

Draft as of February 10, 2016

Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 13

CITY OF SUPERIOR, WISCONSIN

Organizational Joint Review Board Meeting Held:	Scheduled for: February 17, 2016
Public Hearing Held:	Scheduled for: February 17, 2016
Consideration for Approval by Plan Commission:	Scheduled for: February 17, 2016
Consideration for Adoption by Common Council:	Scheduled for: March 15, 2016
Consideration for Approval by the Joint Review Board:	Scheduled for: March 18, 2016

Tax Incremental District No. 13 Territory & Project Plan Amendment

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SECTION 1:

Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 13 (the “TID” or “District”) is an existing mixed-use district, which was created by a resolution of the City of Superior (“City”) Common Council adopted on September 2, 2014 (the “Creation Resolution”).

Amendments

The District has not been previously amended.

Purpose of this Amendment

The Amendment is being undertaken for the following purposes:

- Amend the boundaries of the District in order to add territory to facilitate the development of a hotel and to provide opportunities for future development on vacant parcels.
- Modify project costs and locations in order to promote development within the area being added to the District’s boundaries
- Subtract territory from the District to remove parcels associated with a proposed development that is not expected to move forward at this time

Estimated Total Project Expenditures

The City anticipates making project expenditures of approximately \$1,650,000 to undertake projects in the amendment areas as listed in this Project Plan as well as areas already located in the District. It is anticipated that the remaining and additional projects will be completed in three phases. The Expenditure Period of this District terminates on September 2, 2029. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with Tax Increment Project Revenue Bonds and cash outlays, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.

Economic Development

As a result of the amendment of this District, the City projects that additional land and improvements value of approximately \$7,100,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the 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. 13 has a maximum statutory life of 20 years, and must close not later than September 2, 2034, resulting in a final collection of increment in budget year 2035. The cash flow indicates that the District will require most or all of the remaining life of the District to repay all project costs. However, the City could choose to appropriate additional funds toward the payment of Tax Increment Project Revenue Bonds if increment values are higher than anticipated.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, 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:
 - ***Addition of Territory and Modification of Project Costs:*** 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 development incentive payments and site preparation. 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 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.
 - ***Subtraction of Project Costs:*** That “but for” amendment of the District’s Project Plan, the economic development objectives will not be achieved. In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing,” customarily referred to as the “but for” test. Since one purpose of this amendment is to subtract property, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded that the “but for” test was met. Accordingly, the City finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.a.*
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.
 - Tax increment collections continue to be expected to be sufficient to pay for the cost of all improvements made in the District after the subtraction of territory. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.b.*

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- ***Addition of Territory:*** If approved, the boundary amendment would become effective for valuation purposes as of January 1, 2016. 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, 2016 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
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 Wisconsin Statutes Section 66.1105(2)(cm).
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 none 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 Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

SECTION 2: Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on September 2, 2014 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2014.

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 industrial, 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 and subtraction 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. 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.

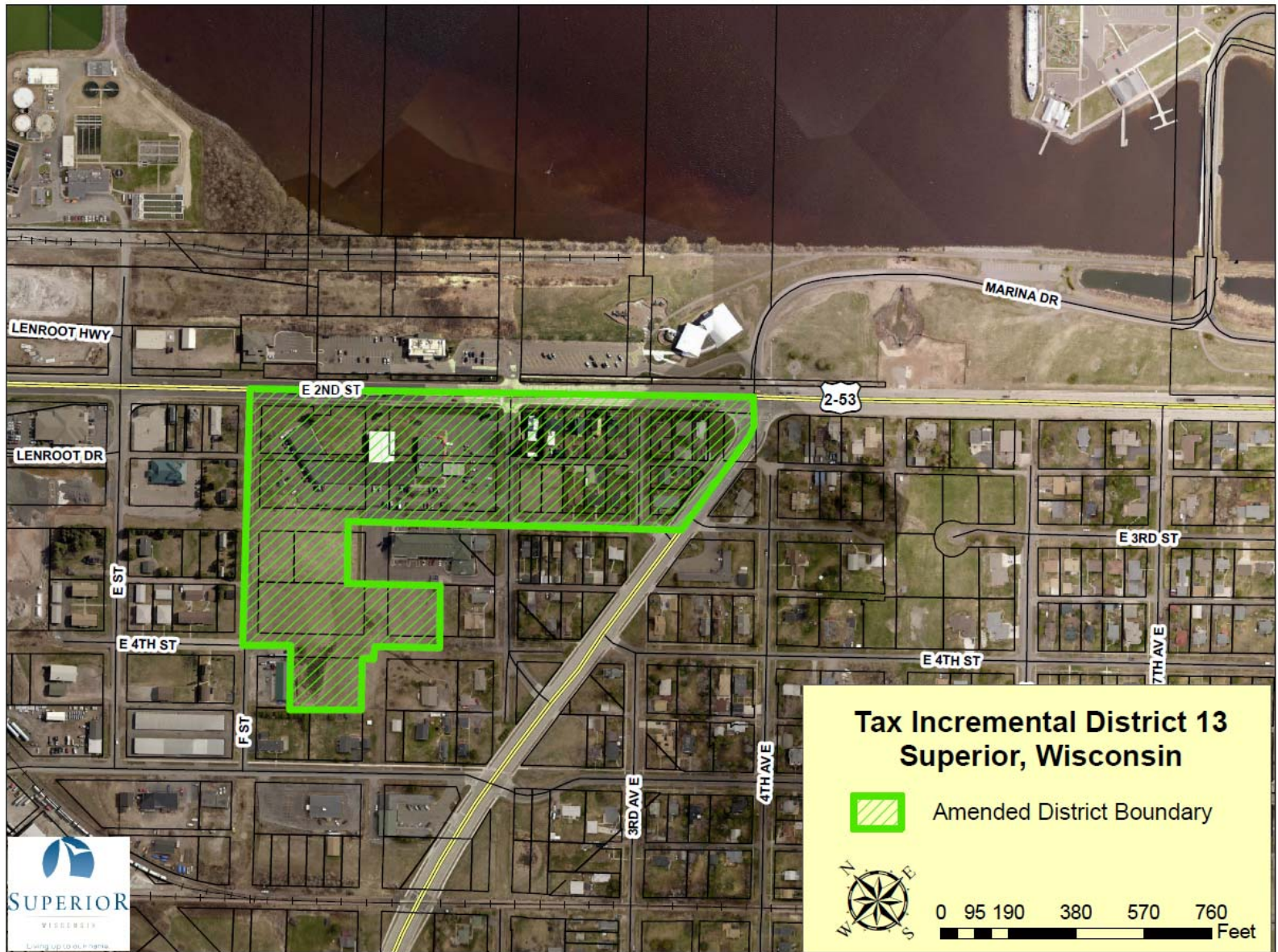
The purpose of the Amendment is to both add and subtract territory simultaneously and to provide for the undertaking of additional expenditures. The addition of territory to the District will facilitate new development and/or redevelopment opportunities, while the subtraction will remove parcels that were intended to be the site of a development that is no longer expected to occur. 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.

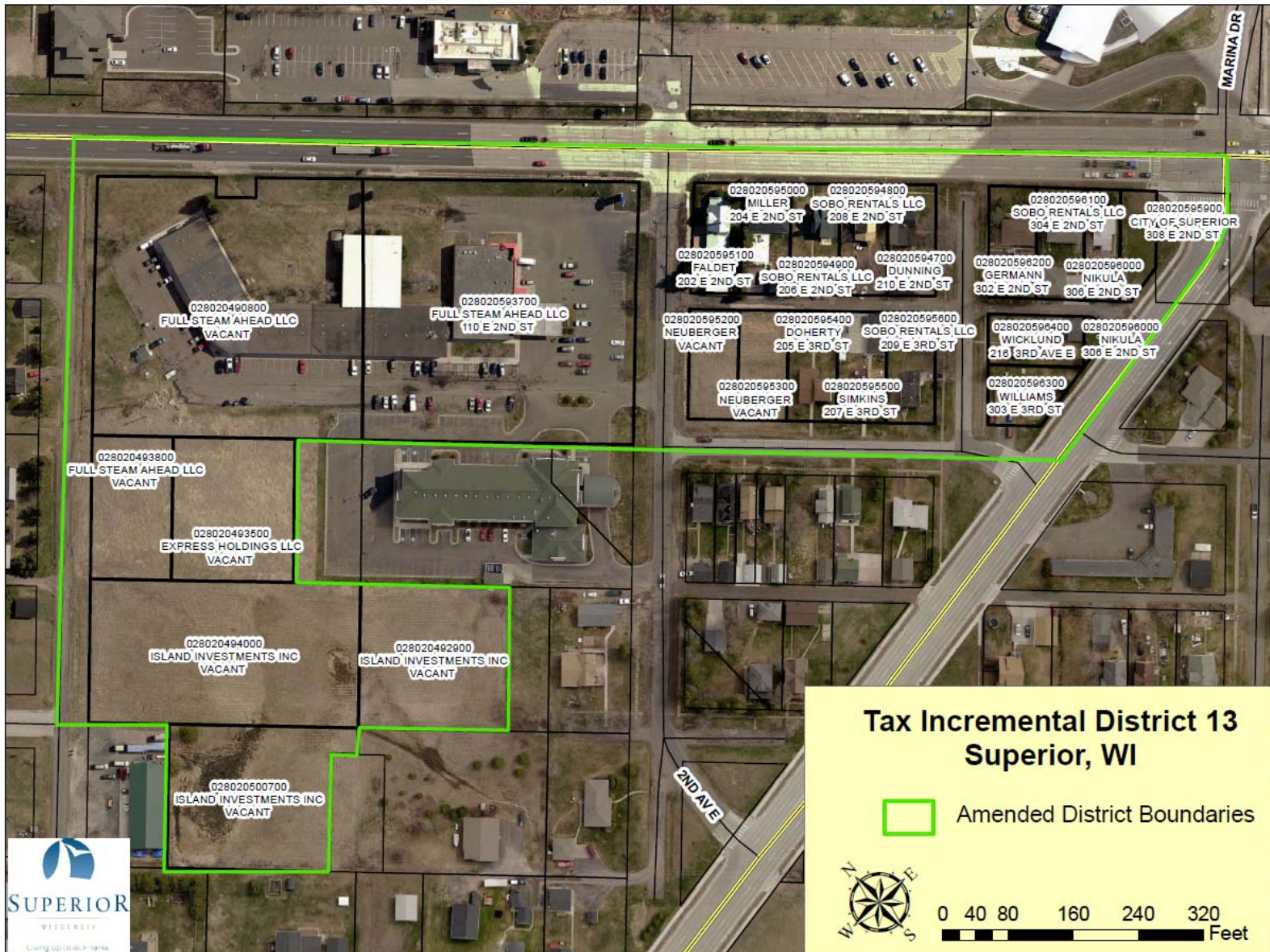
This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan unless specifically stated. All components of the original Project Plan remain in effect.

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.

SECTION 3: Preliminary Map of Original District Boundary and Territory Amendment Area Identified









SECTION 4: Map Showing Existing Uses and Conditions within the Territory to Be Added and Remaining



SECTION 5: Preliminary Parcel List and Analysis within the Territory to Be Added and Remaining

City of Superior, Wisconsin

Tax Increment District No. 13

Base Property Information

Property Information						Assessment Information				Equalized Value				District Classification						
Parcel Number	Street Address	Owner	Acreage	Annexed Post 1/1/04? ...Indicate date	Municipally Owned? ...Indicate Specific Parcel Property Use	Part of Existing TID? ...Indicate TID #	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
02-802-05937-00	110 E. 2nd St.	Full Steam Ahead LLC	4.910				372,100	305,100		677,200	100.31%	370,950	304,157	0	675,107		4.910			4.910
02-802-04908-00	None	Full Steam Ahead LLC	0.000				0	0		0	100.31%	0	0	0	0		0.000			0.000
02-802-04938-00	None	Full Steam Ahead LLC	0.409				12,300	0		12,300	100.31%	12,262	0	0	12,262		0.409			0.409
02-802-04935-00	None	Express Holdings LLC	0.613				18,400	0		18,400	100.31%	18,343	0	0	18,343		0.613			0.613
02-802-04940-00	None	Island Investments Inc.	1.361				53,200	0		53,200	100.31%	53,036	0	0	53,036		1.361			1.361
02-802-04929-00	None	Island Investments Inc.	0.748				27,500	0		27,500	100.31%	27,415	0	0	27,415		0.748			0.748
02-802-05007-00	None	Island Investments Inc.	0.842				29,100	0		29,100	100.31%	29,010	0	0	29,010		0.842			0.842
02-802-05960-00	306 East 2nd Street	Kathryn Nikula	0.139				<div>Values are not shown because these parcels are already part of the district. Their values are consequently already part of the base value.</div>										0.139			0.139
02-802-05961-00	304 East 2nd Street	Dennis & Dolores Olsor	0.186														0.186			0.186
02-802-05962-00	302 East 2nd Street	Bonnie Germann	0.186														0.186			0.186
02-802-05947-00	210 East 2nd Street	Dick & Paula Dunning	0.186														0.186			0.186
02-802-05948-00	208 East 2nd Street	Sobo Rentals LLC	0.186														0.186			0.186
02-802-05949-00	206 East 2nd Street	Sobo Rentals LLC	0.186														0.186			0.186
02-802-05950-00	204 East 2nd Street	Matthew Miller & Yoval	0.186														0.186			0.186
02-802-05951-00	202 East 2nd Street	Jean Faldet, Dina Conn	0.186														0.186			0.186
02-802-05952-00	Vacant	David Neuberger	0.186														0.186			0.186
02-802-05953-00	Vacant	David Neuberger	0.186														0.186			0.186
02-802-05954-00	205 East 3rd Street	Barbara Doherty	0.186														0.186			0.186
02-802-05955-00	207 East 3rd Street	Charles & Zamira Simkii	0.186														0.186			0.186
02-802-05956-00	209 East Third Street	Sobo Rentals LLC	0.186														0.186			0.186
02-802-05963-00	303 East 3rd Street	John & Debra Williams	0.157														0.157			0.157
02-802-05964-00	216 3rd Avenue East	Thomas Wicklund	0.171														0.171			0.171
02-802-05959-00	Vacant	City of Superior	0.120																	0.000
Total Acreage 11.702							512,600	305,100	0	817,700		511,016	304,157	0		0	11.582	0	0	11.582
																0.00%	98.97%	0.00%	0.00%	98.97%
												Estimated Addition to Base Value 815,173								

Note: Parcels highlighted in gray are already part of the District and are shown only for reference and the purpose of demonstrating continued compliance with the land use requirements of a mixed-use district.

The following parcels are being subtracted from the District:

- 02-802-05917-00
- 02-802-05918-00
- 02-802-05918-01
- 02-802-05893-00
- 02-802-05899-00
- 02-802-05905-00

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 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. 13, plus the value increment of all other existing tax incremental districts within the City, totals \$45,707,373. This value is less than the maximum of \$195,669,432 in equalized value that is permitted for the City of Superior. The City is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

City of Superior, Wisconsin	
Tax Increment District No. 13	
Valuation Test Compliance Calculation	
Amendment Date	3/15/2016
	Valuation Data Currently Available 2015
Total EV (TID In)	1,630,578,600
12% Test	195,669,432
Increment of Existing TIDs	
TID #7	9,647,200
TID #8	16,428,500
TID #9	18,228,100
TID #11	588,400
TID #12	0
TID #13	0
Total Existing Increment	44,892,200
Projected Base of Amendment Area	815,173
Total Value Subject to 12% Test	45,707,373
Compliance	PASS

SECTION 7:

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

The following is a list of public works and other TIF-eligible projects that the City has implemented, or may 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

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 may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; 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

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

In order to make sites suitable for development and/or redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

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

Utilities

Sanitary Sewer System Improvements

There may be inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may 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; wastewater treatment facilities; 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 is necessitated by the implementation of the Project Plan is an eligible Project Cost. Improvements to the wastewater treatment facilities, although not within the ½ mile radius, are an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

There may be inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may 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 is necessitated by the implementation of the Project Plan is an eligible Project Cost.

Stormwater Management System Improvements

Development and/or redevelopment within the District may 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; bridges; stabilization of stream and river banks; 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 is necessitated by the implementation of the Project Plan is an eligible Project Cost.

Electric Service

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

There may be inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; 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.

RDA Type Activities

Contribution to Redevelopment 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 RDA 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 RDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program

To encourage private redevelopment consistent with the objectives of this Plan, the City, through its RDA, 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 RDA in the program manual. Any funds returned to the RDA 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 RDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Professional Service and Organizational Costs

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

Administrative Costs

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

Financing Costs

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

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, 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.

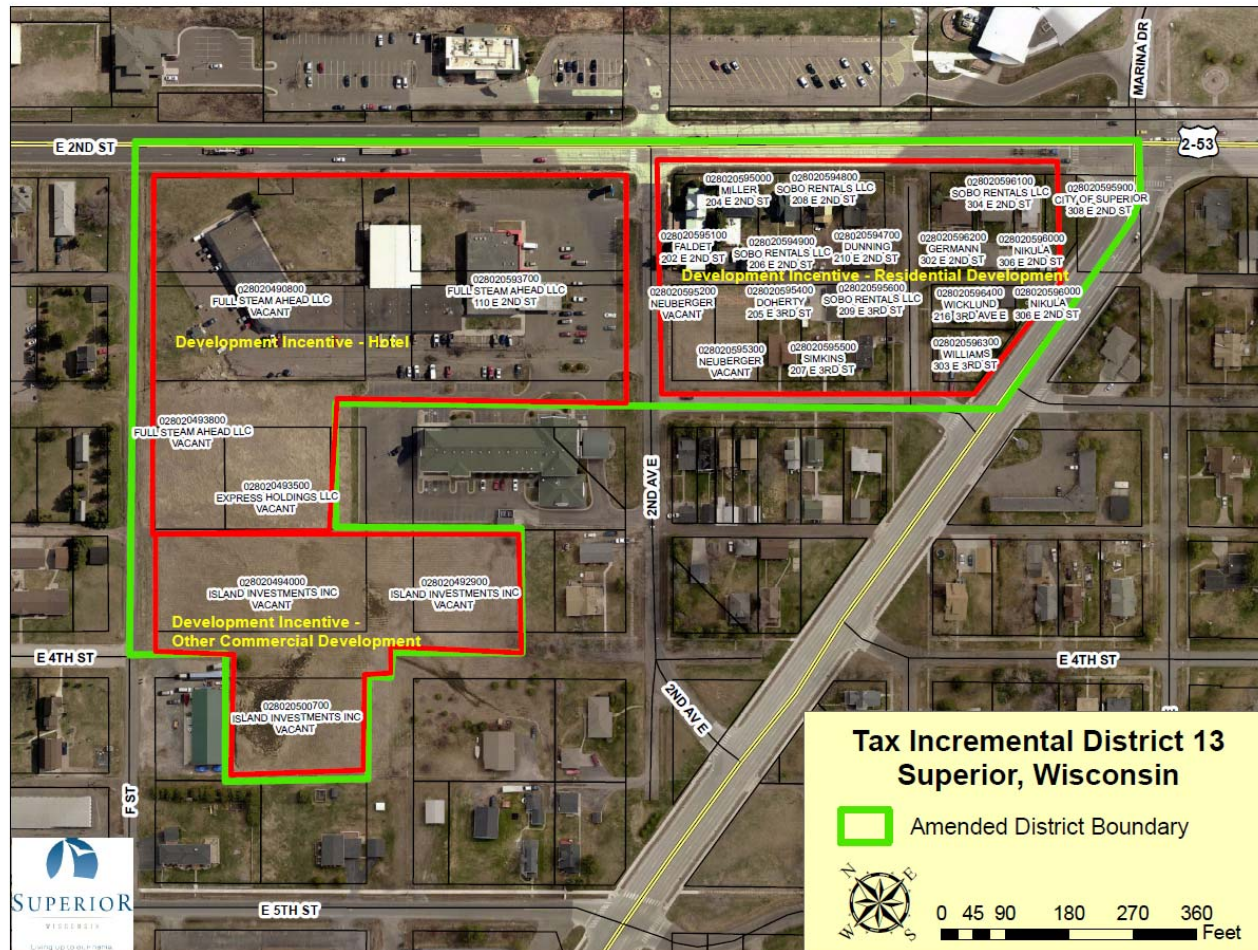
In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project 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 Amendment.

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 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. Prorations 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.

SECTION 8:

Map Showing Proposed Improvements and Uses within the Territory to Be Added and Remaining



SECTION 9: Detailed List of Additional 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. In addition, included for reference purposes, is a listing of the project cost estimates for the original District still expected to be undertaken, and the current status of their implementation. All costs are based on 2016 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2016 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

City of Superior, Wisconsin

Tax Increment District No. 13

Estimated Project List

Project ID	Project Name/Type	Phase I 2016	Phase II 2020	Phase III 2028	Ongoing	Total (Note 1)
1	Development Incentive(s)	904,705	500,000	140,000		1,544,705
2	Legal and Development Costs	36,000				36,000
3	Adminstration				70,000	70,000
Total Projects		940,705	500,000	140,000	70,000	1,650,705

Notes:

Note 1Project costs are estimates and are subject to modification

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 District, as amended by the subtraction of Territory, will remain economically feasible. The analysis in this section demonstrates the overall cash flow of the District remains feasible after the addition and subtraction of parcels and changes in project costs.

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. 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 \$81,528,930, of which \$40,466,515 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 its Redevelopment Authority (RDA). 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.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the additional territory. It is anticipated these expenditures will be made over several phases. The first phase will occur in 2016 and 2017 and the timing of future phases will be subject to the actual pace of private development. 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 Wisconsin Statutes Section 66.1105(6)(am).

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.

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 Superior, Wisconsin			
Tax Increment District No. 13			
Estimated Financing Plan			
	Tax Increment Project Revenue Bond 2017	Tax Increment Project Revenue Bond 2020	Totals
Projects			
Development Incentive	904,705	500,000	1,404,705
Total Project Funds	904,705	500,000	1,404,705
Net Issue Size	904,705	500,000	1,404,705

Development Assumptions

City of Superior, Wisconsin									
Tax Increment District No. 13									
Development Assumptions									
Construction Year		Hotel	Other Commercial Development	Residential Development	Annual Total	Construction Year			
1	2014				0	2014	1		
2	2015				0	2015	2		
3	2016				0	2016	3		
4	2017	4,600,000			4,600,000	2017	4		
5	2018				0	2018	5		
6	2019				0	2019	6		
7	2020		2,200,000		2,200,000	2020	7		
8	2021				0	2021	8		
9	2022				0	2022	9		
10	2023				0	2023	10		
11	2024				0	2024	11		
12	2025				0	2025	12		
13	2026				0	2026	13		
14	2027				0	2027	14		
15	2028			300,000	300,000	2028	15		
16	2029				0	2029	16		
17	2030				0	2030	17		
18	2031				0	2031	18		
19	2032				0	2032	19		
20	2033				0	2033	20		
Totals		4,600,000	2,200,000	300,000	7,100,000				

Increment Revenue Projections

City of Superior, Wisconsin Tax Increment District No. 13 Tax Increment Projection Worksheet										
Type of District	Mixed Use		Base Value	2,394,373		<input checked="" type="checkbox"/> Apply to Base Value				
Creation Date	September 2, 2014		Appreciation Factor	0.00%						
Valuation Date	Jan 1,	2014	Base Tax Rate	\$23.09						
Max Life (Years)	20		Rate Adjustment Factor	0.00%						
Expenditure Periods/Termination	15	9/2/2029	Tax Exempt Discount Rate	2.25%						
Revenue Periods/Final Year	20	2035	Taxable Discount Rate	3.75%						
Extension Eligibility/Years	Yes	3								
Recipient District	No									

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2014	0	2015	0	0	2016	\$23.09	0	0
2	2015	0	2016	0	0	2017	\$23.09	0	0
3	2016	0	2017	0	0	2018	\$23.09	0	0
4	2017	4,600,000	2018	0	4,600,000	2019	\$23.09	106,191	97,148
5	2018	0	2019	0	4,600,000	2020	\$23.09	106,191	192,159
6	2019	0	2020	0	4,600,000	2021	\$23.09	106,191	285,078
7	2020	2,200,000	2021	0	6,800,000	2022	\$23.09	156,978	419,415
8	2021	0	2022	0	6,800,000	2023	\$23.09	156,978	550,796
9	2022	0	2023	0	6,800,000	2024	\$23.09	156,978	679,286
10	2023	0	2024	0	6,800,000	2025	\$23.09	156,978	804,948
11	2024	0	2025	0	6,800,000	2026	\$23.09	156,978	927,846
12	2025	0	2026	0	6,800,000	2027	\$23.09	156,978	1,048,039
13	2026	0	2027	0	6,800,000	2028	\$23.09	156,978	1,165,587
14	2027	0	2028	0	6,800,000	2029	\$23.09	156,978	1,280,548
15	2028	300,000	2029	0	7,100,000	2030	\$23.09	163,904	1,397,940
16	2029	0	2030	0	7,100,000	2031	\$23.09	163,904	1,512,749
17	2030	0	2031	0	7,100,000	2032	\$23.09	163,904	1,625,032
18	2031	0	2032	0	7,100,000	2033	\$23.09	163,904	1,734,843
19	2032	0	2033	0	7,100,000	2034	\$23.09	163,904	1,842,239
20	2033	0	2034	0	7,100,000	2035	\$23.09	163,904	1,947,271
Totals		7,100,000	0	Future Value of Increment		2,557,818			

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).

Cash Flow

City of Superior, Wisconsin																
Tax Increment District No. 13																
Cash Flow Projection																
Year	Projected Revenues			Expenditures								Balances		Year		
	Tax Increments	Other Revenue	Total Revenues	Tax Increment Project Revenue Bond 904,705			Tax Increment Project Revenue Bond 500,000			Other			Total Expenditures		Annual	Cumulative
				Dated Date: Principal	04/01/17 Est. Rate	Interest	Dated Date: Principal	12/01/20 Est. Rate	Interest	Legal and Development	Development Incentives	Admin.				
2014															(1,300)	2014
2015			0										0		(1,300)	2015
2016	0		0							36,000			41,000		(42,300)	2016
2017	0		0	(24,125)	4.00%	24,125						5,000	5,000		(47,300)	2017
2018	0		0	(37,153)	4.00%	37,153						5,000	5,000		(52,300)	2018
2019	106,191		106,191	25,871	4.00%	38,639						5,000	69,510	36,681	(15,619)	2019
2020	106,191		106,191	43,395	4.00%	37,605						5,000	86,000	20,191	4,572	2020
2021	106,191		106,191	45,131	4.00%	35,869	(20,000)	4.00%	20,000			5,000	86,000	20,191	24,763	2021
2022	156,978		156,978	46,937	4.00%	34,063	28,428	4.00%	20,800			5,000	135,228	21,750	46,513	2022
2023	156,978		156,978	48,814	4.00%	32,186	29,565	4.00%	19,663			5,000	135,228	21,750	68,263	2023
2024	156,978		156,978	50,767	4.00%	30,233	30,748	4.00%	18,480			5,000	135,228	21,750	90,013	2024
2025	156,978		156,978	52,797	4.00%	28,203	31,977	4.00%	17,250			5,000	135,228	21,750	111,764	2025
2026	156,978		156,978	54,909	4.00%	26,091	33,257	4.00%	15,971			5,000	135,228	21,750	133,514	2026
2027	156,978		156,978	57,105	4.00%	23,895	34,587	4.00%	14,641			5,000	135,228	21,750	155,264	2027
2028	156,978		156,978	59,390	4.00%	21,610	35,970	4.00%	13,258		140,000	5,000	275,228	(118,250)	37,014	2028
2029	156,978		156,978	61,765	4.00%	19,235	37,409	4.00%	11,819			5,000	135,228	21,750	58,764	2029
2030	163,904		163,904	64,236	4.00%	16,764	38,905	4.00%	10,322				130,228	33,676	92,440	2030
2031	163,904		163,904	66,805	4.00%	14,195	40,462	4.00%	8,766				130,228	33,676	126,115	2031
2032	163,904		163,904	69,478	4.00%	11,522	42,080	4.00%	7,148				130,228	33,676	159,791	2032
2033	163,904		163,904	72,257	4.00%	8,743	43,763	4.00%	5,464				130,228	33,676	193,467	2033
2034	163,904		163,904	75,147	4.00%	5,853	45,514	4.00%	3,714				130,228	33,676	227,142	2034
2035	163,904		163,904	71,180	4.00%	2,847	47,334	4.00%	1,893				123,255	40,649	267,791	2035
Total	2,557,818	0	2,557,818	904,705		448,832	500,000		189,190	36,000	140,000	70,000	2,288,727			Total
Notes:																
1. Negative principal payments on Tax Increment Project Revenue Bonds indicate interest that accrues to the principal balance in the first two years before revenue is available to make payments																

SECTION 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.

SECTION 12:

Estimate of Remaining Property to Be Devoted to Retail Business

The City estimates that none 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 Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

SECTION 13: Proposed Zoning Ordinance Changes

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan.

SECTION 14:

Proposed Changes in Master Plan, Map, Building Codes and City of Superior 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 Superior

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.

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. 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 Superior Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

February 9, 2016

SAMPLE

Mayor Bruce Hagen
City of Superior
1316 N. 14th St.
Superior, Wisconsin 54880

RE: City of Superior, Wisconsin Tax Incremental District No. 13 Amendment

Dear Mayor:

As special counsel for development projects for the City of Superior, 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 Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Fryberger, Buchanan, Smith & Frederick, P.A.

Attorney Robert E. Toftey

Calculation of the Share of Projected Tax Increments Estimated to Be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

Notes:

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