August 2, 2016

Project Plan for the Creation of Tax Incremental District No. 12

Organizational Joint Review Board Meeting Held:	July 12, 2016
Public Hearing Held:	July 12, 2016
Approval by Plan Commission:	July 12, 2016
Adoption by City Council:	August 2, 2016
Approval by the Joint Review Board:	Scheduled for August 16, 2016

Tax Incremental District No. 12 Project Plan

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Russell Fassbender	Council Member
Steve Stocker	Council Member
Bill Connors	Council Member
Jon Freund	Council Member
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Mike Jacobs	Council Member
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Diane J. Hermann-Brown	City Clerk
Mark Leonard	City Attorney

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Luke Rollins	Public Member

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SECTION 1:
Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District ("TID") No. 12 (the "TID" or "District") is a proposed industrial district consisting of 39.40 acres currently located in the Town of Bristol adjacent to the City's existing Business Park. The land will be annexed and zoned to an industrial classification prior to creation of the District. 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 $6.04 million. Project Costs include payment of development incentives, extension of streets and utilities, and other related costs that the City has determined as potentially necessary to promote industrial development within the District. The City anticipates making initial Project Cost expenditures of $1,415,000 to facilitate the first development project within the TID. Remaining expenditures would be made in phases as necessary to allow for further development of the District area. It is important to note that this Plan does not constitute approval of any particular 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 TID.

Economic Development

As a result of the creation of the District and the City's planned investment in related Project Costs, the City estimates that additional land, improvements and personal property value of $26 million will be created. Creation of the District is also expected to result in the retention of 100 existing jobs in the Dane County area and creation of at least 225 new jobs over the next three years. At least 50% of these jobs are expected to pay wages in the $15 per hour range with competitive benefits.

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 2032, five 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 in order to make the land ready for development. Without the availability of TIF, 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 expected to result in the retention of 100 existing jobs in the Dane County area and creation of at least 225 new jobs over the next three years. At least 50% of these jobs are expected to pay wages in the $15 per hour range with competitive benefits.

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, 2016. 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 or appreciation of property values occurring after January 1, 2016 would be collected by the TID and used to repay the costs of TIF-eligible Project Costs 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

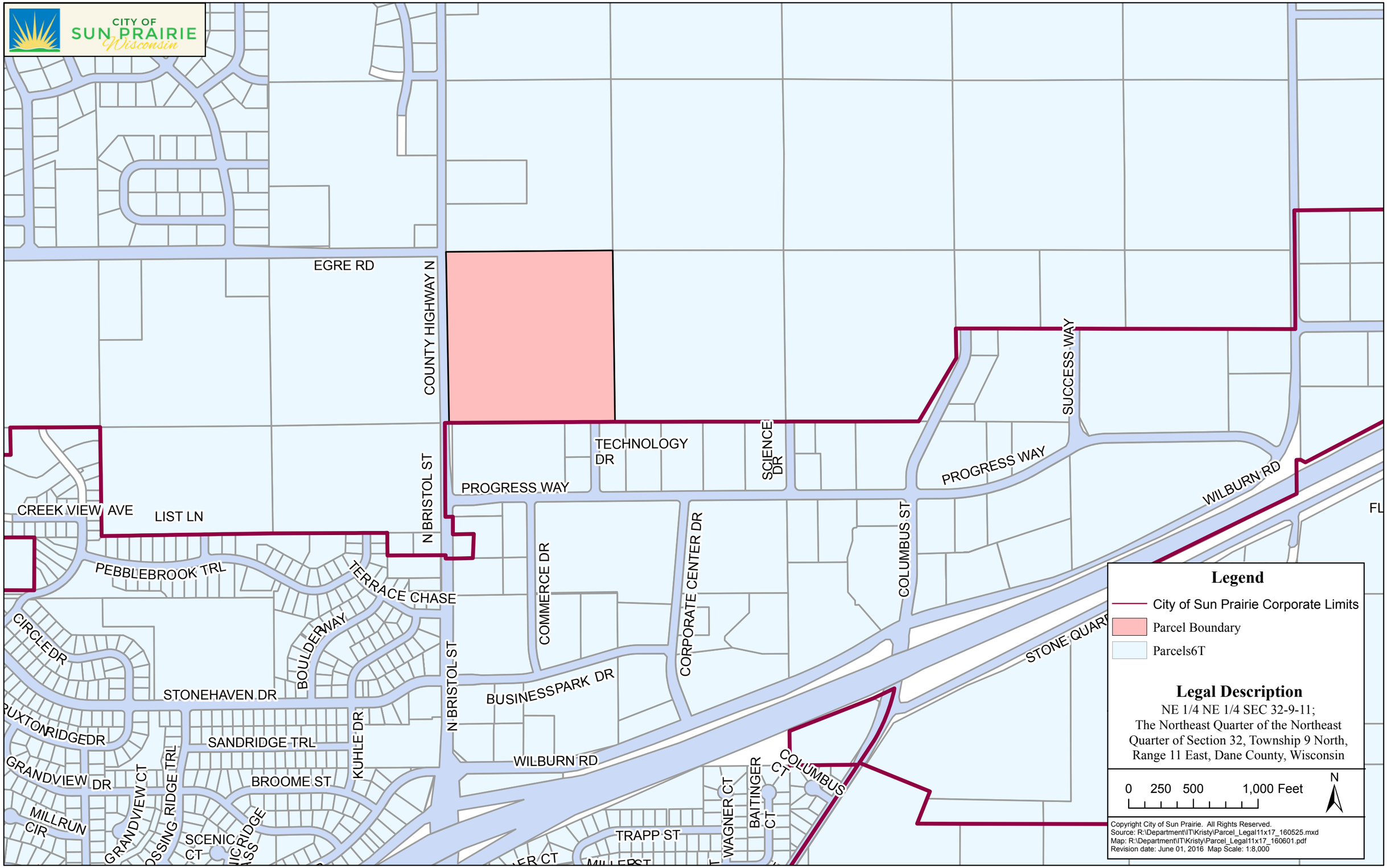
The District, consisting of 39.40 acres currently located in the Town of Bristol adjacent to the City's existing Business Park, is being created by the City under the authority provided by Wisconsin Statutes Section 66.1105 and will be classified as an "Industrial District" based upon a finding that 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. The land will be annexed and zoned to an industrial classification prior to creation of the District.

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 in order 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

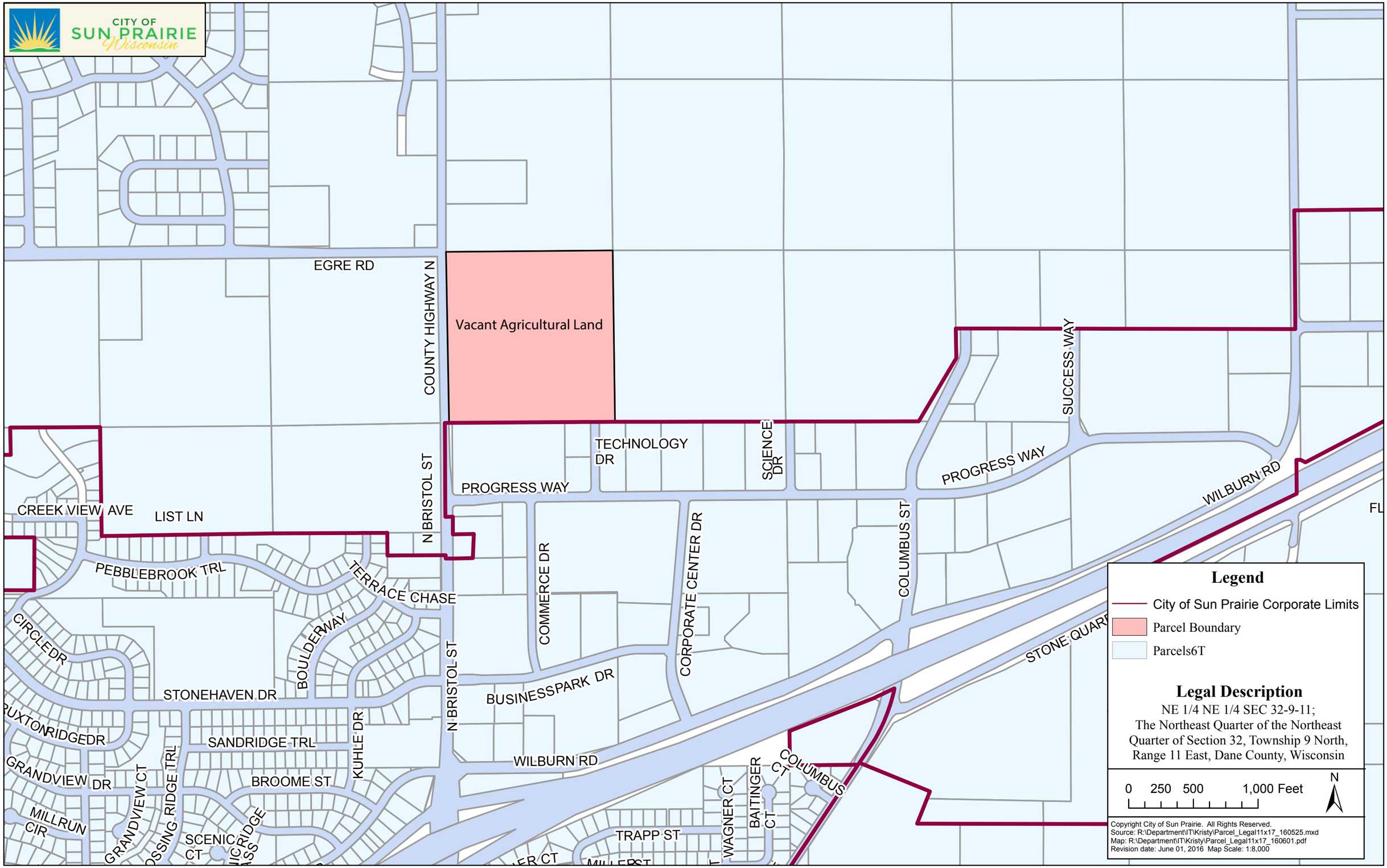
Please see map found on following page.


CITY OF
SUN PRAIRIE
Wisconsin
EGRE RD
COUNTY HIGHWAY N
N BRISTOL ST
TECHNOLOGY DR
SCIENCE DR
SUCCESS WAY
PROGRESS WAY
PROGRESS WAY
WILBURN RD
CREEK VIEW AVE
LIST LN
PEBBLEBROOK TRL
TERRACE CHASE
COMMERCE DR
CORPORATE CENTER DR
COLUMBUS ST
STONE QUARR
CIRCLE DR
BOULDER WAY
STONEHAVEN DR
BUSINESSPARK DR
RUXTON RIDGE DR
SANDRIDGE TRL
KUHLE DR
WILBURN RD
GRANDVIEW DR
GRANDVIEW CT
RIDGE TRL
BROOME ST
COLUMBUS
MILLRUN CIR
SCENIC CT
TRAPP ST
WAGNER CT
BAITINGER CT
Legend
City of Sun Prairie Corporate Limits
Parcel Boundary
Parcels6T
Legal Description
NE 1/4 NE 1/4 SEC 32-9-11;
The Northeast Quarter of the Northeast
Quarter of Section 32, Township 9 North,
Range 11 East, Dane County, Wisconsin
0 250 500 1,000 Feet
N
Copyright City of Sun Prairie. All Rights Reserved.
Source: R:\Department\IT\Kristy\Parcel_Legal11x17_160525.mxd
Map: R:\Department\IT\Kristy\Parcel_Legal11x17_160601.pdf
Revision date: June 01, 2016 Map Scale: 1:8,000

SECTION 4:

Map Showing Existing Uses and Conditions

Please see map found on following page.


CITY OF SUN PRAIRIE Wisconsin
EGRE RD
COUNTY HIGHWAY N
Vacant Agricultural Land
TECHNOLOGY DR
SCIENCE DR
SUCCESS WAY
PROGRESS WAY
PROGRESS WAY
WILBURN RD
CREEK VIEW AVE
LIST LN
N BRISTOL ST
PEBBLEBROOK TRL
TERRACE CHASE
COMMERCE DR
CORPORATE CENTER DR
COLUMBUS ST
CIRCLE DR
BOULDER WAY
STONE QUARRY
STONEHAVEN DR
BUSINESSPARK DR
N BRISTOL ST
RUXTON RIDGE DR
SANDRIDGE TRL
KUHLE DR
WILBURN RD
GRANDVIEW DR
GRANDVIEW CT
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0 250 500 1,000 Feet
N
Copyright City of Sun Prairie. All Rights Reserved.
Source: R:\Department\IT\Kristy\Parcel_Legal11x17_160525.mxd
Map: R:\Department\IT\Kristy\Parcel_Legal11x17_160601.pdf
Revision date: June 01, 2016 Map Scale: 1:8,000

SECTION 5:
Preliminary Parcel List and Analysis

City of Sun Prairie, Wisconsin

Tax Increment District # 12

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	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)
#091132180005	6550 County Highway N	39.40	7/19/16	11,200	0	0	11,200	100.00%	11,200	0	0	11,200	39.40
	Total Acreage	**39.40**		11,200	0	0	11,200		11,200	0	0		39.4 100.00%
										Estimated Base Value		**11,200**	

**The City anticipates annexing the land to be included within the TID on July 19, 2016.*

SECTION 6:

Equalized Value Test

The following calculations demonstrate that the City expects to be 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, not exceed 12% of the total equalized value of all 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 $127,381,500. This value is less than the maximum of $307,942,068 in equalized value that is permitted for the City of Sun Prairie. The City therefore anticipates that it will be in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Sun Prairie, Wisconsin

Tax Increment District # 12

Valuation Test Compliance Calculation

District Creation Date	8/2/2016			
	Valuation Data Currently Available 2015	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	2,566,183,900			2,566,183,900
12% Test	307,942,068			307,942,068
Increment of Existing TIDs				
TID #6	5,390,100			5,390,100
TID #7	34,447,600			34,447,600
TID #8	65,963,600			65,963,600
TID #9	21,569,000			21,569,000
TID #10	0			0
				0
Total Existing Increment	127,370,300			127,370,300
Projected Base of New or Amended District	11,200			11,200
Total Value Subject to 12% Test	127,381,500			127,381,500
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

In order 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

In order 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

In order 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.

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

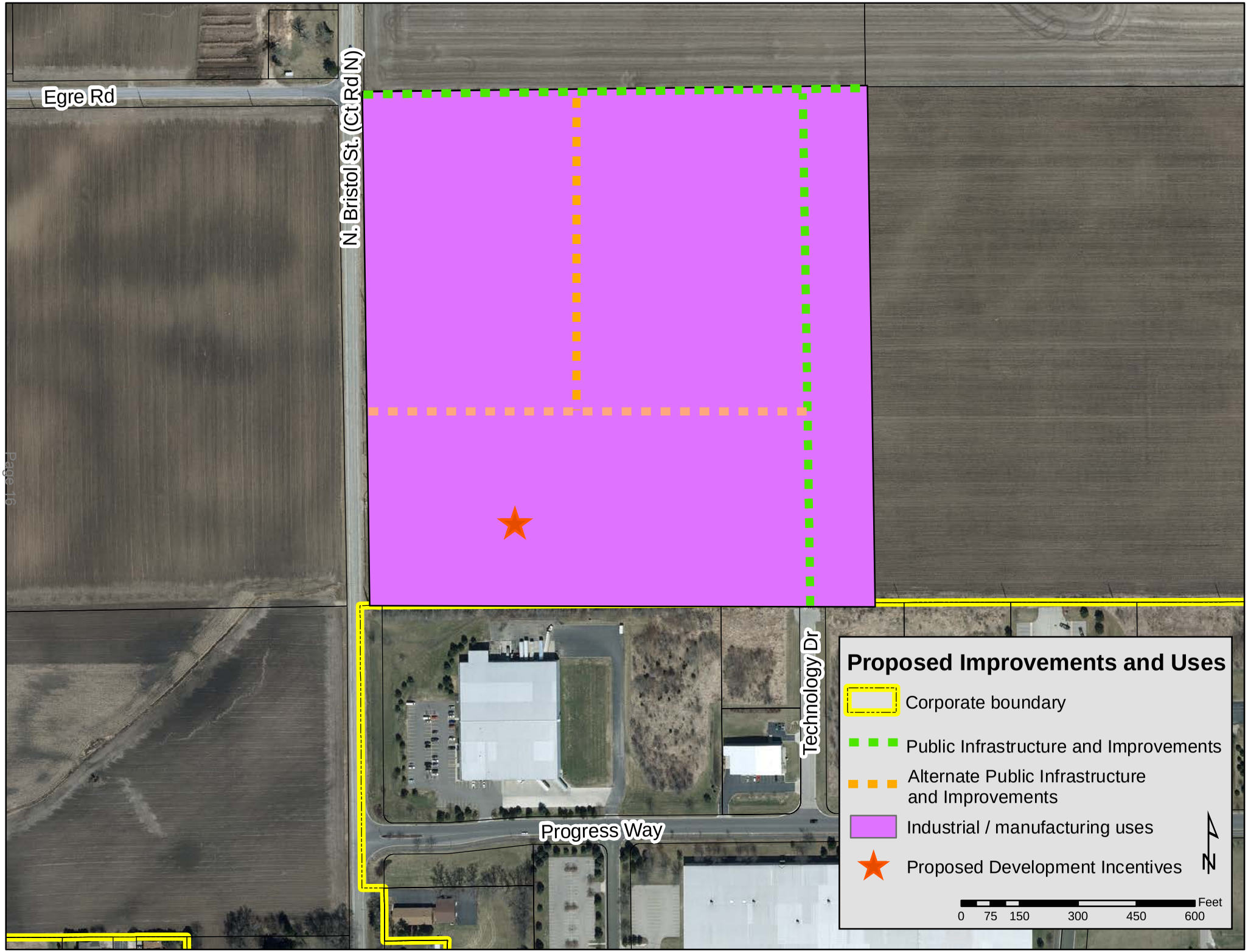
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

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

Please see map found on following page.


Egre Rd
N. Bristol St. (Ct Rd N)
Technology Dr
Progress Way
Proposed Improvements and Uses
Corporate boundary
Public Infrastructure and Improvements
Alternate Public Infrastructure and Improvements
Industrial / manufacturing uses
Proposed Development Incentives
N
Feet
0 75 150 300 450 600

SECTION 9:

Detailed List of Project Costs

All costs are based on 2016 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2016 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 or 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, Wisconsin

Tax Increment District # 12

Estimated Project List[1]

Project ID	Project Name/Type	Phase I 2017	Phase II 2025	Phase III 2027	Phase IV 2029	Ongoing Expenditures	Total
1	Development Incentive	1,350,000					1,350,000
2	Technology Drive Extension (Include Utilities)	65,000					65,000
3	Technology Drive Extension (Include Utilities)		1,135,510				1,135,510
4	Other Local Roads and Utilities			750,000			750,000
5	Extension of Egre Road				1,198,006		1,198,006
6	Administrative & Other Expense[2]					625,000	625,000
7	Interest Paid on Advances & Long Term Debt					913,348	913,348
8							0
9							0
10							0
Total Projects		**1,415,000**	**1,135,510**	**750,000**	**1,198,006**	**1,538,348**	**6,036,864**

Notes:

[1]Estimated Project Costs provided by City staff. Administrative expenses and interest on advances and debt added by Ehlers.

[2]Includes the following potential costs: administrative; staff; marketing; legal; financial analysis; real estate fees; environmental and soils testing and other public infrastructure. (Fiber, electric, stormwater, etc.).

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). As of December 31, 2015 the City had in excess of $85 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 Project Costs of approximately $6.04 million. The City anticipates making initial Project Cost expenditures of $1,415,000 to facilitate the first development project within the TID. A total of $1,350,000 of this initial expenditure will be in the form of a "pay as you go" commitment to the initial development that will be locating within the District. The balance of $65,000 in initial costs for extension of Technology Drive and related utilities is expected to be paid for with advanced funds to be repaid with interest to the City as cash flows permit. The City may also advance additional funds as needed to pay for administrative and other costs of the District until such time as cash flows are sufficient to cash fund these costs. Remaining expenditures would be made in phases as necessary to allow for further development of the District area. For planning purposes, the Plan assumes that additional street and utility extension projects would occur in 2025, 2027 and 2029. The Plan assumes that these costs, which total approximately $3.08 million, would be funded with State Trust Fund Loans or other appropriate debt instruments. It is important to note that this Plan does not constitute approval of any particular 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 TID.

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, Wisconsin

Tax Increment District # 12

Estimated Financing Plan

	Funded Via Advances or Current Rev	Municipal Rev Obligation 2017	State Trust Fund Loan 2025	State Trust Fund Loan 2027	State Trust Fund Loan 2029	Totals
Projects						
Development Incentive		1,350,000				1,350,000
Technology Drive Extension (Include Utilities)	65,000		1,135,510			1,200,510
Other Local Roads and Utilities				750,000		750,000
Extension of Egre Road					1,198,006	1,198,006
Administrative & Other Expense	625,000					625,000
Interest Paid on Advances & Long Term Debt	913,348					913,348
Total Project Funds	1,603,348	1,350,000	1,135,510	750,000	1,198,006	6,036,864
Total Financing Required			1,135,510	750,000	1,198,006	
Net Issue Size			1,135,510	750,000	1,198,006	3,083,516

Development Assumptions

City of Sun Prairie, Wisconsin

Tax Increment District # 12

Development Assumptions[1]

Construction Year		Actual	Project Badger	Other Industrial	Annual Total	Construction Year	
1	2016				0	2016	1
2	2017		8,000,000		8,000,000	2017	2
3	2018				0	2018	3
4	2019				0	2019	4
5	2020			4,000,000	4,000,000	2020	5
6	2021				0	2021	6
7	2022				0	2022	7
8	2023			5,000,000	5,000,000	2023	8
9	2024				0	2024	9
10	2025		5,000,000		5,000,000	2025	10
11	2026			4,000,000	4,000,000	2026	11
12	2027				0	2027	12
13	2028				0	2028	13
14	2029				0	2029	14
15	2030				0	2030	15
16	2031				0	2031	16
17	2032				0	2032	17
18	2033				0	2033	18
19	2034				0	2034	19
20	2035				0	2035	20
	Totals	0	13,000,000	13,000,000	26,000,000		

Notes:

[1]Assumptions as to values and timing provided by City staff on June 1, 2016.

Increment Revenue Projections

City of Sun Prairie, Wisconsin

Tax Increment District # 12

Tax Increment Projection Worksheet

Type of District	Industrial	
District Creation Date	August 2, 2016	
Valuation Date	Jan 1,	2016
Max Life (Years)	20	
Expenditure Period/Termination	15	8/2/2031
Revenue Periods/Final Year	20	2037
Extension Eligibility/Years	Yes	3
Recipient District	No	

Base Value	11,200
Appreciation Factor	0.00%
Base Tax Rate	$25.10
Rate Adjustment Factor	
Tax Exempt Discount Rate	
Taxable Discount Rate	1.50%

Apply to Base Value

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate[1]	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2016	0	2017	0	0	2018	$25.10	**0**	0	0
2	2017	8,000,000	2018	0	8,000,000	2019	$25.10	**200,767**	200,767	194,877
3	2018	0	2019	0	8,000,000	2020	$25.10	**200,767**	401,535	386,874
4	2019	0	2020	0	8,000,000	2021	$25.10	**200,767**	602,302	576,034
5	2020	4,000,000	2021	0	12,000,000	2022	$25.10	**301,151**	903,453	855,581
6	2021	0	2022	0	12,000,000	2023	$25.10	**301,151**	1,204,604	1,130,996
7	2022	0	2023	0	12,000,000	2024	$25.10	**301,151**	1,505,755	1,402,341
8	2023	5,000,000	2024	0	17,000,000	2025	$25.10	**426,631**	1,932,386	1,781,066
9	2024	0	2025	0	17,000,000	2026	$25.10	**426,631**	2,359,017	2,154,194
10	2025	5,000,000	2026	0	22,000,000	2027	$25.10	**552,110**	2,911,127	2,629,930
11	2026	4,000,000	2027	0	26,000,000	2028	$25.10	**652,494**	3,563,621	3,183,853
12	2027	0	2028	0	26,000,000	2029	$25.10	**652,494**	4,216,115	3,729,591
13	2028	0	2029	0	26,000,000	2030	$25.10	**652,494**	4,868,609	4,267,264
14	2029	0	2030	0	26,000,000	2031	$25.10	**652,494**	5,521,103	4,796,991
15	2030	0	2031	0	26,000,000	2032	$25.10	**652,494**	6,173,597	5,318,889
16	2031	0	2032	0	26,000,000	2033	$25.10	**652,494**	6,826,091	5,833,074
17	2032	0	2033	0	26,000,000	2034	$25.10	**652,494**	7,478,585	6,339,661
18	2033	0	2034	0	26,000,000	2035	$25.10	**652,494**	8,131,079	6,838,761
19	2034	0	2035	0	26,000,000	2036	$25.10	**652,494**	8,783,573	7,330,486
20	2035	0	2036	0	26,000,000	2037	$25.10	**652,494**	9,436,067	7,814,943
Totals		**26,000,000**		**0**			**Future Value of Increment**	**9,436,067**		

Notes:

[1]Rate shown is actual TID Interim rate for the 2015/16 levy based on DOR Form PC-202.

Cash Flow

City of Sun Prairie, Wisconsin

Tax Increment District # 12

Cash Flow Projection

Year	Projected Revenues				Expenditures															Balances			Year
					State Trust Fund Loan 1,135,510			State Trust Fund Loan 750,000			State Trust Fund Loan 1,198,006												
					Dated Date: 03/15/25			Dated Date: 03/15/27			Dated Date: 03/15/29												
	Tax Increments	Advance From Other Funds[1]	Proceeds of Long Term Debt	Total Revenues	Principal	Est. Rate[2]	Interest	Principal	Est. Rate[2]	Interest	Principal	Est. Rate[2]	Interest	Municipal Revenue Obligation	Repayment of Advance[3]	Technology Drive Extension	Other Local Roads & Utilities	Egre Road Extension	Admin. & Other Costs[4]	Total Expenditures	Annual	Cumulative	Advance & Debt Principal Outstanding	
2016		90,000		90,000												65,000			25,000	90,000	0	0	90,675	2016
2017		25,000		25,000															25,000	25,000	0	0	119,145	2017
2018	0	25,000		25,000															25,000	25,000	0	0	148,470	2018
2019	200,767	50,000		250,767										200,767					50,000	250,767	0	0	204,424	2019
2020	200,767	50,000		250,767										200,767					50,000	250,767	0	0	262,056	2020
2021	200,767	50,000		250,767										200,767					50,000	250,767	0	0	321,418	2021
2022	301,151			301,151										200,767	50,000				50,000	300,767	384	384	281,061	2022
2023	301,151			301,151										200,767	50,000				50,000	300,767	384	767	239,492	2023
2024	301,151			301,151										200,767	50,000				50,000	300,767	384	1,151	196,677	2024
2025	426,631		1,135,510	1,562,141										145,396	50,000	1,135,510			50,000	1,380,906	181,235	182,386	1,288,088	2025
2026	426,631			426,631	90,278	5.00%	56,776								50,000				50,000	247,054	179,577	361,963	1,152,387	2026
2027	552,110		750,000	1,302,110	94,792	5.00%	52,262								50,000		750,000		50,000	997,054	305,057	667,020	1,760,809	2027
2028	652,494			652,494	99,532	5.00%	47,522	59,628	5.00%	37,500					62,181				50,000	356,363	296,131	963,150	1,541,279	2028
2029	652,494		1,198,006	1,850,500	104,508	5.00%	42,545	62,610	5.00%	34,519								1,198,006	50,000	1,492,188	358,312	1,321,462	2,572,167	2029
2030	652,494			652,494	109,734	5.00%	37,320	65,740	5.00%	31,388	125,457	5.00%	59,900							429,540	222,954	1,544,416	2,271,235	2030
2031	652,494			652,494	115,220	5.00%	31,833	69,027	5.00%	28,101	131,730	5.00%	53,627							429,540	222,954	1,767,370	1,955,258	2031
2032	652,494			652,494	120,981	5.00%	26,072	72,479	5.00%	24,650	138,317	5.00%	47,041							429,540	222,954	1,990,325	1,623,481	2032
2033	652,494			652,494	127,031	5.00%	20,023	76,103	5.00%	21,026	145,233	5.00%	40,125							429,540	222,954	2,213,279	1,275,115	2033
2034	652,494			652,494	133,382	5.00%	13,672	79,908	5.00%	17,221	152,494	5.00%	32,863							429,540	222,954	2,436,233	909,331	2034
2035	652,494			652,494	140,051	5.00%	7,003	83,903	5.00%	13,225	160,119	5.00%	25,239							429,540	222,954	2,659,187	525,258	2035
2036	652,494			652,494				88,098	5.00%	9,030	168,125	5.00%	17,233							282,486	370,008	3,029,195	269,034	2036
2037	652,494			652,494				92,503	5.00%	4,625	176,531	5.00%	8,827							282,486	370,008	3,399,203	(0)	2037
																				0				
Total	9,436,067	290,000	3,083,516	12,809,583	1,135,510		335,027	750,000		221,284	1,198,006		284,855	1,350,000	362,181	1,200,510	750,000	1,198,006	625,000	9,410,380				Total

Projected TID Closure

Notes:

[1]The City may advance funds as needed from the General Fund or other available funds of the City to pay Project Costs. The City may also choose to finance these costs with proceeds of long term debt if permitted.

[2]Current State Trust Fund Loan rate for loans from six to ten years in term is 3.00%. For planning purposes rate is assumed to increase to 5.00%.

[3]Assumes interest earnings of 3.0% applied to advanced amounts commencing October 1, 2016.

[4]Includes the following potential costs: administrative; staff; marketing; legal; financial analysis; real estate fees; environmental and soils testing and other public infrastructure. (Fiber, electric, stormwater, etc.).

SECTION 11:
Annexed Property

To satisfy the requirements of Wisconsin Statutes Section 66.1105(4)(gm)1., the City pledges to pay to the Town of Bristol for each of the next five years an amount equal to the property taxes levied on the annexed property by the Town at the time of annexation.

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, will be rezoned to an industrial zoning classification prior to creation of the District, and 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.

Next

OFFICE OF THE CITY ATTORNEY

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July 19, 2016

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. 12

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.

Statement of Taxes Data Year:	2014	
		Percentage
Dane County	7,191,065	11.76%
City of Sun Prairie	22,281,083	36.45%
School District of Sun Prairie Area	29,500,054	48.26%
Madison Area Technical College	2,154,120	3.52%
Total	61,126,322	

Revenue Year	Dane County	City of Sun Prairie	School District of Sun Prairie Area	Madison Area Technical College	Total	Revenue Year
2018	0	0	0	0	0	2018
2019	23,619	73,181	96,892	7,075	200,767	2019
2020	23,619	73,181	96,892	7,075	200,767	2020
2021	23,619	73,181	96,892	7,075	200,767	2021
2022	35,428	109,772	145,338	10,613	301,151	2022
2023	35,428	109,772	145,338	10,613	301,151	2023
2024	35,428	109,772	145,338	10,613	301,151	2024
2025	50,190	155,511	205,895	15,035	426,631	2025
2026	50,190	155,511	205,895	15,035	426,631	2026
2027	64,952	201,249	266,453	19,457	552,110	2027
2028	76,761	237,840	314,899	22,994	652,494	2028
2029	76,761	237,840	314,899	22,994	652,494	2029
2030	76,761	237,840	314,899	22,994	652,494	2030
2031	76,761	237,840	314,899	22,994	652,494	2031
2032	76,761	237,840	314,899	22,994	652,494	2032
2033	76,761	237,840	314,899	22,994	652,494	2033
2034	76,761	237,840	314,899	22,994	652,494	2034
2035	76,761	237,840	314,899	22,994	652,494	2035
2036	76,761	237,840	314,899	22,994	652,494	2036
2037	76,761	237,840	314,899	22,994	652,494	2037
	1,110,084	3,439,530	4,553,922	332,531	9,436,067	

Notes:

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