

***Project Plan
for the Creation of
Tax Incremental District No. 6
in the
CITY OF RIVER FALLS, WISCONSIN***

December 16, 2005

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<i>Adopted by Common Council:</i>	<i>May 10, 2005</i>
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Tax Incremental District No. 6 Creation Project Plan

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1

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

Tax Incremental District No. 6 (the "District") is being created by the City of River Falls under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a "Blight/Rehabilitation District" based upon a finding that at least 50%, by area, of the real property within the District is blighted and is in need of rehabilitation or conservation work within the meaning of Wisconsin Statute Section 66.1337(2m)(b).

The District is located bordered on the West by South Main Street, on the North by Spring Street, on the East by Spruce Street and on the South by Cascade Avenue. The City of River Falls intends that tax increment financing (TIF) will be used to assure that private development occurs within the District consistent with the City's development and redevelopment objectives. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote development and redevelopment within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City.

The primary project associated with Tax Incremental District No. 6 is the redevelopment of the former Medical Clinic site. The Clinic moved in the early 1990's and the building was rented to various tenants until 2002 at which time it was demolished. The parcel is predominately open and has deteriorated since the demolishing of the Clinic building. The site is not development ready due to deterioration of structures and site improvements including an uneven development pad. The City anticipates the potential purchase of this site as a first step in the redevelopment process.

The following is a list of public works projects that the City expects to implement in conjunction with this District. Any costs directly or indirectly related to the public works are considered "project costs" and eligible to be paid with tax increment revenues of the District.

- **SITE GRADING.** Some of the property in the District will require grading to make it suitable for development or redevelopment.
- **LAND ACQUISITION.** The City intends to acquire land, which it will then sell or donate to developers intending to locate in the City of River Falls.
- **ACQUISITION/DEMOLITION.** In order to eliminate blight conditions and promote redevelopment, it may be necessary for the City to acquire and demolish blighted or underutilized properties within the District.
- **SEWER COLLECTION SYSTEM.** Redevelopment of the area may require an extension or upgrade of existing sewer mains.
- **WATER SYSTEM IMPROVEMENTS.** Redevelopment of the area may require an extension or upgrade of existing water mains.
- **STORM SEWER SYSTEM.** Redevelopment of the area may require an extension of existing storm water mains.
- **STREETS.** Streets to service the redeveloping property are in need of resurfacing and potential reconstruction.

- **LANDSCAPING.** The City will provide landscaping such as berms, street trees, lighting and other facilities to attract high quality development to the area.
- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The City may enter into agreements with property owners or developers 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.
- **ADMINISTRATIVE COSTS.** These include but are not limited to a portion of the salaries of City administrative staff, public works employees and others involved with the projects throughout the project plan implementation. Audit expenses and any expenses associated with dissolving the district are also considered eligible costs.
- **ORGANIZATIONAL COSTS.** These costs include but are not limited to fees of the financial consultant, attorney, engineers, surveyors, mapmakers and other contracted services.
- **RELOCATION COSTS.** In the event any property is acquired for the projects, expenses including the cost of a relocation plan, director, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195 are considered eligible project costs.
- **ENVIRONMENTAL AUDITS AND REMEDIATION.** The City will need to conduct environmental assessments and in some cases, remediation will be necessary and is considered an eligible project cost.
- **FINANCE COSTS.** Interest, financing fees, redemption premiums, and other financing fees are included as project costs.

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

In the event any of the public works projects are not reimbursable out of the special TIF 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 here from and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan (the "Plan").

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

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

2 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 taxable property in the proposed District, plus the value increment of all existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the City.

STEP 1. Calculation of Maximum Equalized Property Value Allowed within Tax Incremental Districts in the City of River Falls

Equalized Value (as of January 1, 2005)		Maximum Allowable TID Property Value
\$664,753,400	X 12% =	\$79,770,408

STEP 2. Calculation of Equalized Property Value Currently Located and Proposed to be Located within Tax Incremental Districts

Tax Incremental Districts	Equalized Value
TID No. 4 Increment	\$9,091,700
TID No. 5 Increment	<u>\$6,870,600</u>
Total Existing Increment	\$15,962,300
Proposed Base of New District	\$970,600
Total Existing Increment Plus Proposed Base	\$16,932,900

The equalized value of the increment of existing Tax Incremental Districts within the City, plus the base value of the proposed District, totals \$16,932,900. This value is less than the maximum of \$79,770,408 in equalized value that is permitted for the City of River Falls. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

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ECONOMIC FEASIBILITY STUDY

The City of River Falls, located in the in the south western part of St. Croix County and northwestern part of Pierce County is a community of approximately 13,067 in population.

The charts and exhibits on the following pages demonstrate that the City will be able to obtain the funds necessary to implement the projects in this Plan and that the revenue from the District will be sufficient to pay for them. Charts I and II on the following page 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 the future valuation of the City using the average annual percentage of valuation growth experienced between 2000 and 2004. The second method projects the future valuation based upon the average annual increment between 2000 and 2004. This method is identified as the straight-line method. Chart II projects the general obligation borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City. The chart demonstrates that the City currently has general obligation capacity in excess of \$20,000,000 million dollars, and will have retired all existing General Obligation debt by 2015.

In addition to general obligation bonds, the City can issue mortgage 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 no 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.

Special assessments may be levied against benefited properties to pay part of the street, curb, gutter, sewer and water extension costs. 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 constitutional debt limit.

The City also has the authority to issue Lease Revenue Bonds through a CDA should this financing vehicle be useful in accomplishing the objectives of the Plan. These obligations are secured by lease payments to be made by the City and are not to be counted against the City's general obligation debt limit.

Based on the economic characteristics and the financing resources of the City, all projects outlined in this Plan can be financed and are feasible.

EQUALIZED VALUATION PROJECTION
City of River Falls, Wisconsin

City of River Falls, WI

Equalized Valuation Projection (TID In)

Levy Year	Percentage Method		Straight Line Method	
	Equalized Value	Percent Change	Equalized Value	Percent Change
Historical				
1999	391,857,300		391,857,300	
2000	447,239,000	14.13%	447,239,000	14.13%
2001	499,788,500	11.75%	499,788,500	11.75%
2002	545,107,600	9.07%	545,107,600	9.07%
2003	607,009,400	11.36%	607,009,400	11.36%
2004	664,753,400	9.51%	664,753,400	9.51%
Average Percent Increase		11.16%	Value Increase:	54,579,220
			75% Increase:	40,934,415
Levy Year				
Projected				
2005	738,965,535	11.16%	705,687,815	6.16%
2006	821,462,609	11.16%	746,622,230	5.80%
2007	913,169,539	11.16%	787,556,645	5.48%
2008	1,015,114,503	11.16%	828,491,060	5.20%
2009	1,128,440,459	11.16%	869,425,475	4.94%
2010	1,254,417,966	11.16%	910,359,890	4.71%
2011	1,394,459,424	11.16%	951,294,305	4.50%
2012	1,550,134,914	11.16%	992,228,720	4.30%
2013	1,723,189,796	11.16%	1,033,163,135	4.13%
2014	1,915,564,283	11.16%	1,074,097,550	3.96%

GENERAL OBLIGATION BORROWING CAPACITY
City of River Falls, Wisconsin

Levy Year	Collect Year	TID IN Equalized Valuation	5% G.O. Borrowing Capacity	Beginning of Year Principal Outstanding	Total Principal Payment	End of Year Principal Outstanding	End of Year Remaining Borrowing Capacity	End of Year Percent Remaining
2004	2005	664,753,400	33,237,670	14,538,787	1,628,491	12,910,295	20,327,375	61%
2005	2006	705,687,815	35,284,391	12,910,295	1,769,256	11,141,039	24,143,352	68%
2006	2007	746,622,230	37,331,112	11,141,039	1,879,028	9,262,011	28,069,101	75%
2007	2008	787,556,645	39,377,832	9,262,011	2,755,637	6,506,374	32,871,458	83%
2008	2009	828,491,060	41,424,553	6,506,374	1,630,984	4,875,390	36,549,163	88%
2009	2010	869,425,475	43,471,274	4,875,390	1,856,366	3,019,024	40,452,250	93%
2010	2011	910,359,890	45,517,995	3,019,024	1,058,279	1,960,744	43,557,250	96%
2011	2012	951,294,305	47,564,715	1,960,744	970,697	990,047	46,574,668	98%
2012	2013	992,228,720	49,611,436	990,047	440,706	549,341	49,062,095	99%
2013	2014	1,033,163,135	51,658,157	549,341	344,341	205,000	51,453,157	100%
2014	2015	1,074,097,550	53,704,878	205,000	205,000	0	53,704,878	100%

PROJECTED REVENUE

Exhibit 1 estimates the TIF revenues that will be available to retire the debt incurred to finance project costs. This Exhibit also projects revenues sufficient to retire the debt proposed to finance all projects of the District. This Exhibit is based on the following assumptions:

- ✓ The base value of the District is \$970,000
- ✓ Tax base will be generated as of January 1 each year as follows:

2007	\$2,500,000
2008	\$2,500,000
2009	\$2,000,000

- ✓ The equalized tax rate in 2005 is projected to be \$19.53 per thousand. It is projected to remain constant throughout the pro forma.
- ✓ Valuations are projected to increase 0.00% each year reflecting ordinary inflation of property values within District.
- ✓ Land sale proceeds may become available if the City buys property in Tax Incremental District No. 6 and resells it to a developer. The sale may be at a price less than market value to create an incentive to promote development. For projection purposes no proceeds from the sale of land are included.

Exhibit 1

City of River Falls, WI

Tax Increment Forecast

TID No. 6

District Type: Blight Elimination

Creation Year 2005

End of Expenditure Period 2027

Maximum Life of District (Final Year) 2032

Inflation Factor: 0.00%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment
2003	2004	2005	-		-	19.53	-
2004	2005	2006	-		-	19.53	-
2005	2006	2007	-		-	19.53	-
2006	2007	2008	-	2,500,000	2,500,000	19.53	48,820
2007	2008	2009	-	2,500,000	5,000,000	19.53	97,639
2008	2009	2010	-	2,000,000	7,000,000	19.53	136,695
2009	2010	2011	-		7,000,000	19.53	136,695
2010	2011	2012	-		7,000,000	19.53	136,695
2011	2012	2013	-		7,000,000	19.53	136,695
2012	2013	2014	-		7,000,000	19.53	136,695
2013	2014	2015	-		7,000,000	19.53	136,695
2014	2015	2016	-		7,000,000	19.53	136,695
2015	2016	2017	-		7,000,000	19.53	136,695
2016	2017	2018	-		7,000,000	19.53	136,695
2017	2018	2019	-		7,000,000	19.53	136,695
2018	2019	2020	-		7,000,000	19.53	136,695
2019	2020	2021	-		7,000,000	19.53	136,695
2020	2021	2022	-		7,000,000	19.53	136,695
2021	2022	2023	-		7,000,000	19.53	136,695
2022	2023	2024	-		7,000,000	19.53	136,695
2023	2024	2025	-		7,000,000	19.53	136,695
2024	2025	2026	-		7,000,000	19.53	136,695
2025	2026	2027	-		7,000,000	19.53	136,695
2026	2027	2028	-		7,000,000	19.53	136,695
2027	2028	2029	-		7,000,000	19.53	136,695
2028	2029	2030	-		7,000,000	19.53	136,695
2029	2030	2031	-		7,000,000	19.53	136,695
2030	2031	2032	-		7,000,000	19.53	136,695
Totals				7,000,000			3,290,447

CASH FLOW

Exhibit 2 summarizes the District's cash position throughout its potential life. It shows revenues, expenses and balances by year.

Revenues include tax increments from Exhibit 1. The City anticipates advancing funds from the General Fund to cover temporary revenue short falls. Future Tax Incremental District No. 6 revenues are projected to repay the City's General Fund. This Exhibit is based on the same assumptions as used for Exhibit 1.

Expenditures represent payments for contract agreements with developers, and principal and interest payments on this District's share of debt issued to finance projects listed in the Plan. The tentative proposed issues are identified as follows:

Issue No.	Year	Description	Amount
1	2005	General Obligation Debt	\$1,010,000
2	2007	General Obligation Debt	\$455,000

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce an accumulated surplus of \$604,478 by the year 2032.

Exhibit 2

City of River Falls, WI

Tax Increment Forecast

TID No. 6

District Type: Blight Elimination

Creation Year: 2005

End of Expenditure Period: 2027

Maximum Life of District (Final Year): 2032

Inflation Factor: 0.00%

Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Valuation	TID Value Increment	Tax Rate	Projected Tax Increment	Costs		Debt Service		Total Expenditures	Annual Balance	Cumulative Balance
								Organization & Creation	Administration	2005 G.O. Issue \$1,010,000	2007 G.O. Issue \$455,000			
2003	2004	2005	-	-	-	19.53	-	25,000	12,500	-	-	37,500	(37,500)	(37,500)
2004	2005	2006	-	-	-	19.53	-	-	12,500	-	-	12,500	(12,500)	(50,000)
2005	2006	2007	-	-	-	19.53	-	-	12,500	79,958	-	92,458	(92,458)	(142,458)
2006	2007	2008	-	2,500,000	2,500,000	19.53	48,820	-	12,500	86,402	22,750	121,652	(72,832)	(215,291)
2007	2008	2009	-	2,500,000	5,000,000	19.53	97,639	-	12,500	86,402	37,649	136,551	(38,912)	(254,202)
2008	2009	2010	-	2,000,000	7,000,000	19.53	136,695	-	12,500	86,401	37,649	136,550	145	(254,057)
2009	2010	2011	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,551	144	(253,913)
2010	2011	2012	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,650	136,552	144	(253,769)
2011	2012	2013	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,551	144	(253,625)
2012	2013	2014	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,551	145	(253,481)
2013	2014	2015	-	-	7,000,000	19.53	136,695	-	12,500	86,401	37,649	136,550	145	(253,336)
2014	2015	2016	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,550	145	(253,191)
2015	2016	2017	-	-	7,000,000	19.53	136,695	-	12,500	86,401	37,649	136,551	144	(253,047)
2016	2017	2018	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,550	145	(252,902)
2017	2018	2019	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,551	144	(252,757)
2018	2019	2020	-	-	7,000,000	19.53	136,695	-	12,500	86,401	37,649	136,550	145	(252,612)
2019	2020	2021	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,550	145	(252,468)
2020	2021	2022	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,551	145	(252,323)
2021	2022	2023	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,551	144	(252,179)
2022	2023	2024	-	-	7,000,000	19.53	136,695	-	12,500	86,402	37,649	136,551	144	(252,034)
2023	2024	2025	-	-	7,000,000	19.53	136,695	-	12,500	86,401	37,649	136,551	144	(251,890)
2024	2025	2026	-	-	7,000,000	19.53	136,695	-	12,500	-	37,649	50,149	86,546	(165,344)
2025	2026	2027	-	-	7,000,000	19.53	136,695	-	12,500	-	37,649	50,149	86,546	(78,798)
2026	2027	2028	-	-	7,000,000	19.53	136,695	-	-	-	-	-	136,695	57,897
2027	2028	2029	-	-	7,000,000	19.53	136,695	-	-	-	-	-	136,695	194,592
2028	2029	2030	-	-	7,000,000	19.53	136,695	-	-	-	-	-	136,695	331,288
2029	2030	2031	-	-	7,000,000	19.53	136,695	-	-	-	-	-	136,695	467,983
2030	2031	2032	-	-	7,000,000	19.53	136,695	-	-	-	-	-	136,695	604,678
Totals				7,000,000			3,290,447		25,000	287,500	1,635,188	738,081	2,685,769	

4 DETAILED LIST OF PROJECT COSTS

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

All costs are based on 2005 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2005 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

PROPOSED TIF PROJECT ESTIMATES

City of River Falls, WI

Tax Increment District No. 6 - Proposed Project Costs

Projects	Estimated Cost	2005	2006	2007	2008	2009	2010	2011-2027
Land Acquisition	1,000,000	1,000,000						
Street Amenities	150,000			150,000				
Demolition	150,000			150,000				
Development Costs	100,000			100,000				
Sidewalks	50,000			50,000				
Organization Costs	25,000	25,000						
Administrative Costs	75,000	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Total	\$ 1,550,000	\$ 1,037,500	\$ 12,500	\$ 462,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500

5

A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

PLAN IMPLEMENTATION

Projects identified will provide the anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

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 public improvements 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 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 Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

PROPOSED TIF PROJECT BORROWINGS

City of River Falls, WI

Proposed Financing for Tax Increment District No. 6

Projects	2005	2007
Land Acquisition	1,000,000	
Street Amenities		150,000
Demolition		150,000
Development Costs		100,000
Sidewalks		50,000
Amount to be Financed	1,000,000	450,000
Issue Related Expenses	10,000	5,000
Subtotal	1,010,000	455,000
Plus: Contingency	-	-
Issue Size	\$1,010,000	\$455,000

**Issue No. 1
General Obligation Issue of 2005
\$1,010,000**

Proposed Maturity Schedule

The 2005 projects are anticipated to be financed with General Obligation Debt to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 5.00%.

City of River Falls, WI

\$1,010,000 General Obligation Issue of 2005

Date	Principal	Rate	Interest	Total P&I
2006				
2007		5.00%	79,958.33	79,958.33
2008	35,902	5.00%	50,500.00	86,402.00
2009	37,697	5.00%	48,704.90	86,401.90
2010	39,581	5.00%	46,820.05	86,401.05
2011	41,561	5.00%	44,841.00	86,402.00
2012	43,639	5.00%	42,762.95	86,401.95
2013	45,821	5.00%	40,581.00	86,402.00
2014	48,112	5.00%	38,289.95	86,401.95
2015	50,517	5.00%	35,884.35	86,401.35
2016	53,043	5.00%	33,358.50	86,401.50
2017	55,695	5.00%	30,706.35	86,401.35
2018	58,480	5.00%	27,921.60	86,401.60
2019	61,404	5.00%	24,997.60	86,401.60
2020	64,474	5.00%	21,927.40	86,401.40
2021	67,698	5.00%	18,703.70	86,401.70
2022	71,083	5.00%	15,318.80	86,401.80
2023	74,637	5.00%	11,764.65	86,401.65
2024	78,369	5.00%	8,032.80	86,401.80
2025	82,287	5.00%	4,114.35	86,401.35
Totals	\$1,010,000		\$625,188.28	\$1,635,188.28

Dated Date: 8/15/2005
First Interest Payment: 3/15/2007

**Issue No. 2
General Obligation Issue of 2007
\$455,000**

Proposed Maturity Schedule

The 2007 projects are anticipated to be financed with General Obligation Debt to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 5.00%.

City of River Falls, WI

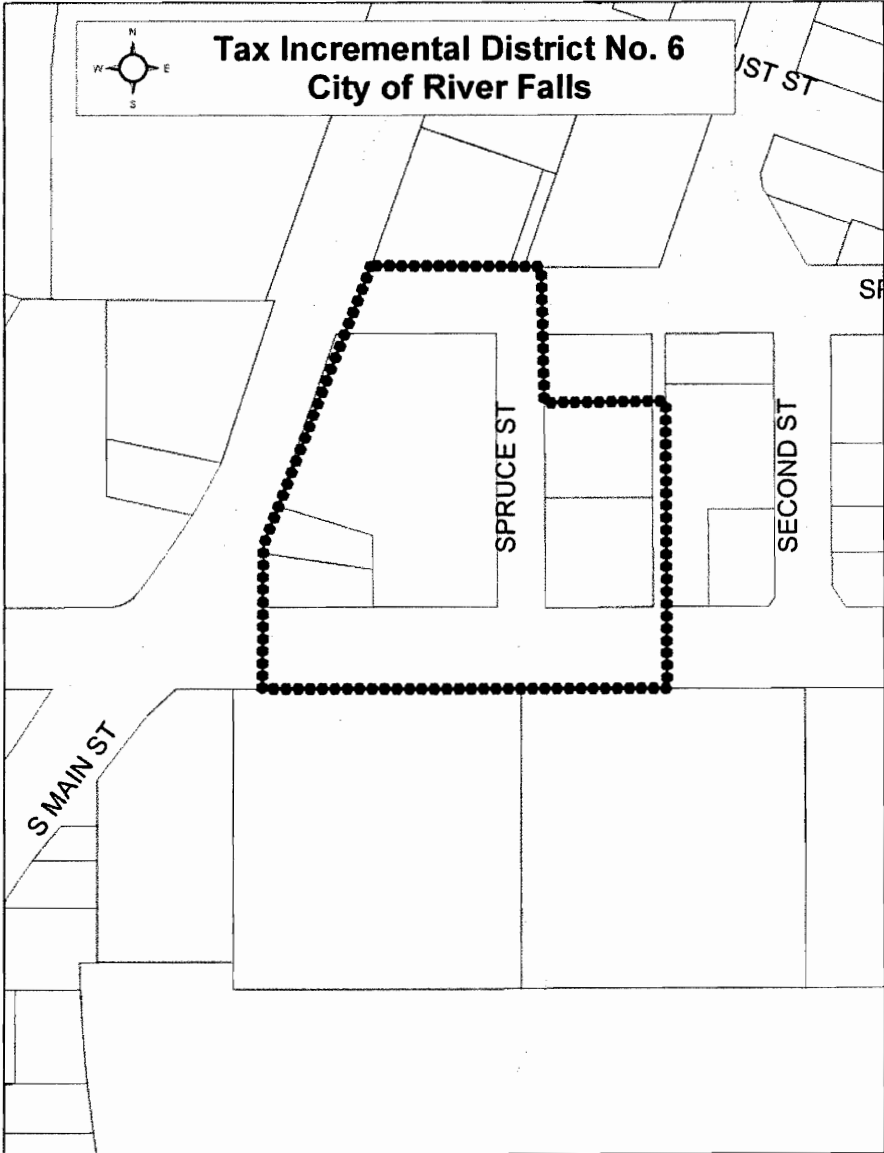
\$455,000 General Obligation Issue of 2007

Date	Principal	Rate	Interest	Total P&I
2007				
2008			22,750.00	22,750.00
2009	14,899	5.00%	22,750.00	37,649.00
2010	15,644	5.00%	22,005.05	37,649.05
2011	16,426	5.00%	21,222.85	37,648.85
2012	17,248	5.00%	20,401.55	37,649.55
2013	18,110	5.00%	19,539.15	37,649.15
2014	19,015	5.00%	18,633.65	37,648.65
2015	19,966	5.00%	17,682.90	37,648.90
2016	20,964	5.00%	16,684.60	37,648.60
2017	22,013	5.00%	15,636.40	37,649.40
2018	23,113	5.00%	14,535.75	37,648.75
2019	24,269	5.00%	13,380.10	37,649.10
2020	25,482	5.00%	12,166.65	37,648.65
2021	26,756	5.00%	10,892.55	37,648.55
2022	28,094	5.00%	9,554.75	37,648.75
2023	29,499	5.00%	8,150.05	37,649.05
2024	30,974	5.00%	6,675.10	37,649.10
2025	32,523	5.00%	5,126.40	37,649.40
2026	34,149	5.00%	3,500.25	37,649.25
2027	35,856	5.00%	1,792.80	37,648.80
Totals	\$455,000		\$283,080.55	\$738,080.55

Dated Date: 3/15/2007
First Interest Payment: 3/15/2008

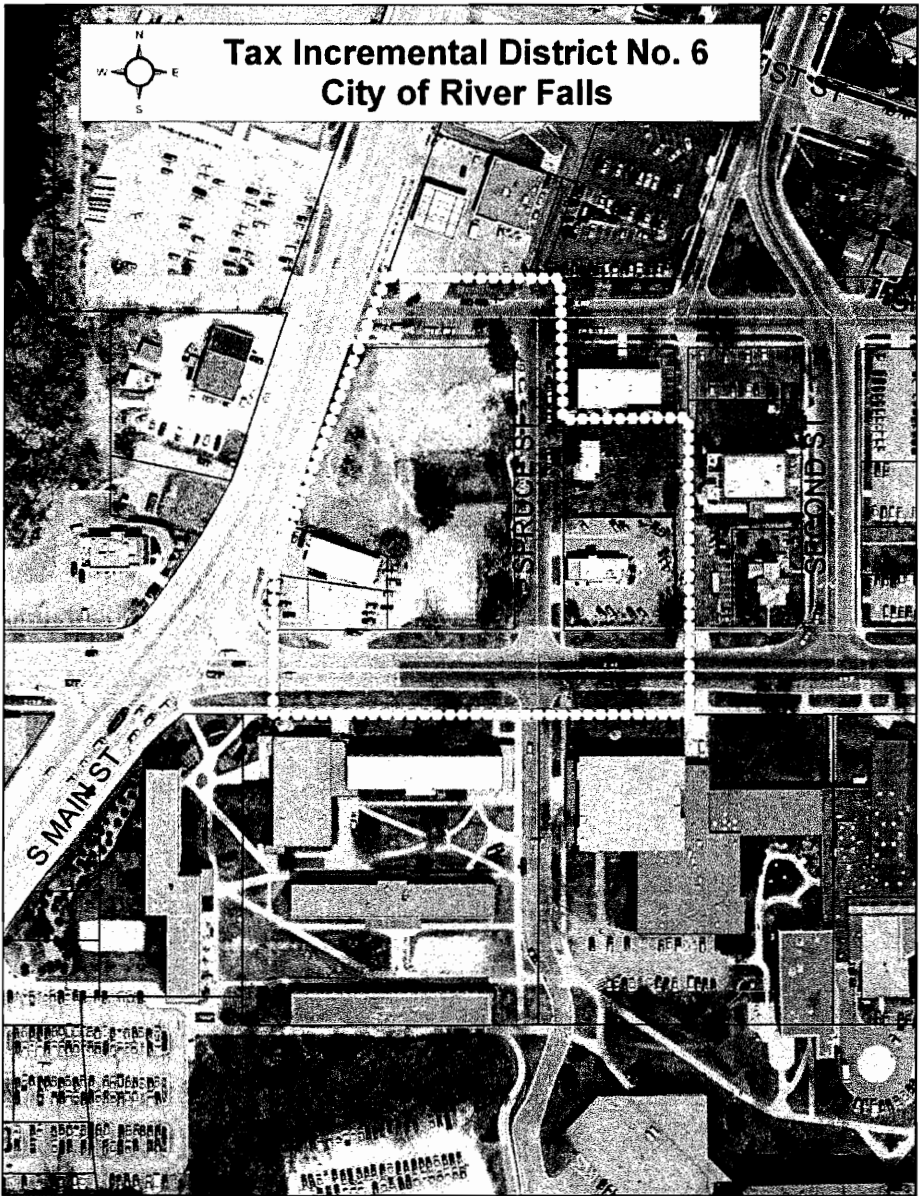
6

MAP OF PROPOSED DISTRICT BOUNDARY



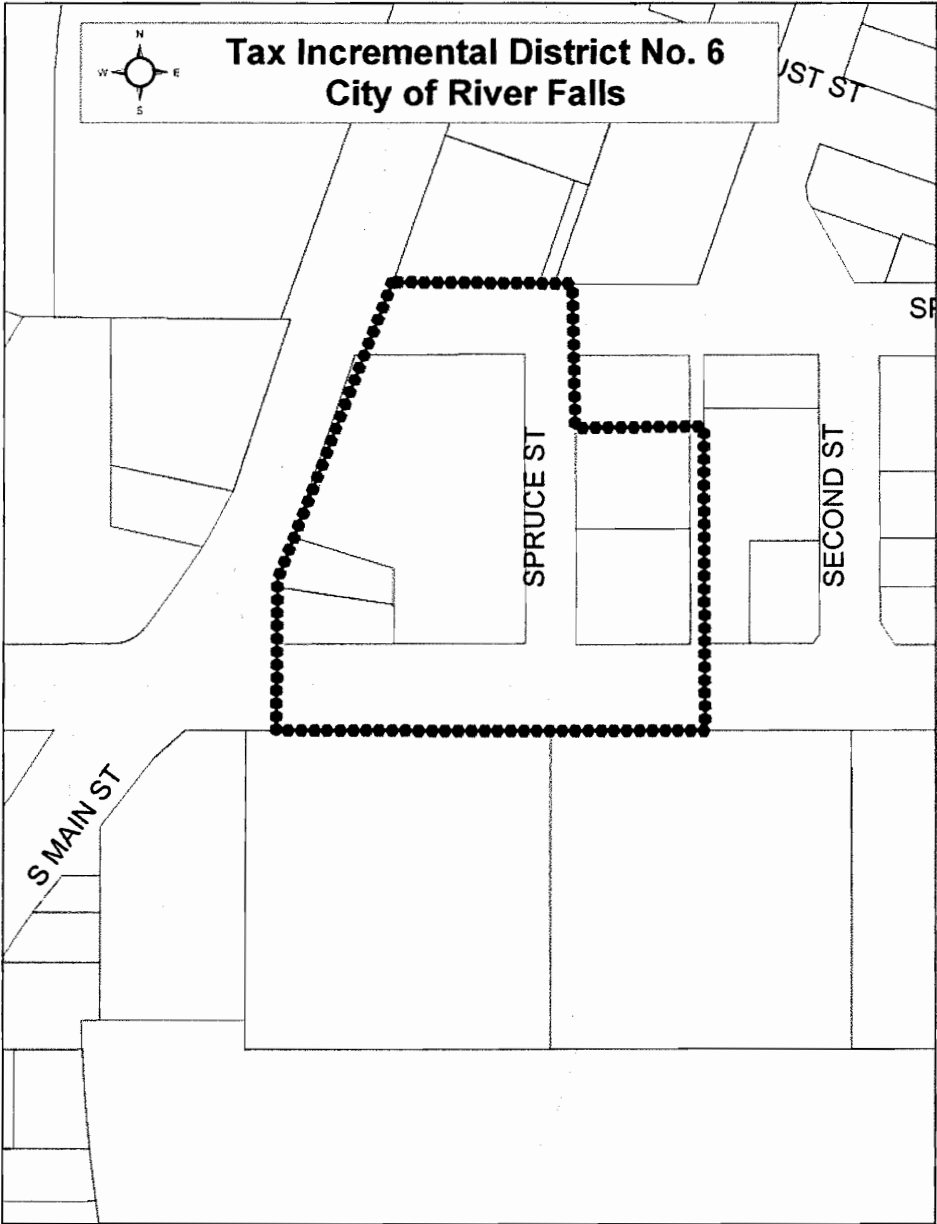
7

MAP SHOWING EXISTING USES AND CONDITIONS



8

MAP SHOWING PROPOSED PROJECTS AND IMPROVEMENTS



9

ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Section 66.1105(5)(b)(6)(am)1 of the Wisconsin State Statutes the City estimates that 33% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

10

ANNEXED PROPERTY

There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

11

A LIST OF ESTIMATED NON-PROJECT COSTS

Anticipated construction by private parties: \$7,000,000

12

PROPOSED CHANGES IN ZONING ORDINANCES

The City of River Falls does not anticipate that creation of the District will require any concurrent changes in zoning ordinances.

13

PROPOSED CHANGES IN MASTER PLAN, BUILDING CODES AND CITY ORDINANCES

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

14

RELOCATION

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

15

ORDERLY DEVELOPMENT OF THE RIVER FALLS

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

16 PRELIMINARY PARCEL LIST

Boundaries must include only whole parcels. Property that has been vacant for the last 7 years may not compromise more than 25% of the area of the TID.

Parcel No.	Assessed Value		Equalized	Zoning
	Land	Improv.	Total	
Real Property				
276-1076-1000	175,200	-	203,600	B1 General Commercial
276-1077-0200	59,900	-	69,600	B1 General Commercial
276-1077-0100	66,900	95,800	189,000	B1 General Commercial
276-1076-0400	33,800	71,100	121,900	B1 General Commercial
276-1076-0600	118,300	183,600	350,800	B1 General Commercial
Personal Property				
276-8028-500	1,020	-	1,190	
276-8023-410	29,700	-	34,510	
Totals	484,820	350,500	970,600	

Parcel 276-1077-0200 is the only vacant parcel. The definition of a vacant parcel is a parcel with a land value higher than any improvement value. Parcel 276-1076-1000 is currently vacant, but was not vacant for the last 7 years. In 2002, Parcel 276-1076-1000 had a land value of \$175,200 and an improvement value of \$344,200.

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



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December 21, 2005

VIA E-MAIL & U.S. MAIL

Honorable Don Richards, Mayor
City of River Falls
123 East Elm Street
River Falls WI 54022

Honorable Members
Common Council
City of River Falls
123 East Elm Street
River Falls WI 54022

Julie Bergstrom, Finance Director
City of River Falls
123 East Elm Street
River Falls WI 54022

Re: Project Plan for the Boundary of Tax Incremental Financing District #6
City of River Falls; Opinion of Attorney

Ladies and Gentlemen:

Pursuant to your request through Ehlers & Associates, Inc., your consultant, I was asked to render the required opinion of the City Attorney advising you as to whether the Tax Incremental Financing Plan for a proposed boundary for Tax Incremental Financing District #6 is complete and complies with §66.1105, Wis. Stats. Accordingly, I have reviewed the Project Plan for Tax Incremental Financing District #6, approval of which was preliminarily authorized by the Common Council at its meeting of May 10, 2005, and submission of which was made to the Joint Review Board.

Upon the basis of my review of the plan, it is my opinion that as drafted, the plan is complete and complies with §66.1105, Wis. Stats. More specifically, the plan contains the following, required components:

- 1. Kind, number and location of proposed public works or improvements in the District
2. Economic Feasibility Study
3. Detailed list of project expenditures

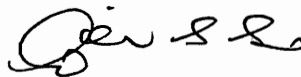
Honorable Don Richards, Mayor
Honorable Members, Common Council
Julie Bergstrom, Finance Director
December 21, 2005
Page 2

4. Description of methods of financing estimated project costs
5. Time when monetary obligations will be incurred
6. Maps showing existing uses of property and conditions
7. Map showing proposed improvements and uses
8. Proposed changes in zoning [none] and present zoning
9. List of non-project costs
10. Statement on relocation
11. Indication of how District will aid in the orderly development of the City

In my opinion, the Plan for Tax Incremental Financing District #6, City of River Falls complies with §66.1105, Wis. Stats., and, in particular, contains all of the requirements under sub. (4)(f) of said statute.

Very truly yours,

WELD, RILEY, PRENN & RICCI, S.C.



William G. Thiel

WGT/db

c: Terri Scott (via mail)
Sean Lentz (via fax)

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