

PROJECT PLAN - TAX INCREMENTAL DISTRICT NUMBER TWO
VILLAGE OF SOLON SPRINGS, WISCONSIN
September 7, 1999

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I. INTRODUCTION

The Village of Solon Springs proposed Tax Incremental District Number Two (the "District") is located in the Western portion of the Village near the newly relocated U.S. Highway 53. The District is a mixture of vacant parcels and industrial sites.

The Village would like to accelerate the transition of this area to industrial use, increase potential industrial sites and increase its employment base through incentives by assisting in providing utilities to the area, assembling sites for development, and providing needed site improvements.

The primary purpose of establishing the tax incremental plan is to provide funding for assembling industrial sites, improving public utilities and providing site improvements to encourage development within the Village. Keeping in mind that positive increment must exist before any revenue is generated, the City will stage the public improvements and site improvements proposed to be paid for with tax incremental financing so that relative certainty of economic feasibility exists.

II. DESCRIPTION OF DISTRICT AND BOUNDARIES

Attached as Appendix J is a tax parcel list of the property within the District boundaries.

The proposed District is located within a portion of the N $\frac{1}{2}$ of Section 26, Township 45 North, Range 12 West, along the newly relocated U.S. Highway 53. The description of the proposed District is as follows:

Commencing at the intersection of Douglas County Highway A and the Southwest corner of the Southeast Quarter of Northwest Quarter (SE $\frac{1}{4}$ of NW $\frac{1}{4}$); thence Northerly along the West line of the East Half of Northwest Quarter (E $\frac{1}{2}$ of NW $\frac{1}{4}$) to the North line of Section 26 to a point at the Northwest Corner of the Northeast Quarter of Northwest Quarter (NE $\frac{1}{4}$ of NW $\frac{1}{4}$); thence Easterly along the North line of said Section 26 to the Northeast corner of the Northwest Quarter of Northwest Quarter of Northeast Quarter (NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$); thence Southerly along the East line of the West Half of Northwest Quarter of Northeast Quarter (W $\frac{1}{2}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$) to the North line of the Southwest Quarter of Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$); thence Easterly along the North line of said Southwest Quarter of Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$) to the Northeast corner thereof; thence Southerly along the East line of said Southwest Quarter of Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$) to the Southeast corner thereof; thence Westerly along the South line of said Southwest Quarter of Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$) to the Southwest corner thereof; thence Northerly along the West line of said Southwest Quarter of Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$) for a distance of 485.06 feet; thence Westerly parallel with the South line of the North Half (N $\frac{1}{2}$) of Section 26 for a distance of 408.71 feet; thence Southerly and parallel to the East line of the Southeast Quarter of Northwest Quarter (SE $\frac{1}{4}$ of NW $\frac{1}{4}$) for a distance of approximately 485.06 feet to the South line of the North Half (N $\frac{1}{2}$) of Section 26; thence Westerly along the South line of the North Half (N $\frac{1}{2}$) of Section 26 to the Southwest corner of said Southeast Quarter of Northwest Quarter (SE $\frac{1}{4}$ of NW $\frac{1}{4}$), being the point of beginning; excepting the right-of-way for relocated U.S. Highway 53 and Douglas County Road A.

III. PROPOSED PUBLIC WORKS AND IMPROVEMENTS WITHIN THE DISTRICT

Ownership of the property within the District lies with the Village, the Solon Springs Development Commission, and private owners. Initial projects will be developed on property owned by the Solon Springs Development Commission.

The Village will extend its streets and sewer lines to service the District. Other utilities including fire protection, electrical and gas will be extended. Only a proportionate share of expenditures for utilities, to the extent that they benefit the District, will be considered a Project Cost.

Appropriate signage will be designed, fabricated and installed for the District. Site improvements will include the removal or containment of, or the restoration of soil or groundwater affected by, environmental pollution and the clearing and grading of land. Site improvements will be made in order to prepare the sites for use or re-use.

Costs such as surveys, environmental impact studies, soil analysis and other studies, and the costs of informing the public or potential purchasers with respect to the condition of the property, will be Project Costs.

Other Project Costs for the improvements within the District include financing costs, including interest costs; professional service costs, including, but not limited to, those costs incurred for appraisal, relocation, architectural, planning, engineering, and legal advice and services; certain administrative costs, including, but not limited to, reasonable charges for the time spent by Village employees in connection with the implementation of the project plan; and payments made, in the discretion of the Village Board, which are found to be necessary or convenient to the creation of the District or the implementation of the project plan.

IV. ECONOMIC FEASIBILITY STUDY

The following table shows the projected equalized value, tax increment revenues and accumulative revenue for the District for the years 1999 through 2022. These projections are based on the following assumptions:

1. Projected construction of a building and other improvements to an existing manufacturing facility in 1999.
2. With the development of the above-described project, six additional projects are projected to be developed over the next six years within the District.
3. The equalized tax rate will continue at \$29.16/\$1,000.
4. Property values will remain constant over the life of the District.
5. All Project Costs, including, but not limited to acquisition, relocation and public works and improvements will be completed within the first seven years of the District.
6. The Village's 1998 equalized value is \$19,387,700. Its debt capacity (5% of equalized value) is \$969,385. As of December 31, 1998, the Village has \$499,601.66 of such debt capacity encumbered; thus, the Village has sufficient capacity to issue debt for the Tax Increment projects.

The projections seem reasonable based on the amount of development anticipated in the first two years of the District. The assembling of industrial sites and the public works and improvements will encourage further industrial development within the District.

The Village intends to stage the acquisition and public improvements proposed to use tax increment financing so relative certainty of economic feasibility exists.

TAX INCREMENT FINANCING PROGRAM

Year	District Equalized Value	Net Construction Valuation	District Equalized Valuation	District Increment	Tax Increment Revenue	Tax Increment Cumulative Revenue
1999	\$491,400	\$300,000	\$791,400	\$300,000	\$0	\$0
2000	\$491,400	\$900,000	\$1,691,400	\$1,200,000	\$8,748	\$8,748
2001	\$491,400	\$2,350,000	\$4,041,400	\$3,550,000	\$34,992	\$43,740
2002	\$491,400	\$1,500,000	\$5,541,400	\$5,050,000	\$103,518	\$147,258
2003	\$491,400	\$1,500,000	\$7,041,400	\$6,550,000	\$147,258	\$294,516
2004	\$491,400	\$1,000,000	\$8,041,400	\$7,550,000	\$190,998	\$485,514
2005	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$705,672
2006	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$925,830
2007	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$1,145,988
2008	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$1,366,146
2009	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$1,586,304
2010	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$1,806,462
2011	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$2,026,620
2012	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$2,246,778
2013	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$2,466,936
2014	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$2,687,094
2015	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$2,907,252
2016	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$3,127,410
2017	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$3,347,568
2018	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$3,567,726
2019	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$3,787,884
2020	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$4,008,042
2021	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$4,228,200
2022	\$491,400	\$0	\$8,041,400	\$7,550,000	\$220,158	\$4,448,358
Total Improvement		\$7,550,000	Total Revenue		\$4,448,358	

EFFECTIVE TAX RATE - VILLAGE OF SOLON SPRINGS = .02916

- Tax Apportionment
- 50.055% - School District of Solon Springs
- 5.868% - WITC
- 16.729% - County of Douglas
- 25.564% - Village of Solon Springs
- .784% - State of Wisconsin

ANNUAL APPORTIONMENT OF TID REVENUES	
<u>School District of Solon Springs</u>	
Current District share of revenue*	50.055%
Proposed TID base revenue	\$491,400
District share of proposed TID base	\$245,970
Proposed TID increment revenue	\$200,158
District share of increment revenue at retirement	\$100,189
District total revenue at retirement	\$117,373
<u>Wisconsin Indianhead Technical College</u>	
Current WITC share of revenue*	5.868%
Proposed TID base revenue	\$491,400
WITC share of proposed TID base	\$28,835
Proposed TID increment revenue	\$200,158
WITC share of increment revenue at retirement	\$11,745
WITC total revenue at retirement	\$13,760
<u>Douglas County</u>	
Current County share of revenue*	16.729%
Proposed TID base revenue	\$491,400
County share of proposed TID base	\$82,206
Proposed TID increment revenue	\$200,158
County share of increment revenue at retirement	\$33,484
County total revenue at retirement	\$39,227
<u>Village of Solon Springs</u>	
Current Village share of revenue*	25.564%
Proposed TID base revenue	\$491,400
Village share of proposed TID base	\$125,621
Proposed TID increment revenue	\$200,158
Village share of increment revenue at retirement	\$51,168
Village total revenue at retirement	\$59,944
<u>State of Wisconsin</u>	

ANNUAL APPORTIONMENT OF TID REVENUES

Current State share of revenue*	.784%
Proposed TID base revenue	\$491,400
State share of proposed TID base	\$3,853
Proposed TID increment revenue	\$200,158
State share of increment revenue at retirement	\$1,569
State total revenue at retirement	\$1,838

Calculations do not include inflation or increased to assessed value or changes in mill levy

* % Based on Gross/Total Gross after school credit of \$2,795,016

V. ESTIMATED PROJECT COSTS

PROJECT	COSTS
Street Extensions	\$260,000
Sewer Extensions	\$270,000
Site Improvements	\$300,000
Fire Protection and Other Utility Extensions	\$200,000
Engineering	\$85,000
Contingency	\$124,000
Signage	\$1,000
Administrative Costs	\$100,000
TOTAL PROJECT COSTS	\$1,340,000

VI. DESCRIPTION OF FINANCING METHODS

YEAR	NOTES/BONDS
2000	\$550,000
2001	\$200,000
2002	\$200,000
2003	\$390,000
Total	\$1,340,000

At this time, the Village proposes to use general obligation promissory notes or bonds, utility revenue bonds and/or special assessment "B" bonds to provide capital for the tax incremental projects.

Debt Service Report – Bonds/Notes

Payment Date	Bonds Issued July 1, 2000		Bonds Issued July 1, 2001		Bonds Issued July 1, 2002		Bonds Issued July 1, 2003		Total Payment	Tax Increment Revenue
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
06/01/00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,748
06/01/01	\$5,000	\$30,250	\$0	\$0	\$0	\$0	\$0	\$0	\$35,250	\$34,992
06/01/02	\$5,000	\$32,700	\$5,000	\$11,000	\$0	\$0	\$0	\$0	\$53,700	\$103,518
06/01/03	\$5,000	\$32,400	\$5,000	\$11,700	\$5,000	\$11,000	\$0	\$0	\$70,100	\$147,258
06/01/04	\$5,000	\$32,100	\$5,000	\$11,400	\$5,000	\$11,700	\$10,000	\$21,450	\$101,650	\$190,998
06/01/05	\$5,000	\$31,800	\$5,000	\$11,100	\$5,000	\$11,400	\$10,000	\$22,800	\$102,100	\$220,158
06/01/06	\$25,000	\$31,500	\$5,000	\$10,800	\$5,000	\$11,100	\$10,000	\$22,200	\$120,600	\$220,158
06/01/07	\$25,000	\$30,000	\$5,000	\$10,500	\$5,000	\$10,800	\$10,000	\$21,600	\$117,900	\$220,158
06/01/08	\$25,000	\$28,500	\$5,000	\$10,200	\$5,000	\$10,500	\$10,000	\$21,000	\$115,200	\$220,158
06/01/09	\$25,000	\$27,000	\$5,000	\$9,900	\$5,000	\$10,200	\$10,000	\$20,400	\$112,500	\$220,158
06/01/10	\$25,000	\$25,500	\$5,000	\$9,600	\$10,000	\$9,900	\$10,000	\$19,800	\$114,800	\$220,158
06/01/11	\$25,000	\$24,000	\$5,000	\$9,300	\$10,000	\$9,300	\$20,000	\$19,200	\$121,800	\$220,158
06/01/12	\$25,000	\$22,500	\$10,000	\$9,000	\$10,000	\$8,700	\$20,000	\$18,000	\$123,200	\$220,158
06/01/13	\$25,000	\$21,000	\$15,000	\$8,400	\$15,000	\$8,100	\$30,000	\$16,800	\$139,300	\$220,158
06/01/14	\$50,000	\$19,500	\$25,000	\$7,500	\$20,000	\$7,200	\$40,000	\$15,000	\$184,200	\$220,158
06/01/15	\$60,000	\$16,500	\$25,000	\$6,000	\$25,000	\$6,000	\$50,000	\$12,600	\$201,100	\$220,158
06/01/16	\$65,000	\$12,900	\$25,000	\$4,500	\$25,000	\$4,500	\$50,000	\$9,600	\$196,500	\$220,158
06/01/17	\$75,000	\$9,000	\$25,000	\$3,000	\$25,000	\$3,000	\$50,000	\$6,600	\$196,600	\$220,158
06/01/18	\$75,000	\$4,500	\$25,000	\$1,500	\$25,000	\$1,500	\$60,000	\$3,600	\$196,100	\$220,158
06/01/19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$220,158
06/01/20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$220,158
06/01/21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$220,158
06/01/22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$220,158
Totals	\$550,000	\$431,650	\$200,000	\$145,400	\$200,000	\$134,900	\$390,000	\$250,650	\$2,302,600	\$4,448,358

VII. EXISTING USES AND CONDITIONS OF REAL PROPERTY WITHIN THE DISTRICT

The existing uses of the District include several vacant parcels owned by the Village, Solon Springs Development Commission and several privately-owned parcels.

There are small wetlands areas in the District and included in the August 29, 1978 Wisconsin Department of Transportation map.

The map showing the existing uses of the property is attached as Map 2.

The area is in a flood plain according to the Flood Insurance Rate Map, Community Parcel Number 550115 0005B.

VIII. PROPOSED CHANGES IN CITY PLANS AND ORDINANCES

A portion of the District is presently zoned I-1 (light industrial) and I-2 (heavy industrial). The Village is in the process of changing the zoning of the remainder of the District to I-1 (light industrial).

IX. ESTIMATED NON-PROJECT COSTS

Under the current proposal of this Tax Incremental District Project Plan, all Project Costs to be incurred by the Village are within the District and none of such Project Costs will benefit property outside the District.

X. RELOCATION PLAN

The current Project Plan does not propose any relocation by the Village of Solon Springs. Should any relocation requirements occur, it will be necessary to develop, file and obtain written approval of a relocation payment plan and relocation assistance service plan from the Department of Industry, Labor and Human Relations pursuant to Wisconsin Statutes, Section 32.25 and the Village will be required to maintain the records required by Wisconsin Statutes, Section 32.27.

XI. INDICATION OF HOW DISTRICT CREATION PROMOTES ORDERLY DEVELOPMENT

The Village has pursued the development of industrial sites over a decade. The lack of good road access and utilities has prevented further development. Street and utility construction will allow the Village and the Solon Springs Development Commission to pursue economic expansion and job creation by creating an industrial site with good access to roads, sewer and utilities.

The location and adjacent land uses make industrial development the highest and best use of the property. The location is not conducive to residential use. The area is not needed for parks, as an adequate amount of park space exists in the Village.

XII. SUMMARY

The purpose of the District is to develop the site for industrial uses. The property is presently a mixture of vacant parcels and industrial uses.

To encourage development of property within the District, the Village will provide for sanitary sewer service and upgrade streets and other utilities. The Village will also provide for certain site improvements where needed.

Construction of public works will be done at such time as the Village has reasonable assurance that there will be sufficient tax increment from the District, together with other funding sources, to pay for such costs and retire the obligations incurred for these projects.