



**March 12, 2020**

# **Project Plan**

## **Tax Incremental District No. 15**



<b>Organizational Joint Review Board Meeting Held:</b>	<b>March 9, 2020</b>
<b>Public Hearing Held:</b>	<b>March 9, 2020</b>
<b>Approval by Plan Commission:</b>	<b>March 9, 2020</b>
<b>Adoption by Common Council:</b>	<b>March 24, 2020</b>
<b>Approval by the Joint Review Board:</b>	<b>April 15, 2020</b>

# Table of Contents

SECTION 1: ..... 4

**Executive Summary** ..... 4

SECTION 2: ..... 7

**Preliminary Map of Proposed District Boundary** ..... 7

SECTION 3: ..... 10

**Map Showing Existing Uses and Conditions** ..... 10

SECTION 4: ..... 12

**Preliminary Parcel List and Analysis** ..... 12

SECTION 5: ..... 13

**Equalized Value Test** ..... 13

SECTION 6: ..... 14

**Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District** ..... 14

SECTION 7: ..... 20

**Maps Showing Proposed Improvements and Uses** ..... 20

NE Perspective: ..... 22

..... 22

NW Perspective: ..... 23

SW Perspective: ..... 24

..... 24

SECTION 8: ..... 25

**Detailed List of Estimated Project Costs** ..... 25

SECTION 9: ..... 26

**Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred** ..... 26

SECTION 10: ..... 31

**Annexed Property** ..... 31

SECTION 11: ..... 31

**Estimate of Property to Be Devoted to Retail Business** ..... 31

<b>SECTION 12:</b> .....	31
<b>Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances</b> .....	31
<b>SECTION 13:</b> .....	32
<b>Statement of the Proposed Method for the Relocation of any Persons to be Displaced</b> .....	32
<b>SECTION 14:</b> .....	32
<b>How Creation of the Tax Incremental District Promotes the Orderly Development of the City</b> .....	32
<b>SECTION 15:</b> .....	32
<b>List of Estimated Non-Project Costs</b> .....	32
<b>SECTION 16:</b> .....	33
<b>Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f)</b> .....	33
<b>SECTION 17:</b> .....	35
<b>Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions</b> .....	35

# **SECTION 1:**

## **Executive Summary**

---

### **Description of District**

Tax Incremental District (“TID”) No. 15 (“District”) is a proposed Blighted Area District comprising approximately 1.60 acres located at 1300 S. Main bounded by E. Johnson Street to the north, S. Main Street to the west, multifamily residential to the south and single family and duplex units to the east. The proposed district contains one parcel that was formerly occupied by the River Falls Motel. The site has since been cleared and now sits predominantly vacant.

The District will be created to promote development of a multifamily workforce housing development (“Project”). The project will be completed by 1300, LLC. (“Developer”)

### **Authority**

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

### **Estimated Total Project Cost Expenditures**

The City anticipates making total expenditures of approximately \$1,650,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated cash grant/development incentive, Wells Park improvements, infrastructure improvements, sidewalks, and property acquisition. A number of the projects will be constructed outside of the District’s boundaries but within one-half mile.

### **Incremental Valuation**

The City projects that new land and improvements value of approximately \$4,518,000 will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption’s as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

### **Expected Termination of District**

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within its allowable 27 years.

### **Summary of Findings**

As required by Wis. Stat. § 66.1105, and as documented in this 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 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 reaching this determination, the City has considered:

The River Falls Motel was built in the 1964 prior to the parcel being annexed into the City in the 1970's. It is the City's understanding that the motel struggled to compete economically between about 2000-2011. The structure and site underwent steady decline and marginal maintenance kept it in use until 2010 when it closed its doors. Table 1 depicts the decline in valuation of the parcel valuation from 2011 thru 2020.

**Table 1: Parcel Valuation (2006-2020)**

	Owner	Land	Improvements	Total
2020	Gerrard Development, LLC	\$ 189,000.00	\$ -	\$ 189,000.00
2019	Gerrard Development, LLC	\$ 189,000.00	\$ -	\$ 189,000.00
2018	Bonnie Anderson	\$ 189,000.00	\$ -	\$ 189,000.00
2017	Bonnie Anderson	\$ 189,000.00	\$ -	\$ 189,000.00
2016	Bonnie Anderson	\$ 189,000.00	\$ 42,600.00	\$ 231,600.00
2015	Bonnie Anderson	\$ 189,000.00	\$ 42,600.00	\$ 231,600.00
2014	Bonnie Anderson	\$ 208,800.00	\$ 31,200.00	\$ 240,000.00
2013	Bonnie Anderson	\$ 208,800.00	\$ 31,200.00	\$ 240,000.00
2012	Bonnie Anderson	\$ 208,800.00	\$ 31,200.00	\$ 240,000.00
2011	Bonnie Anderson	\$ 118,800.00	\$ 418,700.00	\$ 537,500.00
2010	M&I Marshall & Ilsley Bank	\$ 118,800.00	\$ 418,700.00	\$ 537,500.00
2009	Kamlesh Bhakta	\$ 118,800.00	\$ 418,700.00	\$ 537,500.00
2008	Kamlesh Bhakta	\$ 118,800.00	\$ 418,700.00	\$ 537,500.00
2007	Kamlesh Bhakta	\$ 118,800.00	\$ 418,700.00	\$ 537,500.00
2006	Kamlesh Bhakta	\$ 118,800.00	\$ 418,700.00	\$ 537,500.00

Source: Assessment information, Pierce County, WI

The motel was subsequently sold to a local developer who planned to slowly rehab it for multifamily rental; however, in 2015 the developer passed away before redevelopment occurred. The structures and site fell further into decline until it was demolished in October 2016 following a raze order issued in September 2016 due to its dilapidated condition. While the buildings have since been cleared from the site, deteriorated pavement and gravel remain on the site.

Provision of the requested assistance would improve the Project's return on investment. Based on the City's review, provision of pay as you go incentives in the amount requested is necessary to provide an acceptable return on investment and indicates that "but for" the incentives, the project would not likely proceed.

2. The economic benefits of the 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. The finding is supported on this basis.

The Developer intends to develop a multifamily workforce housing development which the City believes will be an integral part of the housing needs of the City residents and the surrounding area. In 2018, the City conducted an analysis of housing needs for River Falls, which determined that there is a demand for 292 for-sale multifamily units, 542 for-sale single-family units, and 274 market rate rental units by 2030. As of February 2020, 268 for-sale multi-family units, 434 for-sale single-family units, and 176 market rate rental units are still needed in River Falls.

The Developer is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of the new households spending locally for goods and services from retailers, restaurants and service companies provide additional economic benefits.

As shown in Table 1, the current value of the parcel is \$189,000 generating \$4,419 in tax revenue. Following completion of the multifamily workforce housing development, the projected taxable value is estimated at \$4,518,000. This new value is projected to generate \$100,000 in revenue.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 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 prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1.
5. Based on the foregoing finding, the District is designated as a blighted area district.

6. The Project Costs relate directly to the elimination of blight in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value 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 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 Wis. Stat. § 66.1105(5)(b).
10. The Plan for the District is feasible and is in conformity with the Master Plan of the City.
11. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.

## **SECTION 2: Preliminary Map of Proposed District Boundary**

---

Map Found on Page 9.

### **Area Description**

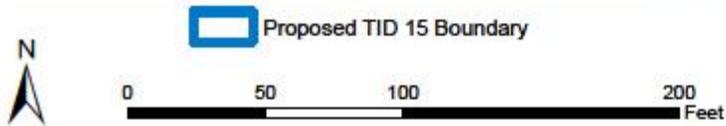
The proposed TID is bounded by E. Johnson Street to the north, S. Main Street to the west, multifamily residential to the south and single family and duplex units to the east. The proposed district contains one parcel that was formerly occupied by the River Falls Motel. The old motel and associated structures are shown in the aerial map image. The site has since been cleared and now sits predominantly vacant.

### **Site History and Existing Conditions**

The River Falls Motel was built in the 1964 prior to the parcel being annexed into the City in the 1970's. It is staff's understanding that the motel struggled to compete economically between about 2000-2011. The structure and site underwent steady decline and marginal maintenance kept it in use until 2010 when it closed its doors. The motel was subsequently sold to a local developer who planned to slowly rehab it for multifamily rental; however, in 2015 the developer passed away before redevelopment occurred. The structures and site fell further into decline until it was demolished in October 2016 following a

raze order issued in September 2016 due to its dilapidated condition. While the buildings have since been cleared from the site, deteriorated pavement and gravel remain on the site.

## Proposed TID #15 Boundaries



*Note: aerial photo is from 2015 and depicts on site buildings that have since been razed*

## **SECTION 3: Map Showing Existing Uses and Conditions**

---

Map Found on Following Page.

## Proposed TID #15 Boundaries



 Proposed TID 15 Boundary

0 50 100 200  
Feet

*Note: aerial photo is from 2015  
and depicts on site buildings  
that have since been razed*

# SECTION 4: Preliminary Parcel List and Analysis

City of River Falls, Wisconsin																
Tax Increment District # 15																
Base Property Information																
Property Information					Assessment Information				Equalized Value				District Classification			
Map Ref #	Parcel Number	Street Address	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Blighted	Rehab/ Conservation	Vacant
	276-01115-0200	1300 S. Main Street	GERRARD DEVLEOPMENT, LLC	1.60	189,000	0	0	189,000	100.00%	189,000	0	0	189,000	1.6		1.60
								0	100.00%	0	0	0	0			
			<b>Total Acreage</b>	<b>1.60</b>	189,000	0	0	189,000		189,000	0	0		1.6	0	1.6
The above values are as of January 1, 2019. Actual base value certification of the territory will be based on January 1, 2020 assessed values.										<b>Estimated Base Value</b>				<b>189,000</b>		

## SECTION 5: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 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 \$68,034,400. This value is less than the maximum of \$130,122,948 in equalized value that is permitted for the City.

City of River Falls, Wisconsin				
Tax Increment District # 15				
Valuation Test Compliance Calculation				
District Creation Date	3/24/2020			
	Valuation Data Currently Available 2019	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	1,084,357,900			1,084,357,900
12% Test	130,122,948			130,122,948
Total Existing Increment	67,845,400			0
Projected Base of New or Amended District	189,000			189,000
Less Value of Any Underlying TID Parcels	0			0
Total Value Subject to 12% Test	68,034,400			189,000
Compliance	PASS			PASS

## **SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District**

---

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory 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, design and construction is completed.

With all Project Costs, 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.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

### **Property, Right-of-Way and Easement Acquisition**

#### ***Property Acquisition for Development***

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

### **Property Acquisition for Conservancy**

To promote the objectives of this Plan, the City may 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 Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

## **Site Preparation Activities**

### **Environmental Audits and Remediation**

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

### **Demolition**

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, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

### **Utilities**

#### **Sanitary Sewer System Improvements**

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Wis. Stat. § 66.1105(2)(f)1 k.

#### **Water System Improvements**

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will

make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Stormwater Management System Improvements**

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Electric Service**

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Gas Service**

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Communications Infrastructure**

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Streets and Streetscape**

#### **Street Improvements**

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

#### **Streetscaping and Landscaping**

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.

### **Community Development**

#### **Cash Grants (Development Incentives)**

The City may enter into agreements with property owners, lessees, or developers of land located within the District for 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.

#### **Contribution to Community Development Authority (CDA)**

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its CDA 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 for this purpose are eligible Project Costs.

### **Revolving Loan/Grant Program (Development Incentives)**

To encourage private development consistent with the objectives of this Plan, the City may provide loans or grants to eligible property owners in the District. 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 City.

### **Miscellaneous**

#### **Projects Outside the Tax Increment District**

Pursuant to Wis. Stat. § 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 relating to the implementation of the Plan.

#### **Financing Costs**

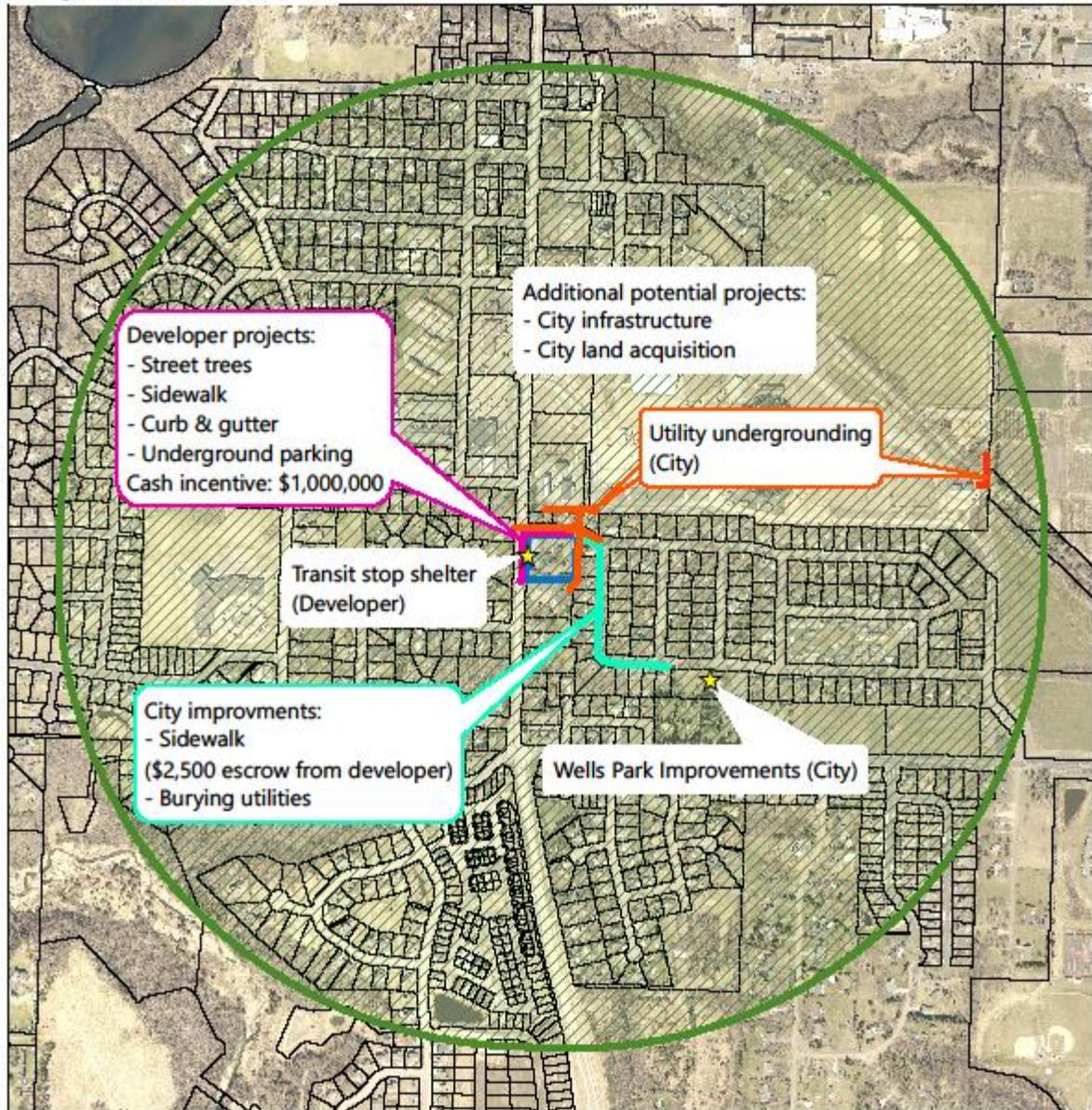
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

## **SECTION 7:**

# **Maps Showing Proposed Improvements and Uses**

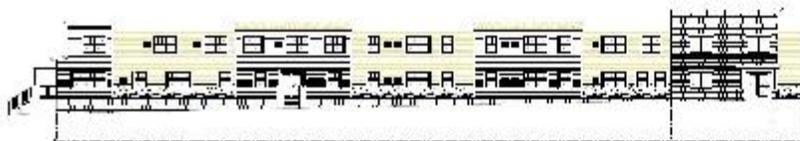
Map Found on Following Page.

## Proposed TID #15 Improvements



1300 S Main St West Elevation

0 0.125 0.25 0.5 Miles



-  Proposed TID 15
-  TID 15 Half Mile Buffer
-  City Parcels



# NE Perspective:



## NW Perspective:



## SW Perspective:



## SECTION 8: Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District’s Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of River Falls, Wisconsin							
Tax Increment District # 15							
Estimated Project List							
Project ID	Project Name/Type	Phase I 2021	Phase II 2022	Phase III 2023	Phase IV 2024	Phase V 2026	Total (Note 1)
1	Development Incentives (Note 2)	1,000,000					1,000,000
2	Wells Park Improvements		50,000	25,000			75,000
3	Infrastructure Improvements				150,000	50,000	200,000
4	Sidewalks		150,000				150,000
5	Property Acquisition					225,000	225,000
<b>Total Projects</b>		<b>1,000,000</b>	<b>200,000</b>	<b>25,000</b>	<b>150,000</b>	<b>275,000</b>	<b>1,650,000</b>
<b>Notes:</b>							
Note 1 Project costs are estimates and are subject to modification							
Note 2 Development Incentives are based on the Development Agreement between the City and 1300, LLC. They will be paid on a pay as you go basis.							
Note 3 All projects other than the Development Incentives are located outside the District boundaries but within one half mile.							

## **SECTION 9: Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred**

---

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

### **Key Assumptions**

The Project Costs the City plans to make are expected to create \$4,518,850 million in incremental value by 2022 (Revenue collected in 2023). Estimated valuations and timing for construction of the Project are included in Table 1. Assuming the City's current equalized TID Interim tax rate of \$22.13 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$1,700,006 in incremental tax revenue over the 27-year term of the District as shown in Table 2. The parcel is projected to become tax-exempt as of Jan. 1, 2039. This will eliminate any increment collection in the years 2040 - 2048. The City is projected to collect a PILOT payment of \$26,000 in the years 2040 - 2048.

**Table 1 - Development Assumptions**

<div style="background-color: #003366; color: white; padding: 10px; text-align: center;"> <h2 style="margin: 0;">City of River Falls, Wisconsin</h2> <h3 style="margin: 0;">Tax Increment District # 15</h3> <h4 style="margin: 0;">Development Assumptions</h4> </div>						
Construction Year		Actual	1300 Main Street South	Annual Total	Construction Year	
1	2020			0	2020	1
2	2021		4,518,850	4,518,850	2021	2
3	2022			0	2022	3
4	2023			0	2023	4
5	2024			0	2024	5
6	2025			0	2025	6
7	2026			0	2026	7
8	2027			0	2027	8
9	2028			0	2028	9
10	2029			0	2029	10
11	2030			0	2030	11
12	2031			0	2031	12
13	2032			0	2032	13
14	2033			0	2033	14
15	2034			0	2034	15
16	2035			0	2035	16
17	2036			0	2036	17
18	2037			0	2037	18
19	2038		(4,518,850)	(4,518,850)	2038	19
20	2039			0	2039	20
21	2040			0	2040	21
22	2041			0	2041	22
23	2042			0	2042	23
24	2043			0	2043	24
25	2044			0	2044	25
26	2045			0	2045	26
27	2046			0	2046	27
Totals		0	0	0		

Notes:

## Table 2 – Tax Increment Projection Worksheet

City of River Falls, Wisconsin										
Tax Increment District # 15										
Tax Increment Projection Worksheet										
Type of District	Blighted Area				Base Value	189,000				
District Creation Date	March 24, 2020				Appreciation Factor	0.00%		Apply to Base Value		
Valuation Date	Jan 1,		2020		Base Tax Rate	\$22.13				
Max Life (Years)	27				Rate Adjustment Factor	0.00%				
Expenditure Period/Termination	22		3/24/2042							
Revenue Periods/Final Year	27		2048							
Extension Eligibility/Years	Yes		3		Tax Exempt Discount Rate					
Eligible Recipient District	Yes				Taxable Discount Rate	1.50%				

	Construction		Valuation Year	Inflation Increment	Total Increment	Revenue		Tax Increment	Tax Exempt	
	Year	Value Added				Year	Tax Rate		NPV Calculation	Taxable NPV Calculation
1	2020	0	2021	0	0	2022	\$22.13	0	0	0
2	2021	4,518,850	2022	0	4,518,850	2023	\$22.13	100,000	100,000	94,219
3	2022	0	2023	0	4,518,850	2024	\$22.13	100,000	200,001	187,045
4	2023	0	2024	0	4,518,850	2025	\$22.13	100,000	300,001	278,500
5	2024	0	2025	0	4,518,850	2026	\$22.13	100,000	400,001	368,603
6	2025	0	2026	0	4,518,850	2027	\$22.13	100,000	500,002	457,374
7	2026	0	2027	0	4,518,850	2028	\$22.13	100,000	600,002	544,834
8	2027	0	2028	0	4,518,850	2029	\$22.13	100,000	700,002	631,001
9	2028	0	2029	0	4,518,850	2030	\$22.13	100,000	800,003	715,894
10	2029	0	2030	0	4,518,850	2031	\$22.13	100,000	900,003	799,533
11	2030	0	2031	0	4,518,850	2032	\$22.13	100,000	1,000,004	881,936
12	2031	0	2032	0	4,518,850	2033	\$22.13	100,000	1,100,004	963,121
13	2032	0	2033	0	4,518,850	2034	\$22.13	100,000	1,200,004	1,043,107
14	2033	0	2034	0	4,518,850	2035	\$22.13	100,000	1,300,005	1,121,910
15	2034	0	2035	0	4,518,850	2036	\$22.13	100,000	1,400,005	1,199,549
16	2035	0	2036	0	4,518,850	2037	\$22.13	100,000	1,500,005	1,276,041
17	2036	0	2037	0	4,518,850	2038	\$22.13	100,000	1,600,006	1,351,402
18	2037	0	2038	0	4,518,850	2039	\$22.13	100,000	1,700,006	1,425,649
19	2038	(4,518,850)	2039	0	0	2040	\$22.13	0	1,700,006	1,425,649
20	2039	0	2040	0	0	2041	\$22.13	0	1,700,006	1,425,649
21	2040	0	2041	0	0	2042	\$22.13	0	1,700,006	1,447,034
22	2041	0	2042	0	0	2043	\$22.13	0	1,700,006	1,447,034
23	2042	0	2043	0	0	2044	\$22.13	0	1,700,006	1,447,034
24	2043	0	2044	0	0	2045	\$22.13	0	1,700,006	1,447,034
25	2044	0	2045	0	0	2046	\$22.13	0	1,700,006	1,447,034
26	2045	0	2046	0	0	2047	\$22.13	0	1,700,006	1,447,034
27	2046	0	2047	0	0	2048	\$22.13	0	1,700,006	1,447,034
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Future Value of Increment</b>	<b>1,700,006</b>			

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).

### Financing and Implementation

To incentivize development in the District, the City authorized in a development agreement a \$1,000,000 Development Incentive to 1300, LLC. The Incentive will be paid on a “pay as you go” basis from collection of annual increment in TID No. 15. The District is projected to collect \$100,000 annually beginning in 2023. Ninety Five percent of the annual TID No. 15 collection or \$95,000 will be paid to 1300, LLC until they have been paid a total of \$1,000,000. The

remaining funds will be available to pay other TID 15 eligible expenses and pay annual administrative expenses. The other TID No. 15 project plan expenses are projected to be initially funded as follows: the City anticipates advancing \$200,000 from its General Fund in 2022 for sidewalk and Wells Park improvements. An additional General Fund advance of \$25,000 will occur in 2023 to fund other Wells Park projects. In 2024, the General fund is projected to advance \$150,000 to the TID No. 15 fund to provide initial funding for infrastructure improvements. TID No. 15 property acquisition funding will be provided by the General Fund, via an additional advance to TID No. 15, in 2026.

Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds (from TID No. 15 increment revenue & PILOT payments) by the year 2048 to pay off all Project cost liabilities and obligations (including the repayment of the General Fund advances, with interest, discussed in the previous paragraph). The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

**Table 3 - Cash Flow**

City of River Falls, Wisconsin																
Tax Increment District # 15																
Cash Flow Projection																
Year	Projected Revenues				Expenditures							Balances				Year
	Tax Increments	Interest Earnings/ (Cost)	PILOT Payment	Total Revenues	Municipal Revenue Obligation (MRO) 1,000,000			Half-Mile & Other Projects	Other	Admin.	Total Expenditures	Annual	Advance Interest Payment 2%	Cumulative	Principal Outstanding	
					Dated Date: Principal	Est. Rate	Interest									
2020				0						12,500	12,500	(12,500)	(12,500)		2020	
2021				0						1,650	1,650	(1,650)	(14,150)		2021	
2022	0			0						1,650	201,650	(201,650)	(216,083)		2022	
2023	100,000			100,000	95,000			25,000		1,650	121,650	(21,650)	(4,322)	(242,054)	2023	
2024	100,000			100,000	95,000			150,000		1,650	246,650	(146,650)	(4,841)	(393,545)	2024	
2025	100,000			100,000	95,000					1,650	96,650	3,350	(7,871)	(398,066)	2025	
2026	100,000			100,000	95,000			275,000		1,650	371,650	(271,650)	(7,961)	(677,677)	2026	
2027	100,000			100,000	95,000					1,650	96,650	3,350	(13,554)	(687,880)	2027	
2028	100,000			100,000	95,000					1,650	96,650	3,350	(13,758)	(698,287)	2028	
2029	100,000			100,000	95,000					1,650	96,650	3,350	(13,966)	(708,902)	2029	
2030	100,000			100,000	95,000					1,650	96,650	3,350	(14,178)	(719,730)	2030	
2031	100,000			100,000	95,000					1,650	96,650	3,350	(14,395)	(730,774)	2031	
2032	100,000			100,000	95,000					1,650	96,650	3,350	(14,615)	(742,039)	2032	
2033	100,000			100,000	50,000					1,650	51,650	48,350	(14,841)	(708,530)	2033	
2034	100,000			100,000						1,650	1,650	98,350	(14,171)	(624,350)	2034	
2035	100,000			100,000						1,650	1,650	98,350	(12,487)	(538,487)	2035	
2036	100,000			100,000						1,650	1,650	98,350	(10,770)	(450,906)	2036	
2037	100,000			100,000						1,650	1,650	98,350	(9,018)	(361,574)	2037	
2038	100,000			100,000						1,650	1,650	98,350	(7,231)	(270,455)	2038	
2039	100,000			100,000						1,650	1,650	98,350	(5,409)	(177,514)	2039	
2040	0		26,000	26,000						1,650	1,650	24,350	(3,550)	(156,714)	2040	
2041	0		26,000	26,000						1,650	1,650	24,350	(3,134)	(135,498)	2041	
2042	0		26,000	26,000						1,650	1,650	24,350	(2,710)	(113,858)	2042	
2043	0		26,000	26,000						1,650	1,650	24,350	(2,277)	(91,785)	2043	
2044	0		26,000	26,000						1,650	1,650	24,350	(1,836)	(69,271)	2044	
2045	0		26,000	26,000						1,650	1,650	24,350	(1,385)	(46,307)	2045	
2046	0		26,000	26,000						1,650	1,650	24,350	(926)	(22,883)	2046	
2047	0		26,000	26,000						1,650	1,650	24,350	(458)	1,010	2047	
2048	0		26,000	26,000						1,650	1,650	24,350	0	25,360	2048	
Total	1,700,006	0	234,000	1,934,006	1,000,000		0	650,000	0	57,050	1,707,050				Total	

## **SECTION 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.

## **SECTION 11: Estimate of Property to Be Devoted to Retail Business**

---

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## **SECTION 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances**

---

### **Zoning Ordinances**

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

### **Master (Comprehensive) Plan and Map**

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for High Density Residential.

### **Building Codes and Ordinances**

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

## **SECTION 13:**

### **Statement of the Proposed Method for the Relocation of any Persons to be Displaced**

---

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

## **SECTION 14:**

### **How Creation of the Tax Incremental District Promotes the Orderly Development of the City**

---

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by eliminating blighted areas, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment opportunities and housing options.

## **SECTION 15:**

### **List of Estimated Non-Project Costs**

---

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

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

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District. Half mile projects are not included in this assessment.

**SECTION 16:**  
**Legal Opinion Advising Whether the Plan is**  
**Complete and Complies with Wis. Stat. §**  
**66.1105(4)(f)**

---

Legal Opinion Found on Following Page.



EAU CLAIRE  
BLACK RIVER FALLS  
MENOMONIE

March 10, 2020

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

**RE: City of River Falls TID #15**

Dear Mayor Toland:

As City Attorney for the City of River Falls, I have reviewed the Project Plan for the City of River Falls TID #15 and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

If you have any questions, please contact my office. Thank you.

Very truly yours,

**WELD RILEY, S.C.**

A handwritten signature in blue ink, appearing to read "Christopher B. Gierhart".

Christopher B. Gierhart  
*Attorneys for the City of River Falls*

Email: [cgierhart@weldriley.com](mailto:cgierhart@weldriley.com)  
CBG/pes

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](http://weldriley.com)

# SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.									
Statement of Taxes Data Year:		2019							
						Percentage			
County		3,688,319				24.96%			
Special District						0.00%			
Municipality		4,506,777				30.50%			
School District		6,035,437				40.84%			
School District						0.00%			
Technical College		547,380				3.70%			
Total		<u>14,777,913</u>							
Revenue Year	County	Special District	Municipality	School District	School District	Technical College	Total	Revenue Year	
2022	0	0	0	0	0	0	0	2022	
2023	24,958	0	30,497	40,841	0	3,704	100,000	2023	
2024	24,958	0	30,497	40,841	0	3,704	100,000	2024	
2025	24,958	0	30,497	40,841	0	3,704	100,000	2025	
2026	24,958	0	30,497	40,841	0	3,704	100,000	2026	
2027	24,958	0	30,497	40,841	0	3,704	100,000	2027	
2028	24,958	0	30,497	40,841	0	3,704	100,000	2028	
2029	24,958	0	30,497	40,841	0	3,704	100,000	2029	
2030	24,958	0	30,497	40,841	0	3,704	100,000	2030	
2031	24,958	0	30,497	40,841	0	3,704	100,000	2031	
2032	24,958	0	30,497	40,841	0	3,704	100,000	2032	
2033	24,958	0	30,497	40,841	0	3,704	100,000	2033	
2034	24,958	0	30,497	40,841	0	3,704	100,000	2034	
2035	24,958	0	30,497	40,841	0	3,704	100,000	2035	
2036	24,958	0	30,497	40,841	0	3,704	100,000	2036	
2037	24,958	0	30,497	40,841	0	3,704	100,000	2037	
2038	24,958	0	30,497	40,841	0	3,704	100,000	2038	
2039	24,958	0	30,497	40,841	0	3,704	100,000	2039	
2040	0	0	0	0	0	0	0	2040	
2041	0	0	0	0	0	0	0	2041	
2042	0	0	0	0	0	0	0	2042	
2043	0	0	0	0	0	0	0	2043	
2044	0	0	0	0	0	0	0	2044	
2045	0	0	0	0	0	0	0	2045	
2046	0	0	0	0	0	0	0	2046	
2047	0	0	0	0	0	0	0	2047	
2048	0	0	0	0	0	0	0	2048	
		<u>424,293</u>	<u>0</u>	<u>518,446</u>	<u>694,298</u>	<u>0</u>	<u>62,969</u>	<u>1,700,006</u>	

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