



## **CITY OF FRANKLIN, WISCONSIN**

### ***Territory & Project Plan Amendment to Tax Incremental District No. 3***



*August 21, 2013*

*Joint Review Board Organizational Meeting Held:*

*August 19, 2013*

*Public Hearing Held:*

*August 22, 2013*

*Adopted by CDA:*

*August 22, 2013*

*Adopted by Common Council:*

*September 3, 2013*

*Consideration for Approval by the Joint Review Board:*

*September 18, 2013*

# Tax Incremental District No. 3 Territory & Project Plan Amendment

## City of Franklin Officials

### *Common Council*

Thomas M. Taylor	Mayor
Mark Dandrea	Council Member
Daniel Mayer	Council Member
Kristen Wilhelm	Council Member
Steve Taylor	Council Member
Doug Schmidt	Council Member
Ken Skowronski	Council Member

### *City Staff*

Mark Luberda	Director of Administration
Lisa Huening	Department of Administration
Calvin Patterson	Director of Finance & Treasurer
Paul Rotzenberg	Finance Director
Sandra L. Wesolowski	City Clerk
Jesse Wesolowski	City Attorney

### *CDA*

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Alderman Ken Skowronski	James Mullarkey
Linda Ryan	Jesse Wesolowski
Edward Holpfer	George Vignyich

## Joint Review Board

Randy Ritter	City Representative
Teig Whaley	Milwaukee County
James Williams	Milwaukee Area Technical College District
Sara Burmeister	Oak Creek - Franklin School District
Randy Gorman	Public Member

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## EXECUTIVE SUMMARY

### **DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT**

- Original District Purpose.
  - Tax Incremental District (“TID”) No. 3 (the “TID” or “District”) is an existing mixed-use district, which was created by a resolution of the City of Franklin (“City”) Common Council adopted on June 21, 2005 (the “Creation Resolution”).
- Additional Amendments.
  - The District has not been previously amended.
- Purpose of this Amendment.
  - To further facilitate development and/or redevelopment within areas adjacent to the District, the City desires to amend its boundaries to add territory. A map, located in Section 3 of this plan, identifies the Territory to be added and its geographic relationship to the existing District’s boundaries.
  - This amendment will cause territory to be added to the District, providing incentive and opportunities for additional private development and redevelopment.
  - This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment.
  - This amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Section 66.1105(2)(f)1.n. Wisconsin Statutes.
- Estimated Total Project Expenditures.
  - The City anticipates making project expenditures of approximately \$13 million to undertake projects in the original District area, amendment area and within a ½ mile radius of the proposed area as listed in this Project Plan. It is anticipated that the remaining and additional projects will be completed in four phases. The Expenditure Period of this District terminates on June 21, 2020. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with tax increment funds on hand and General Obligation notes issued in the years when and if development incentives are offered, 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

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- determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.
- The additional project costs include costs for 27<sup>th</sup> Street reconstruction, including sewer & water improvements, road construction. These project areas, are located both in the current boundary, within the proposed amended area & outside of, but within ½ mile of the proposed amended boundary of the District and within the City.
  - Economic Development.
    - As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$131.3 million may 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 amended area and within the original District boundaries. 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, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.
  - Expected Termination of District.
    - TID No. 3 has a maximum statutory life of 20 years, and must close not later than June 21, 2025, resulting in a final collection of increment in budget year 2026. Pre-amendment cash flow projections considering only existing increment value and assuming no additional projects are undertaken anticipate total cumulative revenues that will exceed total liabilities by the year 2017, enabling the District to close nine years earlier than its maximum life. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from 2017 to 2021. With the projection of an additional of \$106 million in property value, at the time of closure, resulting from the proposed project expenditures.

## **SUMMARY OF FINDINGS**

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

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas 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 sites proposed for development and/or redevelopment within the amended area have remained vacant for several years due to lack of adequate infrastructure, environmental contamination, obsolete platting and ownership by multiple parties. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the City that the use of tax incremental financing (“TIF”) will be required to provide the necessary infrastructure inducements to encourage development on the sites consistent with that desired by the City.

- In order to make the amendment areas suitable for development and/or redevelopment, the City will need to make a substantial investment to pay for the costs of: installation of utilities; installation and/or improvements of streets and related streetscape items; development incentive payments; 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 amendment area and areas in the original District 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 amendment area is unlikely to occur.
2. **The economic benefits of amending 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 total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amended areas. On this basis alone, the finding is supported.
  - The potential for a major new development resulting in additional jobs over the life of the District if the City is able to provide greater development incentives. The allowance for additional development incentives has been included in this project plan amendment.
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 boundary amendment would become effective for valuation purposes as of January 1, 2013. 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 amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2013 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
  - Given that additional development is not likely to occur or in the same manner without the use of tax incremental financing (see finding # 1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional 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 amended. 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 the Project Plan.
4. Not less than 50% by area of the real property within the District, as amended, is suitable for a combination of commercial and residential uses, defined as “mixed-use development” within the meaning of Section 66.1105(2)(cm) of the Wisconsin Statutes. Lands proposed

or developed for newly platted residential development comprise 14%, as amended, by the 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 Section 66.1105(2)(f)3.a., Wisconsin Statutes.

5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a mixed-use District based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting mixed-use development in the District consistent with the purpose for which the District was created.
7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of the taxable property within the territory to be added to the District by this amendment, plus the value increment of all other 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, as amended, will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) of the Wisconsin Statutes.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

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### TYPE & GENERAL DESCRIPTION OF DISTRICT

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on June 21, 2005 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2005.

The existing District is a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District was suitable for a combination of commercial and residential uses within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). The District will remain in compliance with this finding after the addition of the territory identified in this Amendment. The District will also remain in compliance with the prohibition that no more than 35% of the area of the District be allocated for newly-platted residential development. To the extent that the City has incurred, or may incur, Project Costs for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in s.66.1105(2)(f)3.a., Wisconsin Statutes. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 35% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, unless specifically stated. All components of the original Project Plan remain in effect.

The purpose of the Amendment is to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the City to install additional public improvements, and to make additional necessary related expenditures that will create development and/or redevelopment opportunities consistent with the original purposes for which the District was created. The amendment is also to update and/or provide for the undertaking of additional expenditures.

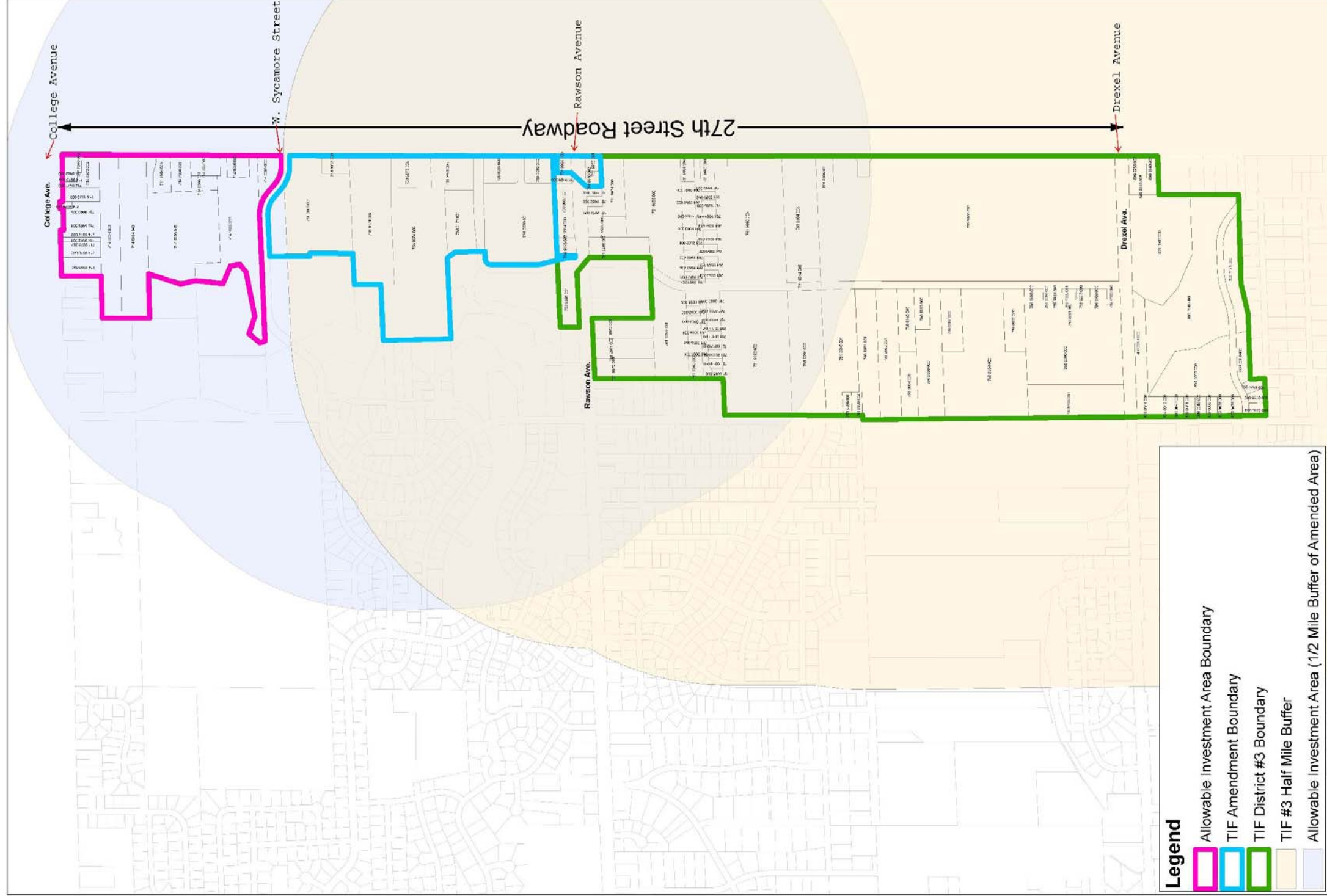
A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains a mixed-use District based on the identification and classification of the property included within the District.



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MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED

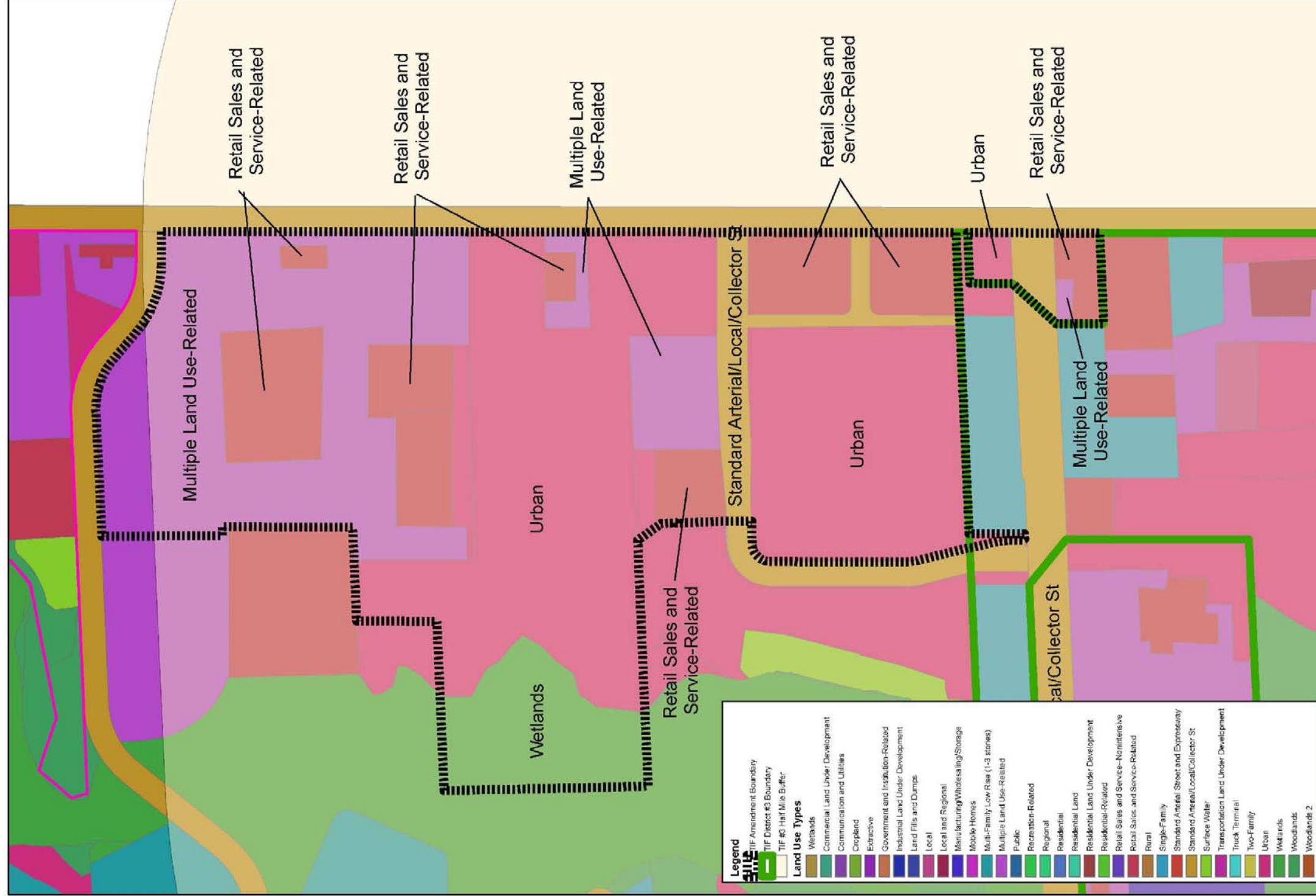
TIF #3 Expansion Area



4

MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED

TIF #3 Expansion - Amended Area w/ Land Use



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**5**

**PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO THE EXISTING DISTRICT & ANALYSIS**

City of Franklin, WI  
Tax Increment District No. 3  
Preliminary Parcel List

**SCENARIO WITH  
Major  
Development**

MAP REF. #	PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	LAND RATIO (BY CLASS)	IMPROVEMENTS RATIO (BY CLASS)	EQUALIZED VALUE	PARCEL ACREAGE	CURRENT ZONING	ACTUAL USE	ACRES ZONED OR PLANNED FOR COMMERCIAL/BUSINESS USE	ACRES SUITABLE FOR MIXED USE DEVELOPMENT
<b>ORIGINAL DISTRICT AREA DATA</b>																
101	714 0003 001	6701 S 27TH ST	WAL-MART REAL ESTATE BUSINESS TRUST	4,265,700	6,883,200	7,723,400	14,606,600	2 - Commercial	103.79%	103.79%	14,073,225	15.201	PDD 13	commercial	15.201	15.201
102	714 0002 000	6715 S 27TH ST	BASRA NIRMALJIT SINGH & RAJINDER K	87,500	665,300	407,300	1,072,600	2 - Commercial	103.79%	103.79%	1,033,433	1.070	PDD 13	commercial	1.070	1.070
103	738 9974 004	6801 S 27TH ST	GENEVA ASHX I LLC (22.46%) ET AL	227,400	4,320,300	3,433,100	7,753,400	2 - Commercial	103.79%	103.79%	7,470,277	19.700	B-2	commercial	19.700	19.700
104	738 9974 005		DAL 27TH STREET CLINIC, LLC	0	100	0	100	2 - Commercial	103.79%	103.79%	96	11.450	B-2	vacant	11.450	11.450
105	738 9975 008	6855 S 27TH ST	DAL 27TH STREET CLINIC, LLC	1,758,500	1,358,300	2,596,600	3,954,900	2 - Commercial	103.79%	103.79%	3,810,483	2.784	B-2	commercial	2.784	2.784
106	738 0071 000	6933 S RIVERWOOD BLVD	RIVERWOOD VILLAGE LLC	201,100	1,658,000	1,542,200	3,200,200	2 - Commercial	103.79%	103.79%	3,083,341	3.980	PDD 10	commercial	3.980	3.980
107	738 9978 005	6919 S 27TH ST	BOURAXIS ANDREAS IRREVOCABLE TRUST	0	1,242,700	0	1,242,700	2 - Commercial	103.79%	103.79%	1,197,322	3.190	PDD 10	commercial and vacan	3.190	3.190
108	738 0070 001	7027 S 27TH ST	LOWES HOME CENTER INC	1,647,900	5,489,100	5,423,200	10,912,300	2 - Commercial	103.79%	103.79%	10,513,826	13.143	PDD 10	commercial	13.143	13.143
109	738 0068 000	6955 Thru 7017 S 27TH ST	BOURAXIS PROPERTIES (RIVERWOOD PLAZ	104,900	895,200	1,023,700	1,918,900	2 - Commercial	103.79%	103.79%	1,848,829	2.040	PDD 10	commercial	2.040	2.040
110	738 0069 000	7041 S 27TH ST	RIVERWOOD VILLAGE LLC	53,500	678,500	1,081,700	1,760,200	2 - Commercial	103.79%	103.79%	1,695,924	1.740	PDD 10	commercial	1.740	1.740
111	738 9999 000	7071 S 27TH ST	STATE OF WISCONSIN - DEPARTMENT OF TR	0	0	0	0	Exempt				0.520	B-4	vacant	0.520	0.520
112	761 9950 002	2735 W RAWSON AVE	CHUGHTAI SHAHID & ABIDA	6,500	211,900	473,600	685,500	2 - Commercial	103.79%	103.79%	660,468	0.500	B-4	commercial	0.500	0.500
113	761 9950 001	7103 S 27TH ST	FRANKLIN REALTY LLC	9,100	256,800	257,100	513,900	2 - Commercial	103.79%	103.79%	495,134	0.520	B-4	commercial	0.520	0.520
							0									0.000
							0									0.000
			SUBTOTAL PERSONAL PROPERTY >	8,362,100						103.79%	8,056,749	NA	NA	Personal Property	NA	NA
											<b>53,939,108</b>	<b>75.838</b>			<b>75.838</b>	<b>75.838</b>
											ESTIMATED BASE VALUE	TOTAL DISTRICT ACREAGE			TOTAL COMMERCIAL ACREAGE	TOTAL MIXED USE ACREAGE
															<b>100.000%</b>	<b>100.000%</b>
															<i>Percent of Total Amended Area Acreage</i>	






# 6 EQUALIZED VALUE TEST

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 3, plus the value of all other existing tax incremental districts within the City, totals \$269,318,608. This value is less than the maximum of \$422,892,708 in equalized value that is permitted for the City of Franklin. The City is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

<i>City of Franklin, WI</i>		<b>Tax Increment District No. 3</b>		
<b>Valuation Test Compliance Calculation</b>				
Actual Creation Date	6/21/2005	Valuation Data Currently Available	Valuation Data Establishing 12% Limit Based on Anticipated Creation Date	Estimated Valuation Data Establishing Base Value
Property Appreciation Factor:	1.00%	ACTUAL	ESTIMATED	ESTIMATED
As of January 1,		2013	2014	2015
Total Equalized Value (TID IN)		3,414,276,600	3,448,419,366	
Limit for 12% Test		409,713,192	413,810,324	
Increment Value of Existing TID's				
TID No. 3 Increment		64,305,700	64,948,757	Percentage Increase in Base Value at Which EV Test will Fail  467.97%
TID No. 4 Increment		39,050,100	39,440,601	
Total Existing Increment		103,355,800	104,389,358	
Projected Base Value of New District		53,939,108	54,478,499	55,023,284
Existing TID New Construction Factor				
TOTAL VALUE SUBJECT TO TEST/LIMIT		157,294,908	158,867,857	159,412,642
COMPLIANCE		PASS	PASS	PASS



**SCENARIO WITH Major Development**

# 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 has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs 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

- **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 remediation 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 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.
  
- **WATER SYSTEM IMPROVEMENTS.** To allow development and/or redevelopment to occur, the City may 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 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.

## 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, alleys, access drives and parking areas. Eligible

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Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

- **STREETSCAPING AND LANDSCAPING.** 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 ACTIVITES**

- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** 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.

### **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: Street and Utility improvements along 27<sup>th</sup> Street between Sycamore and Collage Avenue.
- **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, site preparation, 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 tax increment finance fund under Wisconsin Statute 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 Amendment.

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

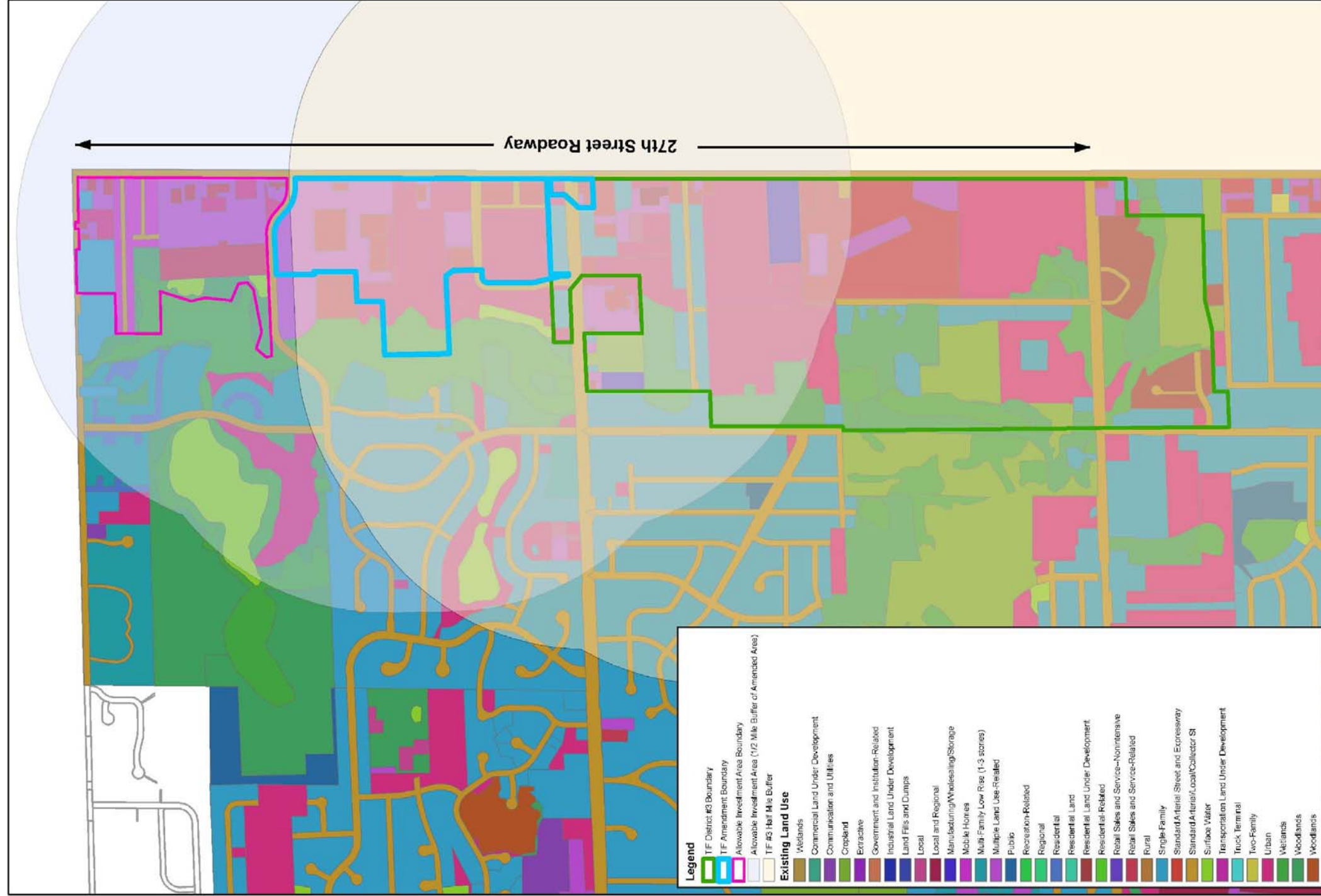
Project Costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan or the original Project Plan. To the extent the costs benefit the City outside the District, a proportionate share of the cost is not a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



8

MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED

TIF #3 Expansion w/Land Use



By: TRN 7/17/2013  
I:\Projects\Finance\TIF\_2013\TIF\_3\_expansion\_3\_25\_analysis\_landuse.mxd

City of Franklin  
GIS Department  
828 W. Loomis Rd.  
Franklin, WI 53132  
www.franklinwi.gov

9



**DETAILED LIST OF ADDITIONAL AND/OR UPDATED PROJECT COSTS**

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment. As part of this Amendment, the City is also adding project cost estimates for development incentives that may be provided to promote development and/or redevelopment within the amended or the original District area. Details with respect to the added projects can also be found within this Section.

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 further amending this Plan.**

**PROPOSED TIF PROJECT COST ESTIMATES**

		<p><i>City of Franklin, WI</i></p> <p><b>Tax Increment District No. 3</b></p> <p><b>Project List</b></p>			
<p><b>SCENARIO WITH Major Development</b></p>		<p>Phase I</p> <hr/> <p>2015</p>	<p>Phase II</p> <hr/> <p>2017</p>	<p>Phase III</p> <hr/> <p>2018</p>	<p>Phase IV</p> <hr/> <p>2019</p>
<p><b>Projects</b></p> <p>Streets &amp; Utilities Rawson to Drexel</p> <p>Streets &amp; Utilities College to Rawson</p> <p>Development Incentive Major Development</p> <p>Development Incentive Major Development</p>		<p>5,000,000</p>	<p>1,480,528</p>	<p>1,480,528</p>	<p>5,000,000</p>
<p><b>Subtotal Needed for Projects</b></p>		<p>5,000,000</p>	<p>1,480,528</p>	<p>1,480,528</p>	<p>5,000,000</p>

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

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition of territory, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the remaining 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 continued 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) an updated projection of tax increments to be collected resulting from that development and/or redevelopment and other economic growth within the District, and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

### **AVAILABLE FINANCING METHODS**

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

#### General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (including increment values). The tables on page 22 provide a calculation of the City's current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the City's equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects future valuation of the City using the average annual percentage of valuation growth experienced between 2008 and 2012. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual value change between 2008 and 2012. 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,

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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 its 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 its various utility 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 Franklin, WI Projection of General Obligation Debt Borrowing Capacity			
<b>SCENARIO WITH Major Development</b>					
<b>Table 1 - Projection of Growth in Equalized Value (TID IN)</b>					
----PERCENTAGE METHOD----					
<b>HISTORICAL DATA</b>					
2009	3,912,642,600				
2010	3,670,508,700				
2011	3,676,379,700				
2012	3,524,105,900				
2013	3,414,276,600				
<b>PROJECTED VALUATIONS</b>					
2014	3,448,419,366		1.00%		
2015	3,482,903,560		1.00%		
2016	3,517,732,595		1.00%		
2017	3,552,909,921		1.00%		
2018	3,588,439,020		1.00%		
2019	3,624,323,411		1.00%		
2020	3,660,566,645		1.00%		
2021	3,697,172,311		1.00%		
2022	3,734,144,034		1.00%		
<b>Table 2 - Projection of G.O. Debt Capacity (Estimated Growth at 1% annually)</b>					
<u>BUDGET YEAR</u>	<u>EQUALIZED VALUE</u>	<u>GROSS DEBT LIMIT</u>	<u>DEBT BALANCE</u>	<u>NET BORROWING CAPACITY</u>	
2014	3,414,276,600	170,713,830	28,690,843	142,022,987	
2015	3,448,419,366	172,420,968	27,157,503	145,263,465	
2016	3,482,903,560	174,145,178	24,919,216	149,225,962	
2017	3,517,732,595	175,886,630	22,665,365	153,221,265	
2018	3,552,909,921	177,645,496	20,395,323	157,250,173	
2019	3,588,439,020	179,421,951	18,078,444	161,343,508	
2020	3,624,323,411	181,216,171	15,794,067	165,422,104	
2021	3,660,566,645	183,028,332	13,436,515	169,591,817	
2022	3,697,172,311	184,858,616	12,235,096	172,623,520	
2023	3,734,144,034	186,707,202	11,004,097	175,703,105	
2024	3,771,485,475	188,574,274	9,742,791	178,831,482	
2025	3,809,200,329	190,460,016	8,450,432	182,009,584	
2026	3,847,292,333	192,364,617	7,126,255	185,238,361	
2027	3,885,765,256	194,288,263	5,769,477	188,518,786	
2028	3,924,622,909	196,231,145	4,379,295	191,851,850	
2029	3,963,869,138	198,193,457	2,954,887	195,238,570	
2030	4,003,507,829	200,175,391	1,495,410	198,679,982	
2031	4,043,542,907	202,177,145		202,177,145	
2032	4,083,978,336	204,198,917		204,198,917	
2033	4,124,818,120	206,240,906		206,240,906	
2034	4,166,066,301	208,303,315		208,303,315	
2035	4,207,726,964	210,386,348		210,386,348	

## **PLAN IMPLEMENTATION**

Projects identified will provide the necessary anticipated governmental services and development incentives to the areas within the original District and the additional territory. It is anticipated these expenditures will be made between 2015 and 2019. 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. The order in which expenditures 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. In any event, all additional Project Costs are to be incurred within the period specified in Section 66.1105(6)(am) of the Wisconsin Statutes.



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 expenditures 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.

It is anticipated that street and utility improvements will be financed with the cash flow from the TIF District. Interest rates projected on debt financed 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 & FINANCING TIMELINE**

		<b>City of Franklin, WI</b> Tax Increment District No. 3 Estimated Project Costs & Financing Plan			
	Bank Note		Bank Note		Total Project Costs
	2015/Phase I		2019/Phase IV		
<b>SCENARIO WITH Major Development</b>					
<b>Projects</b>					
Development Incentive Major Development		5,000,000		5,000,000	5,000,000
Development Incentive Major Development				5,000,000	5,000,000
<b>Subtotal Needed for Projects</b>		<b>5,000,000</b>		<b>5,000,000</b>	<b>10,000,000</b>
<b>Finance Related Expenses</b>					
Financial Advisor		24,955		24,955	
Bond Counsel (Estimate)		7,500		7,500	
Rating Agency Fee		12,500		12,500	
Paying Agent (if Term Bonds)		675		675	
Max. Underwriter's Discount	\$10.00	51,000	\$10.00	51,000	
Capitalized Interest					
<b>Total Financing Required</b>		<b>5,096,630</b>		<b>5,096,630</b>	
<i>Estimated Interest Earnings</i>	0.25%	(521)	0.25%	(521)	
<i>Assumed Spend Down (Months)</i>	2		2		
Rounding		3,891		3,891	
<b>NET ISSUE SIZE</b>		<b>5,100,000</b>		<b>5,100,000</b>	



**DEVELOPMENT ASSUMPTIONS**

		<i>City of Franklin, WI</i> <b>Tax Increment District No. 3                      Development Assumptions</b>						
Construction Year	Actual	Franklin Oaks	31st Office Bldg	Land N of NML	27th Street	Major Development	Amended Area	Annual Total
2005	12,921,100							12,921,100
2006	11,983,300							11,983,300
2007	49,978,100							49,978,100
2008	31,019,800							31,019,800
2009	(44,467,600)							(44,467,600)
2010	11,217,900							11,217,900
2011	(8,734,800)							(8,734,800)
2012	387,900							387,900
2013								0
2014							500,000	500,000
2015			1,000,000			39,000,000		40,000,000
2016		2,000,000				12,000,000		14,000,000
2017					1,000,000			1,000,000
2018		2,000,000	1,000,000					3,000,000
2019						39,000,000		39,000,000
2020		2,000,000				12,000,000		14,000,000
2021								0
2022		1,000,000		12,000,000			6,800,000	19,800,000
2023								0
2024								0
<b>TOTALS</b>	<b>64,305,700</b>	7,000,000	2,000,000	12,000,000	1,000,000	102,000,000	7,300,000	195,605,700

NOTES: Amended Area includes Gordon Foods service in 2014 and Ashely Furniture in 2022

**SCENARIO WITH Major Development**

**INCREMENT REVENUE PROJECTIONS**

## City of Franklin, WI

### Tax Increment District No. 3 Tax Increment Projection Worksheet


Type of District: **Mixed Use**  
Actual Creation Date: **6/21/2005**

Valuation Date: **Jan. 1, 2005**  
Maximum Life (In Years): **20-Jan-00**  
Expenditure Period (In Years): **15-Jan-00**  
Revenue Periods/Final Rev Year: **20-Jan-00 2026**  
End of Expenditure Period: **6/21/2020**  
Latest Termination Date: **6/21/2025**  
Eligible for Extension/No. of Years: **Yes 3**  
Eligible Recipient District: **No**

Projected Base Value: **171,707,308**  
Pre-Amendment Base Value (Actual): **117,768,200**  
Property Appreciation Factor (2013-2015): **0.00%**  
Property Appreciation Factor (2016-2018): **0.50%**  
Property Appreciation Factor (2019 & Beyond): **1.00%**  
Current Tax Rate (Per \$1,000 EV): **\$22.49**  
Tax Rate Adjustment Factor (Next 2 Years): **-1.00%**  
Tax Rate Adjustment Factor (Following 2 Years): **-1.00%**  
Tax Rate Adjustment Factor (Thereafter): **-1.00%**

Discount Rate 1 for NPV Calculation: **5.00%**  
Discount Rate 2 for NPV Calculation: **7.00%**

Apply Inflation Factor to Base?





Net Present Value Calculation

	Construction	Value	Valuation	Inflation	Valuation	Revenue	Tax	Tax	Cumulative @	Cumulative @
	Year	Added	Year	Increment	Increment	Year	Rate	Increment	5.00%	7.00%
	2005	12,921,100	2006	0	12,921,100	2007	19.46	251,402	217,170	205,219
	2006	11,983,300	2007	0	24,904,400	2008	20.25	504,283	632,045	589,934
	2007	49,978,100	2008	0	74,882,500	2009	20.51	1,535,719	1,835,321	1,684,880
	2008	31,019,800	2009	0	105,902,300	2010	21.67	2,295,166	3,548,010	3,214,246
	2009	(44,467,600)	2010	0	61,434,700	2011	22.91	1,407,207	4,548,085	4,090,584
	2010	11,217,900	2011	0	72,652,600	2012	22.72	1,650,483	5,665,197	5,051,180
	2011	(8,734,800)	2012	0	63,917,800	2013	24.22	1,547,835	6,662,946	5,893,100
	2012	387,900	2013	0	64,305,700	2014	23.97	1,541,656	7,609,389	6,676,800
	2013	0	2014	0	64,305,700	2015	23.73	1,526,240	8,501,750	7,401,906
	2014	500,000	2015	0	64,805,700	2016	23.50	1,522,726	9,349,661	8,078,014
	2015	40,000,000	2016	1,182,565	105,988,265	2017	23.26	2,465,480	10,657,157	9,101,101
	2016	14,000,000	2017	1,388,478	121,376,743	2018	23.03	2,795,210	12,068,928	10,185,131
	2017	1,000,000	2018	1,465,420	123,842,163	2019	22.80	2,823,466	13,427,064	11,208,485
	2018	3,000,000	2019	2,955,495	129,797,658	2020	22.57	2,929,653	14,769,171	12,200,860
	2019	39,000,000	2020	3,015,050	171,812,708	2021	22.35	3,839,191	16,444,198	13,416,250
	2020	14,000,000	2021	3,435,200	189,247,908	2022	22.12	4,186,497	18,183,774	14,654,883
	2021	0	2022	3,609,552	192,857,460	2023	21.90	4,223,683	19,855,229	15,822,767
	2022	19,800,000	2023	3,645,648	216,303,108	2024	21.68	4,689,784	21,622,759	17,034,696
	2023	0	2024	3,880,104	220,183,212	2025	21.46	4,726,171	23,319,182	18,176,128
	2024	0	2025	3,918,905	224,102,117	2026	21.25	4,762,187	24,947,135	19,251,017
		195,605,700			28,496,417					

Future Value of Increment: **51,224,040**

**SCENARIO WITH Major Development**

CASH FLOW

City of Franklin, WI  
Tax Increment District No. 3  
Cash Flow Pro Forma



SCENARIO WITH Major Development

Year	Revenues							Expenditures													Balances		Note Outstanding	Project Cost Principal Outstanding	Year		
	Tax Increments	Investment Earnings	Computer Aid	Developer Loan Repayment	TEA Grant	Grants & Debt Proceeds	Total Revenues	GO Notes \$7,000,000 8/15/2005	GO Notes \$10,000,000 8/26/2008	Interfund Advance \$4,600,000 Various	Interfund Advance \$3,350,000 Various	Taxable GO Notes \$10,000,000 1/1/2007	Taxable GO Notes \$5,100,000 3/1/2015	Taxable GO Notes \$5,100,000 3/1/2019	Project Costs	Admin Expense	Fees 2007 Note	Total Expenditures	Annual	Cumulative							
2005		3.00%				3,905,571	3,966,096	Prin (3/1) Interest 66,036										906,440	61,554		1,034,030	2,932,066	2,932,066		3,905,571	2005	
2006		114,349				94,429	208,778											2,021,091	70,527		2,271,261	(2,062,483)	869,583	0	4,000,000	2006	
2007	251,402	102,647	317,482	130,950	1,000,000	15,700,000	17,502,481											17,280,607	75,136	331	18,049,271	(546,790)	322,793	10,000,000	9,700,000	2007	
2008	504,283	14,311	304,643	789,625		11,137,628	12,750,490	6,300,000	216,253									2,087,552	46,955	363	12,996,893	(246,403)	76,390	9,400,000	11,300,000	2008	
2009	1,535,719	6,159	353,993	792,679		800,000	3,488,550	700,000	5,311	200,000	334,118	600,000	15,127					615,003	29,202	363	3,564,203	(75,653)	737	8,785,000	10,600,000	2009	
2010	2,295,166	7,725	326,765	790,589			3,420,245			800,000	314,500	800,000	1,841					625,000	419,389	363	3,077,685	342,560	343,297	8,160,000	9,000,000	2010	
2011	1,407,207	10,971	333,786	793,255			2,545,219			1,000,000	287,500							640,000	388,080	363	2,335,612	209,607	552,904	7,520,000	8,000,000	2011	
2012	1,650,483	5,128	282,085	795,629			2,733,325			2,000,000	240,000							655,000	356,029	363	3,288,868	(555,543)	(2,639)	6,865,000	6,000,000	2012	
2013	1,547,835	(79)	267,981	797,710		1,150,000	3,763,447			2,500,000	165,000		34,500					670,000	323,235	363	3,733,098	30,349	27,710	6,195,000	4,650,000	2013	
2014	1,541,656	831	254,582	6,255,776		2,200,000	10,252,846			3,500,000	61,250		110,500					6,195,000	153,326	363	10,060,439	192,407	220,117	0	3,350,000	2014	
2015	1,526,240	6,604	241,853			5,000,000	6,774,696												1,650,000	75,750		6,856,750	(82,054)	138,063	0	6,800,000	2015
2016	1,522,726	4,142	229,760				1,756,628												1,150,000	33,750		1,916,750	(160,122)	(22,059)	0	5,650,000	2016
2017	2,465,480	0	218,272				2,683,752												500,000	9,000		2,565,528	118,224	96,165	0	4,800,000	2017
2018	2,795,210	2,885	207,358				3,005,453												350,000	4,000%	197,000	1,480,528	863,175	959,340	0	4,350,000	2018
2019	2,823,466	28,780	196,990			5,000,000	8,049,237												400,000	4,000%	182,000	2,142,278	863,175	959,340	0	4,350,000	2019
2020	2,929,653	97,982	187,141				3,214,776												450,000	4,000%	165,000	5,742,500	2,306,737	3,266,076	0	9,000,000	2020
2021	3,839,191	152,771	177,784				4,169,746												500,000	4,000%	146,000	1,388,500	1,826,276	5,092,352	0	8,000,000	2021
2022	4,186,497	233,163					4,419,660												550,000	4,000%	125,000	1,490,000	2,679,746	7,772,098	0	6,850,000	2022
2023	4,223,683	318,218					4,541,901												600,000	4,000%	102,000	1,584,500	2,835,160	10,607,258	0	5,550,000	2023
2024	4,689,784	405,777					5,095,561												650,000	4,000%	77,000	1,623,250	2,918,651	13,525,908	0	4,150,000	2024
2025	4,726,171	507,449					5,233,621												750,000	4,000%	49,000	1,706,500	3,389,061	16,914,969	0	2,600,000	2025
2026	4,762,187	610,960					5,373,147												850,000	4,000%	17,000	1,783,250	3,450,371	20,365,340	0	900,000	2026
<b>Total</b>	<b>51,224,040</b>	<b>2,691,298</b>	<b>3,900,474</b>	<b>11,146,213</b>		<b>44,987,628</b>	<b>114,949,653</b>	<b>7,000,000</b>	<b>763,169</b>	<b>10,000,000</b>	<b>1,402,368</b>	<b>4,600,000</b>	<b>152,609</b>	<b>3,350,000</b>	<b>264,250</b>	<b>10,000,000</b>	<b>2,897,538</b>	<b>5,100,000</b>	<b>1,366,000</b>	<b>5,100,000</b>	<b>1,110,000</b>	<b>36,533,820</b>	<b>491,040</b>	<b>2,872</b>	<b>90,133,666</b>	<b>24,815,987</b>	

NOTES: Cash Financed Project costs in 2017 and 2018 are for Utility and Streetscaping

2017 costs are for area along 27th Street within current TID (Rawson to Drexel)

2018 Costs are for area along 27th Street outside original TID (College to Rawson), amended area and with 1/2 mile radius of amended area.

Projected TID Closure

## **11** ANNEXED PROPERTY

There are no lands within the Territory proposed to be included within the District by Amendment that were annexed by the City on or after January 1, 2004.

## **12** ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS

The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

## **13** PROPOSED CHANGES IN ZONING ORDINANCES

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan. If, during the remaining life of the District, the City finds that changes may be necessary to allow for development and/or redevelopment to occur, the City will address any possible changes at the appropriate time

## **14** PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF FRANKLIN 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.

## **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 state statutes as required in Wisconsin Statutes chapter 32.

## **16** ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF FRANKLIN

This amendment 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.

## **17** A LIST OF ESTIMATED NON-PROJECT COSTS

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

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

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

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

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JANE C. KASSIS,  
LEGAL SECRETARY

August 22, 2013

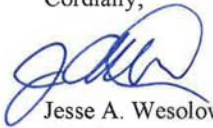
Mayor Thomas M. Taylor  
City of Franklin  
9229 West Loomis Road  
Franklin, Wisconsin 53132

re: **City of Franklin, Wisconsin Tax Incremental District No. 3 Amendment**

Dear Mayor Taylor:

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

Cordially,

  
Jesse A. Wesolowski  
City Attorney  
City of Franklin

## 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>City</i>	<i>County</i>	<i>MMSD</i>	<i>School Districts</i>	<i>Tech College</i>	<i>Total</i>
	<b>24.82%</b>	<b>20.50%</b>	<b>6.76%</b>	<b>39.14%</b>	<b>8.78%</b>	
2007	62,402	51,531	16,987	98,398	22,084	251,402
2008	125,172	103,366	34,074	197,374	44,298	504,283
2009	381,193	314,785	103,767	601,073	134,901	1,535,719
2010	569,701	470,453	155,082	898,317	201,613	2,295,166
2011	349,294	288,443	95,084	550,774	123,613	1,407,207
2012	409,679	338,309	111,521	645,991	144,983	1,650,483
2013	384,200	317,269	104,586	605,815	135,966	1,547,835
2014	382,666	316,002	104,168	603,397	135,423	1,541,656
2015	378,840	312,842	103,126	597,363	134,069	1,526,240
2016	377,967	312,122	102,889	595,987	133,760	1,522,726
2017	611,976	505,364	166,590	964,977	216,574	2,465,480
2018	693,820	572,950	188,870	1,094,031	245,538	2,795,210
2019	700,834	578,742	190,779	1,105,091	248,020	2,823,466
2020	727,191	600,508	197,954	1,146,652	257,348	2,929,653
2021	952,955	786,941	259,410	1,502,641	337,244	3,839,191
2022	1,039,162	858,130	282,877	1,638,574	367,753	4,186,497
2023	1,048,393	865,752	285,390	1,653,129	371,019	4,223,683
2024	1,164,087	961,292	316,884	1,835,559	411,963	4,689,784
2025	1,173,119	968,750	319,343	1,849,800	415,159	4,726,171
2026	1,182,059	976,133	321,776	1,863,897	418,323	4,762,187
	<b>12,714,710</b>	<b>10,499,684</b>	<b>3,461,157</b>	<b>20,048,839</b>	<b>4,499,650</b>	<b>51,224,040</b>

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