

July 14, 2021

Project Plan Amendment
Tax Incremental District No. 12
Business Park Expansion

City of Sun Prairie, Wisconsin

Organizational Joint Review Board Meeting Held:	July 12, 2021
Public Hearing Held:	July 13, 2021
Approval by Plan Commission:	July 13, 2021
Adoption by Common Council:	Scheduled for July 20, 2021
Approval by the Joint Review Board:	Scheduled for July 22, 2021

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 12 (“District”) was created by the City on August 2, 2016 to promote industrial development. The District is located generally north of that portion of the Sun Prairie Business Park that comprised the now closed Tax Incremental District No. 7. The original 40-acre District was expanded to include a total of 100 acres through a territory amendment approved in 2017.

Purpose of Amendment

The purpose of this amendment, referred to hereafter as the “Plan”, the “Amendment”, or the “Plan Amendment”, is to:

- Add territory to the District as permitted under Wis. Stat. § 66.1105(4)(h)2. Specifically, the City will add two parcels to the District, and portions of three additional parcels, totaling to approximately 42.51 acres. Post-Amendment, the District will contain approximately 143 acres in total. This is the second of four permitted territory amendments available to the District.
- Amend the categories, locations, or costs of project costs to be made as permitted under Wis. Stat. § 66.1105(4)(h)1. (“Project”). Specifically, the City will add \$3.44 million in total potential project costs to the Plan.

Estimated Total Project Cost Expenditures

The City anticipates making expenditures of approximately \$15.03 million for “priority” projects and \$6.42 million for “contingent” projects totaling to \$21.48 million (“Project Costs”) over the life of the District. Priority projects are those the City must undertake to permit full development of the District and are included within the financing plan and cashflow included in this Plan Amendment. Priority projects include an estimated \$2.74 million for development incentives, \$8.12 million for land acquisition and public infrastructure, \$1.02 million for administrative expense, and \$3.14 million for interest on long-term debt and finance related expense. Contingent projects also serve to implement the District’s Plan but cashflow projections indicate that the District may not generate sufficient revenue to pay for them. These costs are not included in the cashflow projections but remain in the Plan as eligible expenditures in the event the District’s performance exceeds the projections.

Incremental Valuation

As of January 1, 2020, a total of \$9.94 million in incremental value has been created within the District. The City projects that additional land and improvements value of approximately \$37.5 million will result from the Project creating total incremental value of \$47.44 million by January 1, 2029. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing the assumptions as to development timing and associated values is included in the Economic Feasibility Study located within this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within its allowable 20 years.

Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this 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 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 reaching this determination, the City has considered:
 - 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 substantial investment needed to provide the public infrastructure necessary to allow for continued development within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements.
2. The economic benefits of the 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 that the Project will result in creation and retention of manufacturing and other jobs, income and sales taxes, and benefits to the local economy resulting from the purchase of goods and services related to construction, expansion and operation of businesses in the District.

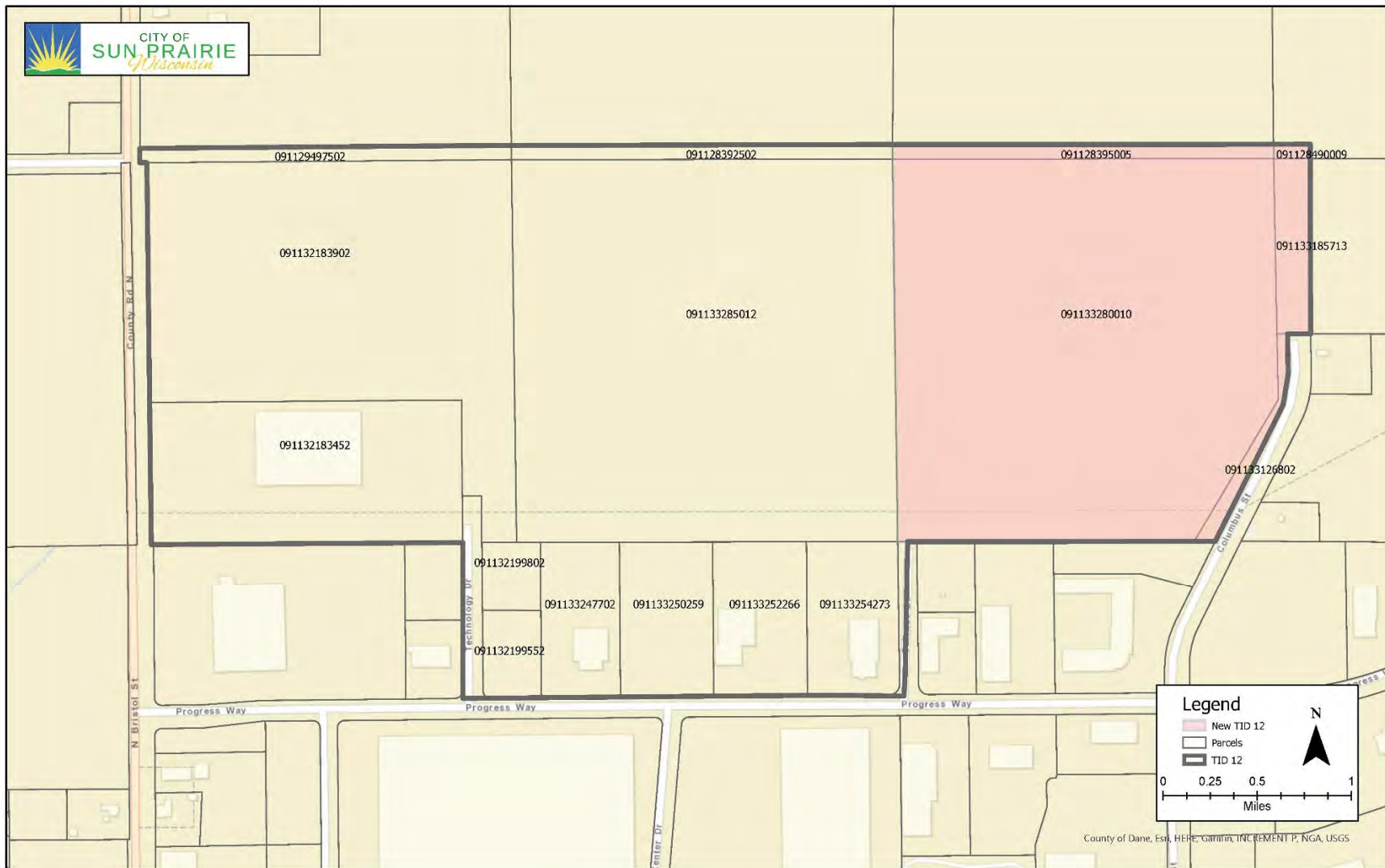
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District, as amended, is suitable for industrial sites as defined by Wis. Stat. § 66.1101 and has been zoned for industrial use. Any real property within the District that was found suitable for industrial sites and was zoned for industrial use at the time of creation of the District or at the time of this Plan Amendment will remain zoned for industrial use for the life of the District.
5. Based on the foregoing finding, the District remains designated as an industrial district.
6. That Project Costs relate directly to promoting industrial development in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property within the territory to be added to the District, plus the incremental value 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 Plan for the District is feasible and is in conformity with the Master Plan of the City.
10. The City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
11. That for those parcels to be included within the District that were annexed by the City within the three-year period preceding adoption of this Resolution, the City pledges to pay the Town of Bristol an amount equal to the property taxes the town last levied on the territory for each of the next five years.

SECTION 2:

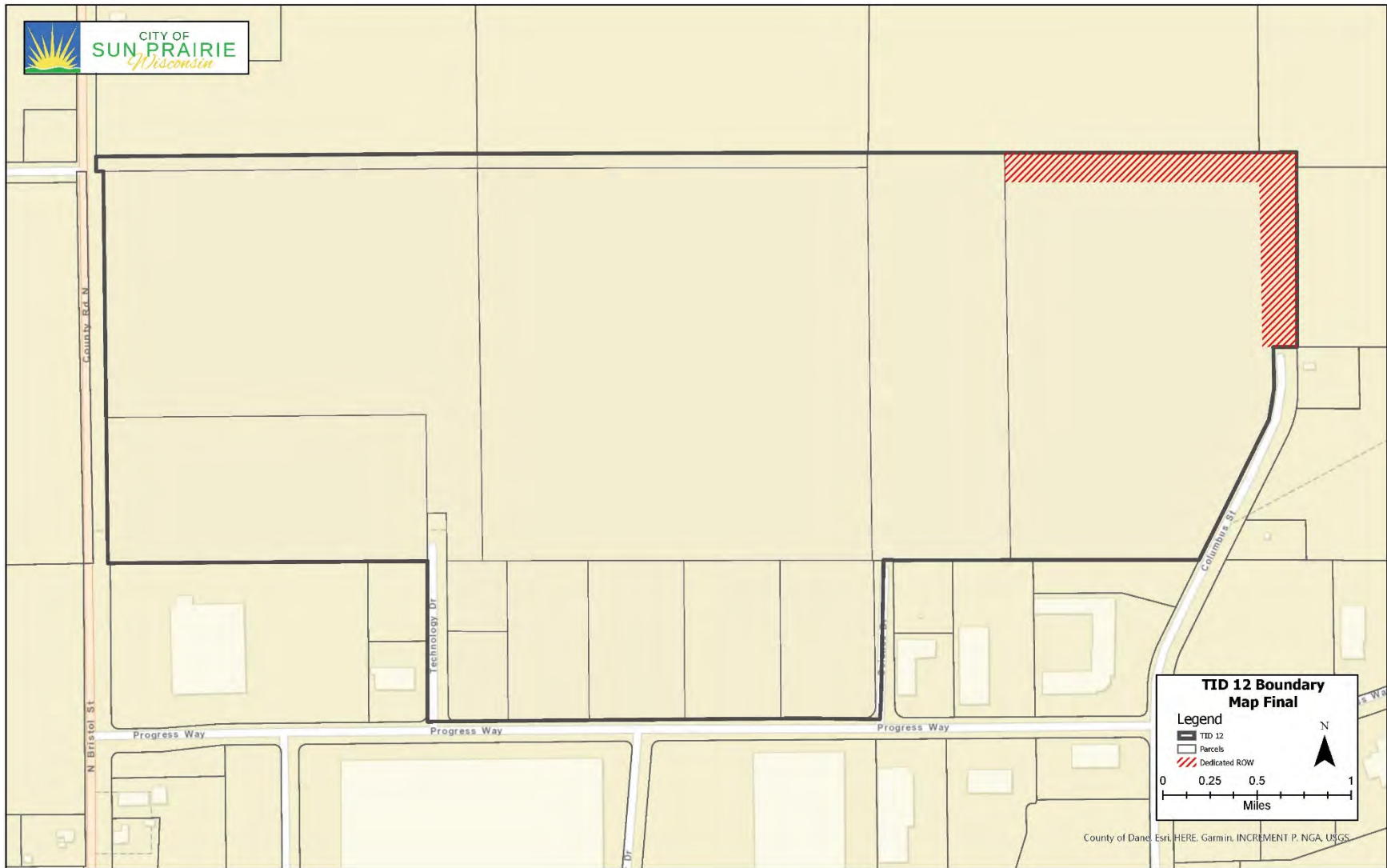
Preliminary Maps of Original District Boundary and Territory to be Added

Maps Found on Following Page.

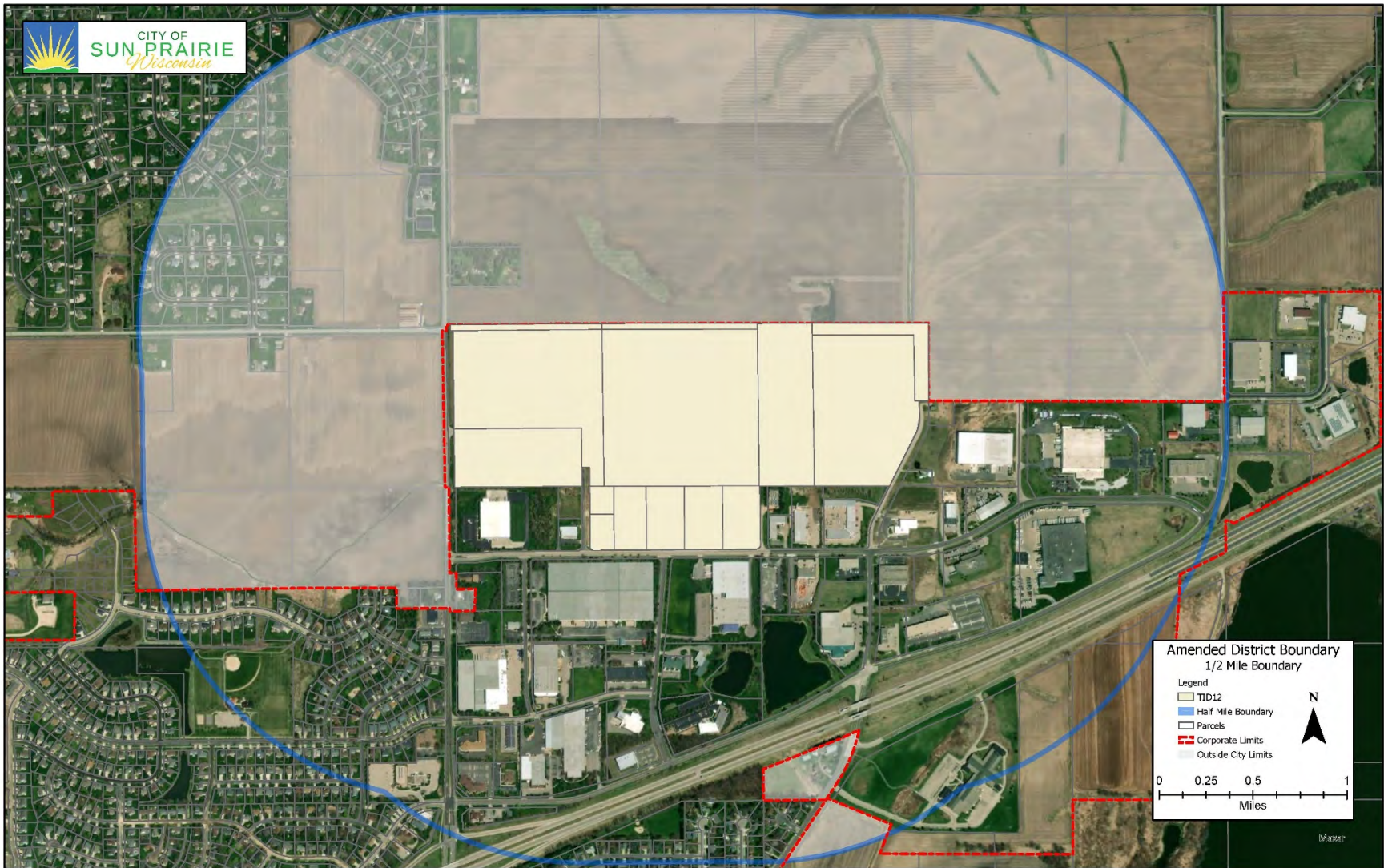
To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.



Map 1 - Existing District Boundary & Proposed Territory Addition
(Parcel Boundaries as of January 1, 2021)



**Map 2 - Existing District Boundary & Proposed Territory Addition
(Parcel Boundaries as of July 20, 2021)**

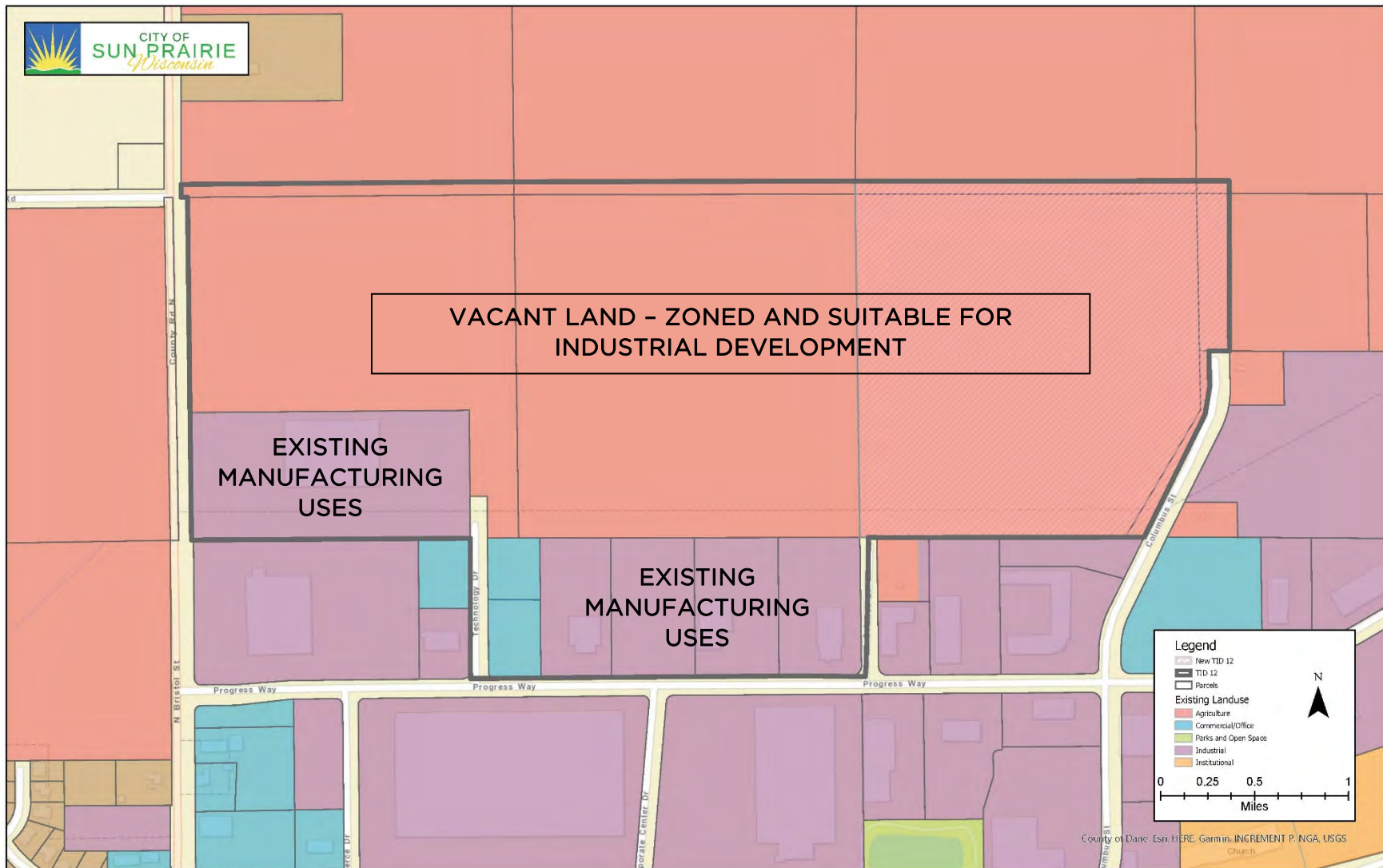


Map 3 – Map Identifying Area Within ½ Mile of the District’s Amended Boundary

SECTION 3:

Map Showing Existing Uses and Conditions

Map Found on Following Page.



Map 4 – Map Identifying Existing Uses and Conditions

SECTION 4:

Preliminary Parcel List and Analysis

The parcels, or portions of the parcels, identified in the table below will be added to the District. Parcels noted as “Annexation Parcels” were in the Town of Bristol as of January 1, 2021. Parcel 0911-332-8001-0, and portions of parcels 0911-331-8571-3, 0911-283-9500-5 and 0911-284-9000-9 were annexed to the City on July 13, 2021.

Map Legend	Parcel No.	Owner	Annexation Parcel	Acres	Est. Value
	0911-332-8001-0	JBA Land Inc	Yes	38.38	\$ 27,417
	0911-331-2680-2	City of Sun Prairie		0.73	\$ -
	0911-331-8571-3	JBA Land Inc	Yes	1.60 *	\$ 509
	0911-283-9500-5	JBA Land Inc	Yes	1.60 *	\$ 494
	0911-284-9000-9	William F Renk & Sons Co Inc	Yes	0.20 *	\$ 64
Totals				42.51	\$ 28,485

*Approximate acres annexed. (Partial annexation of listed parcel).

Estimated valuations reflect January 1, 2020 assessed value equalized using the aggregate ratio for the City and the Town of Bristol as applicable. For the parcels that were only partially annexed, values reflect a proration based on the acres annexed to the total parcel acreage. Actual District base value will be certified using January 1, 2021 valuations which are not yet available. Any increases in valuation occurring after January 1, 2021 will generate incremental value.

All 42.51 acres to be added to the District are zoned and suitable for industrial sites as defined by Wis. Stat. § 66.1101. Additionally, all existing territory within the District is zoned and suitable for industrial site.

SECTION 5:

Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property proposed to be added to the 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.

Calculation of City Equalized Value Limit

City TID IN Equalized Value (Jan. 1, 2020)	\$ 3,864,128,900
TID Valuation Limit @ 12% of Above Value	\$ 463,695,468

Calculation of Value Subject to Limit

Estimated Base Value of Added Territory	\$ 28,485
Incremental Value of Existing Districts (Jan. 1, 2020)	\$ <u>253,464,200</u>
Total Value Subject to 12% Valuation Limit	\$ 253,492,685

The equalized value of the increment of existing tax incremental districts within the City, plus the value of the territory proposed to be added to the District, totals \$253,492,685. This value is less than the maximum of \$463,695,468 in equalized value that is permitted for the City.

SECTION 6:

Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory 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, design and construction is completed.

With all Project Costs, 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 ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

The “Statement of Kind, Number and Location of Proposed Public Works and Other Projects” set forth in the original District Project Plan approved on August 2, 2016 and its subsequent amendment approved on April 18, 2017 is amended to restate or add the following Project Costs that the City has made, expects to make, or may need to make, in conjunction with the implementation of the District’s Plan or this Plan Amendment.

Property, Right-of-Way, and Easement Acquisition

Property Acquisition for Development

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 to make the property suitable for development. 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 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 Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

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 Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

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, 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

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.

Water System Improvements

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. 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

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. 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, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; 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

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.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for 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.

Contribution to Community Development Authority (CDA)

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 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

Property Tax Payments to Town

Property tax payments due to the Town of Bristol under Wis. Stat. § 66.1105(4)(gm)1. because 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 Wis. Stat. § 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. The City intends to make the following project cost expenditures outside the District:

1. The City may need to improve portions of the streets that adjoin but do not lie entirely within the boundaries of the District. To the extent that these streets may be determined not to lie within the boundary of the District, costs related to their potential improvement will be eligible Project Costs under this section.

2. The City may need to make stormwater management improvements that benefit the District but may not lie entirely within the District's boundaries. Portions of any stormwater management improvements made outside the District boundaries that are needed to serve the District will be eligible Project Costs under this section.

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 relating to 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.

SECTION 7:

Map Showing Proposed Improvements and Uses

Map Found on Following Page.



Map 5 – Map Showing Proposed Improvements and Uses

SECTION 8:

Detailed List of Estimated Project Costs

The list found on the following page identifies the Project Costs that the City has made, expects to make, or may need to make in conjunction with the implementation of the District's Plan or this Plan Amendment. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan Amendment. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Sun Prairie, Wisconsin

Tax Increment District # 12

Detailed List of Estimated Project Costs¹

Project		Project Name/Type	Timeframe	Prior Estimate ²	Revised Project Cost Estimate			Change
					Priority Projects	Contingent Projects	Total	
1	Original Project Plan	Development Incentive (PAYGO)	Ongoing	1,300,000	1,768,872	-	1,768,872	468,872
2	Original Project Plan	Technology Drive Extension (Include Utilities)	2017	117,850	127,290	-	127,290	9,440
3	Original Project Plan	Technology Drive Extension (Include Utilities)	2022	-	250,000	-	250,000	250,000
4	Original Project Plan	Other Local Roads and Utilities	NA	-	-	-	-	-
5	Original Project Plan	Egre Road Extension (Phase I)	2025	1,198,006	-	1,652,400	1,652,400	454,394
6	Original Project Plan	Administrative & Other Expense	Ongoing	17,650	986,721	-	986,721	969,071
7	Original Project Plan	Interest Paid on Advances & Long Term Debt	NA	-	-	-	-	-
8	First Amendment	Land Purchase	2017	3,899,444	3,899,225	-	3,899,225	(219)
9	First Amendment	County Highway N Upgrades	2024	700,000	700,000	-	700,000	-
10	First Amendment	East/West Road to Technology	2022	1,025,668	1,025,668	-	1,025,668	-
11	First Amendment	Egre Road Extension (Phase II)	2027	1,024,887	-	1,054,800	1,054,800	29,913
12	First Amendment	Trail Connections	2025	5,500	-	5,500	5,500	-
13	First Amendment	Technology Road to Egre Road	2025	905,460	-	905,460	905,460	-
14	First Amendment	Science Drive to Egre Road	2027	1,034,254	-	498,400	498,400	(535,854)
15	First Amendment	East/West Road from Technology to Science Drive	2025-27	1,025,668	490,000	556,500	1,046,500	20,832
16	First Amendment	Science Drive Reconstruction	2027	426,971	-	426,971	426,971	-
17	First Amendment	Regional Stormwater Facility Construction	2022	1,000,000	500,000	-	500,000	(500,000)
18	First Amendment	Regional Stormwater Facility Design	NA	100,000	-	-	-	(100,000)
19	First Amendment	Land Acquisition for Science Drive ROW	2025	103,420	-	103,420	103,420	-
20	First Amendment	Marketing - 10,000 for five years	NA	50,000	-	-	-	(50,000)
21	First Amendment	Site Certification	NA	13,500	-	-	-	(13,500)
22	First Amendment	Site Certification Prep Work	NA	40,000	-	-	-	(40,000)
23	First Amendment	Land Division	NA	5,000	-	-	-	(5,000)
24	First Amendment	Professional Services	Ongoing	10,000	10,000	-	10,000	-
25	First Amendment	Audit	Ongoing	21,000	21,000	-	21,000	-
26	First Amendment	Finance Related Expense	Ongoing	311,600	131,957	-	131,957	(179,643)
27	First Amendment	Interest Paid on Long Term Debt	Ongoing	3,674,165	3,010,656	-	3,010,656	(663,509)
i	Second Amendment	Columbus Street Extension	2022	-	540,000	-	540,000	540,000
ii	Second Amendment	Egre Road Extension (Phase III)	2029	-	-	864,900	864,900	864,900
iii	Second Amendment	Columbus Street ROW Reimbursement	2022	-	118,568	-	118,568	118,568
iv	Second Amendment	Egre Road ROW Reimbursement	2022	-	124,217	-	124,217	124,217
v	Second Amendment	Quarra Stone Economic Incentive	2021	-	975,000	-	975,000	975,000
vi	Second Amendment	Construction of 2.1 Acre Stormwater facility	2022	-	350,000	-	350,000	350,000
vii	Second Amendment	Stormwater Efficiencies	2023	-	-	350,000	350,000	350,000
Total Projects				18,010,042	15,029,173	6,418,351	21,447,524	3,437,482

Notes:

¹Revised estimated Project Costs provided by City staff. Finance related expenses and interest paid on long term debt calculated and added by Ehlers.

²Original Project Plan projects with a zero total were removed or superseded in the First Amendment.

SECTION 9:

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

This Section includes an updated forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how remaining Project Costs would be financed, and a projected cash flow demonstrating that the District remains economically feasible.

Key Assumptions

The Project Costs the City has made and plans to make are expected to create \$47.44 million in incremental value by January 1, 2029. (As of January 1, 2020, actual district incremental value was \$9.94 million). Actual and estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$23.47 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate approximately \$14.90 million in incremental tax revenue over the 20-year term of the District as shown in **Table 2**.

City of Sun Prairie, Wisconsin

Tax Incremental District # 12

Development Assumptions

Construction Year	Actual ¹	Imp. Blades Expansion	Quarra Stone Lot D	Terrace Holdings Lot A1	Terrace Holdings Lot A2	Terrace Holdings Lot A3	Speculative Lot B	Speculative Lot C	Annual Total	Construction Year
1 2016	2,205,200								2,205,200	2016
2 2017	10,554,500								10,554,500	2017
3 2018	(3,032,200)								(3,032,200)	2018
4 2019	207,800								207,800	2019
5 2020		3,500,000							3,500,000	2020
6 2021			3,000,000						3,000,000	2021
7 2022			5,000,000	3,000,000					8,000,000	2022
8 2023									0	2023
9 2024					6,000,000				6,000,000	2024
10 2025									0	2025
11 2026						3,000,000	7,000,000		10,000,000	2026
12 2027									0	2027
13 2028								7,000,000	7,000,000	2028
14 2029									0	2029
15 2030									0	2030
16 2031									0	2031
17 2032									0	2032
18 2033									0	2033
19 2034									0	2034
20 2035									0	2035
Totals	9,935,300	3,500,000	8,000,000	3,000,000	6,000,000	3,000,000	7,000,000	7,000,000	47,435,300	

Notes:

¹Annual change in incremental value as certified by the Wisconsin Department of Revenue.

²Assumptions as to Imperial Blades expansion and Quarra Stone valuations provided by City staff.

Table 1 – Development Assumptions

City of Sun Prairie, Wisconsin

Tax Incremental District # 12

Tax Increment Projection Worksheet

Type of District	Industrial	Base Value	3,774,500
District Creation Date	August 2, 2016	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2016	Base Tax Rate	\$23.47
Max Life (Years)	20	Rate Adjustment Factor	
Expenditure Period/Termination	15 8/2/2031		
Revenue Periods/Final Year	20 2037		
Extension Eligibility/Years	Yes 3		
Recipient District	No		

Construction	Valuation	Inflation	Total	Revenue	Tax
Year	Value Added	Year	Increment	Year	Rate ¹
1 2016	2,205,200	2017	2,205,200	2018	\$24.00
2 2017	10,554,500	2018	12,759,700	2019	\$23.40
3 2018	-3,032,200	2019	9,727,500	2020	\$24.06
4 2019	207,800	2020	9,935,300	2021	\$23.47
5 2020	3,500,000	2021	13,435,300	2022	\$23.47
6 2021	3,000,000	2022	0	2023	\$23.47
7 2022	8,000,000	2023	0	2024	\$23.47
8 2023	0	2024	0	2025	\$23.47
9 2024	6,000,000	2025	0	2026	\$23.47
10 2025	0	2026	0	2027	\$23.47
11 2026	10,000,000	2027	0	2028	\$23.47
12 2027	0	2028	0	2029	\$23.47
13 2028	7,000,000	2029	0	2030	\$23.47
14 2029	0	2030	0	2031	\$23.47
15 2030	0	2031	0	2032	\$23.47
16 2031	0	2032	0	2033	\$23.47
17 2032	0	2033	0	2034	\$23.47
18 2033	0	2034	0	2035	\$23.47
19 2034	0	2035	0	2036	\$23.47
20 2035	0	2036	0	2037	\$23.47
Totals	47,435,300	0	Future Value of Increment	14,902,809	

Notes:

¹Tax rate shown for 2021 and preceding years is actual per DOR Form PC-202 (Tax Increment Collection Worksheet).

Table 2 - Tax Increment Projection Worksheet

Financing and Implementation

Project costs incurred to date have been paid from a combination of debt proceeds and advances from the City's General Fund. In 2016, a portion of the City's Series 2016B General Obligation Promissory Notes were used to fund public improvements in the District. In 2017, the City obtained a State Trust Fund Loan to purchase the land that was added to the District via a territory amendment approved that year. That Trust Fund Loan was refinanced in 2019 with taxable refunding bonds. The City has also advanced funds to the District to cover Project Costs to the extent tax increments have been insufficient. As of December 31, 2020, a total of \$452,664 has been advanced.

Prospectively, the City expects to utilize a combination of tax increment collections, additional borrowing, and further advances to pay Project Costs. Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds by 2037 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected. In the event the District does not generate sufficient tax increment to repay all Project Costs, the City would be responsible for the unrecovered balance. Under present law the District is eligible for a three-year extension to its maximum life which the City could seek approval for if needed.

City of Sun Prairie, Wisconsin

Tax Incremental District # 12

Cash Flow Projection

Year	Projected Revenues					Expenditures													Balances						Year
	Tax Increments	Interest Earnings/ (Cost)	Misc. Revenue	Proceeds of Long Term Debt	Total Revenues	Series 2016B G.O. Notes	2017 STFL	2019 Taxable G.O. Bonds	Proposed 2021 STFL	Proposed 2022 G.O. Bonds	Proposed 2024 G.O. Bonds	Proposed 2025 G.O. Bonds	Economic Incentives ¹	Capital Costs	Finance Related Expense	Admin. & Other Costs	Total Expenditures	Fund Balance		Debt Principal, Incentives & Advances Outstanding					
																		Annual	Cumulative ²	Advances Due to Other Funds	Incentive Payments Outstanding	Debt Principal Outstanding	Total		
2016		2		210,480	210,482									127,290	2,225	25,497	155,012	55,470	55,470	21,240		200,000	221,240	2016	
2017		627	8,715	3,904,536	3,913,878	24,911								3,899,225		56,235	3,980,371	(66,493)	(11,023)	92,410		4,084,536	4,176,946	2017	
2018	52,917	1,182	1,078		55,177	24,700	463,141									19,659	507,500	(452,323)	(463,346)	463,346		3,683,016	4,146,362	2018	
2019	298,589	2,942	287	3,685,000	3,986,818	24,100	3,668,924	84,125					206,381		49,432	18,141	4,051,103	(64,285)	(527,631)	527,631	2,537,491		3,825,000	6,890,122	2019
2020	234,003		73		234,076	23,500		129,423					0			6,187	159,110	74,967	(452,664)	452,665	2,537,491		3,805,000	6,795,156	2020
2021	233,229		1,000	975,000	1,209,229	22,900		129,423					1,146,017			69,706	1,368,046	(158,816)	(611,480)	611,481	1,391,474	4,760,000	6,762,955	2021	
2022	315,391		170,000	2,800,000	3,285,391	22,300		129,423					253,179	2,908,453	56,000	51,706	3,421,060	(135,669)	(747,149)	747,150	1,138,295	7,540,000	9,425,445	2022	
2023	385,816				385,816	21,700		129,423	94,084	225,750			253,179	0	0	50,706	774,841	(389,025)	(1,136,175)	1,136,175	885,116	8,059,363	10,080,654	2023	
2024	573,614			715,000	1,288,614	21,200		336,378	94,084	224,500			253,179	700,000	14,300	50,706	1,694,346	(405,732)	(1,541,907)	1,541,907	631,937	7,612,854	9,786,698	2024	
2025	573,614			500,000	1,073,614	20,700		335,054	94,084	225,438	66,781		253,179	490,000	10,000	50,706	1,545,941	(472,327)	(2,014,233)	2,014,234	378,758	7,609,084	10,002,076	2025	
2026	714,463				714,463	20,200		338,231	94,084	226,250	61,188	50,188	253,179			50,706	1,094,025	(379,562)	(2,393,795)	2,393,795	125,579	7,052,964	9,572,339	2026	
2027	714,463				714,463			336,008	94,084	226,938	65,000	51,125	82,162	0	0	50,706	906,022	(191,558)	(2,585,354)	2,585,354	43,417	6,494,483	9,123,254	2027	
2028	949,211				949,211			333,450	94,084	227,500	63,750	50,125	43,417			50,706	863,032	86,180	(2,499,174)	2,499,174	0	5,923,378	8,422,552	2028	
2029	949,211				949,211			335,469	94,084	227,938	67,438	49,125	0	0	0	50,706	824,758	124,453	(2,374,721)	2,374,721	0	5,329,630	7,704,351	2029	
2030	1,113,535				1,113,535			336,966	94,084	223,313	66,063	48,125	0			50,706	819,256	294,279	(2,080,442)	2,080,442	0	4,723,131	6,803,573	2030	
2031	1,113,535				1,113,535			337,930	94,084	223,625	64,688	47,125	0			50,706	818,157	295,378	(1,785,064)	1,785,064		4,098,827	5,883,891	2031	
2032	1,113,535				1,113,535			338,343	94,084	223,813	63,313	46,125	0			50,706	816,382	297,153	(1,487,911)	1,487,911		3,456,496	4,944,407	2032	
2033	1,113,535				1,113,535			338,191	94,084	223,875	61,938	45,125	0			50,706	813,918	299,617	(1,188,294)	1,188,294		2,796,073	3,984,367	2033	
2034	1,113,535				1,113,535			337,533	94,084	223,813	65,500	44,125	0			50,706	815,760	297,775	(890,518)	890,519		2,112,432	3,002,951	2034	
2035	1,113,535				1,113,535			336,280	94,084	223,625	64,000	48,063	0			50,706	816,757	296,778	(593,740)	593,741		1,405,465	1,999,206	2035	
2036	1,113,535				1,113,535			334,343	94,084	223,313	67,438	51,875	0			50,706	821,757	291,778	(301,962)	301,963		670,000	971,963	2036	
2037	1,113,535				1,113,535			336,600		227,813	65,813	50,625	0			60,706	741,556	371,979	70,017	0	0	0	0	2037	
Total	14,902,804	4,753	181,153	12,790,016	27,878,726	226,211	4,132,066	5,312,588	1,317,171	3,377,500	842,906	581,750	2,743,872	8,124,968	131,957	1,017,721	27,808,709							Total	
Notes:																				Projected TID Closure					
¹ Reflects actual and projected incentive payments made for the Riddell-Kollege Town project, Imperial Blades and Quarra Stone.																									
² Fund balance shown for 2019 and preceding years is actual per City's audited financial statements.																									

Table 3 - Cashflow

SECTION 10:

Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. Since territory proposed to be added to the District has been annexed within the past three years, the City pledges to pay the Town of Bristol for each of the next five years an amount equal to the property taxes levied on that territory by the town at the time of the annexation. Such payments allow for inclusion of the annexed lands as a permitted exception under Wis. Stat. § 66.1105(4)(gm)1.

SECTION 11:

Estimate of Property to be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12:

Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan Amendment is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development. Land within the District zoned industrial at the time of District creation will remain in a zoning classification suitable for industrial sites for the life of the District.

Master (Comprehensive) Plan and Map

The proposed Plan Amendment is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for industrial development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan Amendment conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13:

Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should the continued implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14:

How Amendment of the Tax Incremental District Promotes the Orderly Development of the City

This Plan Amendment promotes the orderly development of the City by creating new industrial sites, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, 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 creation and retention of manufacturing and other jobs, income and sales taxes, and benefits to the local economy resulting from the purchase of goods and services related to construction, expansion and operation of businesses in the District.

SECTION 15:

List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- 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.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 16:

Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f)



Matthew P. Dregne
Government Law Team Leader

222 West Washington Avenue, Suite 900
P.O. Box 1784
Madison, WI 53701-1784
MDregne@staffordlaw.com
608.259.2618

July 14, 2021

By Email: mayor@cityofsunprairie.com

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

Re: Tax Increment District No. 12 Amendment
Opinion letter re compliance with Wis. Stat. § 66.1105

Dear Mayor Esser:

I have been asked to review the Project Plan Amendment for Tax Increment District No. 12 – Business Park Expansion, dated June 29, 2021 (the “Amendment”). I have reviewed the Amendment, and it is my opinion that the Amendment is complete and complies with Wis. Stat. § 66.1105.

Best regards,

STAFFORD ROSENBAUM LLP

A handwritten signature in blue ink, appearing to read 'Matthew P. Dregne'.

Matthew P. Dregne

MPD:pcl

cc: Aaron Oppenheimer, City Administrator (by email)
Taylor Brown, Economic Development Specialist (by email)

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0714210908

Madison Office

222 West Washington Avenue
P.O. Box 1784
Madison, Wisconsin
53701-1784
608.256.0226
608.653.4752
Fax 608.259.2600
www.staffordlaw.com

Milwaukee Office

1300 North Mayfair Road
Suite 430
Milwaukee, Wisconsin
53216-3252
414.982.2830
888.655.4752
Fax 414.982.2839
www.staffordlaw.com

SECTION 17:

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

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Statement of Taxes		2020/21	Percentage
Dane County		10,351,598	12.22%
City of Sun Prairie		25,258,876	29.82%
School District of Sun Prairie Area		45,979,477	54.28%
Madison Area Technical College		3,119,962	3.68%
Total		84,709,913	

Revenue			School District	Madison Area		Revenue
Year	Dane County	City of Sun Prairie	of Sun Prairie Area	Technical College	Total	Year
2018	6,466	15,779	28,723	1,949	52,917	2018
2019	36,488	89,035	162,073	10,998	298,594	2019
2020	28,595	69,775	127,014	8,619	234,003	2020
2021	28,501	69,545	126,594	8,590	233,229	2021
2022	38,541	94,044	171,190	11,616	315,391	2022
2023	47,147	115,043	209,416	14,210	385,816	2023
2024	70,096	171,041	311,351	21,127	573,614	2024
2025	70,096	171,041	311,351	21,127	573,614	2025
2026	87,308	213,039	387,802	26,314	714,463	2026
2027	87,308	213,039	387,802	26,314	714,463	2027
2028	115,994	283,037	515,220	34,961	949,211	2028
2029	115,994	283,037	515,220	34,961	949,211	2029
2030	136,075	332,035	604,413	41,013	1,113,535	2030
2031	136,075	332,035	604,413	41,013	1,113,535	2031
2032	136,075	332,035	604,413	41,013	1,113,535	2032
2033	136,075	332,035	604,413	41,013	1,113,535	2033
2034	136,075	332,035	604,413	41,013	1,113,535	2034
2035	136,075	332,035	604,413	41,013	1,113,535	2035
2036	136,075	332,035	604,413	41,013	1,113,535	2036
2037	136,075	332,035	604,413	41,013	1,113,535	2037
Totals	1,821,131	4,443,733	8,089,057	548,887	14,902,809	