

New

**TERRITORY AND PROJECT PLAN AMENDMENT  
TO TAX INCREMENTAL DISTRICT NO. 1  
(an industrial district)**

**AND THE**

**PROJECT PLAN AMENDMENT TO TAX INCREMENTAL  
DISTRICT NO. 1 TO ALLOW THE SHARING OF INCREMENT  
WITH TAX INCREMENTAL DISTRICT NO. 2**

**CITY OF BLACK RIVER FALLS  
JACKSON COUNTY, WISCONSIN**



*DRAFT as of April 1, 2008*

<i>Organizational Joint Review Board Meeting Held:</i>	<i>April 2, 2008</i>
<i>Public Hearing Held:</i>	<i>April 2, 2008</i>
<i>Anticipated Adoption by Plan Commission:</i>	<i>April 2, 2008</i>
<i>Anticipated Adoption by Common Council:</i>	<i>April 2, 2008</i>
<i>Anticipated Approval by Joint Review Board:</i>	<i>TBD*</i>

*\* Needs to be within 30 days of by Common Council meeting.*



**EHLERS**  
LEADERS IN PUBLIC FINANCE

Prepared by: EHLERS & ASSOCIATES, INC.  
3060 Centre Pointe Drive, Roseville, MN 55113  
(651) 697-8500 fax: (651) 697-8555 [www.ehlers-inc.com](http://www.ehlers-inc.com)

# Tax Incremental District No. 1 Territory & Project Plan Amendment

## City of Black River Falls Officials

### *Common Council*

Joseph Hunter	City Mayor
Randy Eddy	Aldersperson
Brad Rahmlow	Aldersperson
David Johnson	Aldersperson
Don Mathews	Aldersperson
Shirley Austin	Aldersperson
Char Onstad	Aldersperson
Pete Olson	Aldersperson
Ron Danielson	Aldersperson

### *City Staff*

William Arndt	City Clerk & Treasurer
Rhonda Ammann	Deputy Clerk & Treasurer
Kelli Wood	Deputy Clerk & Treasurer
Daniel Diehn	City Attorney

### *Plan Commission*

Joseph Hunter	Commissioner
Don Evenson	Commissioner
Eugene Boisen	Commissioner
Jerome Bjerke	Commissioner
Glen Tamminen	Commissioner
Bill Moe	Commissioner
David Johnson	Commissioner

## Joint Review Board

Joseph Hunter

Jeff Amo

Sally Lister

Don Mathews

City Representative

Jackson County

Western Technical College District

Black River Falls School District

Public Member

# TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
MAP OF ORIGINAL DISTRICT BOUNDARY WITH TERRITORY AMENDMENTS .....	5
MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED.....	7
PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO THE EXISTING DISTRICT & ANALYSIS .....	8
EQUALIZED VALUE TEST .....	9
MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED.....	15
DETAILED LIST OF PROJECT COSTS .....	16
ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED.....	18
ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS.....	26
PROPOSED CHANGES IN ZONING ORDINANCES.....	26
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY ORDINANCES.....	26
RELOCATION.....	27
ORDERLY DEVELOPMENT OF THE CITY .....	27
A LIST OF ESTIMATED NON-PROJECT COSTS.....	27
OPINION OF ATTORNEY FOR THE CITY ADVISING WHETHER THE PROJECT PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105.....	28
EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS.....	29
EXHIBIT B - PROJECT PLAN AMENDMENT TO ALLOW THE SHARING OF INCREMENT WITH TAX INCREMENTAL DISTRICT NO. 2 .....	30
PURPOSE AND FINDINGS .....	30
SUMMARY OF DISTRICT PERFORMANCE.....	31
ECONOMIC FEASIBILITY STUDY .....	32
BOUNDARY MAP OF TAX INCREMENTAL DISTRICT NO. 1 (DONOR DISTRICT).....	37
BOUNDARY MAP OF TAX INCREMENTAL DISTRICT NO. 2 (RECIPIENT DISTRICT).....	38

# 1

## EXECUTIVE SUMMARY

### DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT

- Original District Purpose and Reason for this Amendment. Tax Incremental District No. 1 (the "District") is an existing industrial district, which the City of Black River Falls (the "City") created by a resolution adopted in 2000.

To further facilitate development within areas adjacent to the District, the City desires to amend its boundaries to add territory.

A map, located in Section 3 of this Project Plan, identifies the Territory to be added and its geographic relationship to the existing District's boundaries.

- Estimated Total Project Expenditures. The City anticipates making project expenditures of approximately \$1,100,000 to undertake projects in the amendment areas as listed in this Project Plan. It is anticipated that the remaining and additional projects will be completed in two phases. The Expenditure Period of this District terminates in 2018. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with General Obligation Bonds issued in 2009 and 2011, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this Project Plan.
- Economic Development. As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$3,000,000 will be created as a result of new development and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the amendment area. A table detailing assumptions as to the timing of new development and redevelopment, and associated values is located in Section 10 of this Project Plan. In addition, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.
- Expected Termination of District. TID No. 1 has a maximum statutory life of 23 years, and must close not later than 2023, resulting in a final collection of increment in budget year 2023. Pre-amendment cash flow projections considering only existing increment value and assuming no additional projects are undertaken anticipate total cumulative revenues that will exceed total liabilities by the year 2009, enabling the District to close 14 years earlier than its maximum life. Based on the Economic Feasibility Study located in Section 10 of this Project Plan, amendment of the District would shift the projected closure year from 2009 to 2019.

---

## SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That "but for" amendment of this District, the additional development projected to occur within the amendment areas as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:
  - The sites proposed for development have remained vacant for many years due to lack of adequate infrastructure, environmental contamination, and obsolete platting. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the City that the use of TIF will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the City.
  - In order to make the amendment areas suitable for development the City will need to make a substantial investment to pay for the costs of: site preparation; installation of utilities; installation of streets and related streetscape items; development incentive payments; railroad spur, stormwater improvements, power line relocation, and other associated costs. Due to the extensive initial investment in public infrastructure that is required in order to allow development to occur, the City has determined that development of the amendment area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development and/or redevelopment of the amendment area is unlikely to occur.
2. **The economic benefits of amending the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
  - As demonstrated in the Economic Feasibility Section of this Project Plan, the total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amendment areas. On this basis alone, the finding is supported.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** Since the development expected to occur within the Amendment areas is unlikely to take place without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the Amendment does not proceed. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can found in Appendix A of this Project Plan.
4. Not less than 50% by area of the real property within the District, as amended, is suitable for industrial sites and zoned for industrial use within the meaning of Section 66.1101 of the Wisconsin Statutes. Any real property within the District that was found suitable for industrial sites and was zoned for industrial use at the time of the creation of the District will remain zoned for industrial use for the life of the District. Additionally, any real property within the Territory incorporated by this

---

Amendment that is found suitable for industrial sites and is zoned for industrial use at the time of the Amendment of the District will remain zoned for industrial use for the remaining life of the District

5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, that the District remains an industrial district based on the identification and classification of the property included within the district.
6. The Project Costs as amended relate directly to promoting industrial development in the District consistent with the purpose for which the District was created.
7. The improvements to be made within the Territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the Amendment Area.
8. The equalized value of the taxable property within the Territory to be incorporated by this Amendment, plus the current value increment of all existing tax incremental districts within the City, to include this District, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately 0% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## **2** TYPE & GENERAL DESCRIPTION OF DISTRICT

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 in 2000 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2000.

The existing District is an "Industrial District," created on a finding that at least 50%, by area, of the real property within the District was zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101. The District will remain in compliance with this finding after the addition of the Territory identified in this Amendment. The Preliminary Parcel list found in Section 5 of this Project Plan provides a calculation demonstrating continued compliance with the 50% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of TID No. 1 have not previously been amended. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, unless specifically stated. All components of the original Project Plan remain in effect.

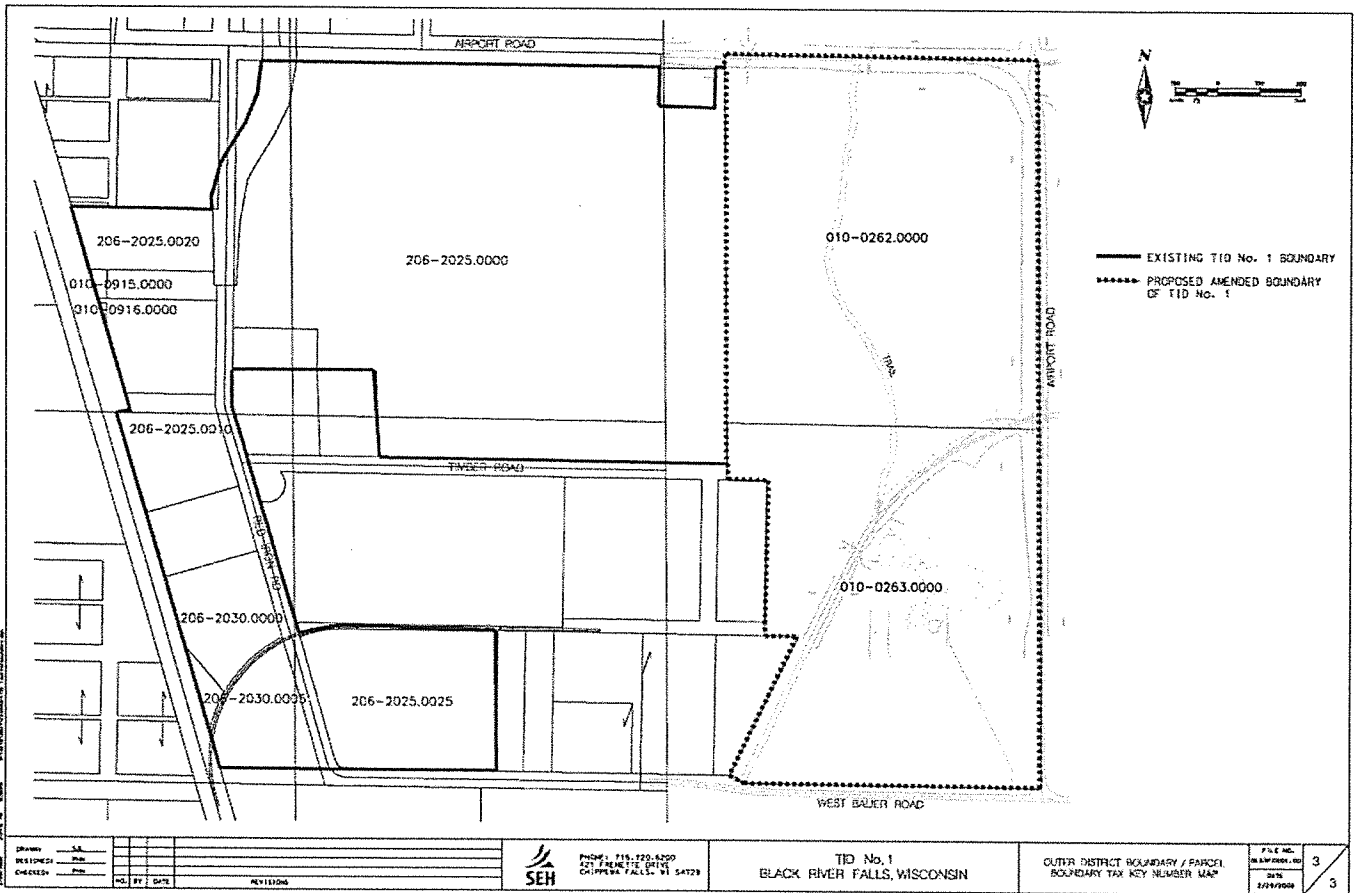
The purpose of the Territory Amendment is to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the City to install additional public improvements, and to make additional necessary related expenditures that will create development opportunities consistent with the original purposes for which the District was created.

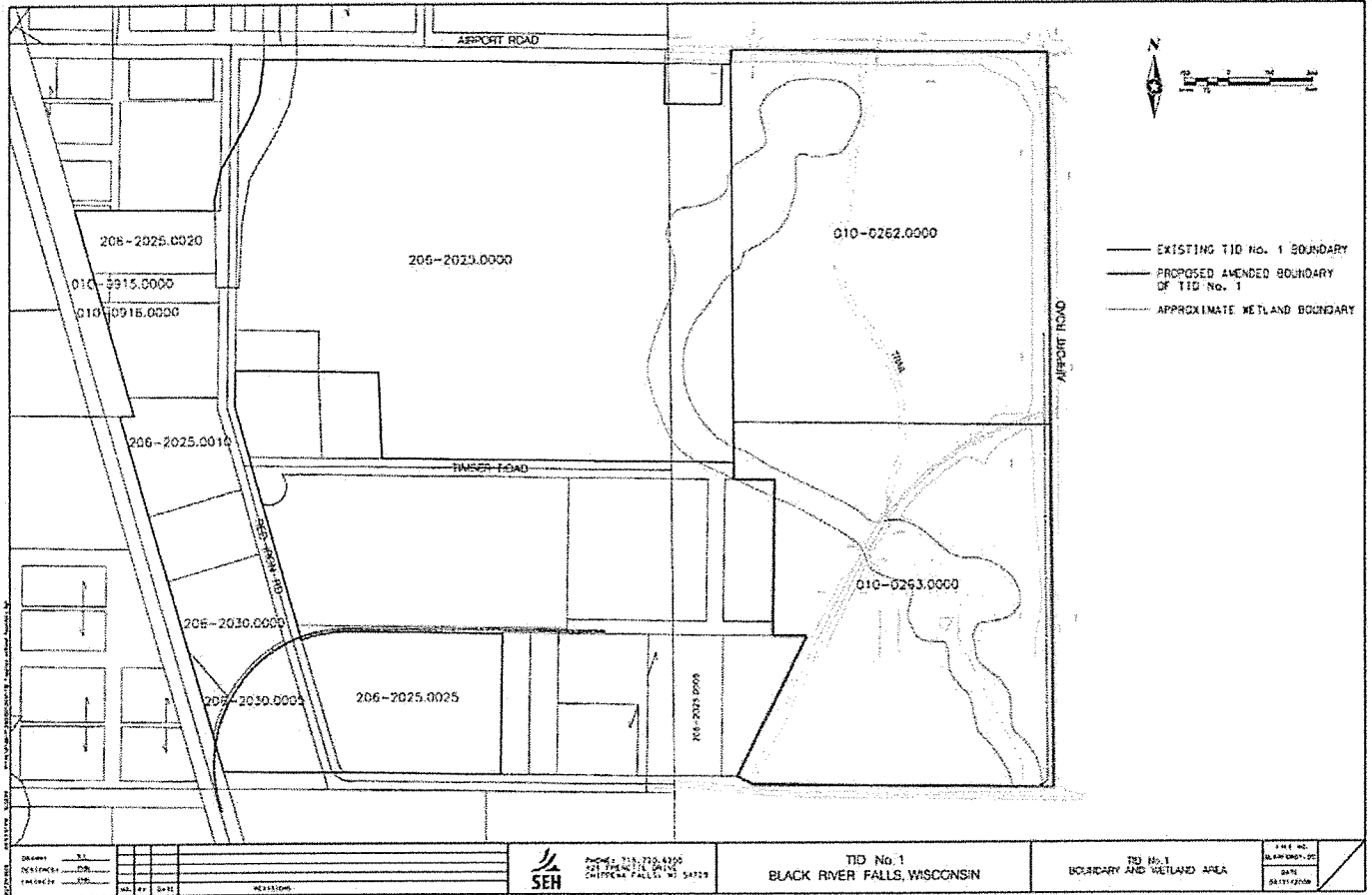
A map depicting the boundaries of the District is found in Section 3 of this Project Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains an industrial district based on the identification and classification of the property included within the District.



**3**

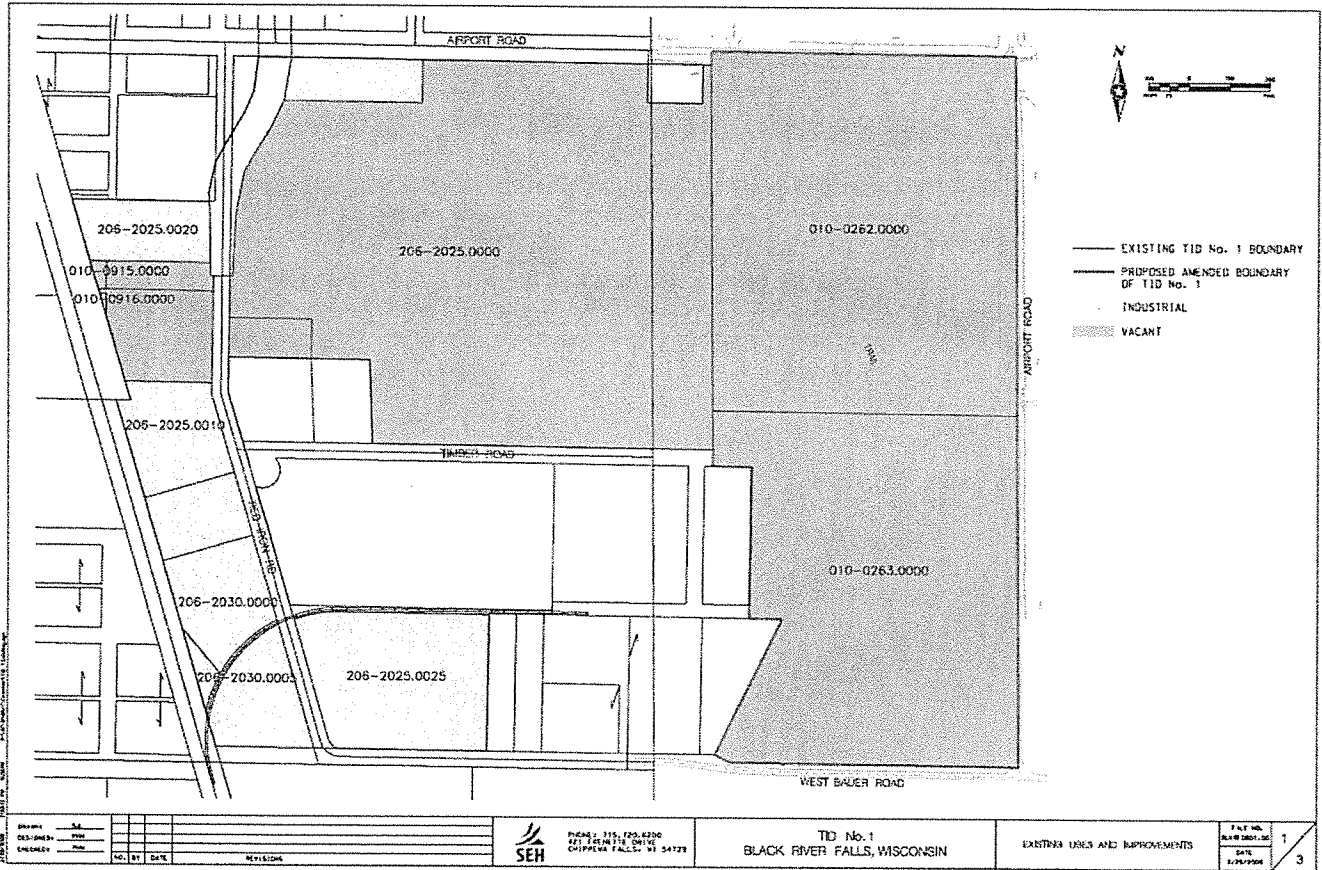
**MAP OF ORIGINAL DISTRICT BOUNDARY WITH TERRITORY AMENDMENTS**





**4**

**MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED**



**5**

**PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO THE EXISTING DISTRICT & ANALYSIS**

*City of Black River Falls, WI*  
Tax Increment District No. 1  
Preliminary Parcel List

MAP REF. #	PARCEL NO.	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	LAND RATIO (BY CLASS)	IMPROVEMENTS RATIO (BY CLASS)	EQUALIZED VALUE	PARCEL ACREAGE	ACRES ZONED AND SUITABLE FOR INDUSTRIAL USE
ORIGINAL DISTRICT AREA DATA												
	010-0262.0000	City of Black River Falls		250,000		250,000	5 - Undeveloped Land	100.00%	100.00%	250,000	41.090	Industrial
	010-0263.0000	City of Black River Falls		250,000		250,000	5 - Undeveloped Land	100.00%	100.00%	250,000	38.010	Industrial
						0						
						0						
	SUBTOTAL PERSONAL PROPERTY >		0						0.00%		NA	NA
										500,000	79.090	0.000
										ESTIMATED BASE VALUE	TOTAL DISTRICT ACREAGE	TOTAL INDUSTRIAL ACREAGE
										As of January 1 2000		0.000%



**6**

**EQUALIZED VALUE TEST**

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing Tax Incremental Districts ("TIDs"), does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 1, plus the value of all other existing Tax Incremental Districts within the City, totals \$15,828,900. This value is less than the maximum of \$28,100,916 in equalized value that is permitted for the City. The City is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

<i>City of Black River Falls, WI</i>		
<b>Tax Increment District No. 1</b>		
<b>Valuation Test Compliance Calculation</b>		
Anticipated Creation Date:	Valuation Data	Estimated Valuation
Property Appreciation Fac	Establishing 12%	Data Establishing
	Limit Based on	Base Value
	Anticipated	Base Value
	<u>ACTUAL</u>	<u>ESTIMATED</u>
As of January 1,	2007	2007
Total Equalized Value (TID IN)	234,174,300	
Limit for 12% Test	<b>28,100,916</b>	
Increment Value of Existing TID's		
TID No. 1 Increment	4,729,800	
TID No. 2 Increment	295,400	
TID No. 3 Increment	10,196,800	
TID No. 4 Increment	106,900	
Total Existing Increment	15,328,900	
Projected Base Value of New District	500,000	525,000
TOTAL VALUE SUBJECT TO TEST/LIMIT	<b>15,828,900</b>	<b>15,853,900</b>
COMPLIANCE	<b>PASS</b>	<b>PASS</b>
		Percentage Increase in Base Value at Which EV Test will Fail 2454.40%



# 7

## STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

The following is a list of public works and other projects that the City has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

### PROPERTY, RIGHT-OF-WAY AND EASEMENT ACQUISITION

- **PROPERTY ACQUISITION FOR DEVELOPMENT.** In order to promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Project Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in State Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.
- **PROPERTY ACQUISITION FOR CONSERVANCY.** In order to promote the objectives of this Project Plan, the City intends to acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife, maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.
- **ACQUISITION OF RIGHTS-OF-WAY.** The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.
- **ACQUISITION OF EASEMENTS.** The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.
- **RELOCATION COSTS.** If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

---

### SITE PREPARATION ACTIVITIES

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There have been no known environmental studies performed within the proposed amended area of the District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.
- **SITE GRADING.** Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

### UTILITIES

- **SANITARY SEWER SYSTEM IMPROVEMENTS.** There are inadequate sanitary sewer facilities serving the District. To allow development to occur, the City may construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.
- **WATER SYSTEM IMPROVEMENTS.** There are inadequate water distribution facilities serving the District. To allow development to occur, the City may construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.
- **STORMWATER MANAGEMENT SYSTEM IMPROVEMENTS.** Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land

---

within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

- **ELECTRIC SERVICE.** In order to create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.
- **GAS SERVICE.** In order to create sites suitable for development the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.
- **COMMUNICATIONS INFRASTRUCTURE.** In order to create sites suitable for development the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

#### STREETS AND STREETSCAPE

- **STREET IMPROVEMENTS.** There are inadequate street improvements serving the District. To allow development to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.
- **STREETSCAPING AND LANDSCAPING.** In order to attract development consistent with the objectives of this Project Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

#### CDA OR RDA TYPE ACTIVITIES

- **CONTRIBUTION TO COMMUNITY DEVELOPMENT OR REDEVELOPMENT AUTHORITY.** As provided for in Wisconsin Statutes Section 66.1333(13), the City may provide funds to its CDA OR RDA to be used for administration, planning and operations related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA OR RDA for this purpose are eligible Project Costs.
- **REVOLVING LOAN/GRANT PROGRAM.** To encourage private redevelopment consistent with the objectives of this Project Plan, the City, through its CDA OR RDA, will provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients



---

will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA OR RDA in the program manual. Any funds returned to the CDA OR RDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds will be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA OR RDA for purposes of implementing this program are considered eligible Project Costs.

### MISCELLANEOUS

- **RAIL SPUR.** To allow for development and/or redevelopment, the City will incur costs for installation of a rail spur to serve development sites located within the District.
- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until a developer agreement is executed with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.
- **PROPERTY TAX PAYMENTS TO TOWN.** Property tax payments due to the Town under Wisconsin Statutes Section 66.1105(4)(gm)1., as a result of the inclusion of lands annexed after January 1, 2004 within the boundaries of the District are an eligible Project Cost.
- **PROFESSIONAL SERVICE AND ORGANIZATIONAL COSTS.** The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Project Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Project Plan.
- **ADMINISTRATIVE COSTS.** The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Project Plan.
- **FINANCING COSTS.** Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Project Plan are eligible Project Costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, site preparation, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages, and other expenses are included as Project Costs.

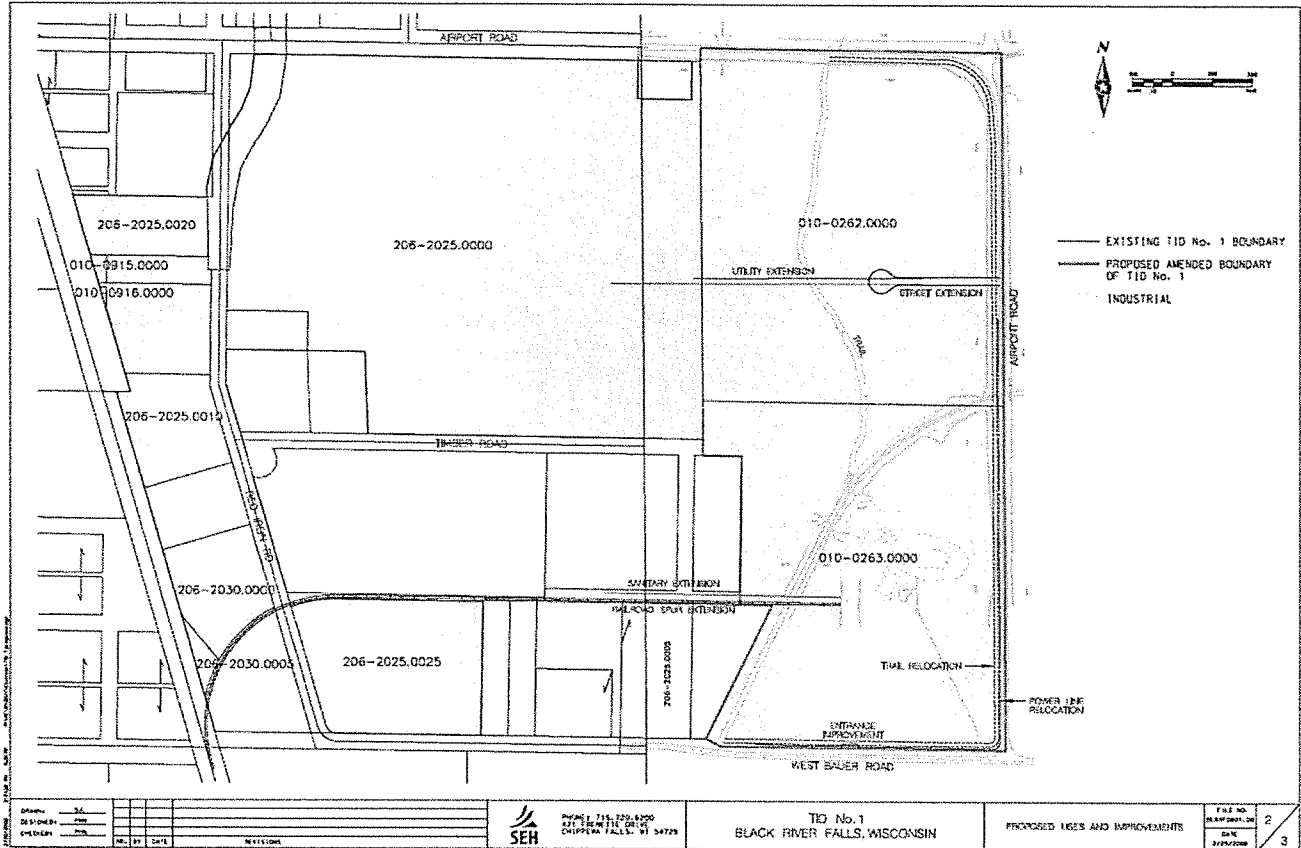
In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

**The City reserves the right to implement only those projects that remain viable as the Project Plan period proceeds.**

Project Costs or any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and listed in this Project Plan or the original Project Plan. To the extent the costs benefit the City outside the District, a proportionate share of the cost is not a project cost. Costs identified in this Project Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Proration of costs in the Project Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the City in connection with the implementation of this Project Plan.

**8**

**MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED**



## 9

### DETAILED LIST OF PROJECT COSTS

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2008 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2008 and the time of construction. The City also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented, without amending the Project Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Project Plan.

**This Project Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Project Plan are estimates based on the best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without further amending this Project Plan.**

**PROPOSED TIF PROJECT COST ESTIMATES**

Projects	Phase I	Phase II
	2009	2011
Sanitary Sewer Extension, Lift Station, Grinder Station	240,000	
Watermain Extension	70,000	
Street and Entrance Construction	90,000	
Stormwater Improvements	50,000	
Railroad Spur		230,000
Powerline Relocation		300,000
Trail Relocation		80,000
<b>Subtotal Needed for Projects</b>	<b>450,000</b>	<b>610,000</b>

Client  
Logo If  
Available

*City of Black River Falls, WI*  
Tax Increment District No. 1  
Project List



---

## **10** ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition of Territory, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Project Plan. A listing of "Available Financing Methods" follows.
- The City expects to complete the remaining projects in one or more phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under "Project Plan Implementation" within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to incur is included.
- The development anticipated to occur as a result of the continued implementation of this Project Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) an updated projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

### ***AVAILABLE FINANCING METHODS***

Implementation of this Project Plan will require that the City issue obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

#### General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Project Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values). The table on page 19 provides a calculation of the City's current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the City's equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects future valuation of the City using the average annual percentage of valuation growth experienced between 2003 and 2007. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2003 and 2007. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the City utilizing the straight-line valuation

---

projection and considering the existing debt of the City, demonstrating that the City will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

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

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

#### Tax Increment Revenue Bonds

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

#### Utility Revenue Bonds

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

#### Special Assessment "B" Bonds


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

**EQUALIZED VALUATION PROJECTION**

Client Logo  
If Available

*City of Black River Falls, WI*

**Projection of General Obligation Debt Borrowing Capacity**



**Table 1 - Projection of Growth in Equalized Value (TID IN)**

---PERCENTAGE METHOD---			---STRAIGHT LINE METHOD---		
HISTORICAL DATA					
2003	172,055,600		2003	172,055,600	
2004	181,181,600		2004	181,181,600	
2005	190,729,700		2005	190,729,700	
2006	204,047,100		2006	204,047,100	
2007	234,174,300	9.03%	2007	234,174,300	15,529,675
PROJECTED VALUATIONS					
2008	255,310,786	9.03%	2008	249,703,975	6.63%
2009	278,355,043	9.03%	2009	265,233,650	6.22%
2010	303,479,267	9.03%	2010	280,763,325	5.86%
2011	330,871,194	9.03%	2011	296,293,000	5.53%
2012	360,735,505	9.03%	2012	311,822,675	5.24%
2013	393,295,359	9.03%	2013	327,352,350	4.98%
2014	428,794,053	9.03%	2014	342,882,025	4.74%
2015	467,496,846	9.03%	2015	358,411,700	4.53%
2016	509,692,939	9.03%	2016	373,941,375	4.33%

**Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)**

BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY
2008	234,174,300	11,708,715	7,032,152	4,676,563
2009	249,703,975	12,485,199	6,442,428	6,042,771
2010	265,233,650	13,261,683	5,710,601	7,551,082
2011	280,763,325	14,038,166	4,961,754	9,076,412
2012	296,293,000	14,814,650	4,201,839	10,612,811
2013	311,822,675	15,591,134	3,424,128	12,167,006
2014	327,352,350	16,367,618	2,660,822	13,706,795
2015	342,882,025	17,144,101	2,029,286	15,114,815
2016	358,411,700	17,920,585	1,200,124	16,720,461
2017	373,941,375	18,697,069	485,721	18,211,347
2018	389,471,050	19,473,553	252,066	19,221,487
2019	405,000,725	20,250,036	45,780	20,204,256



## **PROJECT PLAN IMPLEMENTATION**

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the additional Territory. It is anticipated these expenditures will be made during 2009 through 2011. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Project Plan to accomplish this objective. In any event, all additional Project Costs are to be incurred within the period specified in Section 66.1105(6)(am) of the Wisconsin Statutes.


It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Project Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

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

**IMPLEMENTATION & FINANCING TIMELINE**

	<i>City of Black River Falls, WI</i>		
	Tax Increment District No. 1		
Estimated Project Costs & Financing Plan			
	G.O. Bond	G.O. Bond	Total Project Costs
	2009	2011	All Phases
<b>Projects</b>			
Sanitary Sewer Extension, Lift Station, Grinder Station	240,000		240,000
Watermain Extension	70,000		70,000
Street and Entrance Construction	90,000		90,000
Stormwater Improvements	50,000		50,000
Railroad Spur		230,000	230,000
Powerline Relocation		300,000	300,000
Trail Relocation		80,000	80,000
<b>Subtotal Needed for Projects</b>	<b>450,000</b>	<b>610,000</b>	<b>1,060,000</b>
<b>Finance Related Expenses</b>			
Financial Advisor	9,237	10,839	
Bond Counsel (Estimate)	5,000	5,000	
Rating Agency Fee	5,000	5,000	
Paying Agent (if Term Bonds)	675	675	
Max. Underwriter's Discount <span style="border: 1px solid black; padding: 2px;">\$15.00</span>	8,025	<span style="border: 1px solid black; padding: 2px;">\$15.00</span> 10,725	
Capitalized Interest	53,500	71,500	
<b>Total Financing Required</b>	<b>531,437</b>	<b>713,739</b>	
Rounding	3,564	1,262	
<b>NET ISSUE SIZE</b>	<b>535,000</b>	<b>715,000</b>	

## **DEVELOPMENT ASSUMPTIONS**

Tax Increment District No. 1 currently has \$4,729,800 in captured increment. The proposed boundary amendment includes approximately 79 acres of which 50 acres is projected to be developable. The project plan conservatively projects \$3,000,000 in new development in the amended area on the following timeline:

<b>Construction Year</b>	<b>Valuation Year</b>	<b>Revenue Year</b>	<b>New Valuation</b>
2010	2011	2012	\$1,000,000
2012	2013	2014	\$1,000,000
2014	2015	2016	\$1,000,000

## INCREMENT REVENUE PROJECTIONS

City of Black River Falls, WI

Tax Increment Forecast - With Transfer to TID No. 2 and Boundary Amendment Area Projects

### TID No. 1 (Industrial Park)

Creation Year 2000  
End of Expenditure Period 2018  
Maximum Life of District (Final Year) 2023

Inflation Factor: 0.00%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment
2005	2006	2007	-		4,687,400	22.70	106,404
2006	2007	2008	-		4,729,800	22.62	106,970
2007	2008	2009	-		4,729,800	22.62	106,970
2008	2009	2010	-		4,729,800	22.62	106,970
2009	2010	2011	-		4,729,800	22.62	106,970
2010	2011	2012	-	1,000,000	5,729,800	22.62	129,587
2011	2012	2013	-		5,729,800	22.62	129,587
2012	2013	2014	-	1,000,000	6,729,800	22.62	152,203
2013	2014	2015	-		6,729,800	22.62	152,203
2014	2015	2016	-	1,000,000	7,729,800	22.62	174,819
2015	2016	2017	-		7,729,800	22.62	174,819
2016	2017	2018	-		7,729,800	22.62	174,819
2017	2018	2019	-		7,729,800	22.62	174,819
2018	2019	2020	-		7,729,800	22.62	174,819
2019	2020	2021	-		7,729,800	22.62	174,819
2020	2021	2022	-		7,729,800	22.62	174,819
2021	2022	2023	-		7,729,800	22.62	174,819
<b>Total</b>				<b>3,000,000</b>			

# CASH FLOW

City of Black River Falls, WI

Tax Increment Forecast - With Transfer to TID No. 2 and Boundary Amendment Area Projects

TID No. 1 (Industrial Park)

Creation Year: 2000  
 End of Expenditure Period: 2018  
 Maximum Life of District (Final Year): 2023  
 Inflation Factor: 0.00%

Dec. 31, 2006  
 Fund Balance  
 (26,177,000)

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment	\$535,000 G.O. Bonds of 2009	\$715,000 G.O. Bonds of 2011	Transfer to TID No. 2	Other TID No. 1 Expenses	Total TID No. 1 Expenses	Annual Balance	Interest on Advance @ 5.00%	Cumulative Balance
2005	2006	2007	-	-	4,667,400	22.70	106,494	-	-	33,061	-	33,061.10	106,404	(1,309)	79,918
2006	2007	2008	-	-	4,729,800	22.62	106,970	-	-	-	-	33,061.10	73,909	-	152,827
2007	2008	2009	-	-	4,729,800	22.62	106,970	-	-	-	-	-	106,970	-	253,798
2008	2009	2010	-	-	4,729,800	22.62	106,970	-	-	-	-	-	106,970	-	366,768
2009	2010	2011	-	-	4,729,800	22.62	106,970	-	-	-	-	-	106,970	-	473,738
2010	2011	2012	-	1,000,000	5,729,800	22.62	129,587	61,750.00	-	-	-	61,750.00	67,837	-	541,575
2011	2012	2013	-	1,000,000	5,729,800	22.62	129,587	60,000.00	-	-	-	60,000.00	69,587	-	611,161
2012	2013	2014	-	1,000,000	6,729,800	22.62	152,203	58,250.00	90,750.00	-	-	149,000.00	3,203	-	614,364
2013	2014	2015	-	1,000,000	6,729,800	22.62	152,203	61,500.00	93,000.00	-	-	154,500.00	(2,977)	-	612,067
2014	2015	2016	-	1,000,000	7,729,800	22.62	174,819	59,500.00	95,000.00	-	-	154,500.00	20,319	-	632,366
2015	2016	2017	-	-	7,729,800	22.62	174,819	62,500.00	91,750.00	-	-	154,250.00	20,569	-	652,995
2016	2017	2018	-	-	7,729,800	22.62	174,819	60,250.00	93,500.00	-	-	153,750.00	21,069	-	674,024
2017	2018	2019	-	-	7,729,800	22.62	174,819	58,000.00	90,000.00	-	-	148,000.00	26,819	-	700,843
2018	2019	2020	-	-	7,729,800	22.62	174,819	60,750.00	91,500.00	-	-	152,250.00	22,569	-	723,412
2019	2020	2021	-	-	7,729,800	22.62	174,819	58,250.00	92,750.00	-	-	151,000.00	23,819	-	747,231
2020	2021	2022	-	-	7,729,800	22.62	174,819	60,750.00	93,750.00	-	-	154,500.00	20,319	-	767,550
2021	2022	2023	-	-	7,729,800	22.62	174,819	63,000.00	94,500.00	-	-	157,500.00	17,319	-	784,869
<b>Total</b>															<b>3,000,000</b>

## **11** ANNEXED PROPERTY

Properties within the Territory proposed to be included within the District by Amendment were annexed by the City on or after January 1, 2004. The City has previously entered into a cooperative boundary agreement with the Town of Brockway pursuant to s.66.0307 Wis. Stats. providing for the annexation of these properties, and is therefore in compliance with s.66.1105(4)(gm)1. Wis. Stats. with respect to inclusion of the annexed property within the District.

## **12** ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS

The City estimates that none of the territory within the District (to include the Territory to be incorporated by Amendment) will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

## **13** PROPOSED CHANGES IN ZONING ORDINANCES

The City anticipates that a portion of the Territory to be incorporated into the District by Amendment will be rezoned prior to development.

## **14** PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY ORDINANCES

It is expected that this Project Plan will be complementary to the City's Master Plan. There are no proposed changes to the master plan, map, building codes or other City ordinances for the implementation of this Project Plan.

## **15** RELOCATION

It is not anticipated there will be a need to relocate any persons or businesses in conjunction with this Project Plan.

In the event relocation becomes necessary at some time during the implementation period, the City will take the following steps and actions:

Before negotiations begin for the acquisition of property or easements, all property owners will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Rights". 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 all or at least ten neighboring landowners to whom offers are being made. The City will file a relocation plan with the Department of Commerce and shall keep records as required in Wisconsin Statute Section 32.27.

## **16** ORDERLY DEVELOPMENT OF THE CITY

Incorporation of the Additional Territory to the District contributes to the orderly development of the City by providing the opportunity for continued growth in tax base and job opportunities.

## **17** A LIST OF ESTIMATED NON-PROJECT COSTS

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

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

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

**18** OPINION OF ATTORNEY FOR THE CITY ADVISING WHETHER THE  
PROJECT PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN  
STATUTES, SECTION 66.1105

April 1, 2008

**SAMPLE**

Joseph Hunter, Mayor  
City of Black River Falls  
101 South 2nd Street  
Black River Falls, Wisconsin 54615

**RE: City of Black River Falls, WI - Tax Incremental District No. 1 Amendment**

Dear Mayor Hunter:

As City Attorney for the City of Black River Falls, I have reviewed the Project Plan Amendment document and various resolutions passed by the Common Council, Plan Commission and Joint Review Board regarding the amendment of Tax Incremental District No. 1 located in the City of Black River Falls. In my opinion, the Project Plan Amendment is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Sincerely,

Daniel Diehn, Attorney  
City of Black River Falls



**EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS**

Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

Revenue Year	City	County	School District	Tech College	Total
	31.36%	28.86%	31.32%	8.46%	
2008	33,544	30,868	33,505	9,053	106,970
2009	33,544	30,868	33,505	9,053	106,970
2010	33,544	30,868	33,505	9,053	106,970
2011	33,544	30,868	33,505	9,053	106,970
2012	40,636	37,394	40,589	10,967	129,587
2013	40,636	37,394	40,589	10,967	129,587
2014	47,728	43,920	47,673	12,881	152,203
2015	47,728	43,920	47,673	12,881	152,203
2016	54,820	50,446	54,757	14,795	174,819
2017	54,820	50,446	54,757	14,795	174,819
2018	54,820	50,446	54,757	14,795	174,819
2019	54,820	50,446	54,757	14,795	174,819
2020	54,820	50,446	54,757	14,795	174,819
2021	54,820	50,446	54,757	14,795	174,819
2022	54,820	50,446	54,757	14,795	174,819
2023	54,820	50,446	54,757	14,795	174,819
	694,647	639,224	693,846	187,477	2,215,193

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

---

## EXHIBIT B - PROJECT PLAN AMENDMENT TO ALLOW THE SHARING OF INCREMENT WITH TAX INCREMENTAL DISTRICT NO. 2

### **1** PURPOSE AND FINDINGS

The purpose of this Project Plan Amendment is to allow Tax Incremental District No. 1 ("TID No. 1") to allocate positive tax increments to Tax Incremental District No. 2 ("TID No. 2"). Pursuant to Section 66.1105(4)(h), Wisconsin Statutes, a City may amend a Project Plan for a District.

The amendment will allow TID No. 1, which is generating positive increments to allocate such excess increments with TID No. 2 beginning with tax increments collected in the year 2008, as authorized by Wisconsin State Statutes.

Section 66.1105(6)(e)1, Wisconsin State Statutes, provides that a tax incremental district (the "District") which is generating positive tax increments may allocate said increments to another district provided that all of the following conditions are met:

- The donor District, the positive tax increments of which are to be allocated, and the recipient District have the same overlying taxing jurisdictions.
- The allocation of tax increments is approved by the Joint Review Board.
- The donor District is able to demonstrate, based on the positive tax increments that are currently generated, that it has sufficient revenues to pay for all project costs that have been incurred under the Project Plan for that District and sufficient surplus revenues to pay for some of the eligible costs of the recipient District.

Section 66.1105(6)(f)2, Wisconsin State Statutes, provides that the recipient tax incremental district must meet one of the following conditions in order to receive an allocation from a donor tax incremental district:

- The project costs in the recipient District are used to create, provide, or rehabilitate low-cost housing or to remediate environmental contamination.
- The recipient District was created upon a finding that not less than 50 percent, by area, of the real property within the District is blighted or in need of rehabilitation.

## 2

## SUMMARY OF DISTRICT PERFORMANCE

### **Tax Incremental District No. 1 (Donor District)**

TID No. 1 was created as an industrial district by the City of Black River Falls in 2000 for the purpose of promoting industrial expansion within an established industrial district. TID No. 1 provided the economic development tool to guide industrial growth within the community so that growth is orderly, harmonious with adjoining land uses, and promotes the health and welfare of the community in general. The District is generally located east of the railroad tracks, south and west of Airport Road, and north of west Bauer Road.

As of January 1, 2008 TID No. 1 has created additional tax base of \$4,729,800. TID No. 1 is currently generating sufficient revenues to pay for all project costs that have been incurred under its project plan and has sufficient surplus revenues to pay for some of the eligible costs of TID No. 2. Based upon this finding, TID No. 1 will be eligible to as a donor District to share positive tax increments to TID No. 2.

### **Tax Incremental District No. 2 (Recipient District)**

TID No. 2 was created as a blight elimination District by the City of Black River Falls in 2001 for the purpose of eliminating blight and assist furthering the employment goals of the area and to provide incentive for private investment in the City of Black River Falls. TID No. 2 provided an economic development opportunity to redevelop the Pines Motel site which had fallen into disrepair. The District is generally located on the north side of the community at the north east quadrant of the intersection of Interstate 94 and State Highway 12/27. Tax Increment District No. 2 was overlaid by Tax Increment District No. 5 in 2007. It is expected the current additional tax base of \$295,400 will be lost due to demolition of the existing Pines Motel site. Tax Increment District No. 2 owes the City's General Fund approximately \$40,000. Without the sharing of revenues from Tax Increment District No. 1, it is unlikely Tax Increment District No. 2 will be able to repay the City's General Fund.

Based upon this finding, TID No. 2 will be eligible as a recipient District to receive allocation of positive tax increments from TID No. 1.

# 3

## ECONOMIC FEASIBILITY STUDY

**Exhibit 1** shows the historic and projected growth for TID No. 1. The base value of TID No. 1 in 2000 was \$876,700. As of January 1, 2008 the incremental value of TID No. 1 is \$4,729,800. The anticipated amount of revenues generated on this tax base for the 2008 budget year is \$106,970.

**Exhibit 2** shows a projection of the annual surplus in the amount of \$106,970. Based on the projected revenues, TID No. 1 has sufficient funds to pay all of its outstanding debt and has an annual surplus, which would be available to support some of the expenses of TID No. 2.

**Exhibit 3** identifies a projected annual distribution of increment to TID No. 2 beginning in 2008. The total amount to be shared in 2008 is \$33,061. The actual amount to be shared on an annual basis, and the term of sharing will be re-determined annually based on actual performance of both Districts. If total increment in this amount is shared with TID No. 2, the projection indicates that TID No. 1 will still have a cumulative surplus of \$1,757,382 in 2023.

**Exhibit 4** is the financial plan for TID No. 2. Since no immediate additional development or redevelopment is expected to occur within TID No. 2, the increment it receives from TID No. 1 under this sharing amendment will be its principal source of revenue. This exhibit demonstrates that the excess annual increment from TID No. 1 will be sufficient to pay for TID No. 2's project costs. The City anticipates closing Tax Increment District No. 2 upon repaying the advance from the General Fund with the increment received from Tax Increment District No. 1. The City expects to close TID No. 2 after the transfer from TID No. 1 in 2008. This is subject to review by the City's auditor.

Exhibit 1

City of Black River Falls, WI

Tax Increment Forecast - Existing

TID No. 1 (Industrial Park)

Creation Year 2000  
End of Expenditure Period 2018  
Maximum Life of District (Final Year) 2023

Inflation Factor: 0.00%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment
2005	2006	2007	-		4,687,400	22.70	106,404
2006	2007	2008	-		4,729,800	22.62	106,970
2007	2008	2009	-		4,729,800	22.62	106,970
2008	2009	2010	-		4,729,800	22.62	106,970
2009	2010	2011	-		4,729,800	22.62	106,970
2010	2011	2012	-		4,729,800	22.62	106,970
2011	2012	2013	-		4,729,800	22.62	106,970
2012	2013	2014	-		4,729,800	22.62	106,970
2013	2014	2015	-		4,729,800	22.62	106,970
2014	2015	2016	-		4,729,800	22.62	106,970
2015	2016	2017	-		4,729,800	22.62	106,970
2016	2017	2018	-		4,729,800	22.62	106,970
2017	2018	2019	-		4,729,800	22.62	106,970
2018	2019	2020	-		4,729,800	22.62	106,970
2019	2020	2021	-		4,729,800	22.62	106,970
2020	2021	2022	-		4,729,800	22.62	106,970
2021	2022	2023	-		4,729,800	22.62	106,970

Exhibit 2

City of Black River Falls, WI

Tax Increment Forecast - Existing

TID No. 1 (Industrial Park)

Creation Year 2000

End of Expenditure Period 2018

Maximum Life of District (Final Year) 2023

Inflation Factor: 0.00%

Dec. 31, 2006  
Fund Balance  
(26,177.00)

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment	TID No. 1 Expenses	Other TID No. 1 Expenses	Total TID No. 1 Expenses	Annual Balance	Interest on Advance @ 5.00%	Cumulative Balance
2005	2006	2007	-	4,687,400	4,687,400	22.70	106,404	106,404	-	-	106,404	(1,309)	78,918
2006	2007	2008	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	185,888
2007	2008	2009	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	292,859
2008	2009	2010	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	399,829
2009	2010	2011	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	506,799
2010	2011	2012	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	613,770
2011	2012	2013	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	720,740
2012	2013	2014	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	827,710
2013	2014	2015	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	934,680
2014	2015	2016	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,041,651
2015	2016	2017	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,148,621
2016	2017	2018	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,255,591
2017	2018	2019	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,362,562
2018	2019	2020	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,469,532
2019	2020	2021	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,576,502
2020	2021	2022	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,683,473
2021	2022	2023	-	4,729,800	4,729,800	22.62	106,970	-	-	-	106,970	-	1,790,443

Exhibit 3

City of Black River Falls, WI

Tax Increment Forecast - With Transfer to TID No. 2

TID No. 1 (Industrial Park)

Creation Year 2000  
 End of Expenditure Period 2018  
 Maximum Life of District (Final Year) 2023  
 Inflation Factor: 0.00%

Dec. 31, 2006  
 Fund Balance  
 (26,177,001)

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment	TID No. 1 Expenses	Transfer to TID No. 2	Other TID No. 1 Expenses	Total TID No. 1 Expenses	Annual Balance	Interest on Advance @ 5.00%	Cumulative Balance
2005	2006	2007	-		4,687,400	22.70	106,404	-	-	-	-	106,404	(1,309)	76,918
2006	2007	2008	-		4,729,800	22.62	106,970	-	33,061	-	33,061	73,909	-	152,827
2007	2008	2009	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	259,798
2008	2009	2010	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	366,768
2009	2010	2011	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	473,738
2010	2011	2012	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	580,708
2011	2012	2013	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	687,679
2012	2013	2014	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	794,649
2013	2014	2015	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	901,619
2014	2015	2016	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,008,590
2015	2016	2017	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,115,560
2016	2017	2018	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,222,530
2017	2018	2019	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,329,501
2018	2019	2020	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,436,471
2019	2020	2021	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,543,441
2020	2021	2022	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,650,411
2021	2022	2023	-		4,729,800	22.62	106,970	-	-	-	-	106,970	-	1,757,382

Exhibit 4

City of Black River Falls, WI

Tax Increment Forecast - With Transfer from TID No. 1

TID No. 2

Creation Year: 2001

End of Expenditure Period: 2023

Maximum Life of District (Final Year): 2028

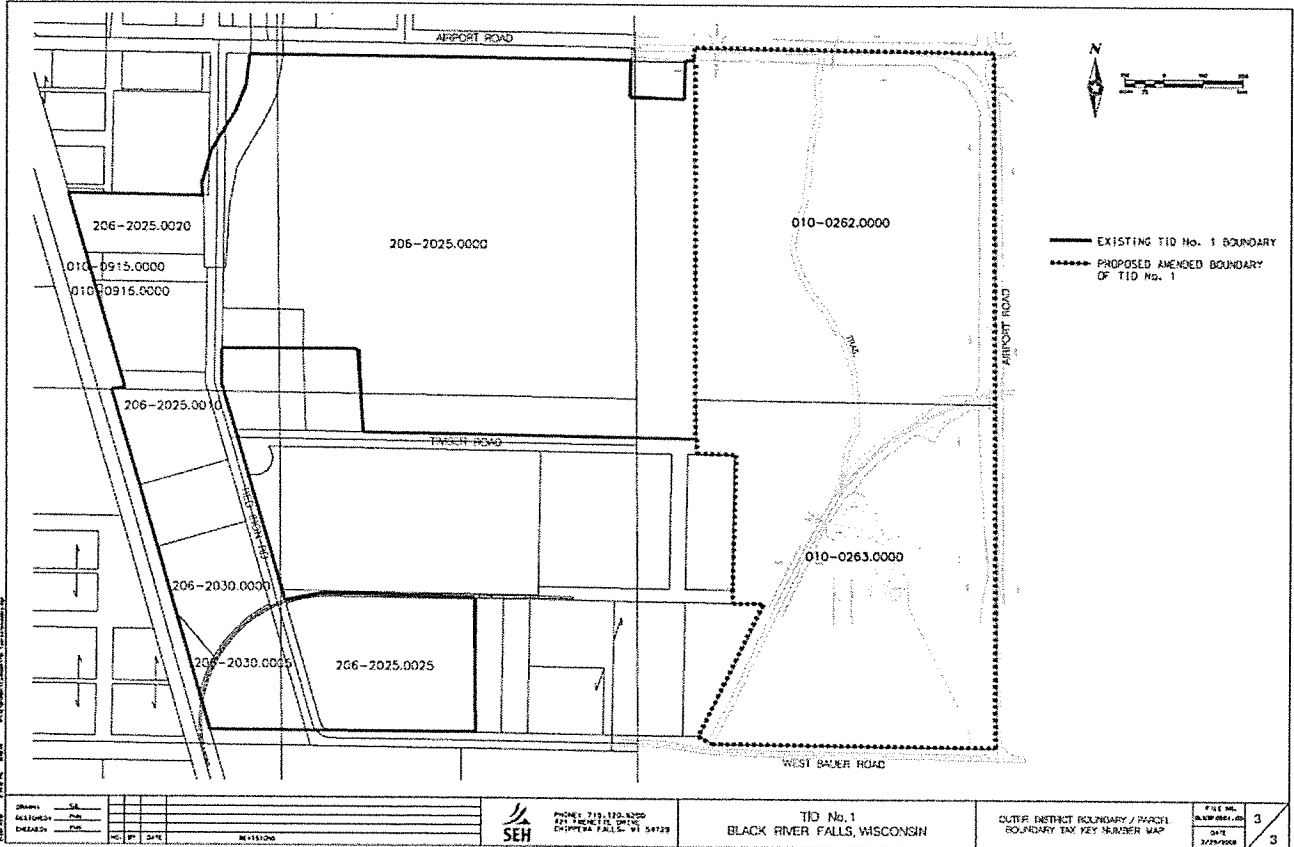
Inflation Factor: 0.00%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment	Transfer from TID No. 1	Total TID No. 2 Revenues	TID No. 2 Expenses	Other TID No. 2 Expenses	Total TID No. 2 Expenses	Annual Balance	Interest on Advance @ 5.00%	Cumulative Balance
2005	2006	2007	-	-	312,300	22.70	7,089	-	7,089	-	-	-	7,089	-	(37,845)
2006	2007	2008	-	-	295,400	22.62	6,681	33,061	39,742	-	-	-	39,742	(1,892)	(0)
2007	2008	2009	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2008	2009	2010	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2009	2010	2011	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2010	2011	2012	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2011	2012	2013	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2012	2013	2014	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2013	2014	2015	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2014	2015	2016	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2015	2016	2017	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2016	2017	2018	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2017	2018	2019	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2018	2019	2020	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2019	2020	2021	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2020	2021	2022	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2021	2022	2023	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2022	2023	2024	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2023	2024	2025	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2024	2025	2026	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2025	2026	2027	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)
2026	2027	2028	-	-	-	22.62	-	-	-	-	-	-	-	(0)	(0)



# 4

## BOUNDARY MAP OF TAX INCREMENTAL DISTRICT NO. 1 (DONOR DISTRICT)



**5**

**BOUNDARY MAP OF TAX INCREMENTAL DISTRICT NO. 2 (RECIPIENT DISTRICT)**

District Boundaries Upon Creation in 2001.

There will be no change to District boundaries as a result of this Plan.

