

CITY OF WATERLOO, WISCONSIN
Project Plan for the Creation of
Tax Incremental District No. 2



Welcome to the

City of Waterloo, Wisconsin

Preserving the past for a successful future

July 5, 2011

<i>Organizational Joint Review Board Meeting Held:</i>	<i>6/28/11</i>
<i>Public Hearing Held:</i>	<i>6/28/11</i>
<i>Adopted by Plan Commission:</i>	<i>7/14/11</i>
<i>Adopted by Common Council:</i>	<i>7/21/11</i>
<i>Consideration for Approval by the Joint Review Board:</i>	<i>7/27/11</i>

Tax Incremental District No. 2 Creation Project Plan

City of Waterloo Officials

Common Council

Robert H. Thompson	Mayor
Todd C. Forman	Aldersperson, Ward 1
William G. Springer	Aldersperson, Ward 2
Laura Cotting	Aldersperson, Ward 3
Erin Sievert	Aldersperson, Wards 4 & 5
Jeni Quimby	Aldersperson, At Larger
Chris Abell	Aldersperson
Dale Van Holten	Aldersperson

City Staff

Mo Hansen	City Clerk
Timothy Fenner	City Attorney

Plan Commission

Erin Sievert	Eric Seidl
Michael Lannov	Robert Crosby
Vern Butzine	John Lichtenheld
	Mayor Robert Thompson; Chair

Joint Review Board

Mo Hansen	City Representative
Dennis Heling	Jefferson County
Lynn Forseth	Madison Area Technical College District
Connie Schiestl	Waterloo School District
Bill Dovi	Public Member

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EXECUTIVE SUMMARY

DESCRIPTION OF DISTRICT

- Type of District, Size and Location. TID No. 2 is proposed to be created as a rehabilitation district. A map of the proposed District boundaries are located in Section 3 of this plan.
- Estimated Total Project Expenditures. The City anticipates making total project expenditures of approximately \$1,520,000 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in multiple phases. The Expenditure Period of this District is 22 years from the date of adoption of the Creation Resolution by the Common Council. The projects to be undertaken pursuant to this Project Plan are expected to be financed with funds transferred from TID #1 by way of a sharing amendment and general obligation debt issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.
- Economic Development. As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$3,360,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment, and associated values is located in Section 10 of this plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.
- Expected Termination of District. Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2027; 11 years earlier than the 27 year maximum life of this District.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:

- The sites proposed for redevelopment have not seen significant change in value due to possible environmental contamination, obsolete platting, and ownership by multiple parties. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the City that the use of TIF will be required to provide the necessary inducements to encourage development on the sites consistent with that desired by the City.
 - In order to make the areas included within the District suitable for redevelopment, the City will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, infrastructure improvements and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. Due to the extensive initial investment that is required, the City has determined that redevelopment of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, redevelopment of the area is unlikely to occur.
 - Due to its geographic location and market conditions, the City has seen little growth or new investment in the community. Net new construction within the City for the period of 2006 to 2010 has averaged only 0.96%. Absent the use of Tax Increment Financing (TIF), this trend is likely to continue. Use of TIF will provide the City with the means to stimulate new development.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- If approved, the District creation would become effective for valuation purposes as of January 1, 2011. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2011 would be collected by the Tax Increment District and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is

further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can found in Appendix A of this plan.

4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work within the meaning of Section 66.1337(2m)(b) of the Wisconsin Statutes. Furthermore, any property standing vacant for the entire seven years preceding adoption of the Creation Resolution does not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes.
5. Based upon the findings, as stated above, the District is declared to be a rehabilitation district based on the identification and classification of the property included within the district.
6. The project costs relate directly to promoting the rehabilitation of the area consistent with the purpose for which the District is created.
7. The improvements of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately 50% of the territory within the District will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

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TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District No. 2 (the “District”) is being created by the City of Waterloo under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a “Rehabilitation or Conservation District” based upon a finding that at least 50%, by area, of the real property within the District is in need of rehabilitation or conservation work. In Section 5 of this Plan, the City has identified those properties within the District that meet the criteria of “rehabilitation or conservation areas” as defined in State Statutes Section 66.1337(2m)(a) and relies on these characterizations as the basis for making the above finding.

Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes. A calculation demonstrating compliance with this test is found as part of the Preliminary Parcel List in Section 5 of this plan.

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City of Waterloo intends that tax increment financing (TIF) will be used to assure that private development occurs within the District consistent with the City’s development and redevelopment objectives. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote development and redevelopment within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in this Plan relate directly to the rehabilitation or conservation of areas in the District consistent with the purpose for which the District is created.

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

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MAP OF PROPOSED DISTRICT BOUNDARY



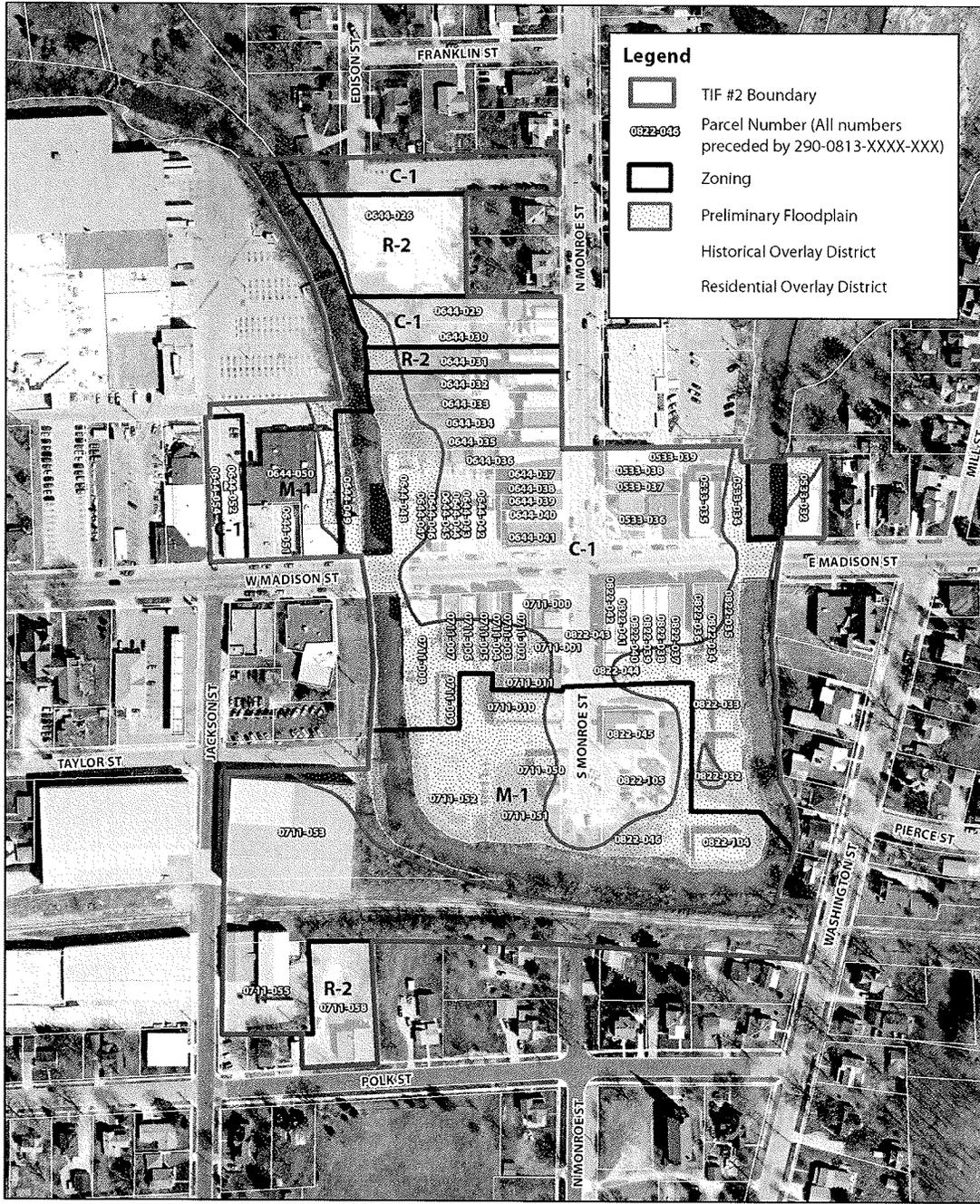
City of Waterloo TIF #2 Boundary
Waterloo, Wisconsin

0 100 200 Feet

SAI
May 2011
Project 1955.19

4

MAP SHOWING EXISTING USES AND CONDITIONS



City of Waterloo TIF #2 Zoning
Waterloo, Wisconsin

0 100 200 Feet

June 2011
Project 1955.19

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PRELIMINARY PARCEL LIST & ANALYSIS

CITY OF WATERLOO

Tax Incremental District No. 2

Preliminary Parcel List

PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	EQUALIZED VALUE	PARCEL ACREAGE	CURRENT ZONING	ACTUAL USE	ACRES DECLARED IN NEED OF REHAB OR CONSERVATION	ACRES VACANT FOR PRECEDING 7 YEARS
29008130533032	203 E MADISON ST	DANIEL KNAPTON	\$26,700.00	\$27,000.00	\$53,700.00	Commercial	\$55,200.00	0.2	C-1	Residential	0.2	0
29008130533034	141 E MADISON ST	JAMES MATHESON	\$23,600.00	\$94,600.00	\$118,200.00	Commercial	\$121,500.00	0.08	C-1	Residential	0.08	0
29008130533035	127 E MADISON ST	BUNKY'S BOWL INC	\$27,400.00	\$154,700.00	\$182,100.00	Commercial	\$187,100.00	0.21	C-1	Commercial	0.21	0
29008130533036	117 E MADISON ST	CITY OF WATERLOO	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.276	C-1	Municipal	0.276	0
29008130533037		CITY OF WATERLOO	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.2	C-1	Municipal	0.2	0
29008130533038	120 N MONROE ST	THOMAS HOTMAR	\$12,300.00	\$77,900.00	\$90,200.00	Commercial	\$92,700.00	0.083	C-1	Commercial	0.083	0
29008130533039	124 N MONROE ST	MILO SILLMAN TRUST	\$15,900.00	\$66,500.00	\$82,400.00	Commercial	\$84,700.00	0.13	C-1	Residential	0.13	0
29008130644026	217 N MONROE ST	RR DONNELLEY	\$53,700.00	\$20,500.00	\$74,200.00	Commercial	\$76,300.00	1.381	C-1	Industrial	1.381	1.381
29008130644029	173 N MONROE ST	JAMES GAUTHIER	\$15,900.00	\$85,200.00	\$101,100.00	Commercial	\$103,900.00	0.31	R-2	Commercial	0.31	0
29008130644030	169 N MONROE ST	FRANKLIN PEOT	\$15,800.00	\$83,000.00	\$98,800.00	Residential	\$101,500.00	0.29	C-1	Residential	0.29	0
29008130644031	163 N MONROE ST	LARRY SILHA	\$25,100.00	\$44,300.00	\$69,400.00	Commercial	\$71,300.00	0.28	R-2	Residential	0.28	0
29008130644032	151 N MONROE ST	COACHES ALLEY LLC	\$21,700.00	\$77,600.00	\$99,300.00	Commercial	\$102,000.00	0.24	C-1	Comm/Res	0.24	0
29008130644033	145 N MONROE ST	JOSEPH MARCEIL	\$19,900.00	\$74,000.00	\$93,900.00	Commercial	\$96,500.00	0.21	C-1	Comm/Res	0.21	0
29008130644034	139 N MONROE ST	MARGO CRONIN TRUST	\$19,900.00	\$49,400.00	\$69,300.00	Commercial	\$71,200.00	0.2	C-1	Commercial	0.2	0
29008130644035	137 N MONROE ST	DENNIS FREDRICK	\$19,900.00	\$73,000.00	\$92,900.00	Commercial	\$95,500.00	0.2	C-1	Commercial	0.2	0
29008130644036	129 N MONROE ST	SELLNOW PROPERTIES LLC	\$19,800.00	\$107,900.00	\$127,700.00	Commercial	\$131,200.00	0.16	C-1	Comm/Res	0.16	0
29008130644037	121 N MONROE ST	BURBACH PROPERTIES LLC	\$11,000.00	\$68,900.00	\$79,900.00	Commercial	\$82,100.00	0.05	C-1	Comm/Res	0.05	0
29008130644038	119 N MONROE ST	BURBACH PROPERTIES LLC	\$11,000.00	\$67,800.00	\$78,800.00	Commercial	\$81,000.00	0.05	C-1	Comm/Res	0.05	0
29008130644039	115 N MONROE ST	JAMES GAUTHIER	\$12,700.00	\$82,700.00	\$95,400.00	Commercial	\$98,000.00	0.05	C-1	Comm/Res	0.05	0
29008130644040	111 N MONROE ST	SCOTT HARTWIG	\$9,400.00	\$93,700.00	\$103,100.00	Commercial	\$106,000.00	0.05	C-1	Comm/Res	0.05	0
29008130644041	103 N MONROE ST	JAMES MUJR	\$19,800.00	\$112,700.00	\$132,500.00	Commercial	\$136,200.00	0.11	C-1	Comm/Res	0.11	0
29008130644042	125 W MADISON ST	AVESTAR CREDIT UNION	\$15,900.00	\$81,300.00	\$97,200.00	Commercial	\$99,900.00	0.098	C-1	Comm/Res	0.098	0
29008130644043		AVESTAR CREDIT UNION	\$8,000.00	\$64,600.00	\$72,600.00	Commercial	\$74,600.00	0.043	C-1	Comm/Res	0.043	0
29008130644044	135 W MADISON ST	135 W MADISON ST LLC	\$8,000.00	\$64,800.00	\$72,800.00	Commercial	\$74,800.00	0.044	C-1	Comm/Res	0.044	0
29008130644045	139 W MADISON ST	MARK SILLMAN	\$11,000.00	\$74,500.00	\$85,500.00	Commercial	\$87,900.00	0.059	C-1	Residential	0.059	0
29008130644046	141 W MADISON ST	JAMES ARCHIE	\$11,700.00	\$75,700.00	\$87,400.00	Commercial	\$89,800.00	0.071	C-1	Residential	0.071	0
29008130644047		IRA ROOD	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.035	C-1	Commercial	0.035	0
29008130644048	151 W MADISON ST	MARY HOTMAR	\$24,800.00	\$98,500.00	\$123,300.00	Commercial	\$126,700.00	0.18	C-1	Comm/Res	0.18	0
29008130644049	203 W MADISON ST	RUTHLESS LLC	\$19,000.00	\$81,100.00	\$100,100.00	Commercial	\$102,900.00	0.14	C-1	Comm/Res	0.14	0
29008130644050	213 W MADISON ST	HART FAMILY LIMITED PARTNERSHIP	\$34,900.00	\$110,000.00	\$144,900.00	Commercial	\$148,900.00	0.802	M-1	Commercial	0.802	0
29008130644051	220 W MADISON ST	HART FAMILY LIMITED PARTNERSHIP	\$9,700.00	\$0.00	\$9,700.00	Commercial	\$10,000.00	0.089	M-1	Commercial	0.089	0.089
29008130644052	241 W MADISON ST	EHLEN LIMITED PARTNERSHIP	\$22,800.00	\$76,500.00	\$99,300.00	Commercial	\$102,000.00	0.19	M-1	Commercial	0.19	0
29008130644054		CITY OF WATERLOO	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.117	M-1	Municipal	0.117	0
29008130711000	104 W MADISON ST	LARRY OTTESON	\$12,400.00	\$34,800.00	\$47,200.00	Commercial	\$48,500.00	0.077	C-1	Commercial	0.077	0
29008130711001	115 S MONROE ST	VFW KRAUSE-LANGER POST	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.047	C-1	Commercial	0.047	0

CITY OF WATERLOO

**Tax Incremental District No. 2
Preliminary Parcel List**

PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	EQUALIZED VALUE	PARCEL ACREAGE	CURRENT ZONING	ACTUAL USE	ACRES DECLARED IN NEED OF REHAB OR CONSERVATION	ACRES VACANT FOR PRECEDING 7 YEARS
29008130711002	112 W MADISON ST	JOSEPH JAEHNKE	\$14,200.00	\$65,200.00	\$79,400.00	Commercial	\$81,600.00	0.09	C-1	Comm/Res	0.09	0
29008130711003	118 W MADISON ST	BURBACH TRUST	\$10,200.00	\$41,500.00	\$51,700.00	Commercial	\$53,100.00	0.063	C-1	Residential	0.063	0
29008130711004	120 W MADISON ST	WILLIAM SPRINGER	\$6,100.00	\$23,500.00	\$29,600.00	Commercial	\$30,400.00	0.036	C-1	Commercial	0.036	0
29008130711005	122 W MADISON ST	THOMAS HOTMAR	\$13,300.00	\$47,300.00	\$60,600.00	Commercial	\$62,300.00	0.083	C-1	Residential	0.083	0
29008130711006	130 W MADISON ST	LARRY WALDO	\$11,900.00	\$72,900.00	\$84,800.00	Commercial	\$87,100.00	0.074	C-1	Residential	0.074	0
29008130711007	132 W MADISON ST	STEVEN LUCHSINGER	\$13,200.00	\$75,400.00	\$88,600.00	Commercial	\$91,000.00	0.081	C-1	Comm/Res	0.081	0
29008130711008	144 W MADISON ST	PYRAMID HOLDING CO LLC	\$34,500.00	\$122,400.00	\$156,900.00	Commercial	\$161,200.00	0.3	C-1	Commercial	0.3	0
29008130711009		MARY HOTMAR	\$4,600.00	\$10,900.00	\$15,500.00	Commercial	\$15,900.00	0.057	C-1	Commercial	0.057	0
29008130711010	123 S MONROE ST	JAMES GAUTHIER	\$30,700.00	\$124,000.00	\$154,700.00	Commercial	\$159,000.00	0.25	M-1	Commercial	0.25	0
29008130711011	121 S MONROE ST	LINDA NORTON	\$13,500.00	\$99,600.00	\$113,100.00	Commercial	\$116,200.00	0.1	C-1	Comm/Res	0.1	0
29008130711050	203 S MONROE ST	JAMES GAUTHIER	\$7,100.00	\$5,900.00	\$13,000.00	Commercial	\$13,400.00	0.054	M-1	Commercial	0.054	0.054
29008130711051	211 S MONROE ST	JAMES GAUTHIER	\$15,200.00	\$3,500.00	\$18,700.00	Commercial	\$19,200.00	0.307	M-1	Commercial	0.307	0.307
29008130711052		CITY OF WATERLOO	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.31		Municipal	0.31	0
29008130711053	200 JACKSON ST	RR DONNELLY	\$24,300.00	\$462,600.00	\$486,900.00	Manufacturing	\$500,400.00	1	M-1	Industrial	1	0
29008130711055	268 JACKSON ST	TREK BICYCLE CORPORATION	\$17,700.00	\$115,000.00	\$132,700.00	Manufacturing	\$136,400.00	0.52	M-1	Industrial	0.52	0
29008130711058	205 W POLK ST	GENERAL TELEPHONE CO	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.49	M-1	Industrial	0.49	0
29008130822032	186 SCHULTZ ST	JOHN FORWARD	\$12,700.00	\$27,700.00	\$40,400.00	Commercial	\$41,500.00	0.267	M-1	Industrial	0.267	0
29008130822033	174 SCHULTZ ST	MARK HURLEY	\$9,600.00	\$20,000.00	\$29,600.00	Commercial	\$30,400.00	0.158	M-1	Commercial	0.158	0
29008130822034	130 E MADISON ST	MARK HURLEY	\$10,600.00	\$78,100.00	\$88,700.00	Commercial	\$91,200.00	0.109	C-1	Commercial	0.109	0
29008130822035	134 E MADISON ST	GREGORY BOWERS	\$10,600.00	\$63,400.00	\$74,000.00	Commercial	\$76,000.00	0.07	C-1	Comm/Res	0.07	0
29008130822036	126 E MADISON ST	MARK HURLEY	\$8,600.00	\$50,200.00	\$58,800.00	Commercial	\$60,400.00	0.045	C-1	Commercial	0.045	0
29008130822037	120 E MADISON ST	MT BAR LLC	\$15,200.00	\$81,400.00	\$96,600.00	Commercial	\$99,300.00	0.1	C-1	Comm/Res	0.1	0
29008130822038	116 E MADISON ST	MICROGRAPHICS INC	\$11,100.00	\$75,600.00	\$86,700.00	Commercial	\$89,100.00	0.072	C-1	Commercial	0.072	0
29008130822039	112 E MADISON ST	HUBRED PROPERTIES LLC	\$11,700.00	\$69,900.00	\$81,600.00	Commercial	\$83,900.00	0.075	C-1	Comm/Res	0.075	0
29008130822040	108 E MADISON ST	HUBRED PROPERTIES LLC	\$11,700.00	\$80,100.00	\$91,800.00	Commercial	\$94,300.00	0.075	C-1	Comm/Res	0.075	0
29008130822041	104 E MADISON ST	NICHOLAS SHARROW	\$10,300.00	\$76,500.00	\$86,800.00	Commercial	\$89,200.00	0.06	C-1	Comm/Res	0.06	0
29008130822042	100 E MADISON ST	HILARY SCHROEDER	\$5,600.00	\$106,500.00	\$112,100.00	Commercial	\$115,200.00	0.02	C-1	Comm/Res	0.02	0
29008130822043	114 S MONROE ST	HIGH ENERGY REAL ESTATE LLC	\$4,400.00	\$42,300.00	\$46,700.00	Commercial	\$48,000.00	0.01	C-1	Commercial	0.01	0
29008130822044	122 S MONROE ST	THOMAS BUSSAN	\$8,600.00	\$35,300.00	\$43,900.00	Commercial	\$45,100.00	0.048	C-1	Commercial	0.048	0
29008130822045		MARK HURLEY	\$8,400.00	\$40,300.00	\$48,700.00	Commercial	\$50,000.00	0.166	M-1	Commercial	0.166	0
29008130822046		WEPCO	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.16	M-1	Industrial	0.16	0
29008130822104	198 SCHULTZ ST	JAMES GAUTHIER	\$9,200.00	\$33,900.00	\$43,100.00	Commercial	\$44,300.00	0.163	M-1	Commercial	0.163	0
29008130822105		CITY OF WATERLOO	\$0.00	\$0.00	\$0.00	Excluded/Other	\$0.00	0.353	M-1	Municipal	0.353	0
							0					
SUBTOTAL PERSONAL PROPERTY >							0	NA	NA	Personal Property	NA	NA
							5,445,000	12.518			12.518	1.831
							ESTIMATED BASE VALUE	TOTAL DISTRICT ACREAGE	TOTAL CONS./REHAB. ACREAGE		TOTAL VACANT FOR PRECEDING 7 YEARS	
							2011	Percent of Total District Acreage	100.000%		14.627%	



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EQUALIZED VALUE TEST

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing Tax Incremental Districts within the City, plus the base value of the proposed District, totals \$18,066,195. This value is less than the maximum of \$25,465,558 in equalized value that is permitted for the City of Waterloo. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

<i>City of Waterloo, WI</i>			
Tax Increment District No. 2			
Valuation Test Compliance Calculation			
Anticipated Creation Date:	7/7/2011	Valuation Data	
Property Appreciation Factor:	5.00%	Establishing 12% Limit	Based on Anticipated
		Currently Available	Creation Date
		ACTUAL	ESTIMATED
		ESTIMATED	ESTIMATED
		2010	2011
		2012	2012
As of January 1,		202,107,600	212,212,980
Total Equalized Value (TID IN)		24,252,912	25,465,558
Limit for 12% Test			
Increment Value of Existing TID's			
TID No. 1 Increment		11,760,900	12,348,945
Total Existing Increment		11,760,900	12,348,945
Projected Base Value of New District		5,445,000	5,717,250
Existing TID New Construction Factor			
TOTAL VALUE SUBJECT TO TEST/LIMIT		17,205,900	18,066,195
COMPLIANCE		PASS	PASS
			18,352,058
			PASS
			129.42%
			Percentage Increase in Base Value at Which EV Test will Fail





7

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

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

PROPERTY, RIGHT-OF-WAY AND EASEMENT ACQUISITION

- **PROPERTY ACQUISITION FOR REDEVELOPMENT.** In order to promote and facilitate redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for redevelopment or to benefit adjacent properties. 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 redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in State Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.
- **RELOCATION COSTS.** If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

SITE PREPARATION ACTIVITIES

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** 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.** In order to make sites suitable for redevelopment, 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.** Expenses incurred by the City for site grading and paving are eligible Project Costs.

UTILITIES

- **SANITARY SEWER, WATER SYSTEM AND STORMWATER MANAGEMENT SYSTEM IMPROVEMENTS.** To allow redevelopment to occur, the City may need to construct, alter, rebuild or expand infrastructure relating to sanitary sewer, water system and the stormwater management system within the District. All costs related to, construction, alteration, rebuilding or expansion of the infrastructure listed area eligible Project Costs.
- **ELECTRIC AND GAS SERVICE.** In order to create sites suitable for redevelopment, the City may incur costs to provide, relocate or upgrade electric services, gas mains and gas services. Costs incurred by the City to undertake this work are eligible Project Costs.
- **COMMUNICATIONS INFRASTRUCTURE.** In order to create sites suitable redevelopment, 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.** There are inadequate street improvements serving the District. To allow redevelopment 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; utility relocation, to include burying overhead utility lines; street lighting; installation of retaining walls; and installation of fences, berms, and landscaping.
- **STREETSCAPING AND LANDSCAPING.** In order to attract redevelopment 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, signage and similar items. These and any other similar amenities are eligible Project Costs.

PROGRAM ACTIVITIES

- **REVOLVING LOAN/GRANT PROGRAM.** To encourage private redevelopment consistent with the objectives of this Plan, the City will provide loans and/or matching grants for use on properties in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, attract desired tenants, enhance the visual appearance of the property and surrounding area or correct safety deficiencies. Any funds provided for purposes of implementing this program are considered eligible Project Costs.

- **SUBSIDIZING PRIVATE INVESTMENT AS PART OF A COUNTY, STATE OR FEDERAL PROGRAM AWARD.** To encourage private redevelopment consistent with the objectives of this Plan, the City may enter into agreements with property owners, lessees, or developers of land or property located within the District for the purposes of providing a cash grant incentive for a property owner, lessees or developer successfully being awarded a grant or loan for redevelopment consistent with the Plan. Any payments to subsidize private investment as part of a County, State or Federal Program award are eligible Project Costs.
- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

MISCELLANEOUS

- **PROJECTS OUTSIDE THE TAX INCREMENT DISTRICT.** Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. These costs may include parking, riverfront redevelopment, pedestrian trails and signage.
- **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; FEMA Letter of Map Amendment Process; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.
- **ADMINISTRATIVE COSTS.** The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees in connection with the implementation of the Plan.
- **FINANCING COSTS.** Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

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

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

recognized bond counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan (the "Plan").

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

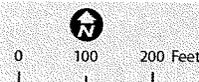
Project costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan. Project costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the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

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MAP SHOWING PROPOSED IMPROVEMENTS AND USES



City of Waterloo TIF #2 Projects
Waterloo, Wisconsin



SAI
June 2011
Project 1555.19

9

DETAILED LIST OF PROJECT COSTS

All costs are based on 2011 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2011 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

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

PROPOSED TIF PROJECT COST ESTIMATES

Projects	Phase I	Phase II	Phase III	Future Phases	Total
	2012	2013	2014	Various	
Development Incentives (Cash Grants)	130,000	200,000	130,000	660,000	1,120,000
Downtown Property Improvements	80,000				80,000
Signage and Way finding	15,000				15,000
Riverfront/Parking Improvements	130,000				130,000
(parkinglot/walkway including acquisition & demolition)					0
Professional Services	50,000				50,000
Utility Improvements					0
(could include: Streets, Water, Sewer, Stormwater, Gas& Elec & Communication)	100,000				100,000
TID Creation and Administration	25,000				25,000
Subtotal Needed for Projects	530,000	200,000	130,000	660,000	1,520,000

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

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

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects in one or more phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to incur is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

AVAILABLE FINANCING METHODS

Implementation of this Plan will require that the City issue obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values). The tables on page 22 provide a calculation of the City’s current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the City’s equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects future valuation of the City using the average annual percentage of valuation growth experienced between 2006 and 2010. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2006 and 2010. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City,

demonstrating that the City will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

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

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and therefore do not count against the City’s borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a Lease Revenue Bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City’s borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of the sewer and/or water systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond underwriters its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment “B” Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue special assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City’s G.O. debt limit. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

EQUALIZED VALUATION PROJECTION



Preserving the past for a successful future
City of Waterloo, Wisconsin



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Projection of General Obligation Debt Borrowing Capacity

Table 1 - Projection of Growth in Equalized Value (TID IN)

----PERCENTAGE METHOD----			--STRAIGHT LINE METHOD--		
HISTORICAL DATA					
2006	200,796,300		2006	200,796,300	
2007	202,696,800		2007	202,696,800	
2008	203,681,200		2008	203,681,200	
2009	203,494,800		2009	203,494,800	
2010	202,107,600	0.16%	2010	202,107,600	327,825
PROJECTED VALUATIONS					
2011	202,437,566	0.16%	2011	202,435,425	0.16%
2012	202,768,070	0.16%	2012	202,763,250	0.16%
2013	203,099,115	0.16%	2013	203,091,075	0.16%
2014	203,430,699	0.16%	2014	203,418,900	0.16%
2015	203,762,825	0.16%	2015	203,746,725	0.16%
2016	204,095,493	0.16%	2016	204,074,550	0.16%
2017	204,428,705	0.16%	2017	204,402,375	0.16%
2018	204,762,460	0.16%	2018	204,730,200	0.16%
2019	205,096,760	0.16%	2019	205,058,025	0.16%

Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)

BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY
2011	202,107,600	10,105,380	5,450,386	4,654,994
2012	202,435,425	10,121,771	4,982,993	5,138,778
2013	202,763,250	10,138,163	4,435,854	5,702,308
2014	203,091,075	10,154,554	3,957,775	6,196,779
2015	203,418,900	10,170,945	3,523,633	6,647,312
2016	203,746,725	10,187,336	3,073,151	7,114,185
2017	204,074,550	10,203,728	2,611,121	7,592,607
2018	204,402,375	10,220,119	2,122,082	8,098,036
2019	204,730,200	10,236,510	1,626,510	8,610,000
2020	205,058,025	10,252,901	1,121,103	9,131,798
2021	205,385,850	10,269,293	775,000	9,494,293
2022	205,713,675	10,285,684	390,000	9,895,684
2023	206,041,500	10,302,075		10,302,075
2024	206,369,325	10,318,466		10,318,466
2025	206,697,150	10,334,858		10,334,858
2026	207,024,975	10,351,249		10,351,249
2027	207,352,800	10,367,640		10,367,640
2028	207,680,625	10,384,031		10,384,031
2029	208,008,450	10,400,423		10,400,423
2030	208,336,275	10,416,814		10,416,814
2031	208,664,100	10,433,205		10,433,205
2032	208,991,925	10,449,596		10,449,596

PLAN IMPLEMENTATION

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

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

IMPLEMENTATION & FINANCING TIMELINE

	Cash Financed	Cash Financed	Cash Financed	Cash Financed	Total Project Costs
	2012/Phase I	2013/Phase II	2014/Phase III	Various Phases	All Phases
Projects					
Development Incentives (Cash Grants)	130,000	200,000	130,000	660,000	1,120,000
Downtown Property Improvements	80,000	0	0	0	80,000
Signage and Way finding	15,000	0	0	0	15,000
Riverfront/Parking Improvements	130,000	0	0	0	130,000
(parkinglot/walkway including acquisition & demolition)	0	0	0	0	0
Professional Services	50,000	0	0	0	50,000
Utility Improvements	0	0	0	0	0
(could include: Streets, Water, Sewer, Stormwater, Gas & Elec & Co	100,000	0	0	0	100,000
TID Creation and Administration	25,000	0	0	0	25,000
Subtotal Needed for Projects	530,000	200,000	130,000	660,000	1,520,000
Total Financing Required	530,000	200,000	130,000	660,000	



City of Waterloo, WI
Tax Increment District No. 2
Estimated Project Costs & Financing Plan



DEVELOPMENT ASSUMPTIONS

 <small>Creating the path for tomorrow's success</small> City of Waterloo, WI Tax Increment District No. 2 Development Assumptions		
Construction Year	Downtown Redevelopment	Annual Total
2011		0
2012		0
2013	390,000	390,000
2014	600,000	600,000
2015	390,000	390,000
2016	150,000	150,000
2017	0	0
2018	0	0
2019	300,000	300,000
2020	0	0
2021	0	0
2022	300,000	300,000
2023	0	0
2024	450,000	450,000
2025	0	0
2026	450,000	450,000
2027	0	0
2028	330,000	330,000
2029	0	0
2030		0
2031		0
2032		0
2033		0
2034		0
2035		0
2036		0
2037		0
TOTALS	3,360,000	3,360,000
NOTES:		



INCREMENT REVENUE PROJECTIONS

City of Waterloo, WI

Tax Increment District No. 2 Tax Increment Projection Worksheet

Type of District: **Rehabilitation**

Anticipated Creation Date: **7/7/2011**

Valuation Date: **Jan. 1, 2011**

Maximum Life (In Years): **27**

Expenditure Period (In Years): **22**

Revenue Periods/Final Rev Year: **27 | 2039**

End of Expenditure Period: **7/7/2033**

Latest Termination Date: **7/7/2038**

Eligible for Extension/No. of Years: **Yes | 3**

Eligible Recipient District: **Yes**

Projected Base Value: **5,445,000**

Pre-Amendment Base Value (Actual): **NA**

Property Appreciation Factor: **0.50%**

Current Tax Rate (Per \$1,000 EV): **\$24.33**

Tax Rate Adjustment Factor (Next 2 Years): **0.00%**

Tax Rate Adjustment Factor (Following 2 Years): **0.00%**

Tax Rate Adjustment Factor (Thereafter): **0.00%**

Discount Rate 1 for NPV Calculation: **5.00%**

Discount Rate 2 for NPV Calculation: **7.00%**

Apply Inflation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	
1	2011	0	2012	27,225	27,225	2013	24.33	662
2	2012	0	2013	27,361	54,586	2014	24.33	1,328
3	2013	390,000	2014	27,498	472,084	2015	24.33	11,484
4	2014	600,000	2015	29,585	1,101,669	2016	24.33	26,800
5	2015	390,000	2016	32,733	1,524,403	2017	24.33	37,084
6	2016	150,000	2017	34,847	1,709,250	2018	24.33	41,581
7	2017	0	2018	35,771	1,745,021	2019	24.33	42,451
8	2018	0	2019	35,950	1,780,971	2020	24.33	43,325
9	2019	300,000	2020	36,130	2,117,101	2021	24.33	51,502
10	2020	0	2021	37,811	2,154,912	2022	24.33	52,422
11	2021	0	2022	38,000	2,192,911	2023	24.33	53,347
12	2022	300,000	2023	38,190	2,531,101	2024	24.33	61,574
13	2023	0	2024	39,881	2,570,981	2025	24.33	62,544
14	2024	450,000	2025	40,080	3,061,061	2026	24.33	74,466
15	2025	0	2026	42,530	3,103,591	2027	24.33	75,500
16	2026	450,000	2027	42,743	3,596,334	2028	24.33	87,487
17	2027	0	2028	45,207	3,641,541	2029	24.33	88,587
18	2028	330,000	2029	45,433	4,016,974	2030	24.33	97,720
19	2029	0	2030	47,310	4,064,284	2031	24.33	98,871
20	2030	0	2031	47,546	4,111,830	2032	24.33	100,028
21	2031	0	2032	47,784	4,159,614	2033	24.33	101,190
22	2032	0	2033	48,023	4,207,637	2034	24.33	102,358
23	2033	0	2034	48,263	4,255,900	2035	24.33	103,532
24	2034	0	2035	48,505	4,304,405	2036	24.33	104,712
25	2035	0	2036	48,747	4,353,152	2037	24.33	105,898
26	2036	0	2037	48,991	4,402,143	2038	24.33	107,090
27	2037	0	2038	49,236	4,451,378	2039	24.33	108,288
		3,360,000		1,091,378				1,841,832

Future Value of Increment: **1,841,832**



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City of Waterloo, Wisconsin
Preparing the path for a successful future

CASH FLOW

City of Waterloo, WI				EHLERS PUBLIC FINANCE		Welcome to the City of Waterloo, Wisconsin		Preserving the past for a successful future			
Tax Increment District No. 2 Cash Flow Pro Forma											
Year	Revenues				Expenditures			Balances		Project Cost Principal Outstanding	Year
	Tax Increments	Investment Earnings	Revenue Sharing from TID #1	Total Revenues	Project Costs	Admin Expenses	Total Expenditures	Annual	Cumulative		
		1.00%									
2011		0		0			0	0	0	0	2011
2012		0	790,000	790,000	530,000	3,000	533,000	257,000	257,000	0	2012
2013	662	2,570	70,000	73,232	200,000	3,090	203,090	(129,858)	127,142	0	2013
2014	1,328	1,271	55,000	57,599	130,000	3,183	133,183	(75,583)	51,559	0	2014
2015	11,484	516	42,000	54,000	50,000	3,278	53,278	722	52,281	0	2015
2016	26,800	523	38,000	65,323		3,377	3,377	61,946	114,227	0	2016
2017	37,084	1,142	28,000	66,226		3,478	3,478	62,748	176,975	0	2017
2018	41,581	1,770	28,000	71,350	100,000	3,582	103,582	(32,232)	144,743	0	2018
2019	42,451	1,447	27,000	70,898		3,690	3,690	67,209	211,952	0	2019
2020	43,325	2,120	22,000	67,445		3,800	3,800	63,645	275,597	0	2020
2021	51,502	2,756	23,000	77,258	100,000	3,914	103,914	(26,656)	248,940	0	2021
2022	52,422	2,489	25,000	79,911		4,032	4,032	75,880	324,820	0	2022
2023	53,347	3,248	93,000	149,595	150,000	4,153	154,153	(4,558)	320,262	0	2023
2024	61,574	3,203	93,000	157,776		4,277	4,277	153,499	473,761	0	2024
2025	62,544	4,738	93,000	160,281	150,000	4,406	154,406	5,876	479,637	0	2025
2026	74,466	4,796	93,000	172,262		4,538	4,538	167,724	647,361	0	2026
2027	75,500	6,474	0	81,974	110,000	4,674	114,674	(32,700)	614,661	0	2027
2028	87,487	6,147	0	93,634		4,814	4,814	88,820	703,481	0	2028
2029	88,587	7,035		95,622		4,959	4,959	90,663	794,145	0	2029
2030	97,720	7,941		105,662		5,107	5,107	100,554	894,699	0	2030
2031	98,871	8,947		107,818		5,261	5,261	102,557	997,256	0	2031
2032	100,028	9,973		110,000		5,418	5,418	104,582	1,101,838	0	2032
2033	101,190	11,018		112,208		5,581	5,581	106,628	1,208,466	0	2033
2034	102,358	12,085		114,443		5,748	5,748	108,695	1,317,160	0	2034
2035	103,532	13,172		116,704		5,921	5,921	110,783	1,427,944	0	2035
2036	104,712	14,279		118,992		6,098	6,098	112,893	1,540,837	0	2036
2037	105,898	15,408		121,307		6,281	6,281	115,025	1,655,862	0	2037
2038	107,090	16,559		123,649		6,470	6,470	117,179	1,773,041	0	2038
2039	108,288	17,730		126,018		6,664	6,664	119,354	1,892,396	0	2039
Total	1,841,832	179,356	1,520,000	3,541,188	1,520,000	128,793	1,648,793	1,892,396			
NOTES:										Projected TID Closure	

11 ANNEXED PROPERTY

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

12 ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin State Statutes the City estimates that 50% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

13 PROPOSED CHANGES IN ZONING ORDINANCES

The City of Waterloo anticipates that a portion of the District will be rezoned prior to development.

14 PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF WATERLOO ORDINANCES

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

15 RELOCATION

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

In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable state statutes as required in Wisconsin Statutes chapter 32.

16 ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF WATERLOO

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

17 A LIST OF ESTIMATED NON-PROJECT COSTS

Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds. Examples would include:

- 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.

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

18

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



AXLEY BRYNELSON, LLP

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Timothy D. Fenner
tfenner@axley.com
608.283.6733

July 21, 2011

Mayor Robert Thompson
City of Waterloo
135 North Monroe Street
Waterloo, WI 53594-1198

Re: Waterloo Tax Incremental District No. 2
Our File: 11110.52281-1

Dear Mayor Thompson:

As City Attorney for the City of Waterloo, I have reviewed the Project Plan for the above District; and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Section 66.1105(4)(f), Wis. Stats.

Sincerely,

AXLEY BRYNELSON, LLP

Attorney Timothy D. Fenner
City of Waterloo
TDF/avr

cc: Ehlers & Associates, Inc.
Attn: Phillip L. Cosson, V.P.

Mo Hansen, Clerk-Treasurer
City of Waterloo

EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS

Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

Revenue Year	City	County	School District	Tech College	Total
	37.50%	16.66%	39.78%	6.06%	
2013	248	110	263	40	662
2014	4,147	1,842	4,399	670	11,059
2015	6,696	2,975	7,104	1,083	17,858
2016	16,100	7,153	17,080	2,603	42,936
2017	20,306	9,021	21,542	3,283	54,152
2018	29,778	13,229	31,591	4,814	79,412
2019	34,965	15,533	37,093	5,652	93,243
2020	48,159	21,395	51,090	7,785	128,429
2021	52,753	23,436	55,964	8,528	140,680
2022	53,265	23,663	56,507	8,611	142,046
2023	53,780	23,892	57,053	8,694	143,419
2024	54,297	24,122	57,602	8,778	144,798
2025	54,817	24,353	58,153	8,862	146,184
2026	55,339	24,585	58,707	8,946	147,578
2027	55,864	24,818	59,264	9,031	148,978
2028	56,392	25,053	59,824	9,116	150,385
2029	56,922	25,288	60,387	9,202	151,799
2030	57,455	25,525	60,952	9,288	153,220
2031	57,991	25,763	61,520	9,375	154,649
2032	58,529	26,002	62,091	9,462	156,084
2033	59,070	26,242	62,665	9,549	157,527
2034	59,614	26,484	63,242	9,637	158,977
2035	60,160	26,727	63,822	9,726	160,434
2036	60,709	26,971	64,404	9,814	161,899
2037	61,261	27,216	64,990	9,904	163,371
2038	61,816	27,462	65,578	9,993	164,850
2039	62,373	27,710	66,170	10,083	166,336
	1,252,805	556,570	1,329,059	202,531	3,340,966

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