



# Project Plan for Tax Incremental District Number 11

July 20, 2021

*Report prepared for*

**City of Kaukauna, Wisconsin**

*Report prepared by:*

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Public Hearing:  
Plan Commission Approval:  
City Council Approval:  
Joint Review Board Approval:

August 5, 2021

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**ACKNOWLEDGMENTS**

**JOINT REVIEW BOARD**

Will Van Rossum	City Representative
John Moore	Citizen Member Representative
Amy Van Straten	Fox Valley Technical College Representative
Brian Massey	Outagamie County Representative
Robert Schafer	Kaukauna Area School District Representative

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Jennie Eggleston	1 <sup>st</sup> District
Kelli Antoine	2 <sup>nd</sup> District
John Moore	2 <sup>nd</sup> District; Council President
Brian Schell	3 <sup>rd</sup> District
Mary Jo Kilgas	3 <sup>rd</sup> District
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Mike Coenen	4 <sup>th</sup> District

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Pennie Thiele	Council Representative
Jeff Feldt	Member
Giovanna Feller	Member
Ken Schoeninke	Member
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## SECTION I. INTRODUCTION & DESCRIPTION OF DISTRICT

### Introduction

Kaukauna, Wisconsin is located along Interstate Highway 41 along the Fox River, at State Trunk Highway 55, between Appleton and Green Bay. Tens of thousands of vehicles pass along the Interstate daily, providing a tremendous opportunity for recruiting residents, businesses, and industries. Historically, the City developed around its downtown, the civil and commercial heart of the community. However, as the City's population continues to rise, so does its need to accommodate new, and retain expanding business and industry, providing jobs and diversifying the tax base for a sustainable future.

The *community gateway* at CTH J and I-41 are priority development areas for Kaukauna. This intersection is the "side" door for residents and visitors entering the community from I-41. This area has been an important employment center for Kaukauna, and has the potential to develop with a mix of such high-quality uses as regional manufacturing and office employment centers, along with highway-oriented commercial.

### About Tax Incremental Financing

The Tax Incremental Law gives cities and villages the authority, under certain conditions, to designate a specific area within its boundaries as a Tax Incremental Financing District and requires them to prepare a plan to develop or redevelop the District. In creating Wisconsin's Tax Incremental Law, the State Legislature expressed its concern that cities and villages had neither the incentive nor the financial resources necessary to carry out projects that benefited not only the City, but all jurisdictions which share in the tax base. Cities or villages may use all increased property taxes generated by the increased property value generated by such development or redevelopment to pay for eligible costs, which they incur to improve the District. This law assumes that all governmental units that tax properties within the District will eventually benefit from the increased value which will be generated. The municipality that created the District is allowed to retain the increased taxes generated during the existence of the District to pay for the costs of the public improvements.

State Statute places certain limitations on the creation of Tax Incremental Financing Districts. Only whole parcels of property that are assessed for general property tax purposes and which are contiguous can be included within a District. In addition, at least fifty per cent (50%) of the real property in a District must meet at least one of the following criteria:

1. It is a blighted area or in need of rehabilitation;
2. It is an area in need of conservation or rehabilitation work;
3. It is an area suitable for industrial sites and has been zoned for industrial use; or
4. It is an area suitable for mixed-use development.

### Type & General Description of the District

Tax incremental District Number 11 (TID No. 11) in the City of Kaukauna has been prepared in compliance with Wisconsin Statutes and §66.1105. The District is comprised of approximately 300 acres of land that creates the gateway for the northern entry into the city. An inventory of the properties within the District can be found in *Table 4: District Parcel Information*.

TID No. 11 is established as an "industrial" TID. The area within TID No. 11 is suitable for "industrial" development, and meets the requirements for a Industrial TID as defined by §66.1105(4)(gm)4.a., Wis. Stats. Not less than 50-percent, by area, within TID No. 11 will be industrial development, with office and commercial support uses. Any real property within the district that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the tax incremental district.

According to §66.1105, Wis. Stats., industrial TIDs may have up to a 20-year retirement period and a 15-year spending period. The law also provides that the TID boundary may be amended up to four times over the life of the TID, including the potential for the removal and/ or addition of land from or to the district. However, any new properties added to the TID must be serviced by public improvement projects that were listed in the original Project Plan.

The City will continually monitor the State legislative changes regarding §66.1105, Wis. Stats., to determine their potential effect on this and future TIDs within the City of Kaukauna. A copy of this Project Plan will be submitted to the Wisconsin Department of Revenue to be used as the basis of its certification of TID No. 11 in the City of Kaukauna.

The Project Plan for TID No. 11 in the City of Kaukauna has been prepared in compliance with s. 66.1105(4), Wisconsin Statutes. TID No. 11 is defined by the boundary shown on *Map 1: District Boundary*. Pursuant to s. 66.1105(4)(f), the Project Plan shall include:

- a. A statement listing the kind, number and location of all proposed public works or improvements within the district;
- b. A map showing the district boundaries; and
- c. A map showing existing uses and condition of real property in the district;
- d. A map showing proposed improvements and uses in the district;
- e. A detailed list of estimated project costs;
- f. A list of estimated non-project costs;
- g. An economic feasibility study;
- h. A description of the methods of financing all estimated project costs;
- i. The time when the related costs or monetary obligations are to be incurred;
- j. Proposed changes of zoning ordinances, master plan, if any, maps, building codes and City ordinances;
- k. A statement of the proposed method for the relocation of any persons to be displaced;
- l. An indication as to how creation of the TID promotes the orderly development of the City;
- m. An analysis of the overlying taxing districts;
- n. An opinion of the City attorney advising whether the plan is complete and complies with s.66.1105(4)(f), Wisconsin Statutes.

## SECTION II DESCRIPTION OF HOW TID NO. 11 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE CITY OF KAUKAUNA

The City of Kaukauna Plan Commission and City Council realize this District (as shown on *Map 1: District Boundary*) is an important entry to the community, but also a key development opportunity along Interstate 41 for manufacturing and commercial. Enhancement of the image of this area, in conjunction with land use improvements, will enable the City to compete for new employment opportunities and interchange commercial activity. The purpose of TID No. 11 is to kick-start development in an underutilized area and provide re-investment in an aging industrial area.

Gateways represent a prominent entryway into a “place” and an expression of a community’s identity. While this may be a “side” door through which Kaukauna is experienced, it is highly visible to 54,000 vehicle each day traveling along the Interstate and this impression is critical when competing with other communities. Gateways can be achieved through signage, streetscape programs, building orientation, and the implementation of design guidelines for a corridor. This entry to the community cannot fully realize its potential for quality development without public improvements in infrastructure or incentives and a public commitment to attracting development. The creation of TID No. 11 provides a financing vehicle for the City to stimulate private reinvestment, redevelop this area into higher and better land uses, remediate environmental concerns, and upgrade this highly visible area of the community. Without these tools and public improvements, it is unlikely that significant improvement to this area will occur. In fact, it is more likely that continued sporadic land uses and underperforming land will dominate this area, and not contribute to the aesthetic and economic vitality of Kaukauna.

The adopted Comprehensive Plan prioritizes “developing an Industrial Park Network, Kaukauna (to) reduce its historic dependence on the paper industry. The City’s Industrial Park Network was established to accommodate manufacturing facilities and certain commercial highway uses.” The Plan states City “efforts should continue to diversify the base manufacturing from paper. This diversification may also include non-manufacturing employment as well. Incentives may be offered, depending on wage rate and employee numbers, to ensure that the business is established in the region for an extended length of time.” Additionally, the Plan specifies that Tax Incremental Financing will be program or incentive used to “provide capital for public improvements and environmental remediation...”

The adopted future land use shows the area for TID 11 as predominantly Industrial along IH 41, with Commercial at the CTH J interchange. Land use goals and strategies recommended in the Plan include:

- Establish Kaukauna as a premier location to raise a family and find quality jobs in a safe environment through a policy of appropriate land use designations, accommodates of infrastructure and services, and establishment of public facilities.
- ...accommodate growth based on transportation corridors...
- Encourage in-filling of dedicated land uses that have available infrastructure.
- buildings.

The City intends to use the tools and powers authorized by State Statutes to promote the (re)investment in this area and prevent further deterioration of infrastructure and site improvements. The creation of TID No. 11 will promote redevelopment and investment from property owners, both within and outside of the district. TID No. 11 will stimulate investment into an aging, but importance employment area, and aid in the recruitment of commercial development at the interchange. The TID will remove the burden of funding from the individual taxpayer and place the burden on the individual projects—the major direct benefactors of the improvements—to cover the funding. The creation of the TID allows the City to provide needed infrastructure, as well as funding to local stakeholders through incentives and grants, to encourage business and property owners to proactively participate in revitalization.

### SECTION III. TAX INCREMENT BOUNDARY DESCRIPTION AND EQUALIZED VALUES

The boundary of TID No. 11 is officially designated on *Map 1: District Boundary*. The description for the boundary can be found in *Appendix A: Boundary Description*. The District contains properties that are located at the IH-41/CTH J interchange, fronting along Hyland Avenue and Progress Way. There are ten (10) currently vacant properties to be included in the project area.

Prior to considering the specific area to include within TID No. 11, the City established criteria as outlined in the Wisconsin Statutes to act as guidelines. The criteria are as follows:

- The aggregate value of equalized taxable property of TID No. 11 plus the value of increment of all existing districts cannot exceed 12-percent of the total equalized value of taxable property within the City, as indicated in *Table 1*. Compliance with this requirement is illustrated by *Table 2* and *Table 3*.

**TABLE 1: CITY'S ESTIMATED CAPACITY TO CREATE TID No. 11 (EFFECTIVE, 2020):**

Total Equalized Value of the City	12% of the City's Total Equalized Value
\$1,208,319,100	\$144,988,292

Source: Wisconsin Department of Revenue, 2020

- All lands within TID No. 11 shall be contiguous. TID No. 11 may include only whole units of property as are assessed for general tax purposes. *Map 1: District Boundary* illustrates the district boundaries and private property lines, and all of the lands are contiguous. A listing of the property details including map numbers and assessed value is found in *Table 4: District Parcel Information*. A minimum of 50-percent of the land area in TID No. 11 must be suitable and zoned for industrial use, as illustrated in *Map 3: Existing Zoning of Property in the District*.

**TABLE 2: STATE CERTIFIED AND ESTIMATED TID VALUES:**

DISTRICT	STARTING BASE VALUE	CURRENT YEAR TID VALUE	VALUE OF INCREMENT	% OF CITY CAPACITY
TID No. 1E (2005)	\$ 32,800	\$ 4,301,600	\$ 4,268,800	0.35%
TID No. 4 (2000)	\$ 16,049,300	\$ 19,774,500	\$ 3,725,200	0.31%
TID No. 5 (2003)	\$ 1,077,900	\$ 18,319,500	\$ 17,241,600	1.43%
TID No. 6 (2006)	\$ 3,151,700	\$ 48,834,500	\$ 45,682,800	3.78%
TID No. 8 (2013)	\$ 2,571,200	\$ 8,085,800	\$ 5,514,600	0.46%
TID No. 9 (2016)	\$ 1,306,600	\$ 2,520,200	\$ 1,213,600	0.10%
TID No. 10 (2019)	\$ 6,852,800	\$ 7,247,000	\$ 394,200	0.03%
<b>TOTAL</b>	<b>\$ 31,042,300</b>	<b>\$ 109,083,100</b>	<b>\$ 73,772,000</b>	<b>6.46%</b>

Source: Wisconsin Department of Revenue, 2020

**TABLE 3: CITY'S REMAINING ESTIMATED CAPACITY TO CREATE ADDITIONAL TIDS:**

Total City Capacity (12%)	\$144,998,292
Existing TIDs Increment Value (6.11%)	\$73,772,000
Available TID Capacity (5.89%)	\$71,226,292
Assessed Value of TID 8 Lands (1.05%)	\$12,642,900
Remaining TID Capacity (4.85%)	\$58,583,392

Source: Wisconsin Department of Revenue, 2020

**TABLE 4: DISTRICT PARCEL INFORMATION**

Property Information					Assessment Information		
Map Ref #	Parcel Number	Street Address	Owner	Acreage	Land	Imp	Total
1	322099600	2150 PROGRESS WAY KAUKAUNA, WI 54130	ROOYAKKERS LEASING LLC	6.95	182,100	1,470,400	1,652,500
2	322099700	2350 PROGRESS WAY KAUKAUNA, WI 54130	WAUSAU LIMITED PARTNERSHIP	3.18	99,500	4,400	103,900
3	322099800	2550 PROGRESS WAY KAUKAUNA, WI 54130	RJG I LLC	2.27	76,800	531,200	608,000
4	322099801	2600 PROGRESS WAY KAUKAUNA, WI 54130	D&S LEASING OF KAUKAUNA LLC	0.66	16,500	0	16,500
5	322099900	2750 PROGRESS WAY KAUKAUNA, WI 54130	D&S LEASING OF KAUKAUNA LLC	2.99	74,800	0	74,800
6	322100000	3000 PROGRESS WAY KAUKAUNA, WI 54130	D&S LEASING OF KAUKAUNA LLC	2.52	63,000	0	63,000
7	322100100	3100 PROGRESS WAY KAUKAUNA, WI 54130	D&S LEASING OF KAUKAUNA LLC	2.48	62,000	0	62,000
8	322098200	2801 PROGRESS WAY KAUKAUNA, WI 54130	CITY OF KAUKAUNA	4.70	0	0	0
9	322097901	3301 PROGRESS WAY KAUKAUNA, WI 54130	PIT ROW INC	6.27	263,800	237,400	501,200
10	322111500	NW-SW,Sect. 7, T21N,R19E	VANEPERN FAMILY TRUST	17.77	3,100	0	3,100
11	322097202	2930 LAWE ST KAUKAUNA, WI 54130	VANDYNHOVEN	3.00	150,000	295,000	445,000
12	322097201	2928 LAWE ST KAUKAUNA, WI 54130	VANDYNHOVEN	4.27	201,500	0	201,500
13	322097100	2565 E HYLAND AV KAUKAUNA, WI 54130	DUTCH BOYZ KAUKAUNA LLC	2.22	51,500	0	51,500
14	322097000	HYLAND AV	BERGSTROM KAUKAUNA INC	6.08	250,000	0	250,000
15	322097200	2501 E HYLAND AV KAUKAUNA, WI 54130	DUTCH BOYZ KAUKAUNA LLC	2.73	58,200	0	58,200
16	322096800	HYLAND AV	DUTCH BOYZ KAUKAUNA LLC		500	0	500
17	322092800	750 EAST LINE RD KAUKAUNA, WI 54130	750 EASTLINE ROAD (WI) LLC	5.17	189,300	355,200	544,500
18	322090600	2401 E HYLAND AV KAUKAUNA, WI 54130	2401 HYLAND AVENUE LLC	8.00	286,000	771,300	1,057,300
19	322091501	2200 BADGER RD KAUKAUNA, WI 54130	TANN INVESTMENT LLC	1.01	50,600	6,600	57,200
20	322091500	2100 BADGER RD KAUKAUNA, WI 54130	SAFETY KLEEN SYSTEMS INC	1.22	52,700	189,500	242,200
21	322091400	2101 E HYLAND AV KAUKAUNA, WI 54130	OUTAGAMIE COUNTY	2.76			0
22	322091300	2001 E HYLAND AV KAUKAUNA, WI 54130	DAVID S VANHANDEL LEASING LLC	1.59	65,600	449,800	515,400
23	322091200	1901 E HYLAND AV KAUKAUNA, WI 54130	EFFA	3.30	102,600	282,600	385,200
24	322072914	1601 E HYLAND AV KAUKAUNA, WI 54130	WDJ LLC %BERNATELLO'S PIZZA	15.69	418,300	5,331,100	5,749,400
<b>Total Acreage</b>				<b>106.82</b>	<b>2,718,400</b>	<b>9,924,500</b>	<b>12,642,900</b>

**SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY**

An illustration of the existing land uses within the proposed boundary for TID No. 11 is located on *Map 2: Existing Uses and Conditions of Real Property* and the existing zoning on *Map 3: Existing Zoning*.

Existing land uses and conditions within the proposed tax increment finance (TIF) district are manufacturing and warehousing facilities; vacant or under-used commercial operations; public utility facilities; and vacant lands.

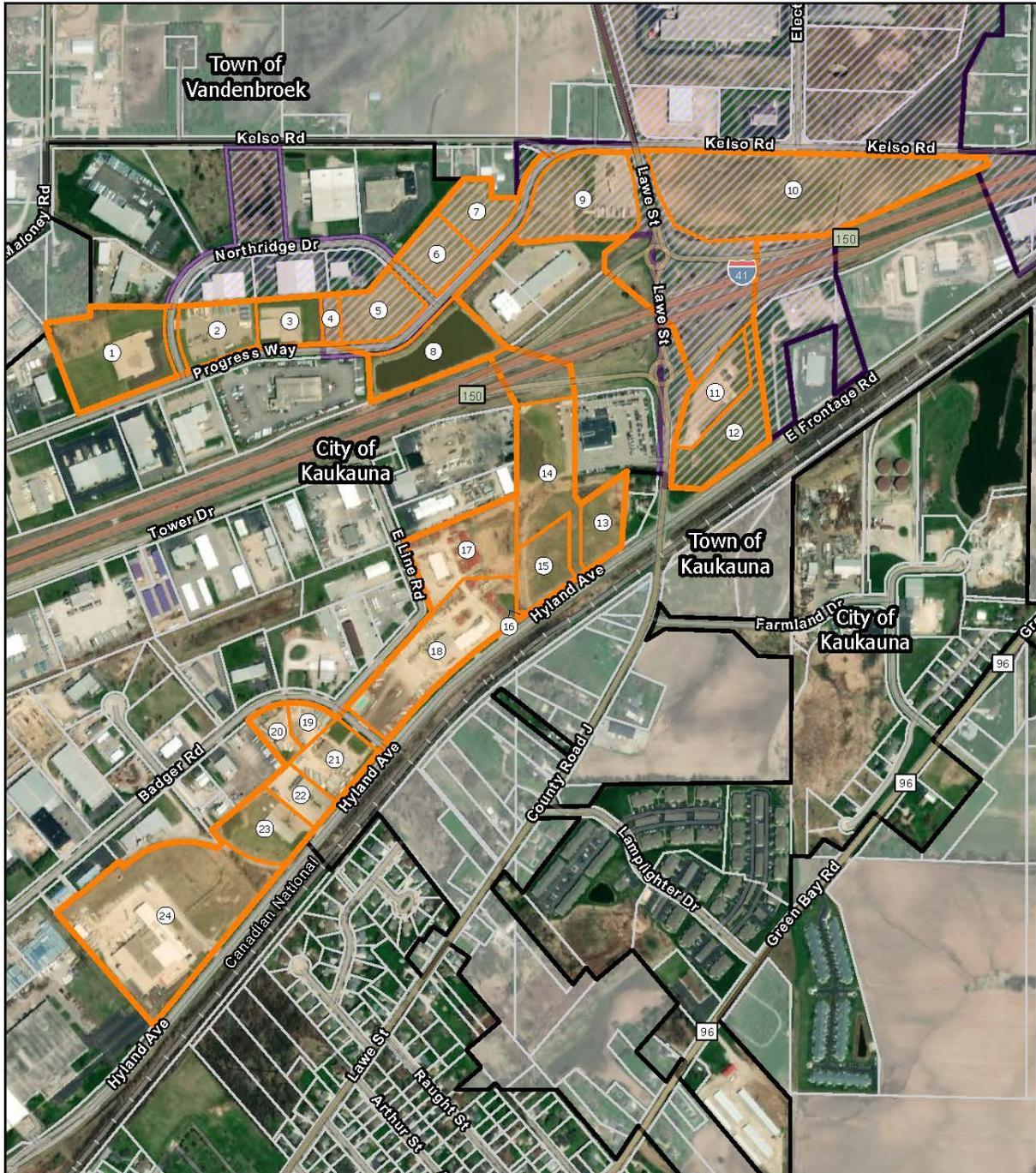
The type of tax increment financing district that TID No. 11 is created under is an industrial TID. The City can have an assortment of types of industrial uses under this classification. The boundary does include parcels currently zoned IND, Industrial, District; IPD, Industrial Park District; and CHD Commercial Highway District.

The existing industrial districts can accommodate the kind of future development desired in this area. The IND and IPD zoning districts enable a range of light manufacturing and industrial activities including:

Supply establishments, wholesale, warehouse, and building equipment; Automobile, boat, construction and farm implement sales, service, and repair; Agricultural related uses, including feedmills and co-ops; Printing and publishing; Service establishments catering to commercial and industrial uses, including business machine services, linen supply, freight movers, communication services, canteen services, and uses of a similar nature; Transportation terminals; Light manufacturing uses, including bottling, packaging, laboratories, and uses of a similar nature; Manufacturing uses, including production, cleaning, processing, testing, and the distribution of materials and goods, except wrecking yards, fertilizer, and chemical manufacture, cement manufacture, explosive storage or manufacture smelting, tanneries, and slaughterhouses.

It is determined that physical and economic conditions exist that, if left unattended, would continue to impair and impede the sound and safe growth of the City of Kaukauna. Only through redevelopment of this area as recommended in the adopted Comprehensive Plan and this TID Project Plan, will deterioration of some of the subject properties substantially slow down and reverse, thereby contributing to the overall vitality of the community.

MAP 1: DISTRICT BOUNDARY



**City of Kaukauna**  
**Map 1: TID No. 11 Boundary**



0 250 500 1,000  
Feet



**Legend**

-  TID 11 Parcels
-  TID 11 Boundary
-  TID 6 Boundary
-  City of Kaukauna
-  County Parcels

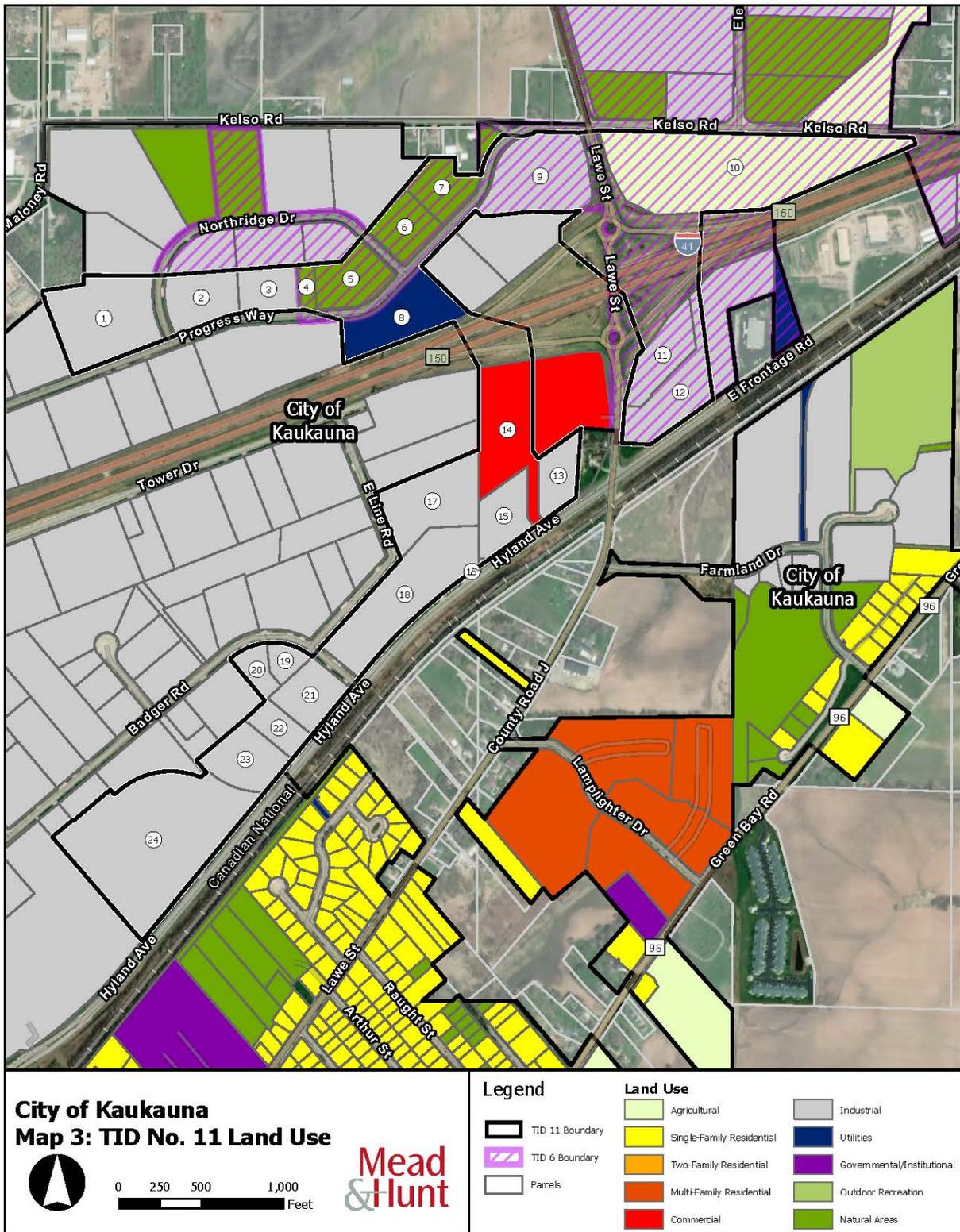
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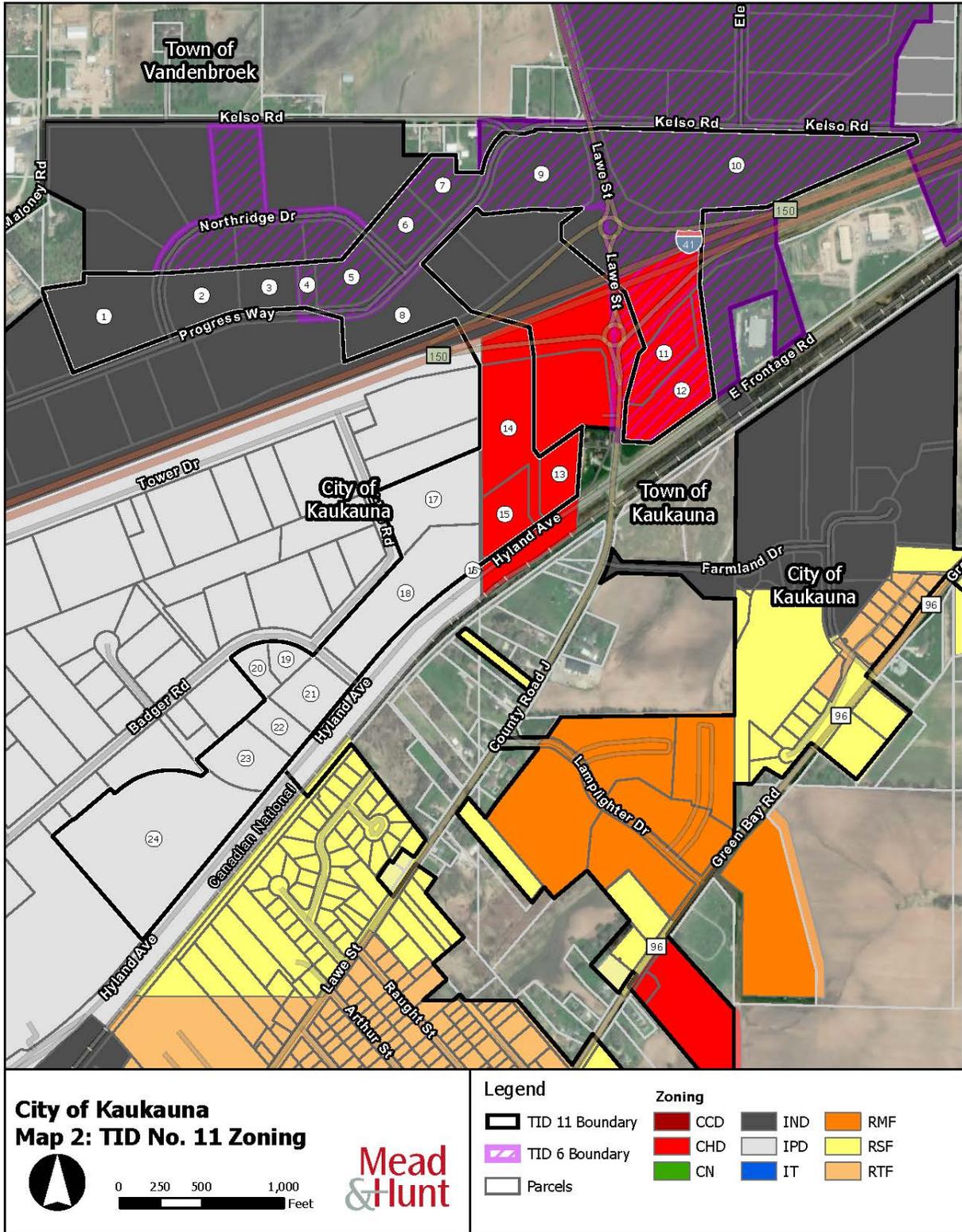
MAP 2: EXISTING USES AND CONDITIONS OF REAL PROPERTY



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MAP 3: EXISTING ZONING OF PROPERTY IN THE DISTRICT



Date: 6/23/2021

Source: City of Kaukauna; <https://data-ocgis.opendata.arcgis.com/datasets/OCGIS::county-tax-parcel/>

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## SECTION V. STATEMENT OF KIND, NUMBER AND LOCATION OF THE PROPOSED PUBLIC IMPROVEMENTS

TID No. 11 is a “Developer-led pay-as-you-go” TID. For projects where a single development company is leading the economic development efforts in the TID, municipalities may rely on the developer to finance its own improvements. The developer will enter into a Development Agreement with the City guaranteeing that it receives a portion of the taxes on the value increment for a set number of years, or a percentage of the taxes on the value increment until all debts are paid off. This will enable the City to incentivize the development of the properties within the TID.

This section describes the proposed public works projects and their estimated costs. These are referred to as “project activities.” *Map 4: Proposed Improvements* identifies the location of desired improvements. *Table 4: Proposed Public Improvements & Costs* outlines the proposed project costs. The proposed costs include projects within the proposed boundary and within a ½ mile radius of the proposed boundary of the District that will directly benefit TID No. 11. Detailed engineering, bidding, and construction of all improvements will take place based upon market demand for serviced parcels. This section of the project plan includes a narrative of the public purpose project costs and development increment assumptions, as well as and anticipated schedule of when each project will occur.

The City has identified various projects that will address desired objectives and improve the quality of life for current and future residents. The desire of the City to implement these projects, however, is dependent on the availability of financial resources. The creation of TID No. 11 provides the City with the resources to undertake the planned improvements. The tax increment revenues will be generated through private development that may not otherwise take place. The public investment undertaken by the City and outlined in the Project Plan will eventually benefit all of the taxing bodies that share in the tax base of Kaukauna by providing the catalyst for such additional private development. In the event that any of the planned activities are determined not to be reimbursable out of TID No. 11, special funds under Wisconsin Statutes, then such project or projects will be deleted from the plan.

It is critical that the City require all new development and redevelopment to adhere to the pattern, scale, and style of development consistent with the area. The City will continue to use developer agreements to effectively outline public and private responsibilities, and to ensure public costs are recovered. Such scrutiny and conditions will provide assurances to existing and prospective businesses that their investment will be protected and enhanced. After all, the City is committed to constructing infrastructure to solicit business development, and is paying for those improvements through the taxes generated by the new development within the TID.

For all planned projects, the costs of engineering, design, surveys, inspections, materials, construction, restoration, acquisition, relocation, demolition, legal and other consultant fees, testing, permits, environmental studies, claims for damages, and related expenses are eligible project costs to be paid from the tax increments of the district. The following is a description of the proposed public improvements which corresponds to *Map 4: Proposed Public Improvements*.

The Project Plan allocates the proposed projects and their respective costs over a proposed 15-year spending period. The costs were developed by City’s Engineering and Public Works Departments. The proposed project activities within this project plan have been comprehensively planned and prioritized on the basis of providing public works improvements that have the greatest chance of stimulating immediate private investment and economic development. These project activities and costs are estimates and may be adjusted and refined. The adjustments and refinements may include changing the year in which a project activity is undertaken and reallocating the cost of specific projects within the limitation of the total estimated project costs. Adjustments to the proposed project plan will be made on the recommendation of the City Plan Commission to be reviewed and adopted by the City Council.

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. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Proration of costs in the Plan are also estimates and subject to

change based upon implementation, future assessment policies and user fee adjustments. The City reserves the right to reallocate funds among the various project element categories or fund any additional project elements directly or indirectly related to the project elements listed.

### **SITE PREPARATION ACTIVITIES**

**Site Preparation.** Land within the District may require the razing of buildings and site grading to make it suitable for development, to remediate hazardous materials issues, 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.

**Property Acquisition.** The District area is noted for having a number of small parcels in the core area, and decades old development that does not necessarily conform to the future vision for the area. Some properties individually are inadequate to accommodate appropriate development, while others are integral for redevelopment into the new vision. In order to construct the public improvements, and for the revitalization and development of private property, the acquisition of property and relocation of occupants may be necessary in this District. The acquisitions could vary from easements, to rights-of-way, to entire parcels through simple fee acquisition.

**Site Improvement Loans & Grants.** Where necessary or convenient to the implementation of the Project Plan, assistance in the form of loans or grants may be provided to private development projects that demonstrate that “but for” such assistance, the project would not occur. All such development incentive loans or grants will be provided pursuant to written development agreements with the recipients thereof. Such TID funds may be used to reduce the cost for site improvements. Site improvements could include construction or razing of buildings, the preparation of sites for construction, environmental remediation, the landscaping of sites, architectural and engineering work related to the preparation of development plans for properties, and similar types of related activities

### **UTILITIES**

**Sanitary Sewer System Improvements.** To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

**Stormwater Management System Improvements.** Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; and infiltration, filtration and detention Best Management Practices (BMP's). Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

**Electric Service.** In order to create sites suitable for development, 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.

**Gas Service.** In order to create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services.

Communications Infrastructure. In order to create sites suitable for development, 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.

### **STREETS AND STREETScape**

Right-of-Way Acquisition. Available right-of-way in the project area is limited, and the City may need to acquire additional ROW to complete the necessary public improvements. The City will strive to seek dedication of future ROWs as a part of the proposed developments.

Street Improvements. There are inadequate street improvements serving areas of the District. To allow development to occur, the City may need to construct and/or reconstruct streets, highways, alleys and access drives. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping. In order to attract development 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 may include: a multi-modal path, landscaping; lighting of streets and public areas; and installation of decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

### **MISCELLANEOUS**

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 ( $\frac{1}{2}$ ) 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 City 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 work, multi-modal path, storm water and sewer improvements, streetscaping, gas, electric and communication infrastructure.

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.

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 Plan implementation.

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.

### **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 include:

- A public improvement made within the District that also benefits property outside the District. The 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 may use special assessments and/or grants to assist with the implementation of this Project Plan

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

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

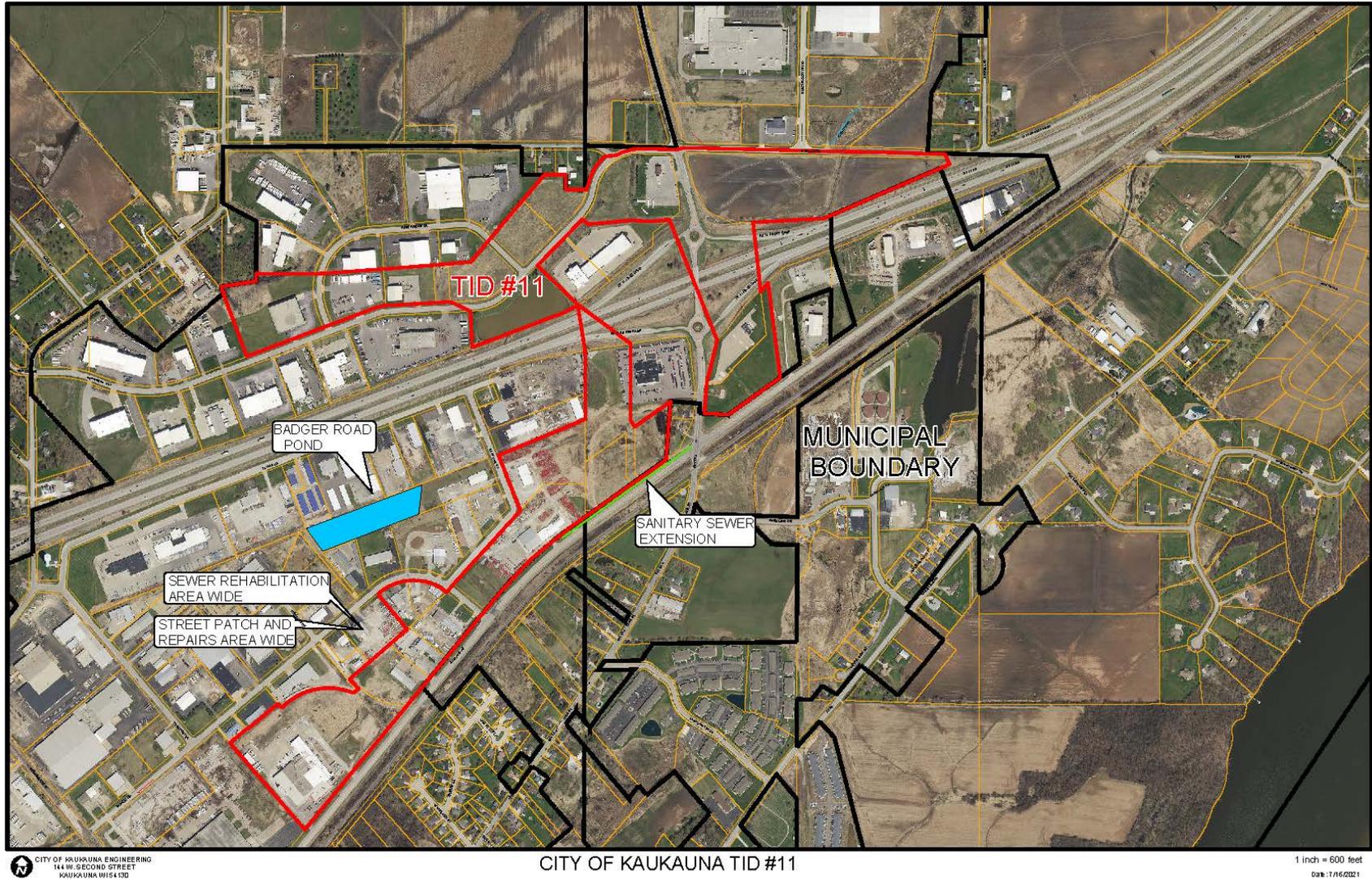
**TABLE 5: PROPOSED PUBLIC IMPROVEMENTS & COSTS**

Estimated Project List					
			Phase I	Phase II	Total (Note 1)
	Project ID	Project Name/Type			
City Cost	1				0
	2				0
	3				0
	4				0
	5				0
Developer Reimbu	6				0
	7				0
	8				0
	9				0
	10				0
TID Cost	11	Sanitary Sewer Extension to CTH OO/CTH J Intersection	150,000		150,000
	12	Badger Road Pond	400,000		400,000
	13	Sanitary Sewer CIPP	1,500,000		1,500,000
	14	Concrete Street Patch and Repairs	650,000		650,000
	15				0
	16				0
	17	Development Incentives (Note 2)			0
Total Projects			<u>2,700,000</u>	<u>0</u>	<u>2,700,000</u>
Notes:					
	Note 1	Project costs are estimates provided by City Engineer & Public Works Dept.			
	Note 2	Incentives to be determined following review by City Finance Director.			
					Version 1

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MAP 4: PROPOSED IMPROVEMENTS



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## SECTION VI. SOURCES OF NON-TAX REVENUES

The Project Plan for TID No. 11 is written with no non-tax revenues anticipated to offset project costs to determine economic feasibility of the TID. Non-tax revenues are defined as revenues from sources other than tax increments. However, it is the intent of the City to have Staff identify potential funding sources for individual projects within the Project Plan. It will be the Staff's responsibility, with City Council approval, to annually submit applications for the identified funding sources and to develop any special assessment formulas as part of a funding strategy as each specific project is implemented. Funding strategies will be recommended to the Council or appropriate commission with final action to be taken by the City Council. Other potential sources of revenue could include, but are not limited to, the following:

State and Federal Grants. There are numerous State and Federal grants that are available for revitalization projects. Some of these include, but are not limited to, the Community Development Block Grant (CDBG) program, historic tax credits, low interest loans, Community Based Economic Development (CBED) program, other programs administered through the State of Wisconsin Department of Commerce, WDNR Stewardship, and other park and open space grants.

Special Assessment Program. When public improvements directly benefit adjacent property owners (as with streetscape projects, for example), it is appropriate that the City determine if special assessments could help offset some portion of the cost.

Land Sales Revenues. The City may choose to purchase land, demolish structures and prepare land for redevelopment activities. The City will then issue Requests for Proposals (RFPs) to seek developer interest. It is anticipated that the City will receive land sales revenues from purchases made by developers for these redevelopment activities.

Capital Improvement Budget. Improvements already budgeted can be delivered in a way that advances the redevelopment of this area.

Revolving Loan Fund. The City has the ability to make low-interest seed money available for façade and beautification improvements, as well as basic business improvements. The fund is "revolving" because proceeds are put back into the fund for additional loans.

Developer Contributions. The City has historically required developers to fund on-site land development costs specific to their project. It is anticipated that this practice will continue within the TID. However, the City may choose to assist with such costs if there is greater benefit to the community such as upsizing of public utilities.

Until specific projects are defined, pre-engineered, and designed, formal grant applications will not be made. It is anticipated, however, that the City will be successful in obtaining some funding due to the nature and scope of the proposed projects.

The total scope of activities is estimated within the project cost estimates in Table 5: Proposed Public Improvements & Costs. Any non-tax revenues received will help to reduce the applicable TID project expenditures that, in turn, will assist in reducing the total amount of TID project costs. This reduction may allow the City Council more flexibility in determining the timeframe for other project expenditures.

**SECTION VII. ECONOMIC FEASIBILITY ANALYSIS & DESCRIPTION OF THE METHODS OF FINANCING****Purpose**

The purpose of the economic feasibility analysis is to determine if the projected revenues generated from the District as a result of the proposed development can finance the costs associated with the implementation of the Project Plan. This section focuses on the additional development projections and corresponding incremental new value as illustrated in the tables included in the Project Plan for TID No. 11.

The total net development increment is based on the assumptions presented by category and value in *Table 6: Development Assumptions*. These development assumption values are conservative and are based on similar development in place within the region as well as on discussions with developers and the City Assessor with an understanding of the general market conditions and feasibility within the area. Conservative development estimates have been made and are considered realistic for purposes of the economic feasibility analysis. Any changes in the development would result in expected increases and/or decreases in projected revenues.

The assumptions on when development will occur, or “the rate of absorption,” are based on a review of market conditions that exist in 2021. It is expected and recommended that the City Staff and Common Council annually review the financial condition of TID No. 11. In addition, project expenditures for redevelopment will not take place except when a developer comes forward or is recruited and an appropriate developer agreement is negotiated and consummated prior to any expenditure of funds.

**Economic Feasibility Analysis**

The economic feasibility projections are based on the utilization of approximately 20 years of the allowed tax increment collection period, which is the maximum for the TID.

The economic feasibility analysis should be considered as a baseline projection that is annually monitored to ensure projected targets are met. The purpose of the annual monitoring is to determine that total incremental value has been achieved rather than whether a specific identified project created those increments. Future public borrowing and/or expenditures should be based on this annual review process.

The information in *Table 6: Development Assumptions* summarizes the development assumptions that have been used in the economic feasibility analysis in conjunction with the Project Plan. These projections have been prepared based on information received from City staff and consultants. The projections in *Table 7: Tax Increment Projections & Cash Flow* include assumptions on new value created from the proposed redevelopment projects.

The incremental new value projections included in *Table 7: Tax Increment Projection & Cash Flow* are not total construction cost estimates, but are factored to equate to the anticipated equalized value to which an annual mill rate will be applied. The actual construction costs may be higher than projected value because construction costs may include soft costs not necessarily assessed by the City. Real estate valuation can also significantly fluctuate from year to year. For that reason, there should be an annual review and evaluation of the stability of the increment value prior to making annual borrowing and/or spending decisions.

In compliance with the statutory requirements of tax incremental financing, a finding has been made that the private development activities projected would “not otherwise occur without the use of tax incremental financing”; and therefore have met the “but-for” test. It must be understood that these projected private development increments will not naturally occur without the proactive implementation of this Project Plan. The implementers of the Project Plan will need to be aggressive in stimulating the identified private development projects.

**TABLE 6: DEVELOPMENT ASSUMPTIONS**

Construction Year		Actual	Bernatellos Phase 0	Bernatellos Phase 1	Bernatellos Phase 2	Bernatellos Phase 3	Bernatellos Phase 4	Annual Total	Construction Year	
Note 2			Note 1	Note 2	Note 3	Note 4	Note 5			
1	2021		1,750,000					1,750,000	2021	1
2	2022			6,037,500				6,037,500	2022	2
3	2023				24,675,000	6,737,500	612,500	32,025,000	2023	3
4	2024								2024	4
5	2025								2025	5
6	2026								2026	6
7	2027								2027	7
8	2028								2028	8
9	2029								2029	9
10	2030								2030	10
11	2031								2031	11
12	2032								2032	12
13	2033								2033	13
14	2034								2034	14
15	2035								2035	15
16	2036								2036	16
17	2037								2037	17
18	2038								2038	18
19	2039								2039	19
21	2040								2040	21
Totals		0	1,750,000	6,037,500	24,675,000	6,737,500	612,500	39,812,500		
Notes:										
1 Anticipated development of			10,000	square feet	\$ 175	per SF				
2 Anticipated development of			34,500	square feet	\$ 175	per SF				
3 Anticipated development of			141,000	square feet	\$ 175	per SF				
4 Anticipated development of			38,500	square feet	\$ 175	per SF				
5 Anticipated development of			3,500	square feet	\$ 175	per SF				

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*Table 7: Tax Increment Projection & Cash Flow* shows the projected tax increments from TID No. 11 based on the development assumptions made in *Table 6: Development Assumptions*. No debt service obligations of the projects listed in *Table 5* are estimated as this is “Pay-Go” TID, and projects will only undertaken when signed development agreements are executed. It is assumed the priority for payment of additional tax increment revenues will be to repay existing and future obligations and, as necessary, to provide annual payments to proposed developers for reimbursement of certain eligible costs as identified through the remaining term of the District.

While the preliminary economic feasibility analysis projects that TID No. 11 is feasible, the City is still cautious of spending at the levels projected in *Table 5: Proposed Public Improvements & Costs*. The City will regularly analyze the fiscal condition of TID No. 11 as to the accuracy of the development assumptions. Decisions to spend, or continue spending, will be based on regular review of the TID by the City and its financial advisors.

### **Available Financing Methods**

While the TID is expected to be a “Pay-Go” TID, implementation of this Plan may require that the City issue 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 (GO) Bonds or Notes. The City may issue GO Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of GO 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).

Municipal Revenue Obligations (“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 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 Lease Revenue Bond by the 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 borrowing Capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds. The City can issue revenue bonds to be repaid from revenues of the sewer and/or water 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 underwriters 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. 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 G.O. debt limit. 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.

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**TABLE 7: TAX INCREMENT PROJECTION & CASH FLOW**

Type of District	Industrial		Base Value	10,904,391								
Creation Date	August 1, 2021		Appreciation Factor	1.00%							Apply to Base Value	
Valuation Date	Jan 1,	2021	Base Tax Rate	\$23.43								
Max Life (Years)	20		Rate Adjustment Factor	0.00%								
Expenditure Periods/Termination	15	8/1/2036										
Revenue Periods/Final Year	20	2042										
Extension Eligibility/Years	Yes	3	Tax Exempt Discount Rate	4.00%								
Recipient District	No		Taxable Discount Rate	5.50%								
	Construction Year	Value Added	Valuation Year	Inflation Value	Total Value	Revenue Year	Tax Rate	Tax Increment	Debt Obligations	Cash Flow	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2021	1,750,000	2022	0	1,750,000	2023	\$23.43	40,999		40,999	39,423	38,862
2	2022	6,037,500	2023	17,500	7,805,000	2024	\$23.43	182,858		182,858	208,485	203,151
3	2023	32,025,000	2024	78,050	39,908,050	2025	\$23.43	934,977		934,977	1,039,676	999,390
4	2024	0	2025	399,081	40,307,131	2026	\$23.43	944,326		944,326	1,846,890	1,761,666
5	2025	0	2026	403,071	40,710,202	2027	\$23.43	953,770		953,770	2,630,819	2,491,428
6	2026	0	2027	407,102	41,117,304	2028	\$23.43	963,307		963,307	3,392,135	3,190,063
7	2027	0	2028	411,173	41,528,477	2029	\$23.43	972,940		972,940	4,131,490	3,858,898
8	2028	0	2029	415,285	41,943,762	2030	\$23.43	982,670		982,670	4,849,517	4,499,204
9	2029	0	2030	419,438	42,363,199	2031	\$23.43	992,497		992,497	5,546,832	5,112,199
10	2030	0	2031	423,632	42,786,831	2032	\$23.43	1,002,422		1,002,422	6,224,032	5,699,048
11	2031	0	2032	427,868	43,214,700	2033	\$23.43	1,012,446		1,012,446	6,881,697	6,260,864
12	2032	0	2033	432,147	43,646,847	2034	\$23.43	1,022,570		1,022,570	7,520,392	6,798,717
13	2033	0	2034	436,468	44,083,315	2035	\$23.43	1,032,796		1,032,796	8,140,662	7,313,629
14	2034	0	2035	440,833	44,524,148	2036	\$23.43	1,043,124		1,043,124	8,743,040	7,806,577
15	2035	0	2036	445,241	44,969,390	2037	\$23.43	1,053,555		1,053,555	9,328,042	8,278,499
16	2036	0	2037	449,694	45,419,084	2038	\$23.43	1,064,091		1,064,091	9,896,169	8,730,292
17	2037	0	2038	454,191	45,873,274	2039	\$23.43	1,074,732		1,074,732	10,447,907	9,162,814
18	2038	0	2039	458,733	46,332,007	2040	\$23.43	1,085,479		1,085,479	10,983,730	9,576,887
19	2039	0	2040	458,733	46,332,007	2041	\$23.43	1,085,479		1,085,479	11,498,945	9,969,374
20	2040	0	2041	463,320	46,795,327	2042	\$23.43	1,096,334		1,096,334	11,999,297	10,345,119
	<b>Totals</b>	<b>39,812,500</b>		<b>7,909,513</b>		<b>Future Value of Increment</b>		<b>18,541,371</b>	<b>0</b>	<b>18,541,371</b>		
	Actual results will vary depending on development, inflation of overall tax rates.											
	Tax rate based upon the 2020 City of Kaukauna Mill Rate											
	NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).											

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**Anticipated Financing Methods**

The City anticipates providing assistance for future projects on a pay-as-you-go basis as reimbursement to developers for certain eligible development project costs. TIF borrowing may be done annually or on a project specific basis and it is not anticipated that the total amount of project costs would be considered for one borrowing. The amount of borrowing or the finance strategy is yet to be determined. The accounting for TID No. 11 will be completed as a separate fund. The City will make the final decision, in consultation with the City's financial consultant, as to where and how to borrow funds on a case by case basis. The City may also pursue grant funding to finance a portion of the project costs.

Current projections indicate that all project costs of the district should be financed by tax increment revenue within the twenty-seven year statutorily required retirement period. The Project Plan has been written to enable project costs to be completed in order to encourage new development and redevelopment within the District boundaries. An annual analysis should be made to strategize financing alternatives in consideration of potential shortfalls between tax increments collected and debt service required to pay the bonds. Excess tax increments will be available to cover potential shortfalls with repayment to the City prior to retirement of the District. The City anticipates annually reviewing future expenditures and determining economic feasibility prior to authorizing additional expenditures.

The total scope of activities is estimated within the project cost estimates in *Table 5: Proposed Public Improvements & Costs*. Any non-tax revenues received may reduce the applicable TID project expenditures which, in turn, will reduce the total amount of TID project costs. This reduction will allow the City more flexibility in determining the timeframe for other project expenditures.

**Analysis of Overlying Taxing Jurisdictions**

Taxing Districts overlying the City of Kaukauna TID No. 11 include Outagamie County, Kaukauna Area School District, Fox Valley Technical College, and the State of Wisconsin. Many of the projects planned for the TID would not occur or would occur at significantly lower values but for the availability of tax incremental financing. TID No. 11 is a mechanism to make improvements in an area of Kaukauna which is experiencing either underperforming uses or development in need of incentives to spur reinvestment. All taxing jurisdictions will ultimately benefit from employment opportunities created, new commercial development paying sales tax, the increased property values and community vitality which will result from the projects outlined in the Project Plan.

**SECTION VIII. CONSISTENCY OF ACTIVITIES WITHIN TID NO. 11 WITH THE CITY ZONING ORDINANCE, MASTER PLAN, AND OTHER DEVELOPMENT ORDINANCES****City of Kaukauna Comprehensive Plan**

The adopted Comprehensive Plan prioritizes “developing an Industrial Park Network, Kaukauna (to) reduce its historic dependence on the paper industry. The City’s Industrial Park Network was established to accommodate manufacturing facilities and certain commercial highway uses.” The Plan states City “efforts should continue to diversify the base manufacturing from paper. This diversification may also include non-manufacturing employment as well. Incentives may be offered, depending on wage rate and employee numbers, to ensure that the business is established in the region for an extended length of time.” Additionally, the Plan specifies that Tax Incremental Financing will be program or incentive used to “provide capital for public improvements and environmental remediation...”

The adopted Future Land Use Map shows the area for TID 11 as predominantly Industrial along IH 41, with Commercial at the CTH J interchange. Land use goals and strategies recommended in the Plan include:

- Establish Kaukauna as a premier location to raise a family and find quality jobs in a safe environment through a policy of appropriate land use designations, accommodates of infrastructure and services, and establishment of public facilities.
- ...accommodate growth based on transportation corridors...
- Encourage in-filling of dedicated land uses that have available infrastructure.

The City intends to use the tools and powers authorized by State Statutes to promote the (re)investment in this area and prevent further deterioration of infrastructure and site improvements. The creation of TID No. 11 will promote redevelopment and investment from property owners, both within and outside of the district. TID No. 11 will stimulate investment into an aging, but importance employment area, and aid in the recruitment of commercial development at the interchange. The TID will remove the burden of funding from the individual taxpayer and place the burden on the individual projects—the major direct benefactors of the improvements—to cover the funding. The creation of the TID allows the City to provide needed infrastructure, as well as funding to local stakeholders through incentives and grants, to encourage business and property owners to proactively participate in revitalization.

This TID No. 11 Project Plan is consistent with the Goals and Priorities of the Comprehensive Plan.

**City of Kaukauna Zoning Code & Map**

The lands within the District includes parcels currently zoned IND, Industrial, District; IPD, Industrial Park District; and CHD Commercial Highway District.

The existing industrial districts can accommodate the kind of future development desired in this area. The IND and IPD zoning districts are intended to provide for industrial, warehousing and wholesaling, and certain service and commercial activities in and industrial park setting or individual tract or parcel of substantial size. Permitted uses and activities including:

Supply establishments, wholesale, warehouse, and building equipment; Automobile, boat, construction and farm implement sales, service, and repair; Agricultural related uses, including feedmills and co-ops; Printing and publishing; Service establishments catering to commercial and industrial uses, including business machine services, linen supply, freight movers, communication services, canteen services, and uses of a similar nature; Transportation terminals; Light manufacturing uses, including bottling, packaging, laboratories, and uses of a similar nature; Manufacturing uses, including production, cleaning, processing, testing, and the distribution of materials and goods, except wrecking yards, fertilizer, and chemical manufacture, cement manufacture, explosive storage or manufacture smelting, tanneries, and slaughterhouses.

The Commercial Highway District is intended to provide for general commercial uses convenient to major streets. Many of these uses require large lot areas, do not readily relate to pedestrian circulation, require significant parking and loading areas and, in general, operate independent of one another.

Permitted uses in the CHD include: Hotels; Drive-in banks and restaurants; Retail outlets; Building equipment and supply establishments; Automobile, boat, construction equipment and farm implement sales, service, repair, and automobile filling stations; Wholesale and warehouse establishments; Veterinary hospitals; Automobile sales and service; and Agricultural-related uses, such as feed mills and farm co-ops.

Adherence to the requirements set forth in Section 17.32 – Supplementary District regulation will be required for all new development to ensure compliance with appropriate site design, building architecture construction materials, park and loading requirements, lighting, and storage.

However, depending on specific uses of development proposed, amendments to the zoning code may be necessary. The City will evaluate and amend its Codes as needed to accommodate new development it finds appropriate for the sites in the TID.

This TID No. 11 Project Plan is consistent with the City of Kaukauna Zoning Code.

#### **City of Kaukauna Subdivision Code**

Chapter 18 of the Kaukauna Municipal Code regulates the subdivision, platting, and development of land. Most of the properties within the TID No. 11 Project Plan are of sufficient size to accommodate larger-scale manufacturing development. The Plan also recommends the assembly of smaller properties into larger, developable tracts. Chapter 18 requires that lot consolidations be completed by Certified Survey Map. The City will follow the regulations of Chapter 18.

This TID No. 11 Project Plan is consistent with the City of Kaukauna Zoning Code.

#### **SECTION IX. ANNEXED PROPERTY**

The boundaries of TID No. 11 will not include territory that was not within the boundaries of the Kaukauna on January 1, 2004, AND where less than 3 years have elapsed since the territory was annexed by the City.

#### **SECTION X. STATEMENT OF THE PROPOSED METHOD FOR RELOCATION OF ANY DISPLACED PERSONS**

Acquisition of occupied properties is possible with the creation of TID No. 11. If acquisition occurs within TID No. 11 due to the implementation of the project activities listed in this project plan to further the needs for the safe and orderly development of land, it is anticipated that it would be fee simple. 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 Chapter 32 of Wisconsin Statutes.

**SECTION XI. SUMMARY OF FINDINGS**

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

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:
  - Some of the sites proposed for development have remained vacant or underutilized due lack of incentives and inadequate infrastructure concerns. Previously development sites have expressed that without incentives, reinvesting in the existing locations will not make fiscal sense. 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 will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the City.
  - In order to make the areas included within TID No. 11 suitable for development, the City will need to make investment to pay for the costs of land assembly, razing of existing structures, façade improvements, upgrades to utilities or roadways, and potential environmental remediation. Due to the initial investment that is required in order to allow development to occur, the City has determined that development of the area will not occur solely as a result of private investment. Accordingly, the City finds that without the use of TIF, redevelopment of the area is unlikely to occur.
2. The economic benefits of TID No. 11, as measured by increased employment, business and personal income, new residential growth, and increased property value are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:
  - As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected in to be collected (*Table 7: Tax Increment Projection & Cash Flow*) are more than sufficient to pay for the potential project costs as outlined by the schedule in *Table 5: Proposed Public Improvements & Cost*. On this basis alone, the finding is supported.
  - The development expected to occur within the District would create nearly \$40-million in new value—resulting in over \$18-million in increment—for the District over the next 20 years. These values are outlined in *Table 6: Development Assumptions* and *Table 7: Tax Increment Projection & Cash Flow*.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
  - If approved, the District’s creation would become effective for valuation purposes as of January 1, 2021. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2021 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
  - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements, the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, as there would, in fact, be no foregone

tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in *Table 7: Tax Increment Projection & Cash Flow* of this plan.

4. Not less than 50-percent by area of the real property within the District is found suitable for industrial sites and is zoned for industrial use, and will remain zoned for industrial use for the life of the tax incremental district, as specific in Section 66.1105(4)(gm)(5) of the Wisconsin Statutes.
5. Based upon the findings, as stated above, the District is declared to be an "Industrial" District based on the identification and classification of the property included within the District.
6. The project costs relate to directly serve to promote industrial in the District consistent with the purpose for which TID No. 11 is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12-percent of the total equalized value of taxable property within the City.
9. The City estimates that, as a result of the TID being focused on the industrial and business park area of Kaukauna, less than 20-percent of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

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**Mead**  
**& Hunt**