

Project Plan

**Tax Increment District No. 4
City of Black River Falls, Wisconsin**

**Prepared for:
City of Black River Falls, Wisconsin
Black River Falls, Wisconsin**

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Table of Contents

Title Page
Table of Contents

	Page
1.0 Introduction	1
2.0 Statement of Kind, Number, and Location of Proposed Public Work.....	3
3.0 Proposed Improvements and Uses	5
4.0 Economic Feasibility.....	6
4.1 TID No. 4 Projected Income	6
4.2 TID No. 4 List of Project Costs	7
4.3 TID No. 4 Proposed Project Schedule	8
4.4 General Economic Conditions of the City of Black River Falls.....	9
4.5 General Obligation Borrowing Capacity.....	9
5.0 Financing	9
6.0 Proposed Zoning Changes.....	11
7.0 Proposed Changes in the Master Plan, Map, Building Codes, and City Ordinances.....	12
8.0 Relocation	12
9.0 Statement Indicating How Creation of the TID Promotes the Orderly Development of the City	12
10.0 Non-Project Costs	12
11.0 Boundary Description	12
12.0 Legal Opinions	14

List of Tables

Table 1	TID No. 4 Project Income
Table 2	TID No. 4 Project Costs
Table 3	TID No. 4 Proposed Project Schedule
Table 4	Projected Equalized Value and Debt Capacity Growth
Table 5	TID No. 4 Annual Performance

List of Figures

Figure 1	TID No. 4 Boundaries, Uses and Conditions
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Project Plan

Tax Increment District No. 4

Prepared for City of Black River Falls

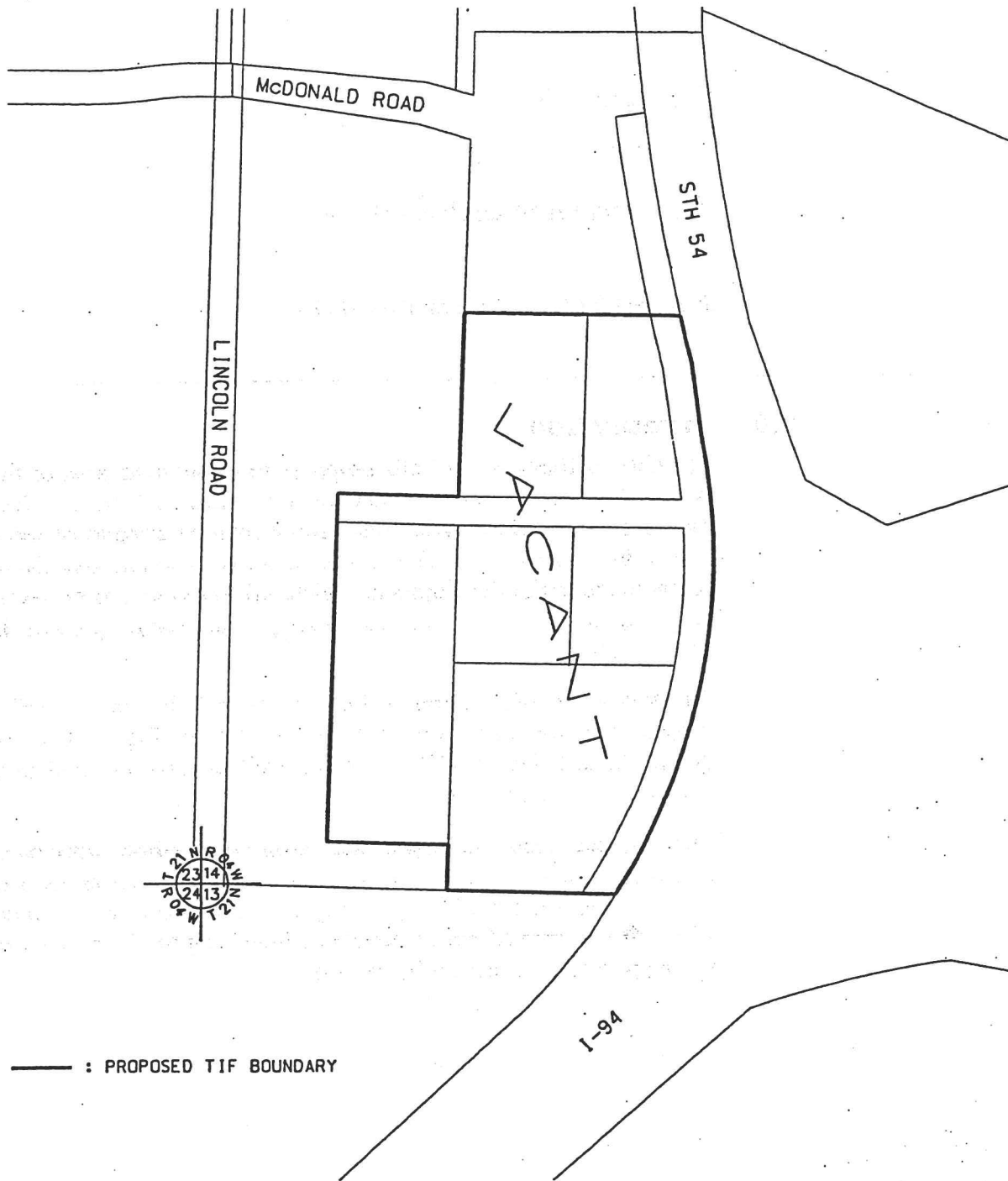
1.0 Introduction

The City of Black River Falls proposes to improve an area of the City which it has determined is suitable for "industrial sites" within the meaning of § 66.1101 Wis. Stats. More than 51 percent of the site is zoned for industrial use. The City's objective is to improve the area to promote industrial development which will provide a more diversified employment base as well as orderly and stable growth in the community.

The following information defines the boundaries and describes the Project Plan for Tax Increment District No. 4. Figure 1 shows the district boundaries of TID No. 4, as well as existing land uses and conditions of the property.

The Project Plan describes the proposed public improvements, economic feasibility and method of financing as well as the existing uses and conditions of the property of the District as of January 1, 2002. Any improved public streets included within the boundaries are for the purposes of district boundaries.

Figure 1 – TID No. 4 Boundaries, Uses and Conditions



PROPOSED TIF
DISTRICT IMPROVEMENTS
CITY OF BLACK RIVER FALLS
JACKSON COUNTY, WISCONSIN



2.0 Statement of Type of Improvement, Number, and Location of Proposed Public Work

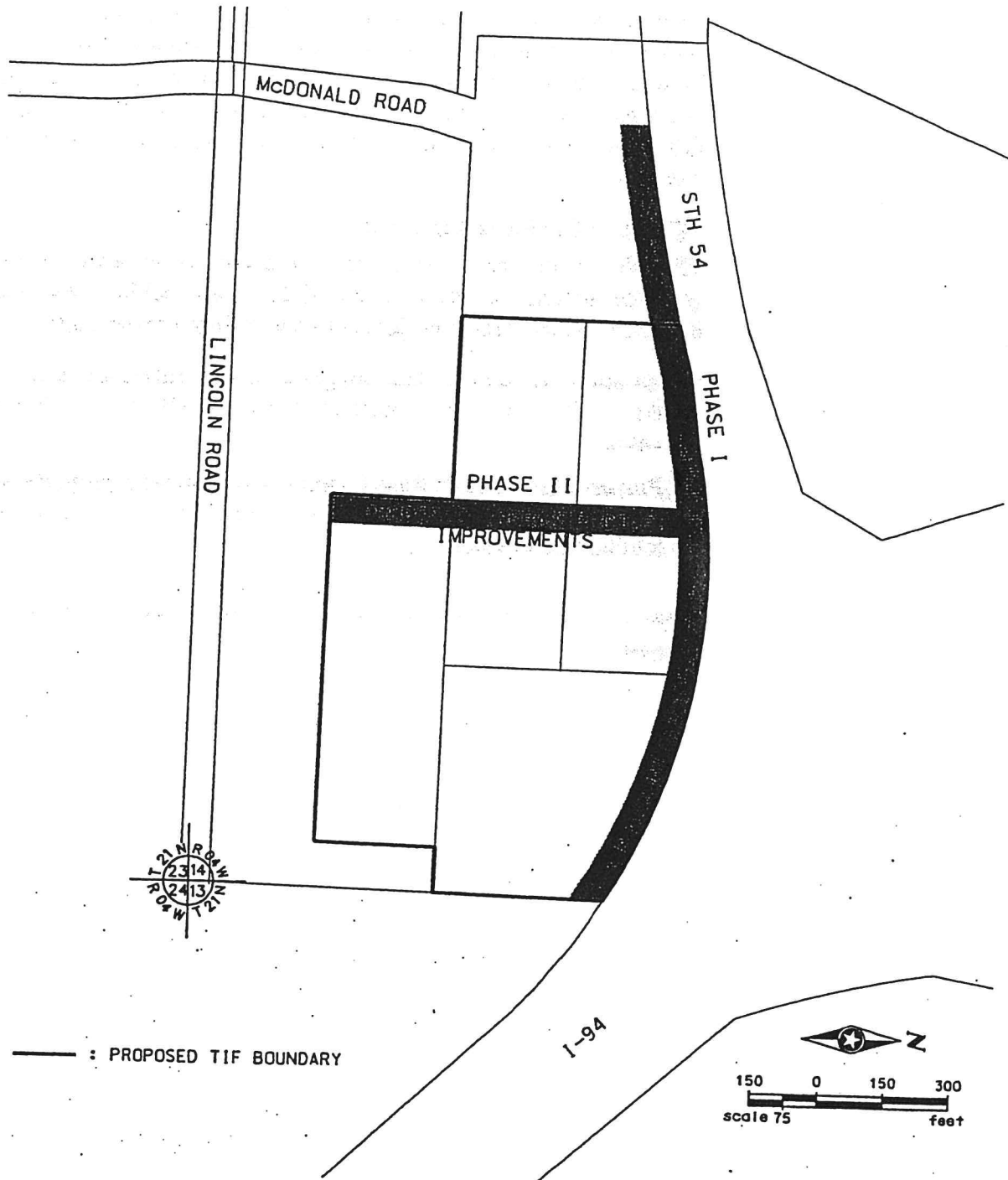
The City intends to implement a number of projects directly related to economic development and redevelopment as part of TID No. 4. These improvements will be made as investment progresses and in light of relative need and ability to recoup expenses. They include:

1. Acquire real property for site and public facility development.
2. Highway improvements outside of the TID necessary for circulation and ingress/egress of businesses located in TID No. 4.
3. Roadway reconstruction and extensions to serve the TID area including curb and gutter, street lighting, and sidewalks.
4. Sanitary sewer system improvements including, but not limited to main reconstruction and extensions and lift station installation.
5. Water system improvements including, but not limited to main reconstruction, extensions, and elevated water storage or inground or above ground reservoirs.
6. Storm sewer improvements including, but not limited to main and drainageway reconstruction and extensions.
7. Install other utilities including electric, natural gas, telecommunications, cable TV, etc.
8. Site development including, but not limited to, storm sewers, drainageways, filling, and grading.
9. Administrative costs of TID No. 4, including consultant fees, auditor fees, public employee fees, and other salaries and fees incurred throughout the implementation of the Project Plan.
10. Relocation costs, including the costs of developing a relocation plan and relocation benefits as required by Wis. Stats. 23.19 and 32.195 as they may pertain to the acquisition of property for the listed projects.
11. Finance costs, including interest, finance fees, bond related expenses, legal fees, insurance and other expenses related to financing TID No. 4 projects.
12. Development incentives, including but not limited to:
 - a. Job training expenses.
 - b. Assistance in cost reduction of private sector development.
13. Municipal equipment, including but not limited to the purchase of fire equipment necessitated by the types of buildings in TID No. 4.
14. Signage.

15. On-site parking.

For all the above projects, the costs of engineering, design, survey, inspection, materials, construction, installation, acquiring of property or easements, acquisition of equipment, restoring property to its original condition, landscaping, legal and other consultant fees, testing, permits, judgements, claims, or damages and other expenses are included as project costs.

3.0 Proposed Improvements and Uses



PROPOSED TIF DISTRICT
IMPROVEMENTS AND USES
CITY OF BLACK RIVER FALLS
JACKSON COUNTY, WISCONSIN



4.0 Economic Feasibility

The economic feasibility of TID No. 4 depends on the tax incremental revenue generated from within the District. There are three critical components in determining the economic feasibility of TID No. 4: Inflation driven increases in property value, new development increases in property value within the district, and the change in the full value tax rate. For the purposes of this plan, the tax rate was held constant.

4.1 TID No. 4 Projected Income

TID No. 4 property values are expected to increase which will generate income to service the debt from public improvements. Income from the TID is projected to come from two sources:

- **Inflation:** Historical data suggests 4.14% increase; however, for this analysis we used a more conservative 3% increase in property value.
- **Property Investment:** Based upon discussion with property owners, we project development over the next seven years that will exceed \$2,000,000 in value.

Table 1 presents the estimated projected TID income for the life of the District.

Table 1
TID No. 4 Projected Income

Year	Tax Increment	Infl. Inc.	Const. Inc.	Annual Inc.	Tax Rate	TID Income
2002	\$0	\$0	\$0	\$0	.0254	\$0
2003	\$0	\$0	\$500,000	\$500,000	.0254	\$0
2004	\$500,000	\$15,000	\$250,000	\$265,000	.0254	\$12,700
2005	\$765,000	\$22,950	\$250,000	\$272,950	.0254	\$19,431
2006	\$1,037,950	\$31,139	\$500,000	\$531,139	.0254	\$26,364
2007	\$1,569,089	\$47,073	\$400,000	\$447,073	.0254	\$39,855
2008	\$2,016,161	\$60,485	\$0	\$60,485	.0254	\$51,210
2009	\$2,076,646	\$62,299	\$0	\$62,299	.0254	\$52,747
2010	\$2,138,945	\$64,168	\$0	\$64,168	.0254	\$54,329
2011	\$2,203,114	\$66,093	\$0	\$66,093	.0254	\$55,959
2012	\$2,269,207	\$68,076	\$0	\$68,076	.0254	\$57,638
2013	\$2,337,283	\$70,119	\$0	\$70,119	.0254	\$59,367
2014	\$2,407,402	\$72,222	\$0	\$72,222	.0254	\$61,148
2015	\$2,479,624	\$74,389	\$0	\$74,389	.0254	\$62,982
2016	\$2,554,013	\$76,620	\$0	\$76,620	.0254	\$64,872
2017	\$2,630,633	\$78,919	\$0	\$78,919	.0254	\$66,818
2018	\$2,709,552	\$81,287	\$0	\$81,287	.0254	\$68,823
2019	\$2,790,839	\$83,725	\$0	\$83,725	.0254	\$70,887
2020	\$2,874,564	\$86,237	\$0	\$86,237	.0254	\$73,014
2021	\$2,960,801	\$88,824	\$0	\$88,824	.0254	\$75,204
2022	\$3,049,625	\$91,489	\$0	\$91,489	.0254	\$77,460
2023	\$3,141,113	\$94,233	\$0	\$94,233	.0254	\$79,784
2024	\$3,235,347	\$97,060	\$0	\$97,060	.0254	\$82,178
2025	\$3,332,407	\$99,972	\$0	\$99,972	.0254	\$84,643
2026	\$3,432,379	\$102,971	\$0	\$102,971	.0254	\$87,182
2027	\$3,535,351	\$106,061	\$0	\$106,061	.0254	\$89,798
2028	\$3,641,411	\$109,242	\$0	\$109,242	.0254	\$92,492
TOTAL			\$2,000,000			\$1,640,423

4.2 TID No. 4 List of Project Costs

Table 2 summarizes the projects anticipated for TID No. 4.

Table 2
TID No. 4 Project Costs

Phase 1	\$376,000
Phase 2	269,000
Administration	35,000
TID No. 4 Organizational Costs	30,000
Total	\$710,000

Not all projects will be completed immediately. Wisconsin Statutes permit projects to be completed as part of the TID over 7 years upon creation of the TID. In addition, should the needs to Black River Falls change, the City is not under any obligation to complete all the proposed projects in the Project Plan. During the first years of the TID, the activities to promote expansion will receive the highest priority. The needs of the City and the performance of the TID will be reviewed annually to determine the appropriate activities. The estimated costs are based upon the most current data available as of September 11, 2002 and may be adjusted in the project's total amount shown without modification of the tax increment plan.

Note: The City of Black River Falls does not generally construct or improve similar facilities only with user fees and no items are included in project costs which are disallowed by Sect. 66.46 (2)(f) (2.a, b or c).

The City of Black River Falls intends to pay the City's share of costs by any method allowed by Sec. 66.46(9). In the event if any of such public works are not reimbursable out of the proposed TIF financing under Wis. Stats. 66.46 in the written opinion of a nationally recognized bond council or a court of record so rules in a final order than 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 plan.

4.3 TID No. 4 Proposed Project Schedule

Based on current objectives and needs of Black River Falls, Table 3 presents a possible schedule for project implementation.

Table 3
TID No. 4 Proposed Project Schedule

Project	2002	2003	2004	2005	2006	2007	2008
Phase 1		\$376,000					
Phase 2				\$269,000			
Administration	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
TID No. 4 Organizational Costs	\$30,000						
TOTAL	\$35,000	\$381,000	\$5,000	\$274,000	\$5,000	\$5,000	\$5,000

4.4 General Economic Conditions of the City of Black River Falls

Located in west central Wisconsin, the City of Black River Falls has in general had good economic growth over the past several years, with a current unemployment rate of approximately 5.2% (2001 annual average).

However, there are several concerns of the City for which this project may help improve the overall economic condition of the City. Employment is cyclical in the City, which is to say that unemployment is significantly higher in winter months. In addition, per capita income is less than the state average. New industrial jobs should both decrease unemployment and raise incomes.

4.5 General Obligation Borrowing Capacity

The City of Black River Falls has sufficient resources to finance the proposed projects. Current General Obligation (G.O.) Borrowing is 20% of total G.O. debt limit. Projecting growth in the equalized value of the City, as shown in Table 4, was accomplished by taking the historic growth for the past 3 years (average 5.22%) and applying that to future projections. This shows that there is sufficient capacity for the City to borrow funds to pay for improvements.

Table 4
Projected Equalized Value and Debt Capacity Growth

	Full Value	Annual Avg. % Change	Gross Debt Limit	Debt Balance	Net Borrowing Capacity
1996	\$121,854,900		\$6,092,745		
1997	\$131,928,000	0.076353011	\$6,596,400		
1998	\$136,048,600	0.030287706	\$6,802,430		
1999	\$143,225,000	0.050105778	\$7,161,250	\$1,400,000	\$5,761,250
2000	\$149,338,300	0.040935915	\$7,466,915	\$1,400,000	\$6,066,915
2001	\$154,000,000	0.030270779	\$7,700,000	\$1,400,000	\$6,300,000
2002	\$158,620,000	0.03	\$7,931,000	\$1,400,000	\$6,531,000
2003	\$163,378,600	0.03	\$8,168,930	\$1,780,000	\$6,388,930
2004	\$168,279,958	0.03	\$8,413,998	\$1,780,000	\$6,633,998
2005	\$173,328,357	0.03	\$8,666,418	\$2,100,000	\$6,566,418

This reflects a 3% growth rate, which is below the average growth of 5.52% which has occurred over the previous 6 years.

5.0 Financing

Under Wisconsin law there are several methods of borrowing, some of which apply the debt against a municipality's 5% of valuation debt limit and some which do not. The feasibility of financing the specific projects at a given time by any particular method will be determined at

City's current fiscal situation, anticipated capital non-TID needs, rates and terms available, and the amount of money to be borrowed.

Possible funding sources include:

1. General Obligation Municipal Borrowing from a bank, State Trust Fund, or other lending institution. This method of borrowing requires little effort or legal expenditures and works particularly well for small sums.
2. General Obligation Bonding: G.O. Bonds can often result in lower interest rates than regular G.O. borrowing, but associated fees make them more attractive for larger projects.
3. Mortgage Revenue Bonds: Again, to be used for larger projects, Revenue Bonds do carry associated fees. Revenue Bonds are paid for through revenue generated by a revenue generating body, such as the Water & Sewer Utility. These generally do not count against a municipality's G.O. borrowing capacity.
4. Special Assessment "B" Bonds: Municipalities can bond for projects, the costs for which are then paid back to the municipality in the form of special assessments. These bonds also do not normally count against a municipality's G.O. borrowing capacity.
5. Tax Incremental Bonds: At this writing, Tax Incremental Bonds are not a feasible funding source in Wisconsin.
6. Federal/State Loan/Grant Programs: Such funds as Economic Development Administration Grants, are potentially available to supplement TIF expenditures or provide private financing for non-TID project costs that occur within the TID Wisconsin Development Fund Block Grants, Farmers Home Administration Community Facility Loan/Grants, and Transportation Economic Assistance. These programs require local funding to complement their participation.

It is anticipated that the City will use G.O. borrowing and/or bonding to finance the projects in TID No. 4.

Table 5 presents the projected annual performance of TID No. 4 based on the revenue, project and financing assumptions made in earlier sections.

Table 5
TID No. 4 Annual Performance

YEAR	TID INCOME	ANNUAL PROJECT COSTS	DEBT SERVICE	Annual Borrowing from City to Make Loan Payments	Amount Owed to City for Loan Payments
2002	\$0	\$35,000	\$0	\$0	\$35,000
2003	\$0	\$381,000	\$32,000	\$32,000	\$68,750
2004	\$12,700	\$5,000	\$32,000	\$19,300	\$91,488
2005	\$19,431	\$274,000	\$55,000	\$35,569	\$131,631
2006	\$32,714	\$5,000	\$55,000	\$22,286	\$160,498
2007	\$40,045	\$5,000	\$55,000	\$14,955	\$183,478
2008	\$47,597	\$5,000	\$55,000	\$7,403	\$200,055
2009	\$55,375	\$0	\$55,000	\$0	\$209,683
2010	\$57,036	\$0	\$55,000	\$0	\$218,132
2011	\$58,747	\$0	\$55,000	\$0	\$225,291
2012	\$60,509	\$0	\$55,000	\$0	\$231,047
2013	\$62,325	\$0	\$55,000	\$0	\$235,274
2014	\$64,194	\$0	\$55,000	\$0	\$237,844
2015	\$66,120	\$0	\$55,000	\$0	\$238,616
2016	\$68,104	\$0	\$55,000	\$0	\$237,443
2017	\$70,147	\$0	\$55,000	\$0	\$234,168
2018	\$72,251	\$0	\$55,000	\$0	\$228,625
2019	\$74,419	\$0	\$55,000	\$0	\$220,637
2020	\$76,651	\$0	\$55,000	\$0	\$210,018
2021	\$78,951	\$0	\$55,000	\$0	\$196,568
2022	\$81,319	\$0	\$55,000	\$0	\$180,077
2023	\$83,759	\$0	\$23,000	\$0	\$128,322
2024	\$86,272	\$0	\$23,000	\$0	\$71,466
2025	\$88,860	\$0	\$0	\$0	(\$13,821)
2026	\$91,526	\$0	\$0	\$0	(\$106,038)
2027	\$94,272	\$0	\$0	\$0	(\$205,611)
2028	\$97,100	\$0	\$0	\$0	(\$312,991)
TOTAL	1,640,423	710,000		131,513	

6.0 Proposed Zoning Changes

The City of Black River Falls is zoned. There are no proposed zoning changes in TID No. 4. The industrial districts will be zoned industrial for the life of the tax increment district.

7.0 Proposed Changes in the Master Plan, Map, Building Codes, and City Ordinances

The City of Black River Falls proposed no changes in the Master Plan. The City has identified TID No. 4 area as suitable for industrial and commercial development. There are no anticipated changes proposed to the plan or for any existing City codes or ordinances. The TID is consistent with the development policies of the City which encourages economic development and is consistent with existing building codes, maps, and other City ordinances.

8.0 Relocation

No relocation activities are foreseen as part of TID No. 4. Should the need for relocation arise, the City will comply with statutes regarding relocation and file a relocation plan with the Wisconsin Department of Commerce (DCOM). If the City should begin negotiations for the acquisition of property or easements, affected property owners will be provided with an information pamphlet prepared by DCOM. Any person or business to be displaced will be given a pamphlet or relocation benefits.

9.0 Statement Indicating How Creation of the TID Promotes the Orderly Development of the City

TID No. 4 will promote orderly development in Black River Falls by promoting industrial expansion within an established industrial district. By doing so, the City can more easily 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 TID projects are also designed to promote safe and efficient traffic circulation, improve water and sewer service within and around the TID, improve fire protection services, and improve water supply, pressure and flow characteristics. The TID projects will promote safe and orderly development within the TID and the community as a whole.

10.0 Non-Project Costs

There are no non-project costs identified at this time for TID No. 4.

11.0 Boundary Description

The City of Black River Falls No. 4 boundary was established under the following criteria:

1. The total assessed value of this District and all other Districts is less than 7% of the total assessed value within the City;

2. A minimum of 50% by area of the real property in the TID is suitable for industrial sites and all property zoned for industrial use will remain zoned industrial for the life of the district;
3. The improvements made as part of this plan are likely to significantly enhance the value of all other property in the district; and
4. The project costs relate directly to spurring industrial development in the TID.

A legal description of the TID No. 4 follows:

Those parts of the SE ¼ of the SE ¼ of section 14, T21N, R4W, Jackson County, Wisconsin, described as follows:

Commencing at the Southeast Corner of said section 14; thence N00° 50'13"W along the east line of said section 14, 549.78 feet to a ¾" iron pipe being the Point of Beginning; thence N89° 55'37"W, 103.67 feet to an iron pipe; thence S00° 04'23"W, 272.25 feet to a 1" iron pipe; thence N89° 55'37"W, 800.00 feet to a 1" iron pipe; thence N00° 04'23"E, 272.25 feet to a 1" iron pipe; thence N89° 56'00"W, 417.57 feet to an iron pipe; thence N00° 47'10"W, 459.00 feet to an iron pipe; thence N80° 59'49"E, 80.34 feet to an iron pipe; thence N73° 53'50"E, 174.90 feet to an iron pipe being a point of curve; thence easterly 556.66 feet along a curve concave to the south having a radius of 1362.39 feet and a chord which bears N85° 36'50"E, 552.80 feet to an iron bar; thence 111.69 feet along a curve concave to the south having a radius of 1362.39 feet and a chord which bears S80° 17'42"E, 111.66 feet to a ¾" iron pipe; thence S74° 33'19"E, 286.69 feet to a channel iron post; thence 153.80 feet along a curve concave to the south having a radius of 1377.39 feet and a chord which bears S62° 38'07"E, 153.72 feet to a ¾" iron pipe on the east line of said section 14; thence S00° 50'13"E, 397.94 feet to a ¾" iron pipe and the Point of Beginning.

12.0 Legal Opinions

A statement from the City Attorney concerning the TID No. 4 for the City of Black River Falls and its compliance with s. 66.46 Wis. Stats. is attached.