

Project Plan for
TAX INCREMENTAL FINANCE DISTRICT #39
2022 PROJECT PLAN AMENDMENT
(STOUGHTON ROAD)
City of Madison

Adopted: Sept 2, 2008
Expiration of Expenditure Period: Sept 2, 2023
Expiration Date: Sept 2, 2028
Amendment 1 Adopted: July 28, 2009

Project Plan Amendment 2 Adopted: Sept 1, 2020

Project Plan Amendment 3 Adopted: May 4, 2021
Legistar #: 64796 (RES-21-00329)

Project Plan Amendment 4 Adopted: May 24, 2022
Legistar #: 70880 (RES-22-00392)

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**~~FOURTH PROJECT PLAN AMENDMENT TO
THIRD PROJECT PLAN AMENDMENT TO
SECOND PROJECT PLAN AMENDMENT TO
FIRST BOUNDARY AND PLAN AMENDMENT TO
TAX INCREMENTAL FINANCE DISTRICT # 39
(STOUGHTON ROAD)~~**

PROJECT PLAN

NOTE: All first project plan changes are underlined.

NOTE: All second project plan changes are highlighted in yellow

NOTE: All third project plan amendment changes are highlighted in blue.

NOTE: All fourth project plan amendment changes are highlighted in green.

INTENT AND PURPOSE

The City of Madison (the “City”) has established that the health of the Madison area economy is vital. The City intends to continue to expand, stabilize and diversify its economic base. The City also recognizes that the area encompassing the Stoughton Road industrial corridor, to be located in the amendment to Tax Incremental District (TID) #39, is an essential part of the greater community. To that end, the City may utilize its various implementation tools, such as tax incremental financing (TIF) and other State or federal tools that may be available. TID #39 was created by the CITY in 2008 as an industrial TID. The City of Madison proposes to amend the project plan for TID #39 by adding property to its boundaries and by adjusting the proposed eligible project costs. The adjustment to project costs is necessitated by the Femrite Drive reconstruction (\$1,720,000) and the funding of the Bio-Link project (\$2,049,000).

In particular, the City of Madison is proposing to amend Tax Incremental District (TID) #39–(Stoughton Road) for the purpose of:

- 1) Financing public works improvements;
- 2) Stimulating planned industrial development;
- 3) Attracting and retaining major employers that create living wage jobs.

The City is proposing the second amendment to the TID 39 project plan to accomplish the following tasks:

1. Provide assistance to revitalization efforts in South Madison, by donating excess TID cash from TID 39 to TID 42 (Wingra);
2. Create a Small Cap TIF program to assist small businesses in and adjacent to TID 39;
3. To purchase property to aid industrial development.

The City is proposing the third amendment to the TID 39 project plan to accomplish the following tasks:

1. Provide assistance to revitalization efforts in South Madison, by donating excess TID cash from TID 39 to TID 42 (Wingra);

The City is proposing the fourth amendment to the TID 39 project plan to accomplish the following tasks:

1. Provide additional ongoing assistance to the revitalization efforts in South Madison, by donating \$3M of excess TID cash from TID 39 to TID 42 (Wingra)
2. Provide assistance for the relocation of a business from South Madison to a new location within TID 39, as part of the redevelopment of South Madison.
3. Invest in infrastructure in TID 39 related to the Dairy Drive homeless encampment.

PROPOSED CHANGES IN ORDINANCES, CODES OR PLANS

The project elements proposed in this amended Project Plan conform to the objectives and conceptual recommendations contained in the Comprehensive Plan of the City of Madison. No changes in the Official Map, Building Codes or other City Ordinances appear to be necessary to implement the amended Project Plan. It is anticipated that zoning changes will not be needed to accomplish the objectives of the amended Project Plan. This property within the District boundary is presently zoned M-1, with pockets of C-3, C-3L, R4, C2 PUDGDP, PUDMHPSIP and PUD-SIP dispersed throughout the boundaries of the District. Approximately 77% of the property in the District is zoned M-1 or M-2. There are currently no planned rezonings required in this project area due to proposed development activities. Nearly 100% of the property within the proposed amendment areas is presently zoned M-1. The property in TID 39 is presently zoned a combination of CC, CC-T, IL, IG, CN, SE, SR-C2, PD, PMHP, and A.

PROPOSED PUBLIC WORKS IMPROVEMENTS

Water Main Repair

There are no water main expenditures anticipated at this time.

Sanitary Sewer Repair

There are no sanitary sewer repair expenditures anticipated at this time.

Storm Sewer Repair

Project costs under this category were deleted in order to stay within the TID #39 Project Plan budget.

Estimated Cost:

~~\$793,000~~ \$0

Street Resurfacing

The Project Plan is amended to include a \$1,720,000 reconstruction of 2,900 feet of Femrite Drive. Project costs were deleted in order to stay within the TID #39 Project Plan budget as a result of this amendment.

Estimated Cost:

~~\$4,192,000~~ \$3,722,000

Other Public Works Projects

Dutch Mill Park & Ride	\$500,000
Railroad Quiet Zone Upgrades	<u>\$500,000</u>

Estimated Cost:

~~\$1,000,000~~ \$500,000

TIF Assistance Loans for Job Creation

Section (2)(f)1i of TIF Law, enables the City to provide TIF loans to businesses to pay for capital costs (land and building) that effectuate the implementation of the project plan. Such loans shall comply with TIF Law and established TIF Policy and made available to those companies that create living wage jobs and demonstrate that "but for" TIF assistance, the project would not otherwise be constructed. As a result of new increment generated by the proposed BioLink project, approximately \$21,000 of estimated increment was added to this cost category.

Estimated

Cost:

~~\$677,000~~ \$691,000

Bio-Link / Bio-Ag Incubator TIF Loan

On March 31, 2009, the City of Madison authorized a TIF loan of \$2,049,250 (Res. 09-00309, ID #14002) to Madison Development Corporation, from TID #39 to facilitate the construction of the BioLink bio-agricultural business incubator. The loan is contingent upon receipt of funds from the U.S. Economic Development Administration and providing evidence that working capital funds are secured to the City's satisfaction. The project's maximum assessable value is estimated at

~~\$4,000,000, supporting approximately \$800,000 of the cost. An additional \$1,249,000 of projects were deleted in order to remain within the TID #39 Project Plan budget as a result of this amendment.~~

This project did not occur and has been removed from the project plan.

Cost: \$0 \$2,049,000¹

Land Acquisition

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 TID. The acquisitions could vary from rights-of-way and air space to entire parcels. An estimate is provided here for place-holding purposes only. ~~There are no land acquisition expenditures anticipated at this time.~~

The City anticipates purchasing a property within the TID 39 boundary to assist in further development and job creation in the TID.

Cost: \$250,000

Business Relocation Expense

The City may provide business relocation expenses in order to assist a scrap metal business in relocating from South Madison to a property in TID 39 that requires significant site preparation work to conform to City zoning restrictions and environmental standards. This transaction would be part of a larger property acquisition by the City in South Madison.

Cost: \$2,400,000

Dairy Drive Homeless Encampment

The City is seeking reimbursement of costs related to the construction of an encampment for residents experiencing homelessness.

Cost: \$350,000

SMALL CAP TIF PROGRAM

The City intends to create a Small Cap TIF program to assist businesses in and adjacent to TID 39. The program will provide loans for capital costs, including real estate, improvement, remodeling, or expansion and purchasing capital machinery and equipment.

Cost: \$500,000

DONATION TO TID 42

The City intends to donate excess TID 39 cash to TID 42. TID 42 is generally located between South Park Street, Fish Hatchery Road, and Wingra Creek. The City intends to invest in the South Madison area in and adjacent to TID 42 prior to and following the dissolution of the Town of Madison on Oct 31, 2022. The donation of excess TID cash from TID 39 will be used to begin the City's investment in the South Madison area. The table below shows the timing and amount of the proposed donations from TID 39 to TID 42.

¹ Bio-Ag / Bio-Link project was cancelled and the total authorized expenditure associated with this project was eliminated.

Cost: \$1,700,000

Donor District	2020	2021	2022	2023	Total
TID 39	\$1,700,000	\$0	\$0	\$0	\$1,700,000
Recipient TID					
TID 42	\$1,700,000	\$0	\$0	\$0	\$1,700,000

2021 DONATION TO TID 42

The City intends to donate excess TID 39 cash to TID 42. TID 42 is generally located between South Park Street, Fish Hatchery Road, and Wingra Creek. The City intends to invest in the South Madison area in and adjacent to TID 42 prior to and following the dissolution of the Town of Madison on Oct 31, 2022. The donation of excess TID cash from TID 39 will be used to begin the City's investment in the South Madison area. The table below shows the timing and amount of the proposed donations from TID 39 to TID 42.

Cost: \$3,000,000

Donor District	2021	2022	2023	Total
TID 39	\$3,000,000	\$0	\$0	\$3,000,000
Recipient TID				
TID 42	\$3,000,000	\$0	\$0	\$3,000,000

2022 DONATION TO TID 42

The City intends to donate excess TID 39 cash to TID 42. TID 42 is generally located between South Park Street, Fish Hatchery Road, and Wingra Creek. The City intends to invest in the South Madison area in and adjacent to TID 42 prior to and following the dissolution of the Town of Madison on Oct 31, 2022. The donation of excess TID cash from TID 39 will continue the City's investment in the South Madison area. The table below shows the timing and amount of the proposed donations from TID 39 to TID 42.

Cost: \$3,000,000

Donor District	2022	2023	2024	Total
TID 39	\$3,000,000	\$0	\$0	\$3,000,000
Recipient TID				
TID 42	\$3,000,000	\$0	\$0	\$3,000,000

Total Donated Increment from TID 39 to TID 42 (including 2022 Project Plan Amendment)

Donor District	2020	2021	2022	2023	Total
TID 39	\$1,700,000	\$3,000,000	\$3,000,000	\$0	\$7,700,000
Recipient TID					
TID 42	\$1,700,000	\$3,000,000	\$3,000,000	\$0	\$7,700,000

ORGANIZATIONAL, ADMINISTRATIVE AND PROFESSIONAL COSTS

This category of project costs includes estimates for administrative, professional, organizational and legal costs. Project costs may include salaries, including benefits, of City employees engaged in the planning, engineering, implementing and administering activities in connection with TID #39, supplies and materials, contract and consultant services, and those costs of City departments such as the Comptroller's Office, City Attorney, City Engineer, Parks Division, Planning & Development and the Office of the Mayor.

Estimated Cost:

~~\$300,000~~ \$500,000*

*NOTE: In the Detailed Estimate of Timing and Project Costs table below, these costs are split between the adopted project plan (\$300,000) and the 2020 Project Plan Amendment (\$200,000).

TOTAL COST	\$6,962,000	\$7,762,000	\$8,363,000
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TOTAL COST (2021 Project Plan Amendment)			\$11,363,000
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TOTAL COST (2022 Project Plan Amendment)			\$17,113,000
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Finance Costs

Staff estimates that in the event the City of Madison borrows funds to pay for the capital costs authorized herein, that tax increments should be sufficient to pay for approximately ~~\$1,915,000~~ \$2,135,000 of interest cost.

DETAILED ESTIMATE OF TIMING AND PROJECT COSTS

The following are the eligible project costs as provided for under Section 66.1105 (2)(f), Wisconsin Statutes and the timing in which certain project costs will be incurred. Certain project costs will be subject to the anticipated long-term development expectations as described elsewhere in this Plan. **Actual individual eligible project costs may vary or may be adjusted without a project plan amendment, so long as the adopted project cost categories do not change and the total amount of all eligible costs does not exceed the total project cost adopted in the Project Plan.**

PROJECT COSTS	Total Cost	Assessable Cost	TIF Eligible	Year
Water Mains	\$0	\$0	\$0	2008-23
Sanitary Sewer	\$0	\$0	\$0	2008-23
Storm Sewer				
Increase storm sewer at Camden/Major	200,000	0	200,000²	2008-23
Storm drainage study	75,000	0	75,000	2008-23
Camden/Linda Vista storm improvements	200,000	0	200,000	2008-23
Helgesen drainage improvements	53,000	0	53,000	2008-23
Storm water treatment device installation	100,000	0	100,000	2008-23
Extend storm sewers on Vondron Rd.	35,000	0	35,000	2008-23
Greenway restoration Pflaum to South	130,000	0	130,000	2008-23
Sub-total -- Storm Sewer	0	0	\$0	2008-23
Street Resurfacing				
Lumbermans Trl Cottage Grove to south end of TID	86,000	14,000	72,000	2008-23
Remington Road Frontage Rd to east end of TID	245,000	105,000	140,000	2008-23
Blossom Lane Remington to Frontage Rd	69,000	11,000	58,000	2008-23
Stoughton Rd Service Road Remington to Blossom	142,000	23,000	119,000	2008-23
Buckeye Rd -Stoughton Rd to Stoughton Rd Svc Rd	113,000	18,000	95,000	2008-23
Stoughton Rd Service Rd Buckeye to Pflaum	418,000	68,000	350,000	2008-23
Helgesen Drive Stoughton Rd. Sev Rd to Daniels	290,000	47,000	243,000	2008-23
Seiferth Rd Pflaum Rd to Tompkins	120,000	20,000	100,000	2008-23
Tompkins Drive Service Rd to Progress Rd	133,000	22,000	111,000	2008-23
Stoughton Rd Service Rd Pflaum to south end of TID	240,000	39,000	201,000	2008-23
Daniels St Pflaum to Dairy Dr	230,000	37,000	193,000	2008-23
World Dairy Dr Dairy Dr to Ag Drive	95,000	15,000	80,000	2008-23
Agriculture Dr -- World Dairy Dr to 650' north	98,000	16,000	82,000	2008-23
Dairy Drive @ World Dairy Dr	80,000	13,000	67,000	2008-23
Blazing Star Dr west of Dairy Dr	36,000	6,000	30,000	2008-23
Prairie Dock Dr Blazing Star to Dairy Dr	76,000	12,000	64,000	2008-23
Dairy Dr Prairie Dock Dr to Femrite Dr	53,000	9,000	44,000	2008-23
Dutch Mill Broadway to Femrite	236,000	38,000	198,000	2008-23
Femrite Dr Broadway to Dutch Mill	389,000	63,000	326,000	2008-23
Femrite Dr Dutch Mill to Agriculture Dr	368,000	60,000	308,000	2008-23
Agriculture Dr Femrite to South TID boundary	156,000	25,000	131,000	2008-23
Ellestad Dr Dutch Mill to east end of TID	87,000	14,000	73,000	2008-23
E. Broadway Dutch Mill to east end of TID	170,000	28,000	142,000	2008-23
Tradewinds Pkwy Dutch Mill to east end of TID	156,000	25,000	131,000	2008-23
Galleon Run Tradewinds Pkwy to south end of TID	53,000	9,000	44,000	2008-23
Femrite Drive Reconstruction -- 2900 ft. west to Interstate 39/90	1,960,000	240,000	1,720,000	2010
Subtotal -- Street Resurfacing	4,350,000	628,000	3,722,000	2008-23

² All struck through project costs were deleted.

Dutch Mill Park & Ride	500,000	0	500,000	2008-23
Quiet Zone Upgrades				
@ Buckeye Rd	200,000	0	200,000	2008-23
@ Pflaum Rd	300,000	0	300,000	2008-23
Subtotal – Quiet Zones	500,000	0	500,000	2008-23
Other TIF Eligible Costs				
Land Acquisition	\$0	0	\$0	2008-23
Organization, Administrative and Professional Costs	300,000	0	300,000	2008-23
TIF Loans for Job Creation, Retention	691,000	0	691,000	2008-23
BioLink Incubator TIF Loan	2,049,000		2,049,000	2009-10 ³
Subtotal Other TIF Eligible Costs	3,040,991,000	0	3,040,991,000	2008-23
Total Project Cost	8,390,000 6,341,000	628,000	7,762,000 5,713,000	2008-23
Finance Cost			2,135,000	
2020 Project Plan Amendment Costs	Total Cost	Assessable Cost	TIF Eligible	
Land Acquisition	\$250,000	\$0	\$250,000	2020-23
Small Cap TIF	\$500,000	\$0	\$500,000	2020-23
Donation to TID 42	\$1,700,000	\$0	\$1,700,000	2020-23
Organization, Administrative and Professional Costs	\$200,000	\$0	\$200,000	2020-23
SUBTOTAL 2020 Project Plan Amendment	\$2,650,000	\$0	\$2,650,000	2020-23
2021 Project Plan Amendment Costs	Total Cost	Assessable Cost	TIF Eligible	
Donation to 42	\$3,000,000	\$0	\$3,000,000 ⁴	2021-23
2022 Project Plan Amendment Costs	Total Cost	Assessable Cost	TIF Eligible	2022-23
Business Relocation	\$2,400,000	\$0	\$2,400,000	2022-23
Dairy Drive Homeless Encampment	\$350,000	\$0	\$350,000	2022-23
Donation to TID 42	\$3,000,000	\$0	\$3,000,000 ⁵	2022-23
Total 2022 Project Plan Amendment Costs	\$5,750,000	\$0	\$5,750,000	2022-23
Total TID 39 Project Costs, Including 2020, 2021, and 2022 Project Plan Amendments	\$17,741,000	\$628,000	\$17,113,000	2022-23

SUMMARY OF TOTAL PROJECT COSTS AND ECONOMIC FEASIBILITY

The project costs include the estimated costs of planning, engineering, construction or reconstruction of public works and improvements and financing costs. The chart above identifies Non-Project Costs that are to be paid from revenue sources other than tax increments. **Actual individual project costs may vary or may be adjusted without a project plan**

³ See footnote #1.

⁴ 2021 donation to TID 42 was utilized to fund the redevelopment of the Village on Park, including North Building demolition and build back, parking structure planning / design / construction, site work, and environmental.

⁵ 2022 donation to TID 42 will be utilized to fund ongoing redevelopment of the Village on park associated with the Urban League of Greater Madison's construction of a Black Business Hub. Funds will be used for stormwater costs, parking structure construction costs, North Building demo and build back, and public art (as required by MGO).

amendment, so long as the adopted project cost categories do not change and the total amount of eligible costs does not exceed the amount adopted in the Project Plan.

Total Project Cost

Under the Wisconsin TIF Law, the property taxes paid each year on the increase in equalized value of the Tax Incremental District may be used by the City to pay for eligible project costs within the District. Taking the District's current value as a result of growth and deducting the value in the district that existed when the District was created determines the increase in value.

All taxes levied upon this incremental (or increased) value by the City, Madison Metropolitan School District, Dane County, and the Madison Area Technical College District are allocated to the City for direct payment of project costs and payment of debt service on bonds used to finance project costs.

Per TIF Law, the maximum life of an industrial TID is 20 years and all project expenditures must now be made five (5) years prior to the termination of the District. Therefore, all project expenditures must be made by December 31, 2023. Tax increments may be received until project costs are recovered, at which time the TID must close.

The cost of public improvements and other project costs are estimated at ~~\$7,699,000~~ ~~\$8,991,000~~ ~~\$11,991,000~~ ~~\$17,741,000~~. At this time, it is anticipated that ~~\$737~~ ~~\$628,000~~ of the project costs will be assessable to property owners. These assessments have been determined in accordance with the City and Board of Public Works standard special assessment policies. The ~~\$6,962,000~~ ~~\$8,363,000~~ ~~\$11,363,000~~ ~~\$17,113,000~~ balance of TIF-eligible project costs will require financial support by incremental taxes from the District and other financing sources. Staff estimates that District increment could support interest payments on capital borrowing by the City of Madison in the amount of \$2,135,000. The estimated interest and finance cost to borrow the previously authorized ~~\$6,962,000~~ ~~\$7,762,000~~ project cost is ~~\$1,915,000~~ ~~\$2,135,000~~. Note that the 2020, 2021 and 2022 Project Plan Amendments do not include any additional finance costs. All costs associated with the 2020, 2021, and 2022 Project Plan Amendments will come from incremental revenue. If incremental revenue is insufficient to cover these costs, the City will make cost reductions as needed to ensure that project costs are paid for without requiring borrowing.

Economic Feasibility

The determination of economic feasibility for TID #39 is based on anticipated, near-term development, as well as projected development through 2028. The anticipated development includes a Marcus cinema on Tradewinds Parkway and a 92-room Sleep Inn Suites motel for a total anticipated incremental value of approximately \$7,235,000 by 2010. In addition, staff has estimated that the remaining undeveloped industrial acreage within the District (approximately 35 acres) may generate approximately \$11,683,000 as it is sold and developed over the life of the District. ~~As demonstrated in the section entitled Expectations for Development, a conservative estimate of total incremental value resulting from these and other development projects over the life of the district is estimated to be \$18,918,000.~~

~~In 2009, the City of Madison on March 31, 2009, the City of Madison authorized a TIF Loan of approximately \$2,049,000 (Res. 09-00309, ID #14002) to Madison Development Corporation, from TID #39 to facilitate the construction of the BioLink bio-agricultural business incubator. The BioLink project's maximum assessable value is estimated at \$4,000,000, supporting approximately \$800,000 of the \$2,049,000 cost. The remaining \$1,249,000 of unanticipated project cost for this project was added to the Project Plan. The BioLink project did not proceed. The City did not disburse the \$2,049,000 TIF Loan. The City is removing this project cost from the Project Plan.~~

~~In addition, the City is planning a \$1,720,000 reconstruction of Femrite Drive, approximately 2,900 feet east of the current TID #39 boundary, terminating at the western right-of-way boundary of Interstate 39/90. As no additional TIF generators are foreseeable to recover these two additional projects, an approximately equal amount of project costs were deleted from the Project Plan as part of this amendment. They may be re-instituted via a future Project Plan amendment at such time that development growth generates more increment than anticipated in this analysis to recover such cost.~~

~~Further, the TID #39 boundary must be amended to include whole units of property along the Femrite Drive right-of-way boundary until it intersects with wetlands approximately 1,000 feet west of the Interstate 39/90 right-of-way boundary. As a corrective measure that will implement the entire reconstruction project, the City of Madison proposes to request~~

authorization from the Tax Increment Finance Joint Review Board to invoke the so-called “1/2 Mile Rule” set forth in TIF Law, that enables a municipality to extend project costs within ½ mile of a TID boundary.

As demonstrated in the section entitled Expectations for Development, a conservative estimate of total incremental value resulting from these and other development projects over the life of the district, ~~and factoring in the estimated \$4 million BioLink incubator project~~ is estimated to be \$22,918,000.

As of January 1, 2020, TID 39 has an estimated incremental value of \$104,000,000. This value is generating approximately \$2,500,000 of incremental revenue annually. If no additional expenditures are made, the City anticipates that TID 39 would close in 2020 or 2021.

As of January 1, 2021, TID 39 has an estimated incremental value of \$114,770,700. This value is generating approximately \$3,500,000 of incremental revenue annually. If no additional expenditures are made, the City anticipates that TID 39 would close in 2022 or 2023.

As of January 1, 2022, TID 39 has an estimated incremental value of \$121,471,700. This value is generating approximately \$2,590,000 of incremental revenue annually. If no additional expenditures are made, the City anticipates that TID 39 would close in 2023.

However, the City is facing the dissolution of the Town of Madison in 2022, generally located in the South Madison area. The City intends to invest in this historically overlooked and underinvested part of the City. To do this, the City will propose to donate excess TID cash from TID 39 to TID 42 (Wingra) beginning in 2020. As a part of this process, the City will also amend the TID 42 Project Plan. The donation of excess TID cash from TID 39 to TID 42 will allow the City to begin investing in and around TID 42, which is located in South Madison but does not include Town of Madison parcels.

In 2021, the City is proposing to again donate excess incremental revenue from TID 39 to TID 42 to continue investing in the South Madison area. In 2021, the City proposes to use this excess incremental revenue to provide a grant to the CDA to fund the following activities within TID 42 and within a Half Mile of TID 42 in South Madison⁶:

- To invest funds into the Village on Park in South Madison to assist with further redevelopment,
- To construct a parking structure at the Village on Park,
- To aid the Urban League of Greater Madison’s (ULGM) efforts to build a Black Business Hub, and;
- To commence planning and design work for a pilot program to construct and sell owner occupied, affordable housing units within South Madison.

In 2022, the city is proposing to donate excess incremental revenue from TID 39 to TID 42 to continue investing in the South Madison area. In 2022, the City proposes to use this excess incremental revenue to provide a grant to the CDA to fund the following activities within TID 42 and within a Half Mile of TID 42 in South Madison:

- To help cover cost overruns estimated at \$5,000,000 associated with the redevelopment of the Village on Park in South Madison, including additional stormwater and parking structure costs, and;
- To aid the Urban League of Greater Madison’s (ULGM) efforts to build a Black Business Hub by making improvements to the Village on Park.

The City is also proposing to help fund the relocation of a scrap metal business from South Madison to the industrial area in TID 39. As a part of this relocation, the City is proposing to assist with significant site work costs estimated at \$2,400,000 in order for the relocation to comply with zoning restrictions and environmental standards. The City is contemplating providing this assistance to this project / business, as the City is also negotiating for the acquisition of the business’s current location on South Park Street.

In 2022, the City is also seeking to reimburse \$350,000 of eligible TIF costs associated with the construction of an encampment for residents experiencing homelessness.

~~Based on the current tax rates and conservative financial market assumptions, the anticipated economic growth of tax incremental revenues over the life (i.e. the total amount of tax increments over 20 years the remaining eight (8) years of life~~

⁶ See Footnote #4.

in the TID) of the District should total approximately \$18,403,000 by 2028. Using present value estimates, this aggregate amount of tax increments is sufficient to repay \$6,962,000 \$7,762,000 \$16,000,000 of TIF eligible cost in today's dollars.

Based on the current tax rates and conservative financial market assumptions, the anticipated economic growth of tax incremental revenues of the life (i.e. the total amount of tax increments over the remaining seven (7) years of life in the TID) of the District should total approximately \$22,800,000 by 2028. Using present value estimates, this aggregate amount of tax increments is sufficient to repay \$18,000,000 of TIF eligible costs in today's 2021 dollars.

Based on the current tax rates and conservative financial market assumptions, the anticipated economic growth of tax incremental revenues of the life (i.e. the total amount of tax increments over the remaining six (6) years of life in the TID) of the District should total approximately \$30,219,000 by 2028. Using present value estimates, this aggregate amount of tax increments is sufficient to repay \$18,000,000 of TIF eligible costs in today's 2022 dollars.

Project expenditures will be contingent upon development actually occurring or committed to occur. Since the majority of the project cost is financed with long-term debt, borrowing would be undertaken only when sufficient development actually occurs to support each borrowing segment and the expenditure of such funds. The City anticipates that the proposed expenditures in the 2020 Project Plan Amendment will come from cash generated by TID 39 from 2020 until the TID expenditure period expires on September 2, 2023. The City anticipates that, based upon conservative financial market assumptions, TID 39 will generate approximately \$9,200,000 of incremental revenues between 2020 and 2023, and a total of \$16,000,000 of incremental revenues by 2028. The City estimates that TID 39 will have recovered all of its outstanding debts by 2021. However, should economic conditions allow, the city intends to return to the Joint Review Board, economic conditions permitting, in each subsequent year to request that the JRB consider a proposal to amend the donor recipient plan proposed based upon current figures to allow additional incremental revenue to be donated from TID 39 to TID 42.

As a part of the 2021 Project Plan Amendment, the City anticipates that the proposed expenditures in the 2021 Project Plan Amendment will come from cash generated by TID 39 from 2021 until the TID expenditure period expires on September 2, 2023. The City anticipates that, based upon conservative financial market assumptions, TID 39 will generate approximately \$7,800,000 of incremental revenues between 2021 and 2023, and a total of \$22,800,000 of incremental revenues between 2021 and 2028. The City estimates that TID 39 will have recovered all of its outstanding debts and be able to close by 2022. However, should economic conditions allow, the City intends to return to the Joint Review Board in subsequent years to request that the JRB consider a proposal to amend the donor recipient plan based upon current figures to allow additional incremental revenues to be donated from TID 39 to TID 42 to provide additional investments into South Madison.

As a part of the 2022 Project Plan Amendment, the City anticipates that the proposed expenditures in the 2022 Project Plan Amendment will come from cash generated by TID 39 from 2022 until the TID expenditure period expires on September 2, 2023. The City anticipates that, based upon conservative financial market assumptions, TID 39 will generate approximately \$5,400,000 of incremental revenues between 2022 and 2023, and a total of \$20,600,000 of incremental revenues between 2022 and 2028. Provided that economic conditions remain unchanged, the City estimates that TID 39 will have recovered all of its outstanding debts and be able to close by 2023.

As previously indicated, each segment of the project (i.e., each individual cost element) will require subsequent approval by the Common Council. The method of financing and the individual debt issues will also require Common Council approval. It is the City's intent to closely monitor all planned and actual development within the District. The actual City investment in TID #39 may, therefore, be less than the amount shown in the Project Plan.

PROMOTION OF ORDERLY LAND DEVELOPMENT

The project elements in this amendment Project Plan conform to the objectives and recommendations contained in the City of Madison Comprehensive Plan which can be found at:

<https://www.cityofmadison.com/dpced/planning/comprehensive-plan/1607>

City of Madison Comprehensive Plan (Comp Plan)

Volume II, Chapter 5 of the Comp Plan, titled “Economic Development” lists several goals and objectives that are consistent with the activities planned for the proposed amended TID (39), namely:

~~Objective 1: Grow the City’s role as a leader of economic prosperity in the region and the predominant urban economic center.~~

~~Policy 2: Redevelop older or obsolete commercial areas of the City to accommodate a significant proportion of projected employment growth.~~

~~Policy 3: Designate appropriate areas in the City for major employment centers integrated with residential and supporting uses and for the location and expansion of specific industries.~~

~~Policy 4: Maintain a City economic development plan that includes a 3-5 year implementation strategy to guide development and public investment decisions, evaluate public and private development projects and inform the allocation of City resources through the annual capital and operating budget process.~~

~~Policy 5: Use the City’s tools of small area plans, zoning capital improvements plan, transportation plans, redevelopment districts, and financial incentives to support the growth and development of industries and employment centers as identified in the adopted economic development plan and its implementation strategy.~~

~~Policy 6: Promote the stabilization, retention and expansion of Madison area businesses by providing them with available private and public sector programs they need to be successful.~~

~~Objective 2: Develop partnerships and strategies with other communities, area research, education, and health care institutions, utilities and other organizations to promote industries identified in the economic development plan and implementation strategies as key opportunities for growing the Madison economy.~~

~~Note: Based upon current employment, number of businesses and the specialized support resources available, such industries might include the following:~~

- ~~—— Life sciences/biotechnology/pharmaceutical/chemical~~
- ~~—— Health care~~
- ~~—— Finance, insurance, business services~~
- ~~—— Light and specialized “niche” manufacturing~~
- ~~—— Value-added agriculture/food manufacturing/processing/regional food network~~

Finally, the Project Plan is also consistent with **City of Madison Tax Incremental Finance Objectives and Policies (the “TIF Policy”)** adopted by the City’s Common Council on April 17, 2001 and amended on November 21, 2006 and March 31, 2009. The Project Plan conforms to the following TIF objectives:

- ~~1) Job creation through new business development~~
- ~~2) Job creation through attraction, retention, expansion of existing business~~
- ~~3) Attracting, retaining, or expanding businesses~~

The project plan conforms to the following requirements of TIF Policy:

- 1) Comply with TIF Law.
- 2) Meet the City's TIF district amendment general guidelines.

The TID #39 2009 Amendment is an exception to City TIF Policy that requires a minimum incremental value of at least \$3,000,000. There is currently no anticipated development of this value being proposed or planned for the amendment area.

The estimated percentage of territory in the TID devoted to retail business is below 35%.

EXPECTATIONS FOR DEVELOPMENT

The expectations for development in the amendment to TID #39 have been developed and predicated upon input from the Comprehensive Plan for the City of Madison, as adopted by the Common Council. These adopted plans include a land use schedule that indicates a preference for industrial uses in the area designated as TID #39. This preference is shown by approximately 77% of the area in TID #39, including the area added by the amendment, being zoned M-1 or M-2, and approximately 100% of the area being added to TID #39 through amendment being zoned M-1 or M-2.

Potential Areas for Development

Potential areas for industrial development are identified in this project plan. As indicated above, the TIF generators for this District are the proposed Marcus Theatre at Tradewinds Parkway and a 92-room Sleep Inn and Suites, estimated to generate \$7,235,000 of incremental value by 2011. Ancillary development areas, including approximately 35 acres of recently-platted industrial property, a 27-acre plat owned by the City of Madison to be marketed to attract bio-agricultural companies, and various undeveloped areas from the previous TID #24 are indicated in the map below. Staff estimates that ancillary development may contribute an additional \$11,683,000 of development over time, taking into account the typically slower absorption rate of industrial property in comparison to other uses. The proposed BioLink bio-agricultural business incubator is estimated to add \$4,000,000 of incremental value. A total of \$18,229,180,000 of new incremental value is estimated to occur within the areas indicated in Figure A.

Annual Value Increment Estimates

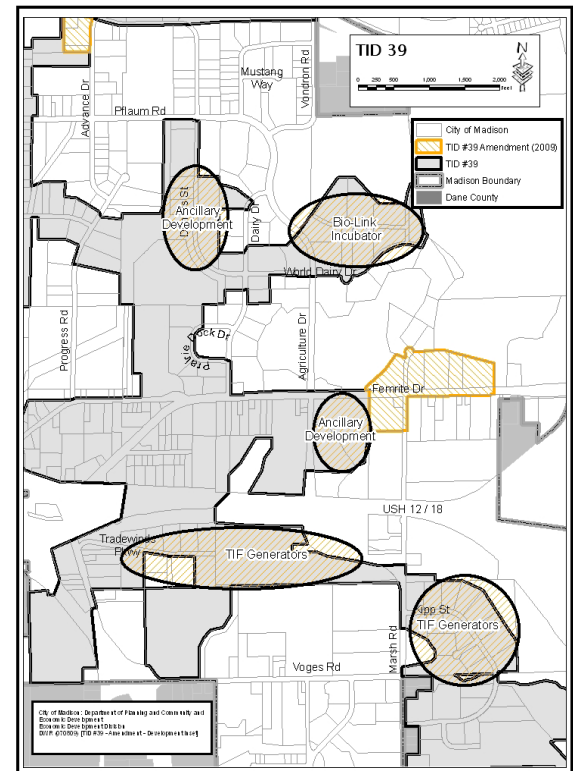
Definition of Value Increment: The increase in value is determined by deducting the value in the TIF district that existed when it was created (i.e. the "base value") from the TIF district's increased value as a result of new development. Appreciation of the base value and the new development over the full 20-year life of the TIF district is also included in this estimate.

Currently, there is no new development anticipated in the amendment areas

Timeframe for Development: For the purposes of this amended project plan's economic expectations new development projects, including a proposed Marcus theatre to be located on Tradewinds Parkway and a Sleep Inn Suites motel, are anticipated to be complete by 2011. In addition, staff estimates that a conservative estimate of development may occur within the first 13 years of the District's life in the general area of undeveloped industrial property north of the Beltline Highway, and the Tradewinds and Genesis plats, located south of the Beltline Highway. This estimate is fairly consistent with typical industrial development absorption rates that occur at a slower rate (around 15 years) as compared to other land uses.

It is the City's practice to anticipate development, repayment of costs and closure of the district within a shorter timeframe than the full 20-year period allowed by TIF Law. On average, a City TID is closed within about 12 years. To the extent that

Fig. A



the amended District meets or exceeds economic expectations, it is then able to repay its project costs and return the value increment to the overlying taxing jurisdictions in a shorter period of time. If such estimates do not meet expectations, the amended District may remain open for a longer period of time.

Anticipated Development: The actual timing and value of new growth within the District depends upon variables that are unpredictable at this time. However, the development of the Marcus Theatre and Sleep Inn and Suites motel should occur by the end of 2011. The value increment generated by these projects is estimated at \$7,235,000. The proposed BioLink bio-agricultural business incubator may add approximately \$4,000,000 of value by 2012. An additional \$11,683,000 of incremental value growth is estimated to occur as a result of ancillary development, or a total of ~~\$48~~ \$22,918,000 of incremental value generated by TIF. The total value increment (including appreciation of property value within the District) generated over the 20-year life of the district is estimated to reach approximately ~~\$119,000,000~~ \$168,000,000 by 2028, provided the District remains open until that time.

As of Jan 1, 2020, TID 39 has generated approximately \$104,000,000 of incremental value. Using conservative financial assumptions, the City estimates that upon closure, the TID will have approximate \$119,000,000 of incremental value to return to overlying taxing jurisdictions.

As of January 1, 2021, TID 39 has generated approximately \$114,000,000 of incremental value. Using conservative financial assumptions, the City estimates that upon closure in 2028, the TID will have approximately \$168,000,000 of incremental value to return to overlying jurisdictions.

As of January 1, 2022, TID 39 has generated approximately \$121,000,000 of incremental value. Using conservative financial assumptions, the City estimates that upon closure in 2028, the TID will have approximately \$168,000,000 of incremental value to return to overlying jurisdictions.

METHODS FOR THE RELOCATION OF DISPLACED PERSONS

Where the relocation of individuals and business operations would take place as a result of the City's acquisition activities occurring within the District, relocation will be carried out in accordance with the relocation requirements set forth in Chapter 32 of the Wisconsin Statutes and the Federal Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 (P.L. 91-646) as applicable.

LEGAL DESCRIPTION – TID #39 (Stoughton Road) – 2009 Amendment

A parcel of land being part of the Northeast 1/4 and the Southeast 1/4, Section 9, the Northwest 1/4, Southwest 1/4, and Southeast 1/4, Section 15, the Northeast 1/4 and the Southeast 1/4, Section 16, the Northeast 1/4 and the Southeast 1/4, Section 21, the Northeast 1/4, the Northwest 1/4, the Southwest 1/4, and the Southeast 1/4, Section 22, the Northwest 1/4, Section 23, the Northwest 1/4, Section 26, and the Northeast 1/4 and the Northwest 1/4, Section 27, all in Township 07 North, Range 10 East of the 4th Principal Meridian, City of Madison, Dane County, Wisconsin, described as follows:

Beginning at the southwesterly corner of Lot 11, Marsh Road Industrial Subdivision⁷; thence along the westerly elongation of the southerly line of said Lot 11, westerly, to the westerly right of way of Marsh Road; thence along said westerly right of way, northerly, to the intersection thereof with the westerly elongation of the southerly line of Outlot 2, said Marsh Road Industrial Subdivision; thence along said westerly elongation, easterly, to the southwesterly corner of said Outlot 2; thence along said southerly line of said Outlot 2, easterly, 383.35 feet, more or less, to a southeasterly corner thereof; thence along the southeasterly line of said Outlot 2, northeasterly, 74.08 feet, more or less, to a southeasterly corner thereof; thence along the easterly line of said Outlot 2, northerly, 99.06 feet, more or less, to a northeasterly corner thereof; thence along a northeasterly line of said Outlot 2, northwesterly, 185.23 feet, more or less, to a northeasterly corner thereof; thence along a northeasterly line of said Outlot 2, northwesterly, 257.43 feet, more or less, to an interior corner thereof; thence along a northeasterly line of said Outlot 2, northwesterly, 84.36 feet, more or less, to the northerly corner thereof; thence along the northwesterly elongation of

⁷ Marsh Road Industrial Subdivision, recorded in Vol. 58-014B of Plats, pages 75-76.

the last said line, northwesterly to said westerly right of way of Marsh Road; thence along said westerly right of way, northerly, to the southeasterly corner of Outlot 3, Certified Survey Map No. 12423⁸; thence along the southerly line of said Outlot 3, westerly to the northwesterly corner of that parcel of land described in Document No. 3772433 (recorded on 07/30/2003); thence along a westerly line of said parcel, southerly, 404.71 feet, more or less, to an interior corner thereof; thence along a northwesterly line of said parcel, southwesterly, 201.83 feet, more or less, to an interior corner thereof; thence along a northwesterly line of said parcel, southwesterly, 185.57 feet, more or less, to a northwesterly corner thereof; thence along a northwesterly line of said parcel, southwesterly, 79.82 feet, more or less, to a northwesterly corner thereof; thence along a northwesterly line of said parcel, southwesterly, 197.80 feet, more or less, to a northwesterly corner thereof; thence along a westerly line of said parcel, southerly 446.85 feet, more or less, to the northerly right of way of Voges Road; thence along said northerly right of way, westerly, to the intersection thereof with the northeasterly right of way of South Dutch Mill Road; thence along said northeasterly right of way, northwesterly, to the intersection of thereof with the westerly line of Outlot 62, Assessor's Plat No. 2 Township of Blooming Grove⁹; thence along said westerly line, northerly, to the northwesterly corner thereof, said point being on the southerly line of Lot 11, Tradewinds Business Centre¹⁰; thence along said southerly line, westerly, to the southwesterly corner thereof, said point also being on the southerly line of Outlot 59, said Assessor's Plat No. 2 Township of Blooming Grove; thence along said southerly line, westerly, to the easterly right of way of said South Dutch Mill Road; thence along said easterly right of way, southerly to the southwesterly corner of Lot 1, Certified Survey Map No. 2823¹¹; thence across said South Dutch Mill Road, and across United States Highway 51, and across Terminal Drive, southerly, to the intersection of the westerly right of way of said Terminal Drive with the northerly line of that parcel of land described in Doc. No. 3643906 (recorded on 01/31/2003); thence along said northerly line, westerly, to the northwesterly corner of said parcel; thence along the westerly line of said parcel, southerly, to the South line of the Northwest 1/4, said Section 27; thence along said South line, westerly, to the West 1/4 corner, said Section 27; thence along the West line of said Northwest 1/4, northerly, to the northerly line of Outlot 65, said Assessor's Plat No. 2, Township of Blooming Grove; thence along said northerly line, easterly to the northwesterly corner of Outlot 66, said Assessor's Plat No. 2, Township of Blooming Grove; thence along the westerly line of said Outlot 66, southerly, to the southwesterly corner thereof; thence along the southerly line of said Outlot 66, easterly, to the westerly right of way of United States Highway 51; thence across said United States Highway 51, northeasterly, to the intersection of the easterly right of way of said United States Highway 51 with the southerly line of Outlot 68, said Assessor's Plat No. 2 Township of Blooming Grove; thence along said easterly right of way, northerly, to the intersection thereof with the southerly right of way of United State Highways 12 and 18; thence along said southerly right of way, northeasterly, to the southerly elongation of the easterly line of that parcel of land described in Doc. No. 2947681 (recorded on 03/24/1998); thence along said southerly elongation, northerly, to the southeasterly corner of said parcel; thence along the southerly line of said parcel, westerly, 178 feet, more or less, to the southerly corner thereof; thence along the southwesterly line of said parcel, northwesterly, 115 feet, more or less, to the southwesterly corner thereof; thence across Dutch Mill Road, westerly, 292 feet, more or less, to the southeasterly corner of that parcel of land described in Doc. No. 4040240 (recorded on 04/11/2005), said point also being the northeasterly corner of that parcel of land conveyed to Wisconsin Department of Transportation in Vol. 363 Miscellaneous, pg. 596, recorded as Doc. No. 1027605, on 06/21/1961, said point also lies on the northerly right of way of East Broadway; thence along said northerly right of way, and along the northeasterly right of way of said East Broadway, and along the northeasterly right of way of East Broadway Service Road, to the southwesterly corner of Lot 2, Certified Survey Map No. 8584¹²; thence continuing along said northeasterly right of way, and along the easterly right of way of United States Highway 51, right of way being inclusive of Parcels A, B, and C, described in Doc. No. 2879621 (recorded on 08/14/1997), northwesterly and northerly, to the northerly line of Lot 1, said Certified Survey Map No. 8584; thence continuing along said easterly right of way, being inclusive of that parcel of land acquired for street purposes, and described in Doc. No. 2865605 (recorded on 06/26/1997), northerly to the northeasterly corner of said parcel, said point also being the westerly most corner of Lot 1, Certified Survey Map No. 10374¹³; thence across Femrite Drive, northerly, to the southerly most corner of Lot 2, Certified Survey Map No. 7841¹⁴, said point being on the northwesterly line of Outlot 33, said Assessor's Plat No. 2 Township of Blooming Grove; thence along said northwesterly line, and along the northwesterly line of Outlot 34, said Assessor's Plat No. 2 Township of Blooming

⁸ Certified Survey Map No. 12423, recorded in Vol. 77 of Certified Survey Maps, on pages 215-218, as Doc. No. 4412331.

⁹ Assessor's Plat No. 2 Township of Blooming Grove, recorded in Vol. 9 of Plats, pages 49-50, as Doc. No. 624628.

¹⁰ Tradewinds Business Centre, recorded in Vol. 58-033B of Plats, pages 179-189, as Doc. No. 3764226.

¹¹ Certified Survey Map No. 2823, recorded in Vol. 11 of Certified Survey Maps, pages 152-153, as Doc. No. 1572823.

¹² Certified Survey Map No. 8584, recorded in Vol. 47 of Certified Survey Maps, page 105-108, as Doc. No. 2856761.

¹³ Certified Survey Map No. 10374, recorded in Vol. 61 of Certified Survey Maps, pages 115-117, as Doc. No. 3480150.

¹⁴ Certified Survey Map No 7841, recorded in Vol. 41 of Certified Survey Maps, pages 184-192, as Doc. No. 2676994.

Grove, northeasterly, 506.06 feet, more or less, to the northwesterly corner of Lot 1, Certified Survey Map No. 6845¹⁵; thence along the northerly line of said Lot 1, and along the northerly line of Certified Survey Map No. 5896¹⁶, easterly, to the northeasterly corner thereof, said point being on the southerly line of Lot 1, Certified Survey Map No. 9751¹⁷; thence along said southerly line, easterly to the southeasterly corner of said Lot 1; thence across Progress Road, northeasterly to the intersection of the easterly right of way of said Progress Road with the northerly right of way of Femrite Drive; thence along said northerly right of way, easterly, to the southeasterly corner of Lot 1, Certified Survey Map No. 223¹⁸; thence along the easterly line of said Lot 1, northerly, to the northeasterly corner thereof; thence along the northerly line of said Lot 1, westerly, to the northwesterly corner thereof, said point also being a southwesterly corner of Lot 2, Certified Survey Map No. 10149¹⁹; thence along the westerly line of said Lot 2, northerly, to the southeasterly corner of Outlot 1, said Certified Survey Map No. 10149; thence along the southerly line of said Outlot 1, and along the southerly line of Outlot 2, East Addition to Glendale Industrial Park²⁰, westerly, to the southeasterly corner of Lot 1, Block 6, Fourth Addition to Glendale Industrial Park²¹; thence along the easterly line of said Block 6, northerly, to the northeasterly corner of Lot 3, said Block 6; thence along the northerly line of said Lot 3, and along the westerly elongation thereof, westerly, to the westerly right of way of Progress Road; thence along said westerly right of way, northerly, to the southerly most corner of that parcel of land described in Doc. No. 2165709 (recorded in Vol. 13393, pg. 66, on 10/04/1989); thence along the southwesterly line of said parcel, northwesterly, to the southeasterly corner of that parcel of land described in Doc. No. 2197977 (recorded in Vol. 14155, pg. 88, on 05/08/1990); thence along the southerly line of said parcel, westerly, to the southwesterly corner thereof; thence along the westerly line of said parcel, northerly, to the northwesterly corner thereof, said point being on the southerly right of way of Tompkins Drive; thence along said southerly right of way, westerly, to the northwesterly corner of Lot 1, Certified Survey Map No. 6929²²; thence along the northwesterly line of said Lot 1, southwesterly, 66.54 feet, more or less, to the westerly corner thereof; thence along the westerly line of said Lot 1, southerly, 1188.49 feet, more or less, to the southwesterly corner thereof, said point also being the northeasterly corner of Lot 1, Certified Survey Map No. 12417²³; thence along the northerly line of said Lot 1, westerly, 549.62 feet, more or less, to the northwesterly corner thereof, said point being on the easterly right of way of South Stoughton Road (A.K.A. United States Highway 51); thence westerly to the intersection of the centerline thereof (as indicated on the State Highway Commission Project No. TO5_1(25)) with the South line of the Northeast 1/4, said Section 21; thence along said South line, westerly to the westerly right of way of said South Stoughton Road; thence along said westerly right of way, northerly, to the southerly right of way of Tompkins Drive; thence across said Tompkins Drive, northwesterly, to the intersection of the northerly right of way of said Tompkins Drive with the westerly right of way of South Stoughton Road Service Road (West); thence along said westerly right of way, northerly, to the centerline of Allis Avenue as Platted in Allis Heights²⁴; thence along said centerline, and along the easterly elongation thereof, easterly, to the centerline of United States Highway 51 (A.K.A. South Stoughton Road); thence along said centerline, northerly, to the centerline of Buckeye Road as platted in Blocks 23, 24, and 25 Morning Side Heights²⁵; thence along said centerline, westerly, to the westerly right of way of said United States Highway 51; thence along said westerly right of way, northerly, to the northeasterly corner of that parcel of land described in Doc. No. 2380535 (recorded in Vol. 19736, pg. 13 on 08/11/1992); thence across said United States Highway 51, northerly, to the intersection of the easterly right of way thereof with the southerly right of way of Cottage Grove Road; thence across said Cottage Grove Road, northeasterly, to the westerly most southwesterly corner of Lot 3, Block 1, Madison Industrial Subdivision No. 1²⁶, said point being on the easterly right of way of said United States Highway 51; thence along the southwesterly line of said Lot 3, southeasterly, 113.14 feet, more or less, to the southerly most southwesterly corner of said Lot 3, said point being on the northerly right of way of Cottage Grove Road; thence along said northerly right of way, easterly, to the intersection thereof with the easterly right of way Atlas Avenue; thence across said Cottage Grove Road, southerly to the

¹⁵ Certified Survey Map No. 6845, recorded in Vol. 34 of Certified Survey Maps, pages 104-105, as Doc. No. 2387540.

¹⁶ Certified Survey Map No. 5896, recorded in Vol. 28 of Certified Survey Maps, pages 50-51, as Doc. No. 2151128.

¹⁷ Certified Survey Map No. 9751, recorded in Vol. 56 of Certified Survey Maps, pages 201-202, as Doc. No. 3233828, corrected in Doc. No. 3242474 (recorded in 08/16/2000).

¹⁸ Certified Survey Map No. 223, recorded in Vol. 1 of Certified Survey Maps, page 223, as Doc. No. 1158461.

¹⁹ Certified Survey Map No. 10149, recorded in Vol. 59 of Certified Survey Maps, pages 213-216, as Doc. No. 3363800.

²⁰ East Addition to Glendale Industrial Park, recorded in Vol. 41 of Plats on pages 3-4, as Doc. No. 1385322.

²¹ Fourth Addition to Glendale Industrial Park, recorded in Vol. 56-144A of Plats, pages 426-427.

²² Certified Survey Map No. 6929, recorded in Vol. 34 of Certified Survey Maps, pages 288-290, as Doc. No. 2412481.

²³ Certified Survey Map No. 12417, recorded in Vol. 77 of Certified Survey Maps, pages 196-201, as Doc. No. 4410520.

²⁴ Allis Heights, recorded in Vol. 6 of Plats, pg. 25, Doc. No. 477544.

²⁵ Blocks 23, 24, and 25 Morning Side Heights, recorded in Vol. 5 of Plats, page 51A, as Doc. No. 433243.

²⁶ Madison Industrial Subdivision No. 1, recorded in Vol. 27 of Plats, pages 20-21, as Doc. No. 1082745.

intersection of the southerly right of way thereof with the easterly right of way of Lumberman's Trail; thence along said easterly right of way, southerly, to a northwesterly corner of Lot 2, Certified Survey Map No. 4033²⁷; thence along the northerly line of said Lot 2, easterly, 83.86 feet, more or less, to the northeasterly corner thereof; thence along an easterly line of said Lot 2, southerly 344.14 feet, more or less, to a southeasterly corner thereof; thence along a southerly line of said Lot 2, westerly, 25.0 feet, more or less, to an interior corner thereof; thence along an easterly line of said Lot 2, southerly 258.99 feet, more or less, to an interior corner thereof; thence along a northeasterly line of said Lot 2, southeasterly, 28.30 feet, more or less, to a northeasterly corner thereof; thence along an easterly line of said Lot 2, southerly, 77.10 feet, more or less, to a southeasterly corner thereof; thence along the southeasterly line of said Lot 2, southwesterly, 588.89 feet, more or less, to a southeasterly corner thereof; thence along a southerly line of said Lot 2, westerly, to the southwesterly corner thereof, said point being on the easterly right of way of the Union Pacific Railroad (formerly Chicago & North Western Railroad); thence along said easterly right of way, southerly, to the North line of the Northeast 1/4, said Section 16; thence along said North line, westerly, to the westerly right of way of said Union Pacific Railroad; thence along said westerly right of way, and along the southwesterly right of way of said Union Pacific Railroad, southerly and southeasterly, to the westerly right of way of Vondron Road; thence in a perpendicular direction to the easterly right of way of said Vondron Road, easterly, to said easterly right of way; thence along said easterly right of way, southerly, to the easterly elongation of the southerly line of Certified Survey Map No. 6838²⁸; thence along said easterly elongation, and along said southerly line of Certified Survey Map No. 6838, westerly, 1806 feet, more or less, to the northerly right of way of Helgesen Drive; thence across said Helgesen Drive, southwesterly, to the northerly corner of Lot 1, Certified Survey Map No. 11814²⁹, said point being on the southerly right of way of Helgesen Drive, 96.78 feet, more or less, easterly of the northwesterly corner thereof; thence along said southerly right of way, westerly, to the westerly right of way of Advance Drive; thence along said westerly right of way, southerly, to the northeasterly corner of Lot 3, Albrecht Industrial Park³⁰; thence along the northerly line of said Lot 3, westerly, to the northwesterly corner thereof; thence along the westerly line of said Lot 3, southerly, to the southwesterly corner thereof, said point also being a northwesterly corner of Lot 1, Certified Survey Map No. 12079³¹; thence along a northerly line of said Lot 1, easterly, to the northeasterly corner thereof; thence along the easterly line of said Lot 1, southerly, to the northerly right of way of Pflaum Road; thence along said northerly right of way, westerly, to the West line of the Southwest 1/4, said Section 15; thence along said West line, southerly, to the Southwest corner of said Section 15; thence along the West line of the Northwest 1/4, said Section 22, southerly, to the northwesterly corner of Lot 1, Certified Survey Map No. 6844³²; thence along the westerly line of said Lot 1, southerly, to the southerly most corner thereof; thence along the southeasterly line of said Lot 1, northeasterly 147.99 feet, more or less, to an interior corner thereof, said point also being a northwesterly corner of Outlot 1, Certified Survey Map No. 1355³³; thence across said Outlot 1, and across Outlot 1, said East Addition to Glendale Industrial Park, easterly to a northwesterly corner of Lot 20, said East Addition to Glendale Industrial Park, said point also being the southwesterly corner of Lot 30, said East Addition to Glendale Industrial Park; thence along the northerly line of said Lot 20, and along the northerly line of Lots 21, 22, and 23, said East Addition to Glendale Industrial Park, easterly, to the northeasterly corner of said Lot 23; thence along the easterly line of said Lot 23, southerly, to the northwesterly corner of Lot 24, said East Addition to Glendale Industrial Park; thence along the northerly line of said Lot 24, easterly, to the northeasterly corner thereof; thence along the northeasterly line of Lots 25 and 26, said East Addition to Glendale Industrial Park, southeasterly, to the easterly corner of said Lot 26, said point being on the northwesterly right of way of Progress Road; thence across said Progress Road, southerly, to the southwesterly corner of Lot 1, Certified Survey Map No. 9571³⁴; thence along the southerly line of said Lot 1, easterly, to the southeasterly corner thereof; thence along the easterly line of said Lot 1, northerly, 82.46 feet, more or less, to a southerly corner of Lot 2, said Certified Survey Map No. 9571; thence along a southerly line of said Lot 2, easterly, 485.00 feet, more or less, to a southerly corner thereof; thence along a southerly line of said Lot 2, easterly, 49.93 feet, more or less, to the southeasterly corner thereof; thence along the southeasterly line of said Lot 2, northeasterly, 94.00 feet, more or less, to an easterly corner thereof; thence along the easterly line of said Lot 2, northerly, 21.16 feet, more or less, to the northeasterly corner thereof, said point being on the westerly line of Outlot 2, said East Addition to Glendale Industrial Park; thence along said westerly line,

²⁷ Certified Survey Map No. 4033, recorded in Vol. 17 of Certified Survey Maps, page 24, as Doc. No. 1762575.

²⁸ Certified Survey Map No. 6838, recorded in Vol. 34 of Certified Survey Maps, page 87-89, as Doc. No. 2384949.

²⁹ Certified Survey Map No. 11814, recorded in Vol. 72 of Certified Survey Maps, page 192-193, as Doc. No. 4200978.

³⁰ Albrecht Industrial Park, recorded in Vol. 51 of Plats, page 20, as Doc. No. 1623152.

³¹ Certified Survey Map No. 12079, recorded in Vol. 74 of Certified Survey Maps, pages 241-244, as Doc. No. 4285738.

³² Certified Survey Map No. 6844, recorded in Vol. 34 of Certified Survey Maps, pages 102-103, as Doc. No. 2387058.

³³ Certified Survey Map No. 1355, recorded in Vol. 5 of Certified Survey Maps, pages 319-320, as Doc. No. 1385323.

³⁴ Certified Survey Map No. 9571, recorded in Vol. 55 of Certified Survey Maps, pages 27-28, as Doc. No. 3184281.

northerly, to the southerly right of way of Pflaum Road; thence along said southerly right of way, easterly, to the easterly right of way of Daniels Street; thence along said easterly right of way, southerly, to the northwesterly corner of Lot 2, Certified Survey Map No. 10268³⁵; thence along the northerly line of said Lot 2, easterly, to the northeasterly corner thereof; thence along the easterly line of said Lot 2, southerly, to the northwesterly corner of Lot 2, Certified Survey Map No. 11228³⁶; thence along the northerly and northeasterly line of said Lot 2, easterly and southeasterly, along the arc of a curve to the right to the northwesterly right of way of Dairy Drive; thence across said Dairy Drive, in a perpendicular direction to the southeasterly right of way thereof, southeasterly, to said southeasterly right of way; thence along said southeasterly right of way, and along the easterly right of way of said Dairy Drive, southwesterly and southerly along the arc of a curve to the left, to the easterly elongation of the southerly line of said Lot 2, Certified Survey Map No. 11228; thence along said easterly elongation, and along said southerly line of Lot 2, westerly, to the southwesterly corner thereof, said point also being the northwesterly corner of Lot 2, Certified Survey Map No. 7814³⁷; thence along the westerly line of said Lot 2, Certified Survey Map No. 7814, and along the westerly line of Lot 3, said Certified Survey Map No. 7814, southerly, to the southwesterly corner of said Lot 3; thence along the southerly line of said Lot 3, easterly, to the westerly right of way of said Dairy Drive; thence along said westerly right of way, northerly, to the westerly elongation of the northerly line of Lot 11, World Dairy Center³⁸; thence along said westerly elongation, and along said northerly line of Lot 11, and along the northerly line of Lot 10, said World Dairy Center, easterly, 545.53 feet, more or less, to the an interior corner of said Lot 10; thence along the northwesterly line of said Lot 10, northeasterly, 220.48 feet, more or less, to the southwesterly right of way of Agriculture Drive; thence across said Agriculture Drive, northerly, to the westerly corner of Lot 3, World Dairy Campus³⁹; thence along the northwesterly line of said Lot 3, and along the northwesterly line of Outlot 2 and Lot 4, said World Dairy Campus, northeasterly, to the northwesterly corner of said Lot 4; thence along the northerly line of said Lot 4, and along the northerly line of Lot 5, said World Dairy Campus, easterly, 242.82 feet, more or less, to the northeasterly corner of said Lot 5; thence along the northeasterly line of said Lot 5, and along the northeasterly line of Lot 11, said World Dairy Campus, southeasterly, 510.98, more or less, to an interior corner of said Lot 11; thence along the northerly line of said Lot 11, easterly 372.66 feet, more or less, to the westerly line of Outlot 2, said World Dairy Campus; thence along said westerly line, northerly, 301.27 feet, more or less, to the northwesterly corner of said Outlot 2; thence along a northeasterly line of said Outlot 2, and along the northeasterly line of Lot 12, said World Dairy Campus, southeasterly, 101.39 feet, more or less, to the northeasterly corner of said Lot 12; thence along the easterly line of said Lot 12, southerly, 651.22 feet, more or less, to an interior corner thereof; thence along a northeasterly line of said Lot 12, southeasterly, 63.96 feet, more or less, to the easterly corner thereof; thence along the southeasterly line of said Lot 12, and along the southeasterly line of said Outlot 2, southwesterly, 194.63 feet, more or less, to a southeasterly corner of said Outlot 2; thence along the southerly line of said Outlot 2, inclusive of curves and tangents defined in said World Dairy Campus, westerly to a point on the easterly right of way of Agriculture Drive, said point being 348.50 feet, more or less, northerly of the southwesterly corner of Lot 1, said World Dairy Campus, as measured along said easterly right of way; thence across said Agriculture Drive, westerly, to a northeasterly corner of Lot 1, Certified Survey Map No. 9573⁴⁰, said point being 160.63 feet, more or less, northerly of the southeasterly corner of said Lot 1, as measured along the westerly right of way of said Agriculture Drive; thence along the northeasterly line of said Lot 1, and along the northerly line thereof, and along the northerly line of Lot 41, Fourth Addition to World Dairy Center⁴¹, northwesterly and westerly, to the northwesterly corner of said Lot 41; thence along the westerly line of said Lot 41, southerly, to the southwesterly corner thereof; thence along the southerly line of said Lot 41, easterly, to the northeasterly corner of Lot 39, said Fourth Addition to World Dairy Center; thence along the easterly line of said Lot 39, southerly, to the southeasterly corner thereof; thence along the southerly line of said Lot 39, westerly, to the easterly right of way of said Dairy Drive; thence along said easterly right of way, northerly, to the easterly elongation of the southerly line of Lot 44, said Fourth Addition to World Dairy Center; thence along said easterly elongation, and along said southerly line of Lot 44, westerly, to the easterly line of Outlot 2, said Certified Survey Map No. 10149; thence along said easterly line, southerly, to the southeasterly corner of said Outlot 2; thence along the southerly line of said Outlot 2, and along the southerly lines of Outlot 1 and Lot 2, said Certified Survey Map No. 10149, westerly, to the northeasterly corner of that parcel of land described in Doc. No. 3927406 (recorded on 06/14/2004); thence along the easterly line of said parcel, and along the southerly elongation thereof, southerly, to

³⁵ Certified Survey Map No. 10268, recorded in Vol. 60 of Certified Survey Maps, pages 164-166, as Doc. No. 3416351.

³⁶ Certified Survey Map No. 11228, recorded in Vol. 67 of Certified Survey Maps, pages 355-356, as Doc. No. 3982438.

³⁷ Certified Survey Map No. 7814, recorded in Vol. 41 of Certified Survey Maps, pages 102-107, as Doc. No. 2672129.

³⁸ World Dairy Center, recorded in Vol. 56-194B of Plats, pages 610-612, as Doc. No. 2619396.

³⁹ World Dairy Campus, recorded in Vol. 57-012B of Plats, pages 44-45, as Doc. No. 2659470.

⁴⁰ Certified Survey Map No. 9573, recorded in Vol. 55 of Certified Survey Maps, page 35.

⁴¹ Fourth Addition to World Dairy Center, recorded in Vol. 57-191A of Plats, pages 795-800, as Doc. No. 3486487.

the southerly right of way of Blazing Star Drive; thence along said southerly right of way, and along the southeasterly right of way thereof, westerly and southwesterly, along the arc of a curve to the left, to a point of tangency; thence along the easterly right of way of said Blazing Star Drive, southerly, 182.68 feet, more or less, to a point of curvature; thence along the northeasterly right of way of Blazing Star Drive and Prairie Dock Drive, 188.53 feet, more or less, along the arc of a curve to the left, to a point of tangency; thence along the northerly right of way of said Prairie Dock Drive, and along the easterly elongation thereof, easterly, to the easterly right of way of said Dairy Drive; thence along said easterly right of way, southerly, to the northerly right of way of said Femrite Drive; thence along said northerly right of way, easterly, to the intersection thereof with the centerline of vacated Van Dyke Avenue, as platted in Megal Madison Industrial Park⁴²; thence along said centerline, northerly, to a southwesterly corner of Lot 35, said Fourth Addition to World Dairy Center, said point being on the northerly right of way of Femrite Drive; thence along said northerly right of way, easterly, to the [southwesterly corner of Lot 24, Second Addition to World Dairy Center](#)⁴³; thence along the westerly line of said Lot 24, northerly, 54.95 feet, more or less, to a northwesterly corner thereof; thence along a northwesterly line of said Lot 24, northeasterly, 349.73 feet, more or less, to an interior corner thereof; thence along a northwesterly line of said Lot 24, northeasterly, 280.52 feet, more or less, to the northerly corner thereof; thence along the northerly line of said Lot 24, easterly, 145.54 feet, more or less, to the northeasterly corner thereof, said point being on the westerly right of way of Marsh Court; thence northeasterly to the northwesterly corner of Lot 27, said Second Addition to World Dairy Center; thence along the northerly line of said Lot 27, and along the northerly and northeasterly lines of Lot 28, said Second Addition to World Dairy Center, and along the northeasterly line of Lots 29 and 30, said Second Addition to World Dairy Center, easterly and southeasterly to the northeasterly corner of said Lot 30; thence along the easterly line of said Lot 30, southerly, 333.40 feet, more or less, to the southeasterly corner thereof, said point being on the northerly right of way of Femrite Drive; thence southeasterly to the intersection of the southerly right of way of said Femrite Drive with the East line of the Southwest 1/4 of the Southwest 1/4, said Section 23; thence along said southerly right of way, westerly to the easterly right of way of Marsh Road; thence along said easterly right of way, southerly, to the easterly elongation of the southerly line of that parcel of land described in [Warranty Deed](#)⁴⁴; thence along said easterly elongation, and along said southerly line, westerly, to the southwesterly corner of said parcel, said point also being on the [easterly line of Outlot 2, Rhodia Plat](#)⁴⁵; thence along said easterly line of Outlot 2, northerly, to the northerly most corner thereof, said point also being an easterly corner of Lot 10, said [Rhodia Plat](#); thence along the easterly and southeasterly lines of said Lot 10, southerly and southwesterly, 610.92 feet, more or less, to the southerly most corner thereof, said point also being an easterly corner of Lot 11, said [Rhodia Plat](#); thence along the southeasterly line of said Lot 11, southwesterly, 115.48 feet, more or less, to the southeasterly corner thereof; thence along the southerly line of said Lot 11, and along the westerly elongation thereof, westerly, to the westerly right of way of said Agriculture Drive; thence along said westerly right of way, southerly, to the northerly right of way of United States Highways 12 & 18; thence along said northerly right of way, westerly, to the southeasterly corner of Outlot 1, said [Rhodia Plat](#); thence along the southeasterly and easterly lines of said Outlot 1, northeasterly and northerly, 864.55 feet, more or less, to the northeasterly corner thereof; thence along the northerly line of said Outlot 1, westerly, 240.97 feet, more or less, to the northwesterly corner thereof; thence along the northwesterly lines of said Outlot 1, southwesterly, 636.67 feet, more or less, to a northwesterly corner thereof, said point also being a southerly corner of Lot 8, said [Rhodia Plat](#); thence along the westerly line of said Outlot 1, southerly, 245.46 feet, more or less, to the northerly right of way of said United States Highways 12 & 18; thence across said United States Highways 12 & 18, southwesterly, to the northeasterly corner of Lot 3, [Certified Survey Map No. 10324](#)⁴⁶; thence along the easterly line of said Lot 3, and along the easterly line of Lot 5, said Tradewinds Business Centre, southerly, to the northwesterly corner of Outlot 1, said [Certified Survey Map No. 12423](#); thence along the northerly line of said Outlot 1, easterly, 1231.07 feet, more or less, to the northeasterly corner thereof; thence along the easterly line of said Outlot 1, southerly, 263.91 feet, more or less, to the northeasterly corner of Outlot 2, said [Certified Survey Map No. 12423](#); thence along the northerly line of said Outlot 2, westerly, 215.00 feet, more or less, to the northwesterly corner thereof; thence along the westerly line of said Outlot 2, southerly, 99.97 feet, more or less, to the southwesterly corner thereof; thence along the southerly line of said Outlot 2, easterly, 348.78 feet, more or less, to the southeasterly corner thereof; said point also being a northeasterly corner of said Outlot 1, [Certified Survey Map No. 12423](#); thence along the northeasterly line of said Outlot 1, southeasterly, 846.87 feet, more or less, to a northeasterly corner thereof; thence across said Agriculture Drive, easterly, 434 feet, more or less, to the southwesterly corner of that parcel of

⁴² Megal Madison Industrial Park, recorded in Vol. 37 of Plats, page 13, as Doc. No. 1287448.

⁴³ [Second Addition to World Dairy Center](#) recorded in Vol. 57-047B of Plats, page 187-195, as Doc. No. 2760420.

⁴⁴ [Warranty Deed](#), recorded in Vol. 15713, page 26, as Doc. No. 2256357; said parcel of land is also described in [Warranty Deed](#), recorded in Vol. 15713, page 27, as Doc. No. 2256358.

⁴⁵ [Rhodia Plat](#), recorded in Vol. 58-036A of Plats, pages 194-195, as Doc. No. 3806843.

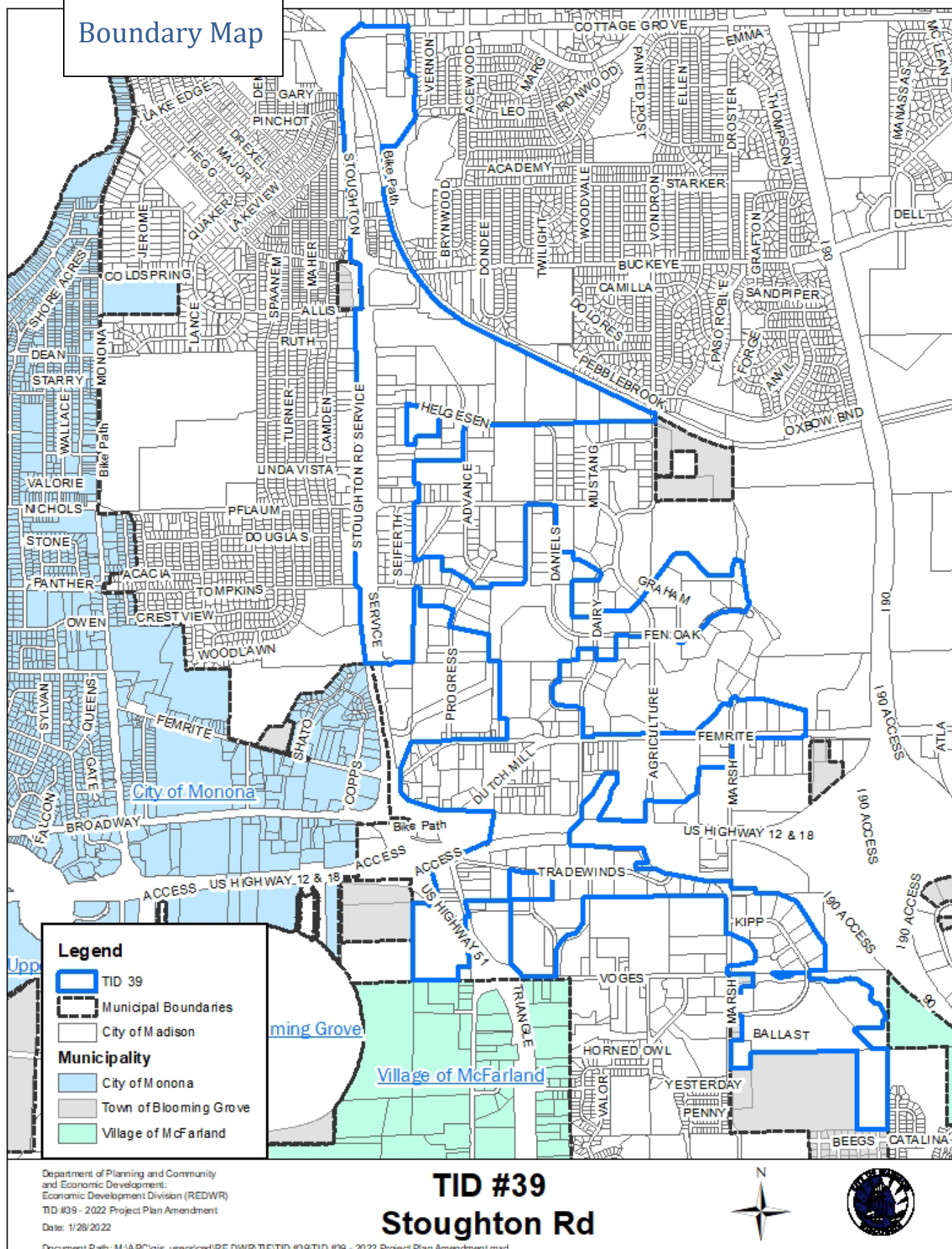
⁴⁶ [Certified Survey Map No. 10324](#), recorded in Vol. 60 of [Certified Survey Maps](#), pages 313-317, as Doc. No. 3447957.

land described in Doc. No. 603583 (recorded on 08/1975), said point being on the easterly right of way of Marsh Road; thence along said easterly right of way, southerly, to the northwesterly corner of that parcel of land described in Doc. No. 3551278 (recorded on 09/20/2002); thence along the northerly line of said parcel, easterly, to the northeasterly corner thereof; thence along the easterly line of said parcel, southerly, to the northerly line of Lot 2, said Marsh Road Industrial Subdivision; thence along said northerly line, and along the northerly line of Lot 3, said Marsh Road Industrial Subdivision, easterly, to the northerly corner of Lot 4, said Marsh Road Industrial Subdivision; thence along the northeasterly line of said Lot 4, southeasterly, 328.04 feet, more or less, to the easterly corner thereof; thence along the northeasterly line of Lot 5, said Marsh Road Industrial Subdivision, and along the northeasterly line of Lots 1 and 2, Certified Survey Map No. 12314⁴⁷, southeasterly, 860.00 feet, more or less, to the northerly corner of Lot 8, said Marsh Road Industrial Subdivision; thence along the easterly line of said Lot 8, southerly, 430.19 feet, more or less, to the southeasterly corner thereof; thence along the southerly line of said Lot 8, westerly, 278.42 feet, more or less, to the easterly right of way of Kipp Street; thence along said easterly right of way, southerly, 15 feet, more or less, to the southerly line of said Marsh Road Industrial Subdivision; thence along said southerly line, westerly to the **point of beginning**.

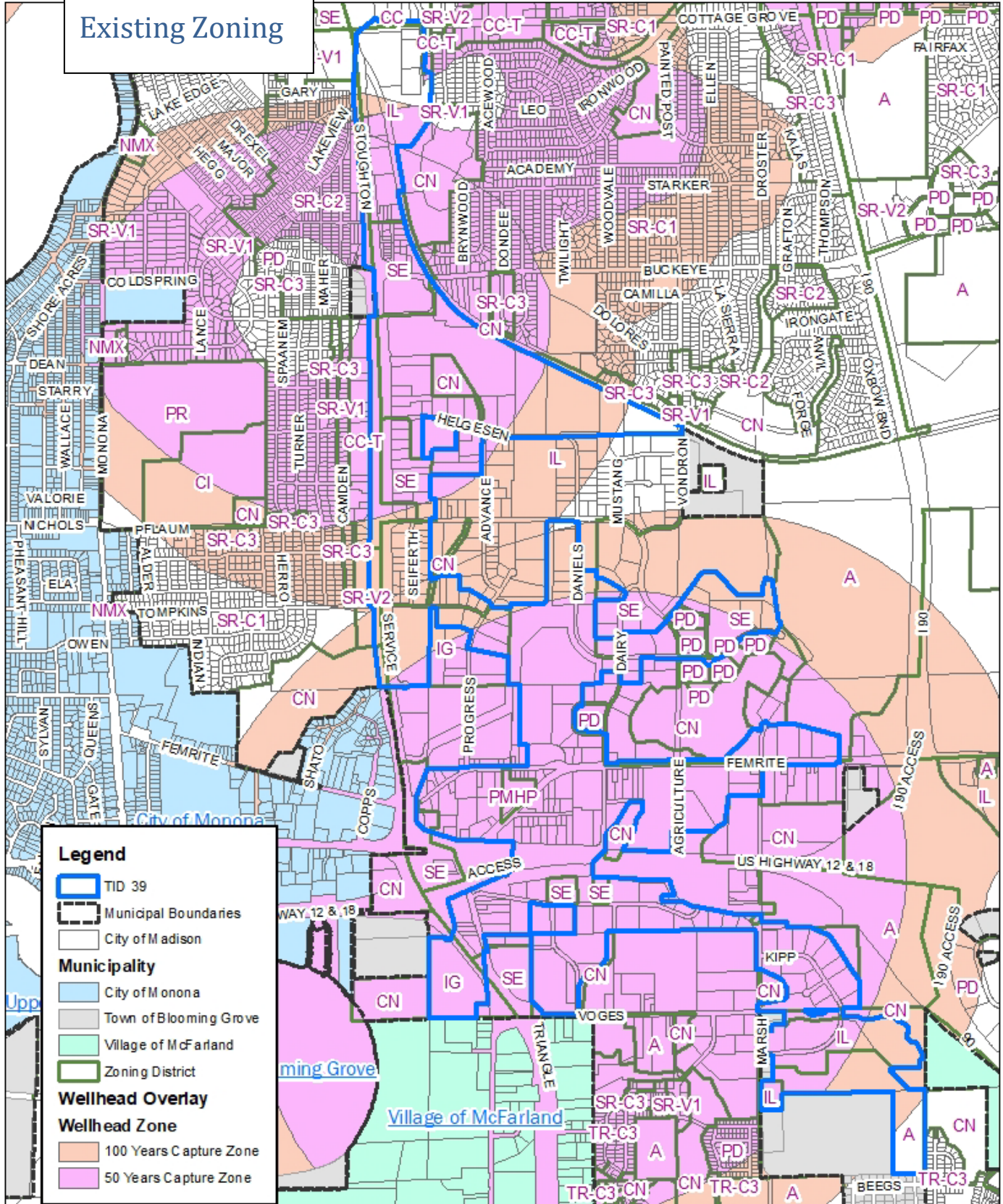
Except that parcel of land described in Doc. No. 4025220 (recorded on 02/28/2005). Also except Lots 7, 8, 9, and 10, and Galleon Run, said Tradewinds Business Centre.

⁴⁷ Certified Survey Map No. 12314, recorded in Vol. 76 of Certified Survey Maps, page 193.

Boundary Map



Existing Zoning

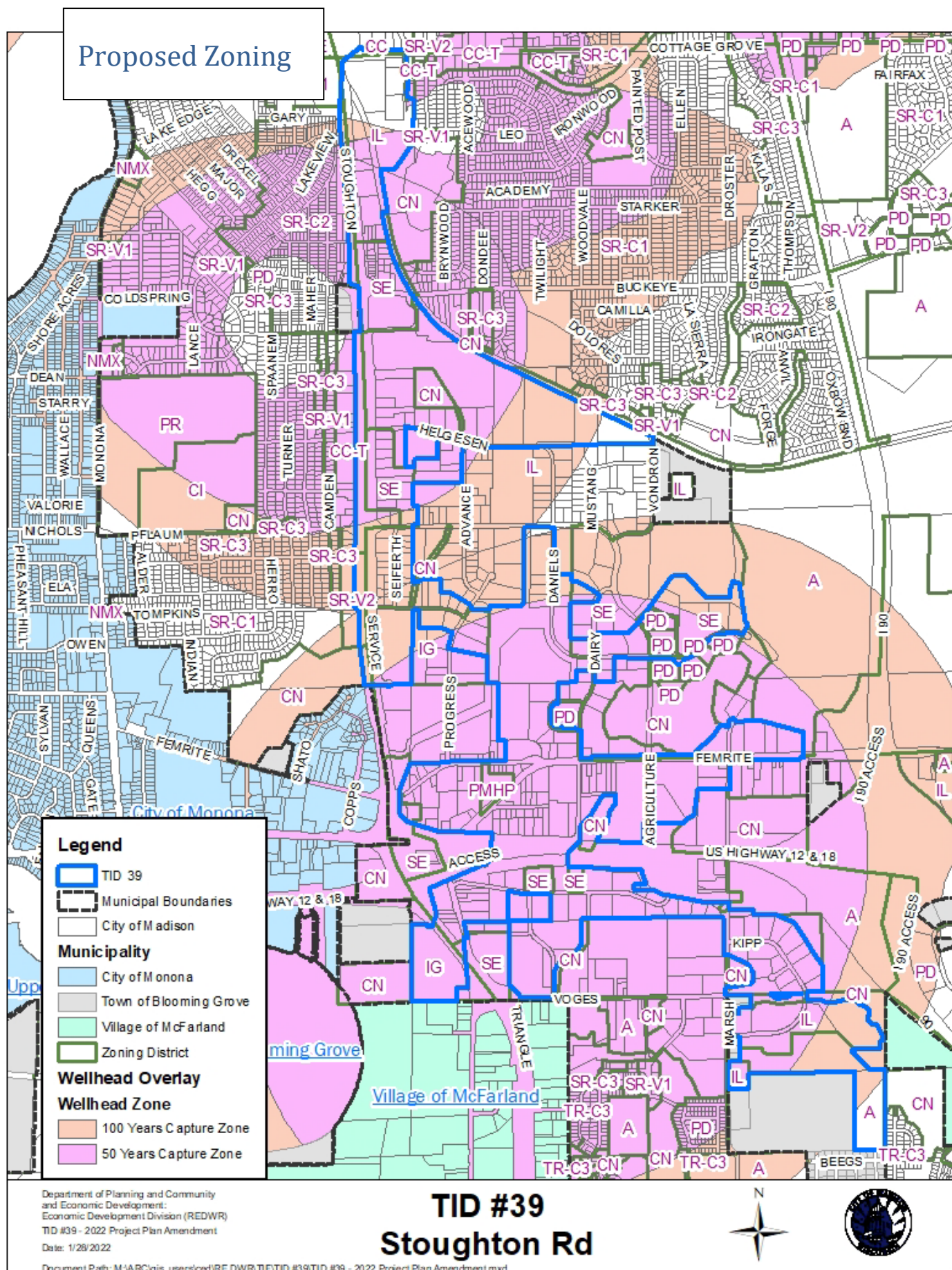


Department of Planning and Community
and Economic Development
Economic Development Division (REDWR)
TID #39 - 2022 Project Plan Amendment
Date: 1/28/2022

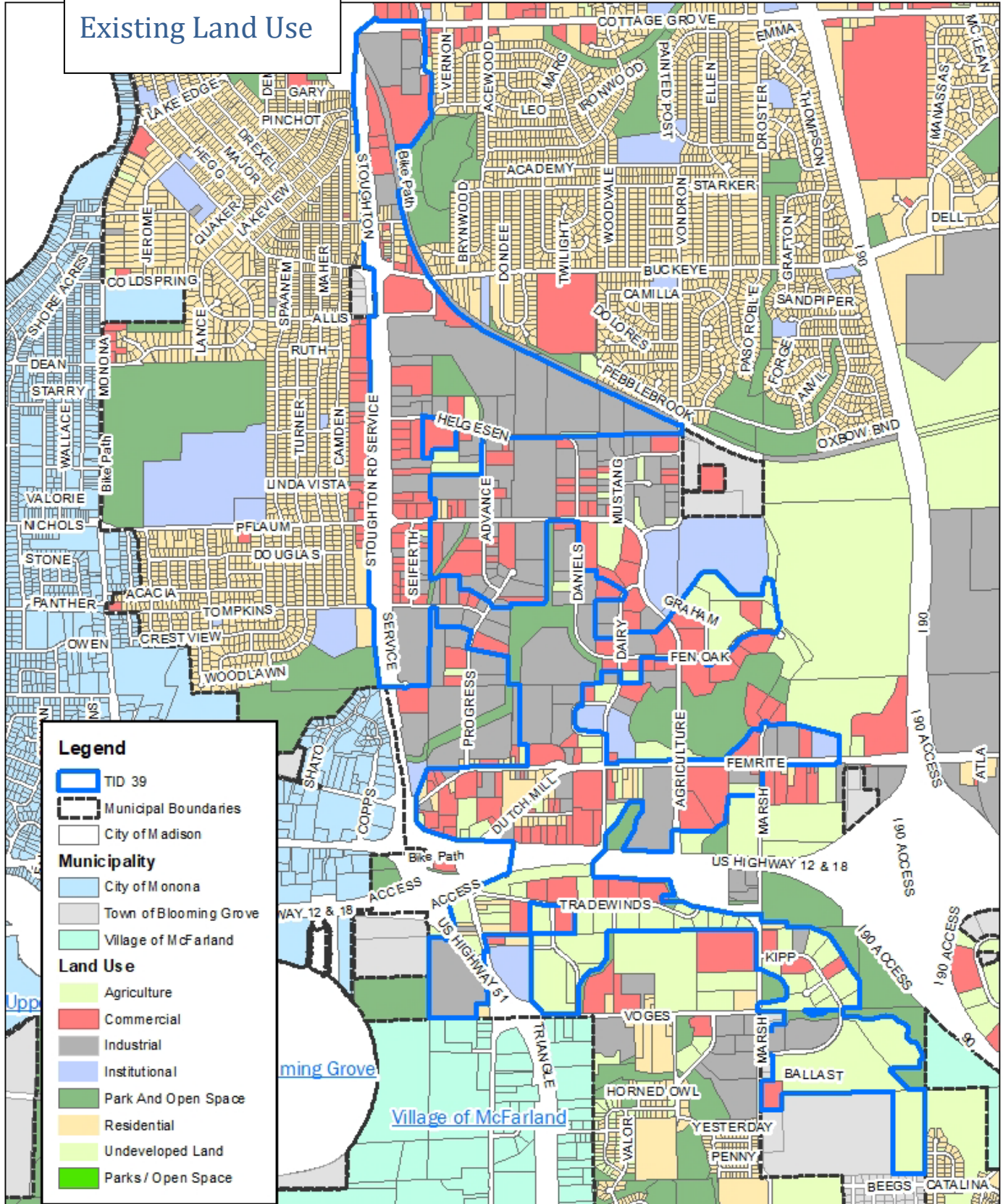
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TID #39 Stoughton Rd





Existing Land Use

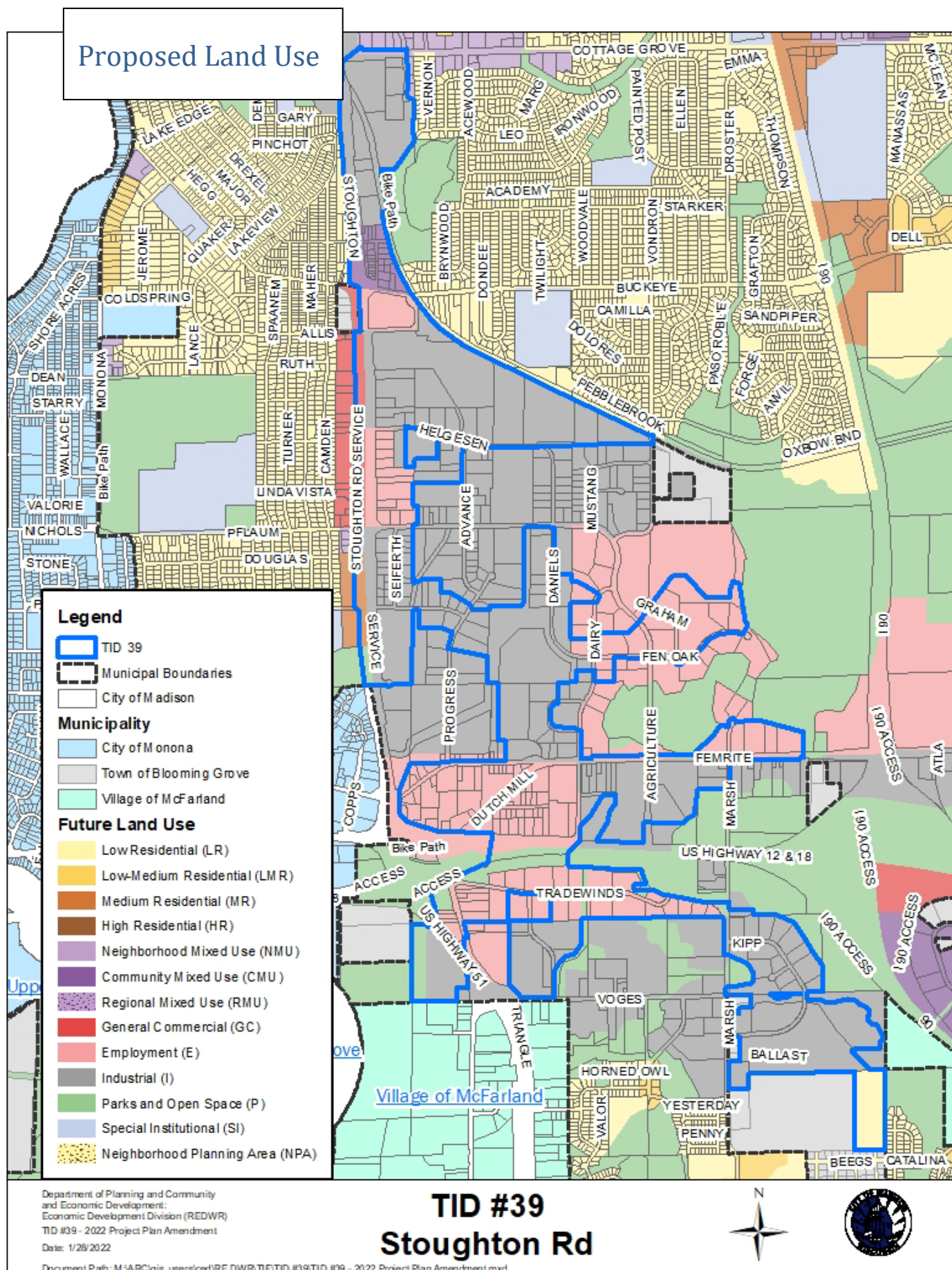


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TID #39 Stoughton Rd



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City Attorney Opinion



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PARALEGAL

Ryan M. Riley

April 6, 2022

MEMORANDUM

TO: Joseph E. Gromacki, TIF Coordinator

FROM: Kevin Ramakrishna, Assistant City Attorney

SUBJECT: Project Plan Amendment For TIF District No. 39 - City Of Madison (Stoughton Road)

In my capacity as Assistant City Attorney for the City of Madison, Wisconsin, I have examined the Amendment to the Project Plan for Tax Incremental Finance District No. 39, City of Madison, Wisconsin, created September 2, 2008, and proposed for amendment in 2022. Based on this examination, I am of the opinion that the Project Plan is complete and complies with the provisions of Secs. 66.1105(4)(f) and (h), Wis. Stats.

I render no opinion with respect to the accuracy or validity of any statement and/or finding contained in the Project Plan, but direct City officials to review the reports of City staff as regards the Plan.

Respectfully submitted,

Kevin Ramakrishna

Kevin Ramakrishna
Assistant City Attorney

Background

TIF Law allows excess tax increment funds to be transferred between certain TIF districts if the TIF Joint Review Board approves such allocations and if the TIDs have the same overlying taxing jurisdictions. TIF Law refers to this relationship as “donor-recipient.” According to TIF Law, positive increments may be transferred from a “donor” TID to a recipient district as part of a “donor-recipient plan.”

TIF Law requires that the project plans be amended for donor TIF districts and recipient districts in the event that new project expenditures are incurred that were not outlined in the original project plan.

The Common Council is considering adoption of a resolution approving an amendment to the Project Plan for TID 39 (Stoughton Rd). The resolution would establish TID 39 as a donor TID. The resolution and one-year donor-recipient allocation plan anticipate a transfer of positive increments to TID 42 (Wingra). Assuming the project plan amendment is completed for TID 39, this project plan amendment for TID 42 will be completed that would establish TID 42 as a recipient TID.

Current Status:

TID 39 (Stoughton Rd)

TID 39 was created on September 2, 2008. To date, the City has provided a loan to Dane County Data Exchange. In addition, The City has provided funds for the reconstruction of Femrite Drive. Through the end of 2019, the City had authorized approximately \$3.5 million of expenditures in TID 39. Total capital costs identified in the Project Plan are \$7,762,000. The City estimates that TID 39 had an estimated incremental value of \$104 million in 2019. The City estimates that TID 39 will receive approximately \$2.5 million in incremental revenue in 2020. The expenditure deadline for TID 39 is Sept 2, 2023. As of December 31, 2019, the City estimates that TID 39 will have \$1M of unrecovered costs.

Given the amount of outstanding debt in TID 39, the level of incremental revenue that TID 39 is generating, the planned costs in TID 42, and the City's desire to invest in South Madison, TID 39 is a potential donor to TID 42.

2021 Project Plan Amendment

The City estimates that TID 39 has an estimated incremental value of \$114 million in 2020. The City estimates that TID 39 will receive approximately \$3.5 million in incremental revenue in 2021. The expenditure deadline for TID 39 is Sept 2, 2023. As of December 31, 2020, the City estimates that TID 39 will have \$868,000 of excess incremental revenue.

Given the amount of outstanding debt in TID 39, the level of incremental revenue that TID 39 is generating, the planned costs in and adjacent to TID 42, and the City's desire to invest in South Madison, TID 39 continues to be a potential donor to TID 42.

2022 Project Plan Amendment

The City estimates that TID 39 has an incremental value of \$121 million in 2022. The City estimates that TID 39 will receive approximately \$2.59 million of incremental revenue in 2022. As of December 31, 2021, the City estimates that TID 39 will have \$1.9 million of excess incremental revenue.

Given the amount of outstanding debt in TID 39, the level of incremental revenue that TID 39 is generating, the planned costs in and adjacent to TID 42, and the City's desire to continue to invest in South Madison, TID 39 continues to be a potential donor to TID 42.

TID 42 (Wingra)

TID 42 was created on July 3, 2012. The City has spent TID funds to assist with the Wingra Clinic development (\$1.8 million) and with the purchase of 1402 South Park Street from the Federal Government (the former Truman Olson Army Reserve Center). As of December 31, 2019, the City has spent approximately \$3,825,000 in TID 42, with an additional \$1,630,500 budgeted for expenditure in 2020 (total of \$5,456,300). In 2019, TID 42 had an estimated incremental value of \$28 million, which generates approximate \$677,000 of incremental revenue per year.

On Oct 31, 2022, the Town of Madison will dissolve and the City of Madison will take be faced with major infrastructure

challenges, decades of neglect, a struggling local small business landscape, and the challenge of the potential for large scale displacement due to redevelopment and rapidly approaching gentrification. To begin to address these issues, the City is separately proposing to amend the TID 42 project plan to expand the City's investments in infrastructure, provide assistance to small businesses, begin land-banking activities, and other investments designed specifically to support the residents of South Madison.

Following the dissolution of the Town of Madison in 2022, the City will create a new South Madison TID in 2023. However, the City wishes to begin investing in South Madison immediately to begin addressing these issues. Establishing a donor-recipient plan between TIDs 39 and 42 begins that process.

Recommendation

It is the City's general practice to create a TID, wait for it to generate incremental revenue, and then begin investing in public projects. Because of the combined factors facing South Madison, including, but not limited to:

- Historic neglect;
- Rapidly approaching redevelopment and gentrification;
- The potential for large scale displacement of existing residents;
- A diverse population with a high number of low-income residents;
- A need to assist local businesses;

The City proposes to take action in advance by amending the TID 42 project plan to:

- Expand infrastructure investments;
- Provide assistance to small businesses;
- Begin land-banking activities;
- Other actions that will directly address the challenges facing the residents of South Madison.

As TID 42 is not yet generating sufficient increment to pay for the proposed amended project costs in and adjacent to TID 42, the City proposes to amend TID 39 to donate excess incremental revenues to TID 42. It is the City's general practice to retire TIF districts within 10-12 years rather than extend their life to the full 20- or 27-year period (depending on their creation date) so that overlying taxing jurisdictions may receive the tax benefits of new growth sooner, rather than later. This practice also secures the City's flexibility to create future TIDs while complying with the 12% equalized value test required in TIF Law.

However, the requirements for investing in South Madison are such that the City is proposing a different approach. Previous TIDs in revitalization areas, such as TID 38 (Badger Ann Park) and TID 40 (Northside), borrowed funds to invest in infrastructure, awaiting value growth that did not occur. The City resorted to donor TIDs to repay the TID borrowing. If such donor TIDs were not available, the City would have had to repay such borrowing from its General Fund. Donor TIDs only exist for a brief period of time, in that they have recovered their cost and have excess tax increment available. By TIF Law, they must be used as donors or must close.

Given these previous experiences, and the fact that TID 39 is forecasted to generate excess tax increment in 2020, the City is proposing to preemptively donate excess incremental revenues from successful TIDs, such as TID 39, into an area of South Madison located in TID 42 in the City of Madison corporate limit to ensure that any TID that is created there in the near future is ultimately successful. Since the City cannot create a South Madison TID that will incorporate parcels that are currently in the Town of Madison until after the Town dissolves in 2022, the City is proposing to begin investing TID funds to improve the northern section of South Madison starting in 2020 through donated increment from TID 39 to TID 42.

In accordance with this intention and recognizing that the expenditure period for TID 39 ends in 2023, **and owing specifically to the economic concern caused by the COVID-19 pandemic**, Staff recommends that the TID 39 Project Plan be amended to provide for an initial one-year donor allocation period. TID 39 will thereby extend its forecasted lifespan one additional year to aide in covering these project costs. **As the economy recovers from the COVID-19 pandemic, and economic conditions allow**, the City intends to return to the Joint Review Board, economic conditions permitting, in subsequent years to request that the JRB consider a proposal to amend the donor recipient plan based upon current figures to allow additional incremental revenue to be donated from TID 39 to TID 42. The total amount of incremental revenue from TID 39 to be allocated to TID 42 is \$1,700,000 in 2020. This initial donor plan does not include any future donations from TID 39 to TID 42. The allocation over the next four years is shown in the schedule below.

Donor District	2020	2021	2022	2023	2024 (TID Expenditure Period Ends in 2023)	Total
TID 39	\$1,700,000	\$0	\$0	\$0	\$0	\$1,700,000
TID 39 (2021 Donation)		\$3,000,000				\$3,000,000
TID 39 (2022 Donation)			\$3,000,000			\$3,000,000
Total Donation						\$7,700,000
Recipient District						
TID 42	\$1,700,000	\$0	\$0	\$0	\$0	\$1,700,000
TID 42 (2021 Received)	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000
TID 42 (2022 Received)	\$0	\$0	\$3,000,000	\$0		\$3,000,000
Total Received						\$7,700,000

This Second Amendment to the Project Plan for TID #39 does not alter any of the terms of the original Project Plan, other than by donating a total of \$1,700,000 of incremental revenue to TID 42 and the other costs described herein.

The 2021 Project Plan Amendment and Donation do not alter any of the other terms of the previously adopted Project Plan, other than donating an additional \$3,000,000 of incremental revenue to TID 42 and the other previously described costs herein.

The 2022 Project Plan Amendment and donation to not alter any of the other terms of the previously adopted Project Plan, other than donating an additional \$3,000,000 of incremental revenue to TID 42, providing business relocation assistance, reimbursement for the homeless encampment, and the other previously described costs herein.