



July 27, 2016

Project Plan for the Creation of Tax Incremental District No. 12

CITY OF RIVER FALLS, WISCONSIN

| | |
|---|--------------------------------|
| Organizational Joint Review Board Meeting Held: | June 29, 2016 |
| Public Hearing Held: | July 5, 2016 |
| Consideration for Approval by Plan Commission: | July 5, 2016 |
| Consideration for Adoption by Common Council: | July 26, 2016 |
| Consideration for Approval by the Joint Review Board: | Scheduled for: August 10, 2016 |



Tax Incremental District No. 12 Creation Project Plan

City of River Falls Officials

Common Council

| | |
|-------------------|----------------|
| Dan Toland | Mayor |
| Diane Odeen | Council Member |
| Jeff Bjork | Council Member |
| Scott Morrissette | Council Member |
| David Cronk | Council Member |
| Christopher Gagne | Council Member |
| Hal Watson | Council Member |
| Todd Bjerstedt | Council Member |

City Staff

| | |
|------------------|---|
| Lu Ann Hecht | City Clerk |
| Scot Simpson | City Administrator |
| Julie Bergstrom | Finance Director/Assistant City Administrator |
| Buddy Lucero | Community Development Director |
| Jody Nichols | City Accountant |
| Daniel Gustafson | City Attorney |

Plan Commission

| | |
|-------------------|----------------|
| Dan Toland, Mayor | Vacant |
| Susan Reese | Lisa Moody |
| Reid Wronski | Todd Schultz |
| Scott Morrissette | Mary Van Galen |
| | Andrew Brown |

Joint Review Board

| | |
|-----------------|--|
| Julie Bergstrom | City Representative |
| Roger Larson | St. Croix County |
| Dan Lytle | Chippewa Valley Technical College District |
| Manny Kenny | River Falls School District |
| Paul Schwebach | Public Member |



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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 12 (the “TID” or “District”) is proposed to be created by the City of River Falls (“City”) as an industrial district. A map of the proposed District boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures.

The City anticipates making total project expenditures of approximately \$656,030 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in one phase. The Expenditure Period of this District is 15 years from the date of adoption of the authorizing Resolution of the Common Council (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with advances from the City, 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 total project financing, is located in Section 10 of this plan.

Economic Development

As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$1,700,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment and associated values is located in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2029; 8 years earlier than the 20 year maximum life of this District.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” the creation of this District, the development projected to occur 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:

- In order to make the areas included within the District suitable for development, the City will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. The City may also incur substantial costs to add capacity to its Wastewater Treatment Plant (or construct a new well, install a lift station, etc.) in order to allow for development to occur within the District. 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 area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development of the area is unlikely to occur.
2. **The economic benefits of 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 tax increments projected to be collected are more than sufficient to pay for the proposed project costs. 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.**
 - If approved, the District’s creation would become effective for valuation purposes as of January 1, 2016. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2016 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner 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 District is not created. 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 be found in Appendix A of this plan.
 4. Not less than 50% by area of the real property within the District is suitable for industrial sites and zoned for industrial use within the meaning of Wisconsin Statutes Section 66.1101. Any real property within the District that is found suitable for industrial sites and is 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.
 5. Based upon the findings, as stated above, the District is declared to be an industrial, District based on the identification and classification of the property included within the District.
 6. The project costs relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.

7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

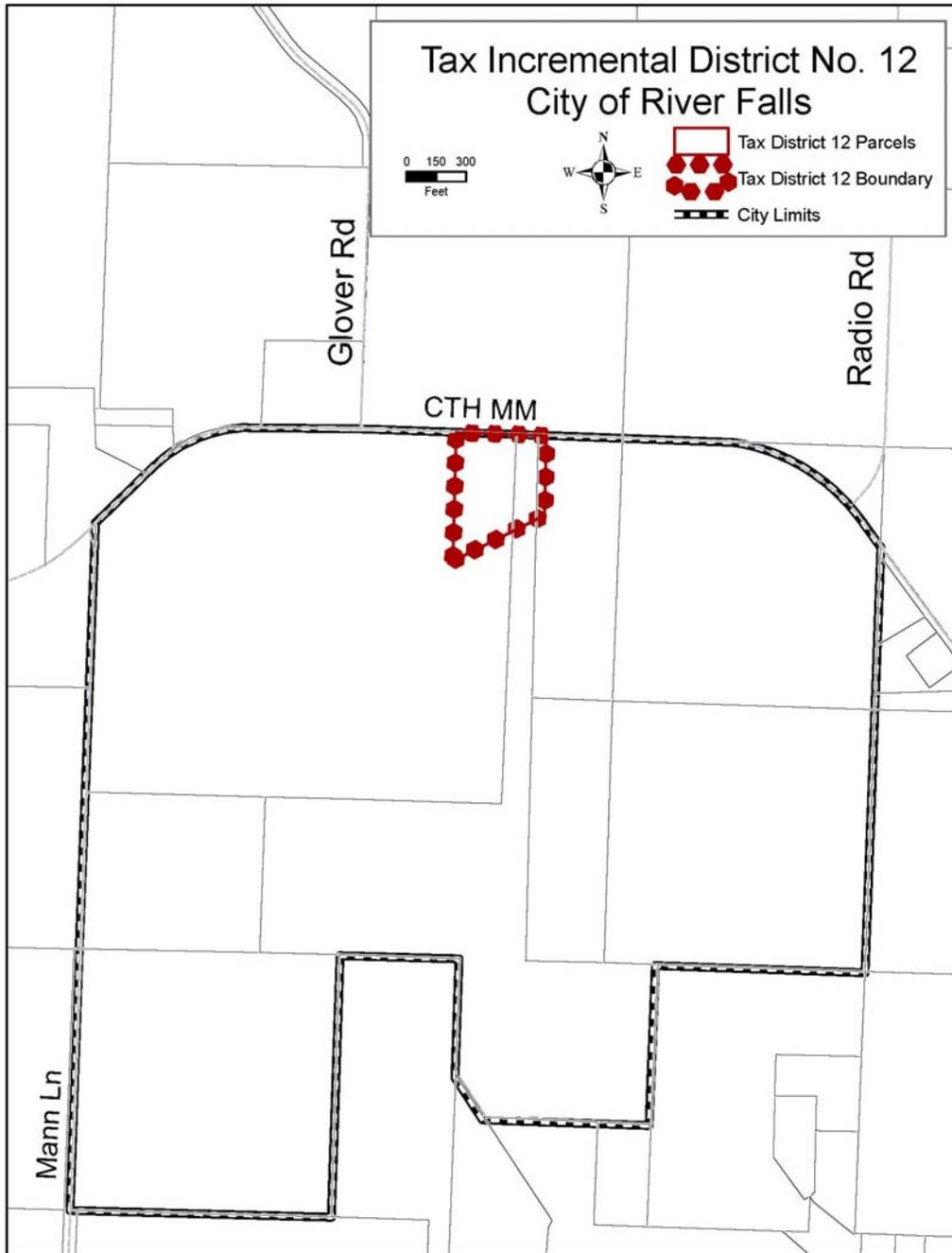
SECTION 2: Type and General Description of District

The District is being created by the City under the authority provided by Wisconsin Statutes Section 66.1105. This District is created as an “Industrial District” based upon a finding that at least 50%, by area, of the real property within the District is zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101 (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test).

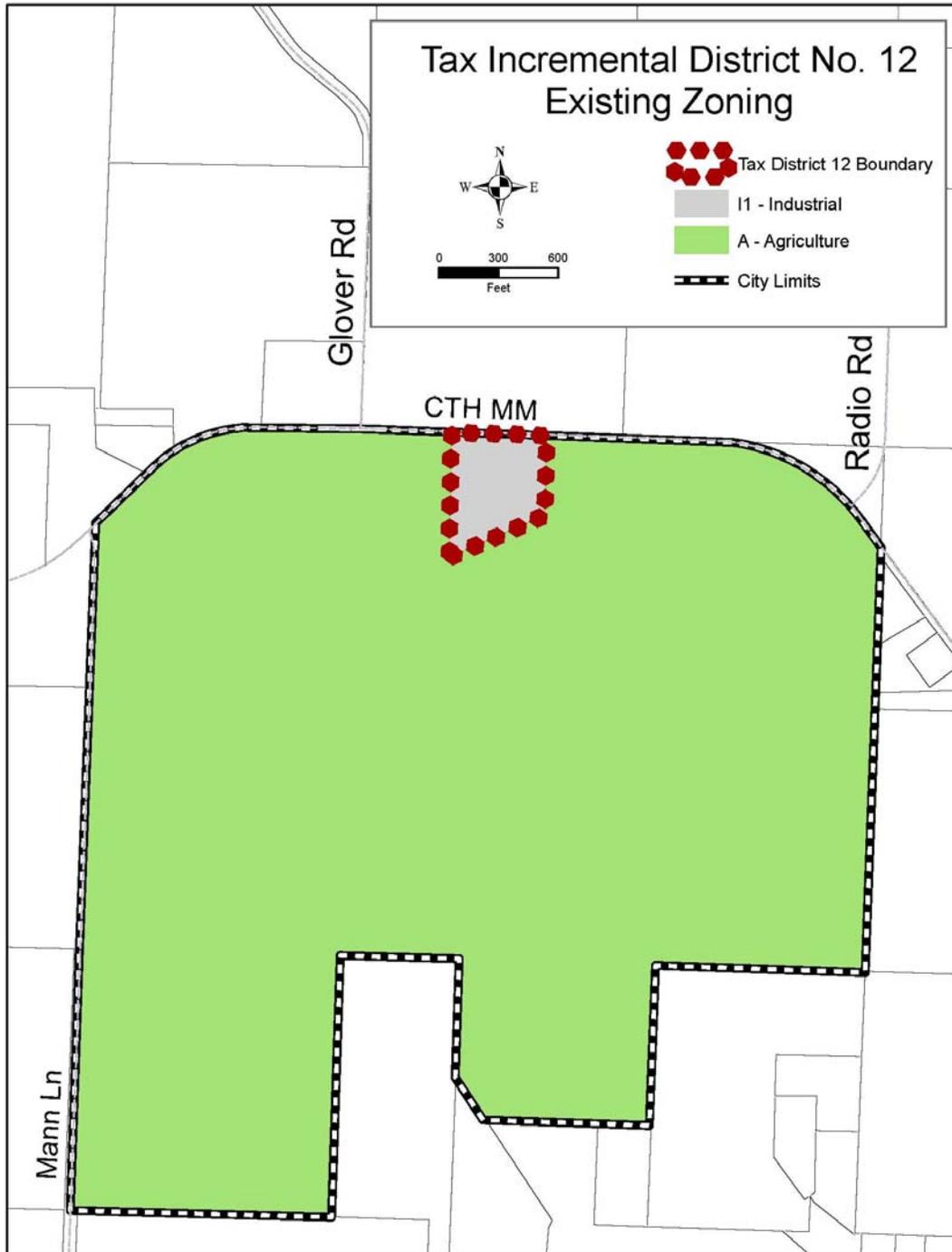
A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that industrial, distributor and related private development locates in this District. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote industrial development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in this Plan relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.

Based upon the findings, as stated within this Plan, the District is declared to be an industrial District based on the identification and classification of the property included within the district.

SECTION 3: Preliminary Map of Proposed District Boundary



SECTION 4: Map Showing Existing Uses and Conditions



SECTION 5:
Preliminary Parcel List and Analysis

| Computer Number | Acres |
|------------------------|---------------|
| 040-1132-10-000 | 12.93 |
| 040-1132-10-130 | 47.25 |
| 040-1127-20-225 | 87.70 |
| | 147.88 |

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., 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.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$34,953,900. This value is less than the maximum of \$105,516,552 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.

| City of River Falls, Wisconsin | |
|--|---|
| Tax Increment District # 12 | |
| Valuation Test Compliance Calculation | |
| District Creation Date | 7/26/2016 |
| | Valuation Data Currently Available 2015 |
| Total EV (TID In) | 879,304,600 |
| 12% Test | 105,516,552 |
| Increment of Existing TIDs | |
| TID #5 | 21,630,700 |
| TID #6 | 7,186,100 |
| TID #7 | 0 |
| TID #8 | 2,868,800 |
| TID #9 | 3,022,800 |
| TID #10 | 245,500 |
| Total Existing Increment | 34,953,900 |
| Projected Base of New or Amended District | 0 |
| Total Value Subject to 12% Test | 34,953,900 |
| Compliance | PASS |

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The proposed boundaries of the District would be within an area generally described as Mann Valley, which is located on CTH MM and Radio Road.

Proposed projects costs, of approximately \$657,000 may include, but are not limited to: property acquisition for development, property acquisition for conservancy, acquisition of rights-of-way, acquisition of easements, relocation costs, environmental audits and remediation, demolition, site grading, sanitary sewer system improvements, water system improvements, stormwater management system improvements, electric service, gas service, communications infrastructure, Street improvements, Streetscaping and landscaping, contribution to Community Development or Redevelopment Authority, revolving loan/grant program, rail spur, property tax payments to town, cash grants to owners, lessees or developers of land located within the district (development incentives), professional and organizational services, administrative costs, and finance costs.

The following is a list of public works and other TIF-eligible projects that the City expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or 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 and/or redevelopment 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 and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this 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 and/or redevelopment 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 Wisconsin 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 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 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 remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

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.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development to occur, the City may need to construct 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 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 Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its CDA or RDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, 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 Plan, the City, through its CDA or RDA, may 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 may 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, the City may 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 the City executes a developer agreement 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.

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District.

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 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 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 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 Plan are eligible Project Costs.

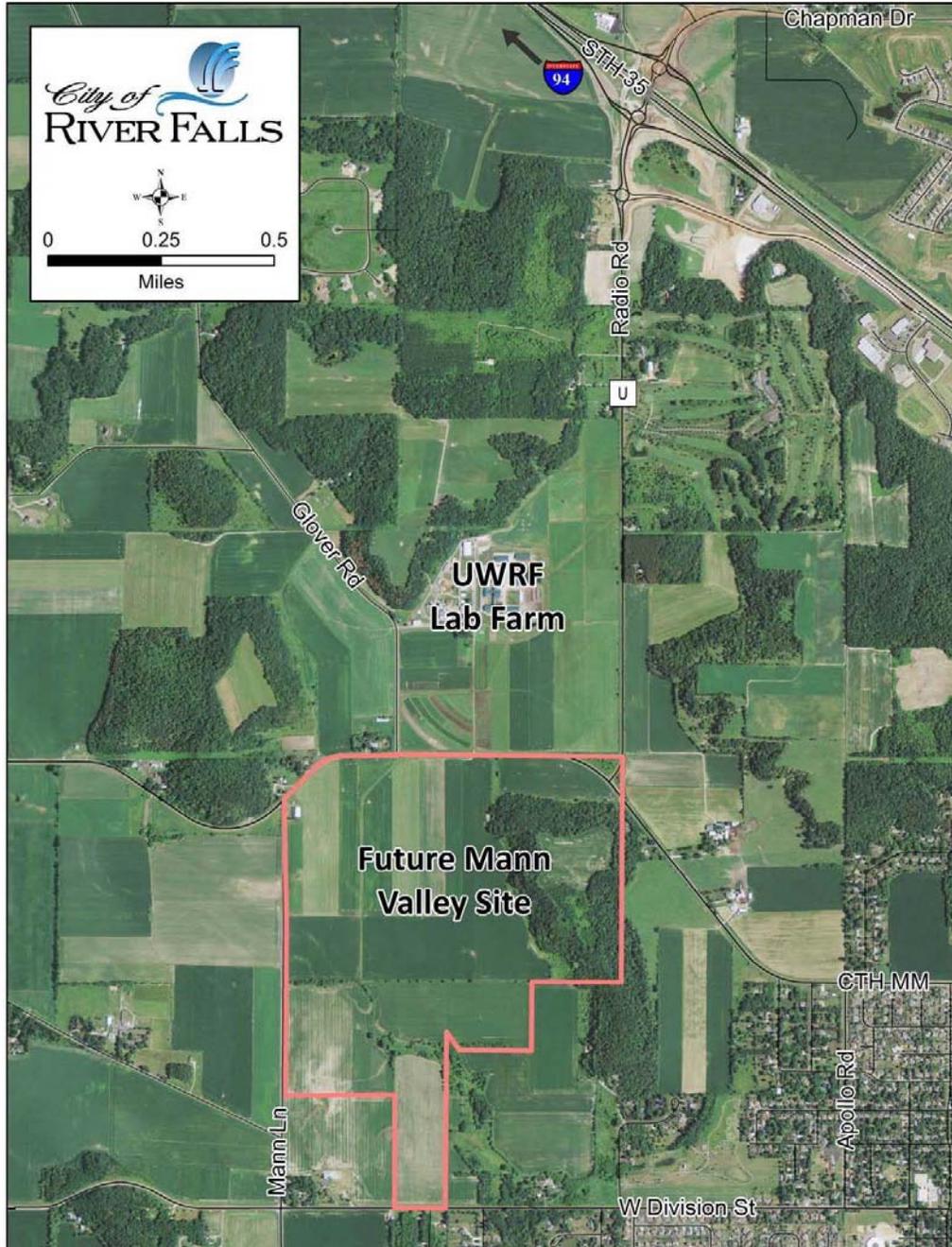
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments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

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of 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.

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

Project Costs are any expenditure 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. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

SECTION 8:
Maps Showing Proposed Improvements and Uses





SECTION 9: Detailed List of Project Costs

All costs are based on 2016 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2016 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.

This 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 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.

Proposed TIF Project Cost Estimates

| City of River Falls, Wisconsin | | |
|--------------------------------|---|-----------------------------------|
| Tax Increment District # 12 | | |
| Estimated Project List | | |
| Project ID | Project Name/Type | Phase I 2016 Total (Note 1) |
| 1 | Development Incentives | 0 |
| 2 | Cash Grant | 200,000 |
| 3 | Land write down (Including First Right of Refusal) | 405,000 |
| 4 | Community Solar Program | 51,030 |
| Total Projects | | <u>656,030</u> |
| Notes: | | |
| Note 1 | Project costs are estimates and are subject to modification | |
| Note 2 | Development Incentives include but are not limited to: Cash Grants, land write down & first right of refusal, site improvements, and shares in the community solar program. | |

SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects in one or multiple 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 “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this 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) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a 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

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 Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$43,965,230, of which approximately \$24,000,000 is currently unused and could be made available to finance Project Costs.

Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations 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 or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory 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 form of 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 statutory 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 its various 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 purchasers 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 statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

Projects identified will provide the necessary 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 or other obligations are 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.

Development Assumptions

| City of River Falls, Wisconsin | | | | | | |
|--------------------------------|------|--------|--------------------|------------------|-------------------|----|
| Tax Increment District # 12 | | | | | | |
| Development Assumptions | | | | | | |
| Construction Year | | Actual | Winfield Solutions | Annual Total | Construction Year | |
| 1 | 2016 | | 1,700,000 | 1,700,000 | 2016 | 1 |
| 2 | 2017 | | | 0 | 2017 | 2 |
| 3 | 2018 | | | 0 | 2018 | 3 |
| 4 | 2019 | | | 0 | 2019 | 4 |
| 5 | 2020 | | | 0 | 2020 | 5 |
| 6 | 2021 | | | 0 | 2021 | 6 |
| 7 | 2022 | | | 0 | 2022 | 7 |
| 8 | 2023 | | | 0 | 2023 | 8 |
| 9 | 2024 | | | 0 | 2024 | 9 |
| 10 | 2025 | | | 0 | 2025 | 10 |
| 11 | 2026 | | | 0 | 2026 | 11 |
| 12 | 2027 | | | 0 | 2027 | 12 |
| 13 | 2028 | | | 0 | 2028 | 13 |
| 14 | 2029 | | | 0 | 2029 | 14 |
| 15 | 2030 | | | 0 | 2030 | 15 |
| 16 | 2031 | | | 0 | 2031 | 16 |
| 17 | 2032 | | | 0 | 2032 | 17 |
| 18 | 2033 | | | 0 | 2033 | 18 |
| 19 | 2034 | | | 0 | 2034 | 19 |
| 20 | 2035 | | | 0 | 2035 | 20 |
| Totals | | 0 | <u>1,700,000</u> | <u>1,700,000</u> | | |

Notes:

Increment Revenue Projections

City of River Falls, Wisconsin

Tax Increment District # 12

Tax Increment Projection Worksheet

| | | | | |
|---------------------------------|----------------|--------------------------|---------|---|
| Type of District | Industrial | Base Value | 0 | <input checked="" type="checkbox"/> Apply to Base Value |
| District Creation Date | July 26, 2016 | Appreciation Factor | 0.00% | |
| Valuation Date | Jan 1, 2016 | Base Tax Rate | \$21.38 | |
| Max Life (Years) | 20 | Rate Adjustment Factor | | |
| Expenditure Periods/Termination | 15 7/26/2031 | Tax Exempt Discount Rate | 2.50% | |
| Revenue Periods/Final Year | 20 2037 | Taxable Discount Rate | 3.50% | |
| Extension Eligibility/Years | Yes 3 | | | |
| Recipient District | No | | | |

| Construction Year | Value Added | Valuation Year | Inflation Increment | Total Increment | Revenue Year | Tax Rate | Tax Increment | Tax Exempt | | |
|-------------------|-------------|------------------|---------------------|-----------------|----------------------------------|----------|----------------|-----------------|-------------------------|---------|
| | | | | | | | | NPV Calculation | Taxable NPV Calculation | |
| 1 | 2016 | 1,700,000 | 2017 | 0 | 1,700,000 | 2018 | \$21.38 | 36,347 | 35,461 | 35,118 |
| 2 | 2017 | 0 | 2018 | 0 | 1,700,000 | 2019 | \$21.38 | 36,347 | 70,057 | 69,049 |
| 3 | 2018 | 0 | 2019 | 0 | 1,700,000 | 2020 | \$21.38 | 36,347 | 103,809 | 101,832 |
| 4 | 2019 | 0 | 2020 | 0 | 1,700,000 | 2021 | \$21.38 | 36,347 | 136,738 | 133,507 |
| 5 | 2020 | 0 | 2021 | 0 | 1,700,000 | 2022 | \$21.38 | 36,347 | 168,864 | 164,110 |
| 6 | 2021 | 0 | 2022 | 0 | 1,700,000 | 2023 | \$21.38 | 36,347 | 200,206 | 193,679 |
| 7 | 2022 | 0 | 2023 | 0 | 1,700,000 | 2024 | \$21.38 | 36,347 | 230,784 | 222,248 |
| 8 | 2023 | 0 | 2024 | 0 | 1,700,000 | 2025 | \$21.38 | 36,347 | 260,616 | 249,850 |
| 9 | 2024 | 0 | 2025 | 0 | 1,700,000 | 2026 | \$21.38 | 36,347 | 289,720 | 276,519 |
| 10 | 2025 | 0 | 2026 | 0 | 1,700,000 | 2027 | \$21.38 | 36,347 | 318,114 | 302,287 |
| 11 | 2026 | 0 | 2027 | 0 | 1,700,000 | 2028 | \$21.38 | 36,347 | 345,816 | 327,183 |
| 12 | 2027 | 0 | 2028 | 0 | 1,700,000 | 2029 | \$21.38 | 36,347 | 372,843 | 351,237 |
| 13 | 2028 | 0 | 2029 | 0 | 1,700,000 | 2030 | \$21.38 | 36,347 | 399,210 | 374,477 |
| 14 | 2029 | 0 | 2030 | 0 | 1,700,000 | 2031 | \$21.38 | 36,347 | 424,934 | 396,932 |
| 15 | 2030 | 0 | 2031 | 0 | 1,700,000 | 2032 | \$21.38 | 36,347 | 450,030 | 418,627 |
| 16 | 2031 | 0 | 2032 | 0 | 1,700,000 | 2033 | \$21.38 | 36,347 | 474,515 | 439,589 |
| 17 | 2032 | 0 | 2033 | 0 | 1,700,000 | 2034 | \$21.38 | 36,347 | 498,402 | 459,842 |
| 18 | 2033 | 0 | 2034 | 0 | 1,700,000 | 2035 | \$21.38 | 36,347 | 521,707 | 479,410 |
| 19 | 2034 | 0 | 2035 | 0 | 1,700,000 | 2036 | \$21.38 | 36,347 | 544,443 | 498,316 |
| 20 | 2035 | 0 | 2036 | 0 | 1,700,000 | 2037 | \$21.38 | 36,347 | 566,625 | 516,583 |
| Totals | | 1,700,000 | | 0 | Future Value of Increment | | 726,947 | | | |

Notes:
Actual results will vary depending on development, inflation of overall tax rates.
NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Cash Flow

| City of River Falls, Wisconsin | | | | | | | | | | |
|--------------------------------|--------------------|---------------|----------------|--------------------------------|---------------------|--------------------|----------|------------|-----------------------|-------|
| Tax Increment District # 12 | | | | | | | | | | |
| Cash Flow Projection | | | | | | | | | | |
| Year | Projected Revenues | | | Expenditures | | | Balances | | | Year |
| | Tax Increments | Other Revenue | Total Revenues | Repayment of Advance from City | Creation and Admin. | Total Expenditures | Annual | Cumulative | Principal Outstanding | |
| 2016 | | | 0 | | 10,000 | 10,000 | (10,000) | (10,000) | 0 | 2016 |
| 2017 | | | 0 | | 1,000 | 1,000 | (1,000) | (11,000) | 0 | 2017 |
| 2018 | 36,347 | | 36,347 | 24,000 | 1,000 | 25,000 | 11,347 | 347 | 0 | 2018 |
| 2019 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 695 | 0 | 2019 |
| 2020 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 1,042 | 0 | 2020 |
| 2021 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 1,389 | 0 | 2021 |
| 2022 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 1,737 | 0 | 2022 |
| 2023 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 2,084 | 0 | 2023 |
| 2024 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 2,432 | 0 | 2024 |
| 2025 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 2,779 | 0 | 2025 |
| 2026 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 3,126 | 0 | 2026 |
| 2027 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 3,474 | 0 | 2027 |
| 2028 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 3,821 | 0 | 2028 |
| 2029 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 4,168 | 0 | 2029 |
| 2030 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 4,516 | 0 | 2030 |
| 2031 | 36,347 | | 36,347 | 35,000 | 1,000 | 36,000 | 347 | 4,863 | 0 | 2031 |
| 2032 | 36,347 | | 36,347 | 36,000 | | 36,000 | 347 | 5,210 | 0 | 2032 |
| 2033 | 36,347 | | 36,347 | 36,000 | | 36,000 | 347 | 5,558 | 0 | 2033 |
| 2034 | 36,347 | | 36,347 | 36,000 | | 36,000 | 347 | 5,905 | 0 | 2034 |
| 2035 | 36,347 | | 36,347 | 36,000 | | 36,000 | 347 | 6,252 | 0 | 2035 |
| 2036 | 36,347 | | 36,347 | 36,000 | | 36,000 | 347 | 6,600 | 0 | 2036 |
| 2037 | 36,347 | | 36,347 | 42,947 | | 42,947 | (6,600) | 0 | 0 | 2037 |
| Total | 726,947 | 0 | 726,947 | 701,947 | 25,000 | 726,947 | | | | Total |

Notes: Projected TID Closure

SECTION 11: Annexed Property

Property proposed for inclusion within the District was annexed by the City on or after January 1, 2004. To satisfy the requirements of Wisconsin Statutes Section 66.1105(4)(gm)1., the City pledges to pay to the Town of Troy for each of the next five years an amount equal to the property taxes levied on the annexed property by the Town at the time of annexation.

SECTION 12: Estimate of Property to be Devoted to Retail Business

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that 0% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13: Proposed Zoning Ordinance Changes

The City does not anticipate that the District will require any changes in zoning ordinances. And any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.

SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of River Falls Ordinances

It is expected that this 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 Plan.

SECTION 15: Relocation

It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 16: Orderly Development of the City of River Falls

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

SECTION 17: 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.

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

SECTION 18:
Opinion of Attorney for the City of River Falls Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105



EAU CLAIRE
BLACK RIVER FALLS
MENOMONIE

July 25, 2016

Mayor Dan Toland
City of River Falls
222 Lewis Street
River Falls, WI 54022

RE: City of River Falls, Wisconsin Tax Incremental District No. 12

Dear Mayor:

As City Attorney for the City of River Falls, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105(4)(f).

Sincerely,

WELD RILEY, S.C.

A handwritten signature in black ink, appearing to read "Daniel P. Gustafson", written over a light blue horizontal line.

Daniel P. Gustafson
City Attorney for
City of River Falls

Weld Riley, S.C. A Wisconsin Limited Liability Entity

3624 Oakwood Hills Pkwy, P.O. Box 1030 • Eau Claire, WI 54702-1030 • P 715.839.7786 • F 715.839.8609 • weldriley.com

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 portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction. | | | | | | |
|---|------------------|------------------|--------------|-----------------|------------|--------------|
| Statement of Taxes Data Year: | | 2014 | | | Percentage | |
| St. Croix County | | 2,580,941 | | | | 46.87% |
| Special District | | 236,426 | | | | 4.29% |
| Municipality | | 1,003,728 | | | | 18.23% |
| School District | | 1,686,078 | | | | 30.62% |
| Total | | 5,507,173 | | | | |
| Revenue Year | St. Croix County | Special District | Municipality | School District | Total | Revenue Year |
| 2018 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2018 |
| 2019 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2019 |
| 2020 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2020 |
| 2021 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2021 |
| 2022 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2022 |
| 2023 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2023 |
| 2024 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2024 |
| 2025 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2025 |
| 2026 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2026 |
| 2027 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2027 |
| 2028 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2028 |
| 2029 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2029 |
| 2030 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2030 |
| 2031 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2031 |
| 2032 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2032 |
| 2033 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2033 |
| 2034 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2034 |
| 2035 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2035 |
| 2036 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2036 |
| 2037 | 17,034 | 1,560 | 6,625 | 11,128 | 36,347 | 2037 |
| | | 340,684 | 31,208 | 132,492 | 222,562 | 726,947 |

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