

MEETING NOTICE: AGENDA FOR COMMON COUNCIL SPECIAL MEETING

A Common Council Special Meeting meeting will be held on **Tuesday**, **August 10**, **2021 at <u>6:30</u> PM** in the **Council Chambers at City Hall**, **819 Superior Avenue**, **Tomah**, **WI**.

NOTE: The Mayor, Alderpersons, City Clerk and City Attorney will gather in the Council Chambers and will dial into the teleconference referenced below prior to the "Call to Order". Department heads, news media, and others appearing before the council, as well as any members of the public desiring to monitor the meeting, are to do as follows:

Join Zoom Meeting: https://zoom.us/j/7689466740?pwd=dEdLR2hXK0ZYMk1qNU5vNFlwMzdSZz09

Meeting ID: 768 946 6740 Password: Tomah2020

Dial by your location +1 312 626 6799 US (Chicago)

AGENDA:

- Annexation Request for Multiple Parcels (020-01304-0000 and 020-01304-5000) from the Town of La Grange Parcels
- B. Tax Incremental Financing District (TID) Creation/Amendment Requirement Clarifications
- C. TIDs 8, 9, & 10 Amendment: Tomah Owner Occupied Housing Assistance Program
- D. TIDs 8, 9, & 10 Amendment: Equipment Acquisition Assistance
- E. TID 8 Amendment: Parcel Additions
- F. TID 11 Creation Reasoning

ADJOURN

NOTICE: It is possible that a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information. No action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice. Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, contact Becki Weyer, City Clerk, at 819 Superior Avenue, Tomah, WI 54660.



"The Gateway to Cranberry Country"

City Clerk Becki Weyer

City Treasurer Mollie Powell

Mayor Mike Murray

<u>City Administrator</u>

Bradley J. Hanson

August 3, 2021

STAFF COMMITTEE PREPARATION REPORT

Agenda Item:

Annexation Request for Multiple Parcels (020-01304-0000 and 020-01304-5000) from the Town of La Grange Parcels

Summary and Background Information:

We received a request for property to be annexed into the City that would be potentially beneficial. This property is owned by Kas Investments, LLC and Managed Investments, Inc. of which Pete Thorson is a partner or investor in both. These properties are adjacent to an existing parcel 286-02713-1000 owned by Managed Investments, Inc. on the northwest corner at the intersection of N Superior Ave and Jefferson St.

Fiscal Note:

Costs associated could be a TID 8 expense, unknown total fiscal impact as of the date of the agenda creation. Mr. Thorson has also submitted a retainer fee for the annexation process.

Recommendation:

Approve the annexation to increase the economic development potential within and for the betterment of TID 8 and the future of the City.

Decision Urgency:

Because this is a later addition to TID 8, we highly recommend its approval at this meeting to be able to begin the annexation process and potential inclusion to TID 8 with the current amendment process.

Department Director	Date
Bradley J. Hanson	August 3, 2021
City Administrator	Date

Date: Aug. 4, 2021

RE: 020-01304-0000 (14.4 ac.)

020-01304-5000 (4.06ac.)

To: City of Tomah

819 Sup. Ave.

Tomah, WI. 54660

Att: City Clerk

From: Managed Investments / Kas Investments

25822 Highland Ave.

Tomah, WI. 54660

Att: Pete Thorson

To whom it may concern, Managed Investments / KAS Investments and it's managing partner Peter Thorson hereby request the City of Tomah. To annex the following parcels

- 020-01304-0000 (14.4 ac.)
- 020-01304-5000 (4.06ac.)

From the Town of Lagrange to the City of Tomah, as long as the are included in the current TID 8 amendment of 2021.

(Please see attached)

8-4-2021

5 yr tax - \$1419.76
Fee 250.00

KAS INVESTMENTS

STATE OF WISCONSIN **REAL ESTATE PROPERTY TAX BILL FOR 2020**

TOWN OF LA GRANGE MONROE COUNTY

Ass'd. Value Improvements

KAS INVESTMENTS LLC 25822 HIGHLAND AVE TOMAH WI 54660

Property Address:

Assessed Value Land 8,100

BILL NUMBER: 15104

IMPORTANT: Correspondence should refer to parcel number.
See reverse side for important information.
Be sure this description covers your property. This description is for property tax bill only and may not be a full legal description. 534724 532818 530697 530611 ACRES: 1 SEC 33, T 18 N, R 01 W, SE4 of NW4 LOT 2 OF 17CSM027, BEING PART OF THE SE1/4 NW1/4 & SW1/4 NW1/4; ACRES: 14.360

020-01304-0000 Parcel #: Alt. Parcel #: 20118-33-2420000 Ave. Assmt. Ratio 0.8102 Total Assessed Value Net Assessed Value Rate (Does NOT reflect credits) 8,100 0.017858760

Est. Fair Mkt. Imp	provements Total E	st. Fair Mkt. 16,000 A Star in t means Un Year Taxe	paid Prior	School taxes red school levy tax c	uced by redit	\$12.68
Taxing Juris diction STATE OF WISCONSIN	2019 Est. State Aids Allocated Tax Dist.	2020 Est. State Aids Allocated Tax Dist.	201 Net		2020 Net Tax	% Tax Change
MONROE COUNTY	172,297 158,421 2,203,909	168,916 158,801 2,383,296		52.50 18.78 56.72	53.00 18.65 59.01	1.0% -0.7% 4.0%
VOCATIONAL SCHOOL	195,610	182,433		13.80	13.99	1.4%
Total	2,730,237	2,893,446		141.80	144.65	2.0%
	First Dollar Credit Lottery & Gaming Cr Net Property Tax	edit		141.80	144.65	2.0%
Make Check Payable to: TOWN OF LA GRANGE KATE SCHANHOFER-TREASURER	Full Payment Due O	n or Before January 31, 2021 \$144.65		Net Property Ta	X	144.65
9831 ELKHORN RD TOMAH W: 54660 608-343-9352	Or First Installment	Due On or Before January 31, \$72.33	2021			
And Second Installment Payment Payable To MONROE COUNTY TREASURER DEBBIE CARNEY, TREASURER	And Second Installn	nent Due On or Before July 31 \$72.32	, 2021			
202 SOUTH K STREET - RM #3 SPARTA WI 54656-2187		TREASURERS USE ONLY				
FOR RETURN RECEIPT PLEASE SEND SELF-ADDRESSED STAMPED ENVELOPE				Pay By January 31,		Γ

FOR INFORMATIONAL PURPOSES ONLY - Voter Approved Temporary Tax Increases

Taxing Jurisdiction TOMAH SCHOOL DIST

Total Additional Taxes 147,996.65 Total Additional Taxes Applied to Property 8.28

DATE

Year Increase Ends 2023

\$ •

144.65

Warning: If not paid by due dates, installment option is lost and total tax is delinquent subject to interest and, if applicable, penalty. Failure to pay on time. See reverse.

PLEASE RETURN LOWER PORTION WITH REMITTANCE

MANAGED INVESTMENTS,

STATE OF WISCONSIN **REAL ESTATE PROPERTY TAX BILL FOR 2020**

- -- . IIV=..

TOWN OF LA GRANGE MONROE COUNTY

MANAGED INVESTMENTS, INC. 25822 HIGHLAND AVE TOMAH WI 54660

Property Address:

BILL NUMBER: 15106

BILL NUMBER: 15106

IMPORTANT: Correspondence should refer to parcel number.
See reverse side for important information.
Be sure this description covers your property. This description is for property tax bill only and may not be a full legal description.

523454 519584 513211 490220 ACRES: 4.060
SEC 33, 18 N, R 01 W, SE4 of NW4
OL 1 OF 16CSM78 #520950 EXC LANDS IN CITY OF TOMAH (SEE: 286-02713-1000), BEING PART OF THE SE1/4 OF NW1/4;

Parcel #: 020-01304-5000 Alt. Parcel #: 020118-33-2425000

roperty Address.				Alt. Parcel	W. 2.0.	110-33-242300	0	
Assessed Value Land	Ass'd. Value Impro	vements Total Ass	7,800			Net Assessed Val (Does NOT reflect or		.017858760
Est. Fair Mkt. Land 19,000	Est. Fair Mkt. Impro	ovements Total I	Est. Fair Mkt. 19,000		aid Prior	School taxes reduschool levy tax cr	iced by edit	\$12.21
Taxing Jurisdiction STATE OF WISCO	MCTM	2019 Est. State Aids Allocated Tax Dist.	Est. St	020 ate Aids d Tax Dist.	201 Net 1		2020 Net Tax	% Tax Change
MONROE COUNTY TOWN OF LA GRA		172,297 158,421		168,916 158,801		49.94 17.86	51.04 17.96	2.29
TOMAH SCHOOL D VOCATIONAL SCH		2,203,909 195,610		,383,296 182,433		53.95 13.13	56.82 13.48	5.3% 2.7%
	Total	2,730,237	2	,893,446		134.88	139.30	3.3%
Lo		irst Dollar Credit ottery & Gaming C let Property Tax	redit			134.88	139.30	3.3%
Make Check Payable TOWN OF LA GRA KATE SCHANHOFE	NGE	Full Payment Due (On or Before \$139.		.]	Net Property Tax		139.30
9831 ELKHORN R TOMAH WI 54660 608-343-9352	D	Or First Installment	Due On or B	Before January 31, 20	021			
And Second Installment MONROE COUNTY DEBBIE CARNEY,	TREASURER	And Second Install	ment Due On	or Before July 31, 2	2021			
202 SOUTH K ST SPARTA WI 5465				RS USE ONLY				
	EIPT PLEASE SEND STAMPED ENVELOPE					Pay By January 31, 2		T 9.30
FOR INFORMATIONAL F - Voter Approved Tempore Taxing Jurisdiction TOMAH SCHOOL DIST	ary Tax Increases To			Year Increase Ends 2023		and total tax is delingu	by due dates, installment ent subject to interest and to pay on time. See rev	, if applicable,

PLEASE RETURN LOWER PORTION WITH REMITTANCE



Date: Aug. 4, 2021

RE: 286-02713-1000

To: City of Tomah

819 Sup. Ave.

Tomah, WI. 54660

Att: City Clerk

From: Managed Investments

25822 Highland Ave.

Tomah, WI. 54660

Att: Pete Thorson

To whom it may concern, Managed Investments and it's managing partner Peter Thorson hereby request the City of Tomah. To suspend it's de-annexation petition filed July 27th 2021 for a (1.5 ac.) parcel. identified as tax parcel 286-02713-1000 until further notice.

8-4-2021

PETITION FOR ANNEXATION (Please Print)

TO: City Clerk City of Tomah 819 Superiör Ave.

TO: Township Clerk Town of Lagrange 22038 Co Hwy ET

Tomah, WI, 54660				
We, the undersigned,	Managed Investments Trac Name(s) 25822 Highland Ave Tanah	Microphila Annoched Differentials in a Strict of Sensor.		
m. 1	Address(s)	WE 54660		
Telephone#: (60%) 377-	255			
described hereinafter to the	Cont. of the	Tomah.		
	ect of this petition, is contiguous to the current boundaries description of these premises is attached hereto and incorp			
Statutes. The number of elected	etition for direct annexation pursuant to Section 66.021(2) rs residing within the boundaries of this property is	and the		
		source parties recommendation control of the contro		
Tax Parcel Identification #'s:_	286-02713-1000			
Contact Person: Pele	There— Telephone#() 608 3	71-3258		
Subscribed and sworn to beforday of,				
Notary Public Expires: State: County:		rculator		
	1900 - 19			
For office use: Date: Enclosures: Petition	Initials: Map			

Northeast corner

EYOR'S CERTIFICATE

ions of Chapter 236.34 of the Wisconsin Statutes and Chapter 18 of the Monroe County Code, to the orson, I have surveyed and mapped the property described hereon and that the within map is a true It representation of the exterior boundaries of the lands surveyed and that I have fully complied with Meyer, being a duly qualified surveyor, do hereby certify that by the order and under the direction knowledge and belief.

Land Surveyor eyer, Registered and Associates

50, Torrah, Wisconsin 54660

8)-372-5392

IPTION:

of 211.90 feet, to the Westerly R/W line of USH "12" (North Superior Avenue); thence S0°04'18"W, a distance of 479.94 feet; thence N44*48'21"E, a distance of 214.65 feet; thence S89*55'58"E, land located in the SE%-NW%, Section 33, T18N, R1W, Town of LaGrange and City of Tomah unity, Wisconsin, being a part of Lot 2, Vol. 9 CSM, Page 200, at document number 434578, Westerly R/W line, a distance of 577.74 feet, to the point of beginning. Said parcel contains as follows: Beginning at the Southeast corner of said Lot 2; thence S89°33'59"W, along the of land more or less and is subject to any and all easements, covenants, restrictions and of said Lot 2 and the North R/W line of Jefferson Street, a distance of 575.54 feet; thence ay of record

Dated this 30th day of May, 2002, at Tomah, Wisconsin. REVISED: AUGUST 30, 2002.

Camp Douglas, WI 54618 Seorge Schleicher 10495 Bell Road 608-427-6927 OWNER:

ited in Zone A of the Flood Inurance Rate Map d restrictions. Consult your attorney and local nds are also subject to Shoreland zoning and The lands shown and described on this map relative to allowable uses of said lands.

The bearings shown on this map

DOT APPROVAL NUMBER: 41-012-0077-02

NW74 of Section 33 bears N0°26'18"W. are referenced to Vol. 9 CSM, Page 200.on which the West line of the

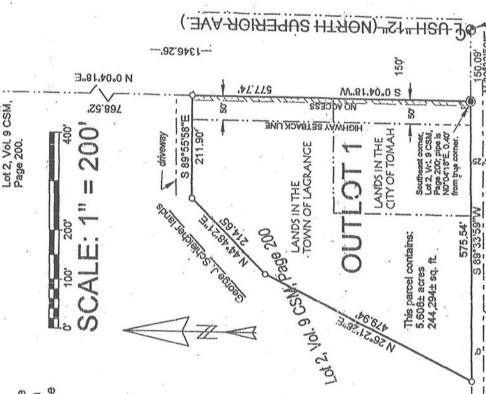
ASEYER ASEYER West 1/4 corner, Section 33, T18N, R1W. MAN SURVE TO SEE WIS.

EGEND: = No access

D = Existing 1" round iron bar Existing Harrison marker

= Existing 3/4" round iron bar = Existing 1" round iron pipe

= Set 3/4" x 18" round iron bar weighing 1.50 lbs./lin. ft.



CERTIFIED SURVEY MAP

Center 1/4 corner, Section 33, T18N, R1V

Q JEFFERSON STREET

-N89°33'59"E 2638.50'-

9

Located in the SE14-NW14, Section 33, City of Tomah, Monroe County, Wis-T18N, R1W, Town of LaGrange and consin.

Page 1 of 2 Reference file number 4371

Item A.

SURVEYOR'S CERTIFICATE:

I. Bryan H. Meyer, being a duly qualified surveyor, do hereby certify that by the order and under the direction of Pete Thorson, I have surveyed and mapped the property described hereon and that the within map is a true and correct representation of the exterior boundaries of the lands surveyed and that I have fully complied with the provisions of Chapter 236.34 of the Wisconsin Statutes and Chapter 18 of the Monroe County Code, to the best of my knowledge and belief.

Bryan H. Meyer, Registered Land Surveyor

H. A. Sime and Associates

P. O. Box 50, Tomah, Wisconsin 54660

Phone: (608)-372-5392

DESCRIPTION:

A parcel of land located in the SE1/4-NW1/4, Section 33, T18N, R1W, Town of LaGrange and City of Tomah, Monroe County, Wisconsin, being a part of Lot 2, Vol. 9 CSM, Page 200, at document number 434578. described as follows: Beginning at the Southeast corner of said Lot 2; thence S89°33'59"W, along the South line of said Lot 2 and the North R/W line of Jefferson Street, a distance of 575.54 feet; thence N26°21'26"E, a distance of 479.94 feet; thence N44°48'21"E, a distance of 214.65 feet; thence S89°55'58"E. a distance of 211.90 feet, to the Westerly R/W line of USH "12" (North Superior Avenue); thence S0°04'18"W, along said Westerly R/W line, a distance of 577.74 feet, to the point of beginning. Said parcel contains 5.608 acres of land more or less and is subject to any and all easements, covenants, restrictions and rights-of-way of record.

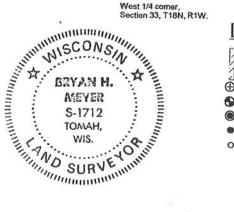
Dated this 30th day of May, 2002. at Tomah, Wisconsin, REVISED: AUGUST 30, 2002.

OWNER: George Schleicher 10495 Bell Road Camp Douglas, WI 54618 608-427-6927

NOTE: The lands shown and described on this map are located in Zone A of the Flood Inurance Rate Map. Said lands are also subject to Shoreland zoning and Wetland restrictions. Consult your attorney and local officials relative to allowable uses of said lands.

DOT APPROVAL NUMBER: 41-012-0077-02

The bearings shown on this map are referenced to Vol. 9 CSM. Page 200 on which the West line of the NW1/4 of Section 33 bears N0°26'18"W.



LEGEND:

= No access

- ⊕ = Existing Harrison marker = Existing 1" round iron bar
- = Existing 1" round iron pipe = Existing 3/4" round iron bar
- o = Set 3/4" x 18" round iron bar
- weighing 1.50 lbs./lin. ft.

Page 200. 200' SCALE: 1" = 200' S 89°55'58"E USH "12" (NORTH SUPERIOR AVE. Lot 2, Vol. 9 CSM, Page 200 LANDS IN THE TOWN OF LAGRANGE LANDS IN THE CITY OF TOMAH 150 This parcel contains: 5.608± acres Southeast corner. Lot 2, Vol. 9 CSM. 244,294± sq. ft. Page 200; pipe is N0°04'18"E, 0.40" 575.54 150.09' N 89°33'59"E S 89°33'59"W --N89°33'59"E 2638.50'---Center 1/4 corner, **4** JEFFERSON STREET Section 33, T18N, R1W.

Northeast corner.

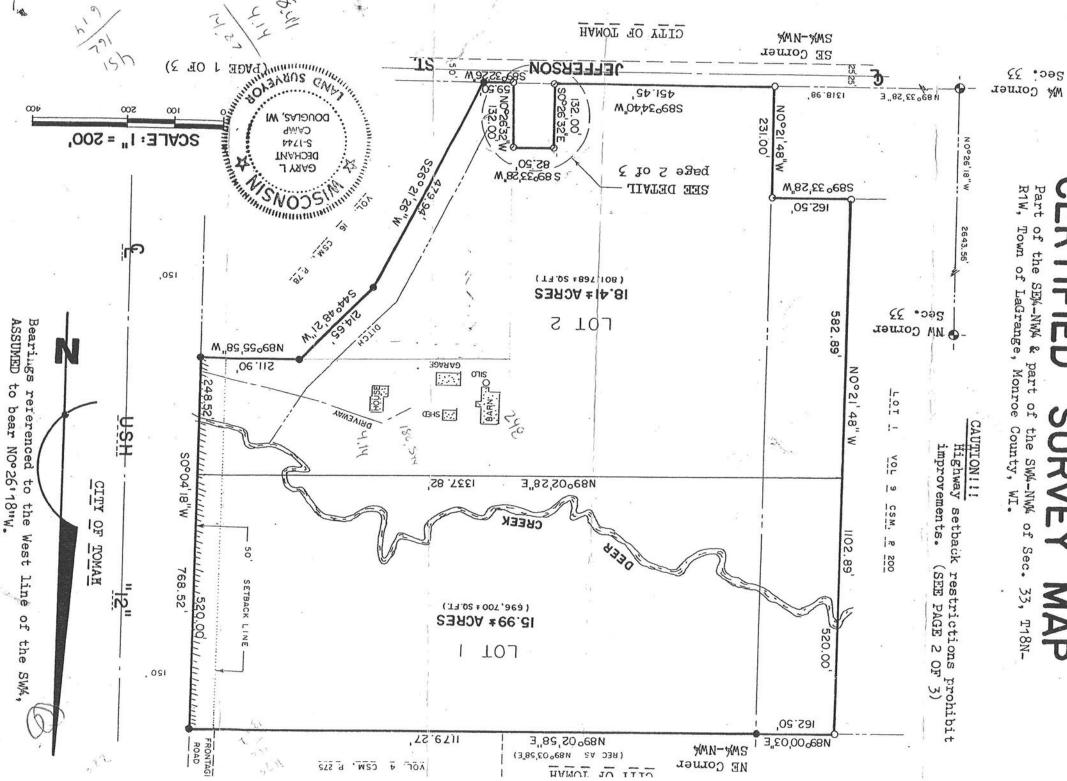
Lot 2, Vol. 9 CSM.

CERTIFIED SURVEY MAP

Located in the SE1/4-NW1/4, Section 33. T18N, R1W, Town of LaGrange and City of Tomah, Monroe County, Wisconsin.

Page 1 of 2 Reference file number 4371

1.25-2008. Fired. 29903 203



ACCESS RESTRICTION:

All lots and blocks are hereby restricted so that no owner, possessor, user, licensee or other person may have any right of direct vehicular ingress from or egress to any highway lying within the right-of-way of USH "12" or North Superior Avenue; it is expressly intended that this restriction constitute a restriction for the benifit of the public as provided in s.236.293, Stats., and shall be enforceable by the department or its assigns. Any access shall be allowed only by special exception. Any access allowed by special excemption shall be confirmed and granted only through the driveway permitting process and all permits are revocable.

HIGHWAY SETBACK RESTRICTION:

No new improvements or structures are allowed between the right-of-way line and the highway setback line. Improvements and structures include, but are not limited to, signs, parking areas, driveways, wells, septic systems, drainage facilities, buildings and retaining walls. It is expressly intended that this restriction is for the benefit of the public as provided in section 236.293, Wisconsin Statutes, and shall be enforceable by the Wisconsin Department of Transportation or its assigns. Contact the Wisconsin Department of Transportation for more information. The phone number may be obtained by contacting the County Highway Commissioner.

CITY PLANNING COMMISSION APPROVAL:

This map is hereby approved by the Planning Commission of the City of Tomah.

Chairman

Date

BRYAN H.

MEYER

S-1712

TOMAH,

WIS.

SURVE

CERTIFIED SURVEY MAP

Located in the SE¼-NW¼, Section 33, T18N, R1W, Town of LaGrange, Monroe County, Wisconsin.

Page 2 of 2 Reference file number 4371

"The Gateway to Cranberry Country"

City Clerk Becki Weyer

City Treasurer Mollie Powell

Mayor Mike Murray City Administrator
Bradley J. Hanson

August 3, 2021

STAFF COMMITTEE PREPARATION REPORT

Agenda Item:

Tax Incremental Financing District (TID) Creation/Amendment Process & Requirements

Summary and Background Information:

We have separated topics on TIDs to be able to have detail and lengthy conversations to clear up any misconceptions, incorrect information, and provide information to help the Council make a good decision. We are requesting that no action be taken on any topic for this Special Meeting.

MSA will be in attendance to discuss the processes required by the State of Wisconsin for TIDs. Any information they had for each of these topics are included with the packets, along with any other data we believe could be beneficial for your decision-making process. The creation and amendment process and requirements and timeline begin our night's conversation.

During this agenda topic we will discuss at least the following topics, with other topics as deemed appropriate and within the agenda item title:

- Public hearing notifications
- Taxing bodies role (Joint Review Board)
- "But for" clause
- Wetland inclusion

Fiscal Note:

TID Amendments and Creation are TID eligible project expenses, and therefore would be covered by TID Revenues accordingly.

Recommendation:

No recommendation to this agenda item.

Decision Urgency:

Not applicable.

Bradley J. Hanson	August 3, 2021
City Administrator	Date



To: City of Tomah City Council

From: Steve Tremlett

Subject: Summary of TID Creation and Amendments

Date: August 4, 2021

The City of Tomah City Council will consider amendments to the project plans of TID #8, #9 and #10 and consider the creation of TID #11. These were recommended for approval by the City of Tomah Planning commission on June 24, 2021. The following is a summary of the proposed changes:

TID #8 Project Plan and Territory Amendment #2

- The City is proposing to add an additional \$2,272,400 (based 2020 values) of new territory to the existing TID #8 (downtown rehabilitation/conservation district). The location of the proposed parcels to be added would be generally described as the Chicago Milwaukee St Paul and Pacific Railroad yard, National Guard Armory and along the Tomah Recreation Trail/South Fork Lemonweir River. All eligible projects identified in the original Project Plan and previous Amendment #1 will be extended to the new territory.
- The following two projects will be added to the Project Plan as eligible expenses:
 - Equipment purchases to support the TID (e.g. lawnmowers, heavy equipment)
 - Tomah Owner-Occupied Housing Rehabilitation Program (TOOHAP)
- The economic feasibility study has been updated to reflect the District's current performance.
- 92 acres of wetlands will be added to the additional territory for the purpose of parcel contiguity. This represents 32% of the additional territory being added to TID #8.

TID #9 Project Plan Amendment #1

- The following two projects will be added to the Project Plan as eligible expenses:
 - Equipment purchases to support the TID (e.g. lawnmowers, heavy equipment)
 - Tomah Owner-Occupied Housing Rehabilitation Program (TOOHAP)
- There will be no changes to the TID boundary as a result of the proposed amendment.

TID #10 Project Plan Amendment #1

- The following two projects will be added to the Project Plan as eligible expenses:
 - Equipment purchases to support the TID (e.g. lawnmowers, heavy equipment)
 - Tomah Owner-Occupied Housing Rehabilitation Program (TOOHAP)
- There will be no changes to the TID boundary as a result of the proposed amendment.

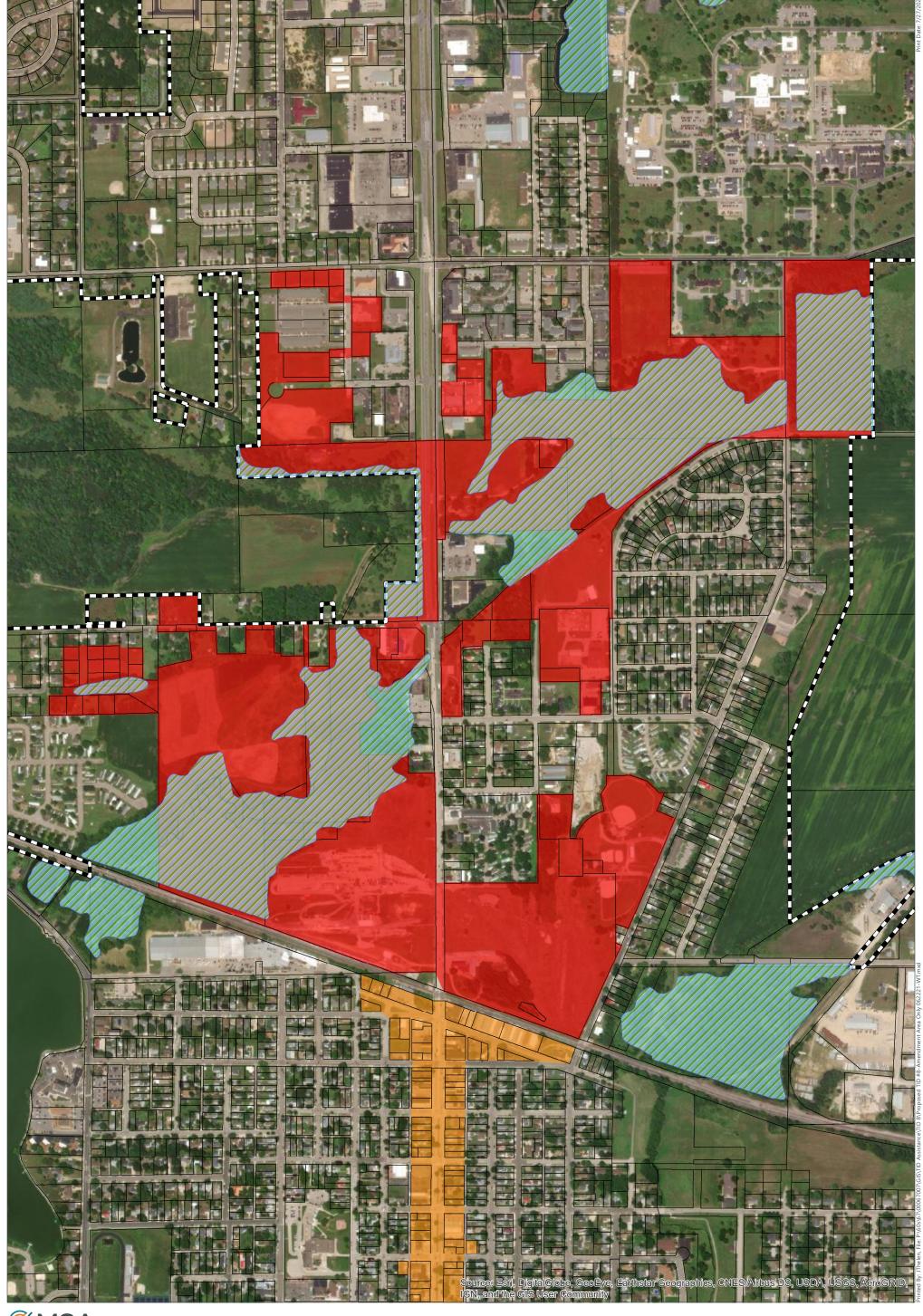
TID #11 Creation

- The City is proposing to create TID #11 to promote development on the Hwy 21 corridor. The area includes the Interstate 94/WIS 21 interchange, Mudd Creek, and LaGrange Elementary School. The base base value of the district will be \$3,108,400 (based 2020 values).
- The development forecast assumes \$35,948,565 of new commercial development over the life of the district which would result in \$11,565,814 of total tax increment.
- The following projects are proposed to be included in the TID #11 Project Plan:

Project	Amount
A. Infrastructure for (Re)Development of the District	\$150,000
B. Streetscaping Improvements	\$200,000
C. Site Improvements	\$787,853
D. Environmental Studies and Remediation	\$25,000
E. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects	\$100,000
F. Development Funds/Incentives	\$6,412,604
G. Planning, Promotion & Economic Development	\$25,000
H. Contributions to CDA/RDA	\$0
I. Equipment Purchases	\$250,000
J. Owner-Occupied Housing Rehabilitation (OOHAP)	\$300,000
K. Administrative/Organizational Costs	\$400,000
L. Allocation of Excess Tax Increment from TID #11 (donor TID) to TID #8 (recipient TID):	\$150,000
M. Financing Costs	\$1,931,381
Grand Total	\$10,731,838

- TID #11 will be a Mixed-Use District Tax Increment District.
- The expenditure period will be from 2021 through 2036.
- The TID will expire in 2041.
- The TID is being setup to allocate excess tax increment to TID #8.
- 94 acres of wetlands will be added to the territory for the purpose of parcel contiguity. This represents 31% of the total territory of the proposed district.

Enclosure: TID #8 and #11 maps





Data Sources: Monroe County

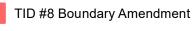
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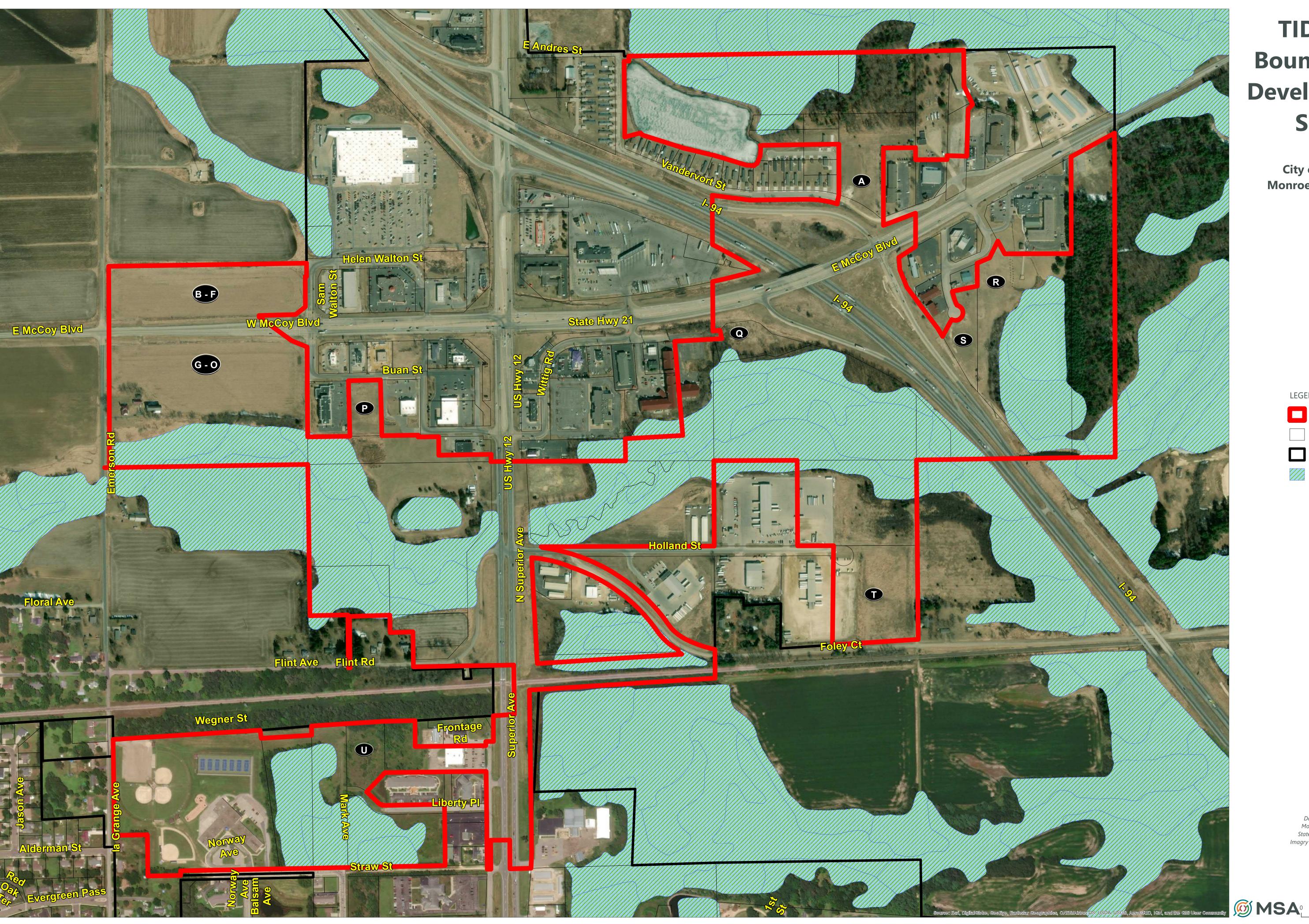
Proposed TID 8 Boundary Amendment











TID #11 Boundary & Development Sites

City of Tomah Monroe County, WI

LEGEND

TID #11 Bounday

City Limits

Wetlands

Data Sources: Monroe County State of Wisconsin Imagry Provided by ESRI

PROJECT PLAN

Amendment #2 of Tax Incremental Finance District #8

City of Tomah, WI

Project #00067007

Drafted:	

Note, this is the second Project Plan and Territory amendment to TID #8. The following document is an amendment to the original Project Plan. Portions of the original project plan with changes are highlighted throughout the document.

District Type Rehabilitation/Conservation

Creation Date May 12, 2015
Expenditure Period May 12, 2037
Termination Date May 12, 2042

Prior Project Plan Amendments Amendment #1-September 13, 2016

Amendment #2-July 20, 2021

Remaining Territory Amendments



PROJECT PLAN Amendment #2 of Tax Incremental Finance District #8 City of Tomah, WI

Project #00067007

Prepared by:

MSA Professional Services, Inc. 1702 Pankratz Street Madison, WI 53704 (608) 242-7779

© 2020 MSA Professional Services, Inc.

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Appendix B: Boundary Description, Amendment #2

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Appendix E: Letter to Parcel Landowners/TID Parcel List

Appendix F: Affidavit of Publications

Appendix G: Meeting Minutes

Appendix H: Joint Review Board Letter of Approval

Appendix I: Legal Opinion Appendix J: List of Parcels

*Note Appendix A-J will be compiled upon completion of the project meetings for submission to the Wisconsin Department of Revenue.

Section 1. Introduction & TID #8 Planning Process

Wisconsin State Statute §66.1105 prescribes the process for creating a Tax Increment Finance District (TID). The law requires public input in the TID creation process, including a public hearing held by the Planning Commission at which TID information is discussed and citizens can reasonably voice their opinions on the proposed TID and TID Project Plan. A three-phased approval process is required to adopt TIF Districts including approval by the Planning Commission, City Council, and the Joint Review Board (JRB). The following is the formal meeting/action calendar for the City of Tomah TID #8 creation process.

DateMeeting/ActionJune 15, 2021First Joint Review Board MeetingJune 24, 2021Public Hearing with Planning and Zoning CommissionJune 24, 2021Planning and Zoning Commission ApprovalJuly 20, 2021City Council ApprovalAugust 11, 2021Joint Review Board ApprovalOctober 31, 2021Base Packet Submitted to Dept. of Revenue for Certification

Table 1: Project Schedule

The Project Plan for TID #8 in the City of Tomah, Wisconsin, has been prepared in compliance with Section 66.1105, Wis. Stats. The Project Plan establishes the need for the TID, lists the expected improvements within the TID, provides an estimated time schedule for completion of the projects and an estimated budget. The Project Plan is to be adopted by resolution of the Joint Review Board and City Council on the recommendation of the City Planning Commission as the official plan and guide for public and private sector development, rehabilitation, and conservation activities within the boundaries of TID #8.

Implementation of the Project Plan and construction of the public and private improvements listed will still require individual consideration and authorization by the City Council. Public expenditures for projects listed in the Project Plan should and will be based on the ability of the City to finance the project, market conditions, and the status of development at the time a project is scheduled for construction. The City Council is not mandated to make the public expenditures described in this plan, but is limited to the types of expenditures listed herein. Any changes to the territory or types of eligible projects will require a formal amendment to the Project Plan with public review (including a public hearing), Planning Commission, City Council and Joint Review Board approval. Redistribution of project expenditures from one project category to another will not require an amendment to the Project Plan.

The current status of Wisconsin state legislation allows TID #8 to have a 22-year expenditure period (i.e. through May 12, 2037) and a maximum life of 27 years (i.e. through May 12, 2042), not including potential extensions of three additional years. The District boundary may be amended only four times during the life of the TID under current law. This is the second territory amendment to TID #8. In addition, the City may also amend the project types and costs at any time during the 22-year expenditure period. There are no limitations to the number of times the City can complete a non-territory Project Plan amendment.

It is the intent of the City to continually monitor the State legislative changes regarding Section 66.1105, Wis. Stats. in order to determine its potential effect on this and future TIF Districts within the City of Tomah. As required by Section 66.1105, Wis. Stats., a copy of this Project Plan will be submitted to the Department of Revenue and used as the basis of their certification of the amendment of TID #8 in the City of Tomah.

Section 2. Statement of Purpose & Orderly Development

TID #8 was approved on May 12, 2015 by the City Council with the base value established as of January 1st, 2015 of \$39,827,100. The specific purpose of TID #8 is to carry out various rehabilitation and conservation work and urban renewal projects within the District, or within 0.5 miles of the boundary of the District. These improvements will allow the City to attract and retain potential development, and encourage further private investment in local businesses.

The business development that is anticipated to occur will provide long-term tax benefits to both the City and all other overlying taxing jurisdictions. The City intends to use tax increment to enter into development agreements with perspective businesses and to provide public utilities to sites, along with other cash grants and development incentives. The purpose of providing these development incentives are to facilitate economic development, job creation, and tax base growth within the City.

All areas subject to this territory amendment were annexed to the City prior to adoption of this Project Plan amendment. Portions of properties with existing environmental constraints are anticipated to be conserved in a natural state.

Summary of Findings

In amending TID #8, the City of Tomah has made the following findings, consistent with Section 66.1105 of Wisconsin Statutes:

- The District is contiguous and contains only whole units of parcels. The boundaries of the District are of sufficient definiteness to identify with ordinary and reasonable certainty the territory included therein; and
- The amendment date of the District for purpose of allocating tax increment for the territory to be added is January 1, 2021; and
- Not less than 50% of the real property in the District is suitable for rehabilitation or conservation work and for carrying out the objectives of an urban renewal project; and
- Not more than 25% of the area in the District is considered vacant property under Section 66.1105(4)(gm)(1) of Wisconsin Statutes; and
- The improvement of such area is likely to enhance significantly the value of substantially all other real property in the District; and
- The project costs directly serve to promote orderly development consistent with the purposes for which the District is created; and
- The equalized value of the taxable property of the amended District plus the aggregate value increment of all existing districts within the City does not exceed 12% of the total value of equalized taxable property within the City; and
- The Project Plan for the District is feasible; and
- Improvements to the District are likely to encourage and promote conformity with the City's planning policies and procedures; and
- The development described in the Project Plan would not occur without the amendment of TID #8.

TID #8 was created as a Rehabilitation and Conservation TIF District. Per State Statute §66.1337(2m)(a), "rehabilitation or conservation work" includes any of the following:

- 1. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements.
- Acquisition of real property and demolition, removal or rehabilitation of buildings and improvements on the property where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.
- Installation, construction or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project.
- 4. The disposition, for uses in accordance with the objectives of the urban renewal project, of any property acquired in the area of the project. The disposition shall be in the manner prescribed in this section for the disposition of property in a redevelopment project area.

Per State Statute §66.1337(2m)(b), "urban renewal project" includes any of the following:

(b) "Urban renewal project" includes undertakings and activities for the elimination and for the prevention of the development or spread of slums or blighted, deteriorated or deteriorating areas and may involve any work or undertaking for this purpose constituting a redevelopment project or any rehabilitation or conservation work, or any combination of the undertaking or work.

Section 3. District Description

TID #8 was created as a Rehabilitation and Conservation TIF District.

Boundary Description

Maps depicting the boundary of the amended District are provided in Appendix A. The formal boundary description of the territory for inclusion to TID #8 is provided in Appendix B. A list of the parcel numbers within the amended TID #8 is provided in Appendix J and illustrated on the TID #8 Parcels Map in Appendix A. Note, maps of the entire area within the District are provided in Appendix A for informational purposes.

Existing Land Uses and Property Conditions

The Existing Land Use Map in Appendix A includes the existing uses of property in the amended District.

Zoning

The City of Tomah is zoned in accordance with an ordinance formally adopted by the City Council. A map identifying the zoning of property within the District is included in Appendix A.

Proposed Changes in the Community Development Plan, Map, Building Codes & Ordinances

No Official Map, Zoning Ordinance, or Building Code changes are proposed as a result of the amendment of this District. Individual redevelopment proposals may require changes in zoning designations consistent with the intent of this Project Plan and the City of Tomah Comprehensive Plan.

Section 4. Statement of Kind, Number, and Location of Public Works & Other Projects

The City of Tomah intends to implement a number of public works projects that will positively impact business, residential, and conservancy use in TID #8. These projects will be undertaken within the first 22 years of the TID's existence (i.e. through May 12, 2037), subject to change based upon the relative needs of the City and the ability of the District to recoup expenses through the generation of tax increment. A brief description of each type of project is provided below.

A. Infrastructure for (Re)Development of the District

Proposed infrastructure improvements to public or private property may include:

- Street (re)construction, relocation, removal, upgrading, or maintenance to facilitate development within TID #8. Street infrastructure includes sidewalks, curb & gutter, bike lanes, parking lanes, street lights, traffic signals, signage, markings and other appurtenances and amenities for the safety and comfort of motor vehicle, bicycle and pedestrian traffic. Alleyways are considered streets within the definition of this Project Plan.
- 2. Pedestrian and bicycle path construction.
- 3. Construct, upgrade and/or relocate sanitary sewer system components and related appurtenances.
- 4. Construct, upgrade and/or relocate storm water drainage facilities and related appurtenances.
- 5. Construct, upgrade and/or relocate water system components and related appurtenances.
- 6. Construct, upgrade and/or relocate railroad crossing appurtenances.
- 7. Install or improve primary and secondary electric service including installing above or below ground electric distribution lines and related appurtenances.
- 8. Install or improve natural gas service.
- 9. Install or improve telecommunication, fiber optic, and/or cable television service including installing above or below ground distribution lines and related appurtenances.

B. Streetscaping Improvements

Streetscaping improvements designed to improve the aesthetics of the District including installation of gateway, wayfinding, and street signage; public art installations; landscaping; lighting; information kiosks; other streetscaping furnishings (e.g. benches, trash receptacles, bike racks, flower pots, banners, flags, etc.).

C. Site Improvements

Site improvement activities required to make sites suitable for (re)development including, but not limited to: access drives; parking areas/facilities; landscaping, signage; entryway features; walkways; lighting; fencing; remodeling or rehabilitating existing buildings; razing buildings; stripping topsoil; grading; compacted granular fill; topsoil replacement; soil stabilization; relocating power lines; utilities; and related activities.

D. Environmental Studies and Remediation

This may include costs associated with environmental studies; wetland delineations; floodplain delineations; floodplain hydraulic and hydrologic analysis; environmental remediation including the removal of above or below ground contamination or hazardous materials.

E. Development Funds/Incentives

Payments made at the City Council's discretion to assist private developers in projects that carry out the goals of this Project Plan, the City's Comprehensive Plan, or other adopted City plans including those future sub-area plans for the District (e.g. a Downtown Master Plan). Such payments could include grants, zero-interest loans, or low interest loans for the purposes of land acquisition, environmental remediation, building and site improvements to non-residential or residential properties. Establishment of a Revolving Loan Fund (e.g. low interest loan or grant for building façade or signage improvement program) is considered Development Incentives and is eligible project costs. No cash grants or loans will be provided until a developer agreement has been signed between the developer and the City.

F. Planning, Promotion & Development

Promotion and development of TID #8 including professional services for planning, marketing, recruitment, real estate commissions and fees in lieu of commissions, marketing services and materials, advertising costs, administrative costs and support of development organizations are all eligible costs under this section. Costs related to the creation of a Downtown Master Plan, or other City planning documents including area within the District is an eligible project expense. Costs related to establishing developer incentive policy manuals, developer incentive applications, façade or signage improvement programs are eligible project expenses.

G. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects

This may include, but is not limited to purchase of fee title, easements, inspections, appraisals, consultant fees, closing costs, real estate commissions and fees in lieu of commissions, surveying and mapping, environmental studies, lease and/or sale of property at or below market or purchase price to encourage or make feasible a public infrastructure or (re)development project. Relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plan, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 32.19 and 32.195 are eligible costs.

H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA)

The City may provide funds to a CDA or RDA to be used for administration, planning and operations related to the purposes for which it was established to implement the goals or projects outlined in this Project Plan. At the time this Project Plan was created no CDA or RDA existed within the City so funding was not allocated to this project.

I. Administrative/Organizational Costs

Imputed administrative costs including, but not limited to, a portion of the salaries of the City employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with the creation, amendment, and general administration of TID #8, and others directly involved with the projects over the life of the

District. Eligible costs include all Wisconsin Department of Revenues creation, amendment and annual fees assessed to the District.

J. Financing Costs

Interest, finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing TID #8 projects.

K. Equipment Purchases (Added in 2021)

Eligible equipment purchases include lawnmowers and heavy equipment (include but are not limited to: backhoe, snowplows, fire trucks, etc.) that are deemed necessary to support the TID.

Tomah Owner-Occupied Housing Rehabilitation (TOOHAP) (Added in 2021)

To maintain the City's existing housing stock as an adequate and affordable option for residents, the City will create a housing rehabilitation forgivable loan program using TIF funds. This program is for projects where the property owner occupies one of the units. Eligible properties include any properties with permitted residential units within the TIF district and within the ½ mile boundary per Wisconsin Statutes Section 66.1105(2)(f)(1)(n). The City will provide matching funds for structural repairs or other improvements necessary to comply with local building codes.

The projects listed in this section will provide necessary facilities, land area, and support to enable and encourage the (re)development of TID #8. These projects may be implemented by the City Council in varying degrees in response to development needs and will be guided by the TID #8 Project Plan, the City's Comprehensive Plan, other existing plans and policies of the City, future Downtown Master Plan documents and public input.

Project Map

A map identifying project locations in TID #8 is provided in Appendix A. As stated in the legend of the map, Project A-L may occur anywhere within the boundaries of the District as authorized by the City Council. Locations of new streets, utilities or recreational trail alignments shown on the map are preliminary and subject to change based on final design. In addition, pursuant to Wisconsin Statutes Section 66.1105(2(f)(1)(n), the City may undertake projects within territory located within one-half (1/2) mile of the boundary of the District, and pay for them using tax increment, provided that:

- 1. The project area is located within the City's corporate boundaries; and
- 2. The projects are an eligible TID expenditure within this Project Plan; and
- 3. The expenditure must be made within the expenditure period.

The one-half (1/2) mile boundary of TID #8 is illustrated on the Project Locations Map in Appendix A. Portions of the proposed extension of the Tomah recreational trail from the Tomah Aquatic Facility to a planned Community Wellness Center are within the ½ mile boundary of the District and are is an eligible expenditure.

Section 5. List of Estimated Project Costs & Expenditures

Table 2 lists the estimated total expenditures for each project category. This format follows Wisconsin Department of Revenue guidance on detailed project costs (pe-209), which states the project list should include "estimated expenditures expected for each major category of public improvements." It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses.

All costs are stated in 2021 prices and are preliminary estimates. The City reserves the right to increase the costs to reflect inflationary increases and other unforeseen or uncontrollable circumstances between 2021 and the time of construction/implementation, such as higher than anticipated financing costs. The City reserves the right to increase and decrease particular project costs within the Total TID Expenditure budget estimate without amending this Project Plan. For example, reallocating funds from one project category to another.

Wisconsin Statutes do not obligate the City to complete all the proposed projects listed in the Project Plan. However, the expenditure period for TID #8 is limited to May 12, 2015 through May 12, 2037. The City retains the right to change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without further amending this Project Plan. Public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The needs of the City and the performance of the TID will be reviewed annually to determine if change is required to any of the proposed activities. Should the needs of the City change, projects may have to be slightly or substantially altered or even eliminated.

Table 2: Estimated Remaining Project Costs & Expenditures

Project	Amount
A. Infrastructure for (Re)Development of the District	\$1,850,483
B. Streetscaping Improvements	\$250,000
C. Site Improvements	\$675,000
D. Environmental Studies and Remediation	\$225,000
E. Development Funds/Incentives	\$7,608,147
F. Planning, Promotion & Development	\$320,000
G. Real Estate Inspections, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Project	\$1,000,000
H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA)	\$0
I. Administrative/Organizational Costs	\$320,000
J. Financing Costs	\$4,149,925
K. Equipment Purchases	\$500,000
L. Owner-Occupied Housing Rehabilitation (OOHAP)	\$340,000
GRAND TOTAL	\$17,238,555

Section 6. Ineligible / Estimated Non-Project Costs

No ineligible project costs were identified at the time this Project Plan was considered for adoption. The following bullets identify public works projects that are not eligible to be paid with tax increments under Wis. Stat. 66.1105(2)(f).2.

- The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless the administrative buildings, police and fire buildings, libraries and community and recreational buildings were damaged or destroyed before January 1, 1997, by a natural disaster.
- The cost of constructing or expanding any facility, except a parking structure, if the City generally finances similar facilities only with utility user fees.
- General government operating expenses, unrelated to the planning or development of a tax incremental district.
- Cash grants made by the City to owners, lessees, or developers of land that is located
 within the tax incremental district unless the grant recipient has signed a development
 agreement with the City, a copy of which shall be retained by the City in the official
 records for that tax incremental district.

Non-project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments. Examples of non-project costs include 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, or special assessments. Other examples include public works projects that only partly benefit the District, such as a new water tower which serves properties both inside and outside of the District, and its ½ - mile boundary. That portion of the total project costs allocable to properties outside of the District, and its ½ - mile boundary, would be a non-project cost.

A portion of the proposed recreational trail from the Tomah Aquatic Facility to a planned Community Wellness Center may be funded through state or federal park and recreation grants. Any portion of the project funded by grants will be a non-project cost.

Section 7. Economic Feasibility

The projected income of TID #8 depends on the tax incremental revenue generated from within the District. There are three critical components in determining the future tax incremental revenue of a TID: New development increases in property value, inflation driven increases in property value, and the change in the full value tax rate. In projecting the future increment and income generated by TID #8, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

New Development Activities

As of the most recent DOR TIF Value Limitation Report, dated August 11, 2020, TID #8 has realized \$21,070,400 of new residential and commercial development (TIF Value Increment) since its creation in 2015. The TID is projected to realize a total of \$47,339,288 in new value increment over its anticipated 27-year life (2015-2042). This value is projected to come from the development of vacant parcels, rehabilitation of existing structures within the Downtown and redevelopment of underutilized parcels within the TID (Refer to Table 3).

The new development forecast is based, in part, on discussions with City staff regarding potential development opportunities, and an analysis of the condition and assessment utilization of parcels within the District. It is anticipated that some of the parcels may not experience any redevelopment during the TID lifetime, while others not listed may. Redevelopment years are also an approximation based, in part, on the anticipated schedule of known public and private improvement projects, and the readiness for development or marketability of each parcel. Estimated Construction Years may vary significantly from those shown in Table 3. All values are expressed in 2021 dollars.

The methodology used to calculate the remaining Estimated Growth in Value of New Development (Table 3) for any one development site was based on using comparable existing development sites found mostly in the City of Tomah. This methodology could be considered a "conservative" approach since projected future development is likely to have higher construction costs than those existing developments. Deviations from this methodology occurred in those instances where there were on-going discussions with City Staff and perspective developers regarding development projects at the time this project plan was amended which provided more up to date information. In addition, the assumptions used in Table 3 also do not include a construction cost inflation factor. Over the past 10 years the annual rate of inflation in the construction industry has averaged 2.9% (Turner Building Cost Index). The absence of a construction cost inflation factor will provide a conservative estimate since an increase in construction costs would likely result in an increase in tax increment for the District. The assumption used in Table 3 should be updated during any future amendments of this Project Plan.

Table 3: Estimated Value of Remaining New (Re)Development

Development Type & Year	Value Added	Sensitivity	Estimated Growth			
Gateway Commercial						
2026	\$822,955	75.00%	\$617,216			
Industrial						
2028	\$708,359	50.00%	\$354,180			
Downtown Commercial						
2030	\$1,443,814	50.00%	\$721,907			
2031	\$531,764	50.00%	\$265,882			
2033	\$705,388	50.00%	\$352,694			
2035	\$1,614,651	50.00%	\$807,325			
S.F. Residential	S.F. Residential					
2029	\$1,504,120	100.00%	\$1,504,120			
M.F. Residential						
2021	\$5,000,000	100.00%	\$5,000,000			
2022	\$5,000,000	100.00%	\$5,000,000			
2024	\$5,000,000	75.00%	\$3,750,000			
2034	\$124,403	50.00%	\$62,202			
Grand Total	\$22,455,454	68.18%	\$18,435,526			

Inflation Rate

Annual property value inflation is assumed to be 0.50% over the life of the District. The annual average inflation rate for the United States from 2000-2020 has been 2.1%, and 1.5% from 2015 through 2020 (www.usinflationcalculator.com). Using a 0.50% annual inflation rate for property assessment values will provide a conservative estimate of projected tax increment. (Source: http://www.usinflationcalculator.com/inflation/current-inflation-rates).

Full Value Tax Rate

The full value tax rate was \$21.98 per thousand in 2020 and is projected to remain constant through 2042. The assumption of no change in the full value tax rate over the life of the District will provide a conservative estimate.

TID #8 Projected Income

Table 4 presents the projected income for TID #8 commencing in 2015 and running over the remaining life of the District). Over the life of the TID the projected total amount of tax increment collected is estimated to be \$19,398,361 (please see total of the "Tax Increments" Column in Table 4).

Table 4: Projected Income¹

Year	Cumulative Value Increment	Inflation Increment	New Development	New Development Increment	Annual Value Increment	Tax Rate	Tax Increments
2015	\$0	\$0			\$0	\$24.26	\$0
2016	\$0	\$0		\$2,115,000	\$2,115,000	\$23.81	\$0
2017	\$2,115,000	\$0		(\$321,500)	(\$321,500)	\$23.32	\$49,994
2018	\$1,793,500	\$0		\$5,324,000	\$5,324,000	\$22.82	\$41,824
2019	\$7,117,500	\$0		\$6,378,400	\$6,378,400	\$22.09	\$162,394
2020	\$13,495,900	\$0		\$7,574,500	\$7,574,500	\$21.98	\$298,105
2021	\$21,070,400	\$210,704	\$5,000,000		\$210,704	\$21.98	\$467,759
2022	\$21,281,104	\$212,811	\$5,000,000		\$212,811	\$21.98	\$472,436
2023	\$21,493,915	\$214,939		\$5,000,000	\$5,214,939	\$21.98	\$587,061
2024	\$26,708,854	\$267,089	\$3,750,000	\$5,000,000	\$5,267,089	\$21.98	\$702,831
2025	\$31,975,943	\$319,759			\$319,759	\$21.98	\$709,860
2026	\$32,295,702	\$322,957	\$617,216	\$3,750,000	\$4,072,957	\$21.98	\$799,383
2027	\$36,368,659	\$363,687			\$363,687	\$21.98	\$807,377
2028	\$36,732,346	\$367,323	\$354,180	\$617,216	\$984,539	\$21.98	\$829,017
2029	\$37,716,885	\$377,169	\$1,504,120		\$377,169	\$21.98	\$837,307
2030	\$38,094,054	\$380,941	\$721,907	\$354,180	\$735,120	\$21.98	\$853,465
2031	\$38,829,174	\$388,292	\$265,882	\$1,504,120	\$1,892,412	\$21.98	\$895,060
2032	\$40,721,586	\$407,216		\$721,907	\$1,129,123	\$21.98	\$919,879
2033	\$41,850,709	\$418,507	\$352,694	\$265,882	\$684,389	\$21.98	\$934,921
2034	\$42,535,098	\$425,351	\$62,202		\$425,351	\$21.98	\$944,271
2035	\$42,960,449	\$429,604	\$807,325	\$352,694	\$782,298	\$21.98	\$961,466
2036	\$43,742,747	\$437,427		\$62,202	\$499,629	\$21.98	\$972,447
2037	\$44,242,377	\$442,424		\$807,325	\$1,249,749	\$21.98	\$999,917
2038	\$45,492,126	\$454,921			\$454,921	\$21.98	\$1,009,916
2039	\$45,947,047	\$459,470			\$459,470	\$21.98	\$1,020,015
2040	\$46,406,517	\$464,065			\$464,065	\$21.98	\$1,030,215
2041	\$46,870,583	\$468,706			\$468,706	\$21.98	\$1,040,518
2042	\$47,339,288	\$473,393			\$473,393	\$21.98	\$1,050,923
		\$8,306,756	\$18,435,526	\$39,505,926			\$19,398,361

Last Year for Project Expenditures

2037

Assumptions

- 1. The total amount of new development construction over the life of the TID is \$39,505,926.
- 2. The annual rate of inflation is assumed to be 0.50% over the life of the district.
- 3. The tax rate is assumed to increase by 0.50% over the life of the district (based on the 2020 tax rate \$21.98).
- 4. Analysis assumes the TID expires at the end of the 27-year period without an extension.
- 5. The cumulative Value Increment at the time of the TID's closure is forecasted at \$47,339,288.

¹ The numbers presented in Table 4 are estimates subject to change based upon the actual development and construction activity in the District.

Table 5 presents the annual performance analysis. There are three critical components in determining the future annual performance of the TID: the amount of annual revenue (see Table 4), the cost and timing of public improvement projects and the terms of debt service associated with these projects. In projecting the future performance of TID #8, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

Schedule of Public Improvements & Debt Service Terms

Table 5 assumes the City will incur new debt in support of the TID. The timing of debt occurrence is coordinated with anticipated public and private improvement projects. The timing, amount, and methods of financing are general assumptions for the purposes of estimating the economic feasibility of the Project Plan. The values in Table 5 should not be construed as commitments by the City to finance any particular TID project.

The timing of projects and debt occurrence may vary from that described in Table 5 and the City is not obligated to complete all of the proposed projects listed in the Project Plan. Unless the District is formally extended, projects must be undertaken before May 12, 2037 to remain TID-eligible expenses.

Interest rates are forecasted to be 3.0% for a 6-10 year loan term and 4.0% for a 11-20 year loan term. These interest rates are based on the 2021 interest rates of the Board of Commissioners of Public Lands (BCPL) Sate Trust Fund Loan Program.

TID #8 Annual Performance

Table 5 presents the projected income for TID #8 commencing in 2015 and running over the 27-year life of the District to the year 2042. Table 5 demonstrates the maximum project costs (see Table 2) that can be paid for with TIF based on the projected tax increment received by the district prior to closure. Assuming the total tax increment is \$19,398,361 at the time of the TID's closure, it is possible to expend \$17,238,555 in total project costs and cash flow with a balance of \$100 at the time of the district's closure.

Table 5: Performance Analysis²

Year	Tax Increment	Project Principal	Annual Debt Service	Total Expenditures	Annual Balance	Total Balance
2015		\$3,187,312			(\$336,959.00)	(\$336,959)
2016					(\$378,456.00)	(\$715,415)
2017	\$49,994		\$35,680	\$35,680	(\$118,791.00)	(\$834,206)
2018	\$41,824		\$85,065	\$85,065	\$34,109.00	(\$800,097)
2019	\$162,394	\$607,576	\$224,029	\$224,029	(\$1,644,101.00)	(\$2,444,198)
2020	\$298,105	\$249,167	\$293,367	\$293,367	\$198,668.00	(\$2,245,530)
2021	\$467,759	\$2,630,000	\$520,762	\$520,762	(\$53,003.12)	(\$2,298,533)
2022	\$472,436	\$5,489,574	\$942,132	\$942,132	(\$469,695.90)	(\$2,768,229)
2023	\$587,061	\$675,000	\$1,026,409	\$1,026,409	(\$439,348.81)	(\$3,207,578)
2024	\$702,831	\$250,000	\$1,048,889	\$1,048,889	(\$346,058.21)	(\$3,553,636)
2025	\$709,860		\$998,326	\$998,326	(\$288,466.46)	(\$3,842,102)
2026	\$799,383		\$1,003,942	\$1,003,942	(\$204,559.12)	(\$4,046,662)
2027	\$807,377		\$1,009,382	\$1,009,382	(\$202,005.29)	(\$4,248,667)
2028	\$829,017		\$939,602	\$939,602	(\$110,585.36)	(\$4,359,252)
2029	\$837,307		\$949,259	\$949,259	(\$111,951.44)	(\$4,471,204)
2030	\$853,465		\$953,559	\$953,559	(\$100,093.50)	(\$4,571,297)
2031	\$895,060		\$890,353	\$890,353	\$4,707.01	(\$4,566,590)
2032	\$919,879		\$889,440	\$889,440	\$30,438.89	(\$4,536,151)
2033	\$934,921		\$864,066	\$864,066	\$70,855.44	(\$4,465,296)
2034	\$944,271		\$784,986	\$784,986	\$159,284.43	(\$4,306,011)
2035	\$961,466		\$703,206	\$703,206	\$258,259.24	(\$4,047,752)
2036	\$972,447		\$701,865	\$701,865	\$270,582.34	(\$3,777,170)
2037	\$999,917		\$430,749	\$430,749	\$569,168.07	(\$3,208,002)
2038	\$1,009,916		\$401,570	\$401,570	\$608,346.04	(\$2,599,656)
2039	\$1,020,015		\$401,570	\$401,570	\$618,445.20	(\$1,981,211)
2040	\$1,030,215		\$380,115	\$380,115	\$650,100.35	(\$1,331,110)
2041	\$1,040,518		\$380,115	\$380,115	\$660,402.51	(\$670,708)
2042	\$1,050,923		\$380,115	\$380,115	\$670,807.68	\$100
	\$19,398,361	\$13,088,630	\$17,238,555	\$17,238,555		

Last Date for Project Expenditures 5/12/2037
TID Termination Date 5/12/2042

² The numbers presented in Table 5 are estimates subject to change based upon the actual performance of the District and City approval of specific TID eligible expenditures.

As the City is under no obligation to complete the proposed projects, the TID could close once existing debts have been paid.

Note that the assumptions used to create Table 4 and Table 5 illustrate that the Project Plan is feasible and that the anticipate revenues are sufficient to cover anticipated expenditures. Any annual shortfalls in the TID Fund Balance could be recovered within the TID's maximum life.

The value increment of the District when it terminates in 2042 is projected to be \$47,339,288. This development would likely not occur or would likely occur at significantly lower values but for the amendment of the District. TID #8 is a mechanism to make improvements in an area of Tomah which is in need of rehabilitation and conservation and the construction of associated public infrastructure. All taxing jurisdictions will benefit from the increased property values, job creation, creation of developable lots where none currently exist, other economic activity, public safety, and community vitality which will result from the projects and development planned in TID #8. For these reasons the project costs shown in this Project Plan should not be paid by the owners of property that benefit from improvements within the District, or exclusively by the City, but should be shared among all taxing jurisdictions.

Table 6 provides a summary of the impact on overlying taxing jurisdictions over the life of the District, including the original and amended portions of the District together. The final value in the lower right corner may not match the total from Table 4 due to slight rounding errors.

Table 6: Impact of Overlying Taxing Jurisdictions

Jurisdiction	Taxes Collected in 2019	% Share of Taxes	Share of Projected Increment
City of Tomah	5,615,452	36.9%	\$7,151,999
Monroe County	3,530,114	23.2%	\$4,496,053
Tomah Area School District	5,083,751	33.4%	\$6,474,809
Western Technical College	1,001,470	6.6%	\$1,275,501
	\$15,230,787	100%	\$19,398,361

Source: Wisconsin Department of Revenue "Town, Village, and City Taxes-2019.

Section 8. Equalized Value Test

Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities are restrained in their use of TIF such that the equalized value of taxable property of the (new/amended) district area plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the municipality. Note, at the time this Project Plan was developed 2021 equalized values were not available for the parcels proposed for addition to the District; however, no significant differences are anticipated between the assessed value and equalized value that would endanger the 12% threshold limitation, thus the 2021 assessment values were deemed sufficient for the purposes of determining eligibility under Wisconsin State Statute 66.1105(4)(gm)4.c.

Table 7: Equalized Value Test

12% Calculation - Maximum Allowable TID Property Value	
Equalized Value (January 1, 2021)	\$775,354,200
Maximum Allowable TID Property Value (12%)	\$93,042,504
12% Test - Compliance	
Existing TIF Value Increment	\$49,965,400
New Value Added to TID No. 8	\$2,272,400
New Value Added to TID No. 11	\$3,108,400
Total Values	\$55,346,200
Percentage	7.14%

Section 9. Methods of Financing³

Under Wisconsin law there are several methods of borrowing, some of which apply against a municipality's debt limit, and others that do not apply against the limit. The state sets this limit at five percent (5%) of the municipality's total equalized property valuation.

The feasibility of financing specific projects at any given time using a particular method can be determined based on the municipality's current fiscal situation, anticipated non-TIF related capital needs, the amount of money to be borrowed, interest rates, and lending terms. Possible funding sources for TID eligible expenditures include any of the following:

M. A | General Obligation Borrowing

General Obligation Borrowing includes all types of municipal borrowing from banks, the State Trust Fund, or other lending institutions. This method of borrowing requires little effort or legal expenditures and works particularly well for smaller projects.

N. B | General Obligation Bonding

General Obligation Bonds are a debt instrument backed by the full faith and credit of the municipality and its ability to raise revenue through taxation. In the case of default, the municipality is liable for repayment of the debt. As a result, this type of debt can often result in lower interest rates than regular General Obligation Borrowing. The high fees associated with the issuance of the bonds makes them more attractive for larger projects.

O. C | Mortgage Revenue Bonds

Revenue Bonds are a debt instrument backed by revenue generated from the project. These types of bonds are also mainly used for larger debt issuances due to their relatively high associated fees. They are typically issued by municipal bodies that raise revenues on a fee for service type basis, such as the Water & Sewer Utility. These types of bonds generally do not count against a municipality's five percent debt limit.

P. D | Special Assessment "B" Bonds

Special Assessment "B" Bonds are a debt instrument backed by the municipality's ability to raise revenue from special assessments charged to persons, organizations, or businesses receiving benefits from the project. These bonds also do not normally count against a municipality's debt limit.

Q. E | Federal/State Loan and Grant Programs

The State and Federal Government often sponsor grant and loan programs that municipalities may potentially use to supplement TID expenditures or provide financing for capital costs which positively impact the District. These programs include Wisconsin Community Development Block Grants, Rural Development Administration Community Facility Loan/Grants, Transportation Economic Assistance Grants, and Economic Development Administration Grants. These programs require local match funding to insure State and Federal participation in the project.

³ The listing of potential financing options is not a recommendation by MSA Professional Services regarding the particular financing option the Village should use to finance TID #8 projects.

R. F | General Fund Expenditures

The City may choose to pay for some projects using advances from General Fund revenues. Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the General Fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.

S. G | Utility Fund Expenditures

The City may choose to pay for some projects using advances from Utility Fund revenues (e.g. Water, Sewer, Stormwater). Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the appropriate utility fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.

T. H | Developer Financed TIF Agreements

Another option to pay for TID eligible expenditures is through a Developer Funded or Pay-As-You-Go TIF Agreement. Under this option the Developer borrows funds that the City would have borrowed under a traditional developer's agreement to complete an improvement project. The Developer is refunded through payments by the City, including possible interest charges, as increment is generated from the improvement project.

If financing as outlined in this Project Plan proves unworkable, the City of Tomah reserves the right to use alternate financing solutions for the projects as they are implemented.

U. Financing Timetable

The City Council is not mandated to make improvements defined in this Project Plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions, budgetary constraints and merits of the project at the time a project is scheduled for consideration. The actual implementation of projects and the timing of financing may be accelerated or deferred from the timing described in this Project Plan, depending on conditions existing at the time. The expenditure period for TID #8 is May 12th 2015 through May 12th 2037.

Section 10. Relocation

Although relocation is currently not anticipated, if relocation were to become necessary in the future as a result of proposed projects in TID #8, the following is the method proposed by the City, or Community Development Authority/Redevelopment Authority, for displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statues and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (WDOA) on Relocation Benefits. The City will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes 32.27. The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

Section 11. Legal Opinion

An opinion from the City legal counsel regarding the Project Plan for TID #8 and its compliance with s. 66.1105 of Wisconsin Statutes is provided in Appendix I.

To Be Provided Upon Review of All Documents.

Section 12. Glossary of TIF Related Terms

Base Value: The aggregate value, as equalized by DOR, of the real, personal, and non-exempt municipal-owned property located within the TID as of the valuation date.

Estimated Growth in Value of New Development: The estimated growth in tax assessment value attributed to new development or redevelopment of parcels in the TID, stated in 2021 dollars. Calculated by subtracting the equalized value of parcels from an estimated post (re)development equalized value.

Equalized Value: The estimate of the State of Wisconsin Department of Revenue of the full market value of property; used to apportion property tax levies of counties, school districts and municipalities among tax districts.

Expenditure Period: The time during which expenses may be incurred for the implementation of the approved project plan and the completion of the projects outlined therein. The current maximum expenditure period for all districts ends five years before the un-extended maximum life of the TID.

Non-Project Costs: As part of the project plan, there may be investments that are not eligible for TIF, or that are paid for with revenue other than tax increment revenue – such as a grant.

<u>Project Plan:</u> The plan, properly submitted and approved by the Wisconsin Department of Revenue, for the financial development or redevelopment of a TID, including all properly approved amendments.

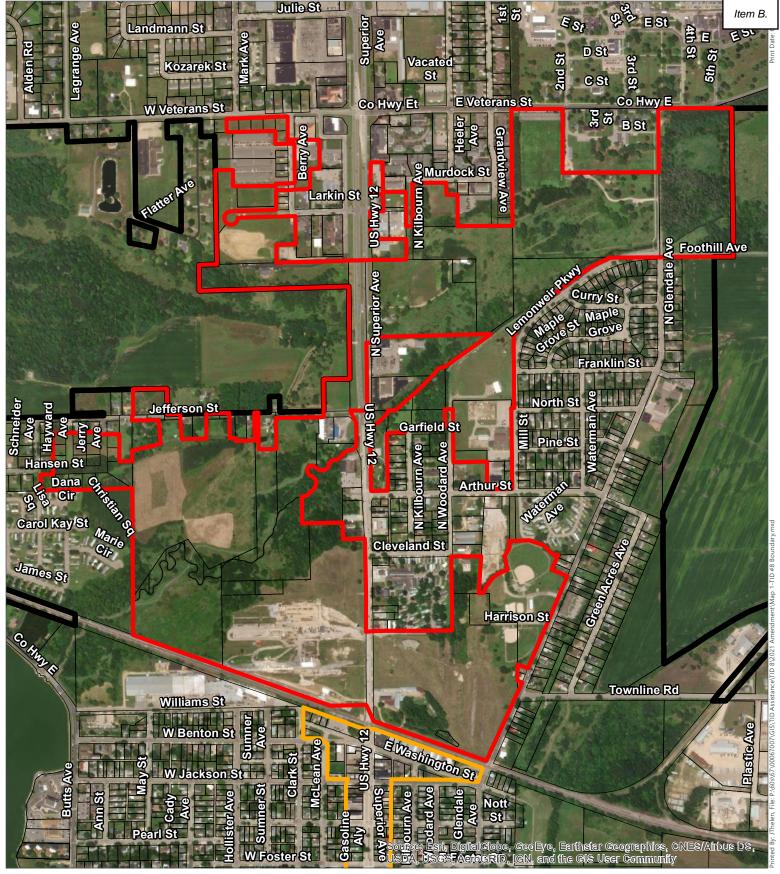
<u>Tax Incremental District (TID):</u> The contiguous geographical area within a municipality consisting solely of whole units of property as are assessed for general property tax purposed not including railroad rights of way, rivers or highways, or wetlands as defined in Wisconsin Statutes 23.32.

<u>Tax Incremental Financing (TIF):</u> A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for, the property taxes go to the municipality, county and school districts.

<u>Tax Increment:</u> The taxes levied by all overlying taxing jurisdictions on the difference between the base value and the current value of the TID, also known as the value increment. These taxes are sent to the municipality who operates the TID, and used to pay for the approved project costs laid out in the project plan.

<u>Tax Rate:</u> The rate, usually expressed in terms of dollars per one thousand dollars of assessed valuation, at which taxes are levied against the total assessed valuation of the municipality. Due to changes in the total assessed valuation of the municipality from year to year, the tax levy change and the tax rate change will not be the same. The tax rate change reflects what impact the property owner will see in their total taxes.

<u>Value Increment:</u> The difference in value between the base value and the current value. This is the amount of property value that can be attributed to the TIF investment, and as such is the portion of the tax base that is used to generate the tax increment that pays for the investment.





LEGEND

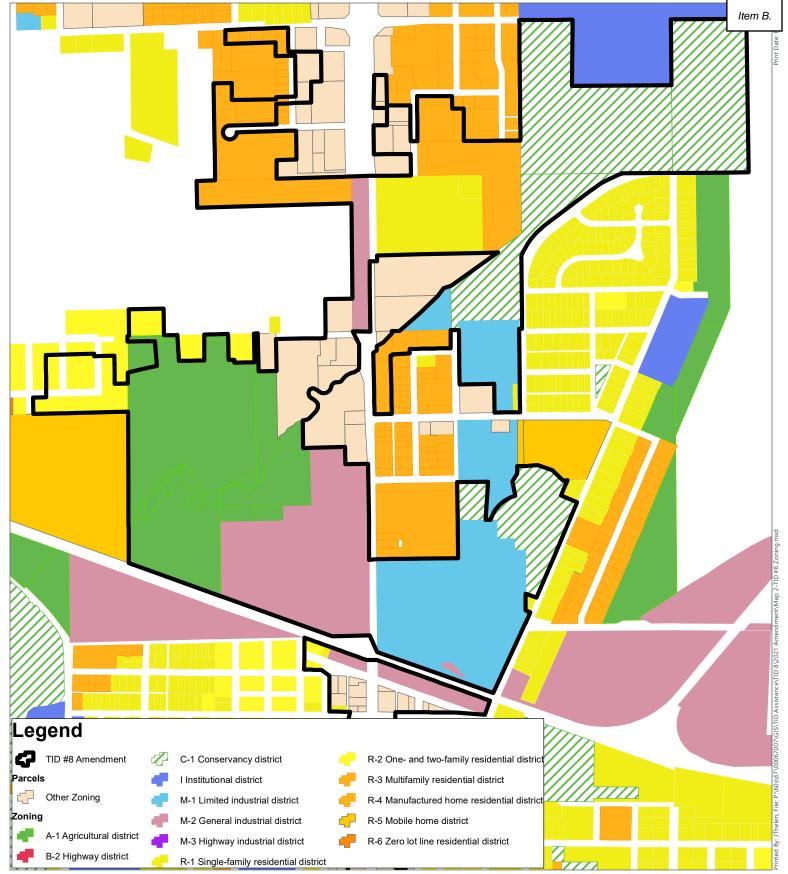
TID #8 Amendment

TID #8 Existing

Parcels

City Limits

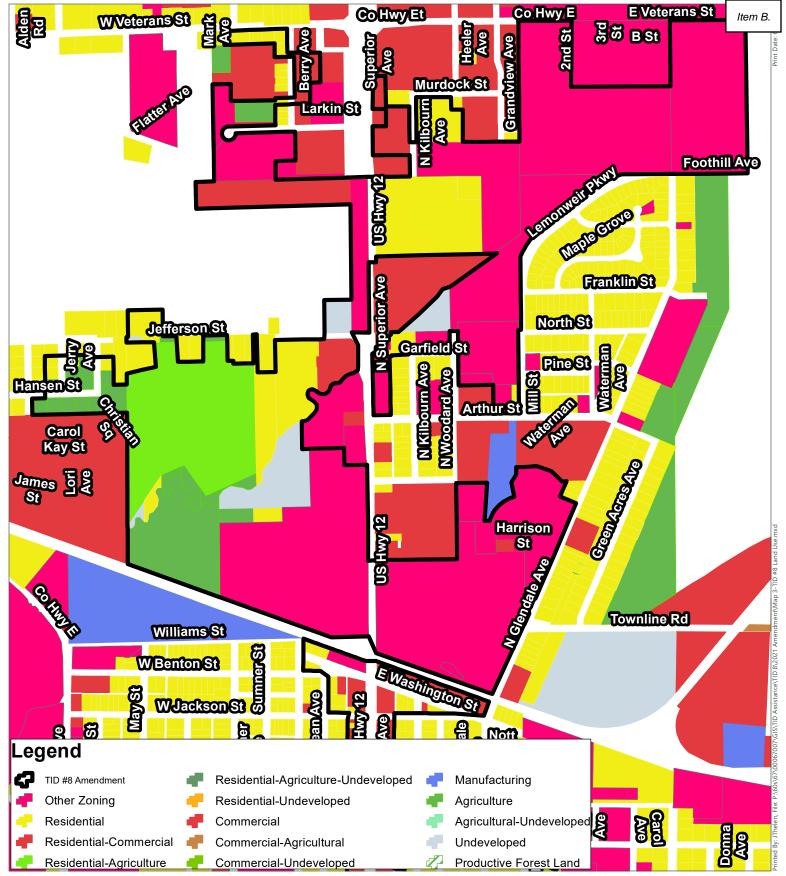
TID #8 Amendment Boundary





TID #8 Amendment Zoning TID #8 Amendment

City of Tomah Monroe County, 43





TID #8 Amendment Land Use TID #8 Amendment



TID #8 Amendment

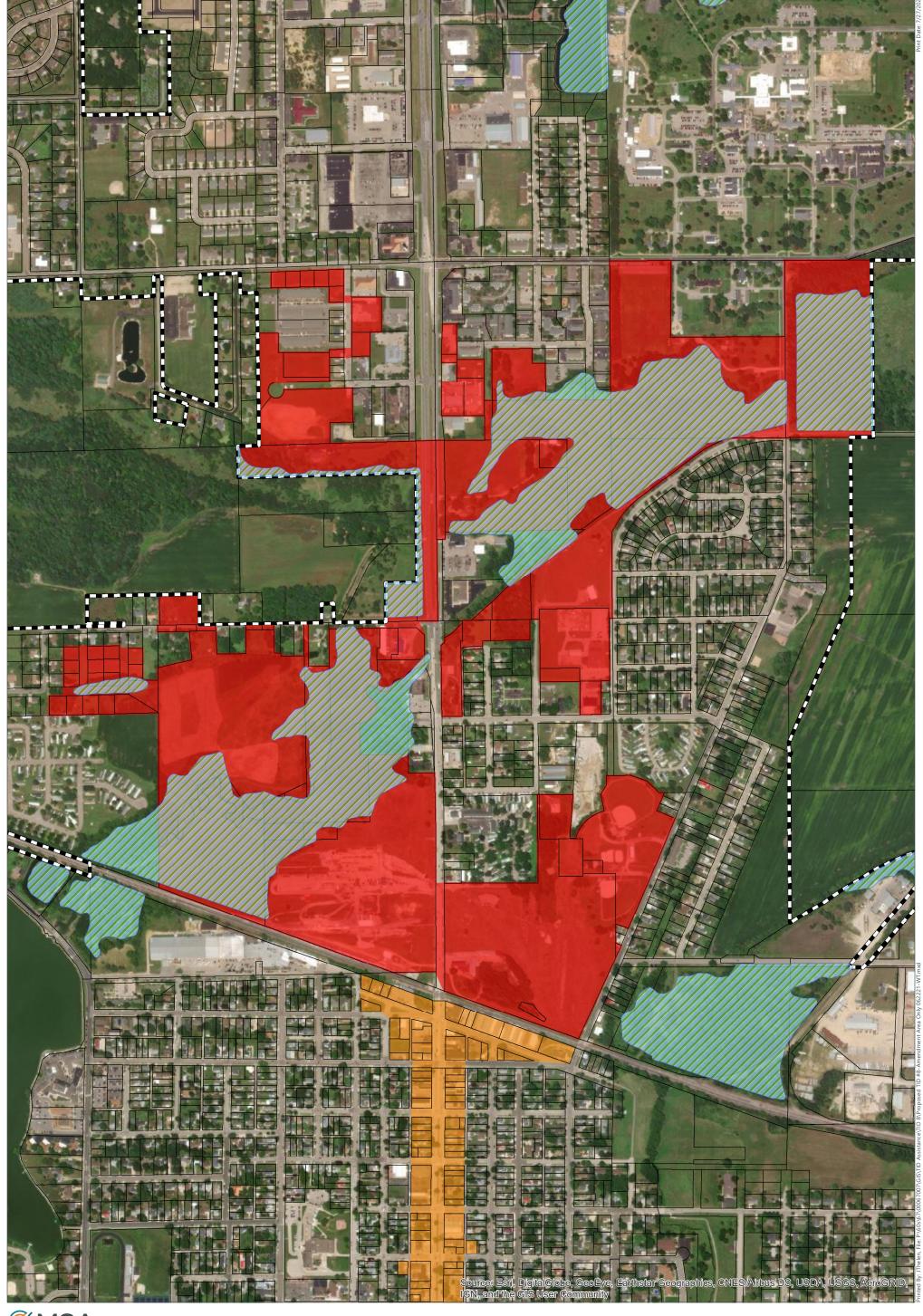
TID #8 Existing

Parcels

City Limits

TID #8 Amendment Projects TID #8 Projects

City of Tomah Monroe County





Data Sources: Monroe County

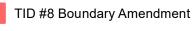
Imagry Provided by ESRI

Proposed TID 8 Boundary Amendment









Project Plan

Amendment No. 1 to Tax Incremental Finance District No. 9

City of Tomah, WI Project No. 67007

Drafted:

Date of City Council Approval: TBD

TID #9:

District Type: Industrial

Creation Date: 01/09/2018

Expenditure Period: 01/09/2033

Termination Date: 01/09/2038



City of Tomah, WI

Project No. 67010

Prepared by:

MSA Professional Services, Inc. 2901 International Lane, Suite 300 Madison, WI (608) 242-7779

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Appendix A: TID Maps

- Boundary Map
- Existing Land Use Map
- Zoning Map
- Future Land Use Map
- Project Locations Map

Appendix B: Boundary Description

Appendix C: Letters to Taxing Jurisdictions

Appendix D: Affidavit of Publications

Appendix E: Meeting Minutes
Appendix F: Resolutions

Appendix G: Joint Review Board Letter of Approval

Appendix H: Legal Opinion

*Note Appendix B-H will be compiled upon completion of the project meetings for submission to the Wisconsin Department of Revenue.

Section I. Introduction and Planning Schedule

Wisconsin State Statute §66.1105 prescribes the process for creating a Tax Increment Finance District (TID). The law requires public input in the TID creation process, including a public hearing held by the Planning Commission at which TID information is discussed and citizens can reasonably voice their opinions on the proposed TID Project Plan. A three-phased approval process is required to adopt TIF Districts including approval by the Planning Commission, City Council, and the Joint Review Board (JRB).

Table 1: Project Schedule

Date	Meeting/Action	
Nov. 16 TH & 22 ND 2017	Notice of Public Hearing	
November 30, 2017	JRB meeting: election of chair and public member	
November 30, 2017	Public Hearing	
November 30, 2017	Planning Commission Meeting	
January 9, 2018	City Council Meeting	
January 29, 2018	JRB Meeting: final approval	
By October 31, 2018	Project Plan submitted to the Wisconsin Department of Revenue (WIDOR) for Certification	

The Project Plan for TID #9 in the City of Tomah, Wisconsin, has been prepared in compliance with Section 66.1105, Wis. Stats. The Project Plan establishes the need for the TID, lists the expected improvements within the TID, provides an estimated time schedule for completion of the projects and an estimated budget. The Project Plan is to be adopted by resolution of the Joint Review Board and City Council on the recommendation of the City Planning Commission as the official plan and guide for public and private sector (re)development and investments within the boundaries of TID #9 and the area within ½-mile of TID #9.

Implementation of the Project Plan and construction of the public and private improvements listed will still require individual consideration and authorization by the City Council. Public expenditures for projects listed in the Project Plan should and will be based on the ability of the City to finance the projects, market conditions, and the status of development at the time a project is scheduled for construction. The City Council is not mandated to make the public expenditures described in this plan, but is limited to the types of expenditures listed herein. Any changes to the territory or types of eligible projects will require a formal amendment to the Project Plan with public review (including a public hearing), Planning Commission, City Council and Joint Review Board approval. Redistribution of project expenditures from one project category to another will not require an amendment to the Project Plan.

The current status of Wisconsin state legislation allows TID #9 to have a 15-year expenditure period (i.e. through January 9, 2033) and a maximum life of 20 years (i.e. through January 9, 2038). The District boundary may be amended only four times during the life of the TID under current law. In addition, the City may also amend the project types and costs at any time during the 15-year expenditure period. There are no limitations to the number of times the City can complete a non-territory Project Plan amendment. At the time this Project Plan was created allocation of future excess tax increments from TID #9 (Donor) to TID #8 (Recipient) was an approved project expenditure. As such TID #9 cannot receive the standard extension to its maximum life under 66.1105(6)(f)4, Wis. Stats. It is the intent of the City to continually monitor State legislative changes regarding Section 66.1105, Wis. Stats. in order to determine its potential effect on this and future TIF Districts within the City of Tomah.

City of Tomah, WI

As required by Section 66.1105, Wis. Stats., a copy of this Project Plan will be submitted to the Department of Revenue and used as the basis of their certification of the creation TID #9 in the City of Tomah.

Section II. Statement of Purpose & Orderly Development

The specific purpose of TID #9 is to carry out various (re)development and urban renewal projects within the District, or within 0.5 miles of the boundary of the District in support of tax base growth, business and employee retention and expansion. The District includes properties in the vicinity of the Pete Bean Industrial Park near Sime Ave. and Townline Road (refer to Appendix A for a map of the District). Creation of the District supports one of the City's goals in its Comprehensive Plan to retain, expand, create, and attract businesses that strengthen and diversify the local economy, grow the tax base, and enhance employee wages and benefits.

Figure 1 (page 3) provides historical aerial imagery of the land within and around TID #9. As of 1961 the area within TID #9 was still undeveloped. By the mid-1970s the first developments began to occur including the construction of Sime Ave. and I-90 and I-94. Most of the development in the business park occurred between 1976 and 1999. The last substantial development occurred at the beginning of the millennium with the construction of the Wal-Mart Distribution Center (outside TID #9 boundary). The historical photos illustrate that most of the businesses within the TID are over 30-40 years old. A number of the properties within the TID are underutilized and could support additional business expansion or reconstruction. In addition, there are a number of existing single-family residential lots that are incompatible with the adjacent commercial and industrial businesses. These properties could serve as opportunities for the development of new businesses or the expansion of existing adjacent businesses.

The business park is home to several of the largest employers in Tomah including Toro, Cardinal Glass, and Wal-Mart. Access to I-90 and I-94 makes the area desirable for business development. However, in order to complete in a global economy the City desires the ability to provide tax increment financing incentives in order to provide development incentives to encourage the retention, expansion, and attraction of businesses to support the economy of Tomah and surrounding region. In addition, the infrastructure (e.g. roads, sewer, water, storm sewer) within the business park are aging; therefore, the City desires to use future tax increment from business development in the District to maintain and reconstruct the existing infrastructure supporting businesses within the TID.

In 2017, the City was approached by an existing business within the park regarding the feasibility of creating a TIF district to provide development incentives to aid in the expansion of their business. The project includes a total estimated capital budget for site construction, machinery, equipment and furnishings of approximately \$36M and the creation of an estimated 75 new jobs. The City recognized that creation of the District would not only assist this business but could serve as a catalyst to assist other existing or perspective businesses within the park. In addition, the City desires to allow the potential allocation of future excess tax increment from TID #9 to the City's other existing TID #8. TID #8 was created in 2015 as a rehabilitation/conversation district for the purposes of facilitating rehabilitation and redevelopment within Downtown Tomah. By establishing TID #9 as a donor TID the City Council will have the authority to transfer excess increment from TID #9 to TID #8 for the purposes of facilitating development projects and improving the performance of TID #8. The Council will still have the ability to close TID #9 early and is not obligated to transfer any or all excess tax increment.

The City recognizes that without the creation of TID #9 the City would not have sufficient financial resources to complete public infrastructure improvement projects within the District. Furthermore, the City recognizes

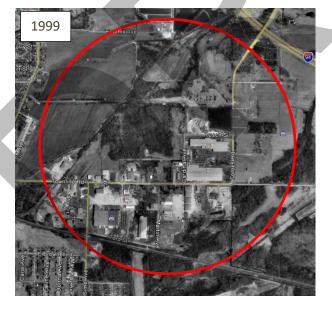
City of Tomah, WI

that by using tax increment financing to offset some costs, the municipality may convince developers and businesses to make improvements to private development within the District that may not otherwise occur, or would occur to a lesser extent. The creation of TID #9 will encourage the revitalization and redevelopment of Tomah's first and largest business park while also providing opportunities to use excess tax increment to support the City's other existing TID #8. It is for these reasons that the City of Tomah is creating TID #9.

Figure 1: Historical Imagery of TID #9









Summary of Findings

In creating TID #9, the City of Tomah has made the following findings, consistent with Section 66.1105 of Wisconsin Statutes:

- ✓ The District is contiguous and contains only whole units of parcels. The boundaries of the District are of sufficient definiteness to identify with ordinary and reasonable certainty the territory included therein. The boundaries of the District do not include annexed territory that was not within the boundaries of the City within the last three years; and
- ✓ The creation date of the District for purposes of determining the expenditure and termination periods shall be the date upon which the City Council approves a resolution adopting the Project Plan. The creation date of the district for purpose of allocating tax increment is January 1, 2018; and
- ✓ Not less than 50% of the real property in the District is suitable for industrial development within the meaning of State Statute §66.1101 and has been zoned for industrial use; and
- ✓ Any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District; and
- ✓ The estimated percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is not anticipated to exceed 35 percent of the area of the District; and
- ✓ The improvement of such area is likely to enhance significantly the value of substantially all other real property in the District; and
- ✓ The project costs directly serve to promote orderly development consistent with the purposes for which the District is created; and
- ✓ The equalized value of the taxable property of the District plus the aggregate value increment of all existing districts within the City does not exceed 12% of the total value of equalized taxable property within the City; and
- ✓ TID No. 9 and TID No. 8 have the same overlaying taxing jurisdictions; and
- ✓ The Project Plan for TID No. 9 demonstrates that the District's current and projected increment is sufficient to pay off all costs incurred by the District and provides enough surplus revenue to pay some of the costs for the recipient TID No. 8; and
- ✓ TID No. 8 was created upon a finding that not less than 50% of the real property in TID No. 8 is blighted or in need of rehabilitation, thus allowing a Type 3 Paragraph (f) Allocation Amendment under Wisconsin State Statutes 66.1105(6)(f)2; and
- That the allocation of excess tax increment from the District directly serves to promote redevelopment, rehabilitation, conservation and blight elimination activities in TID No. 8 and is likely to enhance significantly the value of real property in TID No. 8; and
- ✓ The Project Plan for the District is feasible; and
- ✓ Improvements to the District are likely to encourage and promote conformity with the City's planning policies and procedures; and
- ✓ The development described in the Project Plan would not occur, or would occur to a lesser extent, without the creation of TID #9.

City of Tomah, WI

Section III. District Description

TID #9 is being created as an Industrial TIF District.

Boundary Description

A map depicting the boundary of the District is provided in Appendix A. The formal boundary description of TID #9 is provided in Appendix B. The area of the District is approximately 446 acres, 417 acres excluding right-of-way. Table 2 provides a list of parcel numbers and associated attributes as of year 2017.

Table 2: TID #9 Parcel List

Tubi	C 2. 11D	7 #3 Puicei List	ASSESSMENT							
MAP ID	PARCEL#	OWNER	CLASS	LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	EXISTING LAND USE	ZONING	FUTURE LAND USE	ACRES
1	286027132502	MATHY CONSTRUCTION CO	2	\$ 258,000	\$ -	\$ 258,000	Commercial	M-2 General Industrial	Business Park	19.7
2	286027132501	CITY OF TOMAH	X4	\$ -	\$ -	\$ -	Public and Institutional	M-2 General Industrial	Business Park	1.1
3	286027164701	WISCONSIN POWER AND LIGHT	X4	\$ -	\$ -	\$ -	Public and Institutional	M-2 General Industrial	Business Park	3.6
4	286027164750	CITY OF TOMAH	X4	\$ -	\$ -	\$ -	Public and Institutional	M-2 General Industrial	Business Park	0.3
5	286027164700	CITY OF TOMAH	X4	\$ -	\$ -	\$ -	Public and Institutional	M-2 General Industrial	Park and Open Space	88.7
6	286027168000	CITY OF TOMAH	X4	\$ -	\$ -	\$ -	Transportation	M-2 General Industrial	Transportation	1.4
7	286027164800	KAS LEASING CO LLC	2	\$ 191,100	\$ 1,872,000	\$ 2,063,100	Commercial	M-2 General Industrial	Business Park	18.3
8	286027160003	AXELBERG WISCONSIN LLC	3	\$ 242,600	\$ 2,203,500	\$ 2,446,100	Industrial	M-2 General Industrial	Business Park	25.3
9	286027190000	TOMAH AREA SCHOOL DISTRICT JOINT NO 1	X4	\$ -	\$ -	\$ -	Public and Institutional	M-2 General Industrial	Business Park	4.0
10	286027165000	TOMAH AREA SCHOOL DISTRICT	X4	\$ -	\$ -	\$ -	Public and Institutional	M-2 General Industrial	Business Park	9.1
11	286027180000	ERVIN A SOLCHENBERGER	2	\$ 32,400	\$ 61,600	\$ 94,000	Commercial	M-2 General Industrial	Business Park	2.0
12	286027170000	MECA PROPERTIES LLC	3	\$ 96,500	\$ 1,417,000	\$ 1,513,500	Industrial	M-2 General Industrial	Business Park	5.7
13	286027172000	MECA PROPERTIES LLC	3	\$ 14,900	\$ -	\$ 14,900	Industrial	M-2 General Industrial	Business Park	1.4
14	286027162600	GARY C. & SONJA G. SMITH	2	\$ 69,900	\$ -	\$ 69,900	Commercial	M-2 General Industrial	Business Park	7.9
15	286027163000	GARY C. & SONJA G. SMITH	2	\$ 26,500	\$ 416,200	\$ 442,700	Commercial	M-2 General Industrial	Business Park	1.5
16	286027164000	THOMAS E CLAY REVOCABLE LIVING TRUST	2,4	\$ 25,900	\$ 317,300	\$ 343,200	Commercial	M-2 General Industrial	Business Park	10.2
17	286027162000	THOMAS E CLAY REVOCABLE LIVING TRUST	2,4	\$ 11,500	\$ 141,700	\$ 153,200	Commercial	M-2 General Industrial	Business Park	6.8
18	286027162100	ANTHONY M YENTER	1	\$ 12,000	\$ 73,100	\$ 85,100	Single Family Residential	M-2 General Industrial	Business Park	0.5
19	286027161000	KEN - TEL ENTERPRISES LLC	2	\$ 62,700	\$ 325,600	\$ 388,300	Commercial	M-2 General Industrial	Industrial	11.3
20	286026040000	S&I COOPER LLC	2	\$ 18,300	\$ -	\$ 18,300	Commercial	M-2 General Industrial	Park and Open Space	2.7
21	286026050000	C M ST P & P R COMPANY	X4	\$ -	\$ -	\$ -	Transportation	M-2 General Industrial	Transportation	2.8
22	286026062500	COUNCIL CREEK PROPERTIES LLC	2	\$ 68,800	\$ 412,100	\$ 480,900	Commercial	M-2 General Industrial	Business Park	7.8
23	286026065300	STEVEN D. & KRISTINE K. KUHL	2	\$ 40,100	\$ 219,700	\$ 259,800	Commercial	M-2 General Industrial	Business Park	2.3
24	286026066000	COUNTRYSIDE INVESTMENTS LLC	2	\$ 20,400	\$ 411,800	\$ 432,200	Commercial	M-2 General Industrial	Business Park	1.2
25	286026065800	ROBERT R STORKEL	2	\$ 17,600	\$ 111,900	\$ 129,500	Commercial	M-2 General Industrial	Business Park	1.0
26	286026065500	DENISE C CARLSON REVOCABLE TRUST	3	\$ 40,800	\$ 372,300	\$ 413,100	Industrial	M-2 General Industrial	Business Park	2.5
27	286026065350	SUPERIOR RENTAL LLC	2	\$ 6,400	\$ -	\$ 6,400	Commercial	M-2 General Industrial	Business Park	1.0
28	286026065400	SUPERIOR RENTAL LLC	2	\$ 22,000	\$ 78,500	\$ 100,500	Commercial	M-2 General Industrial	Business Park	1.0
29	286026065200	VRANA MINI STORAGE LLC	2	\$ 28,000	\$ 199,100	\$ 227,100	Commercial	M-2 General Industrial	Business Park	1.4
30	286026065000	ERIC A STICKNEY	2	\$ 13,900	\$ 109,300	\$ 123,200	Commercial	M-2 General Industrial	Business Park	0.8
31	286026065001	PETER M THORSON	2	\$ 17,300	\$ 155,600	\$ 172,900	Commercial	M-2 General Industrial	Business Park	1.0
32	286026062000	CONCRETE PARTNERS	3	\$ 50,700	\$ 137,300	\$ 188,000	Industrial	M-2 General Industrial	Business Park	3.0
33	286026060000	SPECIALTY WAREHOUSES INC	2	\$ 41,900	\$ -	\$ 41,900	Commercial	M-2 General Industrial	Business Park	5.3
34	286026091000	SIME CENTER LLC	1	\$ 35,100	\$ -	\$ 35,100	Vacant	M-2 General Industrial	Industrial	2.2
35	286026090000		5	\$ 7,100	\$ -	\$ 7,100	Vacant	M-2 General Industrial		13.6
36	286026087500	FARMER CONSTRUCTION INC	2	\$ 38,000	\$ 120,400	\$ 158,400	Commercial	M-2 General Industrial	Industrial	2.4
37	286026030000	TORO COMPANY	3	\$ 441,700	\$ 6,103,400	\$ 6,545,100		M-2 General Industrial		27.6
38	286026025000	CITY OF TOMAH	X4	\$ -	\$ -	\$ -	Public and Institutional	M-2 General Industrial	Business Park	0.1
39	286026020000	ABC BEVERAGE CORP	2	\$ 97,200	\$ 671,900	\$ 769,100	Commercial	M-2 General Industrial	Business Park	5.5
40	286026005000	RICHARD A. & JUDITH A. GNEWIKOW	2	\$ 44,200	\$ 93,500	\$ 137,700	Commercial		Business Park	2.5
41	286025920000	JIM D DUNCAN	1	\$ 25,000	\$ 130,300	\$ 155,300	Single Family Residential	M-2 General Industrial	Business Park	1.1
42			1	\$ 25,000	\$ 90,000		Single Family Residential			1.0
43	286025942000	KOEL INVESTMENTS LLC	2	\$ 22,300	\$ 194,700	\$ 217,000	Commercial	M-2 General Industrial	Business Park	1.4
44	286025987500	MARTIN WAREHOUSING LLC	2	\$ 61,400	\$ 199,400	\$ 260,800		M-2 General Industrial		3.0
45	286026010000	WINNERS INVESTMENT GROUP LLC	3	\$ 71,100	\$ 302,000	\$ 373,100	Industrial	M-2 General Industrial	Business Park	5.0
46	286025990000	DOANE PRODUCTS COMPANY	3	\$ 201,500	\$ 2,715,400	\$ 2,916,900	Industrial	M-2 General Industrial	Business Park	11.9
47	286025910500	NORMAN V MARTIN LIVING TRUST	2	\$ 38,500	\$ -	\$ 38,500	Commercial		Business Park	12.1
48	286025911000	RSG INVESTMENTS LLC	2	\$ 121,700	\$ 1,079,900	\$ 1,201,600	Commercial	M-2 General Industrial	Business Park	10.2
49	286025960000		1	\$ 31,200	\$ -	\$ 31,200	Single Family Residential			1.5
50	286025950000	CHERRY A HANSEN	1	\$ 19,700	\$ 106,600	\$ 126,300	Single Family Residential	M-2 General Industrial	Business Park	0.8
51	286025970000		1	\$ 12,500	\$ 101,900	\$ 114,400				0.5
52	286025980000	RENO R ROBLES	1	\$ 28,000	\$ 34,400	\$ 62,400	Single Family Residential	M-2 General Industrial	Business Park	1.1
53	286025900000	SPECIALTY WAREHOUSES INC	2	\$ 79,500	\$ 1,079,900	\$ 1,159,400	Commercial		Business Park	10.0
54	286025890000	LAND INVESTMENTS INC	2	\$ 15,900	\$ 47,200	\$ 63,100	Commercial	M-2 General Industrial	Business Park	1.0
55	286025880000	STEPHEN F VAN NORMAN	2	\$ 15,900	\$ 121,200	\$ 137,100	Commercial	M-2 General Industrial	Business Park	1.0
56	286025870000		3	\$ 146,700	\$ 45,400	\$ 192,100	Industrial		Business Park	13.5
57	286027205000	CARDINAL GLASS INDUSTRIES INC	3	\$ 339,800	\$ 6,797,500	\$ 6,837,300	Industrial	M-2 General Industrial	Business Park	20.0
58 TOTAL	28002/160100	CARDINAL GLASS INDUSTRIES INC	3	\$ 253,600 \$ 3,602,800	\$ 4,672,700 \$ 33,743,300	\$ 4,926,300 \$37,046,100	Industrial	M-2 General Industrial	business Park	15.2 416.62
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^{*2018} Assessment data not available at the time this Project Plan was adopted.

Existing Land Uses and Property Conditions

The Existing Land Use Map in Appendix A includes the existing uses of property in the District. Excluding right-of-way, the land area in the District is comprised of approximately 25.4% Single Family Residential assessed properties (7 parcels), 33.3% Commercial assessed properties (29 parcels), 13.0% Manufacturing assessed properties (11 parcels), 19.2% Public and Institutional properties (7 parcels including the City's WWTF), 6.4% Vacant properties (2 parcels), and 2.8% Transportation related properties (2 parcels). In addition, according to the Wisconsin Department of Natural Resources Surface Water Data Viewer there are some designated mapped wetlands within the boundaries of the District; however, these wetlands do not break the continuity of the District boundary.

Zoning

The City of Tomah is zoned in accordance with an ordinance formally adopted by the City Council. A map identifying the zoning of property within the District is included in Appendix A. In addition, according to the Federal Emergency Management Association's Federal Insurance Rate Map, Panel 55081C0401D some of the properties within the District include designated 100-year floodplain areas.

Future Land Use

The Future Land Use Map in Appendix A includes the future land use designations of property in the District as depicted from the City of Tomah Comprehensive Land Use Plan (last amended January 10, 2017). The Comprehensive Plan identifies most of the properties within the District as either "Industrial" or "Business Park" uses. The Comprehensive Plan describes Industrial areas as suitable for either M-1 Limited Industrial, M-2 General Industrial or M-3 Highway Industrial zoning. The Comprehensive Plan describes Business Park areas as suitable for B-1 Office Business, B-2 Highway Business, M-1 Limited Industrial and M-2 General Industrial zoning.

Proposed Changes in the Community Development Plan, Map, Building Codes & Ordinances

No Official Map, Zoning Ordinance, or Building Code changes are necessary to create this District. Individual redevelopment proposals may require changes in zoning designations consistent with the intent of this Project Plan and the City of Tomah Comprehensive Plan, as implemented through City Zoning and Building Ordinances.

Section IV. Statement of Kind, Number, and Location of Public Works & Other Projects

The City of Tomah intends to implement a number of public works projects that will positively impact business, residential, and conservancy use in TID #9. These projects will be undertaken within the first 15 years of the TID's existence (i.e. through January 9th, 2033), subject to change based upon the relative needs of the City and the ability of the District to recoup expenses through the generation of tax increment. The following is a statement of the kind of projects which are eligible expenditures within the District.

A. Infrastructure for (Re)Development of the District:

Proposed infrastructure improvements to public or private property may include:

 Street (re)construction, relocation, removal, upgrading, or maintenance to facilitate development within TID #9. Street infrastructure includes associated bridges, sidewalks, curb & gutter, bike lanes, parking lanes, street lights, traffic signals, pedestrian signals (e.g. Rectangular Rapid Flash Beacons), signage, markings and other appurtenances and amenities for the safety and comfort of motor vehicle,

bicycle and pedestrian traffic. Alleyways are considered streets within the definition of this Project Plan.

- 2. Pedestrian and bicycle path construction.
- 3. Construct, upgrade, relocate, or abandon obsolete sanitary sewer system components and related appurtenances.
- 4. Construct, upgrade relocate, or abandon obsolete storm water drainage facilities and related appurtenances.
- 5. Construct, upgrade, relocate, or abandon obsolete water system components and related appurtenances.
- 6. Construct, upgrade, relocate, or abandon obsolete primary and secondary electric service including above or below ground electric distribution lines and related appurtenances.
- 7. Construct, upgrade, relocate, or abandon obsolete natural gas service and related appurtenances.
- 8. Construct, upgrade, relocate, or abandon obsolete telecommunication, fiber optic, and/or cable television service including above or below ground distribution lines and related appurtenances.

B. Streetscaping Improvements:

Streetscaping improvements designed to improve the aesthetics of the District including installation of landscaping, gateway, wayfinding, and street signage. This includes replacement of the existing gateway/wayfinding sign for the business park at the corner of Sime Ave. and USH 12 and the installation of new gateway/wayfinding signs on Industrial Ave off of I-94.

C. Site Improvements:

Site improvement activities required to make sites suitable for (re)development including, but not limited to: access drives; parking areas/facilities; landscaping; signage; entryway features; walkways; lighting; fencing; remodeling, rehabilitating, or expanding existing buildings; razing buildings; stripping topsoil; grading; compacted granular fill; topsoil replacement; soil stabilization; streambank stabilization; relocating power lines, utilities; and related activities.

D. Environmental Studies and Remediation

This may include costs associated with environmental studies; wetland delineations; purchase of wetland credits; floodplain delineations; floodplain hydraulic and hydrologic analysis; removal of lands from floodplains or wetland areas in accordance with local, state, and federal regulations as part of TID public works and rehabilitation projects; environmental remediation including the removal of above or below ground contamination or hazardous materials.

E. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects:

This may include, but is not limited to purchase of fee title; easements; inspections; appraisals; consultant fees; closing costs; real estate commissions and fees in lieu of commissions; surveying and mapping; lease and/or sale of property at or below market or purchase price to encourage or make feasible a public infrastructure or (re)development project. Relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plan, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 32.19 and 32.195 are eligible costs.

F. Development Funds/Incentives:

Payments made at the City Council's discretion to assist private developers in projects that carry out the goals of this Project Plan, the City's Comprehensive Plan, or other adopted City plans including land within the District. Such payments could include grants, zero-interest loans, or low interest loans for the purposes of land acquisition, environmental remediation, building and site improvements to non-residential or residential properties. No cash grants or loans will be provided until a developer agreement has been signed between the developer and the City. Costs related to reviewing developer incentive applications and creating development agreements are eligible project expenses.

G. Planning, Promotion & Economic Development:

Promotion and development of TID #9 including professional services for planning; marketing; recruitment; grant writing and grant administration for TID projects; marketing services and materials; advertising costs; administrative costs and support of development organizations are all eligible costs under this section. Costs related to the creation of this Project Plan and all future amendments to the Project Plan are an eligible project expense. In addition, the proportionate costs related to the creation or amendment of other City planning or engineering studies which include land area within the District are an eligible project expense.

H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA):

The City may provide funds to a CDA or RDA to be used for administration, planning and operations related to the purposes for which it was established to implement the goals or projects outlined in this Project Plan. At the time this Project Plan was created no CDA or RDA existed within the City so funding was not allocated to this project.

I. Administrative/Organizational Costs:

Imputed administrative costs including, but not limited to, a portion of the salaries of the City employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with the creation, amendment, and general administration of TID #9, and others directly involved with the projects over the life of the District. Also included as an eligible administrative cost is all creation, amendment and annual fees charged by the Wisconsin Department of Revenue related to the District.

J. Allocation of Excess Tax Increment from TID #9 (donor TID) to TID #8 (recipient TID):

The timing and amount of any future allocation payments shall be made at the discretion of the City Council. Allocation payments will end with the closure of either TID.

K. Financing Costs:

Interest, finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing TID #9 projects.

L. Equipment Purchases (Added in 2021)

Eligible equipment purchases include but are no limited to ladder fire trucks, street sweepers, snowplows, sanitary jet/vacuum trucks, dump trucks, paving equipment, front-end loader, backhoe, lawn mowers, high boom or other equipment deemed necessary to support the TID.

M. Tomah Owner-Occupied Housing Rehabilitation (TOOHAP) (Added in 2021)

To maintain the City's existing housing stock as an adequate and affordable option for residents, the City will create a housing rehabilitation forgivable loan program using TIF funds. This program is for projects where the property owner occupies one of the units. Eligible properties include any properties with permitted residential units within the TIF district and within the $\frac{1}{2}$ mile boundary per Wisconsin Statutes Section 66.1105(2)(f)(1)(n).

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The City will provide matching funds for structural repairs or other improvements necessary to comply with local building codes.

The projects listed in this section will provide necessary facilities, land area, and support to enable and encourage the (re)development of TID #9. These projects may be implemented by the City Council in varying degrees in response to development needs and will be guided by the TID #9 Project Plan, the City's Comprehensive Plan, other existing plans and policies of the City, and public input.

A map identifying project locations in TID #9 is provided in Appendix A. As stated on the map, Projects A-K may occur anywhere within the boundaries of the District as authorized by the City Council. Locations of projects shown on the map are preliminary and subject to change based on final engineering design. In addition, pursuant to Wisconsin Statutes Section 66.1105(2(f)(1)(n), the City may undertake projects within territory located within one-half (1/2) mile of the boundary of the District, and pay for them using tax increment, provided that:

- 1. The project area is located within the City's corporate boundaries; and
- 2. The projects are an eligible TID expenditure within this Project Plan; and
- 3. The expenditure must be made within the expenditure period; and
- 4. Prior approval of the expenditure must be obtained from the Joint Review Board.

The one-half mile boundary of TID #9 is illustrated on the Project Locations Map in Appendix A. Any of the projects listed in this Project Plan may occur within the half-mile boundary of TID #9, upon adoption of this Project Plan and authorization by the City Council. Note, there is an existing wayfinding/gateway sign for the business park at the corner of Sime Ave. and USH 12 on City owned land. The location of the existing sign appears to lay just outside of the 1/2-mile boundary by a distance of less than 200 feet; however, the parcel on which the sign lies is within the 1/2-mile boundary. Given the proximity of the sign to the 1/2-mile boundary, and its purpose to support development and businesses within the District, by virtue of adoption of this Project Plan the Joint Review Board acknowledges the City may use future tax increment to improve or replace the existing gateway/wayfinding sign as the sole purpose of this sign is to serve the District, particularly since Wisconsin Statutes Section 66.1105(2)(f)1.k allows expenditures outside the 1/2-mile boundary for amenities on streets outside the district if the improvement is necessitated by the project plan for the district.

Section V. List of Estimated Project Costs & Expenditures

Table 3 lists the estimated total expenditures for each project category. This format follows Wisconsin Department of Revenue guidance on detailed project costs (pe-209), which states the project list should include "estimated expenditures expected for each major category of public improvements." It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses.

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Table 3: Estimated Project Costs & Expenditures

Project Categories	Estimated Project Cost	TID Share of Cost
A. Infrastructure for (Re)Development of the District	\$2,940,000	\$2,940,000
B. Streetscaping Improvements	\$50,000	\$50,000
C. Site Improvements	\$0	\$0
D. Environmental Studies and Remediation	\$25,000	\$25,000
E. Real Estate Inspections, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects	\$0	\$0
F. Development Funds/Incentives	\$15,427,542	\$15,427,542
G. Planning, Promotion & Development	\$61,750	\$61,750
H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA)	\$0	\$0
I. Administrative/Organizational Costs	\$61,750	\$61,750
J. Allocation Payments to TID #8*	\$427,164	\$427,164
K. Financing Costs	\$3,868,745	\$3,868,745
Subtotal	\$ 22,861,951	\$22,861,951

*Note the actual amount of tax increment allocated to TID #8 will be based on the actual performance of TID #9. The analysis in Table 6 projects \$427,164 in surplus tax increment when TID #9 closes. The City Council may transfer excess tax increment on an annual basis based on the actual performance of TID #9. All costs in Table 3 are

stated in 2018 prices and are preliminary estimates. The City should pursue grant, or low interest loan, programs to help share project costs included in this Project Plan, as appropriate. The City reserves the right to increase the costs to reflect inflationary increases and other unforeseen or uncontrollable circumstances between 2018 and the time of construction/implementation, such as higher than anticipated construction or financing costs. The City reserves the right to increase and decrease particular project costs within the Total TID Expenditure budget estimate without amending this Project Plan. For example, reallocating funds from one project category to another. Some project costs such as Real Estate Acquisition or Site Improvements do not include a TID Share Cost. This Project Plan assumes that activities/costs associated with these types of project expenditures would be included as part of a Development Incentive to a private entity (i.e. the City provides a development incentive to offset a developer's cost for real estate acquisition or site improvements). The City reserves the right to relocate funding from Development Incentives, or other project categories, to these other categories for the purpose of the City completing real estate acquisition or site improvements for the purposes of carrying out the objectives of this Project Plan.

The City Council may fund specific project cost items shown in Table 3 (e.g. Development Incentives) in significantly greater or lesser amounts in response to opportunities that will help the City accomplish the purposes of TID #9. For example, this Project Plan assume the City provides 20% of the Estimated Growth in New Development Value in the form of a Development Incentive (refer to Table 4). However, this does not obligate the City to provide 20% of future assessment growth to development projects. The City may fund individual projects to a greater or lesser extent. The City will generally use overall benefit to the City and economic feasibility (i.e. the availability of future tax increment revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID's expenditure period.

Wisconsin Statutes do not obligate the City to complete all of the proposed projects listed in the Project Plan; however, the expenditure period for TID #9 is limited to January 9th, 2018 through January 9th, 2033. The City retains the right to change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without further amending this Project Plan. Public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The needs of the City and the performance of the TID will be reviewed annually to determine if change is required to any of the

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proposed activities. Should the needs of the City change, projects may have to be slightly or substantially altered or even eliminated.

Section VI. Ineligible / Estimated Non-Project Costs

No ineligible project costs were identified at the time this Project Plan was considered for adoption. The following bullets identify public works projects that are not eligible to be paid with tax increments under Wis. Stat. 66.1105(2)(f).2.

- The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless the administrative buildings, police and fire buildings, libraries and community and recreational buildings were damaged or destroyed before January 1, 1997, by a natural disaster.
- The cost of constructing or expanding any facility, except a parking structure, if the City generally finances similar facilities only with utility user fees.
- General government operating expenses, unrelated to the planning or development of a tax incremental district.
- Cash grants made by the City to owners, lessees, or developers of land that is located within the tax incremental district <u>unless</u> the grant recipient has signed a development agreement with the City, a copy of which shall be retained by the City in the official records for that tax incremental district.

Non-project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments. Examples of non-project costs include 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, or special assessments. Other examples include public works projects that only partly benefit the District, such as a new water tower which serves properties both inside and outside of the District, and its ½ - mile boundary. That portion of the total project costs allocable to properties outside of the District, and its ½ - mile boundary, would be a non-project cost. No non-project costs were identified at the time this Project Plan was considered for adoption.

Section VII. Economic Feasibility

The projected income of TID #9 depends on the tax incremental revenue generated from within the District. There are three critical components in determining the future tax incremental revenue of a TID: New development increases in property value, inflation driven increases in property value, and the change in the full value tax rate. In projecting the future increment and income generated by TID #9, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

New Development Activities

The TID is projected to realize \$76,160,349 in new value over its anticipated 20-year life (2018-2038). This new value is projected to come from the development of vacant parcels, expansions of existing structures and redevelopment of underutilized parcels within the District (Refer to Table 4). The determination of parcels identified for new development is based, in part, on discussions with City staff regarding potential development opportunities, and an analysis of the condition and assessment utilization of parcels within the District. It is

anticipated that some of the parcels listed in Table 4 may not experience any redevelopment during the TID life time, while others not listed may. Redevelopment years are also an approximation based, in part, on the anticipated schedule of known redevelopment projects, land listed for sale, public and private improvement projects, and the readiness for development or marketability of each parcel. Estimated Construction Years may vary significantly from those shown in Table 4.

The identification of Types of New Development in Table 4 is not an indication of the zoning of property or allowable uses. Identification of proposed Types of New Development does not compel, or in any way obligate, the City to approve future redevelopment requests for these areas. However, those Types of New Development assumed in Table 4 are based on the City's Comprehensive Plan and existing zoning within the District. The City may consider other uses than those envisioned within this Project Plan for any particular parcel without amending this Project Plan. The City's Comprehensive Plan and Zoning Ordinance will guide decisions regarding appropriate use of properties within the District. It is anticipated that when specific development proposals/applications/projects are submitted to the City a change in the City's Official Zoning Map and/or Comprehensive Plan may be necessary to facilitate the development envisioned in this Project Plan. However, any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District as required under Wis. Stat. 66.1105.

Table 4: Estimated Value of New (Re)Development

Parcel						Assumed	E	st. Growth in New	Estimated
ID from	Assumed Type of New	Total	N		C	Construction	ı	Development	Construction
Map 1	Development	Acres	_	Base Value	4	Values	>	Value	Year
37	Industrial Expansion	27.60	\$	6,545,100	\$	9,700,000	\$	9,700,000	2018
26	Parking Lot Addition	2.50	\$	413,100	\$	50,000	\$	50,000	2018
34	Mini Storage	2.20	\$	35,100	\$	137,500	\$	137,500	2019
19	Industrial Expansion	11.35	\$	388,300	\$	250,000	\$	250,000	2020
7	New Industrial Business	18.34	\$	2,063,100	\$	4,140,303	\$	4,140,303	2021
14-18	New Industrial Business	26.92	\$	1,094,100	\$	13,644,529	\$	12,550,429	2023
40-45	New Industrial Business	13.95	\$	1,258,900	\$	7,357,651	\$	6,098,751	2025
1	New Industrial Business	19.66	\$	258,000	\$	6,034,022	\$	5,776,022	2027
56	New Industrial Business	13.47	\$	192,100	\$	5,707,088.08	\$	5,514,988	2029
47-52	New Industrial Business	36.17	\$	1,574,400	\$	21,478,653	\$	19,904,253	2031
9-11	New Industrial Business	15.17	\$	94,000	\$	9,371,964	\$	9,277,964	2033
39	New Industrial Business	5.49	\$	769,100	\$	3,529,239	\$	2,760,139	2035
	Total	192.84	\$	14,685,300	\$	81,400,949	\$	76,160,349	

Inflation Rate

Annual property value inflation is assumed to be 0.50% over the life of the District. The annual average inflation rate for the United States from 1999 to 2017 has been 2.3%, and 1.7% from 2012 through 2017 (www.usinflationcalculator.com). During this same period the Consumer Price Index has averaged a 2.0% annual percentage increase, and 1.0% in the past five years (Bureau of Labor Statistics). Using a 0.50% annual inflation rate for property assessment values will provide a conservative estimate of projected tax increment.

Full Value Tax Rate

The analysis in Table 5 assumes that the tax rate will increase annually at a rate of 0.50%, starting with the 2016 net mill rate of \$23.55 per thousand dollars of assessment value and increasing to \$25.89 in 2038. Since

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year 2000, the tax rate for the City has ranged from a low of \$20.33 in 2007 to a high of 30.79 in 2000. Using a 0.5% annual inflation rate for property taxes will provide a conservative estimate of projected tax increment.

Table 5 (page 13) presents the projected income for TID #9 commencing in 2018 and running over the remaining life of the District). The Base Value, or year one value, of the District is estimated to be \$37,046,100, excluding personal property (note 2018 assessment values were not available at the time this Project Plan was adopted). Nine parcels are tax exempt, five of which are City owned and used for public purposes. Note, under Act 254 signed into law in 2016, City-owned property is excluded from the base value calculation for the District (i.e. market rate values are no longer required for any municipal owned property that is not used for a municipal purpose when calculating the Base Value, provided the property was not acquired within one year prior to the TID creation date). None of the City-owned parcels were acquired within one-year of the creation date of the District.

Over the life of the TID the projected total amount of tax increment collected is estimated to be \$22,861,161 (Column J, Table 5). This projected tax increment will be used to pay for public works projects within the District described in Section IV and V of this Project Plan.



City of Tomah, WI

Table 5: Projected Income

City of Tor	mah	TID#9								
Α	В	С	D	E	F	G	н	1	J	К
IMPROV.	BEGINNING	EST. GROWTH			END	TAX	TAX	TAX	TAX	
DURING	OF YEAR	IN VALUE OF	CUMULATIVE	INFLATION	OF YEAR	INCREMENT	VALUE	RATE ³	INCREMENT	COLLECTION
YEAR	VALUE	NEW DEVELOP.1	VALUE	INCREMENT ²	VALUE	VALUE	YEAR	\$1,000	COLLECTED	YEAR
2018	\$37,046,100	\$9,750,000	\$46,796,100	\$0	\$46,796,100	\$9,750,000	2019	\$23.55	\$229,567	2020
2019	\$46,796,100	\$137,500	\$46,933,600	\$233,981	\$47,167,581	\$10,121,481	2020	\$23.66	\$239,505	2021
2020	\$47,167,581	\$250,000	\$47,417,581	\$235,838	\$47,653,418	\$10,607,318	2021	\$23.78	\$252,257	2022
2021	\$47,653,418	\$4,140,303	\$51,793,721	\$238,267	\$52,031,989	\$14,985,889	2022	\$23.90	\$358,167	2023
2022	\$52,031,989	\$0	\$52,031,989	\$260,160	\$52,292,148	\$15,246,048	2023	\$24.02	\$366,207	2024
2023	\$52,292,148	\$12,550,429	\$64,842,577	\$261,461	\$65,104,038	\$28,057,938	2024	\$24.14	\$677,315	2025
2024	\$65,104,038	\$0	\$65,104,038	\$325,520	\$65,429,558	\$28,383,458	2025	\$24.26	\$688,599	2026
2025	\$65,429,558	\$6,098,751	\$71,528,310	\$327,148	\$71,855,458	\$34,809,358	2026	\$24.38	\$848,718	2027
2026	\$71,855,458	\$0	\$71,855,458	\$359,277	\$72,214,735	\$35,168,635	2027	\$24.50	\$861,765	2028
2027	\$72,214,735	\$5,776,022	\$77,990,757	\$361,074	\$78,351,831	\$41,305,731	2028	\$24.63	\$1,017,208	2029
2028	\$78,351,831	\$0	\$78,351,831	\$391,759	\$78,743,590	\$41,697,490	2029	\$24.75	\$1,031,989	2030
2029	\$78,743,590	\$5,514,988	\$84,258,578	\$393,718	\$84,652,296	\$47,606,196	2030	\$24.87	\$1,184,118	2031
2030	\$84,652,296	\$0	\$84,652,296	\$423,261	\$85,075,558	\$48,029,458	2031	\$25.00	\$1,200,619	2032
2031	\$85,075,558	\$19,904,253	\$104,979,811	\$425,378	\$105,405,188	\$68,359,088	2032	\$25.12	\$1,717,354	2033
2032	\$105,405,188	\$0	\$105,405,188	\$527,026	\$105,932,214	\$68,886,114	2033	\$25.25	\$1,739,247	2034
2033	\$105,932,214	\$9,277,964	\$115,210,178	\$529,661	\$115,739,839	\$78,693,739	2034	\$25.37	\$1,996,806	2035
2034	\$115,739,839	\$0	\$115,739,839	\$578,699	\$116,318,538	\$79,272,438	2035	\$25.50	\$2,021,547	2036
2035	\$116,318,538	\$2,760,139	\$119,078,677	\$581,593	\$119,660,270	\$82,614,170	2036	\$25.63	\$2,117,300	2037
2036	\$119,660,270	\$0	\$119,660,270	\$598,301	\$120,258,571	\$83,212,471	2037	\$25.76	\$2,143,297	2038
2037	\$120,258,571	\$0	\$120,258,571	\$601,293	\$120,859,864	\$83,813,764	2038	\$25.89	\$2,169,578	2039
2038	\$120,859,864	\$0	\$120,859,864	\$604,299	\$121,464,163	\$84,418,063	2039	\$26.02	х	2040
	TOTAL	\$76,160,349		\$8,257,714					\$22,861,161	

ASSUMPTION

1. Refer to Table 4

2.0.5% inflation of assessment values over the life of the TID

3.0.5% inflation of tax rate over the life of the TID

TID DATES

Creation Date: January 9th, 2018
Expenditure Period: January 9th, 2033
Termination Date: January 9th, 2038

The numbers presented in Table 5 are estimates subject to change based upon actual development and construction activity in the District and changes to property assessment and tax rates. Nothing contained herein shall be construed as a guarantee of tax increment by MSA.

City of Tomah, WI

Table 6 (page 15) presents the projected annual and total performance of the District. There are three critical components in determining the future performance of the TID: the amount of annual revenue (see Table 5), the cost and timing of public improvement projects, and the terms of debt service associated with these projects. In projecting the future performance of TID #9, assumptions were made for each of the abovementioned critical components. These assumptions are described below.

Schedule of Public Improvements/Debt Issuance

Table 6 includes \$18,442,542 in anticipated Capital Expenditures (Column M). Over the life of the TID the projected total amount of debt service on these capital expenditures is estimated at \$22,311,287 (Column N). This includes principal costs and interest on debt. Table 6 assumes the City will incur new debt in support of the TID on 12 different occasions. The timing of debt occurrence is coordinated with anticipated public works (Table 3) and private redevelopment projects ("development incentives", see Table 4). Public works projects include decommissioning the lift station at the corner of Sime Ave. and Townline Rd. in 2024; gateway and wayfinding signage in 2024; street and utility reconstructions of Plastic Ave in 2024, Cardinal Ave/Rusch St. in 2026, and Toro St./Martin Ave. in 2028. Terms of debt issuance include the following assumptions:

- 1. 2018, \$500,000 @ 4.25% interest fixed over 15 years plus \$2,250,000 under a Develop Financed TIF Agreement (i.e. pay-go)
- 2. 2020, \$50,000 @ 4.00% interest fixed over 10 years
- 3. 2021, \$828,061 @ 4.00% interest fixed over 10 years
- 4. 2023, \$2,510,086 @4.50% interest fixed over 10 years
- 5. 2024, \$575,000 @ 4.50% interest fixed over 10 years
- 6. 2025, \$1,219,750 @4.75% interest fixed over 10 years
- 7. 2026, \$975,000 @4.75% interest fixed over 10 years
- 8. 2027, \$1,155,204 @ 5.00% interest fixed over 10 years
- 9. 2028, \$1,440,000 @ 5.00% interest fixed over 10 years
- 10. 2029, \$1,102,998 @ 4.50% interest fixed over 5 years
- 11. 2031, \$3,980,851 @ 4.50% interest fixed over 5 years
- 12. 2033, \$1,855,893 @ 4.50% interest fixed over 5 years

The timing, amount, and methods of financing are general assumptions for the purposes of estimating the economic feasibility of the Project Plan. The values in Table 6 should not be construed as commitments by the City to finance any particular TID project. In addition, it is assumed that any Annual Cash Flow deficits in the TID will be made whole by the City's General Fund. Table 6 assumes the General Fund charges interest to the TID Fund at a rate of 4.04% for annual advances (the current Wisconsin Local Government Investment Pool rate, plus 3.0%). The principal on any annual advances would be paid back by the TID prior to termination. The timing of projects and amount of debt occurrence may vary from that described in Table 6 and the City is not obligated to complete all of the proposed projects listed in the Project Plan. Unless the District is formally extended, projects must be undertaken before January 9th, 2033 to remain TID-eligible expenses.

Other Costs

Table 6 includes a separate column for other TID eligible reimbursable costs for which debt issuance isn't anticipated such as Project Categories G (Planning) and I (Administration/Organizational Costs).

Other Income

Includes other income received in support of the TID, for example computer aid, grants funds for public works projects, etc. To provide a more conservative performance analysis no additional other income is assumed.

City of Tomah, WI

Estimated Interest on Income

Equal to the previous year's TIF Increment Balance (Column T) multiplied by 0.5%. Interest is calculated only if there is a positive TIF Increment Balance.

Table 6 presents the projected performance for TID #9 over the life of the District. Given the projected income and expenditure assumptions the District is expected to close with a positive cash flow of \$427,164. Note, Tables 5 and 6 assume the City adopts the termination resolution between May 16, 2038 and May 15, 2039; therefore, the TID would receive a final tax increment payment in year 2039 (for 2038 taxes).

Table 6: Performance Analysis

City of To	City of Tomah TID #9								
L	M	N	0	Р	Q	R	S	Т	U
	CAPITAL	ANNUAL	ADMIN &	TOTAL	TAX		EST.		TID
PAYMENT	EXPENDITURE	DEBT	OTHER	USES	INCREMENT	OTHER	INVESTM	ANNUAL	FUND
YEAR	COSTS ¹	SERVICE ²	COSTS ³	TID FUNDS	COLLECTED	INCOME4	INCOME ⁵	CASH FLOW	BALANCE
2018	\$2,750,000	\$0	\$13,500	\$13,500	\$0	\$0	\$0	(\$13,500)	(\$13,500)
2019	\$0	\$545	\$5,000	\$5,545	\$0	\$0	\$0	(\$5,545)	(\$19,045)
2020	\$50,000	\$228,576	\$5,000	\$233,576	\$229,567	\$0	\$0	(\$4,009)	(\$23,055)
2021	\$828,061	\$228,738	\$5,000	\$233,738	\$239,505	\$0	\$0	\$5,767	(\$17,288)
2022	\$0	\$234,580	\$5,000	\$239,580	\$252,257	\$0	\$0	\$12,677	(\$4,611)
2023	\$2,510,086	\$334,672	\$5,000	\$339,672	\$358,167	\$0	\$0	\$18,495	\$13,884
2024	\$575,000	\$334,486	\$5,000	\$339,486	\$366,207	\$0	\$69	\$26,790	\$40,674
2025	\$1,219,750	\$646,656	\$5,000	\$651,656	\$677,315	\$0	\$203	\$25,863	\$66,537
2026	\$975,000	\$718,166	\$5,000	\$723,166	\$688,599	\$0	\$333	(\$34,234)	\$32,303
2027	\$1,155,204	\$871,632	\$5,000	\$876,632	\$848,718	\$0	\$162	(\$27,753)	\$4,550
2028	\$1,440,000	\$994,304	\$5,000	\$999,304	\$861,765	\$0	\$23	(\$137,516)	(\$132,966)
2029	\$1,102,998	\$1,146,708	\$5,000	\$1,151,708	\$1,017,208	\$0	\$0	(\$134,501)	(\$267,466)
2030	\$0	\$1,335,423	\$5,000	\$1,340,423	\$1,031,989	\$0	\$0	(\$308,434)	(\$575,900)
2031	\$3,980,851	\$1,594,642	\$5,000	\$1,599,642	\$1,184,118	\$0	\$0	(\$415,525)	(\$991,425)
2032	\$0	\$1,480,645	\$5,000	\$1,485,645	\$1,200,619	\$0	\$0	(\$285,026)	(\$1,276,451)
2033	\$1,855,593	\$2,224,176	\$10,000	\$2,234,176	\$1,717,354	\$0	\$0	(\$516,822)	(\$1,793,273)
2034	\$0	\$2,245,056	\$5,000	\$2,250,056	\$1,739,247	\$0	\$0	(\$510,809)	(\$2,304,082)
2035	\$0	\$2,323,513	\$5,000	\$2,328,513	\$1,996,806	\$0	\$0	(\$331,707)	(\$2,635,789)
2036	\$0	\$2,018,645	\$5,000	\$2,023,645	\$2,021,547	\$0	\$0	(\$2,097)	(\$2,637,886)
2037	\$0	\$1,865,264	\$5,000	\$1,870,264	\$2,117,300	\$0	\$0	\$247,036	(\$2,390,849)
2038	\$0	\$842,031	\$10,000	\$852,031	\$2,143,297	\$0	\$0	\$1,291,266	(\$1,099,583)
2039	\$0	\$642,831	\$0	\$642,831	\$2,169,578	\$0	\$0	\$1,526,747	\$427,164
TOTAL	\$18,442,542	\$22,311,287	\$123,500	\$22,434,787	\$22,861,161	\$0	\$790		

ASSUMPTION

1. Capital Expenditures (Projects A-F)

2. Includes Principal & Interest on Capital Expenditure and Interest on General Fund Advances @ 4.04% of Annual TID Fund Deficit | Expenditure Period: January 9th, 2033

3. Administration Costs (Project Types G-I)

4. Other Income (Land Sales, Grants, Intergovernmental Revenue, etc.)

5. Interest on Investment Income = 0.5%

The numbers presented in Table 6 are estimates subject to change based upon the actual performance of the District and City approval of specific TID eligible expenditures. The timing of projects, expenditure totals, and debt occurrence may vary from that described in Table 6 and the City is not obligated to complete all of the proposed projects listed in the Project Plan.

Note that the assumptions used to create Table 5 and Table 6 illustrate that the Project Plan is feasible and that the anticipated revenues are sufficient to cover anticipated expenditures. Any annual shortfalls in the TID Fund Balance are anticipated to be recovered within the TID's maximum life. Any excess tax increment may be allocated from TID #9 to TID #8.

TID DATES

Creation Date: January 9th, 2018

Termination Date: January 9th, 2038

City of Tomah, WI

The value of the District when it terminates in 2038 is projected to be \$121,464,163 (Column F, Table 5), or a growth of assessed values of \$84,418,063 (Column G, Table 5). This development would likely not occur, or would likely occur at significantly lower values or timeframes, but for the creation of the District. TID #9 is a mechanism to make improvements in an area of Tomah which is in need of rehabilitation and redevelopment to promote industrial, commercial, and mixed use developments and the construction of associated public infrastructure. All taxing jurisdictions will benefit from the increased property values, public safety, and community vitality which will result from the projects planned in TID #9. Table 7 (page 16) provides a summary of the impact on overlying taxing jurisdictions over the life of the District.

Table 7: Analysis of Impact on Overlying Taxing Jurisdictions

	Percentage	Annual Taxes	Annual Taxes	Increase in Annual	Proportionate
	of Mill Rate	Collected on	Collected After	Tax Collections	Share of Taxes Collected
	by Jurisdiction	Base Value	TID Closure	After TID	Over Life of District
City	36.35%	\$317,028	\$1,148,481	\$831,454	\$8,308,985
County	24.10%	\$210,214	\$761,533	\$551,319	\$5,509,507
School	31.36%	\$273,550	\$990,976	\$717,427	\$7,169,477
Tech	7.02%	\$61,200	\$221,707	\$160,507	\$1,603,998
Lake District	0.42%	\$3,649	\$13,219	\$9,570	\$95,636
State	0.76%	\$6,622	\$23,989	\$17,367	\$173,557
Total	100.00%	\$872,263	\$3,159,906	\$2,287,643	\$22,861,161

Section VIII. Equalized Value Test

Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities are restrained in their use of TIF such that the equalized value of taxable property of the (new/amended) district area plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the municipality. The total assessed value of taxable property in TID #9 as of January 1, 2017 is \$37,046,100, excluding personal property. The City has one other active TID, TID #8, with a value increment as of January 1, 2017 of \$1,793,500. The total municipal equalized value as of January 1, 2017 for the City is \$663,382,400. Table 7 indicates that creation of TID #9 may bring the City's TID to total municipal value ratio to approximately 5.85%, well within the 12% limit.

Table 8: Equalized Value Test

Total Assessed Value of TID #9 Parcels (as of January 1, 2017), excluding Personal Property	\$ 37,046,100
Aggregate Value Increment of All Active TIF Districts (as of January 1, 2017)	\$ 1,793,500
Total Value	\$ 38,839,600
Total Municipal Equalized Value (as of January 1, 2017)	\$ 663,382,400
12% Test - Compliance	5.85%

^{*2018} Assessment data not available at the time this Project Plan was adopted.

Section IX. Methods of Financing¹ & Timetable

Financing Methods

Under Wisconsin law there are several methods of borrowing, some of which apply against a municipality's debt limit, and others that do not apply against the limit. The state sets this limit at five percent (5%) of the municipality's total equalized property valuation. Based on the City's 2017 total municipal equalized value this limit would be \$33,169,120. According to the City Treasurer, beginning in 2018 the City has existing general debt obligations of \$19,177,223, or 2.9% of the total municipal equalized value. Using this data, the current remaining debt capacity of the City is about \$13,991,897. Therefore, the City should have sufficient debt capacity to advance funds to TID #9 as needed to cover annual TID fund deficits should it arise.

The feasibility of financing specific projects at any given time using a particular method can be determined based on the municipality's current fiscal situation, anticipated non-TIF related capital needs, the amount of money to be borrowed, interest rates, and lending terms. Possible funding sources for TID eligible expenditures include any of the following:

- A. <u>General Obligation Borrowing</u>. General Obligation Borrowing includes all types of municipal borrowing from banks, the State Trust Fund, or other lending institutions. This method of borrowing requires little effort or legal expenditures and works particularly well for smaller projects.
- B. <u>General Obligation Bonding</u>. General Obligation Bonds are a debt instrument backed by the full faith and credit of the municipality and its ability to raise revenue through taxation. In the case of default, the municipality is liable for repayment of the debt. As a result, this type of debt can often result in lower interest rates than regular General Obligation Borrowing. The high fees associated with the issuance of these bonds make them more attractive for larger projects.
- C. <u>Mortgage Revenue Bonds</u>. Revenue Bonds are a debt instrument backed by revenue generated from the project. These types of bonds are also mainly used for larger debt issuances due to their relatively high associated fees. They are typically issued by municipal bodies that raise revenues on a fee for service type basis, such as the Water & Sewer Utility. These types of bonds generally do not count against a municipality's five percent debt limit.
- D. <u>Special Assessment "B" Bonds</u>. Special Assessment "B" Bonds are a debt instrument backed by the municipality's ability to raise revenue from special assessments charged to persons, organizations, or businesses receiving benefits from the project. These bonds also do not normally count against a municipality's debt limit.
- E. <u>Federal/State Loan and Grant Programs</u>. The State and Federal Government often sponsor grant and loan programs that municipalities may potentially use to supplement TIF expenditures or provide financing for capital costs which positively impact the District. These programs include Wisconsin Community Development Block Grants, Rural Development Administration Community Facility Loan/Grants, Transportation Economic Assistance Grants, and Economic Development Administration Grants. These programs require local match funding to insure State and Federal participation in the project.

-

¹ The listing of potential financing options is not a recommendation by MSA Professional Services regarding the particular financing option the City should use to finance TID #9 projects.

City of Tomah, WI

- F. <u>General Fund Expenditures.</u> The City may choose to pay for some projects using advances from General Fund revenues. Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the General Fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.
- G. <u>Utility Fund Expenditures</u>. The City may choose to pay for some projects using advances from <u>Utility Fund</u> revenues (e.g. Water, Sewer, Stormwater). Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the appropriate utility fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.
- H. <u>Developer Financed TIF Agreements</u>. Another option to pay for TID eligible expenditures is through a Developer Funded or Pay-As-You-Go TIF Agreement. Under this option the Developer borrows funds that the City would have borrowed under a traditional developer's agreement to complete an improvement project. The Developer is refunded through payments by the City, including possible interest charges, as increment is generated from the improvement project.

If financing as outlined in this Project Plan proves unworkable, the City of Tomah reserves the right to use alternate financing solutions for the projects as they are implemented.

Financing Timetable

The City Council is not mandated to make improvements defined in this Project Plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions, budgetary constraints and merits of the project at the time a project is scheduled for consideration. The actual implementation of projects and the timing of financing may be accelerated or deferred from the timing described in this Project Plan, depending on conditions existing at the time. The expenditure period for TID #9 is January 9th, 2018 through January 9th, 2033.

Section X. Relocation

Although relocation is currently not anticipated, if relocation were to become necessary in the future as a result of proposed projects in TID #9, the following is the method proposed by the City, or Community Development Authority/Redevelopment Authority, for displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statues and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (WDOA) on Relocation Benefits. The City will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes 32.27. The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

Section XI. Legal Opinion

An opinion from the City legal counsel regarding the Project Plan for TID #9 and its compliance with s. 66.1105 of Wisconsin Statutes is provided in Appendix H.

City of Tomah, WI

Section XII. Glossary of TIF Related Terms

<u>Base Value:</u> The aggregate value, as equalized by DOR, of the real, personal, and non-exempt municipal-owned property located within the TID as of the valuation date.

<u>Estimated Growth in Value of New Development:</u> The estimated growth in tax assessment value attributed to new development or redevelopment of parcels in the TID. Calculated by subtracting the base value of parcels from an estimated post (re)development equalized value.

<u>Equalized Value</u>: The estimate of the State of Wisconsin Department of Revenue of the full market value of property; used to apportion property tax levies of counties, school districts and municipalities among tax districts.

Expenditure Period: The time during which expenses may be incurred for the implementation of the approved Project Plan and the completion of the projects outlined therein. The current maximum expenditure period for all districts ends five years before the unextended maximum life of the TID.

Non-Project Costs: As part of the Project Plan, there may be investments that are not eligible for TIF, or that are paid for with revenue other than tax increment revenue – such as a grant.

<u>Project Plan:</u> The plan, properly submitted and approved by the Wisconsin Department of Revenue, for the financial development or redevelopment of a TID, including all properly approved amendments.

<u>Tax Incremental District (TID):</u> The contiguous geographical area within a municipality consisting solely of whole units of property as are assessed for general property tax purposed not including railroad rights of way, rivers or highways, or wetlands as defined in Wisconsin Statutes 23.32.

Tax Incremental Financing (TIF): A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for, the property taxes go to the municipality, county and school districts.

<u>Tax Increment:</u> The taxes levied by all overlying taxing jurisdictions on the value between the base value and the current value of the TID, also known as the value increment. These taxes are sent to the municipality who operates the TID, and used to pay for the approved project costs laid out in the Project Plan.

<u>Tax Increment Value:</u> The difference in value between the base value and the current value. This is the amount of property value that can be attributed to the TIF investment, and as such is the portion of the tax base that is used to generate the tax increment that pays for the investment.

<u>Tax Rate:</u> The rate, usually expressed in terms of dollars per one thousand dollars of assessed valuation, at which taxes are levied against the total assessed valuation of the municipality. Due to changes in the total assessed valuation of the municipality from year to year, the tax levy change and the tax rate change will not be the same. The tax rate change reflects what impact the property owner will see in their total taxes.

Project Plan

Amendment No. 1 of Tax Incremental Finance District No. 10

City of Tomah, WI Project No. 67011

Drafted:

Date of City Council Approval: TBD

TID #10:

District Type: Mixed-Use

Creation Date: 05/08/2018

Expenditure Period: 05/08/2033

Termination Date: 05/08/2038



City of Tomah, WI

Project No. 67007



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- Future Land Use Map
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Appendix H: Legal Opinion

*Note Appendix B-H will be compiled upon completion of the project meetings for submission to the Wisconsin Department of Revenue.

City of Tomah, WI

Section I. Introduction and Planning Schedule

Wisconsin State Statute §66.1105 prescribes the process for creating a Tax Increment Finance District (TID). The law requires public input in the TID creation process, including a public hearing held by the Planning Commission at which TID information is discussed and citizens can reasonably voice their opinions on the proposed TID Project Plan. A three-phased approval process is required to adopt TIF Districts including approval by the Planning Commission, City Council, and the Joint Review Board (JRB).

Table 1: Project Schedule

Date	Meeting/Action	
March 8 & 15, 2018	Notice of Public Hearing	
March 22, 2018	JRB meeting: election of chair and public member	
March 22, 2018	Public Hearing	
March 22, 2018	Planning Commission Meeting	
May 8, 2018	City Council Meeting	
May 22, 2018	JRB Meeting: final approval	
By October 31, 2018	Project Plan submitted to the Wisconsin Department of Revenue (WIDOR) for Certification	

The Project Plan for TID #10 in the City of Tomah, Wisconsin, has been prepared in compliance with Section 66.1105, Wis. Stats. The Project Plan establishes the need for the TID, lists the expected improvements within the TID, provides an estimated time schedule for completion of the projects and an estimated budget. The Project Plan is to be adopted by resolution of the Joint Review Board and City Council on the recommendation of the City Planning Commission as the official plan and guide for public and private sector (re)development and investments within the boundaries of TID #10 and the area within ½-mile of TID #10.

Implementation of the Project Plan and construction of the public and private improvements listed will still require individual consideration and authorization by the City Council. Public expenditures for projects listed in the Project Plan should and will be based on the ability of the City to finance the projects, market conditions, and the status of development at the time a project is scheduled for construction. The City Council is not mandated to make the public expenditures described in this plan, but is limited to the types of expenditures listed herein. Any changes to the territory or types of eligible projects will require a formal amendment to the Project Plan with public review (including a public hearing), Planning Commission, City Council and Joint Review Board approval. Redistribution of project expenditures from one project category to another will not require an amendment to the Project Plan.

The current status of Wisconsin state legislation allows TID #10 to have a 15-year expenditure period (i.e. through May 8, 2033) and a maximum life of 20 years (i.e. through May 8, 2038). The District boundary may be amended only four times during the life of the TID under current law. In addition, the City may also amend the project types and costs at any time during the 15-year expenditure period. There are no limitations to the number of times the City can complete a non-territory Project Plan amendment. At the time this Project Plan was created allocation of future excess tax increments from TID #10 (Donor) to TID #8 (Recipient) was an approved project expenditure. As such TID #10 cannot receive the standard extension to its maximum life under 66.1105(6)(f)4, Wis. Stats. It is the intent of the City to continually monitor State legislative changes regarding Section 66.1105, Wis. Stats. in order to determine its potential effect on this and future TIF Districts within the City of Tomah.

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As required by Section 66.1105, Wis. Stats., a copy of this Project Plan will be submitted to the Department of Revenue and used as the basis of their certification of the creation TID #10 in the City of Tomah.

Section II. Statement of Purpose & Orderly Development

The specific purpose of TID #10 is to carry out various (re)development and urban renewal projects within the District, or within 0.5 miles of the boundary of the District in support of tax base growth, business and employee retention and expansion, and infrastructure improvements. TID #10 is being proposed as a "Mixed Use" TIF District and generally includes properties in the City of Tomah west of Superior Ave., east of W. Clifton Ave., north of I-90 and south of W. Logan St. The TID includes land within the vicinity of the planned new Tomah Memorial Hospital and Gundersen Medical Clinic (refer to Appendix A for a map of the District). Creation of the District supports one of the City's goals in its Comprehensive Plan to retain, expand, create, and attract businesses that strengthen and diversify the local economy, grow the tax base, and enhance employee wages and benefits. Creation of the TID also supports four of the City's 10 in 10 List (ten actions to complete in the next 10 years) as identified in the Comprehensive Plan:

- Build a recreational facility with indoor pool, fitness areas, community room space, etc.
- Extend a bike/walking trail around Lake Tomah and provide additional trails to major destinations in the City.
- Attract and develop additional large employers with good wages and benefits.
- Attract and develop more businesses on the south side of the City.

Figure 1 (page 3) provides aerial image of the land within and around TID #10. For a number of years Tomah Memorial Hospital has been exploring the possibility of building a new and modern facility to meet the growing demands of the health care business. Since opening in 1952, the current hospital at 321 Butts Avenue has undergone building expansions in 1964, 1994 and 2004. However, the location no longer allows for future growth. In January 2014, the City of Tomah approved an annexation petition for approximately 33 acres of land the Hospital had purchased off of Gopher Ave. on the City's south side. In January 2017 the City approved an annexation petition for an additional 1.3 acres of property the Hospital had purchased in the same location. In May 2018 (prior to adoption of this Project Plan), the City approved a final annexation petition for an additional 10.39 acres of property the Hospital purchased in the same location. Together the approximately 45-acre site encompasses the location of a planned 140,000 square foot three-story hospital and 50,000 sq. ft. community/wellness facility (refer to Figure 2).

Gundersen Health Systems is also proposing to build a new two-story 77,000 square foot medical office building on the hospital site to replace its 25,000 square foot clinic on Tomah's north end (1330 North Superior Ave.) built in 1995. The City of Tomah is also exploring the possibility of locating a new County Nursing Home on the west side of the planned hospital site (~\$16M construction value). Together these developments would

encompass a south side health care complex serving the needs of both the City, Monroe County, and broader region with convenient access via I-90. Ground breaking on the new \$66M Hospital occurred in September of 2017 and is slated to be completed in 2019. Ground breaking on the new \$22M Clinic is expected to occur in 2018 with completion in 2019. A wellness/community facility, including an indoor swimming pool, is not part of immediate construction plans unless a

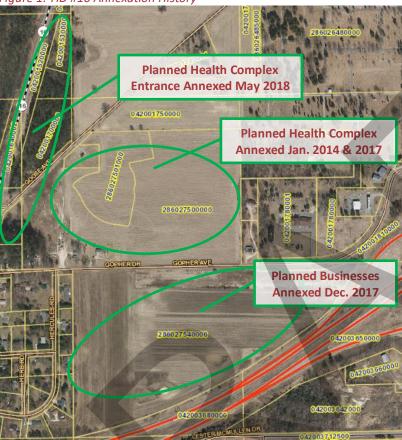


An architect's drawing of the Gundersen Clinic that's expected to be completed in mid-2019.

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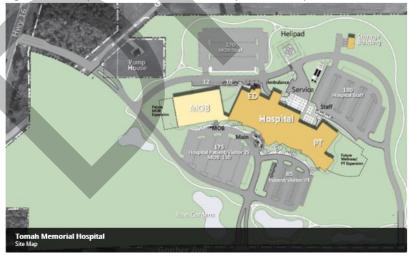
significant benefactor comes forward. Hospital officials are still actively seeking partnerships to take on that part of the project.

Figure 1: TID #10 Annexation History



In 2017, the City also approved an annexation petition for 44 acres of land on the south side of Gopher Ave. adjacent to the planned health care complex. The Future Land Use Map for the City's Comprehensive Plan identifies this area for future Business Park Development. The City anticipates that the new medical facilities will create increase demand for additional commercial and retail business such as a hotel and restaurants.





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In order to facility the planned development the City will need to complete a number of public works to improve roadways and bring sanitary and water services to the properties. A significant portion of these costs are being reimbursed by Tomah Memorial Hospital, with the City's desire to use tax increment to fund the remaining balance. In addition, the City has been working toward its goal, as expressed in the Comprehensive Plan, to extend the existing Tomah Recreation Trail from its terminus at the Tomah Aquatic Center around the south side of the City and the west side of Lake Tomah to its point of beginning. Extension of the trail to the planned health care facilities would not only help achieve this goal but also provide an alternative mode of transportation to reach the planned community/wellness facility. The City has also expressed a desire through their Downtown Master Plan to improve the street lighting and streetscaping along Superior Ave. from I-90 as this is a primary entrance into the community; however its current condition is not as inviting. The planned health care facilities only emphasizes the need to improve the lighting and wayfinding along Superior Ave. on the south side of the City. Finally, there are a few adjacent platted and unplatted residential lots that have been vacant for a number of years. The City desires to improve the infrastructure adjacent to these lots to spur development and to improve access from the northern neighborhood to the medical facilities.

The City also desires to allow the potential allocation of future excess tax increment from TID #10 to the City's other existing TID #8. TID #8 was created in 2015 as a rehabilitation/conversation district for the purposes of facilitating rehabilitation and redevelopment within Downtown Tomah. By establishing TID #10 as a donor TID the City Council will have the authority to transfer excess increment from TID #10 to TID #8 for the purposes of facilitating development projects and improving the performance of TID #8. The Council will still have the ability to close TID #10 early and is not obligated to transfer any or all excess tax increment.

The City recognizes that without the creation of TID #10 the City would not have sufficient financial resources to complete public infrastructure improvement projects within the District. Furthermore, the City recognizes that by using tax increment financing to offset some costs, the municipality may convince developers and businesses to make improvements to private development within the District that may not otherwise occur, or would occur to a lesser extent. The creation of TID #10 will encourage the development of a new regional health care complex, supporting new jobs and economic development while also providing opportunities to use excess tax increment to support the City's other existing TID #8. It is for these reasons that the City of Tomah is creating TID #10.

Summary of Findings

In creating TID #10, the City of Tomah has made the following findings, consistent with Section 66.1105 of Wisconsin Statutes:

- The District is contiguous and contains only whole units of parcels. The boundaries of the District are of sufficient definiteness to identify with ordinary and reasonable certainty the territory included therein. The boundaries of the District include annexed territory that was not within the boundaries of the City within the last three years. As such, the City pledges that the Town of Tomah shall receive an amount equal to the property taxes the Town levied on the territory for each of the next five years; and
- ✓ The creation date of the District for purposes of determining the expenditure and termination periods shall be the date upon which the City Council approves a resolution adopting the Project Plan. The creation date of the district for purpose of allocating tax increment is January 1, 2018; and
- Not less than 50% of the real property in the District is suitable for Mixed-Use development within the meaning of State Statute §66.1105(2)(cm); and

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- ✓ Newly platted residential development, as defined under Wis. Stat. 66.1105, will not exceed 35% of the area in the District; and
- ✓ The City will only allow tax increment revenue to be spent on newly platted residential development in the District if one of the following three applies:
 - Density of the residential housing is at least three (3) units per acre, or
 - Residential housing is located in a conservation subdivision, as defined in sec. 66.1027(1)(a), Wis.
 Stats., or
 - Residential housing is located in a traditional neighborhood development, as defined in sec. 66.1027(1)(c), Wis. Stats.
- ✓ The estimated percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is not anticipated to exceed 35 percent of the area of the District; and
- ✓ The improvement of such area is likely to enhance significantly the value of substantially all other real property in the District; and
- ✓ The project costs directly serve to promote orderly development consistent with the purposes for which the District is created; and
- ✓ The equalized value of the taxable property of the District plus the aggregate value increment of all existing districts within the City does not exceed 12% of the total value of equalized taxable property within the City; and
- ✓ TID No. 10 and TID No. 8 have the same overlaying taxing jurisdictions; and
- ✓ The Project Plan for TID No. 10 demonstrates that the District's current and projected increment is sufficient to pay off all costs incurred by the District and provides enough surplus revenue to pay some of the costs for the recipient TID No. 8; and
- ✓ TID No. 8 was created upon a finding that not less than 50% of the real property in TID No. 8 is blighted or in need of rehabilitation, thus allowing a Type 3 Paragraph (f) Allocation Amendment under Wisconsin State Statutes 66.1105(6)(f)2; and
- ✓ That the allocation of excess tax increment from the District directly serves to promote redevelopment, rehabilitation, conservation and blight elimination activities in TID No. 8 and is likely to enhance significantly the value of real property in TID No. 8; and
- ✓ The Project Plan for the District is feasible; and
- ✓ Improvements to the District are likely to encourage and promote conformity with the City's planning policies and procedures; and
- The development described in the Project Plan would not occur, or would occur to a lesser extent, without the creation of TID #10.

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Section III. District Description

TID #10 is being created as a Mixed-Use TIF District.

Boundary Description

A map depicting the boundary of the District is provided in Appendix A. The formal boundary description of TID #10 is provided in Appendix B. The area of the District is approximately 168 acres, including 31 parcels. Table 2 provides a list of parcel numbers and associated attributes as of year 2017.

Table 2: TID #10 Parcel List

MAP ID	PARCEL#	OWNER	ASSESSMENT	LAND VA	IIIE	IMPROVEMENT	TOTAL VALUE	EXISTING LAND USE	Zoning	FUTURE LAND USE	ACRES
			CLASSIFICATION			VALUE		7 7	- 5		
1	,	TOMAH ASSOCIATES	4		100			Agriculture	A-1 Agriculture	Business Park	43.98
2		TOMAH MEMORIAL HOSPITAL INC	1,4,7	\$ 195,	\neg	\$ 511,300.00		Vacant	I Institutional	Public and Institutional	32.04
3	,	TOMAH MEMORIAL HOSPITAL INC	1,4,7		200	\$ -	\$ 1,200	Vacant	I Institutional	Public and Institutional	6.40
4	286027510000	CITY OF TOMAH	X4	\$	-	\$ -	\$ -	Public and Institutional	Institutional	Public and Institutional	1.00
5	286026486000	OAK GROVE CEMETERY ASSOCIATION OF TOMAH	X4	\$	-	\$ -	\$ -	Public and Institutional	R-1 Single-Family Residential	Public and Institutional	18.85
6	286026480000	CEMETERY	X4	\$	-	\$ -	\$ -	Public and Institutional	R-1 Single-Family Residential	Public and Institutional	25.56
7	286026485000	D&R BAILEY ESTATES LLC	4,5	\$	300	\$ -	\$ 300	Right-of-Way	R-1 Single-Family Residential	Transportation	2.03
8	286026390000	D&R BAILEY ESTATES LLC	1	\$ 10,	100	\$ -	\$ 10,100	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.99
9	286026392500	JAMES R STEELE REVOCABLE TRUST	1	\$ 10,	100	\$ -	\$ 10,100	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.99
10	286026400000	HOLMES RESIDUARY TRUST	1	\$ 5,	300	\$ -	\$ 5,300	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.38
11	286025710000	D&R BAILEY ESTATES LLC	1	\$ 3,	500	\$ -	\$ 3,600	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.21
12	286025700000	JAMES R STEELE REVOCABLE TRUST	1	\$ 3,	900	\$ -	\$ 3,900	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.23
13	286025690000	WELCH FAMILY REVOCABLE TRUST	1	\$ 3,	900	\$ -	\$ 3,900	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.23
14	286025670000	ROY C JR BURKHALTER	1	\$ 38,	000	\$ 244,700.00	\$ 282,700	Single Family Residential	R-1 Single-Family Residential	Medium Density Residential	0.46
15	286025660000	RAE ANN M SIEKERT	1	\$ 21,	000	\$ 115,500.00	\$ 136,500	Single Family Residential	R-1 Single-Family Residential	Medium Density Residential	0.25
16	286003882000	WELCH FAMILY REVOCABLE TRUST	1	\$ 29,	500	\$ 163,500.00	\$ 193,100	Single Family Residential	R-1 Single-Family Residential	Medium Density Residential	0.92
17	286003840000	D&R BAILEY ESTATES LLC	1,5	\$ 2,	100	\$ -	\$ 2,400	Agriculture/Right-of-Way/Vacant	R-1 Single-Family Residential	Transportation/MDR/HDR	15.85
18	286003830000	KENYON PROPERTIES LLC	1	\$ 19,	700	s -	\$ 19,700	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.25
19	286003850000	MATTHEW CALLIS	1	\$ 4,	100	\$ 5,700.00	\$ 9,800	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.25
20	286003850001	DILLIN L LAFFERTY	1	\$ 4,	000	s -	\$ 4,000	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.25
21	286003842000	ROBERT L LAUFENBERG	1	\$ 5,	700	s -	\$ 5,700	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.38
22	286003845000	D&R BAILEY ESTATES LLC	1	Ś 5.	500	s -	\$ 5,600	Vacant	R-1 Single-Family Residential		0.35
23	286004360000	D&R BAILEY ESTATES LLC	1	\$ 20,	000	s -	\$ 20,000	Vacant	R-1 Single-Family Residential	Medium Density Residential	0.34
24	286003841501	CITY OF TOMAH	X4	Ś	-	\$ -	Ś -	Right-of-Way	R-1 Single-Family Residential	Medium Density Residential	0.32
25	_	ASSEMBLY OF GOD CHURCH	X4	\$		\$ -	\$ -	Public and Institutional	R-1 Single-Family Residential		3.63
26	,	CITY OF TOMAH	X4	s		s -	Ś -	Right-of-Way	R-1 Single-Family Residential	Medium Density Residential	1.51
27		MONROE COUNTY	хз	Ś		\$ -	\$ -	Right-of-Way	A-1 Agriculture	Transportation	2.59
28	/	TOMAH MEMORIAL HOSPITAL INC	6		500	\$ -		Woodland	A-1 Agriculture	Planned Neighborhood	1.51
29		TOMAH MEMORIAL HOSPITAL INC	6	7	900	\$ -		Woodland	A-1 Agriculture	Planned Neighborhood	1.21
	/	TOMAH MEMORIAL HOSPITAL INC	6		500	\$ -		Woodland	A-1 Agriculture	Planned Neighborhood	3.97
31	042001660000	TOMAH MEMORIAL HOSPITAL INC	1	\$ 10,		\$ 108,700.00		Single Family Residential	A-1 Agriculture	Planned Neighborhood	1.13
31	U-12001000000	. S.II. II. III. III. III. III. III. II	1	\$ 418.			\$ 1,567,900	Single raining Residential	n z nericulture	Trainica Neighborhood	168.00

^{*2018} Assessment data was not available/certified at the time this Project Plan was approved. Parcels with Map ID 27-31 had not yet been designated with a City of Tomah parcel number at the time this Project Plan was approved.

Existing Land Uses and Property Conditions

The Existing Land Use Map in Appendix A includes the existing uses of property in the District. The land area in the District is comprised of approximately 1.6% Single Family Residential properties (4 parcels), 7.1% Right-of-Way (4 parcels), 26.2% Vacant (14 parcels), 29.2% Public & Institutional (4 parcels), 4.0% Woodlands (3 parcels), and 31.8% Agriculture (2 parcels). Most of the vacant parcels are platted for future residential development with the exception of the Tomah Memorial Hospital (Map ID #2). The Public & Institutional uses include the City's Well #9, a cemetery and a church, the latter two included in order to maintain the continuity of the District as it relates to planned infrastructure improvements. In addition, according to the Wisconsin Department of Natural Resources Surface Water Data Viewer there are some designated mapped wetlands within the boundaries of the District; however, these wetlands do not break the continuity of the District boundary.

Zoning

The City of Tomah is zoned in accordance with an ordinance formally adopted by the City Council. A map identifying the zoning of property within the District at the time this Project Plan was adopted is included in

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Appendix A. In addition, according to the Federal Emergency Management Association's Federal Insurance Rate Map, Panel 55081C0571F none of the properties within the District include designated 100-year floodplain areas.

Future Land Use

The Future Land Use Map in Appendix A includes the future land use designations of property in the District as depicted from the City of Tomah Comprehensive Land Use Plan (last amended January 10, 2017). The Comprehensive Plan identifies most of the existing vacant platted properties within the District as "Medium Density Residential", with one parcel (Map ID #17) identified for "High Density Residential". New public and institutional uses encompass Map ID parcel #2 and #3 (planned medical complex). Map ID parcel #1 is expected to develop for "Business Park" uses. The Comprehensive Plan describes Business Park areas as suitable for B-1 Office Business, B-2 Highway Business, M-1 Limited Mixed-Use and M-2 General Mixed-Use zoning. The total percentage of the District devoted to retail uses is estimated to be 25-30% and encompasses mainly Map ID #1.

Proposed Changes in the Community Development Plan, Map, Building Codes & Ordinances

No Official Map, Zoning Ordinance, or Building Code changes are necessary to create this District. Individual redevelopment proposals may require changes in zoning designations consistent with the intent of this Project Plan and the City of Tomah Comprehensive Plan, as implemented through City Zoning and Building Ordinances. For example, the City anticipates Map ID #1 will be rezoned in 2018 to either the B-1 or B-2 Districts as part of petitions for commercial development approval. Other existing A-1 Agriculture Zoned properties (Map ID 27-31) may also be rezoned in the future to accommodate requests for redevelopment of these parcels.

Section IV. Statement of Kind, Number, and Location of Public Works & Other Projects

The City of Tomah intends to implement a number of public works projects that will positively impact business, residential, and recreation use in TID #10. These projects will be undertaken within the first 15 years of the TID's existence (i.e. through May 8, 2033), subject to change based upon the relative needs of the City and the ability of the District to recoup expenses through the generation of tax increment. The following is a statement of the kind of projects which are eligible expenditures within the District.

A. Infrastructure for (Re)Development of the District:

Proposed infrastructure improvements to public or private property may include:

- Street (re)construction, relocation, removal, upgrading, or maintenance to facilitate development within TID #10. Street infrastructure includes associated bridges, sidewalks, curb & gutter, bike lanes, parking lanes, street lights, traffic signals, pedestrian signals (e.g. Rectangular Rapid Flash Beacons), signage, markings and other appurtenances and amenities for the safety and comfort of motor vehicle, bicycle and pedestrian traffic. Alleyways are considered streets within the definition of this Project Plan.
- 2. Pedestrian and bicycle path construction.
- 3. Construct, upgrade, relocate, or abandon obsolete sanitary sewer system components and related appurtenances.

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- 4. Construct, upgrade relocate, or abandon obsolete storm water drainage facilities and related appurtenances.
- 5. Construct, upgrade, relocate, or abandon obsolete water system components and related appurtenances.
- 6. Construct, upgrade, relocate, or abandon obsolete primary and secondary electric service including above or below ground electric distribution lines and related appurtenances.
- 7. Construct, upgrade, relocate, or abandon obsolete natural gas service and related appurtenances.
- 8. Construct, upgrade, relocate, or abandon obsolete telecommunication, fiber optic, and/or cable television service including above or below ground distribution lines and related appurtenances.

B. Streetscaping Improvements:

Streetscaping improvements designed to improve the aesthetics of the District including installation of landscaping, gateway, wayfinding, and street signage. This includes the installation of new gateway/wayfinding signs off of I-90.

C. Site Improvements:

Site improvement activities required to make sites suitable for (re)development including, but not limited to: access drives; parking areas/facilities; landscaping; signage; entryway features; walkways; lighting; fencing; remodeling, rehabilitating, or expanding existing buildings; razing buildings; stripping topsoil; grading; compacted granular fill; topsoil replacement; soil stabilization; streambank stabilization; relocating power lines, utilities; and related activities.

D. Environmental Studies and Remediation

This may include costs associated with environmental studies; wetland delineations; purchase of wetland credits; floodplain delineations; floodplain hydraulic and hydrologic analysis; removal of lands from floodplains or wetland areas in accordance with local, state, and federal regulations as part of TID public works and rehabilitation projects; environmental remediation including the removal of above or below ground contamination or hazardous materials.

E. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects:

This may include, but is not limited to purchase of fee title; easements; inspections; appraisals; consultant fees; closing costs; real estate commissions and fees in lieu of commissions; surveying and mapping; lease and/or sale of property at or below market or purchase price to encourage or make feasible a public infrastructure or (re)development project. Relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plan, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 32.19 and 32.195 are eligible costs.

F. Development Funds/Incentives:

Payments made at the City Council's discretion to assist private developers in projects that carry out the goals of this Project Plan, the City's Comprehensive Plan, or other adopted City plans including land within the District. Such payments could include grants, zero-interest loans, or low interest loans for the purposes of land acquisition, environmental remediation, building and site improvements to non-residential or residential properties. No cash grants or loans will be provided until a developer agreement has been signed between the

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<u>developer and the City</u>. Costs related to reviewing developer incentive applications and creating development agreements are eligible project expenses.

G. Planning, Promotion & Economic Development:

Promotion and development of TID #10 including professional services for planning; marketing; recruitment; grant writing and grant administration for TID projects; marketing services and materials; advertising costs; administrative costs and support of development organizations are all eligible costs under this section. Costs related to the creation of this Project Plan and all future amendments to the Project Plan are an eligible project expense. In addition, the proportionate costs related to the creation or amendment of other City planning or engineering studies which include land area within the District are an eligible project expense.

H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA):

The City may provide funds to a CDA or RDA to be used for administration, planning and operations related to the purposes for which it was established to implement the goals or projects outlined in this Project Plan. At the time this Project Plan was created allocation of funds to a CDA or RDA was not anticipated so funding was not allocated to this project in Table 3; however, it remains an eligible expense.

I. Administrative/Organizational Costs:

Imputed administrative costs including, but not limited to, a portion of the salaries of the City employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with the creation, amendment, and general administration of TID #10, and others directly involved with the projects over the life of the District. Also included as an eligible administrative cost is all creation, amendment and annual fees charged by the Wisconsin Department of Revenue related to the District.

J. Allocation of Excess Tax Increment from TID #10 (donor TID) to TID #8 (recipient TID):

The timing and amount of any future allocation payments shall be made at the discretion of the City Council. Allocation payments will end with the closure of either TID.

K. Financing Costs:

Interest, finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing TID #10 projects.

L. Equipment Purchases (Added in 2021)

Eligible equipment purchases include but are no limited to ladder fire trucks, street sweepers, snowplows, sanitary jet/vacuum trucks, dump trucks, paving equipment, front-end loader, backhoe, lawn mowers, high boom or other equipment deemed necessary to support the TID.

M. Tomah Owner-Occupied Housing Rehabilitation (TOOHAP) (Added in 2021)

To maintain the City's existing housing stock as an adequate and affordable option for residents, the City will create a housing rehabilitation forgivable loan program using TIF funds. This program is for projects where the property owner occupies one of the units. Eligible properties include any properties with permitted residential units within the TIF district and within the ½ mile boundary per Wisconsin Statutes Section 66.1105(2)(f)(1)(n). The City will provide matching funds for structural repairs or other improvements necessary to comply with local building codes.

The project types listed in this section will provide necessary facilities, land area, and support to enable and encourage the (re)development of TID #10. These projects may be implemented by the City Council in varying

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degrees in response to development needs and will be guided by the TID #10 Project Plan, the City's Comprehensive Plan, other existing plans and policies of the City, and public input.

A map identifying project locations in TID #10 is provided in Appendix A. As stated on the map, Projects A-K may occur anywhere within the boundaries of the District as authorized by the City Council. Locations of projects shown on the map are preliminary and subject to change based on final engineering design. In addition, pursuant to Wisconsin Statutes Section 66.1105(2(f)(1)(n)), the City may undertake projects within territory located within one-half (1/2) mile of the boundary of the District, and pay for them using tax increment, provided that:

- 1. The project area is located within the City's corporate boundaries; and
- 2. The projects are an eligible TID expenditure within this Project Plan; and
- 3. The expenditure must be made within the expenditure period; and
- 4. Prior approval of the expenditure must be obtained from the Joint Review Board.

The one-half mile boundary of TID #10 is illustrated on the Project Locations Map in Appendix A. Any of the projects listed in this Project Plan may occur within the half-mile boundary of TID #10, upon adoption of this Project Plan and authorization by the City Council. Note, the majority of the proposed extension of the Tomah Recreational Trail from the Tomah Aquatic Center to the planned Tomah Memorial Hospital/Community Wellness Facility falls within the ½-mile boundary and is thus the proportionate share of the project within the 0.5-mile boundary is an eligible project expenditure. In addition, 100% of the proposed street lighting improvements along Superior Ave. from Gopher Ave. to Clifton Street are within the 0.5-mile boundary and are thus an eligible project expenditure. Also, portions of the planned reconstruction of Hollister Ave., Schaller Street, View Street, Dawnee Street, McAdams Drive, and Glenview Drive fall within the District boundary, but 100% within the ½-mile boundary of the District. These road reconstructions are planned to serve properties within the District directly, or indirectly (alternative routes to the planned health complex), and are thus included as eligible expenditures in this Project Plan.

Section V. List of Estimated Project Costs & Expenditures

Table 3 lists the estimated total expenditures for each project category. This format follows Wisconsin Department of Revenue guidance on detailed project costs (pe-209), which states the project list should include "estimated expenditures expected for each major category of public improvements." It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses.

City of Tomah, WI

Table 3: Estimated Project Costs & Expenditures

Project Categories	Estimated Project Cost	TID Share of Cost
A. Infrastructure for (Re)Development of the District	\$7,054,400	\$6,407,500
B. Streetscaping Improvements	\$50,000	\$50,000
C. Site Improvements	\$250,000	\$250,000
D. Environmental Studies and Remediation	\$92,500	\$92,500
E. Real Estate Inspections, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects	\$450,000	\$437,000
F. Development Funds/Incentives	\$1,960,238	\$1,960,238
G. Planning, Promotion & Development	\$101,750	\$101,750
H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA)	\$0	\$0
I. Administrative/Organizational Costs	\$101,750	\$101,750
J. Allocation Payments to TID #8*	\$1,000,000	\$1,000,000
K. Financing Costs	\$4,757,436	\$4,757,436
Subtotal	\$ 15,818,073	\$15,158,173

*Note the actual amount of tax increment allocated to TID #8 will be based on the actual performance of TID #10. The analysis in Table 6 projects \$9,042,616 in surplus tax increment when TID #10 closes. The City Council may transfer excess tax increment on an annual basis based on the actual performance of TID #10.

All costs in Table 3 are stated in 2018 prices and are preliminary estimates. The City should pursue grant, or low interest loan, programs to help share project costs included in this Project Plan, as appropriate. The City reserves the right to increase the costs to reflect inflationary increases and other unforeseen or uncontrollable circumstances between 2018 and the time of construction/implementation, such as higher than anticipated construction or financing costs. The City reserves the right to increase and decrease particular project costs within the Total TID Expenditure budget estimate without amending this Project Plan. For example, reallocating funds from one project category to another.

The City Council may fund specific project cost items shown in Table 3 (e.g. Development Incentives) in significantly greater or lesser amounts in response to opportunities that will help the City accomplish the purposes of TID #10. For example, this Project Plan assume the City provides 5% of the Estimated Growth in New Development Value for commercial and multi-family developments in the form of a Development Incentive (refer to Table 4). However, this does not obligate the City to provide 5% of future assessment growth to development projects. The City may fund individual projects to a greater or lesser extent. The City will generally use overall benefit to the City and economic feasibility (i.e. the availability of future tax increment revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID's expenditure period.

Wisconsin Statutes do not obligate the City to complete all of the proposed projects listed in the Project Plan; however, the expenditure period for TID #10 is limited to May 8, 2018 through May 8, 2033. The City retains the right to change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without further amending this Project Plan. Public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The needs of the City and the performance of the TID will be reviewed annually to determine if change is required to any of the proposed activities. Should the needs of the City change, projects may have to be slightly or substantially altered or even eliminated.

Section VI. Ineligible / Estimated Non-Project Costs

City of Tomah, WI

No ineligible project costs were identified at the time this Project Plan was considered for adoption. The following bullets identify public works projects that are not eligible to be paid with tax increments under Wis. Stat. 66.1105(2)(f).2.

- The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless the administrative buildings, police and fire buildings, libraries and community and recreational buildings were damaged or destroyed before January 1, 1997, by a natural disaster.
- The cost of constructing or expanding any facility, except a parking structure, if the City generally finances similar facilities only with utility user fees.
- General government operating expenses, unrelated to the planning or development of a tax incremental district.
- Cash grants made by the City to owners, lessees, or developers of land that is located within the tax incremental district <u>unless</u> the grant recipient has signed a development agreement with the City, a copy of which shall be retained by the City in the official records for that tax incremental district.

Non-project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments. Examples of non-project costs include 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, or special assessments. Other examples include public works projects that only partly benefit the District, such as a new water tower which serves properties both inside and outside of the District, and its ½ - mile boundary. That portion of the total project costs allocable to properties outside of the District, and its ½ - mile boundary, would be a non-project cost. Table 3 and 6 identifies several non-project costs including:

- A portion (63%) of the planned Gopher Ave reconstruction project lies outside of the City's municipal boundary and therefore only 37% of the total project cost is an eligible expenditure. Tax increment may only be used to pay for that portion of these projects located within the City limits at the time of completion of the project.
- A portion (13%) of the proposed extension of the Tomah Recreation Trail (Phase 1) is not located within ½-mile of the District and therefore only 87% of the total project cost is an eligible expenditure.

Section VII. Economic Feasibility

The projected income of TID #10 depends on the tax incremental revenue generated from within the District. There are three critical components in determining the future tax incremental revenue of a TID: New development increases in property value, inflation driven increases in property value, and the change in the full value tax rate. In projecting the future increment and income generated by TID #10, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

New Development Activities

The TID is projected to realize \$60,467,043 in new value over its anticipated 20-year life (2018-2038). This new value is projected to come from the development of vacant parcels within the District (Refer to Table 4). It is possible that some of the parcels listed in Table 4 may not experience any redevelopment during the TID life

City of Tomah, WI

time. Estimated Construction Years are also an approximation based, in part, on the anticipated schedule of known development projects (e.g. Gundersen Clinic), land being offered for sale (e.g. Map ID #1), public and private improvement projects, and the readiness for development or marketability of each parcel. Estimated Construction Years may vary significantly from those shown in Table 4.

The identification of Types of New Development in Table 4 is not an indication of the zoning of property or allowable uses. Identification of proposed Types of New Development does not compel, or in any way obligate, the City to approve future redevelopment requests for these areas. However, those Types of New Development assumed in Table 4 are based on the City's Comprehensive Plan, existing zoning within the District, any conversations with perspective developers. The City may consider other uses than those envisioned within this Project Plan for any particular parcel without amending this Project Plan. The City's Comprehensive Plan and Zoning Ordinance will guide decisions regarding appropriate use of properties within the District. It is anticipated that when specific development proposals/applications/projects are submitted to the City a change in the City's Official Zoning Map and/or Comprehensive Plan may be necessary to facilitate the development envisioned in this Project Plan.

Inflation Rate

Annual property value inflation is assumed to be 0.50% over the life of the District. The annual average inflation rate for the United States from 1999 to 2017 has been 2.1%, and 1.2% from 2012 through 2017 (www.usinflationcalculator.com). During this same period the Consumer Price Index has averaged a 2.0% annual percentage increase, and 1.0% in the past five years (Bureau of Labor Statistics). Using a 0.50% annual inflation rate for property assessment values will provide a conservative estimate of projected tax increment.



City of Tomah, WI

Table 4: Estimated Value of New (Re)Development

	Estimated value of New (Nejbeveloph				Est. Growth in	
Parcel				Assumed	New	Estimated
ID from		Total		Improvement	Development	Construction
Map 1	Assumed Type of New Development	Acres	Base Value	Value	Value	Year
2 & 3	Hospital/Clinic/Nursing Home	38.44	\$ 1,200	\$ 17,600,000	\$ 17,598,800	2019
1	Commercial - Hotel	8.00	\$ 1,528	\$ 10,000,000	\$ 9,998,472	2019
1	Commercial - Restaurant	2.00	\$ 1,528	\$ 1,400,000	\$ 1,398,472	2019
1	Commercial - Office/Retail	2.00	\$ 1,528	\$ 3,000,000	\$ 2,998,472	2020
1	Commercial - Big Box (e.g. Home Improvement)	10.00	\$ 1,528	\$ 3,788,513	\$ 3,786,985	2020
8	S.F. Residential	0.99	\$ 10,100	\$ 263,547	\$ 253,447	2021
1	Commercial - Big Box (e.g. Grocery)	9.00	\$ 1,528	\$ 7,875,000	\$ 7,873,472	2021
9	S.F. Residential	0.99	\$ 10,100	\$ 268,418	\$ 258,318	2022
10	S.F. Residential	0.38	\$ 5,300	\$ 273,387	\$ 268,087	2023
11	S.F. Residential	0.21	\$ 3,600	\$ 278,454	\$ 274,854	2024
12	S.F. Residential	0.23	\$ 3,900	\$ 283,623	\$ 279,723	2025
17	S.F. Residential x 2 (north of Dawnee)	0.72	\$ 156	\$ 577,792	\$ 577,636	2026
17	M.F. Residential (south of Dawnee)	2.35	\$ 508	\$ 4,296,955	\$ 4,296,447	2027
17	M.F. Residential (south of Dawnee)	2.35	\$ 508	\$ 4,382,894	\$ 4,382,386	2028
17	M.F. Residential (south of Dawnee)	2.35	\$ 508	\$ 4,470,552	\$ 4,470,044	2029
18	S.F. Residential	0.25	\$ 19,700	\$ 288,896	\$ 269,196	2026
19	S.F. Residential	0.25	\$ 9,800	\$ 294,274	\$ 284,474	2027
20	S.F. Residential	0.25	\$ 4,000	\$ 299,759	\$ 295,759	2028
21	S.F. Residential	0.38	\$ 5,700	\$ 305,354	\$ 299,654	2029
22	S.F. Residential	0.35	\$ 5,600	\$ 311,061	\$ 305,461	2030
23	S.F. Residential	0.34	\$ 20,000	\$ 316,883	\$ 296,883	2031
	Total	81.807	\$ 108,320	\$ 60,575,363	\$ 60,467,043	

Full Value Tax Rate

The analysis in Table 5 (page 14) assumes that the tax rate will increase annually at a rate of 0.50%, starting with the 2017 net mill rate of \$22.14 per thousand dollars of assessment value and increasing to \$25.89 in 2038. Since year 2000, the tax rate for the City has ranged from a low of \$22.14 in 2017 to a high of 30.79 in 2000. Using a 0.5% annual inflation rate for property taxes will provide a conservative estimate of projected tax increment.

Table 5 presents the projected income for TID #10 commencing in 2018 and running over the remaining life of the District). The Base Value, or year one value, of the District is estimated to be \$1,567,900, excluding personal property (note 2018 assessment values were not certified at the time this Project Plan was adopted). Seven parcels are tax exempt, three of which are City owned and used for public purposes. Note, under Act 254 signed into law in 2016, City-owned property is excluded from the base value calculation for the District (i.e. market rate values are no longer required for any municipal owned property that is not used for a municipal purpose when calculating the Base Value, provided the property was not acquired within one year prior to the TID creation date). None of the City-owned parcels were acquired within one-year of the creation date of the District.

Over the life of the TID the projected total amount of tax increment collected is estimated to be \$23,868,552 (Column J, Table 5). This projected tax increment will be used to pay for public works projects within the District described in Section IV and V of this Project Plan.

City of Tomah, WI

Table 5: Projected Income

City of Tomah TID #		TID #10								
Α	В	С	D	E	F	G	н	1	J	K
IM PROV.	BEGINNING	EST. GROWTH		IN 51 A 510 N	END	TAX	TAX	TAX	TAX	
DURING	OF YEAR	IN VALUE OF	CUMULATIVE	INFLATION	OF YEAR	INCREMENT	VALUE YEAR	RATE ³		COLLECTION
YEAR	VALUE	NEW DEVELOP.1	VALUE	INCREMENT ²	VALUE	VALUE		\$1,000	COLLECTED	YEAR
2018	\$1,567,900	\$0	\$1,567,900	\$0	\$1,567,900	\$0	2019	\$22.14	\$0	2020
2019	\$1,567,900	\$28,995,744	\$30,563,644	\$7,840	\$30,571,483	\$29,003,583	2020	\$22.25	\$645,381	2021
2020	\$30,571,483	\$2,998,472	\$33,569,955	\$152,857	\$33,722,813	\$32,154,913	2021	\$22.36	\$719,081	2022
2021	\$33,722,813	\$11,913,904	\$45,636,717	\$168,614	\$45,805,331	\$44,237,431	2022	\$22.47	\$994,229	2023
2022	\$45,805,331	\$258,318	\$46,063,649	\$229,027	\$46,292,675	\$44,724,775	2023	\$22.59	\$1,010,208	2024
2023	\$46,292,675	\$268,087	\$46,560,762	\$231,463	\$46,792,225	\$45,224,325	2024	\$22.70	\$1,026,599	2025
2024	\$46,792,225	\$274,854	\$47,067,080	\$233,961	\$47,301,041	\$45,733,141	2025	\$22.81	\$1,043,340	2026
2025	\$47,301,041	\$279,723	\$47,580,764	\$236,505	\$47,817,269	\$46,249,369	2026	\$22.93	\$1,060,392	2027
2026	\$47,817,269	\$846,832	\$48,664,101	\$239,086	\$48,903,187	\$47,335,287	2027	\$23.04	\$1,090,716	2028
2027	\$48,903,187	\$4,580,921	\$53,484,108	\$244,516	\$53,728,624	\$52,160,724	2028	\$23.16	\$1,207,915	2029
2028	\$53,728,624	\$4,678,146	\$58,406,770	\$268,643	\$58,675,413	\$57,107,513	2029	\$23.27	\$1,329,083	2030
2029	\$58,675,413	\$4,769,699	\$63,445,112	\$293,377	\$63,738,489	\$62,170,589	2030	\$23.39	\$1,454,153	2031
2030	\$63,738,489	\$305,461	\$64,043,950	\$318,692	\$64,362,643	\$62,794,743	2031	\$23.51	\$1,476,095	2032
2031	\$64,362,643	\$296,883	\$64,659,525	\$321,813	\$64,981,339	\$63,413,439	2032	\$23.62	\$1,498,092	2033
2032	\$64,981,339	\$0	\$64,981,339	\$324,907	\$65,306,245	\$63,738,345	2033	\$23.74	\$1,513,296	2034
2033	\$65,306,245	\$0	\$65,306,245	\$326,531	\$65,632,777	\$64,064,877	2034	\$23.86	\$1,528,654	2035
2034	\$65,632,777	\$0	\$65,632,777	\$328,164	\$65,960,940	\$64,393,040	2035	\$23.98	\$1,544,167	2036
2035	\$65,960,940	\$0	\$65,960,940	\$329,805	\$66,290,745	\$64,722,845	2036	\$24.10	\$1,559,836	2037
2036	\$66,290,745	\$0	\$66,290,745	\$331,454	\$66,622,199	\$65,054,299	2037	\$24.22	\$1,575,663	2038
2037	\$66,622,199	\$0	\$66,622,199	\$333,111	\$66,955,310	\$65,387,410	2038	\$24.34	\$1,591,650	2039
2038	\$66,955,310	\$0	\$66,955,310	\$334,777	\$67,290,086	\$65,722,186	2039	\$24.46	х	2040
	TOTAL	\$60,467,043		\$5,255,143					\$23,868,552	

ASSUMPTION

1. Refer to Table 4

2.0.5% inflation of assessment values over the life of the TID

 $3.\,0.5\%$ inflation of tax rate over the life of the TID

TID DATES

Creation Date: April 10th, 2018
Expenditure Period: April 10th, 2033
Termination Date: April 10th, 2038

The numbers presented in Table 5 are estimates subject to change based upon actual development and construction activity in the District and changes to property assessment and tax rates. Nothing contained herein shall be construed as a guarantee of tax increment by MSA.

City of Tomah, WI

Table 7 (page 16) presents the projected annual and total performance of the District. There are three critical components in determining the future performance of the TID: the amount of annual revenue (see Table 5), the cost and timing of public improvement projects (see Table 6), and the terms of debt service associated with these projects. In projecting the future performance of TID #10, assumptions were made for each of the abovementioned critical components. These assumptions are described below.

Schedule of Public Improvements/Debt Issuance

Table 7 includes \$9,197,238 in anticipated Capital Expenditures (Column M). Over the life of the TID the projected total amount of debt service on these capital expenditures is estimated at \$13,954,673 (Column N). This includes principal costs and interest on debt. Table 7 assumes the City will incur new debt in support of the TID on five different occasions. The timing of debt occurrence is coordinated with anticipated public works (Table 6) and private redevelopment projects.

Table 6: Preliminary Schedule of Public Works Projects

Ph 4 P 1	1 -			ol	
Phase 1 Projects ~ 2018		Total Cost		TID Share	
New Access Road to Hospital/Clinic from STH 16	\$	600,000	\$	600,000	
Land Acquisition (NH)	\$	250,000	\$	250,000	
Well #9 Abandonment	\$	50,000	\$	50,000	
Environmental Studies	\$ 1	5,000	\$	5,000	
TID Share	\$	905,000	\$	905,000	
Phase 2 Projects ~ 2019	1	Total Cost		TID Share	
Gopher Reconstruction & Utilities	\$	1,000,000	\$	370,000	
Site Improvements (NH)	\$	250,000	\$	250,000	
Gateway Signs (x2) and Wayfinding by Interstate Ramps	\$	50,000	\$	50,000	
Environmental Studies	\$	11,000	\$	11,000	
Development Incentives	\$	569,847	\$	569,847	
TID Share	\$	1,880,847	\$	1,250,847	
			1		
Phase 3 Projects ~ 2020	Ī	Total Cost		TID Share	
Hollister Street Reconstruction & Utilities	\$	1,199,200	\$	1,199,200	
Glenview Street Reconstruction & Utilities	\$	446,800	\$	446,800	
McAdams Street Reconstruction & Utilities	\$	284,400	\$	284,400	
Dawnee Street Reconstruction & Utilities	\$	999,600	Ś	999,600	
View Street Reconstruction & Utilities	Ś	836,400	\$	836,400	
Schaller Street Reconstruction & Utilities	\$	808,000	\$	808,000	
Environmental Studies	\$	30,000	\$	30,000	
Tomah Recreational Trail, Phase 1 (Aquatic Center to Hospital)	\$	130,000	\$	113,100	
Land/Easement Acquisition for Trail	\$	100,000	\$	87,000	
RRFB on Superior Ave.	\$	35,000	\$	35,000	
Superior Ave. Street Lighting	\$	400,000	\$	400,000	
Development Incentives	Ś	732,946	\$	732,946	
	S	<u>·</u>	Ś	5.972.446	
TID Share	\$	<u>·</u>	\$	5,972,446	
TID Share		6,002,346			
TID Share Phase 4 Projects ~ 2025		6,002,346 Fotal Cost		TID Share	
TID Share Phase 4 Projects ~ 2025 Environmental Studies	\$	6,002,346 Fotal Cost 32,500	\$	TID Share 32,500	
TID Share Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds)	\$ \$	6,002,346 Fotal Cost 32,500 130,000	\$	TID Share 32,500 130,000	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail	\$ \$	6,002,346 Fotal Cost 32,500 130,000 50,000	\$ \$	TID Share 32,500 130,000 50,000	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail RRFB on Clifton	\$ \$ \$	6,002,346 Fotal Cost	\$ \$ \$	TID Share 32,500 130,000 50,000 45,000	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail RRFB on Clifton Development Incentives	\$ \$ \$ \$ \$	6,002,346 Fotal Cost	\$ \$ \$ \$ \$	TID Share 32,500 130,000 50,000 45,000 657,444	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail RRFB on Clifton	\$ \$ \$ \$ \$	6,002,346 Fotal Cost	\$ \$ \$	TID Share 32,500 130,000 50,000 45,000	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail RRFB on Clifton Development Incentives TID Share	\$ \$ \$ \$ \$ \$	Fotal Cost 32,500 130,000 50,000 45,000 657,444 914,944	\$ \$ \$ \$ \$	TID Share 32,500 130,000 50,000 45,000 657,444 914,944	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail RRFB on Clifton Development Incentives TID Share	\$ \$ \$ \$ \$	Fotal Cost 32,500 130,000 50,000 45,000 657,444 914,944	\$ \$ \$ \$ \$ \$	TID Share 32,500 130,000 50,000 45,000 657,444 914,944 TID Share	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail RRFB on Clifton Development Incentives TID Share Phase 5 Projects ~ 2030 Environmental Studies	\$ \$ \$ \$ \$ \$	6,002,346 Fotal Cost 32,500 130,000 50,000 45,000 657,444 914,944 Fotal Cost 14,000	\$ \$ \$ \$ \$ \$	TID Share 32,500 130,000 50,000 45,000 657,444 914,944 TID Share 14,000	
Phase 4 Projects ~ 2025 Environmental Studies Tomah Recreational Trail, Phase 2 (Hospital to Fairgrounds) Land/Easement Acquisition for Trail RRFB on Clifton Development Incentives TID Share	\$ \$ \$ \$ \$	Fotal Cost 32,500 130,000 50,000 45,000 657,444 914,944	\$ \$ \$ \$ \$ \$	TID Share 32,500 130,000 50,000 45,000 657,444 914,944 TID Share	

Terms of debt issuance include the following assumptions:

- 1. 2018, \$905,000 @ 4.50% interest fixed over 20 years
- 2. 2019, \$1,250,847 @ 4.50% interest fixed over 15 years
- 3. 2020, \$5,972,446 @ 5.00% interest fixed over 15 years
- 4. 2025, \$914,944 @ 5.0% interest fixed over 10 years
- 5. 2030, \$154,000 @ 5.00% interest fixed over 5 years

TID Share \$ 154,000 \$ 154,000

City of Tomah, WI

The timing, amount, and methods of financing are general assumptions for the purposes of estimating the economic feasibility of the Project Plan. The values in Table 6 and 7 should not be construed as commitments by the City to finance any particular TID project. In addition, it is assumed that any Annual Cash Flow deficits in the TID will be made whole by the City's General Fund. Table 7 assumes the General Fund charges interest to the TID Fund at a rate of 4.04% for annual advances (the current Wisconsin Local Government Investment Pool rate, plus 3.0%). The principal on any annual advances would be paid back by the TID prior to termination. The timing of projects and amount of debt occurrence may vary from that described in Table 6 and 7 and the City is not obligated to complete all of the proposed projects listed in the Project Plan. Unless the District is formally extended, projects must be undertaken before May 8, 2033 to remain TID-eligible expenses.

Other Costs

Table 6 includes a separate column for other TID eligible reimbursable costs for which debt issuance isn't anticipated such as Project Categories G (Planning) and I (Administration/Organizational Costs).

Other Income

Includes other income received in support of the TID, for example computer aid, grants funds for public works projects, etc. Tomah Memorial Hospital is providing the City a payment of \$1.2M to offset road and utility projects related to serving their site. Approximately \$475,000 of the \$1.2M was previously allocated to an extension of sanitary sewer to the development site in 2017, prior to the TID creation. An additional \$630,000 is assumed to be allocated to non-TID funds for the payment of those portions of the Gopher Avenue reconstruction that are outside of the TID & City. The remaining balance, \$95,000, is shown as an Other Income payment to the TID in year 2018.

Estimated Interest on Income

Equal to the previous year's TIF Increment Balance (Column T) multiplied by 0.5%. Interest is calculated only if there is a positive TIF Increment Balance.

Table 7 presents the projected performance for TID #10 over the life of the District. Given the projected income and expenditure assumptions the District is expected to close with a positive cash flow of \$9,042,616. Note, Tables 5 and 7 assume the City adopts the termination resolution between May 16, 2038 and May 15, 2039; therefore, the TID would receive a final tax increment payment in year 2039 (for 2038 taxes). Based on these assumptions the District would have a sufficient TID Fund Balance to retire all outstanding debt in year 2034.

City of Tomah, WI

Table 7: Performance Analysis

City of To	omah	TID #10							
L	M	N	0	P	Q	R	S	Т	U
	CAPITAL	ANNUAL	ADMIN &	TOTAL	TAX		EST.		TID
PAYMENT	EXPENDITURE	DEBT	OTHER	USES	INCREMENT	OTHER	INVESTM	ANNUAL	FUND
YEAR	COSTS ¹	SERVICE ²	COSTS ³	TID FUNDS	COLLECTED	INCOME ⁴	INCOME ⁵	CASH FLOW	BALANCE
2018	\$905,000	\$0	\$13,500	\$13,500	\$0	\$ 95,000	\$0	\$81,500	\$81,500
2019	\$1,250,847	\$0	\$10,000	\$10,000	\$0	\$0	\$408	(\$9,593)	\$71,908
2020	\$5,972,446	\$68,706	\$10,000	\$78,706	\$0	\$0	\$360	(\$78,346)	(\$6,439)
2021	\$0	\$251,636	\$10,000	\$261,636	\$645,381	\$0	\$0	\$383,745	\$377,306
2022	\$0	\$818,132	\$10,000	\$828,132	\$719,081	\$0	\$1,887	(\$107,165)	\$270,141
2023	\$0	\$818,132	\$10,000	\$828,132	\$994,229	\$0	\$1,351	\$167,447	\$437,589
2024	\$0	\$818,132	\$10,000	\$828,132	\$1,010,208	\$0	\$2,188	\$184,263	\$621,852
2025	\$914,944	\$818,132	\$10,000	\$828,132	\$1,026,599	\$0	\$3,109	\$201,576	\$823,428
2026	\$0	\$818,132	\$10,000	\$828,132	\$1,043,340	\$0	\$4,117	\$219,324	\$1,042,752
2027	\$0	\$934,585	\$10,000	\$944,585	\$1,060,392	\$0	\$5,214	\$121,021	\$1,163,773
2028	\$0	\$934,585	\$10,000	\$944,585	\$1,090,716	\$0	\$5,819	\$151,950	\$1,315,723
2029	\$0	\$934,585	\$10,000	\$944,585	\$1,207,915	\$0	\$6,579	\$269,909	\$1,585,632
2030	\$154,000	\$934,585	\$10,000	\$944,585	\$1,329,083	\$0	\$7,928	\$392,426	\$1,978,058
2031	\$0	\$934,585	\$10,000	\$944,585	\$1,454,153	\$0	\$9,890	\$519,458	\$2,497,516
2032	\$0	\$969,459	\$10,000	\$979,459	\$1,476,095	\$0	\$12,488	\$509,124	\$3,006,640
2033	\$0	\$969,459	\$15,000	\$984,459	\$1,498,092	\$0	\$15,033	\$528,666	\$3,535,305
2034	\$0	\$969,459	\$5,000	\$974,459	\$1,513,296	\$0	\$17,677	\$556,514	\$4,091,819
2035	\$0	\$969,459	\$5,000	\$974,459	\$1,528,654	\$0	\$20,459	\$574,654	\$4,666,473
2036	\$0	\$786,789	\$5,000	\$791,789	\$1,544,167	\$0	\$23,332	\$775,710	\$5,442,183
2037	\$0	\$68,706	\$5,000	\$73,706	\$1,559,836	\$0	\$27,211	\$1,513,341	\$6,955,525
2038	\$0	\$68,706	\$1,015,000	\$1,083,706	\$1,575,663	\$0	\$34,778	\$526,735	\$7,482,260
2039	\$0	\$68,706	\$0	\$68,706	\$1,591,650	\$0	\$37,411	\$1,560,356	\$9,042,616
TOTAL	\$9,197,238	\$13,954,673	\$1,203,500	\$15,158,173	\$23,868,552	\$95,000	\$237,237		

ASSUMPTION

1. Capital Expenditures (Projects A-F)

2. Includes Principal & Interest on Capital Expenditure and Interest on General Fund Advances @ 4.04% of Annual TID Fund Deficit

3. Administration Costs (Project Types G-I)

4. Other Income (Land Sales, Grants, Intergovernmental Revenue, Hospital Public Works Payment, etc.)

5. Interest on Investment Income = 0.5%

TID DATES

Creation Date: April 10th, 2018
Expenditure Period: April 10th, 2033
Termination Date: April 10th, 2038

The numbers presented in Table 7 are estimates subject to change based upon the actual performance of the District and City approval of specific TID eligible expenditures. The timing of projects, expenditure totals, and debt occurrence may vary from that described in Table 6 and the City is not obligated to complete all of the proposed projects listed in the Project Plan.

Note that the assumptions used to create Table 5 and Table 7 illustrate that the Project Plan is feasible and that the anticipated revenues are sufficient to cover anticipated expenditures. Any annual shortfalls in the TID Fund Balance are anticipated to be recovered within the TID's maximum life. Note, under the assumptions in this plan \$1,000,000 in excess tax increment would be allocated from TID #10 to TID #8 (shown in year 2038). The final amount and timing of transfers will be authorized by the City Council based on the actual performance of the District.

The value of the District when it terminates in 2038 is projected to be \$67,290,086 (Column F, Table 5), or a growth of assessed values of \$65,722,186 (Column G, Table 5). This development would likely not occur, or would likely occur at significantly lower values or timeframes, but for the creation of the District. TID #10 is a mechanism to make improvements in an area of Tomah to promote mixed-use developments and the construction of associated public infrastructure. All taxing jurisdictions will benefit from the increased property

City of Tomah, WI

values, job growth, and community vitality which will result from the projects planned in TID #10. Table 8 (page 16) provides a summary of the impact on overlying taxing jurisdictions over the life of the District.

Table 8: Analysis of Impact on Overlying Taxing Jurisdictions

	Percentage	Percentage Annual Taxes Annual Taxes of Mill Rate Collected on Collected After		Increase in Annual	Proportionate		
	of Mill Rate			Tax Collections	Share of Taxes Collected		
	by Jurisdiction	Base Value	TID Closure	After TID	Over Life of District		
City	35.76%	\$12,415	\$588,688	\$576,274	\$8,535,735		
County	27.07%	\$9,398	\$445,630	\$436,232	\$6,461,444		
School	29.86%	\$10,367	\$491,578	\$481,211	\$7,127,675		
Tech	7.03%	\$2,442	\$115,782	\$113,340	\$1,678,785		
Lake District	0.27%	\$94	\$4,477	\$4,383	\$64,914		
Total	100.00%	\$34,715	\$1,646,155	\$1,611,440	\$23,868,552		

Section VIII. Equalized Value Test

Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities are restrained in their use of TIF such that the equalized value of taxable property of the (new/amended) district area plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the municipality. The total assessed value of taxable property in TID #10 as of January 1, 2017 is \$1,567,900, excluding personal property. In 2018, the City also adopted a new TID #9 with a total assessed value of \$37,046,100, excluding personal property. The City has one other active TID, TID #8, with a value increment as of January 1, 2017 of \$1,793,500. The total municipal equalized value as of January 1, 2017 for the City is \$663,382,400. Table 9 indicates that creation of TID #10 may bring the City's TID to total municipal value ratio to approximately 6.09%, well within the 12% limit.

Table 9: Equalized Value Test

Total Assessed Value of TID #10 Parcels (as of January 1, 2017), excluding Personal Property	\$ 1,567,900
Total Assessed Value of TID #9 Parcels (as of January 1, 2017), excluding Personal Property	\$ 37,046,100
Aggregate Value Increment of All Active TIF Districts (as of January 1, 2017)	\$ 1,793,500
Total Value	\$ 40,407,500
Total Municipal Equalized Value (as of January 1, 2017)	\$ 663,382,400
12% Test - Compliance	6.09%

^{*2018} Assessment data not available at the time this Project Plan was adopted.

Section IX. Methods of Financing¹ & Timetable

Financing Methods

Under Wisconsin law there are several methods of borrowing, some of which apply against a municipality's debt limit, and others that do not apply against the limit. The state sets this limit at five percent (5%) of the municipality's total equalized property valuation. Based on the City's 2017 total municipal equalized value this limit would be \$33,169,120. According to the City Treasurer, beginning in 2018 the City has existing general debt obligations of \$19,177,223, or 2.9% of the total municipal equalized value. Using this data, the current

¹ The listing of potential financing options is not a recommendation by MSA Professional Services regarding the particular financing option the City should use to finance TID #10 projects.

City of Tomah, WI

remaining debt capacity of the City is about \$13,991,897. Therefore, the City should have sufficient debt capacity to advance funds to TID #10 as needed to cover annual TID fund deficits should it arise.

The feasibility of financing specific projects at any given time using a particular method can be determined based on the municipality's current fiscal situation, anticipated non-TIF related capital needs, the amount of money to be borrowed, interest rates, and lending terms. Possible funding sources for TID eligible expenditures include any of the following:

- A. <u>General Obligation Borrowing</u>. General Obligation Borrowing includes all types of municipal borrowing from banks, the State Trust Fund, or other lending institutions. This method of borrowing requires little effort or legal expenditures and works particularly well for smaller projects.
- B. <u>General Obligation Bonding</u>. General Obligation Bonds are a debt instrument backed by the full faith and credit of the municipality and its ability to raise revenue through taxation. In the case of default, the municipality is liable for repayment of the debt. As a result, this type of debt can often result in lower interest rates than regular General Obligation Borrowing. The high fees associated with the issuance of these bonds make them more attractive for larger projects.
- C. <u>Mortgage Revenue Bonds</u>. Revenue Bonds are a debt instrument backed by revenue generated from the project. These types of bonds are also mainly used for larger debt issuances due to their relatively high associated fees. They are typically issued by municipal bodies that raise revenues on a fee for service type basis, such as the Water & Sewer Utility. These types of bonds generally do not count against a municipality's five percent debt limit.
- D. <u>Special Assessment "B" Bonds</u>. Special Assessment "B" Bonds are a debt instrument backed by the municipality's ability to raise revenue from special assessments charged to persons, organizations, or businesses receiving benefits from the project. These bonds also do not normally count against a municipality's debt limit.
- E. <u>Federal/State Loan and Grant Programs</u>. The State and Federal Government often sponsor grant and loan programs that municipalities may potentially use to supplement TIF expenditures or provide financing for capital costs which positively impact the District. These programs include Wisconsin Community Development Block Grants, Rural Development Administration Community Facility Loan/Grants, Transportation Economic Assistance Grants, and Economic Development Administration Grants. These programs require local match funding to insure State and Federal participation in the project.
- F. <u>General Fund Expenditures.</u> The City may choose to pay for some projects using advances from General Fund revenues. Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the General Fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.
- G. <u>Utility Fund Expenditures</u>. The City may choose to pay for some projects using advances from Utility <u>Fund</u> revenues (e.g. Water, Sewer, Stormwater). Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the appropriate utility fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.

City of Tomah, WI

H. <u>Developer Financed TIF Agreements</u>. Another option to pay for TID eligible expenditures is through a Developer Funded or Pay-As-You-Go TIF Agreement. Under this option the Developer borrows funds that the City would have borrowed under a traditional developer's agreement to complete an improvement project. The Developer is refunded through payments by the City, including possible interest charges, as increment is generated from the improvement project.

If financing as outlined in this Project Plan proves unworkable, the City of Tomah reserves the right to use alternate financing solutions for the projects as they are implemented.

Financing Timetable

The City Council is not mandated to make improvements defined in this Project Plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions, budgetary constraints and merits of the project at the time a project is scheduled for consideration. The actual implementation of projects and the timing of financing may be accelerated or deferred from the timing described in this Project Plan, depending on conditions existing at the time. The expenditure period for TID #10 is May 8, 2018 through May 8, 2033.

Section X. Relocation

Although relocation is currently not anticipated, if relocation were to become necessary in the future as a result of proposed projects in TID #10, the following is the method proposed by the City, or Community Development Authority/Redevelopment Authority, for displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statues and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (WDOA) on Relocation Benefits. The City will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes 32.27. The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

Section XI. Legal Opinion

An opinion from the City legal counsel regarding the Project Plan for TID #10 and its compliance with s. 66.1105 of Wisconsin Statutes is provided in Appendix H.

Section XII. Glossary of TIF Related Terms

<u>Base Value:</u> The aggregate value, as equalized by DOR, of the real, personal, and non-exempt municipal-owned property located within the TID as of the valuation date.

<u>Estimated Growth in Value of New Development:</u> The estimated growth in tax assessment value attributed to new development or redevelopment of parcels in the TID. Calculated by subtracting the base value of parcels from an estimated post (re)development equalized value.

Equalized Value: The estimate of the State of Wisconsin Department of Revenue of the full market value of property; used to apportion property tax levies of counties, school districts and municipalities among tax districts.

City of Tomah, WI

Expenditure Period: The time during which expenses may be incurred for the implementation of the approved Project Plan and the completion of the projects outlined therein. The current maximum expenditure period for all districts ends five years before the unextended maximum life of the TID.

Non-Project Costs: As part of the Project Plan, there may be investments that are not eligible for TIF, or that are paid for with revenue other than tax increment revenue – such as a grant.

<u>Project Plan:</u> The plan, properly submitted and approved by the Wisconsin Department of Revenue, for the financial development or redevelopment of a TID, including all properly approved amendments.

<u>Tax Incremental District (TID):</u> The contiguous geographical area within a municipality consisting solely of whole units of property as are assessed for general property tax purposed not including railroad rights of way, rivers or highways, or wetlands as defined in Wisconsin Statutes 23.32.

<u>Tax Incremental Financing (TIF):</u> A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for, the property taxes go to the municipality, county and school districts.

<u>Tax Increment:</u> The taxes levied by all overlying taxing jurisdictions on the value between the base value and the current value of the TID, also known as the value increment. These taxes are sent to the municipality who operates the TID, and used to pay for the approved project costs laid out in the Project Plan.

<u>Tax Increment Value</u>: The difference in value between the base value and the current value. This is the amount of property value that can be attributed to the TIF investment, and as such is the portion of the tax base that is used to generate the tax increment that pays for the investment.

<u>Tax Rate:</u> The rate, usually expressed in terms of dollars per one thousand dollars of assessed valuation, at which taxes are levied against the total assessed valuation of the municipality. Due to changes in the total assessed valuation of the municipality from year to year, the tax levy change and the tax rate change will not be the same. The tax rate change reflects what impact the property owner will see in their total taxes.

"The Gateway to Cranberry Country"

City Clerk Becki Weyer

City Treasurer Mollie Powell

Mayor Mike Murray City Administrator Bradley J. Hanson

August 3, 2021

STAFF COMMITTEE PREPARATION REPORT

Agenda Item:

TID Amendments: Tomah Owner Occupied Housing Assistance Program (TOOHAP)

Summary and Background Information:

There is current proposal to amend project plans for all the City's existing Tax Increment Financing (TIF) Districts (also known as TIDs #8, #9 and #10) to allow funding for a future Tomah Owner Occupied Housing Assistance Program (TOOHAP). This program, if approved by Council at later date, will help to maintain the City's existing housing stock as an adequate and affordable option for residents. This program is also identified as an eligible expense in the proposed TID #11, covering lands on the north side of the City.

MSA Professional Services, who has been assisting the City with TIDs for a number of years, verified with the Wisconsin Department of Revenue (WDOR) that a housing grant/loan may be an eligible TID expense if approved in the project plan prior to the close of the expenditure period (i.e., 5 years before max life date). For discussion purposes, the attached summary sheet provides potential TOOHAP policies and requirements.

Note: The TOOHAP program details are suggestions for how the program could work, but final approval of such a program will be discussed and approved by Council through a separate process. Approval of the TID project plan amendment <u>does not</u> establish the TOOHAP program – merely provides the avenue for funding the program (if established).

Fiscal Note:

Costs would come from TID Tax Increment as determined by Council with the annual budget, with a maximum annual suggested amount of \$20,000 per TID.

Recommendation:

Approve the TID amendment to include TOOHAP funding opportunity.

Decision Urgency:

No urgency with this Council meeting and suggests delaying decision until the regular Council meeting on Tuesday, August 17, 2021 as this was stated back at the Common Council meeting on Tuesday, July 20, 2021.

Bradley J. Hanson	August 3, 2021
City Administrator	Date

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Alderpersons: District 1 Adam Gigous – District 2 Richard Yarrington – District 3 John Glynn – District 4 Shawn Zabinski – District 5 Mitch Koel – District 6 Lamont Kiefer – District 7 Nellie Pater – District 8 Dean Peterson

819 Superior Ave Tomah, WI 54660 608.374.7400

"The Gateway to Cranberry Country" City Clerk Becki Weyer City Treasurer Molly Powell

Mayor Mike Murray City Administrator Bradley J. Hanson

August 3, 2021

TID PROJECT PLAN AMENDMENTS (All TIDs)

Tomah Owner-Occupied Housing Rehabilitation (TOOHAP) – PROPOSED GUIDELINES. Ultimately, if this program is approved through the TID Amendment and Creation process, the appointed Committee will determine the guidelines with formal ratification by the Common Council. Each year the Council will determine how much, if any, funds are distributed to this program through the annual budgeting process. Funds should only be allocated to TOOHAP after known projects within the TIDs are funded.

To maintain the City's existing housing stock as an adequate and affordable option for residents, the City will create a housing rehabilitation forgivable loan program using TIF funds. This program is for projects where the property owner occupies one of the units. There may not be more than four units upon one parcel. Eligible properties include any properties with permitted residential units within the TIF district, within the $\frac{1}{2}$ mile boundary per Wisconsin Statutes Section 66.1105(2)(f)(1)(n), and in the City of Tomah's corporate boundaries.

The City will provide matching funds for the following eligible projects*:

- structural repair and impacted building elements with similar material/value as one being replaced (e.g., flooring);
- asbestos removal and lead based paint mitigation;
- repair/upgrades to ventilation, plumbing, electrical, heating, insulation, fire protection, weatherization, or other improvements necessary to comply with local building codes.
- replacement of roofing, siding, windows, gutters/downspouts, exterior walkways and driveway;
- ADA-compliant improvements for disabled or elderly persons;
- Garages; and

The City will not provide matching funds for the following ineligible projects:

- interior aesthetic improvements that are not necessary for code compliance or structural repair (e.g. flooring, trim, etc.);
- interior improvements to multi-unit structures with costs greater than 50% dedicated to owner-occupied unit; and,
- where the cost of improvements is more than 50% of the building's appraised value.

(Not in TID Project Plan, but for understanding of program requirements)

The Tomah Community Development Block Grant Committee will be responsible to adopt a project manual, identify income limits and other requirements and review program applicants. The City's Building Inspector must approve projects prior to the beginning of construction activities.

This program requires the applicant to match 25% of the total project with a minimum loan value of \$5,000 and a maximum loan value of \$50,000 (excludes hazardous material abatement costs that can be covered 100% in the loan, including, but not limited to: asbestos and lead-based paint). Loans are to be repaid and may be partially forgiven (converted to grants) as follows:

Payments shall be made annually over a 10-year period

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Alderpersons: District 1 Adam Gigous – District 2 Richard Yarrington – District 3 John Glynn – District 4 Shawn Zabinski – District 5 Mitch Koel – District 6 Lamont Kiefer – District 7 Nellie Pater – District 8 Dean Peterson

^{*} Any improvement/repair that includes asbestos and lead-based paint must be abated as part of the project to receive monies from this program.

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- 5% of the loan value shall be forgiven each year that the applicant continues to own and live in the property, up to a maximum of 50% of the total principle value of the loan after 10 years. If the owner no longer lives in the property, principle forgiveness no longer applies.
- Sale of the property shall result in repayment of all outstanding principle and interest payments owed on prorated basis.
- Interest of the loan shall be 3% annually, with 2% returned to the program fund and 1% returned to the administration of the program.
- Program eligibility shall be for individuals who do not exceed two times the Low to Moderate Income (LMI)
 maximum eligibility for the listed number of dependents (80% of median family income), or that level
 deemed appropriate by the CDBG Committee, whichever is the lessor amount.
- Annually, the City shall allocate the funds dedicated to this Tomah Owner-Occupied Housing Assistance Program (TOOHAP) from available TID funds and as allocated by the Common Council.
- 10% of the funds allocated for the Tomah Owner—Occupied Housing Assistance Program will be used for administrative purposes to assist with the increased workload and paperwork.

Potential Return on Investment (ROI) of TOOHAP

If the TOOHAP program is approved to be funded by the TIDs, these are the potential positive effects, or ROI, below:

- Retain or infuse new students into the Tomah Area School District
- New owner/occupied buildings currently being used as rentals can see increased housing improvements by neighboring properties and increased neighborhood housing values (see the included Harvard University Study from 2008 & the article "Why you are better off buying a house rather than renting" by Mark Ferguson https://investfourmore.com/renting-vs-buying/)
- Property owners spending their paychecks locally and less money leaving the City economy to absentee landlords living elsewhere
- Preventing housing stock to become dilapidated and involving City processes for Nuisance properties from occurring
- Retaining properties on City utilities

City of Tomah and Families First of Monroe County Cooperation with TOOHAP

As part of FF WHEDA grant application, FF will have to hire a Case manager. There are many potential partnership benefits to the City this program can create. In preliminary discussions with Planning & Zoning Director Shane Rolff he cannot inspect the interior of a manufactured home due to Federal Regulations. However, he could provide guidance to the remodeling of how something should be done to potentially meet the appropriate Code. In return FF's Case Manager would assist the City in its administration of TOOHAP.

Joint Center for Housing Studies Harvard University

Good Home Improvers Make Good Neighbors

Kevin Park April 2008 W08-2

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Any opinions expressed are those of the author and not those of the Joint Center for Housing Studies of Harvard University or of any of the persons or organizations providing support to the Joint Center for Housing Studies.

Abstract

Research on the determinants of home improvement activity generally ignores the neighborhood context in which homeowners live. However the condition and trends of the surrounding properties influence a homeowner's attitude toward his or her own house. This "neighborhood effect" is a situation where neighborhood conditions (including overall level of home improvement spending) impose costs and benefits or otherwise influence the behavior or actions of a homeowner. Similarly, the home improvement activities of an individual homeowner may impose costs and benefits on nearby property owners and thereby influence the general level of maintenance in the neighborhood. To the extent that the level of home improvement influences the desirability of a particular home or of homes on average in the neighborhood, these externalities can be measured by examining changes in home valuations.

Using the Metropolitan Surveys of the American Housing Survey, from 1995-2004, this paper analyzes the differences in real appreciation rates between neighborhoods with different levels of median home improvement spending, even for households with comparable levels of individual expenditures. This paper finds a modest but statistically significant neighborhood effect, which was strongest among those households which spend the least individually. For a given level of individual home improvement spending, the inflation-adjusted annual house price appreciation rate was 15% higher in high spending neighborhoods compared to low spending ones.

Introduction

Research on the determinants of maintenance and home improvement activity of homeowners is generally devoid of the neighborhood context in which a homeowner undertakes such behavior. Home improvement projects are seen as a way for new homeowners to customize their living space, or for existing homeowners to accommodate changes to the household, or as an additional investment in the value of the house. Further, the demographic characteristics of the homeowner, such as age, income, and race, are used as predictors of the level and type of home improvement expenditures.

Ignored in this research is the influence that general neighborhood conditions and actions of nearby property owners (including their general level of home improvement expenditures) may have on the home improvement decisions of homeowners. Omitting these "neighborhood effects" distorts the analysis of the individual homeowner home improvement decisions, as well as fails to capture the full social benefits of individual home improvement activity. In particular, understanding such external effects and spillovers is important for predicting home improvement behavior and for shaping public policies, which are often predicated on such externalities. This paper aims to review the literature on external effects associated with home improvement activity and housing values, find empirical evidence of an independent effect of neighborhood maintenance and improvement spending on house value appreciation, and discuss its meaning and significance.

Simple Assessment of Homeowner Decision-Making

In traditional economic theory, homeowners are thought of as both the tenant and landlord of their home (Winger 1973). In this framework, home improvement involves both investment and consumption elements. Home improvement and maintenance will increase the flow of housing services the household enjoys, where housing services include the size, quality, location and other attributes of the home. Home improvement will also influence the likely sale price of the home in the future, where house value reflects the quantity and price of the housing services provided. Finally, the relative importance of the investment and consumption benefits is influenced by how long the owner plans to remain in the unit, a time horizon that is in part determined by the demographic characteristics of the homeowner, such as age and income.

Previous research by the Joint Center for Housing Studies has discovered several such internal determinants. Baker and Kaul (2000) found higher income homeowners, occupants of older homes, and households having completed a home improvement in the previous two years, were associated with an increased probability of having home improvement expenditures. Further, homeowners with higher levels of education, owners that had lived in their homes longer, households other than married couples, and blacks were more likely to hire professionals than undertake improvements themselves. Meanwhile, owners in the Midwest and West, and owners in suburban locations were more likely to undertake Do-It-Yourself (DIY) projects. Bendimerad (2005) found peak remodeling activity occurs when a person is between the ages of 35-45 and that younger households tended towards DIY projects, while older households hired professionals.

This paper focuses on changes in reported house value, which is a determinant of home improvement activity. Ziegert (1990) found anticipated increases in house value led residents to invest more in home improvements in order to capture future potential capital gains, as well as reallocate expenditures from nondurable to durable goods. These changes were motivated by both investment potential and housing consumption.

Changes in house value are also a result of home improvement activity by altering the quantity of housing services provided. *Remodeling Magazine* and the National Association of Realtors creates an annual "Cost vs. Value Report" using surveys for contractors and suppliers for cost, and appraisers, sales agents, and brokers for value (Alfano 2007). For 2007, the estimated share of home improvement costs recouped through increases in the value of the house ranged from 57 percent for a mid-range home office remodeling to 88 percent for upscale siding replacement. The fact that less than the full cost is recouped is indicative that 1) some projects are not discretionary but are necessary to maintaining the integrity of the house; and still manage to increase the value of the house, and 2) the study only captures the investment benefit of home improvements and not the increase in consumption benefits included in the implicit rent.

External Costs and Benefits

In addition to the demographic characteristics of the homeowner, external factors can also affect the discount rate applied to future housing services. In a pioneering article on the subject, Galster and Hesser (1982) argue that the condition of the surrounding neighborhood shapes the homeowner's perception of the quality, and therefore the value of housing services of

his or her unit. Further, tenant satisfaction influences expectations of likely duration of tenure, which affects the discount rate applied to housing services.

On the other hand, by influencing the condition of the neighborhood, home improvement activities yield additional social benefits which are external to the individual housing unit and not necessarily incorporated into an individual's home improvement decisions. Blazenko and Pavlov (2005) note that if homeowners fail to account for the spillover benefits of home improvement activity, less than socially optimal property maintenance will occur. Similarly, Winger (1973) points out that, as the beneficiary of a neighborhood spillover, a homeowner may maximize the present value of his or her property by under-maintaining it relative to the surrounding neighborhoods, thereby creating and maximizing the positive externality the neighborhood exerts on the homeowner's property. Either way, less than the socially optimal level of home improvement occurs, leading to lower property values, which further reduces the incentive to invest in additional housing services.

Galster and Hesser (1982) elaborate on how the neighborhood shapes the homeowner's maintenance and improvement decisions by distinguishing three dimensions neighborhood: the physical, the demographic, and the social:

Physical- Galster and Hesser cite numerous empirical studies showing that the physical condition of the surrounding neighborhood significantly affect household perceptions of that dwelling's quality and expectations of tenure.

Demographic- Galster and Hesser again cite studies stating that changes in the demographics of the neighborhood, such as median incomes, poverty rates, racial/ethnic composition, can affect homeowners' perceptions of neighborhood quality and consequently alter maintenance behavior in the same fashion as the physical condition of the neighborhood. Ioannides and Zabel (2003), identify this as the contextual neighborhood effect on housing demand, where homeowners view their neighbors' characteristics as a signal of future housing consumption and then alter their own consumption accordingly.

Social- Galster and Hesser argue:

"The social dimension of neighborhood can be posited as affecting homeowners' maintenance behavior by encouraging them to conform to the other resident's norms as to what constitutes 'minimum acceptable' neighborhood housing quality...

These social controls, where effective, should not only reduce the *variance* in maintenance levels in the neighborhood, but also increase the *mean* level by increasing each homeowner's perceived *marginal* benefits of maintaining (or, equivalently, increasing their marginal costs of *not* maintaining)."

Ioannides and Zabel identify this notion of "keeping up with the Joneses" as the endogenous neighborhood effect, where homeowners who view their neighbor's home improvement decisions will strive to keep up by making similar decisions.

Ellen and Voicu (2006) look at the flip side of this relationship. The condition of the neighborhood is seen as a consequence instead of a determinant of improvement activity. For the physical dimension, Ellen and Voicu argue that the removal of a disamenity (or creation of an amenity) eliminates the negative house price gradient radiating out into surrounding properties, but note that this "physical structure" effect depends upon the perceived quality and ongoing maintenance of the property. For example, a study by Temple University found that the sales price for houses within 150 feet of an abandoned property, which presumably was lacking adequate maintenance, was \$7,627 less than a comparable house elsewhere, and that this negative impact weakened with distance (Temple University Center for Public Policy and Eastern Organizing Project, 2001). For the demographic dimension, Ellen and Voicu state that rehabilitation of a property can generate external benefits by increasing the population of the neighborhood, improving neighborhood safety and commercial demand. But they qualify this argument by saying the externality "may depend critically on the income and characteristics of incoming residents." Finally, for the social dimension, Ellen and Voicu argue that housing renovation can provide a market demonstration effect, helping to attract other investors by indicating economic viability.

On the geographic reach of these external factors, Galster and Hesser use four gradations of neighborhood with different physical and social characteristics: 1) roughly a one-block radius around the home, 2) a relatively homogenous area to which one has a socioeconomic attachment,

3) an area defined by jurisdictional lines or transportation arteries, and 4) "entire suburbs, townships, or sub-metropolitan regions." Most research of the externalities of rehabilitation and home improvement has focused on relatively small "primary" and "secondary" neighborhoods (roughly gradations 1-3). For example, Ulusoy (1998) restricts the analysis to 199 properties within a specific neighborhood of Pittsburgh, PA and Ellen and Voicu analyze the effect on properties within 1,000 ft of subsidized housing sites, compared to the rest of the respective census tract, in New York City.

Ellen and Voicu found that public rehabilitation projects generated significant, positive external benefits. Galster and Hesser's analysis of surveys of households in Wooster, OH found higher levels of expenditures were associated with living in better physical quality and socially cohesive neighborhoods. One of the broadest studies of neighborhood externalities was by Boehm and Ihlandfeldt (1986). Their study interviewed a sample of homeowners in twenty neighborhoods in different cities selected to maximize variation. In addition, objective measures of the condition of the surrounding neighborhood were taken. The study found that homeowners would increase home improvement expenditures by \$840 for every 10 percent reduction in the share of neighborhood effect at such geographies.

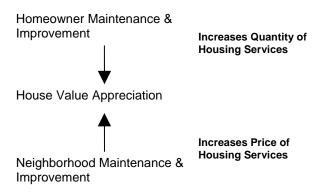
Approach

Boehm and Ihlanfeldt (1986) note the limited success econometric models have in explaining home improvement expenditures and argue this disappointment may be attributable to an intrinsically stochastic component of such expenditures—that expenditures reflect diverse preferences for housing consumption as much as measurable variables. There is also an inelastic nature to the timing of such expenditures—many home improvement projects are done out of necessity to replace broken or obsolete features. Nevertheless, this paper modestly hopes to reveal evidence of a neighborhood effect of home improvement expenditures.

Research Question

The primary question this paper intends to address is how neighborhood home improvement activity affects individual property value appreciation, independent of individual home improvements. Conceptually, when a homeowner undertakes a home improvement

activity, he or she is increasing the *quantity* of housing services provided, thereby increasing the value of the housing unit. However, the aggregation of these improvements increases the *price* of those services by making the neighborhood more desirable, ultimately increasing the house value of homeowners, even those who did not undertake any improvements themselves. In other words, this paper hopes to demonstrate the existence of an externality created by home improvement activity.



Of course, the world is far more complex. Innumerable other factors affect the price of housing services. Even the simultaneity in this relationship confounds proving causation, and data limitations prevent sophisticated analysis of intervening variables, such as developing a fully specified hedonic model of the determinants of house value. Consequently, this paper simply seeks to prove the existence of this relationship.

Data

This paper uses the American Housing Survey Metro (AHS-MS) files to analyze the neighborhood improvement-appreciation relationship at the sub-metropolitan level (Galster and Hesser's fourth gradation of neighborhood). Metros from the 1995 and 1996 AHS-MS surveys are matched with the next time they appear in the AHS-MS, either in 2002 or 2004. As a result, the time in between surveys ranges from seven to nine years. (See Exhibit 1).

Exhibit 1: Survey Years

Metro Name	MSA Code					
seven years (1995, 2002)						
Charlotte, NC-SC	1520					
Columbus, OH	1840					
Kansas City, MO-KS	3760					
Miami-Ft. Lauderdale, FL	5000					
Portland, OR-WA	6440					
eight years (1996, 200	04)					
Atlanta, GA	0520					
Cleveland, OH	1680					
Hartford, CT	3280					
Indianapolis, IN	3480					
Memphis, TN-AR-MS	4920					
Oklahoma City, OK	5880					
Sacramento, CA	6920					
St. Louis, MO-IL	7040					
Seattle-Everett, WA	7600					
nine years (1995, 200	04)					
Denver, CO	2080					
New Orleans, LA	5560					
Pittsburgh, PA	6280					
San Antonio, TX	7240					

The geographic unit of analysis is the AHS variable zone. The only rigid requirement for zones is a population of at least 100,000 persons. However, the Department of Housing and Urban Development (HUD), the agency responsible for administering the AHS, attempts to meet four other criteria: 1) respecting political boundaries, 2) geographical contiguity, 3) homogeneity of demographic and housing characteristics, and 4) approximately equal distribution of population among the zones of a given metro. Nevertheless, zones are a "compromise among competing standards," and while algorithms and mathematical procedures are used, "the final zones are based on human judgment" (Vandenbroucke 2005).

There are three main challenges to the suitability of the AHS-MS files for this paper's analysis:

1) How reliable are homeowner estimates of the true market value of his or her housing unit? There have been numerous studies testing the accuracy of owner-reported house values compared to market-transactions. For the purposes of this paper, actual values matter less than changes in value, which, fortunately, seem to be more accurate. DiPasquale and Somerville (1995) compare the owner-reported value and transaction prices in the AHS and found that, while the actual values diverged, both follow a similar time series pattern. Further, Bucks and Pence (2006) find a close correlation between changes in owner-reported house value in the Survey of Consumer Finance and the external repeat-sales index developed by the Office of Housing Enterprise Oversight (OFHEO). This paper's estimates of nominal house value appreciation, based on the median compound average annual change of owner-reported house value in the AHS-MS, are roughly comparable to OFHEO's House Price Index (HPI) (see Appendix A). These estimates were generally lower than OFHEO's HPI, with only Sacramento and Denver higher. In general, changes in the reported value of house value appear to be a reliable measure of actual house price appreciation.

2) How reliable are two surveys, seven to nine years apart, of the overall household home improvement spending over that time span? Due to the length of time in between surveys, this paper assumes that characteristics of homeowners, such as home improvement spending, in these survey years provide a reasonable measure of those characteristics in the intervening years. The summary statistics in this paper are based on the median in a given geography of the two-survey average of a given characteristic (home improvement spending, house value, household income etc.) for each household in that geography. The reliability of this method was tested using the National AHS surveys from 1995-2005, which occur every two years. Looking at the four metropolitan statistical areas in the national file with over 200 matched observations, homeowners who were in the lowest quartile of average expenditures defined by the average of the 1995 and 2005 surveys typically had home improvement expenditures 58 percent below their respective metro median for the overall period (see Appendix B). While not perfect, this correlation seems reasonable enough to argue that categories created for the two surveys hold true for the intervening period.

3) How reliable are aggregations of respondents in the AHS-MS of the overall improvement spending for a given zone? With an adequate sample size, and the relative homogeneity of homeowners and houses within zones, this paper assumes that summary statistics based on observations in the AHS-MS are indicative of the overall characteristics of their respective zones. This is a difficult assumption to test and, admittedly, creates a substantial amount of noise in the data, limiting the sophistication of the analysis.

Metro Area Comparisons

The zones in the AHS metro files are dispersed across the nation and face different market conditions. The economies and housing supply-and-demand conditions in California are very different from Ohio or Louisiana. Consequently, the home improvement expenditures, value of the housing stock, and the appreciation of the housing stock, vary considerably by metro. Average annual home improvement expenditures by homeowners over this time period ranged from \$1,112 in Charlotte, NC-SC to \$2,082 in Seattle-Everett, WA (2004 \$). House value varied even more, from \$79,685 in San Antonio, TX to \$237,772 in Sacramento, CA (see APPENDIX C). Average annual nominal appreciation rates ranged from 3.4 percent for Indianapolis, IN to 9.0 percent in Sacramento, CA.

Model

The hypothesis of this paper is that households in neighborhoods with relatively high home improvement spending will have relatively large increases in reported house value, even when compared to other households with a similar level of individual improvement spending. There are two primary variables in this model:

Neighborhood Spending - Neighborhood maintenance and home improvement expenditures are measured as the zonal median of homeowner improvement expenditures relative to their house value and metro-area median. This spending-to-value ratio is used because a given amount of home improvement activity would presumably have a larger marginal effect in a smaller, dilapidated property than a well-kept mansion, although results are similar using an absolute figure of expenditures. Expressing spending as a percentage difference from the metro-area median is done to control for metro-wide confounding factors.

Appreciation - Appreciation is measured as the zonal median compound average annual change in reported house value in a zone, again relative to metro-area median.

A minimum of one hundred observations in a zone is considered adequate for creating reliable neighborhood spending and appreciation statistics, resulting in 134 usable zones. Plotting these two variables yields a statistically significant correlation. However, examining a zone as a whole obscures the quantity and price components of value change. In other words, the increase in value due to individual home improvements cannot be separated from the increase due to the additional desirability of the neighborhood. (See Exhibit 2).

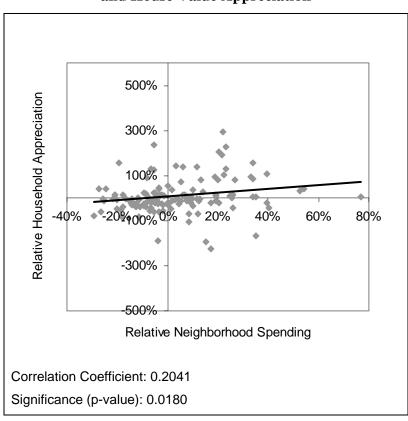


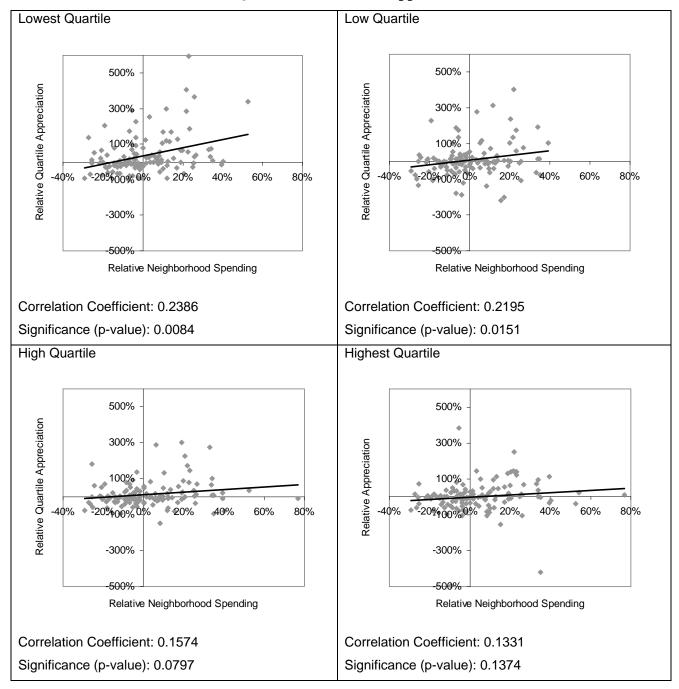
Exhibit 2: Relative Zone Home Improvement Spending and House Value Appreciation

In order to control for the different changes in quantity of housing services, only households with similar relative expenditures should be compared. Consequently, a new variable is needed:

Household Spending - Household spending is measured by household expenditure-to-house value ratio quartiles, based on their respective metro-area.

The x-axis (neighborhood spending) remains the same, but appreciation is now measured by the subset of each zone which falls into these metro-defined spending quartiles. Further, appreciation of each quartile is expressed relative to the respective metro quartile, not the overall metro median. For more reliable results, only zones with at least 100 total observations and 25 observations for a given quartile are included in this analysis. The number of adequate zones used in each quartile ranges from 121 to 126. (See Exhibits 3 and 4).

Exhibit 3: Relative Zone Home Improvement Spending and Quartile House Value Appreciation



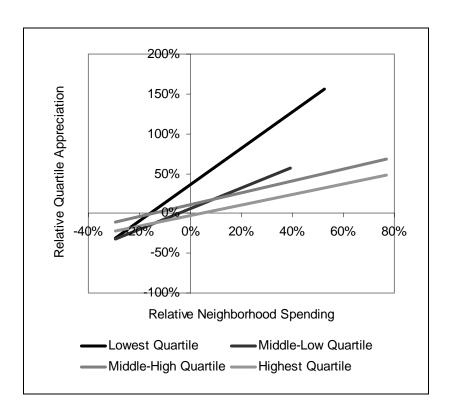


Exhibit 4: Relative Zone Home Improvement Spending and Quartile House Value Appreciation, Trendlines

Notice that both the magnitude and significance of the relationship declines as you move up the quartiles of individual spending. This follows Winger's theory that a homeowner may maximize the present value of his or her property by under maintaining it relative to the surrounding neighborhoods, thereby creating and maximizing the positive effect the neighborhood exerts on the homeowner's property. The weak relationship in the higher quartiles may also be related to the distribution of relative expenditures-to-value, which is skewed toward very little spending with a long tail at higher expenditure levels. Consequently, using household spending quartiles means the higher quartiles have wider ranges of expenditures. (See Appendix D).

Comparing median real appreciation rates in each household spending quartile by category of zone home improvement spending (either above or below the metro median) reveals, on average, higher appreciation rates in high spending neighborhoods—even for the same household-level quartile of spending—in 11 of the 18 metro-areas analyzed. The variation in the neighborhood effect could be influenced by intervening variables (discussed below), either at the neighborhood or metro-level. Looking across all metros, the average magnitude of this

difference (i.e. the spillover benefit of living in a neighborhood with relatively high home improvement spending compared to a low spending neighborhood) ranged from 0.22 to 0.41 percentage points in the inflation-adjusted rate of house price appreciation for the different household-level spending quartiles, and averaged 0.31 percentage points over the time period analyzed. In other words, high spending neighborhoods had an appreciation rate 11-19 percent higher than low spending neighborhoods, even for households with comparable levels of individual home improvement spending. Using the 18-metro average of a 15 percent higher real appreciation rate in high spending zones, a typical house worth \$110,000 in 1996 would be worth nearly \$160,500 by 2004 if located in a high spending neighborhood but less than \$156,600 if located in a low spending neighborhood. The neighborhood effectively added \$3,900 in house value over eight years. (See Exhibit 5; note that higher spending quartiles also have higher appreciation rates, indicating the increase in value due to a greater quantity of housing services).

Exhibit 5: Average Annual Inflation-Adjusted House Value Appreciation Rate by Household-Level Spending Quartile, Across All 18 Metro Areas

	Household Spending Quartile			Overall	
	Lowest	Low	High	Highest	
High Spending Neighborhood	2.18%	2.50%	2.45%	2.58%	2.43%
Low Spending Neighborhood	1.96%	2.09%	2.17%	2.24%	2.12%
Difference					
percentage point	0.22	0.41	0.28	0.34	0.31
percent	11%	19%	13%	15%	15%

Intervening Factors

In addition to the difficulty of determining causation, other variables may intervene, confound, or otherwise affect the relationship between home improvement and appreciation. This paper does not intend to develop a fully specified hedonic model of house price appreciation, but would like to address a few of these variables. The charts below show these variables as profiles of the neighborhoods in the quadrants created by the scatter plots exhibited earlier. (See Exhibit 6).

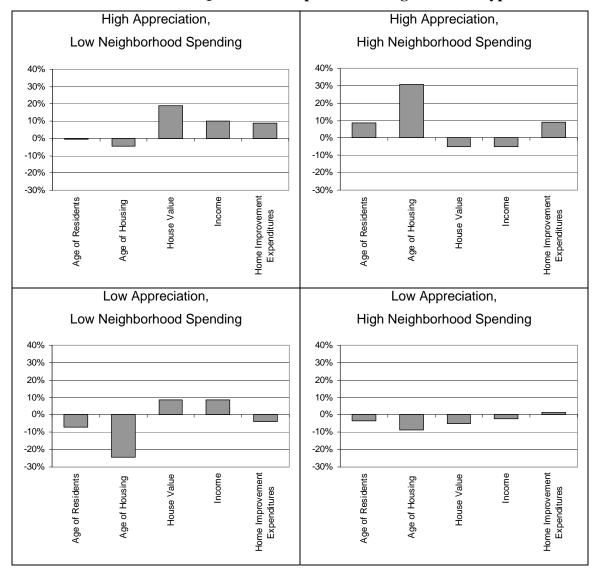


Exhibit 6: Quadrant Comparison of Neighborhood Types

Age of Housing Stock - The variable which varies the most is the relative age of the housing stock, as measured by the share of houses built before 1970 compared to the metro-wide share. Older homes require more routine maintenance and repair, so it is not surprising, that neighborhoods with higher shares of old homes had have more home improvement spending, compared to their respective metros. On average, these neighborhoods had an expenditure-to-value ratio 9 percent above their respective metro median, while neighborhoods with younger housing stock had spending levels 2 percent below the metro-area. This variable has an even more robust correlation with neighborhood appreciation. Older neighborhoods typically had a house value appreciation rate 43 percent above their respective metro, while appreciation in

younger neighborhoods was 15 percent less than the metro. Combined, this means that older homes are concentrated in the high spending, high appreciation quadrant of neighborhoods. Indeed, this group averaged a share of old homes 31 percent higher than their metros, while low spending, low appreciating neighborhoods had a share of old homes 23 percent less than their respective metros. Grouping the metro-areas into three groups of six ordered by age of the housing stock, shows that the middle category, or metros with 22-24 percent of the houses built before 1970, showed the least difference between high and low spending neighborhoods. Meanwhile, the six metros with the highest share of old houses had the largest difference.

House Value - The value of the housing stock is correlated with relative expenditure-to-value ratios, but not relative appreciation rates. Higher valued homes are associated with expenditure ratios 3 percent below the metro median, while lower values are associated with ratios 7 percent above the median. Similarly, neighborhoods with high expenditure-to-value ratios are characterized by lower values. However, the difference may simply be a result of scaling home improvement spending by house value and the relatively inelasticity of home improvement spending. There are some maintenance and improvements which must be made regularly, so house values vary more than home improvement spending. Consequently, houses on the lower end of the value scale will tend to have higher expenditures-to-value ratios. Looking at categories of metro-areas, the highest value metro areas, with typical house values over \$140,000 (2004 \$), had the largest difference in appreciation rates between high and low spending neighborhoods. The metros with the lowest house values, typically under \$110,000 (2004 \$), had the smallest difference.

Age of Residents - The relative share of homeowners over 65 years of age appears to be correlated with both variables of interest, but especially relative house value appreciation. Neighborhoods with older residents had appreciation rates 25 percent above the metro median, while younger neighborhoods had appreciation rates 6 percent below. Consequently, neighborhoods in the upper quadrants of appreciation have higher rates of senior residents. The

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¹ Looking at expenditures alone, high value neighborhoods had spending levels 17 percent above the metro median, and lower value neighborhoods 11 percent below their respective metros. This relationship between expenditures and initial value mirrors Leventis (2007) who found average prices for renovated homes before renovation were 5-10 percent higher than for un-renovated properties.

six metros with the smallest share of senior citizens (roughly under 22 percent) had a higher average difference in appreciation rates between high and low spending neighborhoods, nearly four times the average difference in the other twelve metro-areas.

Income of Residents - The relative income of a neighborhood is strongly correlated to both the relative value of the housing stock and relative level of expenditures. This creates the same dynamic as house values, where the relatively inelasticity of expenditures results in high income neighborhoods having lower expenditure to value ratios. Specifically, these neighborhoods have spending ratios 3 percent below the metro median, while low income neighborhoods have ratios 8 percent above the median and neighborhoods with high spending ratios typically have lower incomes. The difference in appreciation rates between high and low spending neighborhoods was stronger in middle and high income metro-areas. In low spending metros, with typical household incomes less than \$55,000 (2004 \$), low spending neighborhoods actually had a higher appreciation rate, on average, although the difference was not statistically significant.

Intra-Metro Location - There appears to be a significant difference between the urban and suburban neighborhoods of the selected metros.³ Zones designated as urban had appreciation rates 58 percent above the metro median, and spending ratios 10 percent above, while suburbs had appreciation rates 6 percent below metro median and spending ratios roughly at the median. Urban zones are also associated with higher expenditure ratios. This phenomenon may be related to the fact that the urban neighborhoods tend to have older and lower valued housing stock.

The correlations between these intervening variables and the variables of interest are statistically significant for most (see Appendix E). However, a simple linear regression including these does not eliminate the statistical significance of the neighborhood expenditure-to-value ratio on appreciation rates (see Appendix F). (Note: household expenditures are controlled for through the appreciation rate, which is based on the household quartiles discussed earlier). Again, this paper does not attempt to develop a fully specified hedonic model of house value appreciation.

² Again, looking at expenditures alone, the relationship is reversed, with high income neighborhoods spending more (13 percent above median compared to 9 percent below).

³ The American Housing Survey defines a zone as urban if it falls within the central city of an MSA and suburban if it does not.

Instead, the purpose is merely to determine whether or not a neighborhood effect appears to exist. These variables are mentioned in order to show that other dynamics are at play. The interaction of these merits further research; unfortunately, the data limitations of the AHS-MS prevent further sophistication and elaboration in this analysis. Still, these correlations seem to reasonably suggest a statistically significant effect of neighborhood improvement activity.

Conclusion and Discussion

This paper finds a modest but statistically significant effect of neighborhood home improvement activity on house value appreciation, even for individual households with comparable levels of improvement spending. Following theory, this "neighborhood effect" was strongest among those households which spend the least individually. Further, the higher spending neighborhoods had, on average, higher appreciation rates, even when looking at comparable levels of household home improvement spending, in 11 of the 18 metro-areas analyzed. Looking across all metros, the average magnitude of this difference amounted to an inflation-adjusted annual appreciation rate roughly 15 percent higher over the time period analyzed. For a typical house worth \$110,000 in 1996, this would yield an additional \$3,900 in value by 2004.

Policy Implications

The neighborhood effect is fundamentally an externality. If homeowners fail to account for the spillover benefits of their home improvement activity, then a less than socially optimal level of maintenance and improvement will occur. Consequently, there may be a case for government intervention. Indeed, various zoning and building code regulations are based on recognition of these neighborhood effects. These types of regulations mandate certain activities, while other government interventions create incentives for homeowners to incorporate social costs and benefits into their decision-making, for example in the form of a subsidy. Admittedly, the substantive significance of the neighborhood effect is small; meaning the administrative costs for such intervention would likely outweigh the benefits. However, the neighborhood effect could be used as one of many factors used to justify a public policy, such as historic preservation tax credits. Historic preservation is often argued for on the basis of cultural heritage, or the jobs

and tax revenue created; the effect on house values surrounding the historic property provides just one additional rationalization for such policies.

The neighborhood effect is also pro-cyclical, in that is reinforces the prevailing trend of the neighborhood. When the neighborhood level of home improvement activity is high or rising, individual homeowners see their house values rise and are more likely to invest in their properties. On the other hand, in a deteriorating neighborhood a rational homeowner reduces maintenance and improvement spending. Understanding the pro-cyclical nature of the neighborhood effect is also of interest to policy-makers and social activists. The rising house values related to a high neighborhood improvement activity can sometimes result in the displacement of residents, in a process called gentrification. Alternatively, a foreclosure crisis, which leaves homes abandoned and under-maintained, has been proven by other studies to result in falling property values throughout the neighborhood. The neighborhood effect in this case would further push that neighborhood into decline. Consequently, the reinforcing nature of the neighborhood effect calls for quick action to prevent decay or displacement from escalating.

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Appendix A

Nominal Average Annual House	se Value Appreciation	Comparison, 1995/1996	6 – 2002/2004
	OFHEO	AHS (owner estimates)	difference
Atlanta, GA	5.6%	4.8%	-0.8%
Charlotte, NC-SC	4.7%	3.8%	-0.9%
Cleveland, OH	3.7%	3.4%	-0.3%
Columbus, OH	4.5%	3.7%	-0.8%
Denver, CO	7.2%	7.3%	0.1%
Hartford, CT	5.5%	5.2%	-0.3%
Indianapolis, IN	3.4%	3.1%	-0.3%
Kansas City, MO-KS	5.8%	4.9%	-0.9%
Memphis, TN-AR-MS	3.6%	2.9%	-0.8%
Miami-Ft. Lauderdale, FL	5.9%	4.2%	-1.7%
New Orleans, LA	5.3%	5.0%	-0.3%
Oklahoma City, OK	4.2%	4.0%	-0.2%
Pittsburgh, PA	4.1%	3.0%	-1.1%
Portland, OR-WA	5.4%	4.4%	-1.0%
Sacramento, CA	9.0%	10.0%	1.0%
St. Louis, MO-IL	5.4%	4.9%	-0.6%
San Antonio, TX	3.4%	3.0%	-0.4%
Seattle-Everett, WA	6.6%	6.3%	-0.3%
mean	5.2%	4.7%	-0.5%
standard deviation	1.5%	1.8%	0.6%

Appendix B

Percent Difference of Quartile Median of Average Home Improvement Expenditures from Metro-Area Median of Average Expenditures. From 1995 Through 2005

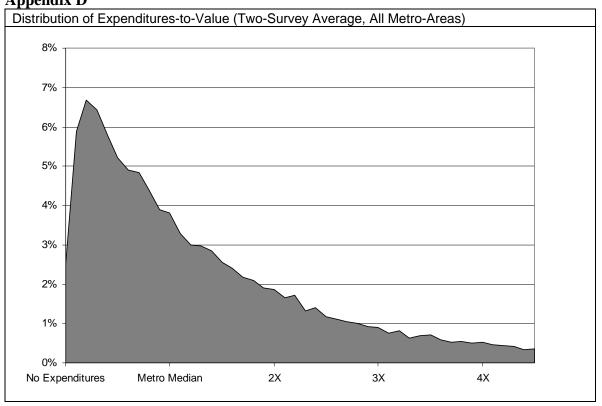
Metro-Area Median of Average Expenditures, From 1995 Inrough 2005					
	Quartile of Average Expenditures From 1995 & 2005 Only				
	Lowest	Middle-Low	Middle-High	Highest	
Chicago, IL	-50%	-36%	0%	104%	
Detroit, MI	-41%	-20%	-7%	86%	
Los Angeles-Long Beach, CA	-86%	-40%	6%	160%	
Philadelphia, PA-NJ	-55%	-17%	2%	153%	

Quartiles of home improvement expenditures are defined using the average expenditures from the 1995 and 2005 National AHS. Then the average home expenditure level is found for each household across the six surveys from 1995 *through* 2005. The median of this overall expenditure level for the quartiles created using only the end-year surveys shows that those categories remain largely accurate for the entire period.

Appendix C

Home Improvement Expendit	ture and House Value Comparison (Two-	-Survey Average, 2004 \$)
	Home Improvement Expenditures	Reported House Value
Atlanta, GA	1,350	148,237
Charlotte, NC-SC	1,112	117,540
Cleveland, OH	1,689	126,455
Columbus, OH	1,409	123,737
Denver, CO	1,812	189,081
Hartford, CT	1,801	181,267
Indianapolis, IN	1,675	117,188
Kansas City, MO-KS	1,540	107,549
Memphis, TN-AR-MS	1,264	100,520
Miami-Ft. Lauderdale, FL	1,260	128,897
New Orleans, LA	1,401	107,918
Oklahoma City, OK	1,245	87,513
Pittsburgh, PA	1,281	99,580
Portland, OR-WA	1,459	168,271
Sacramento, CA	2,081	237,772
St. Louis, MO-IL	1,495	113,178
San Antonio, TX	1,292	79,685
Seattle-Everett, WA	2,082	233,285
mean	1,514	137,093
standard deviation	286	46,698

Appendix D



Appendix E

Correlation of Intervening Variables with House Value Appreciation and Home Improvement Expenditures Relative to Value (p-value)

(p value)		
	House Value Appreciation	Home Improvement Expenditures/Value
Age of Housing Stock	0.4247	0.3766
	0.0000	0.0000
House Value	-0.0711	-0.3939
	0.1144	0.0000
Elderly Share of Residents	0.2852	0.204
	0.0000	0.0000
Income	-0.1959	-0.303
	0.0000	0.0000
Located in Central City	0.2398	0.1797
	0.0000	0.0001

Appendix F

Linear Regression Analysis of the Effect of Neighborhood Expenditures Relative to Value on a Given Subset of Households Defined by Metro-Area Quartiles of Individual Expenditures, With Intervening Variables Included

494
12.66
0.0000
0.2242
0.2065
0.8899

Source	SS	df	MS
Model	110.296433	11	10.0269485
Residual	381.707323	482	0.791923906
Total	492.003756	493	0.997979221

Subset Appreciation	Coef.	Std. Err.	t	P>t
Neighborhood Expenditures/Value	0.531431	0.271947	1.95	0.051
Resident Age	-0.46976	0.289554	-1.62	0.105
Housing Age	1.018836	0.176634	5.77	0.000
Housing Value	1.911276	0.407022	4.7	0.000
Income	-2.11738	0.525672	-4.03	0.000
City Dummy	0.084231	0.120212	0.7	0.484
Quartile Dummy 2	-0.09756	0.114351	-0.85	0.394
Quartile Dummy 3	-0.09594	0.113673	-0.84	0.399
Quartile Dummy 4	-0.1936	0.113549	-1.7	0.089
Survey Year Dummy 1	-0.00702	0.096511	-0.07	0.942
Survey Year Dummy 2	-0.05385	0.102027	-0.53	0.598
Constant	0.281516	0.517478	0.54	0.587

The purpose of this linear regression is simply to show the statistical significance of the external effect remains even after controlling for some intervening variables.

"The Gateway to Cranberry Country"

City Clerk Becki Weyer

City Treasurer Mollie Powell

Mayor Mike Murray City Administrator Bradley J. Hanson

August 3, 2021

STAFF COMMITTEE PREPARATION REPORT

Agenda Item:

TID Amendment: Equipment Acquisition Assistance

Summary and Background Information:

TIDs can aid City owned equipment acquisition, so long as the equipment will benefit each contributing TID district. An analysis would need to be completed by staff for each piece of equipment on how that equipment would benefit the TID in comparison to the City as a whole. As part of this analysis, staff should also consult with the City Attorney, Auditor and Financial Advisor to confirm their analysis and for additional suggestions. By completing the analysis, the City would have documentation to be able to demonstrate to the State of Wisconsin if the City was ever audited, how the City determined the amount of TID dollars used to acquire each specific piece of equipment. This is a process I have experience with in handling. This is an additional financial resource and funding mechanism to assist the City with equipment acquisitions.

Fiscal Note:

Costs would come from TID Tax Increment as determined by Council with the annual budget, with an amount determined annually based on the cost share analysis for the service provided by the equipment to each individual TID.

Recommendation:

Approve the TID amendment to include Equipment Acquisition Assistance funding opportunity.

Decision Urgency:

No urgency with this Council meeting and suggests delaying decision until the regular Council meeting on Tuesday, August 17, 2021 as this was stated back at the Common Council meeting on Tuesday, July 20, 2021.

Department Director	Date
Bradley J. Hanson	August 3, 2021
City Administrator	Date

Page 1 of 1

Alderpersons: District 1 Adam Gigous – District 2 Richard Yarrington – District 3 John Glynn – District 4 Shawn Zabinski – District 5 Mitch Koel – District 6 Lamont Kiefer – District 7 Nellie Pater – District 8 Dean Peterson

"The Gateway to Cranberry Country"

City Clerk Becki Weyer

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Mayor Mike Murray City Administrator Bradley J. Hanson

August 3, 2021

STAFF COMMITTEE PREPARATION REPORT

Agenda Item:

TID 8 Amendment: Parcel Additions

Summary and Background Information:

TID 8 is a donee TID, with existing TID 9 & 10 being donor TIDs, and the potential of TID 11 (if created) becoming an additional donor district for TID 8. Annexing the proposed parcels into TID 8 would provide for additional development opportunities, and with the pending annexation, more developable parcels within TID 8. These parcels, with current development that can be captured into TID 8 for 2022 Budget Year, will increase current revenue forecasts by approximately \$80,000 - \$90,000 or more depending upon the assessed value. "Stabilizing" will be discussed at the meeting why this is mentioned at this time, and during the 2022 Budget meeting in September.

Besides the donor districts contribution, these property additions, will only strengthen or at least stabilize TID 8's financial stability. These increased revenues from 2021 development to TID 8 would not be seen until the 2023 Budget Year.

Fiscal Note:

TID Amendments and Creation are TID eligible project expenses, and therefore would be covered by TID Revenues accordingly.

Recommendation:

Approve the parcel additions to TID 8.

Decision Urgency:

No urgency with this Council meeting and suggests delaying decision until the regular Council meeting on Tuesday, August 17, 2021 as this was stated back at the Common Council meeting on Tuesday, July 20, 2021.

Bradley J. Hanson	August 3, 2021
City Administrator	Date

PROJECT PLAN

Amendment #2 of Tax Incremental Finance District #8

City of Tomah, WI

Project #00067007

Drafted:

Note, this is the second Project Plan and Territory amendment to TID #8. The following document is an amendment to the original Project Plan. Portions of the original project plan with changes are highlighted throughout the document.

District Type

Rehabilitation/Conservation

Creation Date May 12, 2015
Expenditure Period May 12, 2037
Termination Date May 12, 2042

Prior Project Plan Amendments Amendment #1-September 13, 2016

Amendment #2-July 20, 2021

Remaining Territory Amendments



PROJECT PLAN Amendment #2 of Tax Incremental Finance District #8 City of Tomah, WI

Project #00067007

Prepared by:

MSA Professional Services, Inc. 1702 Pankratz Street Madison, WI 53704 (608) 242-7779

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Appendix A: TID #8 Maps

Appendix B: Boundary Description, Amendment #2

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Appendix E: Letter to Parcel Landowners/TID Parcel List

Appendix F: Affidavit of Publications

Appendix G: Meeting Minutes

Appendix H: Joint Review Board Letter of Approval

Appendix I: Legal Opinion Appendix J: List of Parcels

*Note Appendix A-J will be compiled upon completion of the project meetings for submission to the Wisconsin Department of Revenue.

Section 1. Introduction & TID #8 Planning Process

Wisconsin State Statute §66.1105 prescribes the process for creating a Tax Increment Finance District (TID). The law requires public input in the TID creation process, including a public hearing held by the Planning Commission at which TID information is discussed and citizens can reasonably voice their opinions on the proposed TID and TID Project Plan. A three-phased approval process is required to adopt TIF Districts including approval by the Planning Commission, City Council, and the Joint Review Board (JRB). The following is the formal meeting/action calendar for the City of Tomah TID #8 creation process.

DateMeeting/ActionJune 15, 2021First Joint Review Board MeetingJune 24, 2021Public Hearing with Planning and Zoning CommissionJune 24, 2021Planning and Zoning Commission ApprovalJuly 20, 2021City Council ApprovalAugust 11, 2021Joint Review Board ApprovalOctober 31, 2021Base Packet Submitted to Dept. of Revenue for Certification

Table 1: Project Schedule

The Project Plan for TID #8 in the City of Tomah, Wisconsin, has been prepared in compliance with Section 66.1105, Wis. Stats. The Project Plan establishes the need for the TID, lists the expected improvements within the TID, provides an estimated time schedule for completion of the projects and an estimated budget. The Project Plan is to be adopted by resolution of the Joint Review Board and City Council on the recommendation of the City Planning Commission as the official plan and guide for public and private sector development, rehabilitation, and conservation activities within the boundaries of TID #8.

Implementation of the Project Plan and construction of the public and private improvements listed will still require individual consideration and authorization by the City Council. Public expenditures for projects listed in the Project Plan should and will be based on the ability of the City to finance the project, market conditions, and the status of development at the time a project is scheduled for construction. The City Council is not mandated to make the public expenditures described in this plan, but is limited to the types of expenditures listed herein. Any changes to the territory or types of eligible projects will require a formal amendment to the Project Plan with public review (including a public hearing), Planning Commission, City Council and Joint Review Board approval. Redistribution of project expenditures from one project category to another will not require an amendment to the Project Plan.

The current status of Wisconsin state legislation allows TID #8 to have a 22-year expenditure period (i.e. through May 12, 2037) and a maximum life of 27 years (i.e. through May 12, 2042), not including potential extensions of three additional years. The District boundary may be amended only four times during the life of the TID under current law. This is the second territory amendment to TID #8. In addition, the City may also amend the project types and costs at any time during the 22-year expenditure period. There are no limitations to the number of times the City can complete a non-territory Project Plan amendment.

Project Plan-Amendment #2 of Tax Incremental Finance District #8 City of Tomah

It is the intent of the City to continually monitor the State legislative changes regarding Section 66.1105, Wis. Stats. in order to determine its potential effect on this and future TIF Districts within the City of Tomah. As required by Section 66.1105, Wis. Stats., a copy of this Project Plan will be submitted to the Department of Revenue and used as the basis of their certification of the amendment of TID #8 in the City of Tomah.

Section 2. Statement of Purpose & Orderly Development

TID #8 was approved on May 12, 2015 by the City Council with the base value established as of January 1st, 2015 of \$39,827,100. The specific purpose of TID #8 is to carry out various rehabilitation and conservation work and urban renewal projects within the District, or within 0.5 miles of the boundary of the District. These improvements will allow the City to attract and retain potential development, and encourage further private investment in local businesses.

The business development that is anticipated to occur will provide long-term tax benefits to both the City and all other overlying taxing jurisdictions. The City intends to use tax increment to enter into development agreements with perspective businesses and to provide public utilities to sites, along with other cash grants and development incentives. The purpose of providing these development incentives are to facilitate economic development, job creation, and tax base growth within the City.

All areas subject to this territory amendment were annexed to the City prior to adoption of this Project Plan amendment. Portions of properties with existing environmental constraints are anticipated to be conserved in a natural state.

Summary of Findings

In amending TID #8, the City of Tomah has made the following findings, consistent with Section 66.1105 of Wisconsin Statutes:

- The District is contiguous and contains only whole units of parcels. The boundaries of the District are of sufficient definiteness to identify with ordinary and reasonable certainty the territory included therein; and
- The amendment date of the District for purpose of allocating tax increment for the territory to be added is January 1, 2021; and
- Not less than 50% of the real property in the District is suitable for rehabilitation or conservation work and for carrying out the objectives of an urban renewal project; and
- Not more than 25% of the area in the District is considered vacant property under Section 66.1105(4)(gm)(1) of Wisconsin Statutes; and
- The improvement of such area is likely to enhance significantly the value of substantially all other real property in the District; and
- The project costs directly serve to promote orderly development consistent with the purposes for which the District is created; and
- The equalized value of the taxable property of the amended District plus the aggregate value increment of all existing districts within the City does not exceed 12% of the total value of equalized taxable property within the City; and
- The Project Plan for the District is feasible; and
- Improvements to the District are likely to encourage and promote conformity with the City's planning policies and procedures; and
- The development described in the Project Plan would not occur without the amendment of TID #8.

TID #8 was created as a Rehabilitation and Conservation TIF District. Per State Statute §66.1337(2m)(a), "rehabilitation or conservation work" includes any of the following:

- 1. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements.
- Acquisition of real property and demolition, removal or rehabilitation of buildings and improvements on the property where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.
- Installation, construction or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project.
- 4. The disposition, for uses in accordance with the objectives of the urban renewal project, of any property acquired in the area of the project. The disposition shall be in the manner prescribed in this section for the disposition of property in a redevelopment project area.

Per State Statute §66.1337(2m)(b), "urban renewal project" includes any of the following:

(b) "Urban renewal project" includes undertakings and activities for the elimination and for the prevention of the development or spread of slums or blighted, deteriorated or deteriorating areas and may involve any work or undertaking for this purpose constituting a redevelopment project or any rehabilitation or conservation work, or any combination of the undertaking or work.

Section 3. District Description

TID #8 was created as a Rehabilitation and Conservation TIF District.

Boundary Description

Maps depicting the boundary of the amended District are provided in Appendix A. The formal boundary description of the territory for inclusion to TID #8 is provided in Appendix B. A list of the parcel numbers within the amended TID #8 is provided in Appendix J and illustrated on the TID #8 Parcels Map in Appendix A. Note, maps of the entire area within the District are provided in Appendix A for informational purposes.

Existing Land Uses and Property Conditions

The Existing Land Use Map in Appendix A includes the existing uses of property in the amended District.

Zoning

The City of Tomah is zoned in accordance with an ordinance formally adopted by the City Council. A map identifying the zoning of property within the District is included in Appendix A.

Proposed Changes in the Community Development Plan, Map, Building Codes & Ordinances

No Official Map, Zoning Ordinance, or Building Code changes are proposed as a result of the amendment of this District. Individual redevelopment proposals may require changes in zoning designations consistent with the intent of this Project Plan and the City of Tomah Comprehensive Plan.

Section 4. Statement of Kind, Number, and Location of Public Works & Other Projects

The City of Tomah intends to implement a number of public works projects that will positively impact business, residential, and conservancy use in TID #8. These projects will be undertaken within the first 22 years of the TID's existence (i.e. through May 12, 2037), subject to change based upon the relative needs of the City and the ability of the District to recoup expenses through the generation of tax increment. A brief description of each type of project is provided below.

A. Infrastructure for (Re)Development of the District

Proposed infrastructure improvements to public or private property may include:

- Street (re)construction, relocation, removal, upgrading, or maintenance to facilitate development within TID #8. Street infrastructure includes sidewalks, curb & gutter, bike lanes, parking lanes, street lights, traffic signals, signage, markings and other appurtenances and amenities for the safety and comfort of motor vehicle, bicycle and pedestrian traffic. Alleyways are considered streets within the definition of this Project Plan.
- 2. Pedestrian and bicycle path construction.
- 3. Construct, upgrade and/or relocate sanitary sewer system components and related appurtenances.
- 4. Construct, upgrade and/or relocate storm water drainage facilities and related appurtenances.
- 5. Construct, upgrade and/or relocate water system components and related appurtenances.
- 6. Construct, upgrade and/or relocate railroad crossing appurtenances.
- 7. Install or improve primary and secondary electric service including installing above or below ground electric distribution lines and related appurtenances.
- 8. Install or improve natural gas service.
- 9. Install or improve telecommunication, fiber optic, and/or cable television service including installing above or below ground distribution lines and related appurtenances.

B. Streetscaping Improvements

Streetscaping improvements designed to improve the aesthetics of the District including installation of gateway, wayfinding, and street signage; public art installations; landscaping; lighting; information kiosks; other streetscaping furnishings (e.g. benches, trash receptacles, bike racks, flower pots, banners, flags, etc.).

C. Site Improvements

Site improvement activities required to make sites suitable for (re)development including, but not limited to: access drives; parking areas/facilities; landscaping, signage; entryway features; walkways; lighting; fencing; remodeling or rehabilitating existing buildings; razing buildings; stripping topsoil; grading; compacted granular fill; topsoil replacement; soil stabilization; relocating power lines; utilities; and related activities.

D. Environmental Studies and Remediation

This may include costs associated with environmental studies; wetland delineations; floodplain delineations; floodplain hydraulic and hydrologic analysis; environmental remediation including the removal of above or below ground contamination or hazardous materials.

E. Development Funds/Incentives

Payments made at the City Council's discretion to assist private developers in projects that carry out the goals of this Project Plan, the City's Comprehensive Plan, or other adopted City plans including those future sub-area plans for the District (e.g. a Downtown Master Plan). Such payments could include grants, zero-interest loans, or low interest loans for the purposes of land acquisition, environmental remediation, building and site improvements to non-residential or residential properties. Establishment of a Revolving Loan Fund (e.g. low interest loan or grant for building façade or signage improvement program) is considered Development Incentives and is eligible project costs. No cash grants or loans will be provided until a developer agreement has been signed between the developer and the City.

F. Planning, Promotion & Development

Promotion and development of TID #8 including professional services for planning, marketing, recruitment, real estate commissions and fees in lieu of commissions, marketing services and materials, advertising costs, administrative costs and support of development organizations are all eligible costs under this section. Costs related to the creation of a Downtown Master Plan, or other City planning documents including area within the District is an eligible project expense. Costs related to establishing developer incentive policy manuals, developer incentive applications, façade or signage improvement programs are eligible project expenses.

G. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects

This may include, but is not limited to purchase of fee title, easements, inspections, appraisals, consultant fees, closing costs, real estate commissions and fees in lieu of commissions, surveying and mapping, environmental studies, lease and/or sale of property at or below market or purchase price to encourage or make feasible a public infrastructure or (re)development project. Relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plan, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 32.19 and 32.195 are eligible costs.

H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA)

The City may provide funds to a CDA or RDA to be used for administration, planning and operations related to the purposes for which it was established to implement the goals or projects outlined in this Project Plan. At the time this Project Plan was created no CDA or RDA existed within the City so funding was not allocated to this project.

I. Administrative/Organizational Costs

Imputed administrative costs including, but not limited to, a portion of the salaries of the City employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with the creation, amendment, and general administration of TID #8, and others directly involved with the projects over the life of the

District. Eligible costs include all Wisconsin Department of Revenues creation, amendment and annual fees assessed to the District.

J. Financing Costs

Interest, finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing TID #8 projects.

K. Equipment Purchases (Added in 2021)

Eligible equipment purchases include lawnmowers and heavy equipment (include but are not limited to: backhoe, snowplows, fire trucks, etc.) that are deemed necessary to support the TID.

. Tomah Owner-Occupied Housing Rehabilitation (TOOHAP) (Added in 2021)

To maintain the City's existing housing stock as an adequate and affordable option for residents, the City will create a housing rehabilitation forgivable loan program using TIF funds. This program is for projects where the property owner occupies one of the units. Eligible properties include any properties with permitted residential units within the TIF district and within the ½ mile boundary per Wisconsin Statutes Section 66.1105(2)(f)(1)(n). The City will provide matching funds for structural repairs or other improvements necessary to comply with local building codes.

The projects listed in this section will provide necessary facilities, land area, and support to enable and encourage the (re)development of TID #8. These projects may be implemented by the City Council in varying degrees in response to development needs and will be guided by the TID #8 Project Plan, the City's Comprehensive Plan, other existing plans and policies of the City, future Downtown Master Plan documents and public input.

Project Map

A map identifying project locations in TID #8 is provided in Appendix A. As stated in the legend of the map, Project A-L may occur anywhere within the boundaries of the District as authorized by the City Council. Locations of new streets, utilities or recreational trail alignments shown on the map are preliminary and subject to change based on final design. In addition, pursuant to Wisconsin Statutes Section 66.1105(2(f)(1)(n), the City may undertake projects within territory located within one-half (1/2) mile of the boundary of the District, and pay for them using tax increment, provided that:

- 1. The project area is located within the City's corporate boundaries; and
- 2. The projects are an eligible TID expenditure within this Project Plan; and
- 3. The expenditure must be made within the expenditure period.

The one-half (1/2) mile boundary of TID #8 is illustrated on the Project Locations Map in Appendix A. Portions of the proposed extension of the Tomah recreational trail from the Tomah Aquatic Facility to a planned Community Wellness Center are within the ½ mile boundary of the District and are is an eligible expenditure.

Section 5. List of Estimated Project Costs & Expenditures

Table 2 lists the estimated total expenditures for each project category. This format follows Wisconsin Department of Revenue guidance on detailed project costs (pe-209), which states the project list should include "estimated expenditures expected for each major category of public improvements." It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses.

All costs are stated in 2021 prices and are preliminary estimates. The City reserves the right to increase the costs to reflect inflationary increases and other unforeseen or uncontrollable circumstances between 2021 and the time of construction/implementation, such as higher than anticipated financing costs. The City reserves the right to increase and decrease particular project costs within the Total TID Expenditure budget estimate without amending this Project Plan. For example, reallocating funds from one project category to another.

Wisconsin Statutes do not obligate the City to complete all the proposed projects listed in the Project Plan. However, the expenditure period for TID #8 is limited to May 12, 2015 through May 12, 2037. The City retains the right to change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without further amending this Project Plan. Public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The needs of the City and the performance of the TID will be reviewed annually to determine if change is required to any of the proposed activities. Should the needs of the City change, projects may have to be slightly or substantially altered or even eliminated.

Table 2: Estimated Remaining Project Costs & Expenditures

Project	Amount
A. Infrastructure for (Re)Development of the District	\$1,850,483
B. Streetscaping Improvements	\$250,000
C. Site Improvements	\$675,000
D. Environmental Studies and Remediation	\$225,000
E. Development Funds/Incentives	\$7,608,147
F. Planning, Promotion & Development	\$320,000
G. Real Estate Inspections, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Project	\$1,000,000
H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA)	\$0
I. Administrative/Organizational Costs	\$320,000
J. Financing Costs	\$4,149,925
K. Equipment Purchases	\$500,000
L. Owner-Occupied Housing Rehabilitation (OOHAP)	\$340,000
GRAND TOTAL	\$17,238,555

Section 6. Ineligible / Estimated Non-Project Costs

No ineligible project costs were identified at the time this Project Plan was considered for adoption. The following bullets identify public works projects that are not eligible to be paid with tax increments under Wis. Stat. 66.1105(2)(f).2.

- The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless the administrative buildings, police and fire buildings, libraries and community and recreational buildings were damaged or destroyed before January 1, 1997, by a natural disaster.
- The cost of constructing or expanding any facility, except a parking structure, if the City generally finances similar facilities only with utility user fees.
- General government operating expenses, unrelated to the planning or development of a tax incremental district.
- Cash grants made by the City to owners, lessees, or developers of land that is located
 within the tax incremental district unless the grant recipient has signed a development
 agreement with the City, a copy of which shall be retained by the City in the official
 records for that tax incremental district.

Non-project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments. Examples of non-project costs include 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, or special assessments. Other examples include public works projects that only partly benefit the District, such as a new water tower which serves properties both inside and outside of the District, and its ½ - mile boundary. That portion of the total project costs allocable to properties outside of the District, and its ½ - mile boundary, would be a non-project cost.

A portion of the proposed recreational trail from the Tomah Aquatic Facility to a planned Community Wellness Center may be funded through state or federal park and recreation grants. Any portion of the project funded by grants will be a non-project cost.

Section 7. Economic Feasibility

The projected income of TID #8 depends on the tax incremental revenue generated from within the District. There are three critical components in determining the future tax incremental revenue of a TID: New development increases in property value, inflation driven increases in property value, and the change in the full value tax rate. In projecting the future increment and income generated by TID #8, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

New Development Activities

As of the most recent DOR TIF Value Limitation Report, dated August 11, 2020, TID #8 has realized \$21,070,400 of new residential and commercial development (TIF Value Increment) since its creation in 2015. The TID is projected to realize a total of \$47,339,288 in new value increment over its anticipated 27-year life (2015-2042). This value is projected to come from the development of vacant parcels, rehabilitation of existing structures within the Downtown and redevelopment of underutilized parcels within the TID (Refer to Table 3).

The new development forecast is based, in part, on discussions with City staff regarding potential development opportunities, and an analysis of the condition and assessment utilization of parcels within the District. It is anticipated that some of the parcels may not experience any redevelopment during the TID lifetime, while others not listed may. Redevelopment years are also an approximation based, in part, on the anticipated schedule of known public and private improvement projects, and the readiness for development or marketability of each parcel. Estimated Construction Years may vary significantly from those shown in Table 3. All values are expressed in 2021 dollars.

The methodology used to calculate the remaining Estimated Growth in Value of New Development (Table 3) for any one development site was based on using comparable existing development sites found mostly in the City of Tomah. This methodology could be considered a "conservative" approach since projected future development is likely to have higher construction costs than those existing developments. Deviations from this methodology occurred in those instances where there were on-going discussions with City Staff and perspective developers regarding development projects at the time this project plan was amended which provided more up to date information. In addition, the assumptions used in Table 3 also do not include a construction cost inflation factor. Over the past 10 years the annual rate of inflation in the construction industry has averaged 2.9% (Turner Building Cost Index). The absence of a construction cost inflation factor will provide a conservative estimate since an increase in construction costs would likely result in an increase in tax increment for the District. The assumption used in Table 3 should be updated during any future amendments of this Project Plan.

Table 3: Estimated Value of Remaining New (Re)Development

Development Type & Year	Value Added	Sensitivity	Estimated Growth	
Gateway Commercial				
2026	\$822,955	75.00%	\$617,216	
Industrial				
2028	\$708,359	50.00%	\$354,180	
Downtown Commercial				
2030	\$1,443,814	50.00%	\$721,907	
2031	\$531,764	50.00%	\$265,882	
2033	\$705,388	50.00%	\$352,694	
2035	\$1,614,651	50.00%	\$807,325	
S.F. Residential				
2029	\$1,504,120	100.00%	\$1,504,120	
M.F. Residential				
2021	\$5,000,000	100.00%	\$5,000,000	
2022	\$5,000,000	100.00%	\$5,000,000	
2024	\$5,000,000	75.00%	\$3,750,000	
2034	\$124,403	50.00%	\$62,202	
Grand Total	\$22,455,454	68.18%	\$18,435,526	

Inflation Rate

Annual property value inflation is assumed to be 0.50% over the life of the District. The annual average inflation rate for the United States from 2000-2020 has been 2.1%, and 1.5% from 2015 through 2020 (www.usinflationcalculator.com). Using a 0.50% annual inflation rate for property assessment values will provide a conservative estimate of projected tax increment. (Source: http://www.usinflationcalculator.com/inflation/current-inflation-rates).

Full Value Tax Rate

The full value tax rate was \$21.98 per thousand in 2020 and is projected to remain constant through 2042. The assumption of no change in the full value tax rate over the life of the District will provide a conservative estimate.

TID #8 Projected Income

Table 4 presents the projected income for TID #8 commencing in 2015 and running over the remaining life of the District). Over the life of the TID the projected total amount of tax increment collected is estimated to be \$19,398,361 (please see total of the "Tax Increments" Column in Table 4).

Table 4: Projected Income¹

	Cumulative			New			
	Value	Inflation	New	Development	Annual Value		Tax
Year	Increment	Increment	Development	Increment	Increment	Tax Rate	Increments
2015	\$0	\$0			\$0	\$24.26	\$0
2016	\$0	\$0		\$2,115,000	\$2,115,000	\$23.81	\$0
2017	\$2,115,000	\$0		(\$321,500)	(\$321,500)	\$23.32	\$49,994
2018	\$1,793,500	\$0		\$5,324,000	\$5,324,000	\$22.82	\$41,824
2019	\$7,117,500	\$0		\$6,378,400	\$6,378,400	\$22.09	\$162,394
2020	\$13,495,900	\$0		\$7,574,500	\$7,574,500	\$21.98	\$298,105
2021	\$21,070,400	\$210,704	\$5,000,000		\$210,704	\$21.98	\$467,759
2022	\$21,281,104	\$212,811	\$5,000,000		\$212,811	\$21.98	\$472,436
2023	\$21,493,915	\$214,939		\$5,000,000	\$5,214,939	\$21.98	\$587,061
2024	\$26,708,854	\$267,089	\$3,750,000	\$5,000,000	\$5,267,089	\$21.98	\$702,831
2025	\$31,975,943	\$319,759			\$319,759	\$21.98	\$709,860
2026	\$32,295,702	\$322,957	\$617,216	\$3,750,000	\$4,072,957	\$21.98	\$799,383
2027	\$36,368,659	\$363,687			\$363,687	\$21.98	\$807,377
2028	\$36,732,346	\$367,323	\$354,180	\$617,216	\$984,539	\$21.98	\$829,017
2029	\$37,716,885	\$377,169	\$1,504,120		\$377,169	\$21.98	\$837,307
2030	\$38,094,054	\$380,941	\$721,907	\$354,180	\$735,120	\$21.98	\$853,465
2031	\$38,829,174	\$388,292	\$265,882	\$1,504,120	\$1,892,412	\$21.98	\$895,060
2032	\$40,721,586	\$407,216		\$721,907	\$1,129,123	\$21.98	\$919,879
2033	\$41,850,709	\$418,507	\$352,694	\$265,882	\$684,389	\$21.98	\$934,921
2034	\$42,535,098	\$425,351	\$62,202		\$425,351	\$21.98	\$944,271
2035	\$42,960,449	\$429,604	\$807,325	\$352,694	\$782,298	\$21.98	\$961,466
2036	\$43,742,747	\$437,427		\$62,202	\$499,629	\$21.98	\$972,447
2037	\$44,242,377	\$442,424		\$807,325	\$1,249,749	\$21.98	\$999,917
2038	\$45,492,126	\$454,921			\$454,921	\$21.98	\$1,009,916
2039	\$45,947,047	\$459,470			\$459,470	\$21.98	\$1,020,015
2040	\$46,406,517	\$464,065			\$464,065	\$21.98	\$1,030,215
2041	\$46,870,583	\$468,706			\$468,706	\$21.98	\$1,040,518
2042	\$47,339,288	\$473,393			\$473,393	\$21.98	\$1,050,923
		\$8,306,756	\$18,435,526	\$39,505,926			\$19,398,361

Last Year for Project Expenditures

2037

Assumptions

- 1. The total amount of new development construction over the life of the TID is \$39,505,926.
- 2. The annual rate of inflation is assumed to be 0.50% over the life of the district.
- 3. The tax rate is assumed to increase by 0.50% over the life of the district (based on the 2020 tax rate \$21.98).
- 4. Analysis assumes the TID expires at the end of the 27-year period without an extension.
- 5. The cumulative Value Increment at the time of the TID's closure is forecasted at \$47,339,288.

¹ The numbers presented in Table 4 are estimates subject to change based upon the actual development and construction activity in the District.

Table 5 presents the annual performance analysis. There are three critical components in determining the future annual performance of the TID: the amount of annual revenue (see Table 4), the cost and timing of public improvement projects and the terms of debt service associated with these projects. In projecting the future performance of TID #8, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

Schedule of Public Improvements & Debt Service Terms

Table 5 assumes the City will incur new debt in support of the TID. The timing of debt occurrence is coordinated with anticipated public and private improvement projects. The timing, amount, and methods of financing are general assumptions for the purposes of estimating the economic feasibility of the Project Plan. The values in Table 5 should not be construed as commitments by the City to finance any particular TID project.

The timing of projects and debt occurrence may vary from that described in Table 5 and the City is not obligated to complete all of the proposed projects listed in the Project Plan. Unless the District is formally extended, projects must be undertaken before May 12, 2037 to remain TID-eligible expenses.

Interest rates are forecasted to be 3.0% for a 6-10 year loan term and 4.0% for a 11-20 year loan term. These interest rates are based on the 2021 interest rates of the Board of Commissioners of Public Lands (BCPL) Sate Trust Fund Loan Program.

TID #8 Annual Performance

Table 5 presents the projected income for TID #8 commencing in 2015 and running over the 27-year life of the District to the year 2042. Table 5 demonstrates the maximum project costs (see Table 2) that can be paid for with TIF based on the projected tax increment received by the district prior to closure. Assuming the total tax increment is \$19,398,361 at the time of the TID's closure, it is possible to expend \$17,238,555 in total project costs and cash flow with a balance of \$100 at the time of the district's closure.

Table 5: Performance Analysis²

Year	Tax Increment	Project Principal	Annual Debt Service	Total Expenditures	Annual Balance	Total Balance
2015		\$3,187,312			(\$336,959.00)	(\$336,959)
2016					(\$378,456.00)	(\$715,415)
2017	\$49,994		\$35,680	\$35,680	(\$118,791.00)	(\$834,206)
2018	\$41,824		\$85,065	\$85,065	\$34,109.00	(\$800,097)
2019	\$162,394	\$607,576	\$224,029	\$224,029	(\$1,644,101.00)	(\$2,444,198)
2020	\$298,105	\$249,167	\$293,367	\$293,367	\$198,668.00	(\$2,245,530)
2021	\$467,759	\$2,630,000	\$520,762	\$520,762	(\$53,003.12)	(\$2,298,533)
2022	\$472,436	\$5,489,574	\$942,132	\$942,132	(\$469,695.90)	(\$2,768,229)
2023	\$587,061	\$675,000	\$1,026,409	\$1,026,409	(\$439,348.81)	(\$3,207,578)
2024	\$702,831	\$250,000	\$1,048,889	\$1,048,889	(\$346,058.21)	(\$3,553,636)
2025	\$709,860		\$998,326	\$998,326	(\$288,466.46)	(\$3,842,102)
2026	\$799,383		\$1,003,942	\$1,003,942	(\$204,559.12)	(\$4,046,662)
2027	\$807,377		\$1,009,382	\$1,009,382	(\$202,005.29)	(\$4,248,667)
2028	\$829,017		\$939,602	\$939,602	(\$110,585.36)	(\$4,359,252)
2029	\$837,307		\$949,259	\$949,259	(\$111,951.44)	(\$4,471,204)
2030	\$853,465		\$953,559	\$953,559	(\$100,093.50)	(\$4,571,297)
2031	\$895,060		\$890,353	\$890,353	\$4,707.01	(\$4,566,590)
2032	\$919,879		\$889,440	\$889,440	\$30,438.89	(\$4,536,151)
2033	\$934,921		\$864,066	\$864,066	\$70,855.44	(\$4,465,296)
2034	\$944,271		\$784,986	\$784,986	\$159,284.43	(\$4,306,011)
2035	\$961,466		\$703,206	\$703,206	\$258,259.24	(\$4,047,752)
2036	\$972,447		\$701,865	\$701,865	\$270,582.34	(\$3,777,170)
2037	\$999,917		\$430,749	\$430,749	\$569,168.07	(\$3,208,002)
2038	\$1,009,916		\$401,570	\$401,570	\$608,346.04	(\$2,599,656)
2039	\$1,020,015		\$401,570	\$401,570	\$618,445.20	(\$1,981,211)
2040	\$1,030,215		\$380,115	\$380,115	\$650,100.35	(\$1,331,110)
2041	\$1,040,518		\$380,115	\$380,115	\$660,402.51	(\$670,708)
2042	\$1,050,923		\$380,115	\$380,115	\$670,807.68	\$100
	\$19,398,361	\$13,088,630	\$17,238,555	\$17,238,555		

Last Date for Project Expenditures 5/12/2037
TID Termination Date 5/12/2042

² The numbers presented in Table 5 are estimates subject to change based upon the actual performance of the District and City approval of specific TID eligible expenditures.

As the City is under no obligation to complete the proposed projects, the TID could close once existing debts have been paid.

Note that the assumptions used to create Table 4 and Table 5 illustrate that the Project Plan is feasible and that the anticipate revenues are sufficient to cover anticipated expenditures. Any annual shortfalls in the TID Fund Balance could be recovered within the TID's maximum life.

The value increment of the District when it terminates in 2042 is projected to be \$47,339,288. This development would likely not occur or would likely occur at significantly lower values but for the amendment of the District. TID #8 is a mechanism to make improvements in an area of Tomah which is in need of rehabilitation and conservation and the construction of associated public infrastructure. All taxing jurisdictions will benefit from the increased property values, job creation, creation of developable lots where none currently exist, other economic activity, public safety, and community vitality which will result from the projects and development planned in TID #8. For these reasons the project costs shown in this Project Plan should not be paid by the owners of property that benefit from improvements within the District, or exclusively by the City, but should be shared among all taxing jurisdictions.

Table 6 provides a summary of the impact on overlying taxing jurisdictions over the life of the District, including the original and amended portions of the District together. The final value in the lower right corner may not match the total from Table 4 due to slight rounding errors.

Table 6: Impact of Overlying Taxing Jurisdictions

Jurisdiction	Taxes Collected in 2019	% Share of Taxes	Share of Projected Increment
City of Tomah	5,615,452	36.9%	\$7,151,999
Monroe County	3,530,114	23.2%	\$4,496,053
Tomah Area School District	5,083,751	33.4%	\$6,474,809
Western Technical College	1,001,470	6.6%	\$1,275,501
	\$15,230,787	100%	\$19,398,361

Source: Wisconsin Department of Revenue "Town, Village, and City Taxes-2019.

Section 8. Equalized Value Test

Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities are restrained in their use of TIF such that the equalized value of taxable property of the (new/amended) district area plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the municipality. Note, at the time this Project Plan was developed 2021 equalized values were not available for the parcels proposed for addition to the District; however, no significant differences are anticipated between the assessed value and equalized value that would endanger the 12% threshold limitation, thus the 2021 assessment values were deemed sufficient for the purposes of determining eligibility under Wisconsin State Statute 66.1105(4)(gm)4.c.

Table 7: Equalized Value Test

12% Calculation - Maximum Allowable TID Property Value	
Equalized Value (January 1, 2021)	\$775,354,200
Maximum Allowable TID Property Value (12%)	\$93,042,504
12% Test - Compliance	
Existing TIF Value Increment	\$49,965,400
New Value Added to TID No. 8	\$2,272,400
New Value Added to TID No. 11	\$3,108,400
Total Values	\$55,346,200
Percentage	7.14%

Section 9. Methods of Financing³

Under Wisconsin law there are several methods of borrowing, some of which apply against a municipality's debt limit, and others that do not apply against the limit. The state sets this limit at five percent (5%) of the municipality's total equalized property valuation.

The feasibility of financing specific projects at any given time using a particular method can be determined based on the municipality's current fiscal situation, anticipated non-TIF related capital needs, the amount of money to be borrowed, interest rates, and lending terms. Possible funding sources for TID eligible expenditures include any of the following:

M. A | General Obligation Borrowing

General Obligation Borrowing includes all types of municipal borrowing from banks, the State Trust Fund, or other lending institutions. This method of borrowing requires little effort or legal expenditures and works particularly well for smaller projects.

N. B | General Obligation Bonding

General Obligation Bonds are a debt instrument backed by the full faith and credit of the municipality and its ability to raise revenue through taxation. In the case of default, the municipality is liable for repayment of the debt. As a result, this type of debt can often result in lower interest rates than regular General Obligation Borrowing. The high fees associated with the issuance of the bonds makes them more attractive for larger projects.

O. C | Mortgage Revenue Bonds

Revenue Bonds are a debt instrument backed by revenue generated from the project. These types of bonds are also mainly used for larger debt issuances due to their relatively high associated fees. They are typically issued by municipal bodies that raise revenues on a fee for service type basis, such as the Water & Sewer Utility. These types of bonds generally do not count against a municipality's five percent debt limit.

P. D | Special Assessment "B" Bonds

Special Assessment "B" Bonds are a debt instrument backed by the municipality's ability to raise revenue from special assessments charged to persons, organizations, or businesses receiving benefits from the project. These bonds also do not normally count against a municipality's debt limit.

Q. E | Federal/State Loan and Grant Programs

The State and Federal Government often sponsor grant and loan programs that municipalities may potentially use to supplement TID expenditures or provide financing for capital costs which positively impact the District. These programs include Wisconsin Community Development Block Grants, Rural Development Administration Community Facility Loan/Grants, Transportation Economic Assistance Grants, and Economic Development Administration Grants. These programs require local match funding to insure State and Federal participation in the project.

³ The listing of potential financing options is not a recommendation by MSA Professional Services regarding the particular financing option the Village should use to finance TID #8 projects.

R. F | General Fund Expenditures

The City may choose to pay for some projects using advances from General Fund revenues. Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the General Fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.

S. G | Utility Fund Expenditures

The City may choose to pay for some projects using advances from Utility Fund revenues (e.g. Water, Sewer, Stormwater). Each TIF-related expenditure is in effect a loan to the TID, which the TID repays into the appropriate utility fund as increment accrues. The City may charge interest on the outstanding balance of any such advances/loans at a variable rate equal to the Wisconsin Local Government Investment Pool rate, plus 3.0%.

T. H | Developer Financed TIF Agreements

Another option to pay for TID eligible expenditures is through a Developer Funded or Pay-As-You-Go TIF Agreement. Under this option the Developer borrows funds that the City would have borrowed under a traditional developer's agreement to complete an improvement project. The Developer is refunded through payments by the City, including possible interest charges, as increment is generated from the improvement project.

If financing as outlined in this Project Plan proves unworkable, the City of Tomah reserves the right to use alternate financing solutions for the projects as they are implemented.

U. Financing Timetable

The City Council is not mandated to make improvements defined in this Project Plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions, budgetary constraints and merits of the project at the time a project is scheduled for consideration. The actual implementation of projects and the timing of financing may be accelerated or deferred from the timing described in this Project Plan, depending on conditions existing at the time. The expenditure period for TID #8 is May 12th 2015 through May 12th 2037.

Section 10. Relocation

Although relocation is currently not anticipated, if relocation were to become necessary in the future as a result of proposed projects in TID #8, the following is the method proposed by the City, or Community Development Authority/Redevelopment Authority, for displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statues and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (WDOA) on Relocation Benefits. The City will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes 32.27. The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

Section 11. Legal Opinion

An opinion from the City legal counsel regarding the Project Plan for TID #8 and its compliance with s. 66.1105 of Wisconsin Statutes is provided in Appendix I.

To Be Provided Upon Review of All Documents.

Section 12. Glossary of TIF Related Terms

Base Value: The aggregate value, as equalized by DOR, of the real, personal, and non-exempt municipal-owned property located within the TID as of the valuation date.

<u>Estimated Growth in Value of New Development:</u> The estimated growth in tax assessment value attributed to new development or redevelopment of parcels in the TID, stated in 2021 dollars. Calculated by subtracting the equalized value of parcels from an estimated post (re)development equalized value.

<u>Equalized Value:</u> The estimate of the State of Wisconsin Department of Revenue of the full market value of property; used to apportion property tax levies of counties, school districts and municipalities among tax districts.

Expenditure Period: The time during which expenses may be incurred for the implementation of the approved project plan and the completion of the projects outlined therein. The current maximum expenditure period for all districts ends five years before the un-extended maximum life of the TID.

Non-Project Costs: As part of the project plan, there may be investments that are not eligible for TIF, or that are paid for with revenue other than tax increment revenue – such as a grant.

<u>Project Plan:</u> The plan, properly submitted and approved by the Wisconsin Department of Revenue, for the financial development or redevelopment of a TID, including all properly approved amendments.

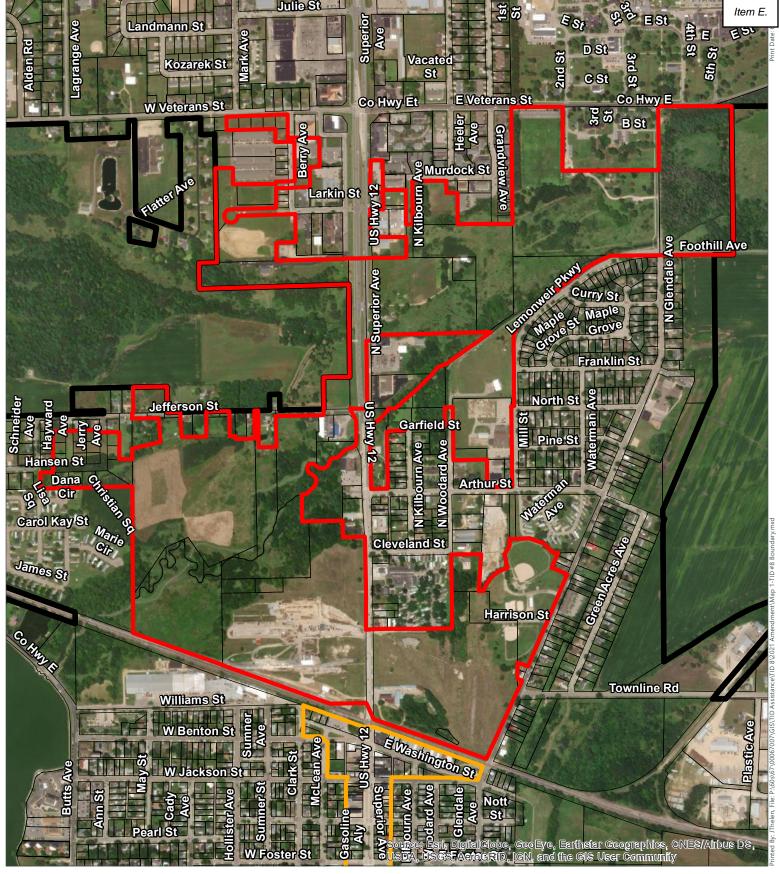
<u>Tax Incremental District (TID):</u> The contiguous geographical area within a municipality consisting solely of whole units of property as are assessed for general property tax purposed not including railroad rights of way, rivers or highways, or wetlands as defined in Wisconsin Statutes 23.32.

<u>Tax Incremental Financing (TIF):</u> A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for, the property taxes go to the municipality, county and school districts.

<u>Tax Increment:</u> The taxes levied by all overlying taxing jurisdictions on the difference between the base value and the current value of the TID, also known as the value increment. These taxes are sent to the municipality who operates the TID, and used to pay for the approved project costs laid out in the project plan.

<u>Tax Rate:</u> The rate, usually expressed in terms of dollars per one thousand dollars of assessed valuation, at which taxes are levied against the total assessed valuation of the municipality. Due to changes in the total assessed valuation of the municipality from year to year, the tax levy change and the tax rate change will not be the same. The tax rate change reflects what impact the property owner will see in their total taxes.

<u>Value Increment:</u> The difference in value between the base value and the current value. This is the amount of property value that can be attributed to the TIF investment, and as such is the portion of the tax base that is used to generate the tax increment that pays for the investment.





LEGEND

TID #8 Amendment

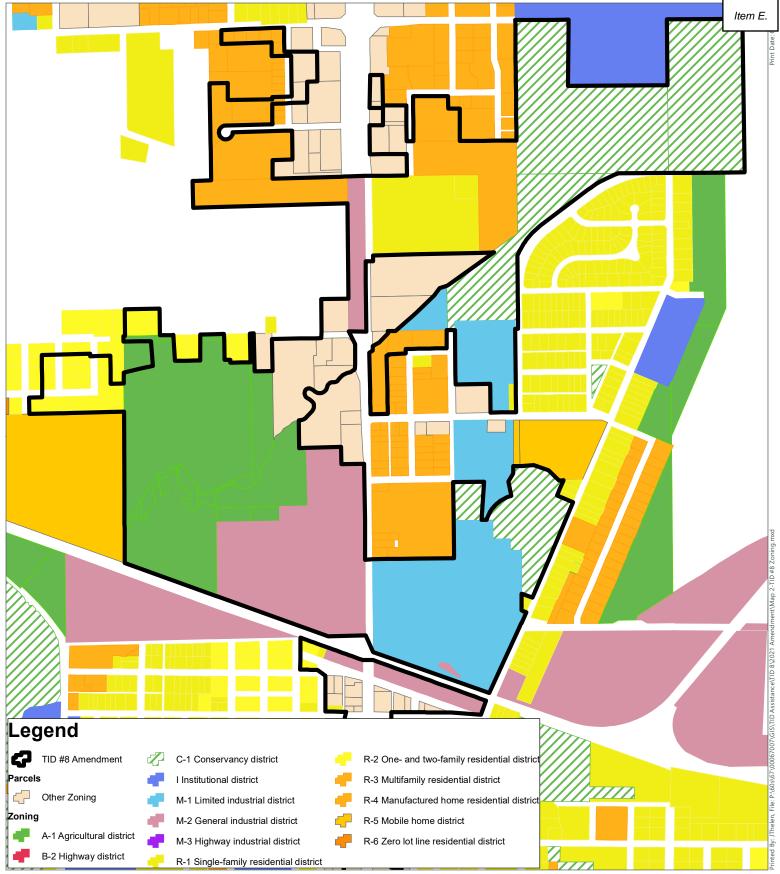
TID #8 Existing

Parcels

City Limits

TID #8 Amendment Boundary



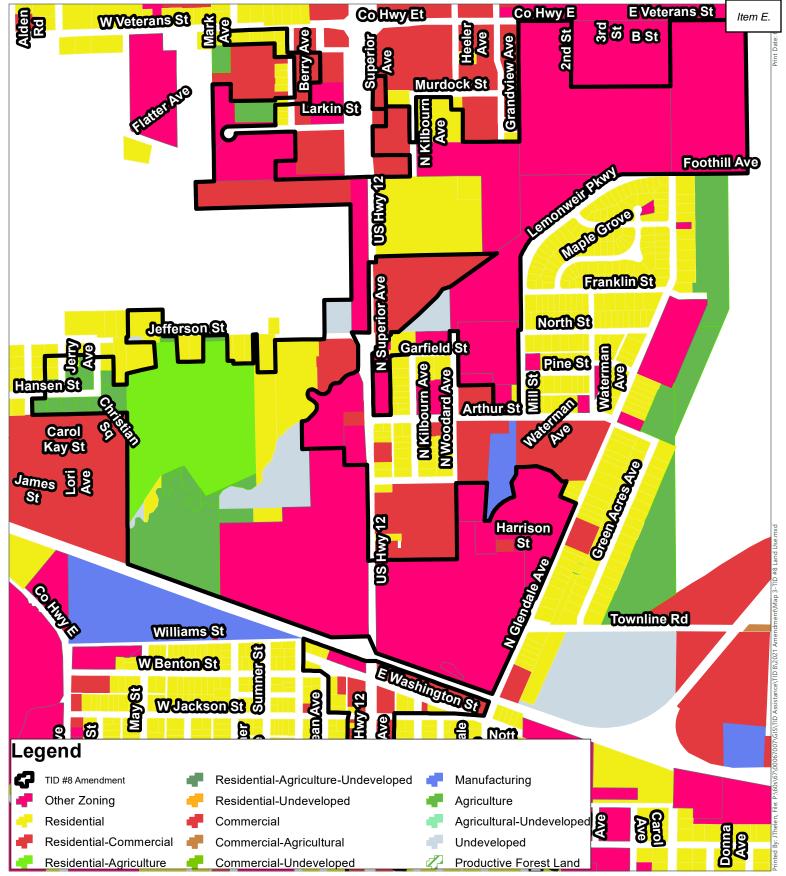




TID #8 Amendment Zoning TID #8 Amendment

City of Tomah Monroe Count 155







TID #8 Amendment Land Use TID #8 Amendment

City of Tomah Monroe Count 156



TID #8 Amendment

TID #8 Existing

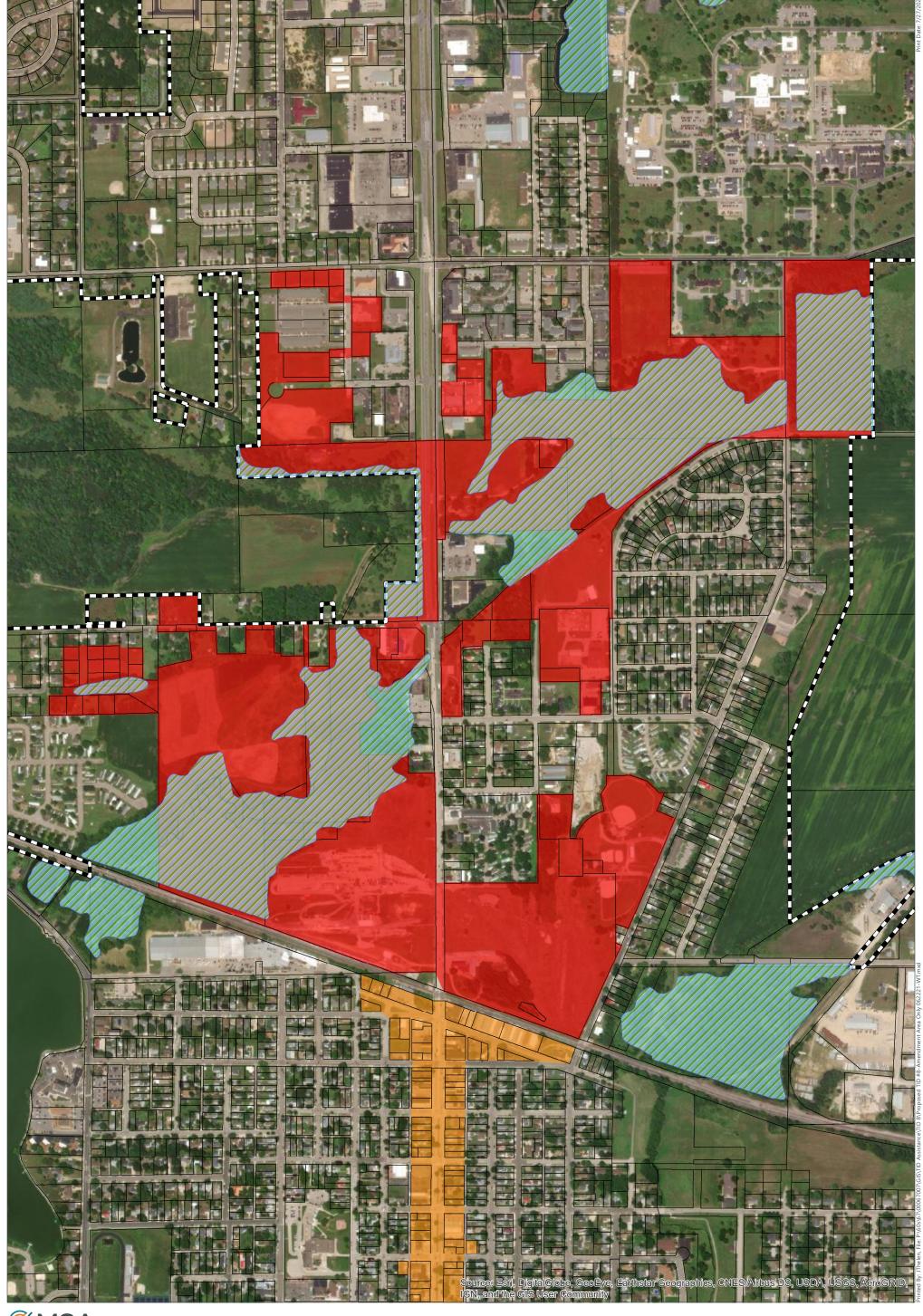
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TID #8 Projects

City of Tomah Monroe Count 157







Data Sources: Monroe County

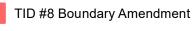
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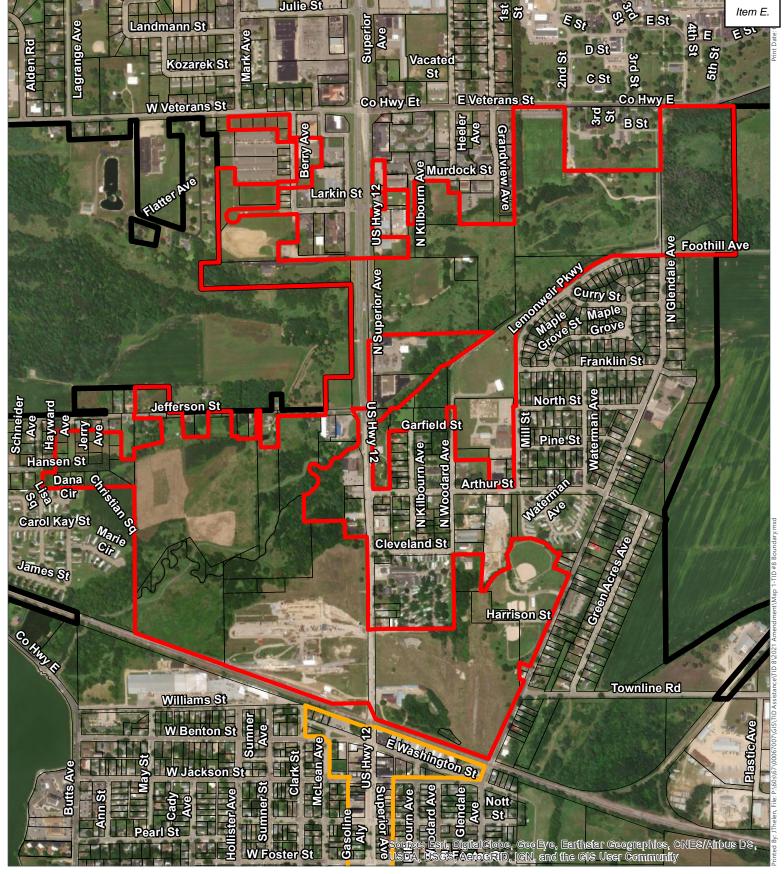
Proposed TID 8 Boundary Amendment













LEGEND

TID #8 Amendment

TID #8 Existing

Parcels

City Limits

TID #8 Amendment Boundary

City of Tomah Monroe County 159 "The Gateway to Cranberry Country"

City Clerk Becki Weyer

City Treasurer Mollie Powell

Mayor Mike Murray City Administrator Bradley J. Hanson

August 3, 2021

STAFF COMMITTEE PREPARATION REPORT

Agenda Item:

TID 11 Creation Reasoning

Summary and Background Information:

Since the City is in the process of amending TID 8, 9, & 10 to aid with the City's development and economy, it made financial sense to look at the creation of TID 11 for the following reasons:

- · Efficiency of scale or "buying in bulk" with TID amendments
- Residential area expansion already permitted
- Potential new hotel to be developed
- Potential new retail/restaurant development
- Future connectivity to improve current roads, establish new roads, or other connectivity activities
- Potential opportunity to encourage/incentivize development on vacant platted lands
- Potential to increase walkability/bike-ability through infrastructure (increased amenities to entice development)
- Increase the reach of the Tomah Owner Occupied Housing Assistance Program (TOOHAP if amendment approved) to properties on the north side of the City

Fiscal Note:

TID Amendments and Creation are TID eligible project expenses, and therefore would be covered by TID Revenues accordingly.

Recommendation:

Approve the creation of TID 11.

Decision Urgency:

No urgency with this Council meeting and suggests delaying decision until the regular Council meeting on Tuesday, August 17, 2021 as this was stated back at the Common Council meeting on Tuesday, July 20, 2021.

Bradley J. Hanson	August 3, 2021
City Administrator	Date

Page 1 of 1

Alderpersons: District 1 Adam Gigous – District 2 Richard Yarrington – District 3 John Glynn – District 4 Shawn Zabinski – District 5 Mitch Koel – District 6 Lamont Kiefer – District 7 Nellie Pater – District 8 Dean Peterson

PROJECT PLAN

Creation of Tax Incremental Finance District #11

City of Tomah, WI

Project #00067007

Drafted: ____

District Type
Creation Date
Expenditure Period
Termination Date
Remaining Territory Amendments

Mixed-Use

4



PROJECT PLAN Creation of Tax Incremental Finance District #11 City of Tomah, WI

Project #00067007

Prepared by:

MSA Professional Services, Inc. 1702 Pankratz Street Madison, WI 53704 (608) 242-7779

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Appendix D: Letters to Taxing Jurisdictions

Appendix E: Affidavit of Publications

Appendix F: Meeting Minutes

Appendix G: Joint Review Board Letter of Approval

Appendix H: Legal Opinion Appendix I: List of Parcels

*Note Appendix A-H will be compiled upon completion of the project meetings for submission to the Wisconsin Department of Revenue.

Section 1. TIF Process and Planning Schedule

Wisconsin State Statute §66.1105 prescribes the process for creating and amending Tax Incremental Finance Districts for the City of Tomah. The laws require public input in the TIF creation and amendment process, including a public hearing held by the Planning Commission at which TIF information is discussed and whereby citizens can reasonably voice their personal opinion on the creation or amendment of a TIF District. A three-phased approval process is required to create and amend TIF Districts including approval by the Planning Commission, City Council, and the Joint Review Board. The following is the formal meeting/action calendar for the City of Tomah Tax Incremental Finance District #11 process:

Date

June 15, 2021

First Joint Review Board Meeting

June 24, 2021

Public Hearing with Planning and Zoning Commission

June 24, 2021

Planning and Zoning Commission Approval

July 20, 2021

City Council Approval

August 11, 2021

October 31, 2021

Base Packet Submitted to Dept. of Revenue for Certification

Table 1: Project Schedule

The Project Plan for TID #11 in the City of Tomah, Wisconsin, has been prepared in compliance with Section 66.1105, Wis. Stats. The Project Plan establishes the need for the TID, lists the expected improvements within the TID, provides an estimated time schedule for completion of the projects and an estimated budget. The Project Plan is to be adopted by resolution of the Joint Review Board and City Council on the recommendation of the City Planning Commission as the official plan and guide for public and private sector (re)development and investments within the boundaries of TID #11 and the area within ½-mile of TID #11.

Implementation of the Project Plan and construction of the public and private improvements listed will still require individual consideration and authorization by the City Council. Public expenditures for projects listed in the Project Plan should and will be based on the ability of the City to finance the projects, market conditions, and the status of development at the time a project is scheduled for construction. The City Council is not mandated to make the public expenditures described in this plan but is limited to the types of expenditures listed herein. Any changes to the territory or types of eligible projects will require a formal amendment to the Project Plan with public review (including a public hearing), Planning Commission, City Council and Joint Review Board approval. Redistribution of project expenditures from one project category to another will not require an amendment to the Project Plan.

The current status of Wisconsin state legislation allows TID #11 to have a 15-year expenditure period (i.e. through July 20, 2036) and a maximum life of 20 years (i.e. through July 20, 2041). The District boundary may be amended only four times during the life of the TID under current law. In addition, the City may also amend the project types and costs at any time during the 15-year expenditure period. There are no limitations to the number of times the City can complete a non-territory Project Plan amendment. At the time this Project Plan was created allocation of future excess tax increments from TID #11 (Donor) to TID #8 (Recipient) was an approved project expenditure. As such TID #11 cannot receive the standard extension to its maximum life

under 66.1105(6)(f)4, Wis. Stats. It is the intent of the City to continually monitor State legislative changes regarding Section 66.1105, Wis. Stats. in order to determine its potential effect on this and future TIF Districts within the City of Tomah.

As required by Section 66.1105, Wis. Stats., a copy of this Project Plan will be submitted to the Department of Revenue and used as the basis of their certification of the creation TID #11 in the City of Tomah.



Section 2. Introduction and Purpose

The City of Tomah has identified a need to expand its economic base through business development. To promote development, the City is seeking to designate a geographical area lying within its corporate limits as Tax Incremental Finance District (TID) #11. The creation of TID #11 will allow the City to make certain public improvements to the designated area so that business growth can occur. Anticipated growth, combined with the City's commitment toward development, will ensure sufficient tax increment to retire all debt issued by the District for improvements. These improvements will allow the City to attract and retain potential development and encourage further private investment in local businesses. The business development that is anticipated to occur will provide long-term tax benefits to both the City and all other overlying taxing jurisdictions.

Summary of Findings

In creating TID #11, the City of Tomah has made the following findings, consistent with Section 66.1105 of Wisconsin Statutes:

- The District is contiguous and contains only whole parcels. The boundaries of the District
 are of sufficient definiteness to identify with ordinary and reasonable certainty the
 territory included therein; and
- The creation date of the District for purposes of determining the expenditure and termination periods shall be the date upon which the City Council approves a resolution adopting the Project Plan. The creation date of the district for purpose of allocating tax increment is January 1, 2021; and
- Not less than 50% of the real property in the District is suitable for "mixed-use development" within the meaning of State Statute §66.1105(2)(cm); and
- Newly platted residential development, as defined under Wis. Stat. 66.1105, will not exceed 35% of the area in the District; and
- The City will only allow tax increment revenue to be spent on newly platted residential development in the District if one of the following three applies:
 - o Density of the residential housing is at least three (3) units per acre, or
 - Residential housing is located in a conservation subdivision, as defined in sec.
 66.1027(1)(a), Wis. Stats., or
 - Residential housing is located in a traditional neighborhood development, as defined in sec. 66.1027(1)(c), Wis. Stats.
- The estimated percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is not anticipated to exceed 35 percent of the area of the District; and
- The improvement of such area is likely to enhance significantly the value of substantially all other real property in the District; and
- The project costs directly serve to promote orderly development consistent with the purposes for which the District is created; and
- The equalized value of the taxable property of the District plus the aggregate value increment of all existing districts within the City does not exceed 12% of the total value of equalized taxable property within the City; and

- TID #11 and TID #8 have the same overlaying taxing jurisdictions; and
- The Project Plan for TID #11 demonstrates that the District's current and projected increment is sufficient to pay off all costs incurred by the District and provides enough surplus revenue to pay some of the costs for the recipient TID #8; and
- TID #8 was created upon a finding that not less than 50% of the real property in TID #8
 is blighted or in need of rehabilitation, thus allowing a Type 3 Paragraph (f) Allocation
 Amendment under Wisconsin State Statutes 66.1105(6)(f)2; and
- That the allocation of excess tax increment from the District directly serves to promote redevelopment, rehabilitation, conservation and blight elimination activities in TID #8 and is likely to enhance significantly the value of real property in TID #8; and
- The Project Plan for the District is feasible; and
- Improvements to the District are likely to encourage and promote conformity with the City's planning policies and procedures; and
- The development described in the Project Plan would not occur, or would occur to a lesser extent, without the creation of TID #11.



Section 3. District Description

Tax Incremental District #11 is being created by the City of Tomah as a "Mixed-Use District" under the authority provided by Wisconsin Statute Section 66.1105. The City of Tomah finds that at least 50%, by area, of real property within the District is suitable for mixed-use development. The District is generally located on the City's northside along the WIS 21 corridor. The area includes the Interstate 94/WIS 21 interchange, Mudd Creek, and LaGrange Elementary School.

Boundary Description

The boundary for the newly designated TID #11 was established using the following criteria:

- The proposed TID #11 would be generally located on the City's northside. The area includes the Interstate 94/WIS 21 interchange, Mudd Creek, and LaGrange Elementary School.
- 2. The equalized value of the taxable property of the District plus the aggregate value increment of all existing districts within the City did not exceed 12% of the total value of equalized taxable property within the City at the time of creation.
- 3. The District is contiguous and contains only whole parcels.
- 4. A map identifying the boundaries for the newly designated TID #11 is provided in Appendix A.
- 5. The formal boundary description of the territory for inclusion to TID #11 is provided in Appendix B.



Tax Parcels

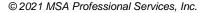
A list of the whole tax parcel numbers within TID #11 is provided in Appendix I and illustrated on the TID #11 Parcels Map in Appendix A.

Equalized Value Test

Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities are restrained in their use of Tax Increment Financing such that the equalized value of taxable property of the (new/amended) district area plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the municipality. The total assessed value of taxable property in TID #11 as of January 1, 2021 is \$3,108,400. The City has three existing TIF districts, TID #8, TID #9 and TID #10, with a value increment as of January 1, 2021 of \$44,374,900. TID #8 is being amended to include \$2,272,400 in additional value in 2021 and is included in the 12% calculation. The total municipal equalized value as of January 1, 2021 for the City is \$803,571,600. Table 2 indicates that creation of TID #11 may bring the City's TID to total municipal value ratio to approximately 6.19%, within the 12% limit.

Table 2: Equalized Value Test

12% Calculation - Maximum Allowable TID Property Value	
Equalized Value (as of 8/13/2021)	\$803,571,600
Maximum Allowable TID Property Value (12%)	\$96,428,592
12% Test - Compliance	
Existing TIF Value Increment	\$44,374,900
New Value Added to TID No. 8	\$2,272,400
New Value Added to TID No. 11	\$3,108,400
Total Values	\$49,755,700
Percentage	6.19%



Section 4. Statement of Kind, Number, and Location of Public Works & Other Projects

The City of Tomah intends to implement a number of public works projects that will positively impact business and community related development in the newly designated TID #11 area. These projects will be undertaken within the 15-year expenditure period of the TID's existence, subject to change based upon the relative needs of the City and the ability of the newly designated District to recoup expenses through the generation of tax increment. These projects may be undertaken within TID #11 or within ½ mile of the TID #11 boundary, per 2007 Wisconsin Act 57 § 2. A brief description of each project is provided below.

TID #11 Public Works Projects

The City of Tomah intends to implement a number of public works projects that will positively impact business, residential, and recreation use in TID #11. These projects will be undertaken within the first 15 years of the TID's existence (i.e. through July 20, 2036), subject to change based upon the relative needs of the City and the ability of the District to recoup expenses through the generation of tax increment. The following is a statement of the kind of projects which are eligible expenditures within the District.

A. Infrastructure for (Re)Development of the District:

Proposed infrastructure improvements to public or private property may include:

- Street (re)construction, relocation, removal, upgrading, or maintenance to facilitate development within TID #11. Street infrastructure includes associated bridges, sidewalks, curb & gutter, bike lanes, parking lanes, street lights, traffic signals, pedestrian signals (e.g. Rectangular Rapid Flash Beacons), signage, markings and other appurtenances and amenities for the safety and comfort of motor vehicle, bicycle and pedestrian traffic. Alleyways are considered streets within the definition of this Project Plan.
- 2. Pedestrian and bicycle path construction.
- 3. Construct, upgrade, relocate, or abandon obsolete sanitary sewer system components and related appurtenances.
- 4. Construct, upgrade relocate, or abandon obsolete storm water drainage facilities and related appurtenances.
- 5. Construct, upgrade, relocate, or abandon obsolete water system components and related appurtenances.
- 6. Construct, upgrade, relocate, or abandon obsolete primary and secondary electric service including above or below ground electric distribution lines and related appurtenances.
- 7. Construct, upgrade, relocate, or abandon obsolete natural gas service and related appurtenances.
- 8. Construct, upgrade, relocate, or abandon obsolete telecommunication, fiber optic, and/or cable television service including above or below ground distribution lines and related appurtenances.

B. Streetscaping Improvements:

Streetscaping improvements designed to improve the aesthetics of the District including installation of landscaping, gateway, wayfinding, and street signage. This includes the installation of new gateway/wayfinding signs off of I-94.

C. Site Improvements:

Site improvement activities required to make sites suitable for (re)development including, but not limited to: access drives; parking areas/facilities; landscaping; signage; entryway features; walkways; lighting; fencing; remodeling, rehabilitating, or expanding existing buildings; razing buildings; stripping topsoil; grading; compacted granular fill; topsoil replacement; soil stabilization; streambank stabilization; relocating power lines, utilities; and related activities.

D. Environmental Studies and Remediation

This may include costs associated with environmental studies; wetland delineations; purchase of wetland credits; floodplain delineations; floodplain hydraulic and hydrologic analysis; removal of lands from floodplains or wetland areas in accordance with local, state, and federal regulations as part of TID public works and rehabilitation projects; environmental remediation including the removal of above or below ground contamination or hazardous materials.

E. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects:

This may include, but is not limited to purchase of fee title; easements; inspections; appraisals; consultant fees; closing costs; real estate commissions and fees in lieu of commissions; surveying and mapping; lease and/or sale of property at or below market or purchase price to encourage or make feasible a public infrastructure or (re)development project. Relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plan, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 32.19 and 32.195 are eligible costs.

F. Development Funds/Incentives:

Payments made at the City Council's discretion to assist private developers in projects that carry out the goals of this Project Plan, the City's Comprehensive Plan, or other adopted City plans including land within the District. Such payments could include grants, zero-interest loans, or low interest loans for the purposes of land acquisition, environmental remediation, building and site improvements to non-residential or residential properties. No cash grants or loans will be provided until a developer agreement has been signed between the developer and the City. Costs related to reviewing developer incentive applications and creating development agreements are eligible project expenses.

G. Planning, Promotion & Economic Development:

Promotion and development of TID #11 including professional services for planning; marketing; recruitment; grant writing and grant administration for TID projects; marketing services and materials; advertising costs; administrative costs and support of development organizations are all eligible costs under this section. Costs related to the

creation of this Project Plan and all future amendments to the Project Plan are an eligible project expense. In addition, the proportionate costs related to the creation or amendment of other City planning or engineering studies which include land area within the District are an eligible project expense.

H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA):

The City may provide funds to a CDA or RDA to be used for administration, planning and operations related to the purposes for which it was established to implement the goals or projects outlined in this Project Plan. At the time this Project Plan was created allocation of funds to a CDA or RDA was not anticipated so funding was not allocated to this project; however, it remains an eligible expense.

I. Equipment Purchases

Eligible equipment purchases include but are no limited to ladder fire trucks, street sweepers, snowplows, sanitary jet/vacuum trucks, dump trucks, paving equipment, frontend loader, backhoe, lawn mowers, high boom or other equipment deemed necessary to support the TID.

J. Tomah Owner-Occupied Housing Rehabilitation (TOOHAP)

To maintain the City's existing housing stock as an adequate and affordable option for residents, the City will create a housing rehabilitation forgivable loan program using TIF funds. This program is for projects where the property owner occupies one of the units. Eligible properties include any properties with permitted residential units within the TIF district and within the ½ mile boundary per Wisconsin Statutes Section 66.1105(2)(f)(1)(n). The City will provide matching funds for structural repairs or other improvements necessary to comply with local building codes.

K. Administrative/Organizational Costs:

Imputed administrative costs including, but not limited to, a portion of the salaries of the City employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with the creation, amendment, and general administration of TID #11, and others directly involved with the projects over the life of the District. Also included as an eligible administrative cost is all creation, amendment and annual fees charged by the Wisconsin Department of Revenue related to the District.

L. Allocation of Excess Tax Increment from TID #11 (donor TID) to TID #8 (recipient TID):

The timing and amount of any future allocation payments shall be made at the discretion of the City Council. Allocation payments will end with the closure of either TID.

M. Financing Costs:

Interest, finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing TID #11 projects.

The projects listed in this section will provide necessary facilities, land area, and support to enable and encourage the (re)development of TID #11. These projects may be implemented by the City Council in varying degrees in response to development needs and will be guided by the

TID #11 Project Plan, the City's Comprehensive Plan, other existing plans and policies of the City, and public input.

A map identifying project locations in TID #11 is provided in Appendix A. As stated on the map, Projects A-M may occur anywhere within the boundaries of the District as authorized by the City Council. Locations of projects shown on the map are preliminary and subject to change based on final engineering design. In addition, pursuant to Wisconsin Statutes Section 66.1105(2(f)(1)(n), the City may undertake projects within territory located within one-half (1/2) mile of the boundary of the District, and pay for them using tax increment, provided that:

- The project area is located within the City's corporate boundaries; and
- The projects are an eligible TID expenditure within this Project Plan; and
- The expenditure must be made within the expenditure period; and

The one-half mile boundary of TID #11 is illustrated on the Project Locations Map in Appendix A. Any of the projects listed in this Project Plan may occur within the half-mile boundary of TID #11, upon adoption of this Project Plan and authorization by the City Council and Joint Review Board.

TID #11 Project Cost Summary

Table 3 lists the estimated total expenditures for each project category. This format follows Wisconsin Department of Revenue guidance on detailed project costs (pe-209), which states the project list should include "estimated expenditures expected for each major category of public improvements." It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses.



Table 3: Proposed TID Project Costs

Project	Amount
A. Infrastructure for (Re)Development of the District	\$150,000
B. Streetscaping Improvements	\$200,000
C. Site Improvements	\$787,853
D. Environmental Studies and Remediation	\$25,000
E. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects	\$100,000
F. Development Funds/Incentives	\$6,412,604
G. Planning, Promotion & Economic Development	\$25,000
H. Contributions to CDA/RDA	\$0
I. Equipment Purchases	\$250,000
J. Owner-Occupied Housing Rehabilitation (OOHAP)	\$300,000
K. Administrative/Organizational Costs	\$400,000
L. Allocation of Excess Tax Increment from TID #11 (donor TID) to TID #8 (recipient TID):	\$150,000
M. Financing Costs	\$1,931,381
Grand Total	\$10,731,838

All costs are stated in 2021 prices and are preliminary estimates. The City reserves the right to increase the costs to reflect inflationary increases and other unforeseen or uncontrollable circumstances between 2021 and the time of construction/implementation, such as higher than anticipated financing costs. The City reserves the right to increase and decrease particular project costs within the Total TID Expenditure budget estimate without amending this Project Plan. For example, reallocating funds from one project category to another.

Wisconsin Statutes do not obligate the City to complete all of the proposed projects listed in the Project Plan; however, the expenditure period for TID #11 is limited to July 20, 2021 through July 20, 2036. The City retains the right to change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without further amending this Project Plan. Public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The needs of the City and the performance of the TID will be reviewed annually to determine if change is required to any of the proposed activities. Should the needs of the City change, projects may have to be slightly or substantially altered or even eliminated. This allocation of increments is preliminary and is subject to adjustment based upon the implementation of the Plan.

Section 5. Ineligible / Estimated Non-Project Costs

No ineligible project costs were identified at the time this Project Plan was considered for adoption. The following bullets identify public works projects that are not eligible to be paid with tax increments under Wis. Stat. 66.1105(2)(f).2.

- The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless the administrative buildings, police and fire buildings, libraries and community and recreational buildings were damaged or destroyed before January 1, 1997, by a natural disaster.
- The cost of constructing or expanding any facility, except a parking structure, if the City generally finances similar facilities only with utility user fees.
- General government operating expenses, unrelated to the planning or development of a tax incremental district.
- Cash grants made by the City to owners, lessees, or developers of land that is located
 within the tax incremental district unless the grant recipient has signed a development
 agreement with the City, a copy of which shall be retained by the City in the official
 records for that tax incremental district.

Non-project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments. Examples of non-project costs include 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, or special assessments. Other examples include public works projects that only partly benefit the District, such as a new water tower which serves properties both inside and outside of the District, and its ½ - mile boundary. That portion of the total project costs allocable to properties outside of the District, and its ½ - mile boundary, would be a non-project cost. No non-project costs were identified at the time this Project Plan was considered for adoption.



Section 6. Economic Feasibility

The economic feasibility of TID #11 depends on the tax incremental revenue generated from within the TID. There are three critical components in determining the economic feasibility of a TID: New development increases in property value, inflation driven increases in property value, and the change in the full value tax rate. In projecting the future increment and income generated by TID #11, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

A Tomah TID #11 Tax Incremental Forecast has been prepared and is presented on pages 15 and 16. It is projected that the City will receive approximately \$10,731,938 in tax increment through the year 2041.

New Development Activities

The TID is projected to realize \$33,929,120 in new value over its anticipated 20-year life. This new value is projected to come from the development of commercial uses within the TID (refer to Table 4). This new value is projected to come from development of vacant parcels within the TID. It is possible that some of the parcels may not experience any redevelopment during the TID's life. Estimated construction years are also an approximation. The value of new construction is based on average improvement values of similar land uses along the WIS 21 corridor and the average value of the hotels in the corridor.



Table 4: Projected Development Activities

Land Use Class	Acres	Estimated Growth in Value	Estimated Construction Year
Commercial	5.21	\$5,435,736	2022
Commercial	1.80	\$2,111,188	2022
Commercial	0.80	\$938,306	2023
Commercial	1.80	\$2,111,188	2024
Commercial	1.75	\$1,825,823	2024
Commercial	0.80	\$938,306	2025
Commercial	1.80	\$2,111,188	2026
Commercial	2.31	\$2,410,086	2026
Commercial	2.00	\$2,086,655	2026
Commercial	0.80	\$938,306	2027
Commercial	1.80	\$2,111,188	2028
Commercial	0.80	\$938,306	2029
Commercial	1.80	\$2,111,188	2030
Commercial	2.08	\$2,170,121	2030
Commercial	0.80	\$938,306	2031
Commercial	0.80	\$938,306	2033
Industrial	0.96	\$1,000,000	2034
Commercial	0.80	\$938,306	2035
Commercial	0.80	\$938,306	2037
Commercial	0.80	\$938,306	2039
TOTALS	30.5	\$33,929,120	

Inflation Rate

Annual property value inflation is assumed to be 0.50% over the life of the District. The annual average inflation rate for the United States from 2000-2020 has been 2.1%, and 1.5% from 2015 through 2020 (www.usinflationcalculator.com). Using a 0.50% annual inflation rate for property assessment values will provide a conservative estimate of projected tax increment.

Full Value Tax Rate

The analysis in Table 5 (page 15) assumes that the tax rate will increase annually at a rate of 0.50%, starting with the 2020 net mill rate of \$21.98 per thousand dollars of assessment value and increasing to \$24.29 in 2041. Using a 0.5% annual inflation rate for property taxes will provide a conservative estimate of projected tax increment.

Projected Income & Annual Performance

Table 5 presents the projected income for TID #11 commencing in 2021 and running over the 20-year life of the District to the year 2041. Table 6 presents the proposed annual performance analysis.

Table 5: TID #11 Projected Income

	Cumulative Value	Inflation	New	New Development	Annual Value		Tax
Year	Increment	Increment	Development	Increment	Increment	Tax Rate	Increments
2021	\$0	\$0			\$0	\$21.98	\$0
2022	\$0	\$0	\$7,546,924		\$0	\$22.09	\$0
2023	\$0	\$0	\$938,306		\$0	\$22.20	\$0
2024	\$0	\$0	\$3,937,011	\$7,546,924	\$7,546,924	\$22.31	\$168,382
2025	\$7,546,924	\$37,735	\$938,306	\$938,306	\$976,041	\$22.42	\$191,110
2026	\$8,522,965	\$42,615	\$6,607,930	\$3,937,011	\$3,979,626	\$22.54	\$281,746
2027	\$12,502,592	\$62,513	\$938,306	\$938,306	\$1,000,819	\$22.65	\$305,821
2028	\$13,503,411	\$67,517	\$2,111,188	\$6,607,930	\$6,675,447	\$22.76	\$459,290
2029	\$20,178,858	\$100,894	\$938,306	\$938,306	\$1,039,201	\$22.87	\$485,358
2030	\$21,218,058	\$106,090	\$4,281,309	\$2,111,188	\$2,217,279	\$22.99	\$538,758
2031	\$23,435,337	\$117,177	\$938,306	\$938,306	\$1,055,483	\$23.10	\$565,837
2032	\$24,490,820	\$122,454		\$4,281,309	\$4,403,764	\$23.22	\$670,920
2033	\$28,894,583	\$144,473	\$938,306	\$938,306	\$1,082,779	\$23.34	\$699,542
2034	\$29,977,362	\$149,887	\$1,000,000		\$149,887	\$23.45	\$706,555
2035	\$30,127,249	\$150,636	\$938,306	\$938,306	\$1,088,942	\$23.57	\$735,754
2036	\$31,216,192	\$156,081		\$1,000,000	\$1,156,081	\$23.69	\$766,817
2037	\$32,372,273	\$161,861	\$938,306	\$938,306	\$1,100,168	\$23.81	\$796,842
2038	\$33,472,440	\$167,362			\$167,362	\$23.92	\$804,830
2039	\$33,639,802	\$168,199	\$938,306	\$938,306	\$1,106,505	\$24.04	\$835,460
2040	\$34,746,308	\$173,732			\$173,732	\$24.16	\$843,835
2041	\$34,920,039	\$174,600		\$938,306	\$1,112,906	\$24.29	\$875,082
		\$2,103,826	\$33,929,120	\$33,929,120			\$10,731,938

Last Year for Project Expenditures

2036

Assumptions

- The total amount of new development construction over the life of the TID is \$33,929,120.
- The annual rate of inflation is assumed to be 0.50% over the life of the district.
- The tax rate is assumed to increase by 0.50% over the life of the district (based on the 2020 tax rate \$21.98).
- Analysis assumes the TID expires at the end of the 20-year period without a 3-year extension.

Table 6: TID #11 Projected Annual Performance

Year	Tax Increment	Project Principal	Annual Debt Service	Total Expenditures	Annual Balance	Total Balance
2021		\$1,187,853	\$292,239	\$292,239	(\$292,239)	(\$292,239)
2022		\$3,075,000	\$637,324	\$637,324	\$637,324	(\$929,563)
2023		\$100,000	\$673,359	\$673,359	\$673,359	(\$1,602,922)
2024	\$168,382	\$25,000	\$412,667	\$412,667	\$244,285	(\$1,847,207)
2025	\$191,110	\$3,930,422	\$868,934	\$868,934	\$677,824	(\$2,525,031)
2026	\$281,746		\$820,399	\$820,399	\$538,653	(\$3,063,684)
2027	\$305,821	\$300,000	\$879,013	\$879,013	\$573,192	(\$3,636,876)
2028	\$459,290	\$182,182	\$899,809	\$899,809	\$440,519	(\$4,077,395)
2029	\$485,358		\$899,809	\$899,809	\$414,451	(\$4,491,847)
2030	\$538,758		\$899,809	\$899,809	\$361,051	(\$4,852,898)
2031	\$565,837		\$861,033	\$861,033	\$295,196	(\$5,148,094)
2032	\$670,920		\$831,033	\$831,033	\$160,113	(\$5,308,207)
2033	\$699,542		\$488,509	\$488,509	\$211,033	(\$5,097,174)
2034	\$706,555		\$488,509	\$488,509	\$218,046	(\$4,879,129)
2035	\$735,754		\$488,509	\$488,509	\$247,245	(\$4,631,884)
2036	\$766,817		\$62,685	\$62,685	\$704,132	(\$3,927,752)
2037	\$796,842		\$62,685	\$62,685	\$734,157	(\$3,193,595)
2038	\$804,830		\$62,685	\$62,685	\$742,145	(\$2,451,451)
2039	\$835,460		\$41,889	\$41,889	\$793,570	(\$1,657,880)
2040	\$843,835		\$41,889	\$41,889	\$801,946	(\$855,934)
2041	\$875,082		\$19,048	\$19,048	\$856,034	\$100
	\$10,731,938	\$8,800,457	\$10,731,838	\$10,731,838		

Last Date for Project Expenditures 7/20/2036
TID Termination Date 7/20/2041



Impact on Overlying Taxing Jurisdictions

Table 7 shows the division of the estimated share of the projected tax increments to be paid by the owners of taxable property in each of the taxing jurisdictions overlying TID #11.

Table 7: Impact of Overlying Taxing Jurisdictions

Jurisdiction	Taxes Collected in 2020	% Share of Taxes in 2020	Share of Projected Increment
City of Tomah	\$5,615,452	36.9%	\$3,956,767
Monroe County	\$3,530,114	23.2%	\$2,487,394
Tomah Area School District	\$5,083,751	33.4%	\$3,582,120
Western Technical College	\$1,001,470	6.6%	\$705,657
	\$15,230,787	100%	\$10,731,938

Source: Wisconsin Department of Revenue "Town, Village, and City Taxes-2019.



Section 7. Financing

Under Wisconsin law there are several methods of borrowing, some of which apply against a municipality's debt limit, and others that do not apply against the limit. The state sets this limit at five percent (5%) of the municipality's total equalized property valuation. The feasibility of financing specific projects at any given time using a particular method can be determined based on the municipality's current fiscal situation, anticipated non-TID related capital needs, the amount of money to be borrowed, interest rates, and lending terms.

Possible funding sources include:

N. A | General Obligation Borrowing

General Obligation Borrowing includes all types of municipal borrowing from banks, the State Trust Fund, or other lending institutions. This method of borrowing requires little effort or legal expenditures and works particularly well for smaller projects.

O. B | General Obligation Bonding

General Obligation Bonds are a debt instrument backed by the full faith and credit of the municipality and its ability to raise revenue through taxation. In the case of default, the municipality is liable for repayment of the debt. As a result, this type of debt can often result in lower interest rates than regular General Obligation Borrowing. The high fees associated with the issuance of the bonds makes them more attractive for larger projects.

P. C | Mortgage Revenue Bonds

Revenue Bonds are a debt instrument backed by revenue generated from the project. These types of bonds are also mainly used for larger debt issuances due to their relatively high associated fees. They are typically issued by municipal bodies that raise revenues on a fee for service type basis, such as the Water & Sewer Utility. These types of bonds generally do not count against a municipality's five percent debt limit.

Q. D | Special Assessment "B" Bonds

Special Assessment "B" Bonds are a debt instrument backed by the municipality's ability to raise revenue from special assessments charged to persons, organizations, or businesses receiving benefits from the project. These bonds also do not normally count against a municipality's debt limit.

R. E | Federal/State Loan and Grant Programs

The State and Federal Government often sponsor grant and loan programs that municipalities may potentially use to supplement TID expenditures or provide financing for capital costs which positively impact the District. These programs include Wisconsin Community Development Block Grants, Rural Development Administration Community Facility Loan/Grants, Transportation Economic Assistance Grants, and Economic Development Administration Grants. These programs require local match funding to insure State and Federal participation in the project.

Section 8. Proposed Zoning Changes

The City of Tomah is zoned in accordance with an ordinance formally adopted by the City Council. Based on the current zoning classifications within TID #11, it might be necessary to rezone agricultural land to commercial. This rezoning will be consistent with the future land use map in the City's Comprehensive Plan.

Section 9. Proposed Changes in the Development Plan, Map, Codes & Ordinance

The creation of TID #11 will not require any changes to the existing community development plans or the City's municipal codes or ordinances. The projects proposed in the Project Plan are consistent with the development policies of the municipality, as well as existing building codes, maps, and ordinances.

Section 10. Relocation

No persons are expected to be displaced or relocated as a result of proposed projects in the TID; however, if relocation were to become necessary in the future, the following is the method proposed by the City or Community Development Authority for displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statues and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (DOA). The City will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes 32.27. The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

Section 11. How Creating the TID Promotes Orderly Development of Municipality

TID #11 will promote orderly development in the City of Tomah by marketing and attracting economic activity to a specified area. This allows the City greater control over economic activity in order to ensure that development and/or growth is orderly, harmonious with adjoining land uses, and enhances the health and welfare of the community.

Section 12. Legal Opinion

An opinion from the City legal counsel regarding the Project Plan for TID #11 and its compliance with s. 66.1105 of Wisconsin Statutes is provided in Appendix H.

To Be Provided Upon Review of All Documents.

Section 13. Glossary of TIF Related Terms

<u>Base Value:</u> The aggregate value, as equalized by DOR, of the real, personal, and non-exempt municipal-owned property located within the TID as of the valuation date.

<u>Equalized Value:</u> The estimate of the State of Wisconsin Department of Revenue of the full market value of property; used to apportion property tax levies of counties, school districts and municipalities among tax districts.

Expenditure Period: The time during which expenses may be incurred for the implementation of the approved project plan and the completion of the projects outlined therein. The current maximum expenditure period for all districts ends five years before the un-extended maximum life of the TID.

<u>Non-Project Costs:</u> As part of the project plan, there may be investments that are not eligible for TIF, or that are paid for with revenue other than tax increment revenue – such as a grant.

<u>Project Plan:</u> The plan, properly submitted and approved by the Wisconsin Department of Revenue, for the financial development or redevelopment of a TID, including all properly approved amendments.

<u>Tax Incremental District (TID):</u> The contiguous geographical area within a municipality consisting solely of whole units of property as are assessed for general property tax purposed not including railroad rights of way, rivers or highways, or wetlands as defined in Wisconsin Statutes 23.32.

<u>Tax Incremental Financing (TIF):</u> A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for, the property taxes go to the municipality, county and school districts.

<u>Tax Increment:</u> The taxes levied by all overlying taxing jurisdictions on the difference between the base value and the current value of the TID, also known as the value increment. These taxes are sent to the municipality who operates the TID, and used to pay for the approved project costs laid out in the project plan.

<u>Tax Rate:</u> The rate, usually expressed in terms of dollars per one thousand dollars of assessed valuation, at which taxes are levied against the total assessed valuation of the municipality. Due to changes in the total assessed valuation of the municipality from year to year, the tax levy change and the tax rate change will not be the same. The tax rate change reflects what impact the property owner will see in their total taxes.

<u>Value Increment:</u> The difference in value between the base value and the current value. This is the amount of property value that can be attributed to the TIF investment, and as such is the portion of the tax base that is used to generate the tax increment that pays for the investment.



















TID No. 11 Development Forecast

					Estimated
				Estimated Growth in	Construction
Site #	Parcel Number	Type of Development	Acres	Value	Year
Α	286-01622-4200	Commercial Development	5.12	\$5,341,837	2022
В	286-02651-1600	Commercial Development	1.80	\$2,111,188	2022
С	286-02651-1600	Commercial Development	1.80	\$2,111,188	2024
D	286-02651-1600	Commercial Development	1.80	\$2,111,188	2026
Е	286-02651-1600	Commercial Development	1.80	\$2,111,188	2028
F	286-02651-1600	Commercial Development	1.80	\$2,111,188	2030
G	286-02651-1600	Commercial Development	0.80	\$938,306	2023
Н	286-02651-1600	Commercial Development	0.80	\$938,306	2025
1	286-02651-1600	Commercial Development	0.80	\$938,306	2027
J	286-02651-1600	Commercial Development	0.80	\$938,306	2029
K	286-02651-1600	Commercial Development	0.80	\$938,306	2031
L	286-02651-1600	Commercial Development	0.80	\$938,306	2033
М	286-02651-1600	Commercial Development	0.80	\$938,306	2035
N	286-02651-1600	Commercial Development	0.80	\$938,306	2037
0	286-02651-1600	Commercial Development	0.80	\$938,306	2039
Р	286-02651-1915	Commercial Development	1.75	\$1,825,823	2024
Q	286-02651-5301	Commercial Development	2.31	\$2,410,086	2026
R	286-02651-6202	Commercial Development	2.00	\$1,000,000	2026
S	286-02651-7800	Commercial Development	2.08	\$2,170,121	2030
T	286-02653-0120	Industrial Development	0.96	\$1,000,000	2034
U	286-02654-1901	Commercial Development	2.34	\$3,200,000	2024
21			32.8	\$35,948,565	