



August 14, 2017

Project Plan for the Creation of Tax Incremental District No. 7

CITY OF OMRO, WISCONSIN

Organizational Joint Review Board Meeting Held:	August 8, 2017
Public Hearing Held:	August 8, 2017
Consideration for Approval by Plan Commission:	August 8, 2017
Consideration for Adoption by Common Council:	August 22, 2017
Consideration for Approval by the Joint Review Board:	Scheduled for: September 12, 2017



Tax Incremental District No. 7 Creation Project Plan

City of Omro Officials

Common Council

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Tim Doolittle	Council Member
Jason Reeves	Council Member
Steve Jungwirth	Council Member
Kari Vonderloh-Havrilla	Council Member
Larry Wright Jr	Council Member
James Braasch	Council Member

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Diane Mary Steinert	Public Member



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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 7 (the “TID” or “District”) is proposed to be created by the City of Omro (“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 \$2.9 million to undertake the projects listed in this Project Plan plus interest expense and debt issuance expenses. 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 and municipal revenue obligations 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 \$8.2 million 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 2036; three years earlier than the 20 year 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:

- The City has conducted an independent review of the intended developer’s sources and uses proforma for the initial proposed development is required to enable the development to occur in the manner desired by the City, while providing the developer a fair and reasonable return on their investment.
 - Some of the sites proposed for development were part of the original industrial park have remained vacant for years. 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 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: right-of-way and easement acquisition, site preparation, installation of utilities for storm water management; installation of streets and related streetscape items; development incentive payments, and other associated costs. The City may also incur substantial costs to add capacity to above ground water storage in order to allow for development and/or redevelopment to occur within the District. 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.
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 CBRF development expected to occur is likely to generate approximately 35-50 jobs over the life of the District.
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, 2017. 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, 2017 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 industrial and commercial uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).
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 less than 35% of the territory within the District will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to 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 and commercial 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).

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 and commercial 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.

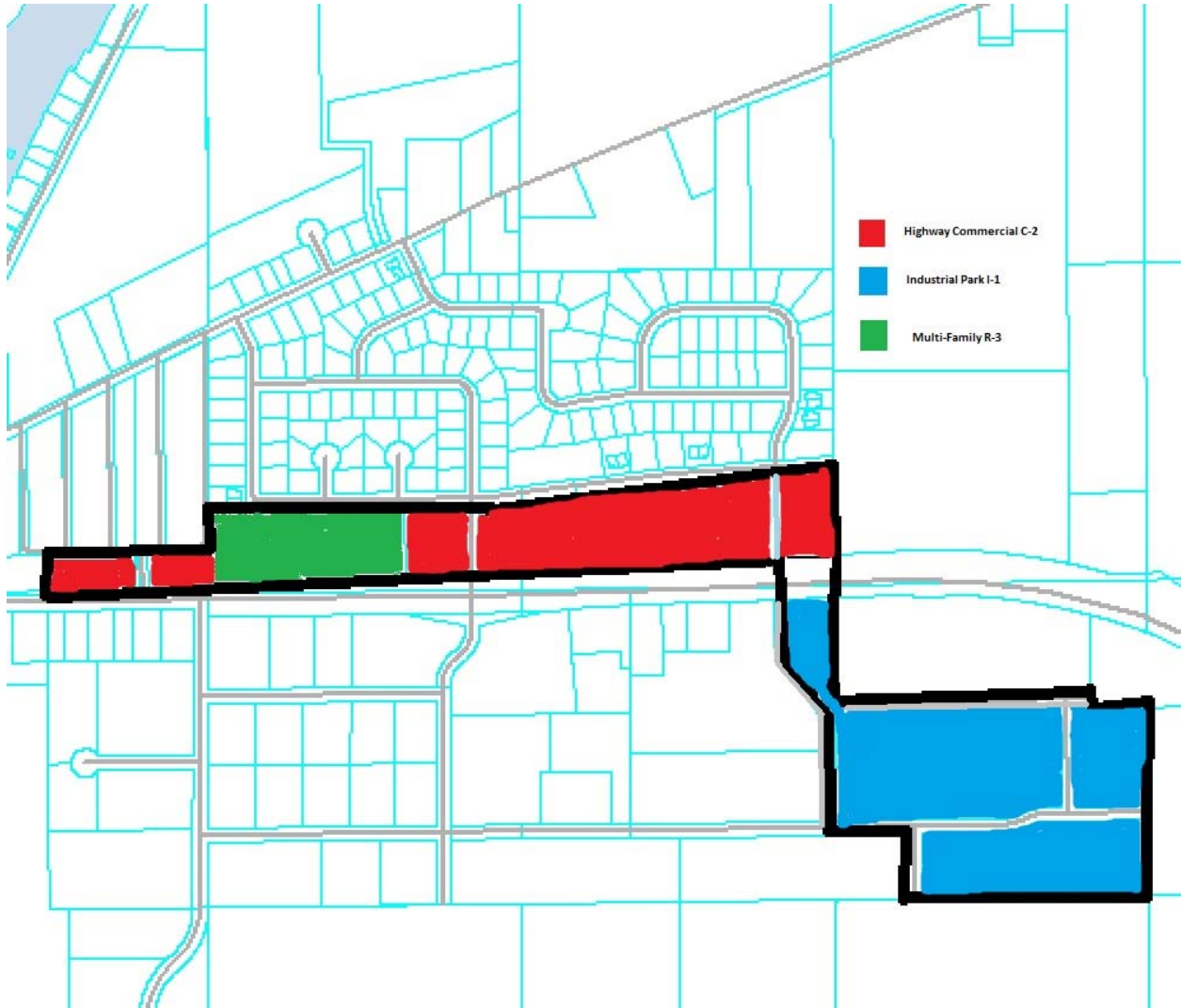
Based upon the findings, as stated within this Plan, the District is declared to be a mixed-use District based on the identification and classification of the property included within the district.

SECTION 3:
Preliminary Map of Proposed District Boundary





SECTION 4:
Map Showing Existing Uses and Conditions



SECTION 5:
Preliminary Parcel List and Analysis

City of Omro, WI																	
Tax Increment District #7																	
Base Property Information																	
				Assessment Information				Equalized Value				District Classification					
Parcel Number	Street Address	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/Business	Existing Residential	Newly Platted Residential	Suitable for Mixed Use
26500220305		H-B Developments Inc.	1.63	24,500	0		24,500	100.00%	24,500	0	0	24,500		1.63			1.63
25500220304		H-B Developments Inc.	1.77	26,600	0		26,600	100.00%	26,600	0	0	26,600		1.77			1.77
26500220302		H-B Developments Inc.	4.82	72,300	0		72,300	100.00%	72,300	0	0	72,300		4.82			4.82
26500220301	1805 Huckleberry Av	Huckleberry Investmen	1.50	52,500	426,600	8,400	487,500	100.00%	52,500	426,600	8,400	487,500		1.50			1.50
2651373	1771 E. Main Street	MDC Real Estate Invest	1.11	44,500	243,200	20,000	307,700	100.00%	44,500	243,200	20,000	307,700		1.11			1.11
2651374	1732 Huckleberry Av	Midwest Expansion LLP	1.65	66,100	0		66,100	100.00%	66,100	0	0	66,100		1.65			1.65
2651375	1698 Huckleberry Av	GJN Properties LLC	2.84	102,600	2,254,100		2,356,700	100.00%	102,600	2,254,100	0	2,356,700		2.84			2.84
2651377		Rusch Homes LLC	1.42	21,300	0		21,300	100.00%	21,300	0	0	21,300		1.42			1.42
2651378	1610 Huckleberry Av	Omro Pines LLC	1.62	35,700	339,500		375,200	100.00%	35,700	339,500	0	375,200		1.62			1.62
2650011 (Main to Fr	1401 E. Main Street	Slater Properties 1 LLC	1.24	29,100	0		29,100	100.00%	29,100	0	0	29,100		1.24			1.24
265001006 (Main to Frontage Road Section)		Slater Properties 1 LLC	1.60	37,700	0		37,700	100.00%	37,700	0	0	37,700		1.60			1.60
2650049		Schwab Rev Trst	1.52	15,200	0		15,200	100.00%	15,200	0	0	15,200		1.52			1.52
2651659		City of Omro	1.41	0	0		0	100.00%	0	0	0	0	1.41				1.41
2651660		City of Omro	1.04	0	0		0	100.00%	0	0	0	0	1.04				1.04
2651661		City of Omro	1.05	0	0		0	100.00%	0	0	0	0	1.05				1.05
2651662		City of Omro	1.47	0	0		0	100.00%	0	0	0	0	1.47				1.47
2651663		City of Omro	1.29	0	0		0	100.00%	0	0	0	0	1.29				1.29
2651664		City of Omro	1.05	0	0		0	100.00%	0	0	0	0	1.05				1.05
2651665		City of Omro	1.04	0	0		0	100.00%	0	0	0	0	1.04				1.04
2651666		City of Omro	1.41	0	0		0	100.00%	0	0	0	0	1.41				1.41
2651668		City of Omro	1.37	0	0		0	100.00%	0	0	0	0	1.37				1.37
2651669		City of Omro	1.25	0	0		0	100.00%	0	0	0	0	1.25				1.25
2651670		City of Omro	1.72	0	0		0	100.00%	0	0	0	0	1.72				1.72
2651671		City of Omro	2.17	0	0		0	100.00%	0	0	0	0	2.17				2.17
2651672		City of Omro	1.82	0	0		0	100.00%	0	0	0	0	1.82				1.82
2651673		City of Omro	1.10	0	0		0	100.00%	0	0	0	0	1.10				1.10
Total Acreage			41.91	528,100	3,263,400	28,400	3,819,900		528,100	3,263,400	28,400		19.19 45.79%	22.72 54.21%	0 0.00%	0 0.00%	41.91 100.00%
												Estimated Base Value		3,819,900			

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 base value of the proposed District, totals \$3,819,900. This value is less than the maximum of \$21,702,012 in equalized value that is permitted for the City of Omro. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Omro, WI				
Tax Increment District #7				
Valuation Test Compliance Calculation				
District Creation Date	1/1/2017			
	Valuation Data Currently Available 2016	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	180,850,100			180,850,100
12% Test	21,702,012			21,702,012
Increment of Existing TIDs				
				0
				0
				0
				0
				0
				0
Total Existing Increment	0			0
Projected Base of New or Amended District	3,819,900			3,819,900
Total Value Subject to 12% Test	3,819,900			3,819,900
Compliance	PASS			PASS

Preliminary

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.

Property Acquisition for Conservancy

In order to promote the objectives of this Plan, the City intends to acquire property within the District that it will designate for conservancy. These conservancy objectives include: protection of scenic and historic views; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

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

Acquisition of Easements

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

Relocation Costs

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

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; pumping stations; lift stations; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

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 are 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, 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; 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 a 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 a 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.

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. The City intends to make the following project cost expenditures outside the District: Possible Street, & Parking Lot improvements, sidewalks and storm water projects.

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.

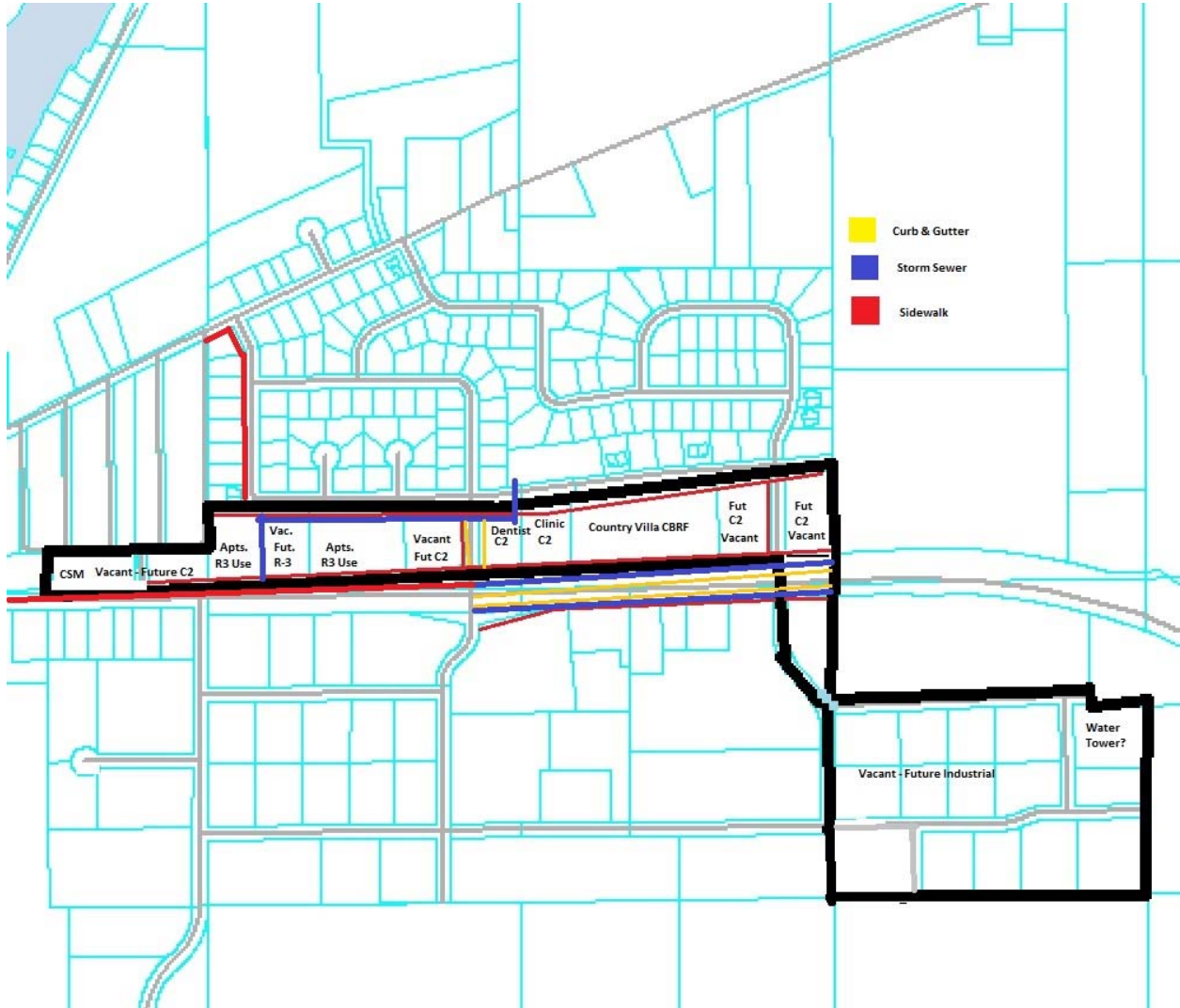
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments 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 2017 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2017 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

City of Omro, WI Tax Increment District #7 Estimated Project List						
Project ID	Project Name/Type	Phase I 2017	Phase II 2018	Phase III 2021	Phase IV 2020-2021	Total (Note 1)
1	Stormwater		481,609			481,609
2	Sidewalks		197,351			197,351
3	Curb & Gutter		181,691			181,691
4	Sign relocation		13,000			13,000
5	Contingency		87,365			87,365
6	Engineering		131,048			131,048
7	Administration	17,473				17,473
8	TID Creation & Developer Agreement	17,000				17,000
9	Development Incentive	200,000			100,000	300,000
10	Expenses associated with right-of-way access	1,000				1,000
11	Street & Parking lot improvements		280,000			280,000
12	Water Tower*			1,200,000		1,200,000
Total Projects		<u>235,473</u>	<u>1,372,064</u>	<u>1,200,000</u>	<u>100,000</u>	<u>2,907,537</u>

Notes:
Note 1 Project costs are estimates and are subject to modification
 *A Water tower may be required based upon future development needs, all or a portion of that cost may be TID eligible
 Not currently funded within the cash flow, but identified for purposes of the project plan

Preliminary

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

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. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$9,042,505, of which \$6,780,518 is currently unused and could be made available to finance Project Costs.

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.

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

City of Omro, WI				
Tax Increment District #7				
Estimated Financing Plan				
	State Trust Fund Loan 2017	Municipal Revenue Obligation (MRO) 2020	G.O. Bond 2018	Totals
Projects				
Phase I	200,000	100,000		300,000
Phase II			1,407,537	1,407,537
Total Project Funds	200,000	100,000	1,407,537	1,707,537
Estimated Finance Related Expenses				
Municipal Advisor	7,500		17,200	
Bond Counsel			10,000	
Rating Agency Fee				
Paying Agent			675	
Underwriter Discount	0	0	19,625	
Debt Service Reserve				
Capitalized Interest			115,055	
Total Financing Required	207,500	100,000	1,570,092	
Estimated Interest	0	0	(1,759)	
Assumed spend down (months)	0	6		
Rounding	0	0	1,668	
Net Issue Size	207,500	100,000	1,570,000	3,122,500
Notes:	If water tower is determined necessary for future development, a debt issue may be required to finance that project. Not reflected here or in the cashflow projections, but would be an eligible project costs.			
				Preliminary

Development Assumptions

City of Omro, WI											
Tax Increment District #7											
Development Assumptions											
Construction Year		Actual	Industrial		CBRF Phase I & II		Commercial		Annual Total	Construction Year	
1	2017				851,080				851,080	2017	1
2	2018		1.9	274,417	1,276,620				1,551,039	2018	2
3	2019		1.9	274,417	700,000		1.1	197,539	1,171,959	2019	3
4	2020		1.9	274,417	700,000		1.1	197,539	1,171,959	2020	4
5	2021		1.9	274,417			1.1	197,539	471,959	2021	5
6	2022		1.9	274,417			1.1	197,539	471,959	2022	6
7	2023		1.9	274,417			1.1	197,539	471,959	2023	7
8	2024		1.9	274,417			1.1	197,539	471,959	2024	8
9	2025		1.9	274,417			1.1	197,539	471,959	2025	9
10	2026		1.9	274,417			1.1	197,539	471,959	2026	10
11	2027		1.9	274,417			1.1	197,539	471,959	2027	11
12	2028						1.1	197,539	197,540	2028	12
13	2029								0	2029	13
14	2030								0	2030	14
15	2031								0	2031	15
16	2032								0	2032	16
17	2033								0	2033	17
18	2034								0	2034	18
19	2035								0	2035	19
20	2036								0	2036	20
Totals		0		2,744,170	3,527,700			1,975,392	8,247,292		

Notes: Value per acre of improved Industrial land based upon current developed industrial park property \$143,000
 Projected Value for Commercial Property based upon current commercial values within the City \$182,400
 Industrial acres 19.19
 Commercial Acres 10.83
 Country Villa 4.82

Preliminary

Increment Revenue Projections

City of Omro, WI										
Tax Increment District #7										
Tax Increment Projection Worksheet										
Type of District	Mixed Use		Base Value	3,819,900		Apply to Base Value				
District Creation Date	January 1, 2017		Appreciation Factor	0.00%						
Valuation Date	Jan 1,	2017	Base Tax Rate	\$24.38						
Max Life (Years)	20		Rate Adjustment Factor							
Expenditure Period/Termination	15	1/1/2032	Tax Exempt Discount Rate	2.50%						
Revenue Periods/Final Year	20	2038	Taxable Discount Rate	4.00%						
Extension Eligibility/Years	Yes	3								
Recipient District	No									

Construction Year	Valuation Year	Value Added	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt		
								NPV Calculation	Taxable NPV Calculation	
1	2017	851,080	2018	0	851,080	2019	\$24.38	20,749	19,267	18,445
2	2018	1,551,039	2019	0	2,402,119	2020	\$24.38	58,562	72,321	68,504
3	2019	1,171,959	2020	0	3,574,078	2021	\$24.38	87,133	149,334	140,121
4	2020	1,171,959	2021	0	4,746,037	2022	\$24.38	115,705	249,106	231,564
5	2021	471,959	2022	0	5,217,997	2023	\$24.38	127,211	356,124	328,234
6	2022	471,959	2023	0	5,689,956	2024	\$24.38	138,717	469,975	429,593
7	2023	471,959	2024	0	6,161,915	2025	\$24.38	150,223	590,262	535,137
8	2024	471,959	2025	0	6,633,874	2026	\$24.38	161,729	716,604	644,395
9	2025	471,959	2026	0	7,105,833	2027	\$24.38	173,235	848,634	756,925
10	2026	471,959	2027	0	7,577,793	2028	\$24.38	184,740	985,999	872,313
11	2027	471,959	2028	0	8,049,752	2029	\$24.38	196,246	1,128,360	990,174
12	2028	197,540	2029	0	8,247,292	2030	\$24.38	201,062	1,270,658	1,106,282
13	2029	0	2030	0	8,247,292	2031	\$24.38	201,062	1,409,484	1,217,925
14	2030	0	2031	0	8,247,292	2032	\$24.38	201,062	1,544,925	1,325,274
15	2031	0	2032	0	8,247,292	2033	\$24.38	201,062	1,677,062	1,428,494
16	2032	0	2033	0	8,247,292	2034	\$24.38	201,062	1,805,976	1,527,744
17	2033	0	2034	0	8,247,292	2035	\$24.38	201,062	1,931,746	1,623,177
18	2034	0	2035	0	8,247,292	2036	\$24.38	201,062	2,054,449	1,714,939
19	2035	0	2036	0	8,247,292	2037	\$24.38	201,062	2,174,159	1,803,172
20	2036	0	2037	0	8,247,292	2038	\$24.38	201,062	2,290,949	1,888,011
Totals		8,247,292		0	Future Value of Increment			3,223,809		

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Preliminary

Cash Flow

City of Omro, WI																			
Tax Increment District #7																			
Cash Flow Projection																			
Year	Projected Revenues				Expenditures								Balances			Year			
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest	Total Revenues	State Trust Fund Loan 207,500 Dated Date: 09/15/17			Municipal Revenue Obligation (MRO) 100,000 Dated Date: 09/15/20			G.O. Bond 1,570,000 Dated Date: 08/01/18			Admin.	Total Expenditures		Annual	Cumulative	Principal Outstanding
2017				0											0	0	0	1,777,500	2017
2018			115,055	115,055			0						2,000	2,000	113,055	113,055	1,777,500	2018	
2019	20,749	283		21,031	10,061	4.00%	5,549	0			1.70%	57,528	2,040	75,178	(54,146)	58,909	1,767,439	2019	
2020	58,562	147		58,709	7,691	4.00%	7,919	0			1.90%	57,528	2,081	75,218	(16,509)	42,399	1,759,748	2020	
2021	87,133	106		87,239	7,999	4.00%	7,611	12,500			2.10%	57,528	2,122	112,760	(25,521)	16,879	1,726,749	2021	
2022	115,705	42		115,747	8,320	4.00%	7,290	12,500			2.30%	57,003	2,165	112,277	3,469	20,348	1,693,429	2022	
2023	127,211	51		127,261	8,654	4.00%	6,956	12,500			2.65%	56,428	2,208	111,746	15,516	35,864	1,659,775	2023	
2024	138,717	90		138,806	9,001	4.00%	6,609	12,500			2.65%	55,765	2,252	126,127	12,679	48,543	1,610,774	2024	
2025	150,223	121		150,344	9,362	4.00%	6,248	12,500			2.80%	54,705	2,297	130,112	20,232	68,774	1,556,412	2025	
2026	161,729	172		161,900	9,737	4.00%	5,873	12,500			2.90%	53,445	2,343	148,898	13,002	81,776	1,481,674	2026	
2027	173,235	204		173,439	10,128	4.00%	5,482	12,500			3.00%	51,560	2,390	152,060	21,379	103,155	1,401,546	2027	
2028	184,740	258		184,998	10,534	4.00%	5,076	12,500			3.10%	49,460	2,438	160,008	24,990	128,146	1,311,012	2028	
2029	196,246	320		196,567	10,957	4.00%	4,653	0			3.30%	46,980	2,487	155,077	41,490	169,636	1,210,055	2029	
2030	201,062	424		201,486	11,396	4.00%	4,214	0			3.50%	44,010	2,536	162,156	39,330	208,966	1,098,659	2030	
2031	201,062	522		201,585	11,853	4.00%	3,757	0			3.60%	40,510	2,587	163,707	37,878	246,843	981,805	2031	
2032	201,062	617		201,679	12,329	4.00%	3,281	0			3.70%	36,730	2,639	164,979	36,701	283,544	859,477	2032	
2033	201,062	709		201,771	12,823	4.00%	2,787	0			3.85%	32,660	2,692	170,962	30,809	314,353	726,653	2033	
2034	201,062	786		201,848	13,338	4.00%	2,272	0			4.00%	28,040	2,746	171,396	30,453	344,806	588,316	2034	
2035	201,062	862		201,924	13,873	4.00%	1,737	0			4.10%	23,040	2,800	171,450	30,474	375,280	444,443	2035	
2036	201,062	938		202,001	14,429	4.00%	1,181	0			4.20%	17,710	2,856	171,176	30,824	406,104	295,014	2036	
2037	201,062	1,015		202,078	15,014	4.00%	602	0			4.25%	12,040	2,914	170,570	31,508	437,612	140,000	2037	
2038	201,062	1,094		202,156				0			4.35%	6,090	2,972	149,062	53,094	490,706	(0)	2038	
Total	3,223,809	8,762	115,055	3,347,626	207,500		89,096	100,000	0	1,570,000		838,758	51,567	2,856,920				Total	

Notes: *A Water tower may be required based upon future development needs, all or a portion of that cost may be TID eligible
 Not currently funded within the cash flow, but identified for purposes of the project plan
 May required full TID life to recover costs.

Projected TID Closure

Preliminary

SECTION 11: Annexed Property

Properties proposed for inclusion within the District were annexed by the City on or after January 1, 2004. Three-years have elapsed from the annexation date of 2009, satisfying the requirements of Wisconsin Statutes Section 66.1105(4)(gm)1. with respect to inclusion of the annexed property within the District.

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 less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

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 Omro 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 Omro

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, the development of a facility that currently does not exist within the City 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 Omro Advising Whether
the Plan is Complete and Complies with Wisconsin
Statutes 66.1105

WURTZ LAW OFFICE, LLC

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Court Commissioner
Email: wurtzlaw@centurytel.net
Telephone: (920) 745-2800 Fax: (920) 745-2802



August 31, 2017


Mayor Larry Wright
City of Omro
205 S. Webster Avenue
Omro, Wisconsin 54963

RE: City of Omro, Wisconsin Tax Incremental District No. 7

Dear Mayor:

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

Sincerely,


Attorney Ludwig L. Wurtz
LLW/ra

CC: Linda Kutchenriter, City Administrator

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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 portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2016		Percentage		
County	977,831			22.18%		
Technical College	201,641			4.57%		
Municipality	1,677,330			38.05%		
School District	1,550,867			35.19%		
Total	<u>4,407,669</u>					
Revenue Year	County	Municipality	School District	Technical College	Total	Revenue Year
2019	4,603	7,896	7,301	949	20,749	2019
2020	12,992	22,286	20,605	2,679	58,562	2020
2021	19,330	33,158	30,658	3,986	87,133	2021
2022	25,669	44,031	40,711	5,293	115,705	2022
2023	28,221	48,410	44,760	5,820	127,211	2023
2024	30,774	52,788	48,808	6,346	138,717	2024
2025	33,327	57,167	52,857	6,872	150,223	2025
2026	35,879	61,545	56,905	7,399	161,729	2026
2027	38,432	65,924	60,954	7,925	173,235	2027
2028	40,984	70,303	65,002	8,451	184,740	2028
2029	43,537	74,681	69,051	8,978	196,246	2029
2030	44,605	76,514	70,745	9,198	201,062	2030
2031	44,605	76,514	70,745	9,198	201,062	2031
2032	44,605	76,514	70,745	9,198	201,062	2032
2033	44,605	76,514	70,745	9,198	201,062	2033
2034	44,605	76,514	70,745	9,198	201,062	2034
2035	44,605	76,514	70,745	9,198	201,062	2035
2036	44,605	76,514	70,745	9,198	201,062	2036
2037	44,605	76,514	70,745	9,198	201,062	2037
2038	44,605	76,514	70,745	9,198	201,062	2038
		<u>715,194</u>	<u>1,226,814</u>	<u>1,134,318</u>	<u>147,482</u>	<u>3,223,809</u>

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