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LEADERS IN PUBLIC FINANCE

January 27, 2015

Project Plan for the Creation of Tax Incremental District No. 4



Welcome to the

Preserving the past for a successful future

City of Waterloo, Wisconsin

Organizational Joint Review Board Meeting Held:	November 20, 2013
Public Hearing Held:	November 20, 2013
Adoption by Plan Commission:	November 20, 2013
Adoption by Common Council:	December 5, 2013
Approval by the Joint Review Board:	Scheduled for December 18, 2013

Tax Incremental District No. 4 Creation Project Plan

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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 4 (the “TID” or “District”) is proposed to be created by the City of Waterloo (“City”) as a mixed-use district. A map of the proposed District boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures.

The City anticipates making total project expenditures of approximately \$325,000 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 15 years from the date of adoption of the authorizing Resolution of the Common Council (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with 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 total project financing, is located in Section 10 of this plan.

Economic Development

As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$1,150,000 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 2034, requiring the maximum life of this District.

Summary of Findings

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

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:
 - Some of the sites proposed for development and/or redevelopment have remained vacant for several years due to lack of adequate infrastructure. 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 Tax Incremental Financing (“TIF”) will be required to provide the necessary infrastructure and 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 development and/or redevelopment, the City will need to make a substantial investment to pay for the costs of: development incentive payments, façade, grants and loans, and other associated costs. Due to the extensive initial investment in public infrastructure and/or rehabilitation that is required in order to allow development and/or redevelopment to occur, the City has determined that development and/or redevelopment of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development and/or 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 2008 to 2013 has averaged only .42%, while Jefferson County has average .81%. The City of Waterloo has had lower than the County’s average net new construction 7 out of the last 8 years. 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.
 - The grocery store expansion as expected to occur is likely to generate a minimum of three jobs.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- If approved, the District’s creation would become effective for valuation purposes as of January 1, 2014. 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, 2014 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.

4. Not less than 50% by area of the real property within the District is suitable for a combination of commercial and residential uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). There is no lands proposed for newly platted residential development at this time, if a development opportunity for residential development should present itself, in no event will exceed 35% by area of the real property within the District. Any project costs related to newly platted residential development are eligible expenditures based on the finding that the development has a residential housing density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.
5. Based upon the findings, as stated above, the District is declared to be a mixed-use District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately 33 % of the territory within the District will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

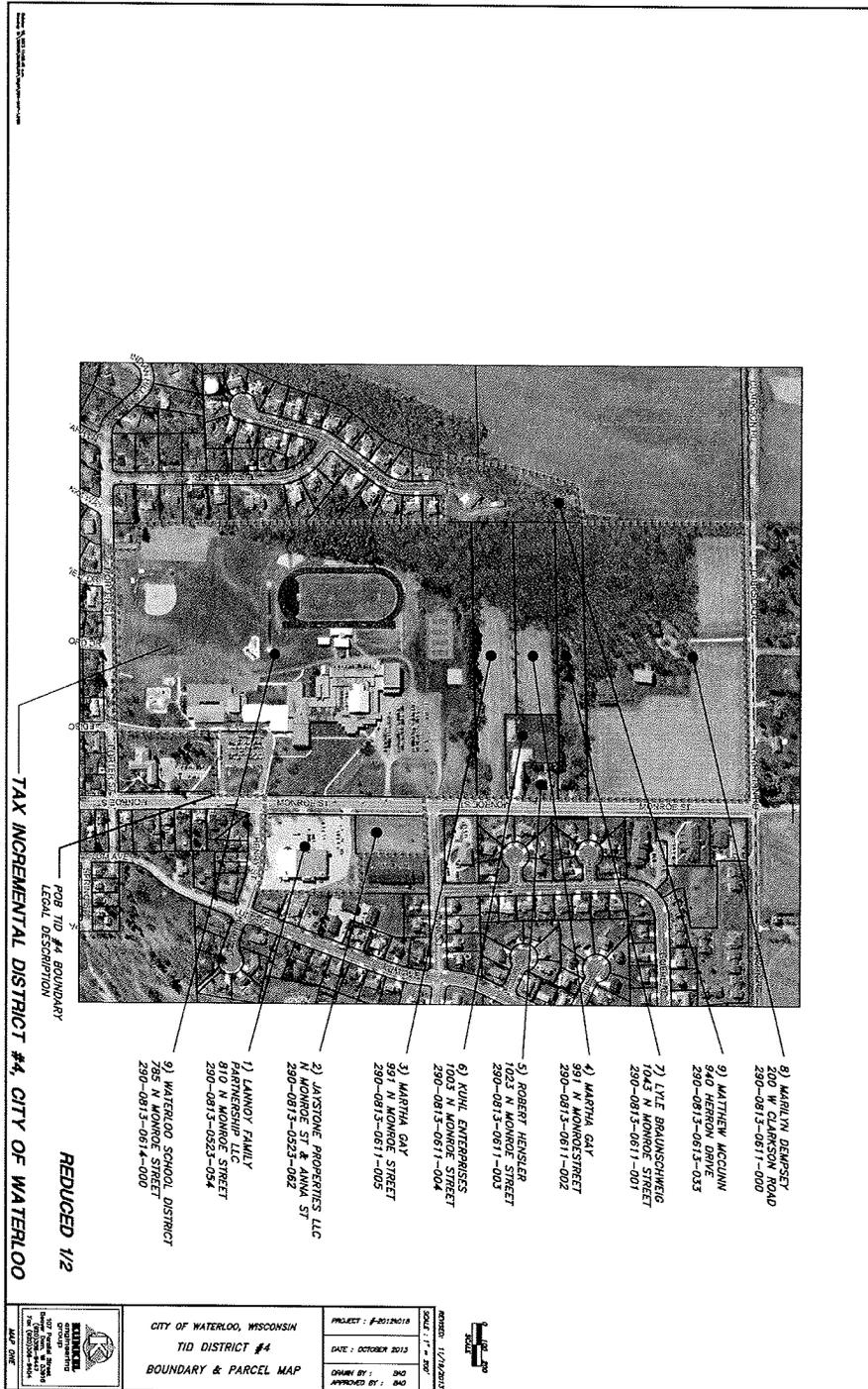
SECTION 2: Type and General Description of District

The District is being created by the City under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of industrial, commercial and residential uses as defined within the meaning of Wisconsin Statutes Section 66.1105(2)(cm) (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test). Lands proposed for newly platted residential development comprise 0% of the area of the District. To the extent that project costs will be incurred by the City for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.

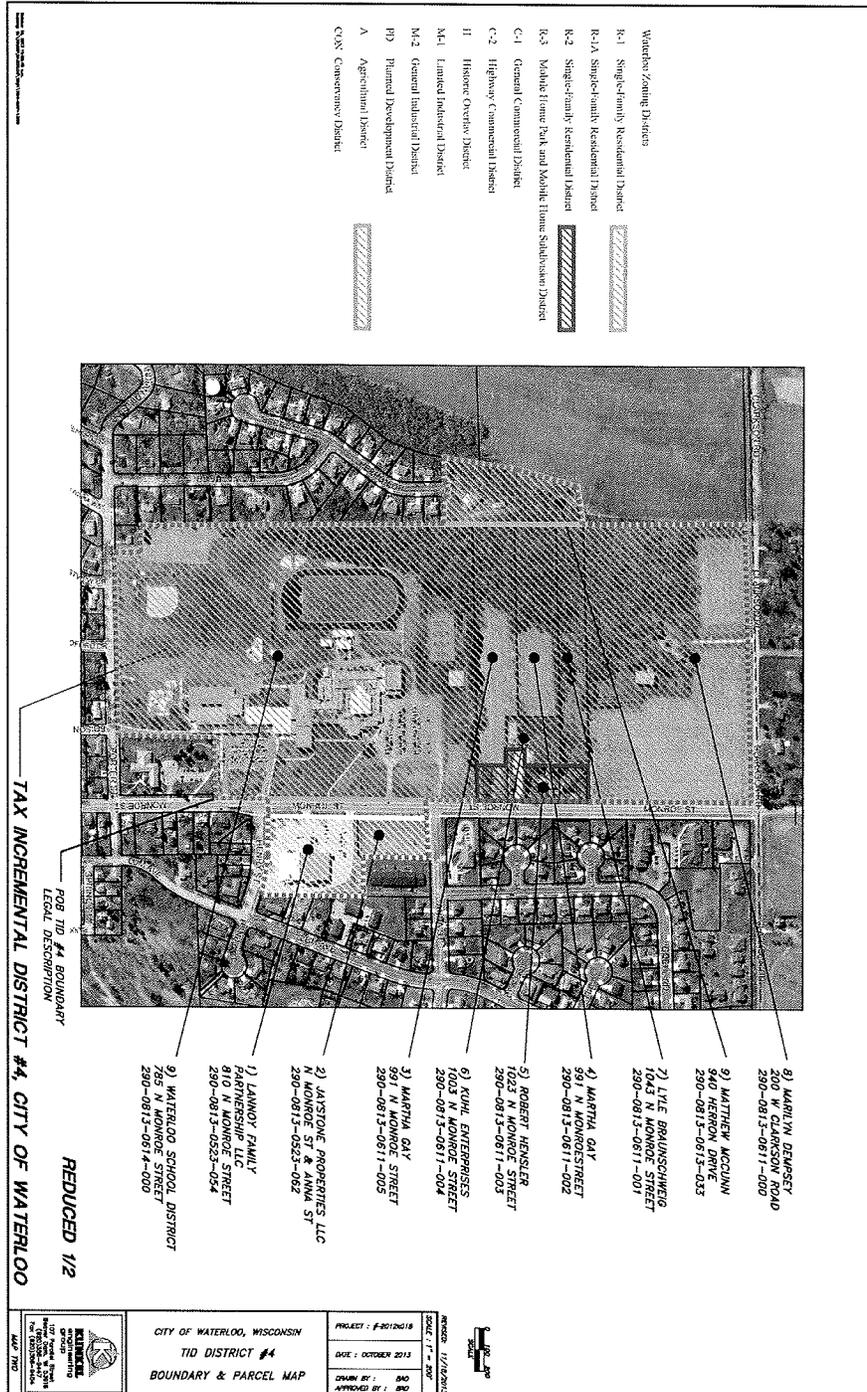
A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that a combination of private industrial, commercial and residential development occurs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

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

SECTION 3: Map of Proposed District Boundary



SECTION 4: Map Showing Existing Uses and Conditions



SECTION 5: Preliminary Parcel List and Analysis

City of Waterloo, WI
Tax Increment District No. 4
Preliminary Parcel List

MAP REF. #	PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	EQUALIZED VALUE	PARCEL ACREAGE	CURRENT ZONING	ACTUAL USE	ACRES ZONED OR PLANNED FOR COMMERCIAL/BUSINESS USE	ACRES ZONED OR PLANNED FOR RESIDENTIAL USE (EXISTING OR PLATTED)	ACRES ZONED OR PLANNED FOR NEWLY PLATTED RESIDENTIAL DEVELOPMENT	ACRES SUITABLE FOR MIXED USE DEVELOPMENT
	29008130523054	810 N MONROE STREET	LANNYO FAMILY PARTNERSHIP LLC	165,900	51,800	953,000	1,004,800	1,018,400	3.701	C1		3.701			3.701
	29008130523062	N MONROE ST OR ANNA ST	JAYSTONE PROPERTIES LLC	NA	34,900	NA	34,900	35,400	1.400	C1		1.400			1.400
	29008130611005	991 N MONROE STREET	MARTHA GAY	NA	30,100	NA	30,100	30,500	5.350	R2 & AG	AG		5.350		5.350
	29008130611002	991 N MONROE STREET	MARTHA GAY	NA	30,200	NA	30,200	30,600	4.320	R2 & AG	AG		4.320		4.320
	29008130611003	1023 N MONROE STREET	ROBERT HENSLER	NA	33,500	105,800	139,300	141,200	0.587	R2			0.587		0.587
	29008130611004	1003 N MONROE STREET	KUHL ENTERPRISES	NA	35,500	93,500	129,000	130,800	1.650	R2 & AG		1.650			1.650
	29008130611001	1043 N MONROE STREET	LYLE BRAUNSCHWEIG	NA	29,500	120,800	150,300	152,300	4.070	R2 & AG			4.070		4.070
	29008130611000	200 W CLARKSON ROAD	MARILYN DEMPSEY	NA	53,800	204,100	257,900	261,400	24.000	AG		24.000			24.000
	29008130614000	785 N MONROE STREET	WATERLOO SCHOOL DISTRICT	NA	NA	NA	NA	NA	47.986	AG					0.000
	29008130613033	940 Herron Dr	Matthew & Kelly McCunn	NA	61,700	279,800	341,500	346,100	3.628	R1			3.628		3.628
			SUBTOTAL PERSONAL PROPERTY >	165,900				165,900	NA	NA	Personal Property	NA	NA	NA	NA
								2,312,600	96.692			30.751	17.955	0.000	48.706

ESTIMATED BASE VALUE	TOTAL DISTRICT ACREAGE	TOTAL COMMERCIAL ACREAGE	TOTAL EXISTING OR PLATTED RESIDENTIAL	TOTAL NEWLY PLATTED RESIDENTIAL	TOTAL MIXED USE ACREAGE
		31.803%	18.569%	0.000%	50.372%



SECTION 6: Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the estimated base value of the proposed District, totals \$9,018,600. This value is less than the estimated maximum of \$22,317,792 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. 4				
Valuation Test Compliance Calculation				
Anticipated Creation/Amendment	1/1/2014	Valuation Data		
Property Appreciation Factor:	1.00%	Valuation Data Currently Available	Valuation Data Establishing 12% Limit Based on Anticipated Creation Date	Estimated Valuation Data Establishing Base Value
		ACTUAL	ESTIMATED	ESTIMATED
As of January 1,		2013	2014	2015
Total Equalized Value (TID IN)		184,140,200	185,981,602	
Limit for 12% Test		22,096,824	22,317,792	
Increment Value of Existing TID's				
		6,511,700	6,576,817	
TID No. 1 Increment		0	0	
TID No. 2 Increment		194,300	196,243	
TID No. 3 Increment				
				Percentage Increase in Base Value at Which EV Test will Fail
				565.52%
Total Existing Increment		6,706,000	6,773,060	
Projected Base Value of New District		2,312,600	2,335,726	2,359,083
Existing TID New Construction Factor				
TOTAL VALUE SUBJECT TO TEST/LIMIT		9,018,600	9,108,786	9,132,143
COMPLIANCE		PASS	PASS	PASS



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

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

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development and/or Redevelopment

In order to promote and facilitate development and/or redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

Site Preparation Activities

Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development and/or 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

Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

There may be inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment 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; 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.

Water System Improvements

There may be inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment 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 and/or redevelopment within the District will cause stormwater runoff and pollution. 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; 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

In order to create sites suitable for development and/or redevelopment, 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

In order to create sites suitable for development and/or redevelopment, 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

In order to create sites suitable for development and/or 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 may be inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, 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 signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

In order to attract development and/or 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 and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

CDA Type Activities

Contribution to Community Development

As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide

funds to its CDA 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

To encourage private redevelopment consistent with the objectives of this Plan, the City, through its CDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA 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 loan 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

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

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

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

Financing Costs

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

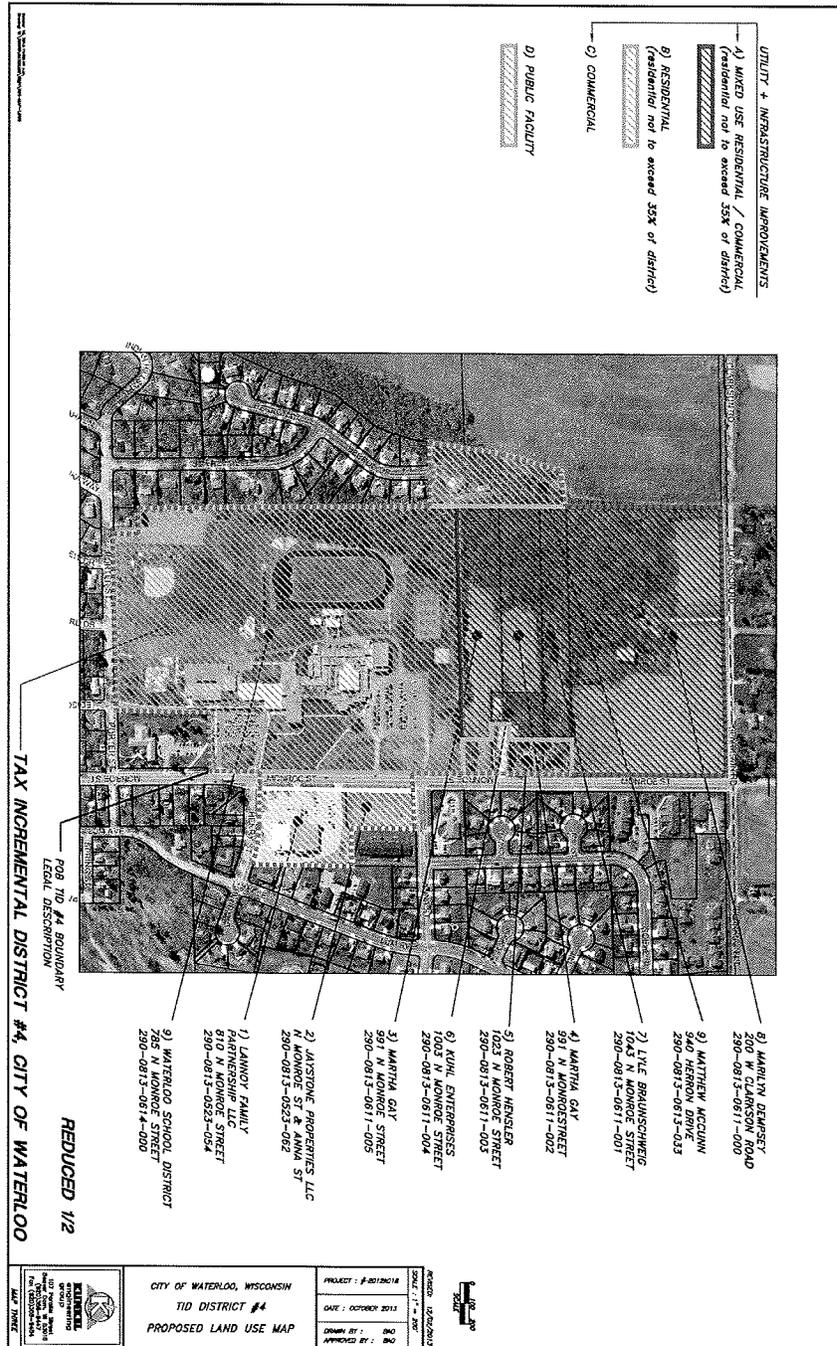
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments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

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

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

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

SECTION 8: Map Showing Proposed Improvements and Uses



SECTION 9: Detailed List of Project Costs

All costs are based on 2013 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2013 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.

 Welcome to the <i>City of Waterloo, Wisconsin</i>			
Preserving the past for a successful future			
City of Waterloo, WI Tax Increment District No. 4 Project List			
	Phase I	Phase II	Phase III
	2014	2016	Future
Projects			
Development Incentives		5,000	
Revolving Loan	25,000	120,000	145,000
Buy Local Campaign	4,000	4,000	4,000
Signage & Wayfindings	1,000		
Professional Services		15,000	
Utility Improvements		30,000	35,000
TID Creation & Administration	25,000		
Subtotal Needed for Projects	55,000	174,000	184,000

SECTION 10:

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

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

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

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 2009 and 2013. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual value change between 2009 and 2013. 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 statutory borrowing capacity.

Tax Increment Revenue Bonds

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

Utility Revenue Bonds

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

Special Assessment "B" Bonds

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

Equalized Valuation Projection

City of Waterloo, WI



Projection of General Obligation Debt Borrowing Capacity



Powering the path to a successful future

City of Waterloo, Wisconsin

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

----PERCENTAGE METHOD----			--STRAIGHT LINE METHOD--		
HISTORICAL DATA					
2009	203,494,800		2009	203,494,800	
2010	202,107,600		2010	202,107,600	
2011	197,597,100		2011	197,597,100	
2012	217,356,810		2012	217,356,810	
2013	184,140,200	-2.38%	2013	184,140,200	-4,838,650
PROJECTED VALUATIONS					
2014	179,761,759	-2.38%	2014	179,301,550	-2.63%
2015	175,487,427	-2.38%	2015	174,462,900	-2.70%
2016	171,314,730	-2.38%	2016	169,624,250	-2.77%
2017	167,241,250	-2.38%	2017	164,785,600	-2.85%
2018	163,264,628	-2.38%	2018	159,946,950	-2.94%
2019	159,382,561	-2.38%	2019	155,108,300	-3.03%
2020	155,592,801	-2.38%	2020	150,269,650	-3.12%
2021	151,893,154	-2.38%	2021	145,431,000	-3.22%
2022	148,281,475	-2.38%	2022	140,592,350	-3.33%

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
2014	184,140,200	9,207,010	4,435,854	4,771,156
2015	179,301,550	8,965,078	3,957,775	5,007,303
2016	174,462,900	8,723,145	3,523,633	5,199,512
2017	169,624,250	8,481,213	3,073,151	5,408,061
2018	164,785,600	8,239,280	2,611,121	5,628,159
2019	159,946,950	7,997,348	2,122,082	5,875,265
2020	155,108,300	7,755,415	1,626,510	6,128,905
2021	150,269,650	7,513,483	1,121,103	6,392,380
2022	145,431,000	7,271,550	775,000	6,496,550
2023	140,592,350	7,029,618	390,000	6,639,618
2024	135,753,700	6,787,685		6,787,685
2025	130,915,050	6,545,753		6,545,753
2026	126,076,400	6,303,820		6,303,820
2027	121,237,750	6,061,888		6,061,888
2028	116,399,100	5,819,955		5,819,955
2029	111,560,450	5,578,023		5,578,023
2030	106,721,800	5,336,090		5,336,090
2031	101,883,150	5,094,158		5,094,158
2032	97,044,500	4,852,225		4,852,225
2033	92,205,850	4,610,293		4,610,293
2034	87,367,200	4,368,360		4,368,360
2035	82,528,550	4,126,428		4,126,428

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 and/or redevelopment occurs to assure increment is sufficient to cover expenses.

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

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

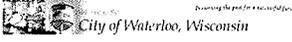
Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market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

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

Implementation and Financing Timeline

Projects	Bank Note		Bank Note		Bank Note		Total Project Costs	
	2014/ Phase I		2016/Phase II		Future		All Phases	
Development Incentives	0		5,000		0		5,000	
Revolving Loan	25,000		120,000		145,000		290,000	
Buy Local Campaign	4,000		4,000		4,000		12,000	
Signage & Wayfindings	1,000		0		0		1,000	
Professional Services	0		15,000		0		15,000	
Utility Improvements	0		30,000		35,000			
TID Creation & Administration	25,000		0		0			
			0					
Subtotal Needed for Projects	55,000		174,000		184,000		323,000	
Finance Related Expenses								
Financial Advisor	5,000		6,000		6,000			
Bond Counsel (Estimate)								
Rating Agency Fee								
Paying Agent (if Term Bonds)	0		0		0			
Max. Underwriter's Discount	\$0.00	0	\$0.00	0	\$0.00	0		
Capitalized Interest								
Total Financing Required	60,000		180,000		190,000			
Estimated Interest Earnings	0.15%	0	0.25%	0	0.25%	0		
Assumed Spend Down (Months)	1		1		1			
Rounding	0		0		0			
NET ISSUE SIZE	60,000		180,000		190,000			

Development Assumptions



City of Waterloo, WI

Tax Increment District No. 4

Development Assumptions

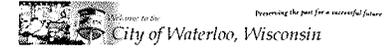


Construction Year	Grocery Store Expansion	Bare Ground Private Development	Bare Ground Private Development	Annual Total
2014	145,600			145,600
2015				0
2016		500,000		500,000
2017				0
2018				0
2019			500,000	500,000
2020				0
2021				0
2022				0
2023				0
2024				0
2025				0
2026				0
2027				0
2028				0
2029				0
2030				0
2031				0
2032				0
TOTALS	145,600	500,000	500,000	1,145,600

NOTES:

Increment Revenue Projections

City of Waterloo, WI



Tax Increment District No. 4 Tax Increment Projection Worksheet

Type of District	Mixed Use
Actual Creation Date	12/5/2013
Valuation Date	Jan. 1, 2014
Maximum Life (In Years)	20
Expenditure Period (In Years)	15
Revenue Periods/Final Rev Year	19 2034
End of Expenditure Period	12/5/2028
Latest Termination Date	12/5/2033
Eligible for Extension/No. of Years	Yes 3
Eligible Recipient District	No

Projected Base Value	2,312,600
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor	1.00%
Current Tax Rate (Per \$1,000 EV)	\$25.90
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	3.50%
Discount Rate 2 for NPV Calculation	5.00%

Apply Inflation Factor to Base?

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @ 3.50%	Cumulative @ 5.00%	
1	2014	145,600	2015	23,126	168,726	2016	25.90	4,371	3,942	3,775
2	2015	0	2016	24,813	193,539	2017	25.90	5,013	8,311	7,900
3	2016	500,000	2017	25,061	718,601	2018	25.90	18,614	23,983	22,484
4	2017	0	2018	30,312	748,913	2019	25.90	19,399	39,764	36,960
5	2018	0	2019	30,615	779,528	2020	25.90	20,192	55,635	51,311
6	2019	500,000	2020	30,921	1,310,449	2021	25.90	33,945	81,413	74,286
7	2020	0	2021	36,230	1,346,680	2022	25.90	34,883	107,008	96,772
8	2021	0	2022	36,593	1,383,272	2023	25.90	35,831	132,409	118,769
9	2022	0	2023	36,959	1,420,231	2024	25.90	36,788	157,607	140,278
10	2023	0	2024	37,328	1,457,559	2025	25.90	37,755	182,593	161,302
11	2024	0	2025	37,702	1,495,261	2026	25.90	38,732	207,359	181,842
12	2025	0	2026	38,079	1,533,340	2027	25.90	39,718	231,896	201,902
13	2026	0	2027	38,459	1,571,799	2028	25.90	40,714	256,198	221,487
14	2027	0	2028	38,844	1,610,643	2029	25.90	41,721	280,258	240,600
15	2028	0	2029	39,232	1,649,875	2030	25.90	42,737	304,072	259,246
16	2029	0	2030	39,625	1,689,500	2031	25.90	43,763	327,632	277,430
17	2030	0	2031	40,021	1,729,521	2032	25.90	44,800	350,935	295,159
18	2031	0	2032	40,421	1,769,942	2033	25.90	45,847	373,976	312,438
19	2032	0	2033	40,825	1,810,768	2034	25.90	46,904	396,752	329,274
		1,145,600			504,275					

Future Value of Increment **631,728**



Cash Flow

City of Waterloo, WI

Tax Increment District No. 4

Cash Flow Pro Forma



City of Waterloo, Wisconsin

Preserving the past for a successful future



Year	Revenues			Expenditures										Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Investment Earnings	Total Revenues	Bank Note \$60,000 8/1/2014			Bank Note \$180,000 8/1/2016			Bank Note \$190,000 8/1/2020			Admin	Total Expenditures	Annual			Cumulative
		1.00%		Prin (8/1)	Est. Rate	Interest	Prin (8/1)	Est. Rate	Interest	Prin (8/1)	Est. Rate	Interest						
2014		0	0											0	0	0	430,000	2014
2015		0	0		3.500%	1,925								1,925	(1,925)	(1,925)	430,000	2015
2016	4,371	0	4,371	0	3.500%	1,925								1,925	2,446	521	430,000	2016
2017	5,013	5	5,018	0	3.500%	1,925		3.750%	6,750				500	9,175	(4,157)	(3,636)	430,000	2017
2018	18,614	0	18,614	5,000	3.500%	1,925	0	3.750%	6,750				500	14,175	4,439	803	425,000	2018
2019	19,399	8	19,407	5,000	3.500%	1,750	5,000	3.750%	6,750				500	19,000	407	1,210	415,000	2019
2020	20,192	12	20,204	5,000	3.500%	1,575	5,000	3.750%	6,563				500	18,638	1,567	2,777	405,000	2020
2021	33,945	28	33,972	5,000	3.500%	1,400	10,000	3.750%	6,375		4.000%	7,600	500	30,875	3,097	5,874	390,000	2021
2022	34,883	59	34,942	5,000	3.500%	1,225	10,000	3.750%	6,000	5,000	4.000%	7,600	500	35,325	(383)	5,491	370,000	2022
2023	35,831	55	35,886	5,000	3.500%	1,050	10,000	3.750%	5,625	5,000	4.000%	7,400	500	34,575	1,311	6,802	350,000	2023
2024	36,788	68	36,856	5,000	3.500%	875	10,000	3.750%	5,250	5,000	4.000%	7,200	500	33,825	3,031	9,834	330,000	2024
2025	37,755	98	37,854	5,000	3.500%	700	10,000	3.750%	4,875	10,000	4.000%	7,000	500	38,075	(221)	9,612	305,000	2025
2026	38,732	96	38,828	5,000	3.500%	525	10,000	3.750%	4,500	10,000	4.000%	6,600	500	37,125	1,703	11,315	280,000	2026
2027	39,718	113	39,831	5,000	3.500%	350	10,000	3.750%	4,125	10,000	4.000%	6,200	500	36,175	3,656	14,972	255,000	2027
2028	40,714	150	40,864	5,000	3.500%	175	10,000	3.750%	3,750	15,000	4.000%	5,800	500	40,225	639	15,611	225,000	2028
2029	41,721	156	41,877	5,000	3.500%		15,000	3.750%	3,375	15,000	4.000%	5,200	500	44,075	(2,198)	13,413	190,000	2029
2030	42,737	134	42,871	0	3.500%		15,000	3.750%	2,813	20,000	4.000%	4,600	500	42,913	(41)	13,371	155,000	2030
2031	43,763	134	43,897				15,000	3.750%	2,250	20,000	4.000%	3,800	500	41,550	2,347	15,718	120,000	2031
2032	44,800	157	44,957				15,000	3.750%	1,688	20,000	4.000%	3,000	500	40,188	4,770	20,488	85,000	2032
2033	45,847	205	46,052				15,000	3.750%	1,125	25,000	4.000%	2,200	500	43,825	2,227	22,715	45,000	2033
2034	46,904	227	47,132				15,000	3.750%	563	30,000	4.000%	1,200	500	47,263	(131)	22,584	0	2034
Total	631,728	1,705	633,434	60,000		17,325	180,000		79,125	190,000		75,400	9,000	610,850	22,584			

NOTES:

Projected TID Closure

SECTION 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.

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

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that approximately 33% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13: Proposed Zoning Ordinance Changes

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

SECTION 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 ordinances for the implementation of this Plan.

SECTION 15: Relocation

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

SECTION 16:
Orderly Development 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, job opportunities and general economic activity.

SECTION 17: List of Estimated Non-Project Costs

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

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



AXLEY BRYNELSON, LLP

TIMOTHY D. FENNER
(608) 283-6733
tfenner@axley.com

November 27, 2013

Via E-Mail

Mayor Robert Thompson
City of Waterloo
136 North Monroe Street
Waterloo, WI 53594

Re: City of Waterloo
Wisconsin Tax Incremental District No. 4
Our File No. 11110.52281

Dear Mayor Thompson:

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

Sincerely,

AXLEY BRYNELSON, LLP

Timothy D. Fenner
TDF:avr

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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**

<i>Revenue Year</i>	<i>County</i>	<i>City</i>	<i>School District</i>	<i>Technical College</i>	<i>Total</i>
	16.69%	37.93%	38.37%	7.01%	
2016	730	1,658	1,677	306	4,371
2017	837	1,902	1,924	351	5,013
2018	3,107	7,060	7,142	1,305	18,614
2019	3,238	7,358	7,443	1,360	19,399
2020	3,370	7,659	7,748	1,415	20,192
2021	5,666	12,875	13,024	2,379	33,945
2022	5,823	13,231	13,384	2,445	34,883
2023	5,981	13,591	13,748	2,512	35,831
2024	6,141	13,954	14,115	2,579	36,788
2025	6,302	14,320	14,486	2,646	37,755
2026	6,465	14,691	14,861	2,715	38,732
2027	6,630	15,065	15,240	2,784	39,718
2028	6,796	15,443	15,622	2,854	40,714
2029	6,964	15,825	16,008	2,924	41,721
2030	7,134	16,210	16,398	2,996	42,737
2031	7,305	16,599	16,792	3,068	43,763
2032	7,478	16,992	17,189	3,140	44,800
2033	7,653	17,390	17,591	3,214	45,847
2034	7,829	17,791	17,997	3,288	46,904
	105,447	239,613	242,389	44,280	631,728

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