Total Financing Required		3,965,075		500,000		
Estimated Interest	0.75%	(13,875)	0.00%	0		
Assumed spend down (months)	6		6			
Rounding		3,800		0		
Net Issue Size		3,955,000		500,000		**5,983,797**

Notes:

[1]May need to be financed on a taxable basis dependant on terms of development agreement.

[2]Assumes cost of issuance based on separate bond issuance. City could economize costs by including funds in annual CIP debt issuance.

Development Assumptions

City of Sun Prairie

Tax Increment District No. 13

Development Assumptions[1]

Construction Year		Actual	Land Value Increase	Phase I Improvements	Phase II Improvements	Annual Total	Construction Year	
1	2017					0	2017	1
2	2018		2,460,400	7,150,000		9,610,400	2018	2
3	2019					0	2019	3
4	2020			3,850,000		3,850,000	2020	4
5	2021					0	2021	5
6	2022			4,950,000		4,950,000	2022	6
7	2023					0	2023	7
8	2024			7,700,000		7,700,000	2024	8
9	2025					0	2025	9
10	2026					0	2026	10
11	2027		1,916,640			1,916,640	2027	11
12	2028				2,200,000	2,200,000	2028	12
13	2029					0	2029	13
14	2030				3,850,000	3,850,000	2030	14
15	2031					0	2031	15
16	2032				5,500,000	5,500,000	2032	16
17	2033					0	2033	17
18	2034					0	2034	18
19	2035					0	2035	19
20	2036					0	2036	20
	Totals	**0**	**4,377,040**	**23,650,000**	**11,550,000**	**39,577,040**		

Notes:

[1]Assumptions as to value and absorption taken from Interstate Partners "Likely" scenario received 6-29-2017 and further updated based on City review (August 7, 2017 e-mail from City staff).

Increment Revenue Projections

City of Sun Prairie

Tax Increment District No. 13

Tax Increment Projection Worksheet

Type of District	Mixed Use	
District Creation Date	September 26, 2017	
Valuation Date	Jan 1,	2017
Max Life (Years)	20	
Expenditure Period/Termination	15	9/26/2032
Revenue Periods/Final Year	20	2038
Extension Eligibility/Years	Yes	3
Recipient District	No	

Base Value	588,800
Appreciation Factor	0.00%
Base Tax Rate[1]	$24.54
Rate Adjustment Factor	
Tax Exempt Discount Rate	2.50%
Taxable Discount Rate	4.00%

Apply to Base Value

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2017	0	2018	0	0	2019	$24.54	**0**	0	0
2	2018	9,610,400	2019	0	9,610,400	2020	$24.54	**235,851**	213,669	201,606
3	2019	0	2020	0	9,610,400	2021	$24.54	**235,851**	422,127	395,458
4	2020	3,850,000	2021	0	13,460,400	2022	$24.54	**330,334**	706,973	656,526
5	2021	0	2022	0	13,460,400	2023	$24.54	**330,334**	984,872	907,553
6	2022	4,950,000	2023	0	18,410,400	2024	$24.54	**451,813**	1,355,696	1,237,689
7	2023	0	2024	0	18,410,400	2025	$24.54	**451,813**	1,717,476	1,555,127
8	2024	7,700,000	2025	0	26,110,400	2026	$24.54	**640,781**	2,218,053	1,988,016
9	2025	0	2026	0	26,110,400	2027	$24.54	**640,781**	2,706,421	2,404,254
10	2026	0	2027	0	26,110,400	2028	$24.54	**640,781**	3,182,877	2,804,484
11	2027	1,916,640	2028	0	28,027,040	2029	$24.54	**687,817**	3,681,833	3,217,569
12	2028	2,200,000	2029	0	30,227,040	2030	$24.54	**741,808**	4,206,831	3,645,945
13	2029	0	2030	0	30,227,040	2031	$24.54	**741,808**	4,719,024	4,057,845
14	2030	3,850,000	2031	0	34,077,040	2032	$24.54	**836,292**	5,282,371	4,504,347
15	2031	0	2032	0	34,077,040	2033	$24.54	**836,292**	5,831,977	4,933,677
16	2032	5,500,000	2033	0	39,577,040	2034	$24.54	**971,268**	6,454,721	5,413,122
17	2033	0	2034	0	39,577,040	2035	$24.54	**971,268**	7,062,277	5,874,128
18	2034	0	2035	0	39,577,040	2036	$24.54	**971,268**	7,655,013	6,317,402
19	2035	0	2036	0	39,577,040	2037	$24.54	**971,268**	8,233,293	6,743,627
20	2036	0	2037	0	39,577,040	2038	$24.54	**971,268**	8,797,468	7,153,459
	Totals	**39,577,040**		**0**			**Future Value of Increment**	**12,658,696**		

Notes:

[1]Base tax rate shown is actual TID Interim Rate for the 2016/17 levy per DOR Form PC-202 (Tax Increment Collection Worksheet).

City of Sun Prairie

Tax Increment District No. 13

Cash Flow Projection

Year	Projected Revenues				Expenditures											Balances			Year
					G.O. Bond 3,955,000			State Trust Fund Loan 500,000											
					Dated Date	04/01/18		Dated Date	03/15/24										
	Tax Increments	Interest Earnings/ (Cost)	Proceeds of Long Term Debt	**Total Revenues**	Prin (4/1)	Est. Rate[1]	Interest	Prin (3/15)	Est. Rate[2]	Interest	Finance Related Expenses	Town of Burke Payments	Project Costs	Admin.	**Total Expenditures**	Annual	Cumulative	Principal Outstanding	
		3.00%										$2.02							
2017				**0**										20,000	**20,000**	(20,000)	(20,000)		2017
2018		(600)	3,955,000	**3,954,400**							94,125		3,700,000	5,000	**3,799,125**	155,275	135,275	3,955,000	2018
2019	0	4,058		**4,058**			170,950							5,000	**175,950**	(171,892)	(36,617)	3,955,000	2019
2020	235,851	(1,098)		**234,752**	55,000	1.650%	113,513					19,448 100%		5,000	**192,961**	41,791	5,175	3,900,000	2020
2021	235,851	155		**236,006**	60,000	1.750%	112,534					17,504 90%		5,000	**195,038**	40,969	46,143	3,840,000	2021
2022	330,334	1,384		**331,719**	125,000	1.900%	110,822					21,792 80%		5,000	**262,613**	69,106	115,249	3,715,000	2022
2023	330,334	3,457		**333,792**	130,000	2.050%	108,302					19,068 70%		5,000	**262,369**	71,423	186,672	3,585,000	2023
2024	451,813	5,600	500,000	**957,414**	220,000	2.170%	104,582					22,354 60%	500,000	5,000	**851,936**	105,477	292,149	3,865,000	2024
2025	451,813	8,764		**460,578**	225,000	2.300%	99,608	15,000	5.000%	25,000		18,628 50%		5,000	**388,236**	72,342	364,491	3,625,000	2025
2026	640,781	10,935		**651,715**	365,000	2.500%	92,458	35,000	5.000%	24,250		26,419 50%		5,000	**548,127**	103,588	468,079	3,225,000	2026
2027	640,781	14,042		**654,823**	375,000	2.650%	82,926	35,000	5.000%	22,500		26,419 50%		5,000	**546,846**	107,977	576,057	2,815,000	2027
2028	640,781	17,282		**658,062**	385,000	2.800%	72,568	60,000	5.000%	20,750		26,419 50%		5,000	**569,737**	88,325	664,382	2,370,000	2028
2029	687,817			**687,817**	430,000	3.050%	60,620	55,000	5.000%	17,750		28,359 50%		5,000	**596,729**	91,088	755,470	1,885,000	2029
2030	741,808			**741,808**	485,000	3.250%	46,181	50,000	5.000%	15,000				5,000	**601,181**	140,627	896,097	1,350,000	2030
2031	741,808			**741,808**	500,000	3.400%	29,800	55,000	5.000%	12,500				5,000	**602,300**	139,508	1,035,605	795,000	2031
2032	836,292			**836,292**	600,000	3.550%	10,650	60,000	5.000%	9,750					**680,400**	155,892	1,191,497	135,000	2032
2033	836,292			**836,292**				65,000	5.000%	6,750					**71,750**	764,542	1,956,038	70,000	2033
2034	971,268			**971,268**				70,000	5.000%	3,500					**73,500**	897,768	2,853,806	0	2034
2035	971,268			**971,268**											**0**	971,268	3,825,074		2035
2036	971,268			**971,268**											**0**	971,268	4,796,343		2036
2037	971,268			**971,268**											**0**	971,268	5,767,611		2037
2038	971,268			**971,268**											**0**	971,268	6,738,879		2038
Total	12,658,696	63,980	4,455,000	**17,177,676**	3,955,000		1,215,512	500,000		157,750	94,125	226,411	4,200,000	90,000	**10,438,797**				Total

Notes:

[1]Assumes same rate scale (NBQ) as 2017 FMP update: June 20, 2017 City of Oshkosh (Aa3) tax-exempt reoffering yields plus .50%.

[2]Current loan program rate for loans of 6 - 10 years in term plus 1.50%.

Projected Closure Year

SECTION 11:
Annexed Property

Properties proposed for inclusion within the District were annexed by the City on or after January 1, 2004. The City has previously entered into a cooperative boundary agreement with the Town of Burke pursuant to Wisconsin Statutes Section 66.0307, providing for the annexation of this property and is therefore is in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1, with respect to inclusion of the annexed property within the District.

SECTION 12:
Estimate of Property to be Devoted to Retail Business

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13:
Proposed Zoning Ordinance Changes

The land to be included within the District is suitable for industrial development and has or will be rezoned to an industrial zoning classification prior to creation of the District. All land zoned and found suitable for industrial development will remain zoned for industrial use for the life of the District.

SECTION 14:
Proposed Changes in Master Plan, Map, Building Codes and City of Sun Prairie Ordinances

The proposed Plan is in general conformance with the City's Comprehensive Plan. All development within the District will be required to conform to the State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes, thus, no changes to the existing regulations are proposed or needed.

SECTION 15:
Relocation

The City does not expect to undertake any relocation activities in conjunction with the implementation of this Plan. If relocation were to become necessary, it will be carried out in accordance with the relocation requirements set forth in Chapter 32 of the Wisconsin Statutes and the Federal Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 (P.L. 91-646) as applicable.

SECTION 16:
Orderly Development of the City of Sun Prairie

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by providing necessary public infrastructure improvements and appropriate financial incentives for private development projects. By utilizing the provisions of the Tax Increment Finance Law, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment opportunities.

SECTION 17:
List of Estimated Non-Project Costs

Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 18:

Opinion of Attorney for the City of Sun Prairie Advising Whether the Plan is Complete and Complies with Wisconsin Statutes 66.1105

See following page.

OFFICE OF THE CITY ATTORNEY

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September 7, 2017

Mayor Paul T. Esser
City of Sun Prairie
300 East. Main Street
Sun Prairie, WI 53590

RE: City of Sun Prairie, Tax Incremental District No. 13

Dear Mayor Esser:

In my capacity as City Attorney, I have reviewed the Project Plan, and have determined that it is complete and complies with Wisconsin Statute §66.1105(4)(f). It is my opinion that the increased employment, business and personal income as well as increased property value are sufficient to compensate for the cost of public improvements. I agree with the plan conclusion that "but for" the creation of the district, the development projected to occur: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. I believe creation of the district will provide both short and long-term benefits to our community.

Very truly yours,

Mark Leonard
City Attorney
City of Sun Prairie

Exhibit A:

Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction[1]						
	DOR Form PC-202 (2016/17)			2016	Percentage	
	Dane County			496,524	12.72%	
	City of Sun Prairie			1,273,517	32.64%	
	Sun Prairie School District			1,978,522	50.70%	
	Madison Area Techncial College			153,554	3.94%	
	Total			3,902,118		
Revenue Year	Dane County	City of Sun Prairie	Sun Prairie School District	Madison Area Techncial College	Total	Revenue Year
2019	0	0	0	0	0	2019
2020	30,011	76,974	119,585	9,281	235,851	2020
2021	30,011	76,974	119,585	9,281	235,851	2021
2022	42,033	107,810	167,492	12,999	330,334	2022
2023	42,033	107,810	167,492	12,999	330,334	2023
2024	57,491	147,456	229,087	17,780	451,813	2024
2025	57,491	147,456	229,087	17,780	451,813	2025
2026	81,536	209,129	324,900	25,216	640,781	2026
2027	81,536	209,129	324,900	25,216	640,781	2027
2028	81,536	209,129	324,900	25,216	640,781	2028
2029	87,521	224,480	348,750	27,067	687,817	2029
2030	94,391	242,101	376,125	29,191	741,808	2030
2031	94,391	242,101	376,125	29,191	741,808	2031
2032	106,414	272,937	424,032	32,909	836,292	2032
2033	106,414	272,937	424,032	32,909	836,292	2033
2034	123,589	316,989	492,470	38,221	971,268	2034
2035	123,589	316,989	492,470	38,221	971,268	2035
2036	123,589	316,989	492,470	38,221	971,268	2036
2037	123,589	316,989	492,470	38,221	971,268	2037
2038	123,589	316,989	492,470	38,221	971,268	2038
	1,610,752	4,131,364	6,418,441	498,138	12,658,696	

Notes:

[1]The projection shown above is provided to meet the requirments of Wisconsin Statute 66.1105(4)(i)4.