

Final

Project Plan

Tax Incremental District No. 18

700 Main St.

## City of River Falls, Wisconsin

Organizational Joint Review Board Meeting Held:	August 3, 2021
Public Hearing Held:	August 3, 2021
Approval by Plan Commission:	August 3, 2021
Adoption by Common Council:	August 24, 2021
Approval by the Joint Review Board:	September 13, 2021

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# **SECTION 1:**

## **Executive Summary**

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### Description of District

Tax Incremental District (“TID”) No. 18 (“District”) is a proposed Blighted Area District comprising approximately 3.24 acres bounded by housing developments to the north, Main St. to the west, Broadway to the south, and housing developments to the east. The District will be created to pay the costs of development incentives for the 700 South Main Project and additional infrastructure and other tax increment eligible costs within a half-mile of the District. In addition to the incremental property value that will be created, the City expects the Project will result in new housing opportunities needed by the City.

### 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 \$6,770,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include Development Incentives, Property Acquisition, Bridge Maintenance, Street and Alley Reconstruction, Traffic Signal and/or Roundabout, Bicycle and Pedestrian Infrastructure, and Future Park and/or Kinnickinnic Corridor Plan Projects.

### Incremental Valuation

The City projects that new land and improvements value of approximately \$15,000,000 will result from the Project. The 700 South Main project involves construction of a building with 84 senior living units, with independent living (38 units), assisted living (30 units), and memory care (16 units). The project will include underground and surface parking as well as four 55+ independent living patio townhomes. Creation of this additional value will be made possible by the Project Costs, in particular the Development Incentives, 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 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 Developer’s representation that the Project is not economically viable without public participation based on extraordinary costs associated with demolition of structures and redevelopment of existing sites.

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.

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.
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.

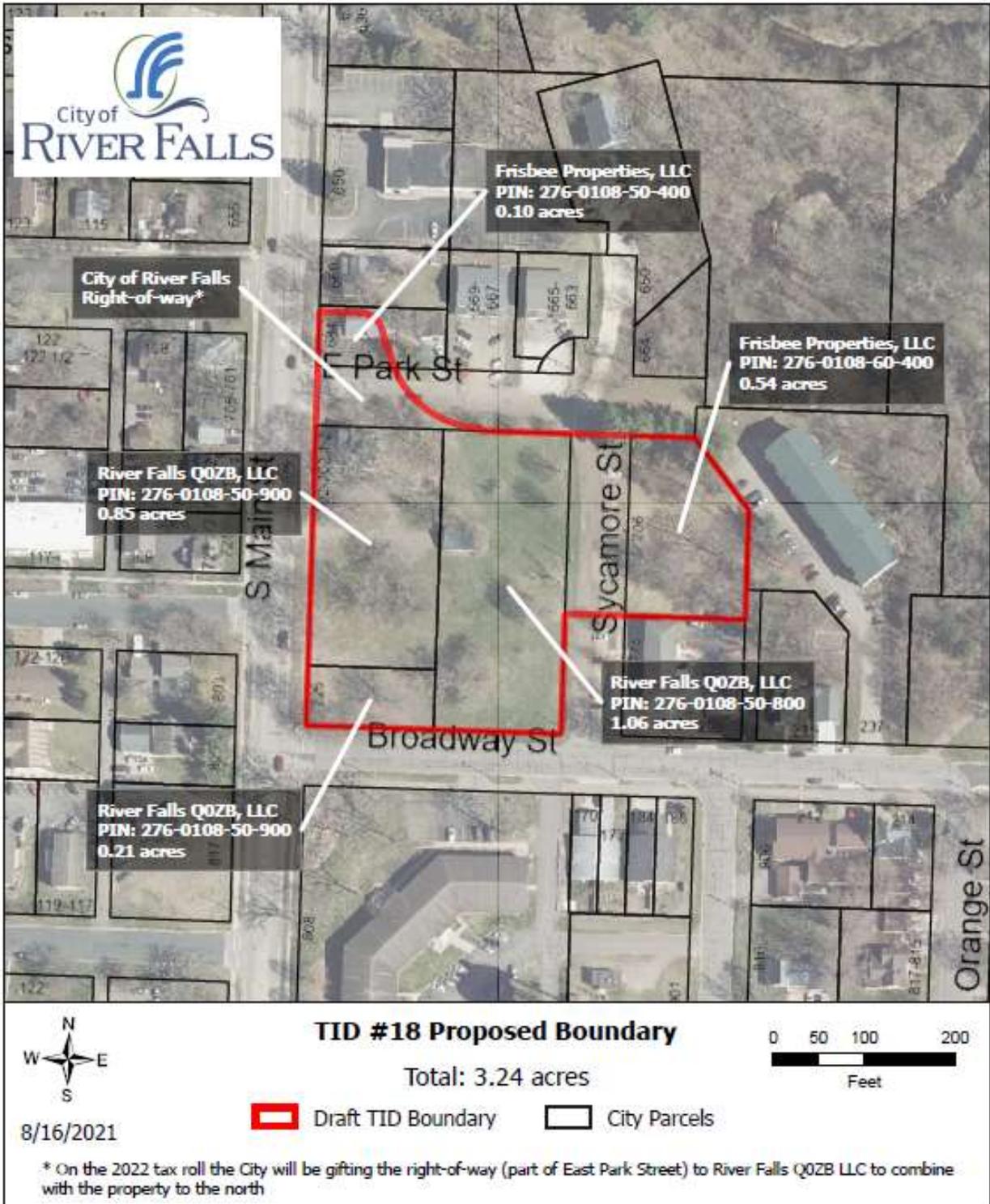
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. 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**

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Map Found on Following Page.

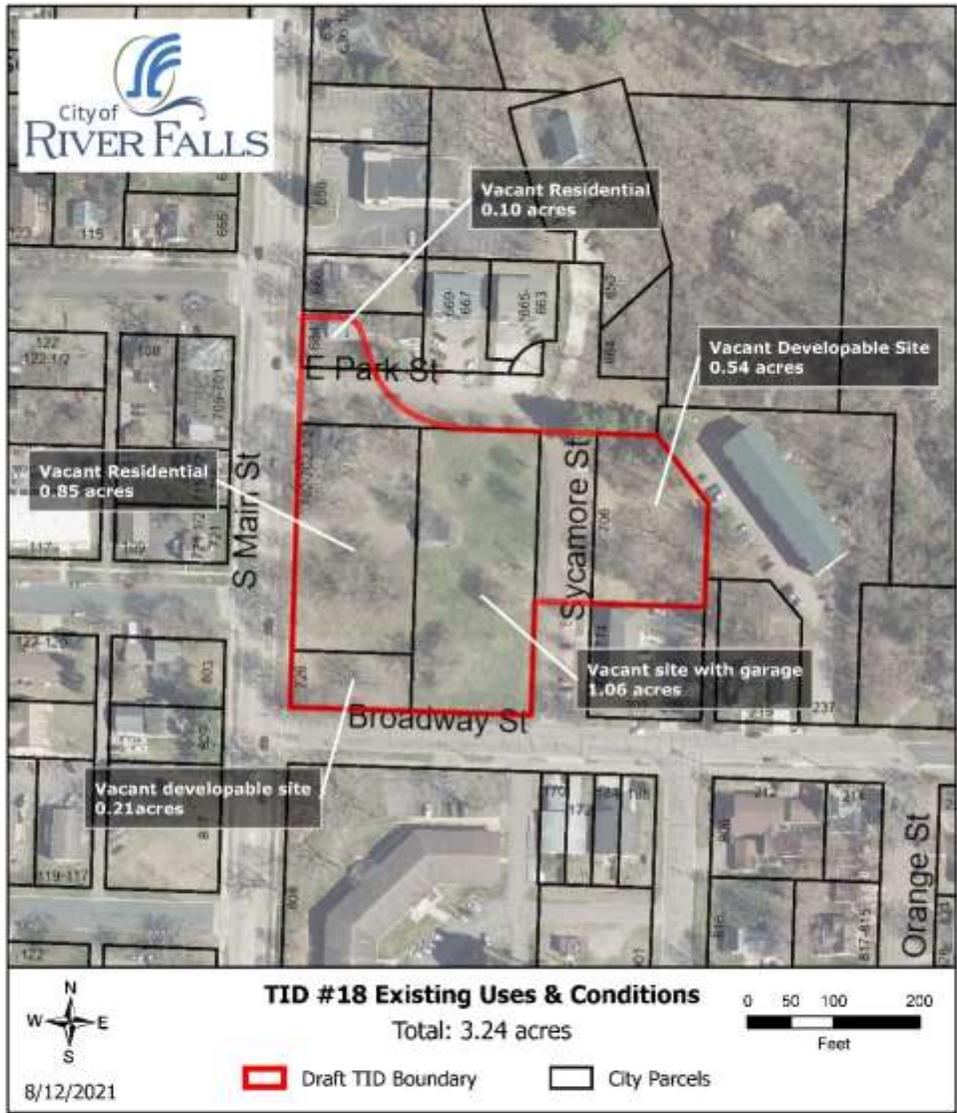


### **SECTION 3:**

## Map Showing Existing Uses and Conditions

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Map Found on Following Page.



# SECTION 4: Preliminary Parcel List and Analysis

City of River Falls, Wisconsin																			
Tax Increment District #18																			
Base Property Information																			
Property Information			Assessment Information				Equalized Value				District Classification				District Classification				
Parcel Number	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/ Business	Existing Residential	Newly Platted Residential	Suitable for Mixed Use	Blighted	Rehab/ Conservation	Vacant
276-0108-51-000	River Falls QOZB, LLC	0.85	49,500			49,500	100.00%	49,500	0	0	49,500			0.85		0.85	0.85		
276-0108-50-800	River Falls QOZB, LLC	1.00	54,000			54,000	100.00%	54,000	0	0	54,000			1.00		1.00	1.00		
276-0108-50-900	River Falls QOZB, LLC	0.20	30,000			30,000	100.00%	30,000	0	0	30,000			0.20		0.20	0.20		
276-0108-60-400	Frisbie Properties, LLC	0.60	51,000			51,000	100.00%	51,000	0	0	51,000			0.60		0.60	0.60		
276-0108-50-400	Frisbee Properties, LLC	0.10	30,000	96,500		126,500	100.00%	30,000	96,500	0	126,500			0.10		0.10	0.10		
<b>Total Acreage</b>		<b>2.75</b>	<b>214,500</b>	<b>96,500</b>	<b>0</b>	<b>311,000</b>		<b>214,500</b>	<b>96,500</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>2.75</b>	<b>0</b>	<b>2.75</b>	<b>2.75</b>	<b>0</b>	<b>0</b>
											<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
											<b>Estimated Base Value</b>		<b>311,000</b>						

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.

## 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 \$86,110,400 This value is less than the maximum of \$1,252,128,800 in equalized value that is permitted for the City.

<b>City of River Falls, Wisconsin</b>	
<b>Tax Increment District #18</b>	
<b>Valuation Test Compliance Calculation</b>	
District Creation Date	8/24/2021
	Valuation Data Currently Available 2020
Total EV (TID In)	1,252,128,800
12% Test	150,255,456
Increment of Existing TIDs	
TID #5	27,067,400
TID #6	9,706,200
TID #8	3,845,400
TID #9	3,977,700
TID #10	24,399,700
TID #11	1,029,800
TID #12	2,370,900
TID #13	11,801,300
TID #14	1,601,000
Total Existing Increment	85,799,400
Projected Base of New or Amended District	311,000
Less Value of Any Underlying TID Parcels	0
Total Value Subject to 12% Test	86,110,400
Compliance	<b>PASS</b>

## **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.

*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

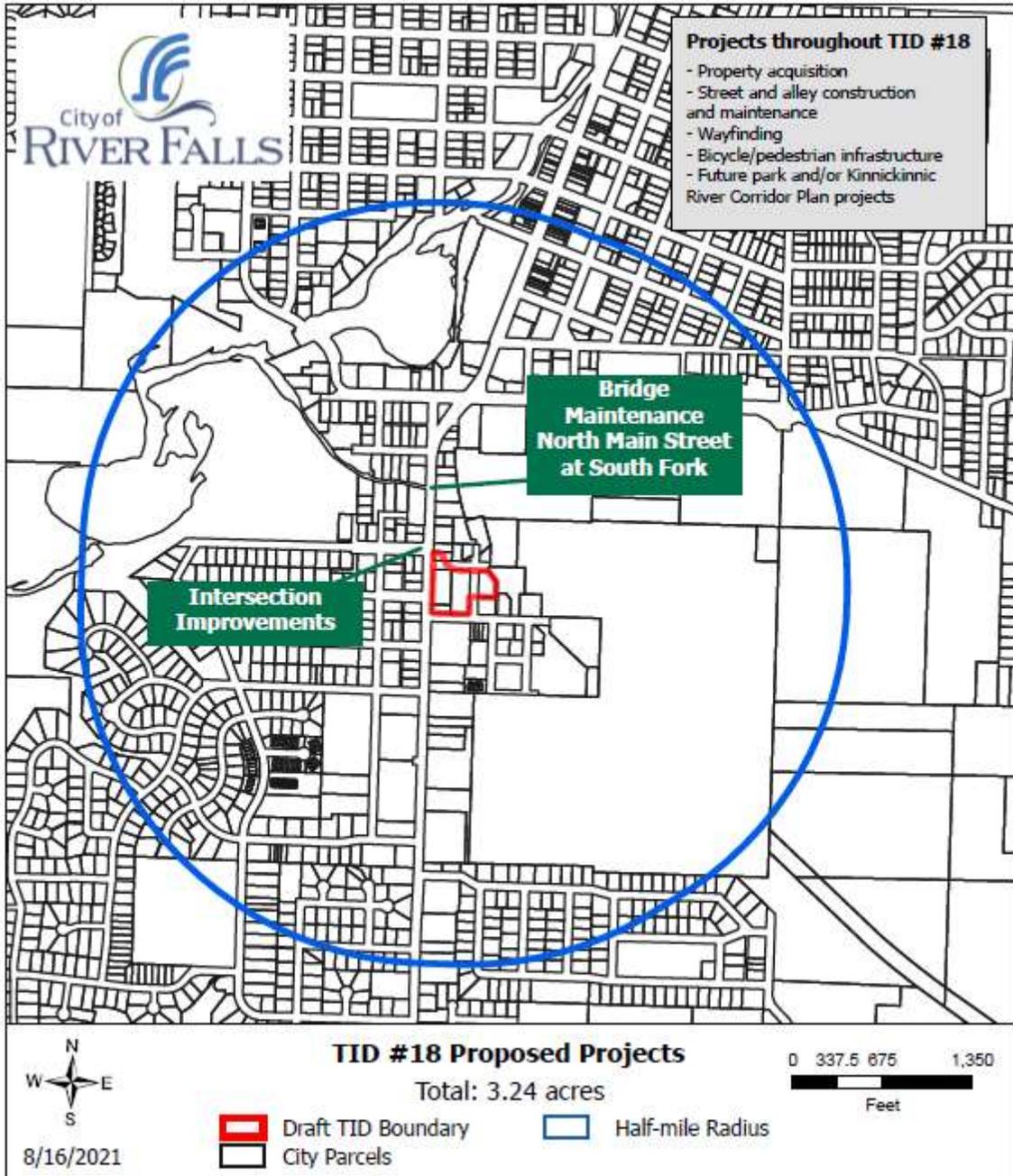
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

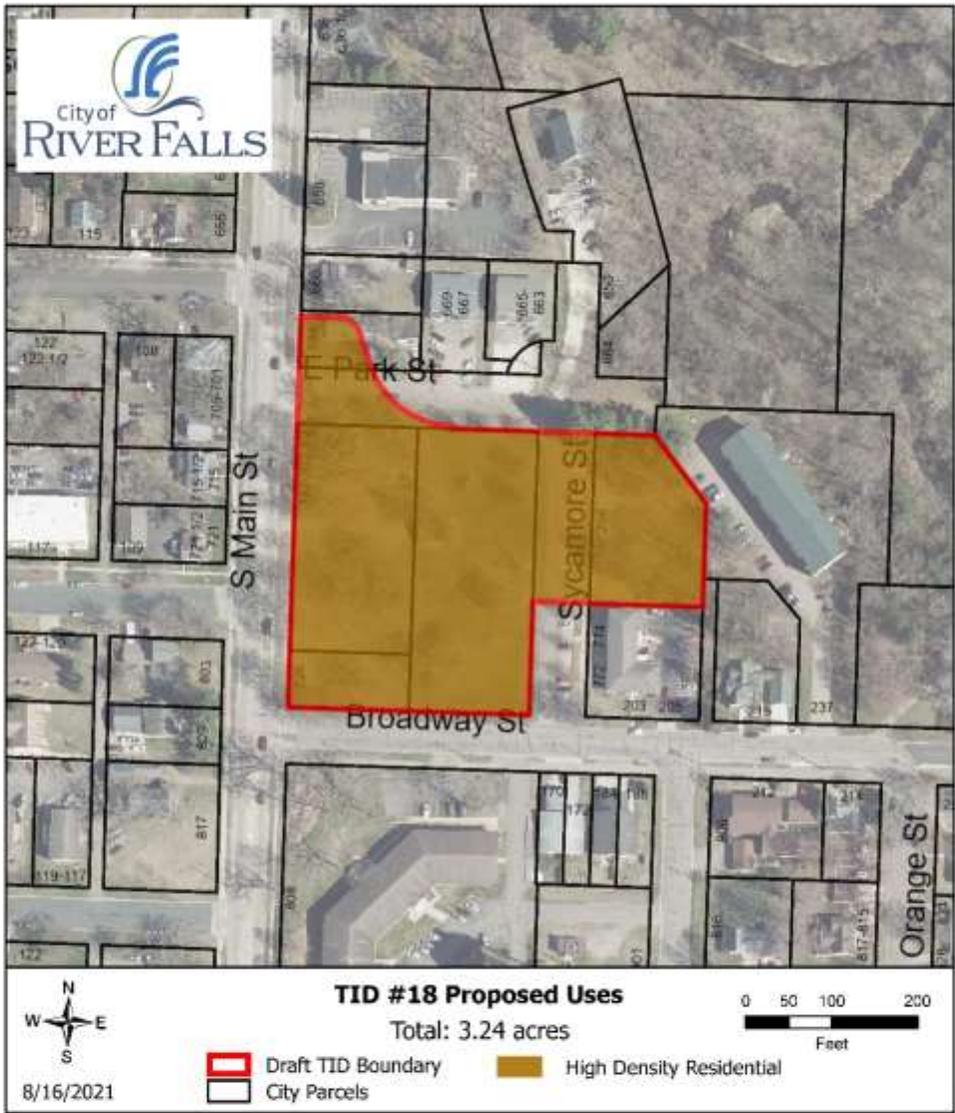
## **SECTION 7:**

# Map Showing Proposed Improvements and Uses

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Map Found on Following Page.





# 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 #18				
Estimated Project List				
Project ID	Project Name/Type	Phase I 2024	Phase II 2034	Total (Note 1)
1	Development Incentives	2,558,000		2,558,000
2	Property Acquisition		150,000	150,000
3	Bridge Maintenance		450,000	450,000
4	Street/Alley Reconstruction		2,067,000	2,067,000
5	Traffic Signal and/or Roundabout		335,000	335,000
6	Bike/Pedestrian infrastructure		100,000	100,000
7	Future Park and/or Kinnickinnic River Corridor Plan Projects		1,110,000	1,110,000
<b>Total Projects</b>		<b>2,558,000</b>	<b>4,212,000</b>	<b>6,770,000</b>

**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 \$15,000,000 in incremental value by 2024. 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 \$20.38 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$8,039,910 in incremental tax revenue over the 27-year term of the District as shown in Table 2.

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 #18</h3> <h4 style="margin: 0;">Development Assumptions</h4> </div>						
Construction Year		Actual	700 Main St.	Annual Total	Construction Year	
1	2021		4,500,000	4,500,000	2021	1
2	2022		10,500,000	10,500,000	2022	2
3	2023			0	2023	3
4	2024			0	2024	4
5	2025			0	2025	5
6	2026			0	2026	6
7	2027			0	2027	7
8	2028			0	2028	8
9	2029			0	2029	9
10	2030			0	2030	10
11	2031			0	2031	11
12	2032			0	2032	12
13	2033			0	2033	13
14	2034			0	2034	14
15	2035			0	2035	15
16	2036			0	2036	16
17	2037			0	2037	17
18	2038			0	2038	18
19	2039			0	2039	19
20	2040			0	2040	20
21	2041			0	2041	21
22	2042			0	2042	22
23	2043			0	2043	23
24	2044			0	2044	24
25	2045			0	2045	25
26	2046			0	2046	26
27	2047			0	2047	27
Totals		0	<u>15,000,000</u>	<u>15,000,000</u>		

Table 2 – Tax Increment Projection Worksheet

City of River Falls, Wisconsin										
Tax Increment District #18										
Tax Increment Projection Worksheet										
Type of District	Blighted Area				Base Value	311,000				
District Creation Date	August 24, 2021				Appreciation Factor	0.00%		Apply to Base Value		
Valuation Date	Jan 1,		2021		Base Tax Rate	\$20.38				
Max Life (Years)	27				Rate Adjustment Factor					
Expenditure Period/Termination	22		8/24/2043							
Revenue Periods/Final Year	27		2049							
Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
1	2021	4,500,000	2022	0	4,500,000	2023	\$20.38	91,710	91,710	87,704
2	2022	10,500,000	2023	0	15,000,000	2024	\$20.38	305,700	397,410	375,730
3	2023	0	2024	0	15,000,000	2025	\$20.38	305,700	703,110	659,499
4	2024	0	2025	0	15,000,000	2026	\$20.38	305,700	1,008,810	939,074
5	2025	0	2026	0	15,000,000	2027	\$20.38	305,700	1,314,510	1,214,518
6	2026	0	2027	0	15,000,000	2028	\$20.38	305,700	1,620,210	1,485,891
7	2027	0	2028	0	15,000,000	2029	\$20.38	305,700	1,925,910	1,753,254
8	2028	0	2029	0	15,000,000	2030	\$20.38	305,700	2,231,610	2,016,666
9	2029	0	2030	0	15,000,000	2031	\$20.38	305,700	2,537,310	2,276,185
10	2030	0	2031	0	15,000,000	2032	\$20.38	305,700	2,843,010	2,531,869
11	2031	0	2032	0	15,000,000	2033	\$20.38	305,700	3,148,710	2,783,774
12	2032	0	2033	0	15,000,000	2034	\$20.38	305,700	3,454,410	3,031,956
13	2033	0	2034	0	15,000,000	2035	\$20.38	305,700	3,760,110	3,276,470
14	2034	0	2035	0	15,000,000	2036	\$20.38	305,700	4,065,810	3,517,372
15	2035	0	2036	0	15,000,000	2037	\$20.38	305,700	4,371,510	3,754,713
16	2036	0	2037	0	15,000,000	2038	\$20.38	305,700	4,677,210	3,988,546
17	2037	0	2038	0	15,000,000	2039	\$20.38	305,700	4,982,910	4,218,924
18	2038	0	2039	0	15,000,000	2040	\$20.38	305,700	5,288,610	4,445,897
19	2039	0	2040	0	15,000,000	2041	\$20.38	305,700	5,594,310	4,669,516
20	2040	0	2041	0	15,000,000	2042	\$20.38	305,700	5,900,010	4,889,830
21	2041	0	2042	0	15,000,000	2043	\$20.38	305,700	6,205,710	5,183,492
22	2042	0	2043	0	15,000,000	2044	\$20.38	305,700	6,511,410	5,400,550
23	2043	0	2044	0	15,000,000	2045	\$20.38	305,700	6,817,110	5,614,401
24	2044	0	2045	0	15,000,000	2046	\$20.38	305,700	7,122,810	5,825,091
25	2045	0	2046	0	15,000,000	2047	\$20.38	305,700	7,428,510	6,032,668
26	2046	0	2047	0	15,000,000	2048	\$20.38	305,700	7,734,210	6,237,176
27	2047	0	2048	0	15,000,000	2049	\$20.38	305,700	8,039,910	6,438,663
<b>Totals</b>		<b>15,000,000</b>	<b>0</b>		<b>Future Value of Increment</b>			<b>8,039,910</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

Development Incentives beginning in 2024 will be funded on a pay-as-you-go basis from tax increment revenues generated by the Project. Property acquisition in 2034 will be funded with cash payments at that time. Remaining projects listed in the Plan including; Bridge Maintenance; Street/Alley Reconstruction; Traffic Signal and/or Roundabout; Bike/Pedestrian Infrastructure; and Future Park and/or Kinnickinnic River Corridor Plan Projects will be combined into a single General Obligation Bond issue in 2034. Table 3. provides a summary of the District’s financing plan.

Table 3 - Financing Plan

<b>City of River Falls, Wisconsin</b> <b>Tax Increment District #18</b> <b>Estimated Financing Plan</b>	
	<b>G.O. Bond 2034</b>
Phase II Projects	4,062,000
<b>Total Project Funds</b>	<b>4,062,000</b>
<b>Estimated Finance Related Expenses</b>	
Municipal Advisor	30,000
Bond Counsel	12,000
Rating Agency Fee	13,500
Disclosure Counsel	8,000
Paying Agent	
Underwriter Discount	12.00
Debt Service Reserve	50,160
Capitalized Interest	
Miscellaneous	1,000
<b>Total Financing Required</b>	4,176,660
Rounding	3,340
<b>Net Issue Size</b>	<b>4,180,000</b>

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds to pay off all Project cost liabilities and obligations by the end of its life. 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 4 - Cash Flow

City of River Falls, Wisconsin															
Tax Increment District #18															
Cash Flow Projection															
Year	Projected Revenues			Expenditures							Balances			Year	
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	Development Incentive Payments	Land Acquisition	G.O. Bond 4,180,000 Dated Date: 09/01/34			Other	Admin.	Total Expenditures	Annual	Cumulative		Principal Outstanding
2021			0							25,000	25,000	(25,000)	(25,000)	6,888,000	2021
2022			0							5,000	5,000	(5,000)	(30,000)	6,888,000	2022
2023	91,710		91,710							5,000	5,000	86,710	56,710	6,888,000	2023
2024	305,700		305,700	280,800						5,000	285,800	19,900	76,610	6,607,200	2024
2025	305,700		305,700	280,800						5,000	285,800	19,900	96,510	6,326,400	2025
2026	305,700		305,700	280,800						5,000	285,800	19,900	116,410	6,045,600	2026
2027	305,700		305,700	280,800						5,000	285,800	19,900	136,310	5,764,800	2027
2028	305,700		305,700	280,800						5,000	285,800	19,900	156,210	5,484,000	2028
2029	305,700		305,700	280,800						5,000	285,800	19,900	176,110	5,203,200	2029
2030	305,700		305,700	280,800						5,000	285,800	19,900	196,010	4,922,400	2030
2031	305,700		305,700	280,800						5,000	285,800	19,900	215,910	4,641,600	2031
2032	305,700		305,700	280,800						5,000	285,800	19,900	235,810	4,360,800	2032
2033	305,700		305,700	30,800						5,000	35,800	269,900	505,710	4,330,000	2033
2034	305,700		305,700		150,000					5,000	155,000	150,700	656,410	4,180,000	2034
2035	305,700		305,700			590,000	3.00%	125,400		5,000	720,400	(414,700)	241,710	3,590,000	2035
2036	305,700		305,700			210,000	3.00%	107,700		5,000	322,700	(17,000)	224,710	3,380,000	2036
2037	305,700		305,700			215,000	3.00%	101,400		5,000	321,400	(15,700)	209,010	3,165,000	2037
2038	305,700		305,700			225,000	3.00%	94,950		5,000	324,950	(19,250)	189,760	2,940,000	2038
2039	305,700		305,700			230,000	3.00%	88,200		5,000	323,200	(17,500)	172,260	2,710,000	2039
2040	305,700		305,700			235,000	3.00%	81,300		5,000	321,300	(15,600)	156,660	2,475,000	2040
2041	305,700		305,700			245,000	3.00%	74,250		5,000	324,250	(18,550)	138,110	2,230,000	2041
2042	305,700		305,700			250,000	3.00%	66,900		5,000	321,900	(16,200)	121,910	1,980,000	2042
2043	305,700		305,700			260,000	3.00%	59,400		5,000	324,400	(18,700)	103,210	1,720,000	2043
2044	305,700		305,700			265,000	3.00%	51,600		5,000	321,600	(15,900)	87,310	1,455,000	2044
2045	305,700		305,700			275,000	3.00%	43,650		5,000	323,650	(17,950)	69,360	1,180,000	2045
2046	305,700		305,700			280,000	3.00%	35,400		5,000	320,400	(14,700)	54,660	900,000	2046
2047	305,700		305,700			290,000	3.00%	27,000		5,000	322,000	(16,300)	38,360	610,000	2047
2048	305,700		305,700			300,000	3.00%	18,300		5,000	323,300	(17,600)	20,760	310,000	2048
2049	305,700		305,700			310,000	3.00%	9,300		5,000	324,300	(18,600)	2,160	0	2049
Total	8,039,910	0	8,039,910	2,558,000	150,000	4,180,000		984,750		0	165,000	8,037,750			Total

## **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. None of the property within the proposed District boundary was annexed during the past three years.

## **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 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

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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 development.

### 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 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 additional housing opportunities that the City needs in order to meet demands of future growth.

## **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.

August 18, 2021

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

RE: **City of River Falls TID #18**

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 #18 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.S**



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

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

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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

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

# City of River Falls, Wisconsin

## Tax Increment District #18

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.

Statement of Taxes Data Year:		2020					Percentage	
	Pierce County					3,995,881		25.43%
	Lake George Rehab District					0		0.00%
	City of River Falls					4,625,182		29.43%
	River Falls School District					6,395,383		40.70%
	Chippewa Valley Technical College					698,006		4.44%
	<b>Total</b>					<b>15,714,452</b>		

Revenue Year	Pierce County	Lake George Rehab District	City of River Falls	River Falls School District	Chippewa Valley Technical College	Total	Revenue Year
2023	23,320	0	26,993	37,324	4,074	91,710	2023
2024	77,734	0	89,976	124,412	13,579	305,700	2024
2025	77,734	0	89,976	124,412	13,579	305,700	2025
2026	77,734	0	89,976	124,412	13,579	305,700	2026
2027	77,734	0	89,976	124,412	13,579	305,700	2027
2028	77,734	0	89,976	124,412	13,579	305,700	2028
2029	77,734	0	89,976	124,412	13,579	305,700	2029
2030	77,734	0	89,976	124,412	13,579	305,700	2030
2031	77,734	0	89,976	124,412	13,579	305,700	2031
2032	77,734	0	89,976	124,412	13,579	305,700	2032
2033	77,734	0	89,976	124,412	13,579	305,700	2033
2034	77,734	0	89,976	124,412	13,579	305,700	2034
2035	77,734	0	89,976	124,412	13,579	305,700	2035
2036	77,734	0	89,976	124,412	13,579	305,700	2036
2037	77,734	0	89,976	124,412	13,579	305,700	2037
2038	77,734	0	89,976	124,412	13,579	305,700	2038
2039	77,734	0	89,976	124,412	13,579	305,700	2039
2040	77,734	0	89,976	124,412	13,579	305,700	2040
2041	77,734	0	89,976	124,412	13,579	305,700	2041
2042	77,734	0	89,976	124,412	13,579	305,700	2042
2043	77,734	0	89,976	124,412	13,579	305,700	2043
2044	77,734	0	89,976	124,412	13,579	305,700	2044
2045	77,734	0	89,976	124,412	13,579	305,700	2045
2046	77,734	0	89,976	124,412	13,579	305,700	2046
2047	77,734	0	89,976	124,412	13,579	305,700	2047
2048	77,734	0	89,976	124,412	13,579	305,700	2048
2049	77,734	0	89,976	124,412	13,579	305,700	2049
	<u>2,044,393</u>	<u>0</u>	<u>2,366,360</u>	<u>3,272,039</u>	<u>357,117</u>	<u>8,039,910</u>	

Notes:

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