



CITY OF MARSHFIELD

MEETING NOTICE

AMENDED

JOINT REVIEW BOARD

City of Marshfield

630 South Central Avenue

First floor conference room

Marshfield, WI 54449

April 27, 2016

2:00 P.M.

Public notice is hereby given that the Joint Review Board of the City of Marshfield will hold a public meeting on April 27, 2016, beginning at 2:00 p.m. in the 1st floor conference room of City Hall, located at 630 South Central Avenue, Marshfield, WI. Below is the meeting agenda:

1. Call to order/roll call
2. Approve minutes from March 15, 2016 meeting
3. Review TID #11 project plan and Common Council Resolution No. 2016-21, which approves the creation of TID #11
4. Consider Joint Review Board resolution approving Common Council creation of TID #11
5. Set date/time for next meeting, if necessary
6. Adjourn

Deb Hall
City Clerk

Publish: April 22, 2016

Joint Review Board March 15, 2016

Present: Brenda Dillenburg (MSTC), Mike Martin (Wood County), Pat Saucerman (Marshfield School District), Keith Strey (City of Marshfield)
Absent: None
Others: City Administrator Barg, Development Services Director Angell, David Rasmussen (MSA Professional Services), Mike Kobs

Barg called the meeting to order at 6:18 p.m. in the executive conference room located in the lower level of City Hall Plaza.

Selection of 5th Board member

Saucerman moved and Dillenburg seconded a motion to appoint Mike Kobs as the Joint Review Board's citizen member. Motion carried. (Kobs was present and joined the Board for the rest of the meeting at this point.)

Election of Board chairperson

Dillenburg nominated Saucerman for chairperson. With no other nominations, Dillenburg moved and Strey seconded a motion to close nominations and cast a unanimous ballot for Saucerman. Motion carried. (Saucerman assumed the role of chairperson at this point.)

Review of proposed TID No. 11 project plan and boundary

Rasmussen presented and highlighted the proposed TID #11 project plan. He outlined the area involved, comprised of 2 parcels totaling roughly 69 acres located east and north of Veteran's Parkway and Heritage Drive. He detailed expenses anticipated through the end of the expenditure period (2031), mainly infrastructure (sewer, water, streets, etc.), along with funds available for developer incentives. MSA's projections suggest that the project plan is financially sound, based upon a conservative estimate of new development.

Board members asked questions on the proposed plan. Angell said that, beyond the initial development expected, another company (commercial) is interested in the site. It was also noted that Lot F is primarily wetland, and this area cannot be substantially developed.

Set next meeting date/time

Board members felt that another meeting is not needed until after Council approval. Barg will poll members to arrange the meeting, which will occur in late April/early May. Until then, members with questions about the project plan were encouraged to contact Barg.

Rasmussen noted that, under provisions of changes to the state's TIF law, the Board must have an annual meeting to review the status of its active TIDs. It must take place before July 1st, and the Board tentatively agreed to hold its first required meeting in May 2017.

With no other business before the Board, Saucerman adjourned the meeting at 6:51 p.m.

Respectfully submitted,
Steve Barg, City Administrator

RESOLUTION NO. 2016-21

**COMMON COUNCIL
RESOLUTION APPROVING CREATION OF
TAX INCREMENTAL FINANCE DISTRICT NO. 11
CITY OF MARSHFIELD, WISCONSIN**

WHEREAS, the City of Marshfield desires to promote development, job growth, infrastructure improvements, and broaden the property tax base in the designated area of Tax Incremental Finance District No. 11; and

WHEREAS, pursuant to sec. 66.1105, Wisconsin Statutes, the Plan Commission, City of Marshfield, Wood County, Wisconsin has held a public hearing on the proposed Project Plan and Tax Incremental Finance District No. 11 (herein "Project Plan" and "District") on March 15th, 2016 after notice as required by law; and

WHEREAS, prior to publication of notice of said public hearing, a copy of the notice was sent by first class mail to the chief executive officer or administrator of the Marshfield School District, Mid-State Technical College, and Wood County; and

WHEREAS, after the public hearing was held the Plan Commission recommended adoption of the Project Plan by resolution, subject to the approval of the Common Council; and

WHEREAS, the Project Plan, which is attached to this Resolution and incorporated herein by reference, meets all of the following requirements of sec. 66.1105, Wisconsin Statutes, to wit:

- A. Includes a statement listing the kind, number and location of all proposed public works and improvements within such District; and
- B. Contains an economic feasibility study; and
- C. Contains a detailed list of estimated project costs; and
- D. Contains a description of the methods of financing, all estimated project costs, and the time when such costs or monetary obligations related thereto are to be incurred; and
- E. Includes maps showing boundary of the District, existing land use, zoning, future land use, and proposed improvements of real property in such District; and
- F. Includes proposed changes, if any, in zoning ordinances, master plan, map, building codes, and City ordinances; and
- G. Contains a list of estimated non-project costs; and
- H. Contains a statement of the proposed method for the relocation, if any, of persons to be displaced by District projects; and
- I. Contains a statement indicating how creation of the District promotes the development of the City; and
- J. Includes an opinion of the City Attorney advising that the Project Plan is complete and complies with sec. 66.1105, Wisconsin Statutes.

WHEREAS, the Common Council makes the following findings:

1. The name of the District shall be "Tax Increment Finance District #11, City of Marshfield", a mixed-use district; and
2. The boundaries of the District are described in the attached Project Plan that is incorporated by reference, and such boundaries are contiguous and of sufficient definiteness to identify with ordinary and reasonable certainty the territory included therein. Boundaries include only those whole units of property that are assessed for general tax purposes. 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 has pledged to pay the Town of Marshfield an amount equal to the property taxes the town levied on the territory for each of the next five years; and
3. 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. For purposes of allocating tax increment the creation date shall be January 1, 2016; and
4. Not less than 50% of the real property in the District is suitable for mixed-use development, as defined under State Statute §66.1105(2)(cm); and
5. Newly platted residential development, as defined under State Statute §66.1105, will not exceed 35% of the area in the District; and
6. 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.
7. 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
8. The improvement of such area is likely to enhance significantly the value of substantially all other real property in the District; and
9. The project costs directly serve to promote orderly development consistent with the purposes for which the District is created; and
10. 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
11. The Project Plan for the District is feasible; and
12. Improvements to the District are likely to encourage and promote conformity with the City's planning policies and procedures; and
13. The development described in the Project Plan would not occur without the creation of TID #11.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Marshfield, Wood County, Wisconsin hereby approves and adopts the Project Plan for Tax Incremental Finance District No. 11 and creates Tax Incremental Finance District No. 11, said Project Plan being attached and incorporated by reference.

BE IT FURTHER RESOLVED, that the Common Council does recommend the Project Plan for adoption by the Joint Review Board for the City of Marshfield, Wood County, Wisconsin.

Dated this 12th day of April 2016.

OFFERED BY:

APPROVED BY:

Council Member

Chris Meyer, Mayor

SECONDED BY:

ATTESTED:

Council Member

Deb Hall, City Clerk

Voted Yes:

Voted No:

Project Plan

Creation of Tax Incremental Finance District No. 11

City of Marshfield, WI
Project No. 584093

Drafted: March 9, 2016

TID #11:

District Type: Mixed Use

Creation Date: 04/12/2016

Expenditure Period: 04/12/2031

Termination Date: 04/12/2036

MSA

PROFESSIONAL SERVICES

More ideas. Better solutions.

Project Plan – Creation of Tax Incremental Finance District No. 11

City of Marshfield, WI

Project No. 584093

Prepared by:

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**Note Appendices C-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 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 Marshfield TID #11 creation process.

Table 1: Project Schedule

| Date | Meeting/Action |
|---------------------------|---|
| February 10, 2016 | City Staff and MSA meeting: Review initial TID Boundary, TID Type, and Project List |
| March 15, 2016 | JRB meeting: Election of chair and public member |
| March 15, 2016 | Public Hearing |
| March 15, 2016 | Planning Commission Meeting: Project Plan Recommendation |
| April 12, 2016 | City Council Meeting: Project Plan Approval |
| DATE PENDING, 2016 | JRB Meeting: Project Plan Approval |
| By October 31, 2016 | Base Packet and Project Plan submitted to the Department of Revenue (WIDOR) for Certification |

The Project Plan for TID #11 in the City of Marshfield, 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 activities within the boundaries 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 April 12, 2031) and a maximum life of 20 years (i.e. through April 12, 2036), 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. 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.

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 Marshfield. 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 Marshfield.

Section II. Statement of Purpose & Orderly Development

TID #11 (aka the District) is being proposed as a “Mixed Use” TIF District and generally includes those properties identified as the Draxler Enterprise, LLC 2015 annexation area of approximately 70 acres located just east of Veterans Parkway and north of Heritage Drive. The City desires to develop these lands as a new mixed-use business district to promote tax base growth, job creation, and orderly development within this community gateway. The purpose for creating TID #11 is to provide the City with a financial tool to promote economic development through public infrastructure improvements and private development incentives within the District boundaries, or within 0.5 miles of the boundary of the District. The City recognizes that without the creation of TID #11 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 property owners to make improvements to private development within the District that may not otherwise occur. 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. It is for these reasons that the City of Marshfield is creating TID #11.

Summary of Findings

In creating TID #11, the City of Marshfield 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 creation date of the district for purpose of allocating tax increment is January 1, 2016; and
- ✓ Not less than 50% of the real property in the District is suitable for mixed-use development, as defined under State Statute §66.1105; and
- ✓ Newly platted residential development, as defined under State Statute §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

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City of Marshfield, WI

- ✓ 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
- ✓ 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 creation of TID #11.

Section III. District Description

Boundary Description

TID #11 includes two properties (parcel # 3307392 and 3307393) identified as the Draxler Enterprise, LLC 2015 annexation area of approximately 69.129 acres located just east of Veterans Parkway and north of Heritage Drive. Maps depicting the boundary of the District are provided in Appendix A. The formal boundary description of TID #11 is provided in Appendix B.

Existing Land Uses and Property Conditions

The Existing Land Use Map in Appendix A includes the existing uses and conditions of property in the District. Parcel 3307392 includes three predominant land uses:

- The northern third of the property includes undeveloped open space. Mill Creek runs east-west through the property. These lands include areas designated as floodplains and wetlands.
- The middle third of the property includes an existing Freight Terminal, light industrial use. The freight terminal has access via a driveway off of Draxler Drive.
- The southern third of the property includes agricultural uses.

Parcel 3307393 includes agricultural uses. This property has access off of Draxler Drive. South of this property is a WisDOT Park-n-Ride lot, which is not in the District. A recreational trail connects the lot to the City via E. Veterans Parkway.

Zoning

The City of Marshfield 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. Upon annexation of the Draxler Properties the City zoned Parcel 3307392 for LI-Light Industrial Use and Parcel 3307393 for CMU-Community Mixed Use.

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 Marshfield Comprehensive Plan, as implemented through City Zoning and Building Ordinances. Appendix A includes a map of future land uses within the District as identified in the City's Comprehensive Plan, Map 4.4 Future Land Use, dated April 2007. The plan describes future development of "Employment, Retail Mixed Use" for Parcel 3307393 and the developable areas of Parcel 3307392. The floodplain areas on Parcel 3307392 are identified as "Environmental Corridor." Note, the City was in the process of updating the Comprehensive Plan while this Project Plan was developed. The plan update is not anticipated to significantly impact future land use designations within the District.

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

The City of Marshfield intends to implement a number of public works projects that will positively impact the development of the District. These projects will be undertaken within the first 15 years of the TID's existence (i.e. through April 12, 2031), 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 description of each TID eligible project type is provided below.

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

Proposed infrastructure improvements to public or private property may include:

1. Street (re)construction, relocation, removal, upgrading, or maintenance to facilitate development within TID #11. 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.
2. Pedestrian and bicycle path (re)construction and related appurtenances.
3. Construct, upgrade and/or relocate sanitary sewer system components and related appurtenances.
4. Construct, upgrade and/or relocate storm water drainage facilities, storm water detention or retention areas, and related appurtenances serving the District.
5. Construct, upgrade and/or relocate water system components and related appurtenances.
6. Construct, upgrade and/or relocate natural gas system components and related appurtenances.
7. Install or improve primary and secondary electric service including installing below ground electric distribution lines and related appurtenances.
8. Install or improve telecommunication, fiber optic, and/or cable television service including installing 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, 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; regulatory fees; 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 the TID #11 Project Plan or other adopted City plans including lands governed by this Project Plan. Such payments could include cash grants, loan guarantee, land write down, zero-interest loans, forgivable loans, or low interest loans for the purposes of land acquisition, environmental remediation, site and building 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. The City of Marshfield prefers development financing assistance in the form of a "Developer-Financed TIF" note, also known as "PayGo" or "Pay-As-You-Go" developer incentive.

F. Planning, Promotion & Development:

Promotion and development of TID #11 including professional services for planning, recruitment, marketing services and materials, advertising costs, administrative costs and support of development organizations responsible for promotion of the District are all eligible costs under this section. 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. Costs related to establishing or amending developer incentive policy manuals, developer incentive applications, or development agreements 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, 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 the City's Community Development Authority (CDA):

The City may provide funds to its Community Development Authority (CDA) 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.

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, grant applications, professional assistance with the creation, amendment, and general administration of TID #11 over the life of the District. Also included as an eligible administrative cost is all creation and annual fees charged by the Wisconsin Department of Revenue related 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 #11 projects.

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City of Marshfield, WI

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.

A map identifying project locations in TID #11 is provided in Appendix A. Locations of new streets, utilities or other infrastructure improvements 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.

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, provided adherence to items 1-4 above. The one-half mile boundary of TID #11 is illustrated on the Project Locations Map in Appendix A.



Section V. 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 final 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 2: Estimated Project Costs & Expenditures

| Project Categories | Total Project Cost | TID Share of Cost |
|--|---------------------|--------------------|
| A. Infrastructure for (Re)Development of the District | \$1,150,000 | \$1,100,000 |
| B. Streetscaping Improvements | \$0 | \$0 |
| C. Site Improvements | \$0 | \$0 |
| D. Environmental Studies and Remediation | \$0 | \$0 |
| E. Development Funds/Incentives | \$1,250,000 | \$1,250,000 |
| F. Planning, Promotion & Economic Development | \$0 | \$0 |
| G. Real Estate Inspections, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects | \$0 | \$0 |
| H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA) | \$0 | \$0 |
| I. Administrative/Organizational Costs | \$22,500 | \$22,500 |
| J. Financing Costs (Interest on Debt Service, Financing Fees, etc.) | \$768,932 | \$699,337 |
| Subtotal | \$ 3,191,432 | \$3,071,837 |

All costs are stated in 2016 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 2016 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 Statute 66.1105 does 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 April 12th, 2016 through April 12th, 2031. 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

No ineligible project costs were identified at the time this Project Plan was considered for adoption. The following identifies 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 planned 2016 water main extension from E. 34th Street to Lot A is a non-project cost. Although the entire project is within the ½ boundary of the District, a portion of the project is not located within the City and is thus a non-project cost. The proportionate share of the principal and financing costs for that portion of the project outside the City limits is a non-project cost, estimated as the difference between the Total Project Cost and TID Share of Cost in Table 2.**

Section VII. Economic Feasibility

The projected income of TID #11 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 #11, 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 **\$12,468,450** in new value over its anticipated 20-year life (2016-2036). This new value is projected to come from the development of vacant parcels within the District (Refer to Table 3). Since the District is being created from just two large parcels, it is assumed that future lots will be subdivided to create smaller development lots (Refer to Figure 1). The lot layout shown in Figure 1 is conceptual and developed only for the purposes of estimating future tax increment in the District. At the time this Project Plan was developed two immediate development projects were anticipated based on feedback provided by City

Project Plan – Creation of Tax Incremental Finance District No. 11
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Staff. Parcel 3307393 (Lot A) has been identified as a future gas station. In addition, the existing Freight Terminal (Lot F) has indicated the need for some parking lot expansion. This Project Plan does not assume additional expansion of Lot F beyond a small parking lot addition over the life of the District.

Table 3: Estimated Value of New Development

| Parcel No. | Type of New Development | Total Acres | Estimated Base Value | Estimated Improved Value | Estimated Growth in New Development Value | Estimated Construction Year |
|--------------|--------------------------|--------------|----------------------|--------------------------|---|-----------------------------|
| 3307393 | Commercial (Lot A) | 3.97 | \$ 1,369 | \$ 2,800,000 | \$ 2,798,631 | 2016 |
| 3307392 | Commercial (Lot B) | 6.11 | \$ 2,760 | \$ 4,582,500 | \$ 4,579,740 | 2018 |
| 3307392 | Light Industrial (Lot C) | 5.03 | \$ 2,273 | \$ 1,634,750 | \$ 1,632,477 | 2022 |
| 3307392 | Light Industrial (Lot D) | 4.73 | \$ 2,137 | \$ 1,537,250 | \$ 1,535,113 | 2024 |
| 3307392 | Light Industrial (Lot E) | 5.89 | \$ 2,661 | \$ 1,914,250 | \$ 1,911,589 | 2020 |
| 3307392 | Light Industrial (Lot F) | 41.67 | \$ 489,100 | \$ 500,000 | \$ 10,900 | 2016 |
| Total | | 67.40 | \$ 500,300 | \$ 12,968,750 | \$ 12,468,450 | |

In developing Table 3, the following assumptions were used for each Type of New Development:

- Estimated Growth in New Development for Lot A is based on 70% of the anticipated construction costs (\$4,000,000) for the anticipated gas station as provided by City Staff.
- Lot B is assumed to also develop as commercial use given its highway frontage. Estimated Growth in New Development value is based on an average per acre assessment value of a sample of existing commercial developments along N. Central Ave. A value of \$750,000 per acre was used.
- Lots C-E are assumed to develop as light industrial use based on the zoning of the property. Estimated Growth in New Development Value is based on an average per acre assessment value of a sample of comparable light industrial properties near E. Veterans Parkway. A value of \$350,000 per acre was assumed.
- Draxler Drive would be extend north and east to provide access to the development lots and adjacent properties.

Figure 1: Map of Potential TID #11 Development Lots



Estimated Construction Years are also an approximation based, in part, on the anticipated schedule of known development projects, 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 2016 dollars.

The identification of Types of New Development in Table 3 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. In addition, the City may consider other uses, or lot configurations, than those envisioned within this Project Plan 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.

In summary the methodology used to calculate the Estimated Growth in Value of New Development for any one development site is based in-part on using assessment values from comparable existing development sites found in the City. This methodology could be considered a "conservative" approach since projected future development is likely to have higher construction costs than those existing developments. 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 assumptions used in Table 3 should be updated during any future amendments of this Project Plan.

Inflation Rate

Property value inflation is assumed to be 0% over the life of the District. The annual average inflation rate for the United States from 1999 to 2016 has been 2.2%, and 1.1% from 2013 through 2015 (www.usinflationcalculator.com). During this same period the Consumer Price Index has averaged a 3.02% annual percentage increase, and 0.78% in the past three years (Bureau of Labor Statistics). Using a 0% annual inflation rate for property assessment values will provide a conservative estimate.

Full Value Tax Rate

Over the last nine years the full value tax rate for the City has ranged between a high of \$26.60 in 2009 to a low of \$24.00 in 2014. The analysis in Table 4 assumes that the gross tax rate will remain constant at 2015 levels over the life of the District, or \$24.48 per thousand dollars of assessment value. This will provide a conservative estimate since an increase in the gross tax rate would result in an increase in tax increment for the District.

Table 4 presents the projected income for TID #11 commencing in 2016 and running over the remaining life of the District). Over the life of the District the projected total amount of tax increment collected is estimated to be **\$4,847,504** (Column J, Table 4).

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



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Table 4: Projected Income

| City of Marshfield | | TID #11 | | | | | | | | | | |
|---------------------|-------------------------|---|------------------|----------------------------------|-------------------|---------------------|----------------|-------------------------------|-------------------------|---------------------|---|--|
| A | B | C | D | E | F | G | H | I | J | K | | |
| IMPROV. DURING YEAR | BEGINNING OF YEAR VALUE | EST. GROWTH IN VALUE OF NEW DEVELOP. ¹ | CUMULATIVE VALUE | INFLATION INCREMENT ² | END OF YEAR VALUE | TAX INCREMENT VALUE | TAX VALUE YEAR | TAX RATE ³ \$1,000 | TAX INCREMENT COLLECTED | TAX COLLECTION YEAR | | |
| 2016 | \$500,300 | \$2,809,531 | \$3,309,831 | \$0 | \$3,309,831 | \$2,809,531 | 2017 | \$24.48 | \$68,777 | 2018 | | |
| 2017 | \$3,309,831 | \$0 | \$3,309,831 | \$0 | \$3,309,831 | \$2,809,531 | 2018 | \$24.48 | \$68,777 | 2019 | | |
| 2018 | \$3,309,831 | \$4,579,740 | \$7,889,571 | \$0 | \$7,889,571 | \$7,389,271 | 2019 | \$24.48 | \$180,889 | 2020 | | |
| 2019 | \$7,889,571 | \$0 | \$7,889,571 | \$0 | \$7,889,571 | \$7,389,271 | 2020 | \$24.48 | \$180,889 | 2021 | | |
| 2020 | \$7,889,571 | \$1,911,589 | \$9,801,160 | \$0 | \$9,801,160 | \$9,300,860 | 2021 | \$24.48 | \$227,685 | 2022 | | |
| 2021 | \$9,801,160 | \$0 | \$9,801,160 | \$0 | \$9,801,160 | \$9,300,860 | 2022 | \$24.48 | \$227,685 | 2023 | | |
| 2022 | \$9,801,160 | \$1,632,477 | \$11,433,637 | \$0 | \$11,433,637 | \$10,933,337 | 2023 | \$24.48 | \$267,648 | 2024 | | |
| 2023 | \$11,433,637 | \$0 | \$11,433,637 | \$0 | \$11,433,637 | \$10,933,337 | 2024 | \$24.48 | \$267,648 | 2025 | | |
| 2024 | \$11,433,637 | \$1,535,113 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2025 | \$24.48 | \$305,228 | 2026 | | |
| 2025 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2026 | \$24.48 | \$305,228 | 2027 | | |
| 2026 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2027 | \$24.48 | \$305,228 | 2028 | | |
| 2027 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2028 | \$24.48 | \$305,228 | 2029 | | |
| 2028 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2029 | \$24.48 | \$305,228 | 2030 | | |
| 2029 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2030 | \$24.48 | \$305,228 | 2031 | | |
| 2030 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2031 | \$24.48 | \$305,228 | 2032 | | |
| 2031 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2032 | \$24.48 | \$305,228 | 2033 | | |
| 2032 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2033 | \$24.48 | \$305,228 | 2034 | | |
| 2033 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2034 | \$24.48 | \$305,228 | 2035 | | |
| 2034 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2035 | \$24.48 | \$305,228 | 2036 | | |
| 2035 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2036 | \$24.48 | \$305,228 | 2037 | x | |
| 2036 | \$12,968,750 | \$0 | \$12,968,750 | \$0 | \$12,968,750 | \$12,468,450 | 2037 | \$24.48 | \$305,228 | 2038 | x | |
| TOTAL | | \$12,468,450 | \$0 | \$0 | \$12,468,450 | \$12,468,450 | | | \$4,847,504 | | | |

ASSUMPTION

1. Refer to Table 3 for Development Assumptions
2. 0% annual inflation of assessed values
3. Gross tax rate remains constant at 2015 levels (Wood County portion of City)

TID DATES

Creation Date: April 12th, 2016
Expenditure Period: April 12th, 2031
Termination Date: April 12th, 2036

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 #11, assumptions were made for each of the above-mentioned critical components. These assumptions are identified below.

Schedule of Public Improvements/Debt Issuance

Table 5 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 private development projects from Table 3. 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.

- 2016 – includes project expenditures (e.g. Infrastructure Improvements and Streetscaping, totaling \$450,000) to extend water and sewer main services to the District and improve Draxler Drive in association with development of Lot A.
- 2018 – includes project expenditures (e.g. Infrastructure Improvements, Streetscaping, Site Improvements and Development Incentives, totaling \$1,175,000) for extension of Draxler Drive and associated utilities for development of Lots B-E.
- 2020 – includes project expenditures (e.g. Development Incentives and Site Improvements, totaling \$275,000) in association with development of Lot E.
- 2022 – includes project expenditures (e.g. Development Incentives and Site Improvements, totaling \$225,000) in association with development of Lot C.
- 2024 – includes project expenditures (e.g. Development Incentives and Site Improvements, totaling \$225,000) in association with development of Lot D.

For the purposes of projecting the performance of the District, this Project Plan assumes the following TID eligible cost estimates for public infrastructure improvements:

- Extension of water main and sewer main to Lot A in 2016. Total estimated cost \$450,000.
- Draxler Road north extension to Lot F in 2018, assumes street improvements, street lights, streetscaping, etc. Total estimated cost \$610,000.
- Roadway extension to eastern District boundary from Draxler Road in 2018, assumes street improvements and utility extensions (e.g. water main, sanitary main, stormwater main, street lights, etc.). Total estimated cost of \$430,000 in year 2018.

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.

Debt Service Terms

Table 5 assumes the City will borrow for the costs to implement projects within each phase as previously noted. For the purpose of projecting TID #11 performance, the terms of anticipated debt services are 3.5% interest fixed over 20 years for debt issuance in year 2016. These terms are consistent with existing Wisconsin State Trust Fund¹ terms at the time this Project Plan was developed. For debt issuances in years 2018, a rate of 4.5% over ten years was used to account for potential increases to interest rates between 2016 and 2018. For debt issuances in years 2020, 2022, and 2024 a 5.0% interest rate fixed over 10 years was assumed to account for potential increases to interest rates from 2016. In addition, it is assumed that any Annual Cash Flow deficits in the TID will be made whole by advances from the City's General Fund, or other utility fund. Table 5 assumes the City charges interest to the TID Fund at a rate of 3% for annual advances. The principal on any annual advances would be paid back by the TID prior to termination. Over the life of the TID the projected total amount of debt service is estimated at \$3,049,337 (Column N, Table 5). This includes principal costs and interest on debt.

Other Costs

Table 5 includes a separate column for other TID eligible reimbursable costs for which debt issuance isn't anticipated such as Project Categories F (Planning) and I (Administration/Organizational Costs), \$22,500 total. This includes \$11,000 for creation fees in 2016, \$500 per year thereafter for annual tax increment certification fees and \$1,000 on three separate occasions for additional fees for required audits: 30% costs expended (~2020), project expenditure period termination (2031), and TID termination (2036)

Other Income

Includes other income received in support of the TID, for example grant payments. No sources of other income are anticipated at the time this project plan was created.

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 5 presents the projected performance for TID #11 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 \$1,802,989 in year 2036. Based on the assumptions provided, the District would have sufficient cash flow to close in year 2032.

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.

1 This is not a recommendation by MSA Professional Services regarding the particular financing option the City should use to finance TID #11 projects, nor should it be considered an obligation by the City to use this funding source.

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Table 5: Performance Analysis

| City of Marshfield | | | | | TID #11 | | | | |
|--------------------|--|----------------------------------|----------------------------------|----------------------|-------------------------|--------------|----------------------------------|------------------|-----------------------------|
| L | M | N | O | P | Q | R | S | T | U |
| PAYMENT YEAR | PROJECT EXPENDITURE COSTS ¹ | ANNUAL DEBT SERVICE ² | ADMIN & OTHER COSTS ³ | TOTAL USES TID FUNDS | TAX INCREMENT COLLECTED | OTHER INCOME | EST. INVESTM INCOME ⁴ | ANNUAL CASH FLOW | CUMULATIVE TID FUND BALANCE |
| 2016 | \$450,000 | \$0 | \$11,000 | \$11,000 | \$0 | \$0 | \$0 | (\$11,000) | (\$11,000) |
| 2017 | \$0 | \$31,648 | \$500 | \$32,148 | \$0 | \$0 | \$0 | (\$32,148) | (\$43,148) |
| 2018 | \$1,175,000 | \$32,612 | \$500 | \$33,112 | \$68,777 | \$0 | \$0 | \$35,665 | (\$7,483) |
| 2019 | \$0 | \$177,672 | \$500 | \$178,172 | \$68,777 | \$0 | \$0 | (\$109,395) | (\$116,878) |
| 2020 | \$275,000 | \$180,954 | \$1,000 | \$181,954 | \$180,889 | \$0 | \$0 | (\$1,065) | (\$117,943) |
| 2021 | \$0 | \$215,988 | \$500 | \$216,488 | \$180,889 | \$0 | \$0 | (\$35,599) | (\$153,541) |
| 2022 | \$225,000 | \$217,056 | \$500 | \$217,556 | \$227,685 | \$0 | \$0 | \$10,129 | (\$143,412) |
| 2023 | \$0 | \$245,390 | \$500 | \$245,890 | \$227,685 | \$0 | \$0 | (\$18,205) | (\$161,617) |
| 2024 | \$225,000 | \$245,936 | \$500 | \$246,436 | \$267,648 | \$0 | \$0 | \$21,212 | (\$140,405) |
| 2025 | \$0 | \$273,937 | \$500 | \$274,437 | \$267,648 | \$0 | \$0 | (\$6,789) | (\$147,194) |
| 2026 | \$0 | \$274,141 | \$500 | \$274,641 | \$305,228 | \$0 | \$0 | \$30,587 | (\$116,607) |
| 2027 | \$0 | \$273,223 | \$500 | \$273,723 | \$305,228 | \$0 | \$0 | \$31,504 | (\$85,102) |
| 2028 | \$0 | \$272,278 | \$500 | \$272,778 | \$305,228 | \$0 | \$0 | \$32,450 | (\$52,653) |
| 2029 | \$0 | \$125,174 | \$500 | \$125,674 | \$305,228 | \$0 | \$0 | \$179,553 | \$126,901 |
| 2030 | \$0 | \$123,595 | \$500 | \$124,095 | \$305,228 | \$0 | \$635 | \$181,767 | \$308,668 |
| 2031 | \$0 | \$88,593 | \$1,000 | \$89,593 | \$305,228 | \$0 | \$1,543 | \$217,178 | \$525,846 |
| 2032 | \$0 | \$88,593 | \$500 | \$89,093 | \$305,228 | \$0 | \$2,629 | \$218,764 | \$744,609 |
| 2033 | \$0 | \$59,956 | \$500 | \$60,456 | \$305,228 | \$0 | \$3,723 | \$248,495 | \$993,105 |
| 2034 | \$0 | \$59,956 | \$500 | \$60,456 | \$305,228 | \$0 | \$4,966 | \$249,738 | \$1,242,842 |
| 2035 | \$0 | \$31,318 | \$500 | \$31,818 | \$305,228 | \$0 | \$6,214 | \$279,624 | \$1,522,466 |
| 2036 | \$0 | \$31,318 | \$1,000 | \$32,318 | \$305,228 | \$0 | \$7,612 | \$280,522 | \$1,802,989 |
| TOTAL | \$2,350,000 | \$3,049,337 | \$22,500 | \$3,071,837 | \$4,847,504 | \$0 | \$27,322 | | |

ASSUMPTION

1. Excludes Project Categories F, I, and J
2. Principal and Interest Payments on Debt for Project Expenditures, plus interest on Advances at 3%
3. Projects F & I, includes 2016 creation, annual DOR fees, required audits
4. Interest on Investment Income = 0.05%

TID DATES

Creation Date: April 12th, 2016
 Expenditure Period: April 12th, 2031
 Termination Date: April 12th, 2036

Note that the assumptions used to create Table 4 and Table 5 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.

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The value of the District when it terminates in 2036 is projected to be **\$12,968,750** (Column F, Table 4), or a growth of assessed values of **\$12,468,450** (Column G, Table 4). This development would likely not occur or would likely occur at significantly lower values but for the creation of the District. TID #11 is a mechanism to make improvements in an area of Marshfield which is in need of mixed use developments 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 #11. 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.

Table 6: Analysis of Impact on Overlying Taxing Jurisdictions

| | Percentage of Mill Rate by Jurisdiction | Annual Taxes Collected on Base Value | Annual Taxes Collected After TID Closure | Increase in Annual Tax Collections After TID | Proportionate Share of Tax Increment Diverted Over Life of District |
|--------------|---|--------------------------------------|--|--|---|
| City | 37.05% | \$4,537 | \$117,618 | \$113,081 | \$1,796,042 |
| County | 19.70% | \$2,412 | \$62,530 | \$60,118 | \$954,844 |
| School | 39.14% | \$4,793 | \$124,245 | \$119,452 | \$1,897,234 |
| Tech | 3.42% | \$419 | \$10,850 | \$10,432 | \$165,685 |
| State | 0.70% | \$85 | \$2,207 | \$2,122 | \$33,699 |
| Total | 100% | \$12,246 | \$317,450 | \$305,204 | \$4,847,504 |

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 #11 as of January 1, 2015 is \$500,300. The City has six other active TIDs (2, 4, 5, 7, 9, 10), with a combined value increment as of January 1, 2015 of \$61,780,800. The total municipal equalized value as of January 1, 2015 for the City is \$1,427,677,300. Table 7 indicates that creation of TID #11 may bring the City's TID to total municipal value ratio to approximately 4.36%, well within the 12% limit.

Table 7: Equalized Value Test²

| | | |
|---|-----------|-------------------|
| Total Assessed Value of Parcels in TID #11 (as of January 1, 2015) | \$ | 500,300 |
| Aggregate Value Increment of All Active TIF Districts (as of January 1, 2015) | \$ | 61,780,800 |
| Total Value | \$ | 62,281,100 |
| Total Municipal Equalized Value (as of January 1, 2015) | \$ | 1,427,677,300 |
| 12% Test - Compliance | | 4.36% |

² Note, at the time this Project Plan was drafted January 2016 values were not available; however, these values are not anticipated to change such that creation of TID #11 would place the City above the 12% threshold.

Section IX. Methods of Financing³ & 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. 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. 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.
- 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 these bonds make them more attractive for larger projects.
- C. 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.
- 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.
- 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 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. 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%.

³ 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 #11 projects.

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- 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%.
- 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 Marshfield 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 #11 is April 12th 2016 through April 12th 2031.

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 #11, 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 Statutes 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 #11 and its compliance with s. 66.1105 of Wisconsin Statutes is provided in Appendix H.

Section XII. 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 2016 dollars. Calculated by subtracting the 2016 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 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.

Project Plan: 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.

Tax Incremental District (TID): 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.

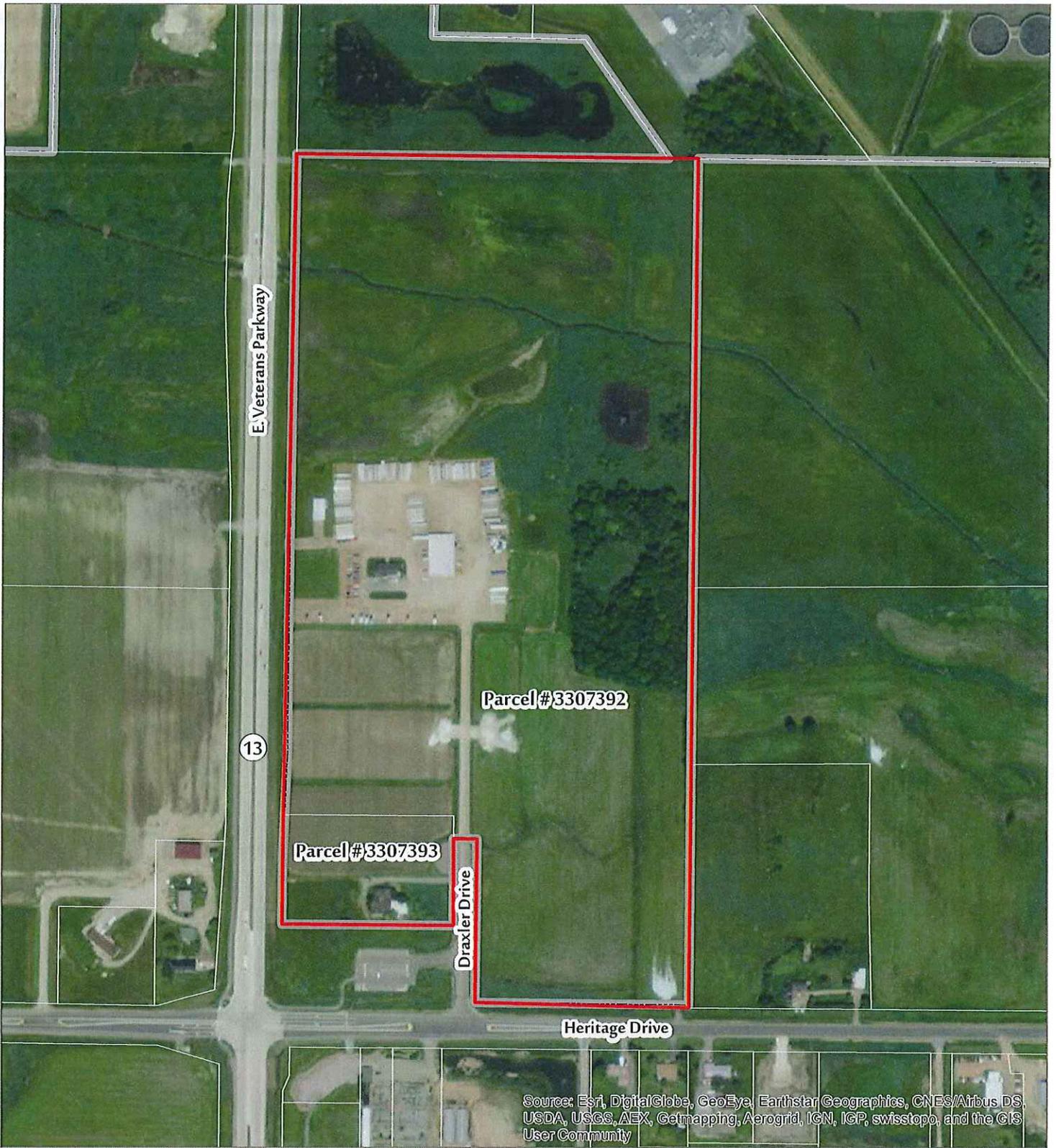
Tax Incremental Financing (TIF): A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for,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

Tax Increment: 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.

Tax Increment Value: 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.

Tax Rate: 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.

APPENDIX A: TID MAPS

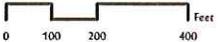


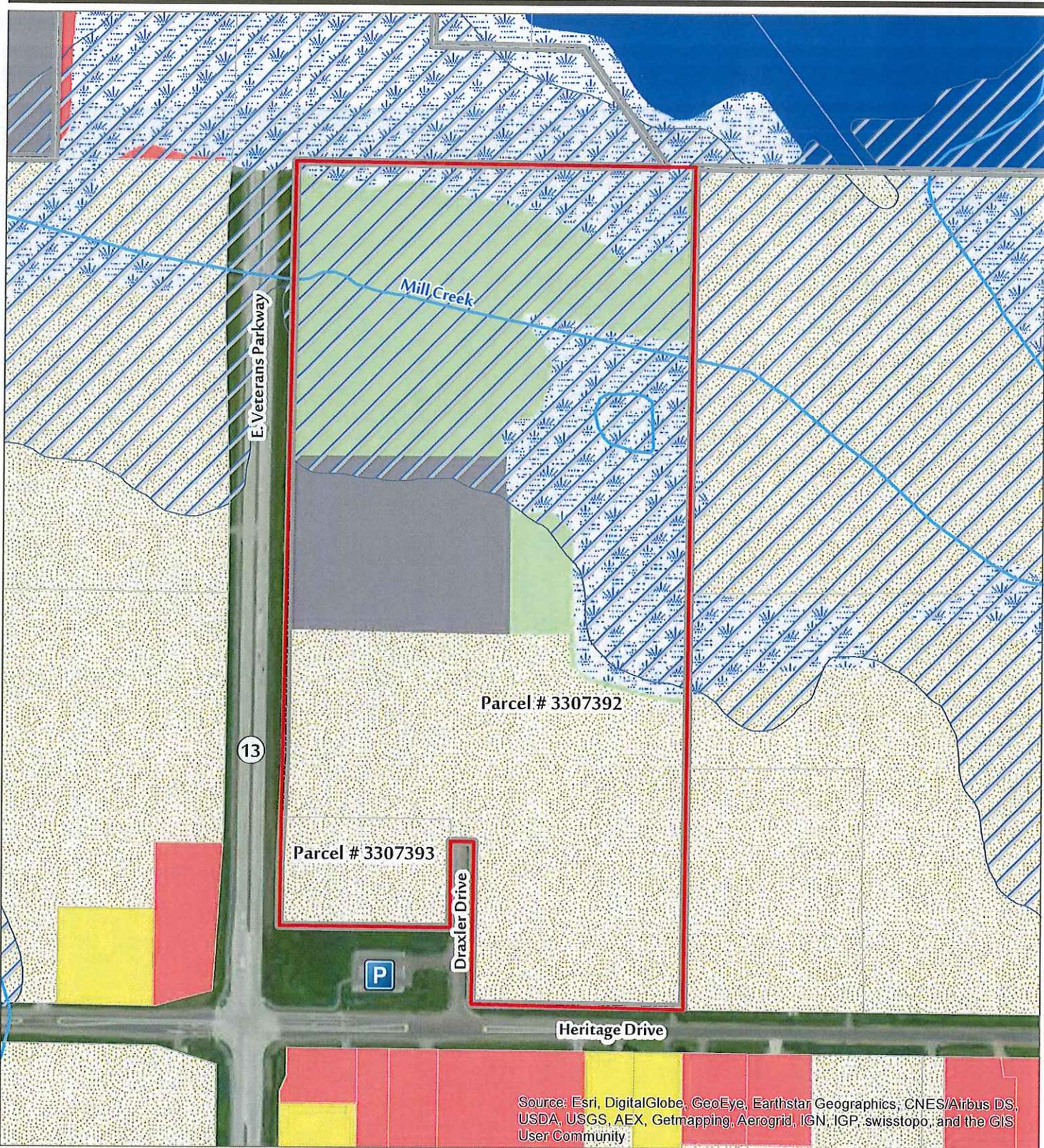
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

TID #11 BOUNDARY MAP CITY OF MARSHFIELD
WOOD COUNTY, WI

- LEGEND**
-  Marshfield Corporate Limits
 -  TID #11 Boundary
 -  Parcels

DATA SOURCES:
BASE DATA PROVIDED BY WOOD COUNTY
AERIAL IMAGERY PROVIDED BY ESRI

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

TID #11 EXISTING LAND USE

CITY OF MARSHFIELD
WOOD COUNTY, WI

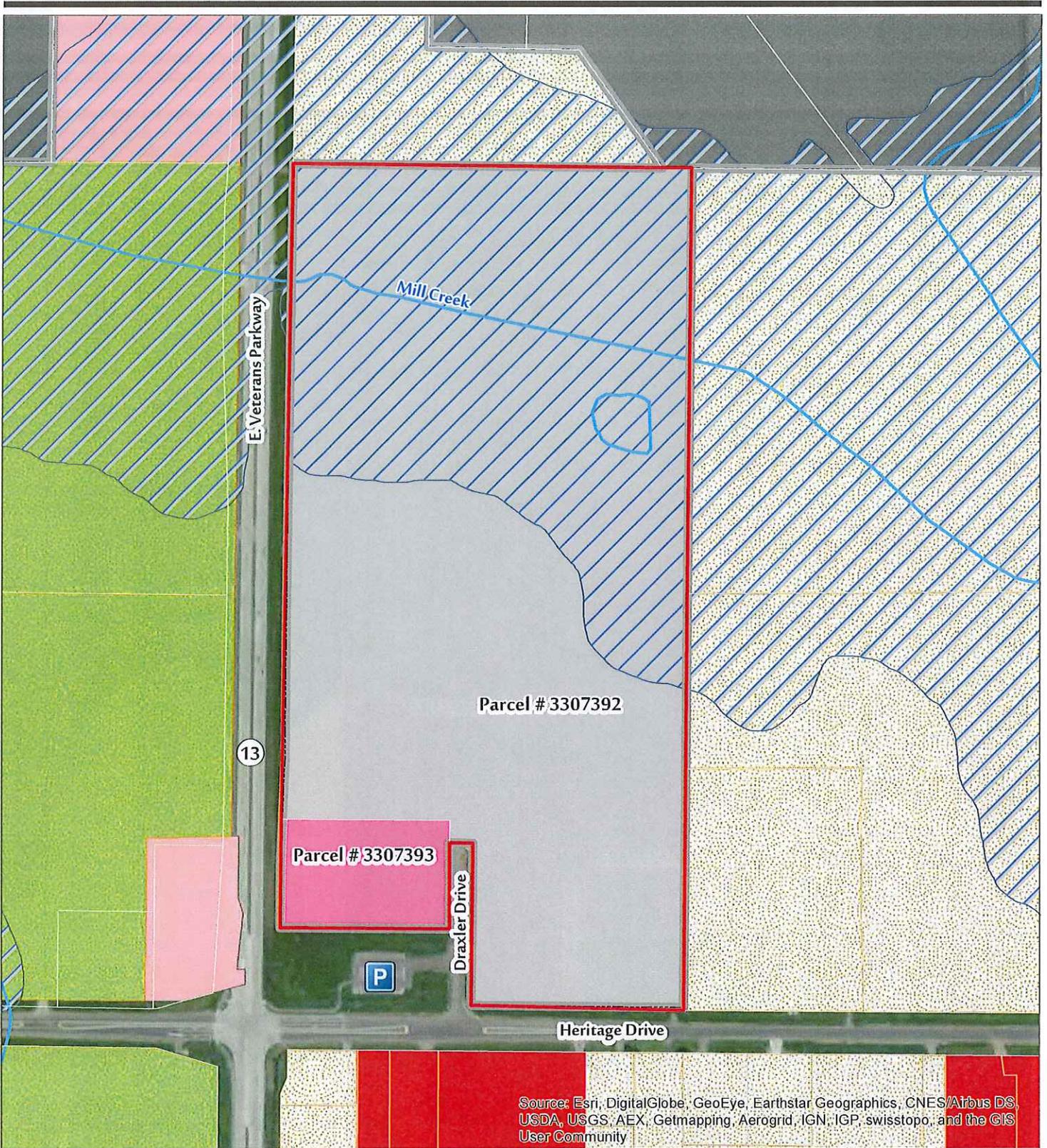
LEGEND

| | | | | |
|-----------------------------|-------------------|---------------|-------------------|------------|
| Marshfield Corporate Limits | Existing Land Use | Commercial | Stormwater Outlot | Floodplain |
| TID #11 Boundary | Agriculture | Industrial | Open Space | Wetlands |
| Parcels | Residential | Institutional | Streams | |

DATA SOURCES:
BASE DATA PROVIDED BY WOOD COUNTY
AERIAL IMAGERY PROVIDED BY ESRI

0 100 200 400 Feet

MSA
PROFESSIONAL SERVICES



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

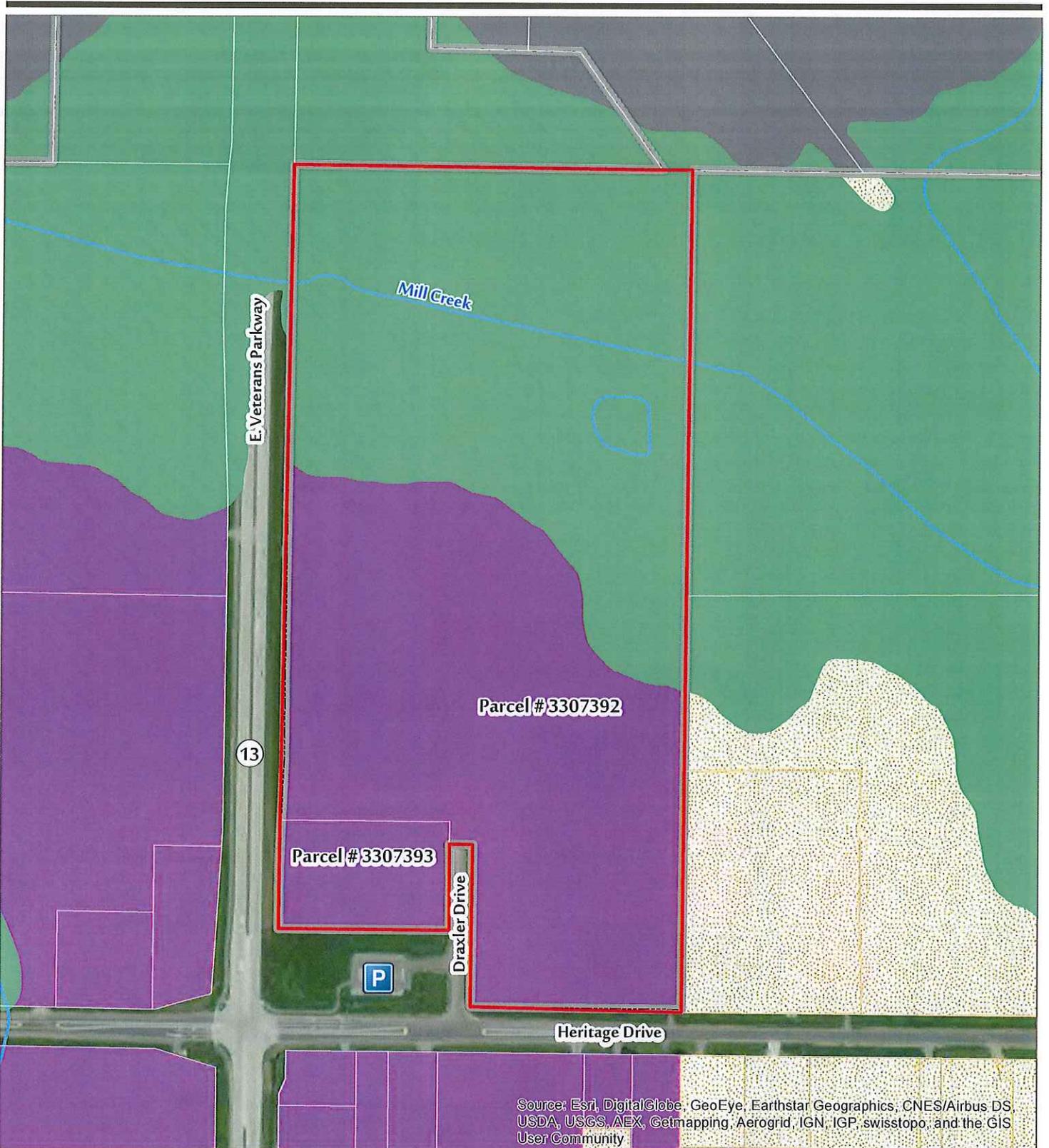
TID #11 ZONING

CITY OF MARSHFIELD
WOOD COUNTY, WI

LEGEND

| | | | | |
|-----------------------------|---------------------------|---------------------------|------------------------|------------|
| Marshfield Corporate Limits | City of Marshfield Zoning | Town of Marshfield Zoning | Town of Cameron Zoning | Floodplain |
| TID #11 Boundary | CMU Community Mixed Use | Agricultural | A-1 Agriculture | |
| Parcels | Light Industrial | Commercial | C-1 Commercial | |
| Streams | GI General Industrial | | | |

DATA SOURCES:
BASE DATA PROVIDED BY WOOD COUNTY
AERIAL IMAGERY PROVIDED BY ESRI



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

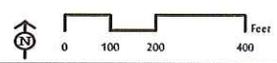
TID #11 FUTURE LAND USE

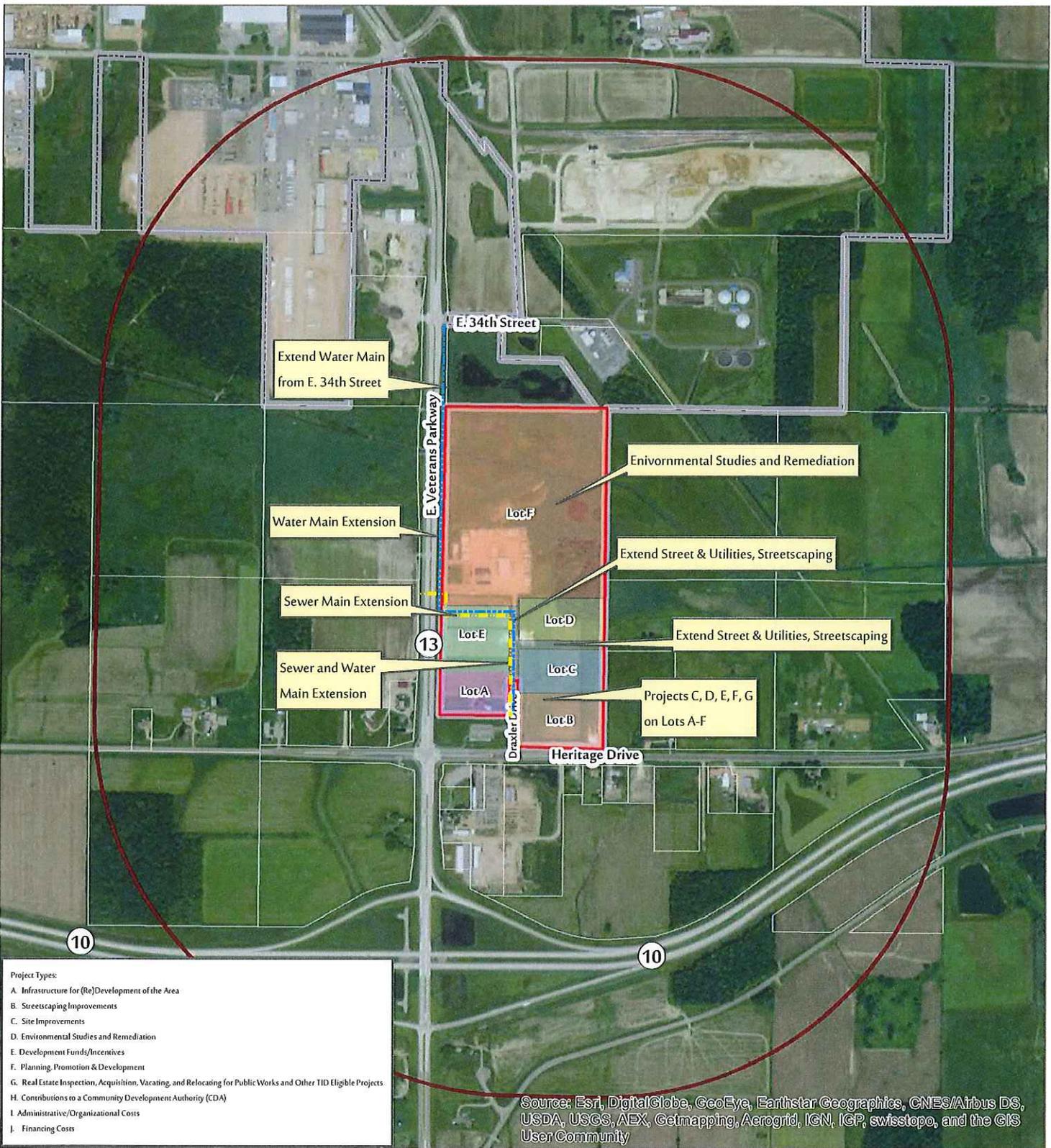
CITY OF MARSHFIELD
WOOD COUNTY, WI

LEGEND

| | | | |
|-----------------------------|-----------------|------------------------------|------------------------|
| Marshfield Corporate Limits | Future Land Use | Employment, Retail Mixed Use | Environmental Corridor |
| TID #11 Boundary | Agriculture | General Industrial | Streams |
| Parcels | | | |

DATA SOURCES:
 BASE DATA PROVIDED BY WOOD COUNTY
 AERIAL IMAGERY PROVIDED BY ESRI
 FLU FROM CITY COMPREHENSIVE PLAN, MAP 4.4
 DATED APRIL 2007





- Project Types:**
- A. Infrastructure for (Re)Development of the Area
 - B. Streetscaping Improvements
 - C. Site Improvements
 - D. Environmental Studies and Remediation
 - E. Development Funds/Incentives
 - F. Planning, Promotion & Development
 - G. Real Estate Inspection, Acquisition, Vacating, and Relocating for Public Works and Other TID Eligible Projects
 - H. Contributions to a Community Development Authority (CDA)
 - I. Administrative/Organizational Costs
 - J. Financing Costs

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

TID #11 PROJECT LOCATIONS MAP

CITY OF MARSHFIELD
WOOD COUNTY, WI

LEGEND

- Marshfield Corporate Limits
- TID #11 Half Mile Buffer
- TID #11 Boundary
- Parcels

Project A through J may occur anywhere within TID #11, or the area within 0.5 miles of the boundary of TID #11 in accordance with the adopted TID #11 Project Plan and Wisconsin State Statute 66.1105. Refer to the TID #11 Project Plan for more detail. Locations of public works improvements shown on the map are preliminary subject to change based on final design and approval by the City Council.

DATA SOURCES:
BASE DATA PROVIDED BY WOOD COUNTY.
AERIAL IMAGERY PROVIDED BY ESRI

MSA
PROFESSIONAL SERVICES

APPENDIX B: BOUNDARY DESCRIPTION

TID #11 Boundary Description

(as provided in the Draxler Property Annexation Petition, dated August 6th, 2015)

PART OF CERTIFIED SURVEY MAP NUMBER'S 164, 165, 2098, 7603, 7631 AND ALL OF CERTIFIED SURVEY MAP NUMNER 9661 AND PART OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 25 NORTH, RANGE 3 EAST, CITY OF MARSHFIELD, WOOD COUNTY, WISCONSIN, DESCRIBED AS FOLLOWS.

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 22; THENCE S 89'23'11" E ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER 74.96 FEET TO THE EAST LINE OF STATE HIGHWAY "13" AND TO THE POINT OF BEGINNING; THENCE CONTINUING

S 89'23'11" E ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER 1227.65 FEET; THENCE S 0'27'59" W ALONG THE EAST LINE OF THE WEST ONE HALF OF THE SOUTHWEST QUARTER 2562.90 FEET TO THE NORTH LINE OF HERITAGE DRIVE; THENCE N 89'29' 41" W ALONG THE NORTH LINE OF HERITAGE DRIVE 646.05 FEET TO THE EAST LINE OF DRAXLER DRIVE; THENCE N 0'54'19" W ALONG THE WEST LINE OF DRAXLER DRIVE 200.49 FEET; THENCE N 0'31 '42" E ALONG THE EAST LINE OF DRAXLER DRIVE 294.66 FEET; THENCE N 89'32'23" W ALONG THE NORTH LINE OF DRAXLER DRIVE 70.00 FEET; THENCE S 0'36' 41" W ALONG THE WEST LINE OF DRAXLER DRIVE 120.27 FEET; THENCE S 0'23' 49" W ALONG THE WEST LINE OF DRAXLER DRIVE 142.02 FEET; THENCE N 89'28' 49" W 525.99 FEET TO THE EAST LINE OF STATE HIGHWAY "13"; THENCE N 0'38'25" E ALONG THE EAST LINE OF STATE HIGHWAY "13" 510.26 FEET; THENCE S 89'16'29" E 9.95 FEET; THENCE N 0"38'03" E ALONG THE EAST LINE OF STATE HIGHWAY "13" 450.13 FEET; THENCE N 0'43'27" E ALONG THE EAST LINE OF STATE HIGHWAY "13" 1372.01 FEET TO THE POINT OF BEGINNING.

Excluding all wetlands from TID #11.

RESOLUTION NO. _____

**PLAN COMMISSION
RESOLUTION APPROVING CREATION OF
TAX INCREMENTAL FINANCE DISTRICT NO. 11
CITY OF MARSHFIELD, WISCONSIN**

WHEREAS, the City of Marshfield desires to promote development, job growth, infrastructure improvements, and broaden the property tax base in the designated area of Tax Incremental Finance District No. 11; and

WHEREAS, pursuant to sec. 66.1105, Wisconsin Statutes, the Plan Commission, City of Marshfield, Wood County, Wisconsin has held a public hearing on the proposed Project Plan and Tax Incremental Finance District No. 11 (herein "Project Plan" and "District") on March 15th, 2016; and

WHEREAS, after notice as required by law, and prior to the vote on this Resolution, the Plan Commission held a hearing at which interested parties were afforded a reasonable opportunity to express their views on the proposed Project Plan; and

WHEREAS, prior to publication of notice of said hearing, a copy of the notice was sent by first class mail to the chief executive officer or administrator of the Marshfield School District, Mid-State Technical College, and Wood County; and

WHEREAS, the Project Plan, which is attached to this Resolution and incorporated herein by reference, meets all of the following requirements of sec. 66.1105, Wisconsin Statutes, to wit:

- A. Includes a statement listing the kind, number and location of all proposed public works and improvements within such District;
- B. Contains an economic feasibility study;
- C. Contains a detailed list of estimated project costs;
- D. Contains a description of the methods of financing, all estimated project costs, and the time when such costs or monetary obligations related thereto are to be incurred;
- E. Includes maps showing boundary of the District, existing land use, zoning, future land use, and proposed improvements of real property in such District;
- F. Includes proposed changes, if any, in zoning ordinances, master plan, map, building codes, and City ordinances;
- G. Contains a list of estimated non-project costs;
- H. Contains a statement of the proposed method for the relocation, if any, of persons to be displaced by District projects;
- I. Contains a statement indicating how creation of the District promotes the development of the City.

WHEREAS, the Plan Commission makes the following findings:

1. The name of the District shall be "Tax Increment Finance District #11, City of Marshfield", a mixed-use district; and
2. The boundaries of the District are described in the attached Project Plan that is incorporated by reference, and such boundaries are contiguous and of sufficient definiteness to identify with ordinary and reasonable certainty the territory included therein. Boundaries include only those whole units of property that are assessed for general tax purposes. 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 has pledged to pay the Town of Marshfield an amount equal to the property taxes the town levied on the territory for each of the next five years; and
3. 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. For purposes of allocating tax increment the creation date shall be January 1, 2016; and
4. Not less than 50% of the real property in the District is suitable for mixed-use development, as defined under State Statute §66.1105(2)(cm); and
5. Newly platted residential development, as defined under State Statute §66.1105, will not exceed 35% of the area in the District; and
6. 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.
7. 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
8. The improvement of such area is likely to enhance significantly the value of substantially all other real property in the District; and
9. The project costs directly serve to promote orderly development consistent with the purposes for which the District is created; and
10. 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
11. The Project Plan for the District is feasible; and
12. Improvements to the District are likely to encourage and promote conformity with the City's planning policies and procedures; and
13. The development described in the Project Plan would not occur without the creation of TID #11.

NOW, THEREFORE, BE IT RESOLVED that the Plan Commission of the City of Marshfield, Wood County, Wisconsin hereby approves and adopts the Project Plan for Tax Incremental Finance District No. 11, said Project Plan being attached and incorporated by reference.

BE IT FURTHER RESOLVED, that the Plan Commission does recommend the Project Plan for adoption by the City Council for the City of Marshfield, Wood County, Wisconsin.

Dated this 15th day of March 2016.

OFFERED BY:

APPROVED BY:

Commission Member

Plan Commission Chair

SECONDED BY:

ATTESTED:

Commission Member

Plan Commission Secretary

Voted Yes:

Voted No: