



August 25, 2020

# **Project Plan**

## **Tax Incremental District No. 16**

### **City of River Falls, Wisconsin**

Organizational Joint Review Board Meeting Held:	August 4, 2020
Public Hearing Held:	August 4, 2020
Approval by Plan Commission:	August 4, 2020
Adoption by Common Council:	August 25, 2020
Approval by the Joint Review Board:	September 15, 2020

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# SECTION 1:

## Executive Summary

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### Description of District

Tax Incremental District (“TID”) No. 16 (“District”) is a proposed Mixed-Use District comprising approximately 100 acres bounded by County Road M to the north, Dry Run Road to the east, and County Road U to the west. The District will be created to pay a portion of the costs of needed to assist the Milltown Residences Project (“Project”) to be developed by Three Sixty (“Developer”). The Milltown Residences Project includes market rate apartments which are needed to expand housing options in the City of River Falls.

### 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 \$4,320,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include estimated Utility and infrastructure improvements, developer incentives, property acquisition, improvements to DeSanctis Park, streets reconstruction, and planning and engineering professional services.

### Incremental Valuation

The City projects that new land and improvements value of approximately \$13,800,000 will result from the Milltown Residences and other development. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions 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 20 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 substantial investment needed to provide the public infrastructure necessary to allow for development within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements. The City solicited proposals for Multi-Family Housing on the 7-acre City owned parcel adjacent to West Division Street in 2019. The area is located on the southeast portion of the proposed tax increment district and represents the initial development area of the district. The site is currently zoned residential. The City desires a planned unit development and hopes to activate improvements to DeSanctis Park as a part of the overall development of the site. To achieve the City's development goals in this area, tax increment financing will be necessary to incentivize the higher density development and achieve the improvements consistent with the City's high standards.

The northern portion of the proposed district (Mann Valley) is anticipated to be developed primarily for business park uses, including office and light industrial/manufacturing uses. The City completed a Mann Valley Development Concept Plan in 2018. Significant roads and other city services will need to be constructed to fully develop the Mann Valley. This area of the proposed district is anticipated to develop at a slower pace than the southern area but faces many of the same challenges that necessitate financial assistance from tax increment financing.

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:

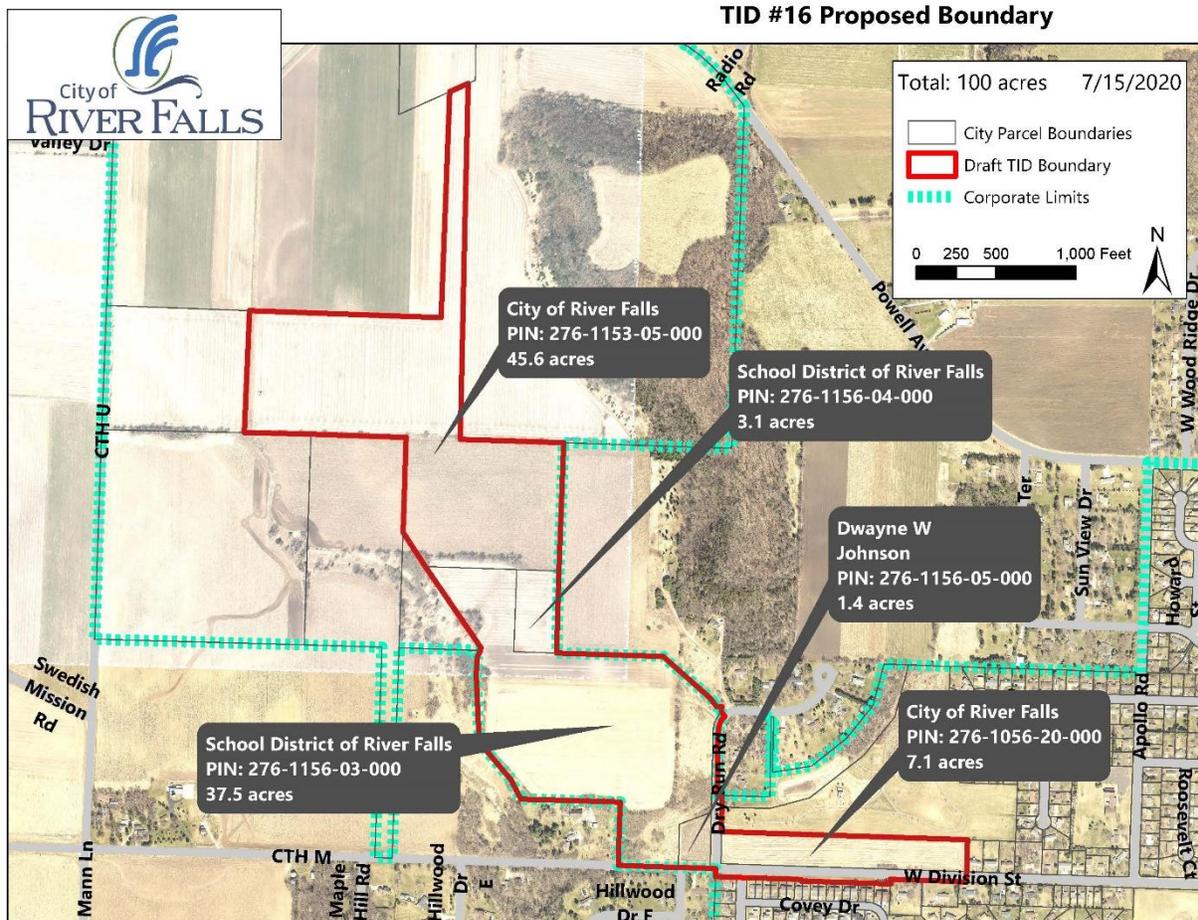
Following completion of the Milltown Residences Project, the estimated taxable value is \$10,800,000. This new value is projected to generate over \$230,000 in annual tax revenue.

The Developer intends to build a market rate apartment complex, 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 minimum demand for 292 for-sale multifamily units, 542 for-sale single-family units, and 274 market rate rental units by 2030. As of July 2020, there is a minimum demand for 258 for-sale multi-family units, 394 for-sale single-family units, and 164 market rate rental units by 2030. Additional senior, shallow, and deep subsidy housing is also needed by 2030.

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

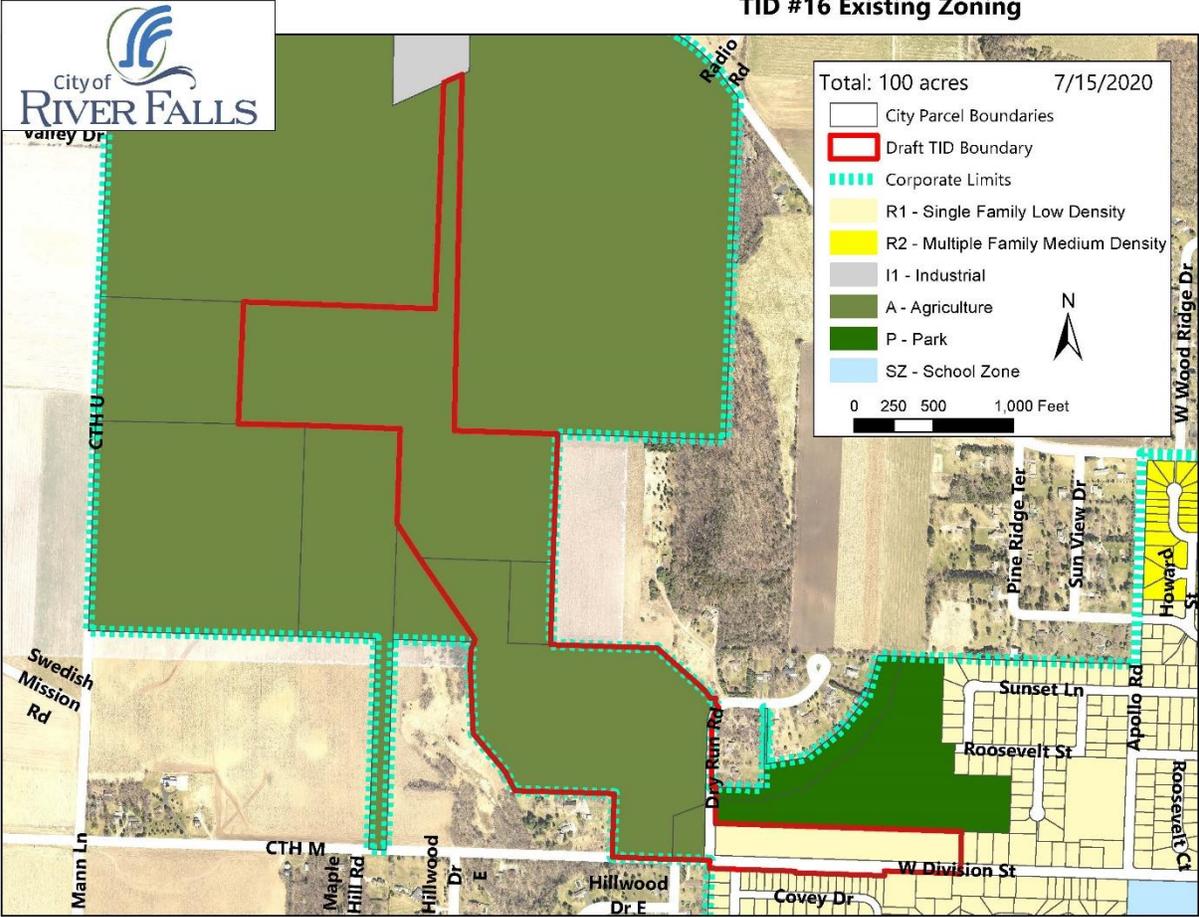
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the 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 suitable for mixed-use development as defined by Wis. Stat. § 66.1105(2)(cm). Lands proposed for newly-platted residential development comprise no more than 35% of the real property area within the District. Costs related to newly-platted residential development may be incurred based on the proposed development having a density of at least three (3) units per acre as defined in Wis. Stat. § 66.1105(2)(f)3.a. OR being located in a conservation subdivision as defined in Wisconsin Statutes Section 66.1027(1)(a).
5. Based on the foregoing finding, the District is designated as a mixed-use district.
6. The Project Costs relate directly to promoting mixed-use development 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 less than 35% 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.

# SECTION 2: Preliminary Map of Proposed District Boundary





TID #16 Existing Zoning



# SECTION 4: Preliminary Parcel List and Analysis

City of River Falls, Wisconsin																				
Tax Increment District # 16																				
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	Industrial (Zoned and Suitable)	Commercial/ Business	Existing Residential	Newly Platted Residential	Institutional / Other	Suitable for Mixed Use	
	276-1153-05-000		City of River Falls	45.60	0	0		0	100.00%	0	0	0	0	45.60						45.60
	276-1156-04-000		School District of River Falls	3.10	0	0		0	100.00%	0	0	0	0						3.10	3.10
	276-1156-03-000		School District of River Falls	37.50	0	0		0	100.00%	0	0	0	0						37.50	
	276-1156-05-000	4 Dry Run Road	Dwayne W. Johnson	1.40	2,800	0		2,800	100.00%	2,800	0	0	2,800							1.40
	276-1056-20-000	W Division St	City of River Falls	7.10	0	0		0	100.00%	0	0	0	0							7.10
			<b>Total Acreage</b>	<b>94.70</b>	<b>2,800</b>	<b>0</b>	<b>0</b>	<b>2,800</b>		<b>2,800</b>	<b>0</b>	<b>0</b>	<b>2,800</b>	<b>45.6</b>	<b>0</b>	<b>0</b>	<b>8.5</b>	<b>40.6</b>	<b>57.20</b>	
													<b>Estimated Base Value</b>							<b>2,800</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 \$67,848,200. 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 # 16				
Valuation Test Compliance Calculation				
District Creation Date	1/1/2020			
	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
Increment of Existing TIDs				
Total Existing Increment	67,845,400			0
Projected Base of New or Amended District	2,800			2,800
Less Value of Any Underlying TID Parcels	0			0
Total Value Subject to 12% Test	67,848,200			2,800
Compliance	PASS			PASS

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

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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, through its CDA, 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 CDA in the program manual. Any funds returned to the CDA 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 fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

### **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. The City intends to make the following project cost expenditures outside the District: **Possible Property Acquisition, DeSanctis Park Improvements, possibly a portion of the infrastructure improvements along Division Street, and some of the Planning & Engineering Services related to Mann Valley Design.**

#### **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**

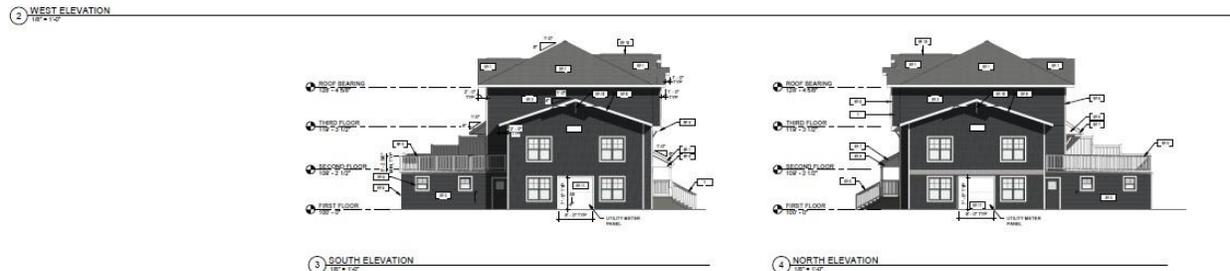
The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

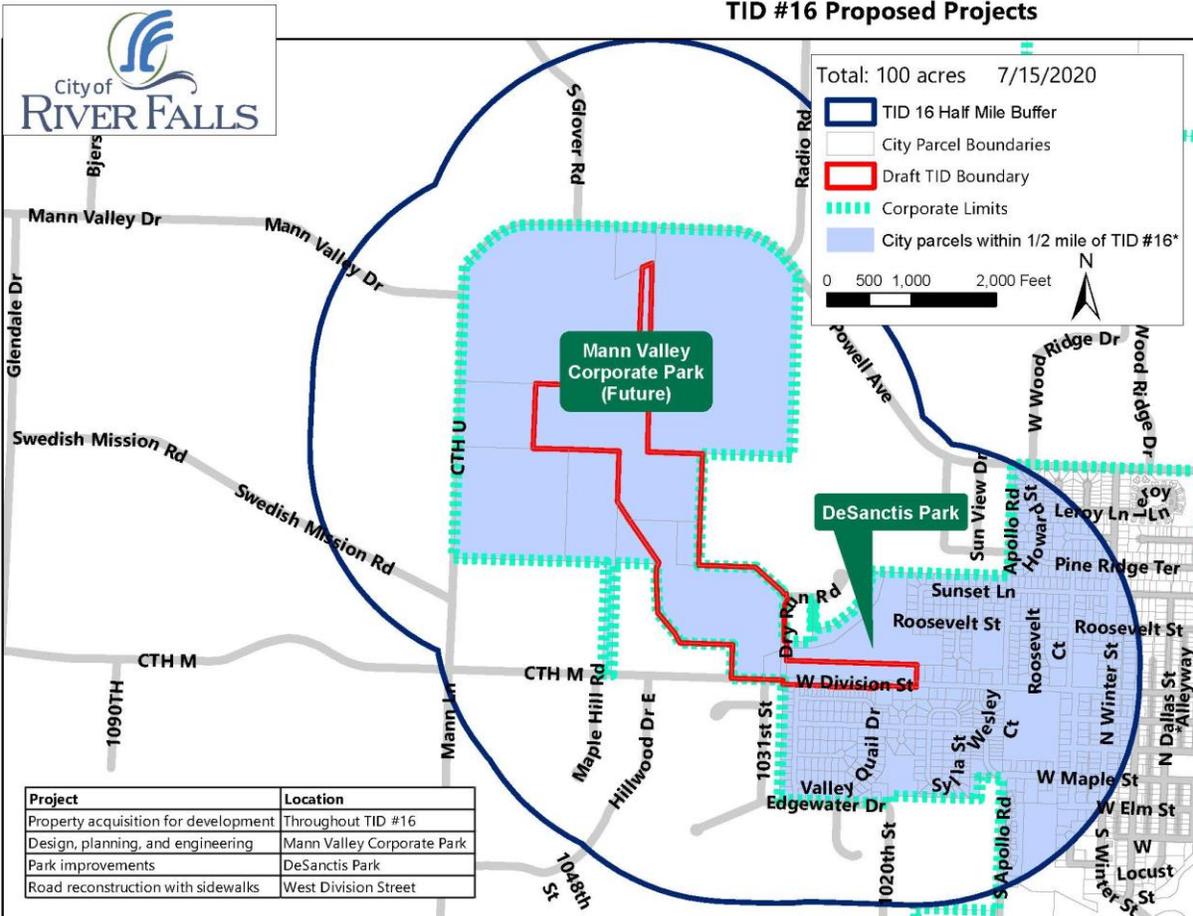
### **Financing Costs**

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.

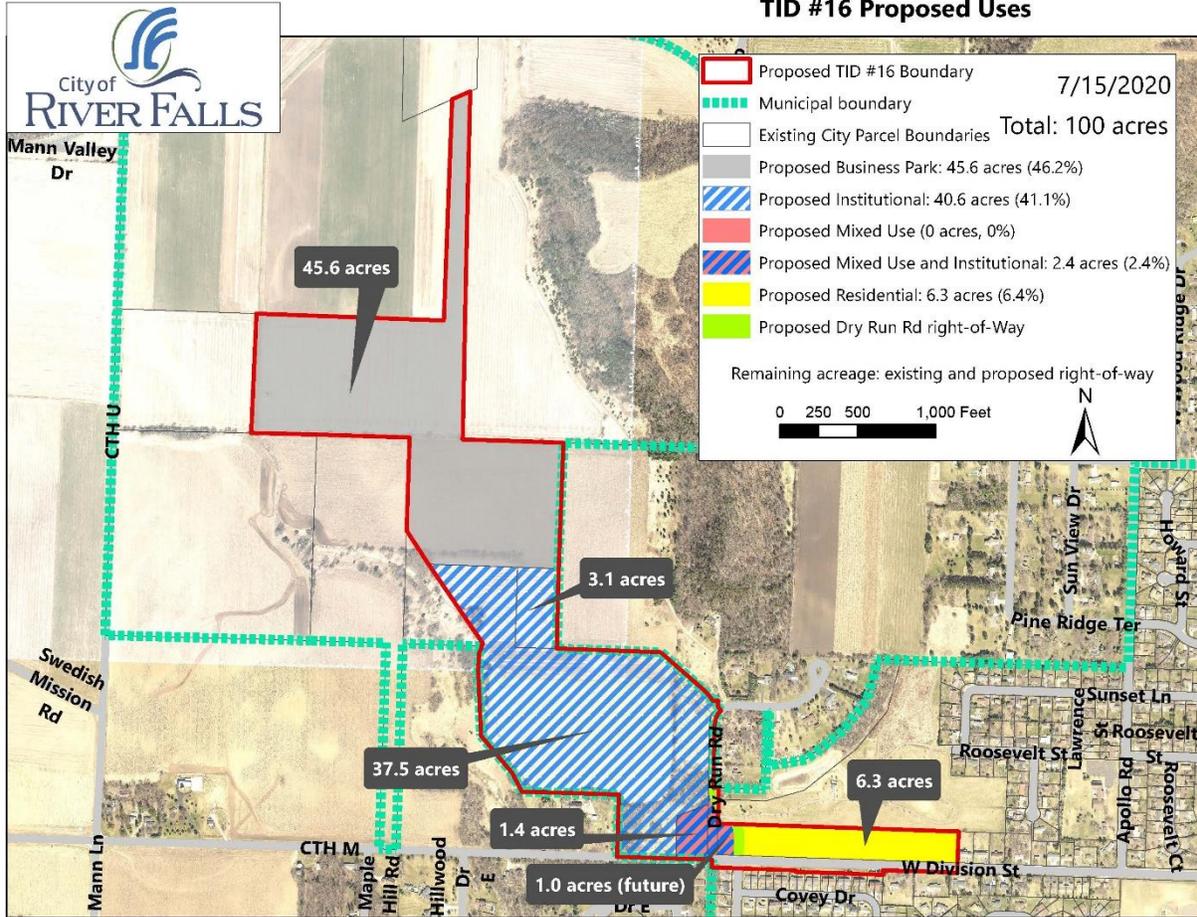
# SECTION 7: Map Showing Proposed Improvements and Uses

## Milltown Residences Project Elevations





\*TID #16 expenditures shall only occur within the City's municipal boundary, depicted in this map as of TID #16's creation date.



# 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 # 16				
Estimated Project List				
Project ID	Project Name/Type	Phase I 2020	Phase II 2035	Total (Note 1)
1	Utility and Public Infrastructure	800,000		800,000
2	Development Incentives	1,900,000		1,900,000
3	Property Acquisition		385,000	385,000
4	DeSanctis Park Improvements		155,000	155,000
5	Division Street Reconstruction and Sidewalks		760,000	760,000
6	Planning and Engineering Professional Services		200,000	200,000
Total Projects		<u>2,700,000</u>	<u>1,500,000</u>	<u>4,200,000</u>
Notes:				
Note 1	Project costs are estimates and are subject to modification			

## **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**

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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 \$13,800,000 million in incremental value by 2041. 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 \$21.45 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$4,840,208 in incremental tax revenue over the 20-year term of the District as shown in Table 2.

**Table 1 - Development Assumptions**

<div style="background-color: #004a80; color: white; padding: 10px; text-align: center;"> <b>City of River Falls, Wisconsin</b>  <b>Tax Increment District # 16</b>  <b>Development Assumptions</b> </div>							
Construction Year		Actual	Housing Project	Add. Res./Com.	Annual Total	Construction Year	
1	2020		2,500,000		2,500,000	2020	1
2	2021		8,300,000		8,300,000	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			3,000,000	3,000,000	2034	15
16	2035				0	2035	16
17	2036				0	2036	17
18	2037				0	2037	18
19	2038				0	2038	19
20	2039				0	2039	20
Totals		0	<u>10,800,000</u>	<u>3,000,000</u>	<u>13,800,000</u>		

## Table 2 – Tax Increment Projection Worksheet

City of River Falls, Wisconsin Tax Increment District # 16 Tax Increment Projection Worksheet										
Type of District	Mixed Use			Base Value	2,800					
District Creation Date	September 8, 2020			Appreciation Factor	0.00%		Apply to Base Value			
Valuation Date	Jan 1,	2020		Base Tax Rate	\$21.45					
Max Life (Years)	20			Rate Adjustment Factor						
Expenditure Period/Termination	15	9/8/2035		Tax Exempt Discount Rate						
Revenue Periods/Final Year	20	2041		Taxable Discount Rate	0.00%					
Extension Eligibility/Years	Yes	3								
Eligible Recipient District	No									

	Construction		Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV	
	Year	Value Added							Calculation	Calculation
1	2020	2,500,000	2021	0	2,500,000	2022	\$21.45	53,613	53,613	53,613
2	2021	8,300,000	2022	0	10,800,000	2023	\$21.45	231,609	285,223	285,223
3	2022	0	2023	0	10,800,000	2024	\$21.45	231,609	516,832	516,832
4	2023	0	2024	0	10,800,000	2025	\$21.45	231,609	748,442	748,442
5	2024	0	2025	0	10,800,000	2026	\$21.45	231,609	980,051	980,051
6	2025	0	2026	0	10,800,000	2027	\$21.45	231,609	1,211,660	1,211,660
7	2026	0	2027	0	10,800,000	2028	\$21.45	231,609	1,443,270	1,443,270
8	2027	0	2028	0	10,800,000	2029	\$21.45	231,609	1,674,879	1,674,879
9	2028	0	2029	0	10,800,000	2030	\$21.45	231,609	1,906,489	1,906,489
10	2029	0	2030	0	10,800,000	2031	\$21.45	231,609	2,138,098	2,138,098
11	2030	0	2031	0	10,800,000	2032	\$21.45	231,609	2,369,708	2,369,708
12	2031	0	2032	0	10,800,000	2033	\$21.45	231,609	2,601,317	2,601,317
13	2032	0	2033	0	10,800,000	2034	\$21.45	231,609	2,832,926	2,832,926
14	2033	0	2034	0	10,800,000	2035	\$21.45	231,609	3,064,536	3,064,536
15	2034	3,000,000	2035	0	13,800,000	2036	\$21.45	295,945	3,360,481	3,360,481
16	2035	0	2036	0	13,800,000	2037	\$21.45	295,945	3,656,427	3,656,427
17	2036	0	2037	0	13,800,000	2038	\$21.45	295,945	3,952,372	3,952,372
18	2037	0	2038	0	13,800,000	2039	\$21.45	295,945	4,248,317	4,248,317
19	2038	0	2039	0	13,800,000	2040	\$21.45	295,945	4,544,263	4,544,263
20	2039	0	2040	0	13,800,000	2041	\$21.45	295,945	4,840,208	4,840,208
<b>Totals</b>		<b>13,800,000</b>		<b>0</b>		<b>Future Value of Increment</b>		<b>4,840,208</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**

In order to facilitate development in the District, the City has agreed to provide up to \$1,900,000 to the Developer for the purposes of reimbursing development related expenses. The City will dedicate up to 90 percent of the tax increment revenue generated by the Milltown Residences portion of the District each year until the balance of \$1,900,000 has been paid.

The City will also allocate \$800,000 for additional infrastructure which are required for suitable development in the District. Such infrastructure includes, but is not limited to utilities for water, sanitary sewer, and storm sewer, sidewalks and streets, and landscaping. The City anticipates issuing a General Obligation Debt to fund these infrastructure projects.

Upon paying the final balances to the Developer and the G.O. Debt listed above, the City may initiate additional projects in the District using any available tax increment revenues. These projects may include land acquisition, parks improvements, sidewalk reconstruction, and engineering services. The current estimated cost for these improvements is approximately \$1,500,000. **Table 3.** provides a summary of the District's financing plan.

Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 4**), the District is projected to accumulate sufficient funds by the year 2041 to pay off all Project Cost liabilities and obligations. 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 - Financing Plan**

City of River Falls, Wisconsin Tax Increment District # 16 Estimated Financing Plan			
	G.O. Bond 2020	Municipal Revenue Obligation (MRO) 2020	Totals
Projects			
Utility and Public Infrastructure	800,000		800,000
Development Incentives		1,900,000	1,900,000
Total Project Funds	<u>800,000</u>	<u>1,900,000</u>	<u>2,700,000</u>
Estimated Finance Related Expenses			
Municipal Advisor	17,000		
Bond Counsel	12,000		
Rating Agency Fee	12,000		
Paying Agent			
Underwriter Discount	12.00	10,260	
Debt Service Reserve			
Capitalized Interest			
Miscellaneous	1,000		
Total Financing Required	852,260		
Estimated Interest	0.00%	0	
Rounding	2,740		
Net Issue Size	<b>855,000</b>	<b>1,900,000</b>	<b>2,755,000</b>

**Table 4 - Cash Flow**

City of River Falls, Wisconsin																
Tax Increment District # 16																
Cash Flow Projection																
Year	Projected Revenues		Expenditures										Balances			Year
	Tax Increments	Total Revenues	G.O. Bond 855,000			Municipal Revenue Obligation (MRO) 1,900,000			Repay General Fund for Advance	Other	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
			Dated Date:	Est. Rate	Interest	Dated Date:	Est. Rate	Interest								
2020		0									15,000	15,000	(15,000)	(15,000)		2020
2021		0									5,000	5,000	(5,000)	(20,000)		2021
2022	53,613	53,613									5,000	5,000	48,613	28,613		2022
2023	231,609	231,609			16,685			208,448			5,000	230,133	1,476	30,089		2023
2024	231,609	231,609			16,685			208,448			5,000	230,133	1,476	31,565		2024
2025	231,609	231,609			16,685			208,448			5,000	230,133	1,476	33,041		2025
2026	231,609	231,609			16,685			208,448			5,000	230,133	1,476	34,517		2026
2027	231,609	231,609			16,685			208,448			5,000	230,133	1,476	35,993		2027
2028	231,609	231,609			16,685			208,448			5,000	230,133	1,476	37,469		2028
2029	231,609	231,609			16,685			208,448			5,000	230,133	1,476	38,945		2029
2030	231,609	231,609			16,685			208,448			5,000	230,133	1,476	40,421		2030
2031	231,609	231,609			16,685			208,448			5,000	230,133	1,476	41,897		2031
2032	231,609	231,609	210,000	1.85%	16,685			23,964			5,000	255,649	(24,040)	17,857		2032
2033	231,609	231,609	210,000	1.90%	12,800						5,000	227,800	3,809	21,667		2033
2034	231,609	231,609	215,000	2.00%	8,810						5,000	228,810	2,799	24,466		2034
2035	231,609	231,609	220,000	2.05%	4,510						5,000	229,510	2,099	26,565		2035
2036	295,945	295,945							290,245		5,000	295,245	700	27,266		2036
2037	295,945	295,945							290,245		5,000	295,245	700	27,966		2037
2038	295,945	295,945							290,245		5,000	295,245	700	28,667		2038
2039	295,945	295,945							290,245		5,000	295,245	700	29,367		2039
2040	295,945	295,945							290,245		5,000	295,245	700	30,067		2040
2041	295,945	295,945							277,832		5,000	282,832	13,114	43,181		2041
Total	4,840,208	4,840,208	855,000		192,970			1,900,000	0		1,729,057	0	120,000	4,797,027		Total

Notes:

1) The column Repay General Fund for Advance assumes the City's loans the \$1,500,000 in additional TID 16 costs to the District and is repaid with interest.

Projected TID Closure

## **SECTION 10: Annexed Property**

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A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. The District does include parcels that have been annexed in the last three years. The City will comply with all requirements allowing the recently annexed parcels to be included in the boundaries of Tax Increment District No. 16.

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

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Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none 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**

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### **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 residential, commercial, and industrial uses.

### **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**

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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**

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Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by creating new industrial sites, opportunities for mixed use development, 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**

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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.

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

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Legal Opinion Found on Following Page.



EAU CLAIRE  
BLACK RIVER FALLS  
MENOMONIE

August 11, 2020

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

**RE: City of River Falls TID #16**

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 #16 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 cursive script, 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/skj

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

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# 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.

Statement of Taxes Data Year:		2019		Percentage	
County		1,184,388		14.78%	
Special District		0		0.00%	
Municipality		3,391,254		42.32%	
School District		3,151,737		39.33%	
Technical College		285,845		3.57%	
<b>Total</b>		<b>8,013,224</b>			

Revenue Year	County	Special District	Municipality	School District	Technical College	0	Total	Revenue Year
2022	7,924	0	22,690	21,087	1,912	0	53,613	2022
2023	34,233	0	98,019	91,096	8,262	0	231,609	2023
2024	34,233	0	98,019	91,096	8,262	0	231,609	2024
2025	34,233	0	98,019	91,096	8,262	0	231,609	2025
2026	34,233	0	98,019	91,096	8,262	0	231,609	2026
2027	34,233	0	98,019	91,096	8,262	0	231,609	2027
2028	34,233	0	98,019	91,096	8,262	0	231,609	2028
2029	34,233	0	98,019	91,096	8,262	0	231,609	2029
2030	34,233	0	98,019	91,096	8,262	0	231,609	2030
2031	34,233	0	98,019	91,096	8,262	0	231,609	2031
2032	34,233	0	98,019	91,096	8,262	0	231,609	2032
2033	34,233	0	98,019	91,096	8,262	0	231,609	2033
2034	34,233	0	98,019	91,096	8,262	0	231,609	2034
2035	34,233	0	98,019	91,096	8,262	0	231,609	2035
2036	43,742	0	125,246	116,400	10,557	0	295,945	2036
2037	43,742	0	125,246	116,400	10,557	0	295,945	2037
2038	43,742	0	125,246	116,400	10,557	0	295,945	2038
2039	43,742	0	125,246	116,400	10,557	0	295,945	2039
2040	43,742	0	125,246	116,400	10,557	0	295,945	2040
2041	43,742	0	125,246	116,400	10,557	0	295,945	2041
	<u>715,403</u>	<u>0</u>	<u>2,048,411</u>	<u>1,903,736</u>	<u>172,658</u>	<u>0</u>	<u>4,840,208</u>	

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