

**Date: Tuesday, July 19, 2016**  
**Time: 5:50 pm**  
**Place: City Hall**

## **FINANCE AND TAXATION COMMITTEE**

**Amended July 18, 2016 at 2:15 pm**

A. CALL TO ORDER & ROLL CALL

B. CORRECTION OF MINUTES

C. BUSINESS: OPEN

1. RETAIL RECRUITMENT SERVICES PRESENTATION BY BUXTON

Buxton, a nation-wide customer and predictive analytics company, approached staff earlier this year to offer retail recruitment services to the City. A representative will be available to present their product for consideration and answer questions.

Individual Requesting Item	Martin Shanks
Expected Length of Discussion	30 Minutes

Documents:

[2016-07-10 Buxton Retail Recruitment.pdf](#)

2. SQUARENORTH RESIDENTIAL CONDOMINIUM PROJECT - CITY ATTORNEY LEGAL ANALYSIS

Individual Requesting Item	Martin Shanks/Attorney Ewald
Expected Length of Discussion	20 MIN

Documents:

[2016-06-28 SquareNorth Legal Analysis Memo.pdf](#)

[2016-06-27 Legal Opinion SquareNorth.pdf](#)

[2016-05-11 FT Committee Submittals.pdf](#)

3. REVIEW OFFER BY PETE RASKOVIC TO PURCHASE LOT 1 OF CSM 4844 IN NORTH INDUSTRIAL PARK

Individual Requesting Item	Martin Shanks
Expected Length of Discussion	15 Minutes

Documents:

[2016-07-11 Raskovic Offer.pdf](#)

D. BUSINESS: CLOSED

*Under Wis. Stats. 19.85(1)(e) Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session*

Attendance is limited to the governing body, necessary staff and other officers such as

Clerk and Attorney and other persons whose presence is necessary for the business at hand.

1. REVIEW AND DISCUSS CITY'S NEGOTIATION STRATEGY WITH RESPECT TO OFFER BY PETE RASKOVIC TO PURCHASE LOT 1 OF CSM 4844 IN NORTH INDUSTRIAL PARK

Individual Requesting Item	Martin Shanks
Expected Length of Discussion	10 min.

E. BUSINESS: OPEN

1. TAKE ANY NECESSARY ACTION RELATED TO OFFER BY PETE RASKOVIC TO PURCHASE LOT 1 OF CSM 4844 IN NORTH INDUSTRIAL PARK

Individual Requesting Item	Martin Shanks
Expected Length of Discussion	5 min.

F. BUSINESS BY MEMBERS

May make brief informative statements or bring up items to be discussed at a future meeting.

G. ADJOURNMENT

***This Committee may take any action it considers appropriate related to any item on this agenda.***

Requests from persons with disabilities who need assistance to participate in this meeting, including need for an interpreter, materials in alternate formats, or other accommodations, should be made to the Office of the City Clerk at (608) 329 2564 with as much advance notice as possible so that proper arrangements can be made.

**Members: Chairperson Reid Stangel, Brooke Bauman, Chuck Koch, and Alternate Michael Boyce**

# ATTRACTING RETAIL. IMPROVING QUALITY OF LIFE.

## ECONOMIC DEVELOPMENT

### Jump start your community

A thriving retail sector offers multiple economic benefits to your community: greater sales tax revenue, additional jobs, an improved quality of life, and a more robust business development program. That's why cities across America are actively pursuing high-quality retailers and restaurants. If you need increased retail development in your community, you can't simply wait for something to happen – you need to take steps now to make it happen.



### We can help you:

- **Target retailers uniquely suited for your community**
- **Identify sites in your community that offer the greatest potential**
- **Pinpoint opportunities for local business expansion**
- **Market your community using the information retailers need**
- **Establish credibility with retail decision makers**
- **Prevent retail leakage and lost tax revenue**
- **Satisfy your citizens' desire to shop in their own city**

**Buxton**<sup>®</sup>

www.buxtonco.com

### Evaluate your community's retail potential.

How many customers are in your trade area? Where do they shop, and what do they buy? In this step, we focus on the factors that make your community distinctive and valuable from a retailer's point of view.

### Retail leakage/supply analysis.

You know that dollars are flowing out of your community – but how many? This analysis tells you how much residents are spending outside your trade area (leakage) and how many dollars are coming in from outside your trade area (surplus). It also reveals the unmet demands and possible opportunities that currently exist, the strengths and weaknesses of your local retail sector.

### Retail site assessment.

We use our unmatched experience in retail site location to analyze specific locations within your trade area. We assess up to three locations for their retail desirability, then consult with you to select the single site that offers the greatest potential.

### Identify retailers that match your community.

We identify the retailers and restaurants that offer an excellent fit by matching your customer profiles with Buxton's proprietary database of retailer profiles. We also take other factors into consideration, including cannibalization from stores nearby, the retailer's expansion plans, and the retailer's operations history in communities similar to yours. After your review of a preliminary list of retailers, 20 retailers are selected for final analysis and creation of marketing packages specific for each retailer.

### Prepare marketing packages for targeted retailers.

To communicate the positive characteristics of your community, we provide marketing packages for you to send to retailers on the list. Every marketing package is different, tailored to meet the location requirements of each retailer. The marketing packages contain a wide range of materials – from maps of your trade area to profiles of your customers to retail match reports.

# Bring new life to your economic development strategy – and new retailers to your town.

**Underserved markets.** Communities lacking essential products and services have turned to Buxton to attract and expand their retail base. We've helped small communities attract major retailers, and helped large cities attract retail development to specific neighborhoods.

**Local business retention.** The leakage/surplus data provided by Buxton can help existing retailers create more effective merchandising and sales plans.

**Transit terminal development.** Often, transit terminals and neighborhoods surrounding them have the population densities to support retail and restaurants. We can provide the tools you need to demonstrate the viability of these areas.

**College and university towns.** Retailers are realizing that campus populations can create profitable opportunities. CommunityID can include students in your customer profile and focus your efforts.

**Tourism destinations.** Using data and analytics is an excellent way to augment your tourism marketing programs and build out the retail sector near tourist attractions and sports facilities. Identify where your tourists are coming from to maximize your marketing budget.

**Downtown revitalization.** We can assess the role of retail in your downtown development project and strategies to attract and expand local operations.

**Rural areas and small cities.** If your city has real or perceived disadvantages, you need an advanced approach to overcome them. By comparing retailers operating in similar markets nationwide, we can reveal unrecognized retail opportunities and take advantage of them.

To date we've helped more than 650 communities nationwide, resulting in over 35 million square feet of recruited retail. And we're ready to do the same for you.

## Find out more.

Contact us today for a consultation, and discover how Buxton can help you identify opportunities for retail growth and expansion.



*Add the capabilities of Buxton's cloud-based platform, SCOUT®, inviting retailers to view your information anytime, anywhere.*

# Buxton®

Toll Free: 888-2Buxton

www.buxtonco.com

@Buxtonco

2651 South Polaris Drive

Fort Worth, TX 76137

Public Sector

# THE THREE BENEFITS OF RETAIL DEVELOPMENT STRATEGIES

## Retail Is The Nation's Largest Non-Farm Employment Sector

Economic development initiatives often focus on recruiting "big" companies and industries, while overlooking what the U.S. Bureau of Labor Statistics reports is the nation's largest non-farm employment sector: retail.

Retailers come in many shapes and sizes and tend to be very sensitive to economic swings, making it critical that communities develop strategies to attract and retain the right retailers. If you aren't convinced that retail development is worth the investment, here are three benefits that a thriving retail sector provides.

### RETAIL DEVELOPMENT BENEFITS:

1. Increase Sales Tax Revenue
2. Enhance Quality of Life
3. Support Local Businesses

**"Finding the right match is critical for communities planning to recruit retail. One retailer's success in a community often attracts others."**

**Cody Howell**

**Vice President & General Manager, Buxton**

## Benefit #1: Increase Sales Tax Revenue

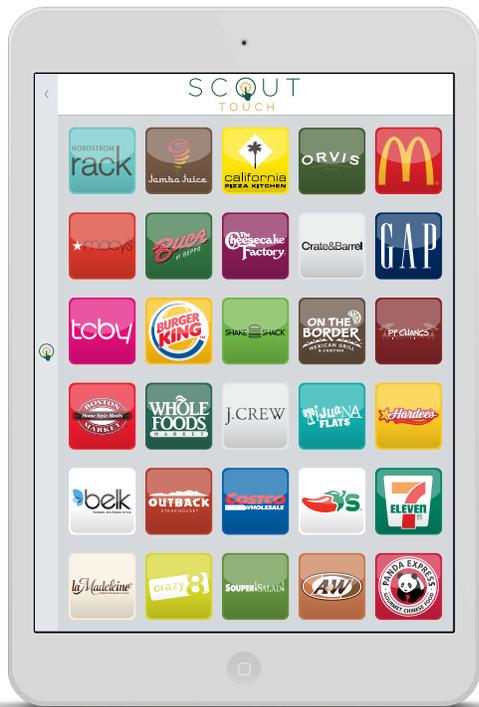
Perhaps the primary driver of retail recruitment efforts is sales tax collection, which has played an important role in making up for shortfalls in other revenue streams.

The share of sales tax revenue generated by retailers is substantial. But if your residents have to leave the community to shop at their preferred retail outlets, those sales tax dollars end up benefitting a neighboring community. By identifying and recruiting the retailers that are the best match for your community's needs and interests, you can keep sales tax dollars in your city's general fund and invest the money back into local public projects and services.

## Benefit #2:

### Enhance Quality Of Life

Convenient shopping and dining options greatly contribute to a community's quality of life. Shorter drive-times save time and fuel costs, while increasing the frequency of visits. But to truly enhance quality of life, community leaders should focus on recruiting the retailers that are the best match for the community's needs and desires. Otherwise, residents may continue to bypass local retailers in favor of others that provide the products, services, or experiences they seek.



Use Buxton's SCOUT platform to recruit the best retailers for your community.

## Benefit #3:

### Support Local Businesses

Retail development efforts shouldn't focus exclusively on recruitment. An equally important part of any strategy is support for existing retailers. Whether existing outlets are owned by local entrepreneurs or larger chains, they can all benefit from insights on local demographic and lifestyle trends, competitors in neighboring communities, and local government decisions that could impact their business. Smart communities use analytical tools to help existing retailers optimize their location, marketing, and merchandising strategies, contributing to long-term success.

## Smart Communities Use Analytical Tools

Since 1994, Buxton has provided big answers for retailers and communities. Our insights go beyond broad regional demographics by drilling down to the household-level in order to give you the clearest picture of your community. We've helped 650 communities recruit over 35 million square feet of retail space. Contact us today to learn more.

# Buxton®

GET TO KNOW US. 1-888-2BUXTON | [buxton@buxtonco.com](mailto:buxton@buxtonco.com) | [www.buxtonco.com](http://www.buxtonco.com)



Proposal

# RETAIL RECRUITMENT SOLUTION



Prepared by: Cody Gunstenson  
Expiration: March 18, 2016



## OUR VALUE PROPOSITION

Since our founding in 1994, Buxton® has been a leading force in retail site and development. We are recognized for creating solutions that provide results. Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets. Buxton soon realized that the company's expertise in retail site and market analysis could also be leveraged to benefit communities desiring retail expansion.



More than simply providing data, Buxton supplies custom marketing materials and strategies targeting the unique site requirements of retailers, developers, and commercial real estate brokers. Buxton clients achieve outstanding success using our tools for retail identification, selection, and recruitment. Clients benefit from Buxton's unique understanding of site selection from the retailer's point of view.

- **Grow Your Community.** Create new, permanent jobs that will satisfy your citizens desire to shop at home; retain dollars currently spent outside of your community and maximize revenue growth to fund city services
- **Leverage Buxton's Retail Industry Expertise.** Establish credibility with decision makers by providing factual evidence to support your site and gain a competitive position by leveraging our experience:
  - 3000+ total clients from the retail, restaurant, healthcare, and public sector industries
  - 700+ public sector clients nationwide
  - 35+ million square feet of retail space
  - 500+ cumulative years of retail management and economic development experience
- **Access Your Buxton Solution with Ease.** Utilize your best-in-class retail recruitment solution via SCOUT™ with the touch of a button from any mobile device; gain answers to your retail recruitment and site analysis questions and have the big picture in the palm of your hand
- **Develop a Long-Term Partnership.** Receive personal guidance and ongoing insight into key industry topics

## SCOPE OF SERVICES

Buxton is pleased to present this proposal to Monroe, WI. The purpose of this proposal is to outline and review your community development objectives and how Buxton's solutions will enhance your ability to effectively meet those objectives.

### Monroe, WI's Objectives:

1. **Recruit new retailers and restaurants to provide amenities for current retailers' employees**
2. **Retain existing retailers and restaurants**
3. **Understand current retail and restaurant economic condition**
4. **Assist with retail development plan for Menard-owned land**

### Retail Recruitment and Retention Solution: Your Community Profile

Our solution is a total marketing strategy that enables community leaders to understand the consumer profile of their residents and to identify specific retailers and restaurants who seek a market with household purchasing habits just like yours. This solution provides you with the ability to actively pursue identified retailers, making a compelling case for their expansion to Monroe, WI and to the land owned by Menards by utilizing custom marketing packages that Buxton will create for you. You will have access to the same analytical information and insights retailers depend on today to make site selection decisions. This knowledge will provide you with instant credibility and the ability to differentiate your community.

#### Step 1 – Research Your Community

Buxton uses over 250 consumer and business databases that are updated regularly and compares your potential sites to the universe of all competing sites operating in the U.S. We define your current retail situation and those in any neighboring communities that impact your retail environment.

#### Step 2 – Define and Evaluate Your Trade Area

Customers shop by convenience, measuring distance based on time, not mileage. We will conduct a custom drive-time analysis to determine your trade area using our proprietary methodology and knowledge of individual retail clients' actual trade areas. Your drive-time trade area will be provided to you as a map that accurately depicts your consumer shopping patterns.

#### Step 3 – Profile Your Trade Area's Residential Customers

Your community profile will analyze every household in your drive-time trade area. Based on more than 7,500 categories of lifestyles, purchase behaviors, and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your site.

#### Step 4 – We Match Retailers and Restaurants to Market Potential

Buxton will match the consumer profile of your community's trade area against the customer profiles of 5,000+ retailers in our proprietary database. We will identify the similarity between the two profiles analyzed using Buxton's proprietary retail matching algorithm to determine if your site presents an attractive opportunity for each retailer. We then qualify the list of matched results to verify that a retailer is currently operating or expanding, that they operate in similar sites, and that your site affords adequate buffer from competition and cannibalization to be realistically considered.

### **Step 5 – We Create Marketing Packages**

Buxton will assemble individualized marketing packages for up to twenty (20) targeted retailers. We will notify each retailer's key real estate decision maker by letter, informing them that they have been qualified by Buxton as a potential viable fit for your site and should expect to be contacted by a representative of the city.

Your marketing packages will be delivered to you in SCOUT and include a:

1. Map of the retail site and trade area
2. Map of the retailer's potential customers
3. Retailer match report that compares the site's trade area characteristics and consumer profile with the retailer's sites in similar trade areas

#### **Solution Deliverables:**

- SCOUT Touch access
- Drive time trade area maps
- Retail site assessment for both the City of Monroe, WI and the land owned by Menards.
- Retailer specific marketing packages (for up to twenty (20) retailers)
- Mobile tablet device at completion with pre-loaded findings

#### **Multi Year Deliverables:**

Years 2 and 3 of this agreement will include a Retail Recruitment model refresh, retail marketing packages, and full access to SCOUT and SCOUT Touch.

## Access and Use Your Retail Recruitment Solution via SCOUT Touch

Buxton's Retail Recruitment solution will allow you to actively recruit retailers to your community and support existing businesses with the push of a button in SCOUT Touch, providing you with crucial information about your community, your trade areas, your residents, and much more. SCOUT is a web-based platform that is accessible on any Windows or iOS enabled device with an Internet connection. It is designed to give decision-makers in your community access to the data and solutions that will assist them in making better business decisions. The Retail Recruitment solution includes one (1) mobile tablet device that will be provided at completion and pre-loaded with all key findings. This mobile tablet device, possession of Monroe, WI, enables four (4) SCOUT users with the ability to **run demographic and trade area profile reports**, and view maps and other data elements.

**Identifying and quantifying key variables that impact your community**, you will acquire insights from these findings that will provide you with a strong understanding of retail recruitment and business retention efforts. In Buxton's SCOUT Touch you will be able to:

- Identify retail matches
- Run variable reports
- View city limit maps
- Run healthcare reports
- Run demographic & consumer propensity reports
- See aerial view
- View physician intelligence
- Run comparable reports
- Run retail leakage/surplus reports



# SUPPORT

## SCOUT Technical Requirements

SCOUT can be accessed at the following URL: [www.buxtonco.com](http://www.buxtonco.com)

SCOUT is a web-based platform accessible on any desktop, laptop, or mobile tablet device that has an Internet connection. An iPad Air 2 is suggested by Buxton to give you the best user experience. Android tablets are not supported by Buxton's Helpdesk. Minimum browser requirements are Internet Explorer 10, Safari 5, Chrome 21, or Firefox 14.

## Buxton's Helpdesk

(1-817-332-3681) is available during normal office hours (8:00 AM-5:30 PM CST, excluding weekends and public holidays). Buxton's Helpdesk team will be available to support all educational, functional, and technical inquiries and will respond to all requests within twenty-four (24) hours of submission.

Buxton's Helpdesk

Monday – Friday: 8:00 am – 5:30 pm CST

**1-817-332-3681**

# TERM, FEES, AND DELIVERY

<b>Annual Fee</b>	<b>\$50,000</b>
<b>Agreement Term</b>	<b>Three (3) Years</b>
<b>Year 1 Fee</b> (50% invoiced upon execution of this agreement; 50% invoiced upon targeted retailer identification)	\$50,000
<b>Year 2 Fee</b> (Invoiced 1 <sup>st</sup> anniversary of this agreement)	\$50,000
<b>Year 3 Fee</b> (Invoiced 2 <sup>nd</sup> anniversary of this agreement)	\$50,000

**Delivery**    **Monroe, WI will have access to retail match lists and marketing packages within sixty (60) business days of execution.**

Your SCOUT access will be enabled within ten (10) business days of the execution of this agreement. Monroe, WI will have access to retail match lists and marketing packages within sixty (60) business days of execution. The initial term of this agreement is for three (3) years with services invoiced annually. However, at any time during this initial 3-year term, Monroe, WI may cancel services for the following year by providing written notice to Buxton at least sixty (60) days in advance of a yearly renewal. If Monroe, WI cancels services prior to the expiration of the initial term, Monroe, WI will be invoiced 10% of the total remaining balance. All service fees associated with this agreement are due in net (10) days of the date of the invoice. Execution of this agreement will act as full consent that Buxton may include Monroe, WI on its client list and in presentations and public relations efforts. Additionally, Buxton may issue a press release announcing Monroe, WI as a client. When doing so, Buxton will not reveal information that is confidential and proprietary to Monroe, WI.

Buxton		Monroe, WI	
_____ Signature		_____ Signature	
_____ Printed Name		_____ Printed Name	
_____ Title	_____ Date	_____ Title	_____ Date

Please provide us with a primary point of contact for invoice receipt.

**Name:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

Please provide us with a primary point of contact.

**Name:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Preferred Method of Receipt:**    Email **OR** U.S. Mail

# PROJECT TIMELINE





# ***CITY OF MONROE***

*Office of the Assistant City Administrator  
Martin Shanks  
(608) 329-2521  
mshanks@cityofmonroe.org*

1110 18th Avenue  
Monroe, Wisconsin 53566  
(608) 329-2500  
www.cityofmonroe.org

## **MEMORANDUM**

**DATE:** June 28, 2016  
**TO:** Finance & Taxation Committee  
**FROM:** Martin Shanks  
**RE:** SquareNorth LLC Project

This item is bringing back the proposed SquareNorth project first presented on May 17<sup>th</sup> for further consideration with the committee

Based on the comments and outcome of the meeting the City Attorney has been conducting a legal analysis of the project in conjunction with the drafting of the purchase and development agreement. A couple of items have been identified:

- 1) Because of the nature of the project we are anticipating a zoning ordinance change (amendment to current PUD). By State Statute a zoning ordinance amendment or enactment shall be consistent with the local government's comprehensive plan. The Plan Commission is the designated body to determine project plan consistency with the comprehensive plan. The Plan Commission did meet and discuss the project at their June meeting. The Commission voted in the affirmative that the project is consistent with the Comprehensive Plan.
- 2) The City Attorney has identified language in State Statute related to TIF law that will be addressed under this item for the Committee to consider.

Attachments: the packet includes two items. The first being the original committee submittals from the May 17<sup>th</sup> meeting for reference. The second item is the City Attorney's legal analysis related to analysis of State Statutes, which will be addressed in the meeting.

# VOEGELI, EWALD & BARTHOLF LAW OFFICES, S.C.

*Monroe Professional Center  
www.voegeli-ewald.com*

Paul W. Voegeli  
Rex A. Ewald  
Daniel R. Bartholf  
-----  
Craig R. Nolen (also licensed in Illinois)

**Rex A. Ewald**  
raewald@voegeli-ewald.com  
(608) 329-9610

1750 10th Street, P.O. Box 56  
Monroe, Wisconsin 53566

Reception: (608) 328-2000  
Facsimile: (608) 329-9613

June 24, 2016

Mr. Martin Shanks  
Assistant City Administrator  
City of Monroe  
1110 18<sup>th</sup> Avenue  
Monroe, Wisconsin 53566

Re: Proposed Square North Residential Condominium Project

Dear Mr. Shanks:

You have asked that I draft a Purchase and Development Agreement for consideration by the Common Council incorporating terms proposed by Square North LLC for development of a residential condominium project consisting of 4 residential condominium units on approximately 15,600 square feet of the City-owned parking lot located immediately east of 16<sup>th</sup> Avenue and south of 8<sup>th</sup> Street. The Square North proposal requests financial participation by the City in the form of sale of the land for \$1, a grant in the amount of 20% of the completed value of the project [estimated to be between \$112,000 and \$150,000] and a loan of between \$70,000 and \$95,000. In addition, the proposal requests that the City provide the following at the City's expense:

- Survey to create legal description for development site.
- Title insurance commitment.
- Phase I Environmental Inspection Report [estimated at \$2,000]
- Curb cuts as shown on the draft project renderings.
- Utility (natural gas, electric, cable/phone) extensions to build site.

The site lies within the City's Tax Incremental Finance District Number 7 ["TIF7"]. I understand that the Square North project is not feasible from the City's perspective unless the requested financial participation can be funded from TIF7. Thus, threshold questions are whether funding from TIF7 is economically feasible and whether the proposed expenditures are authorized by law. Ehlers has been retained by the City to provide financial feasibility analysis so I have focused my attention as City Attorney on whether the proposed expenditures are authorized by law.

The legal analysis must begin with the Project Plan for TIF7 to determine if it allows for the form of financial participation sought by Square North. In my opinion it does. TIF7 was originally created by a Common Council resolution adopted on September 28, 2005. The project plan was amended by a Common Council resolution adopted on February 3, 2016 and approved by the Joint Review Board: on February 15,

2016. The amended project plan allows for expenditures for “land acquisition, demolition, and remediation” and “cash grants (development incentives)” paid to developers provided that a development agreement is executed providing for such cash grants. Though the project plan does not expressly provide for direct expenditure by the city for the bulleted items listed above, such items could be funded through a cash grant which is authorized by the Project Plan.

The legal analysis does not end with a review of the TIF7 Project Plan. Expenditures must both be of a kind provided for in the Project Plan and be allowed under the Wisconsin tax incremental finance law.

Wisconsin’s tax incremental finance law is contained in Section 66.1105 of the Wisconsin Statutes. I have previously expressed my opinion that the TIF7 project plan generally conforms with the requirements of Section 66.1105. However, Section 66.1105 contains certain limitations on specific kinds of expenditures from a tax incremental finance district. One such limitation that is relevant to the Square North proposal is incorporated into the definition of “project costs” found in Section 66.1105(2)(f) of the Wisconsin Statutes. Section 66.1105(2)(f) 3. reads as follows:

3. Notwithstanding subd. 1., **project costs may include any expenditures made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city for newly platted residential development only for any tax incremental district for which a project plan is approved before September 30, 1995, or for a mixed-use development tax incremental district to which one of the following applies:**
- a. The density of the residential housing is at least 3 units per acre.*
  - b. The residential housing is located in a conservation subdivision, as defined in s.66.1027(1)(a).*
  - c. The residential housing is located in a traditional neighborhood development, as defined in s. 66.1027 (1) (c).*

The portion of Section 66.1105(2)(f) 3. shown above in italics does not apply to property within TIF7 because TIF7 is a rehabilitation or conservation district, not a “mixed-use development tax incremental district” [see Section 66.1105(4)(gm) 6. of the Wisconsin Statutes and “Resolution Approving an Amendment to the Project Plan and Boundaries of Tax Incremental District No.7, City of Monroe, Wisconsin adopted by the Common Council on February 3, 2016]. Therefore, since TIF7 was created after September 30, 1995, project costs paid from TIF7 may not include expenditures for newly platted residential development.

The question becomes whether the project proposed by Square North LLC constitutes “newly platted residential development” within the meaning of Section 66.1105(2)(f) 3. The term “newly platted residential development” is not defined anywhere in the Wisconsin Statutes. The Square North LLC proposal recites “We propose building a 4-unit residential condo building” so I have assumed for the purpose of this opinion that that the Square North project would involve a “residential development.” This narrows the question to whether the project would constitute a “newly platted” residential development.

Use of the words “newly platted” suggests an intent by legislature to apply the exclusion only to new developments created after formation of a tax incremental finance district as opposed to existing lots or parcels that are merely developed after creation of a district. In my opinion “newly platted” means new parcels of real estate created after formation of a tax incremental finance district.

The word “platted” could be narrowly interpreted to apply only to a formal subdivision plat created under chapter 236 of the Wisconsin Statutes and Title 6 of the Monroe City Code. If Section 66.1105(2)(f) 3. were interpreted this way the proposed expenditures from TIF7 would not be barred because Square North LLC proposes to create a condominium plat, not a formal subdivision plat. However, like a subdivision plat, a condominium plat will result in separate legal descriptions for individual condominium units allowing the units to be separately sold. The same result could be achieved by use of one or more certified survey maps.

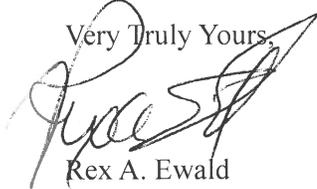
Mr. Martin Shanks  
June 24, 2016  
Page 3

In the context of Section 66.1105(2)(f) 3. of the Wisconsin Statutes I believe “newly platted” was intended to apply to circumstances under which a residential development is created where the legal structure by which units of the development may be conveyed is also created as part of the development. If interpreted this way the exclusion would apply to residential development created under Chapter 236 as a subdivision plat or certified survey map, or under Chapter 703 as a condominium plat.

In my opinion the most reasonable and logical interpretation of “newly platted” under Section 66.1105(2)(f) 3. of the Wisconsin Statutes is that it refers to a situation where both the residential development and legal structure for conveyance of property within the residential development are created as part of the overall development project. This circumstance exists with the Square North LLC project as is has been proposed.

Based on the foregoing analysis, I am of the opinion that TIF7 cannot expend project costs for the development of 4 residential condominium units as proposed by Square North LLC.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Rex A. Ewald', written over a horizontal line.

Rex A. Ewald  
RAE:krw



# CITY OF MONROE

Office of the Assistant City Administrator  
Martin Shanks  
(608) 329-2521  
mshanks@cityofmonroe.org

1110 18th Avenue  
Monroe, Wisconsin 53566  
(608) 329-2500  
www.cityofmonroe.org

## MEMORANDUM

**DATE:** May 10, 2016  
**TO:** Finance & Taxation Committee  
**FROM:** Martin Shanks  
**RE:** SquareNorth LLC Project

### Background/Reference

Over the last 12 months the City Council has taken steps to establish clear guidelines on the use of tax increment finance by adopting a Tax Increment Finance Policy; and to create a more flexible environment for the use of development incentives in TID 7 along with modified district boundaries through the recent TID 7 Amendment. Please see Item #1 to review the Tax Increment Finance Policy and Item #2 to review the Project Plan for TID 7.

Those steps have enabled the following project to come forward for your consideration. Per the Tax Increment Finance Policy City staff have followed all required steps before presenting the attached package for consideration.

### Project Scope:

See Item #3 to review the full length of the Letter of Intent submitted by developers SquareNorth LLC. The Letter of Intent has been submitted in accordance with the Tax Increment Finance Policy. In summary: the developers are proposing to build a four unit residential condominium building on the northwest corner of the current "North Parking Lot" behind the Stop n Go. Please see Item #4 to review a preliminary site plan and design. Each unit will be sold to individual home buyers. Buyers will have the opportunity to choose from a selection of variable features. In general, each unit will be two stories featuring two-three bedrooms and one-two bathrooms. Attached or detached garages will be an available option.

Construction is anticipated to include wood construction with exterior finishes of brick, masonry, wood or a combination thereof. Interiors will include wood or laminate floors, drywall, wood trim, stainless steel kitchen appliances and solid surface countertops.

Project start dates are anticipated to be June 2016-May 2017 with completion dates ranging from October 2016-October 2017.

### Developer's Request to City:

As part of this project the developers have made a number of requests within their Letter of Intent for the City Council to consider. During consultation with staff several of the Letter of Intent requests have been modified or rescinded. What remains are the following considerations:

- Purchase parcels 1801.000 and north portion of parcel 1800.000 (see next item).
- City will sub-divide parcel 1800.000 into two parcels (north and south) with a dividing line that runs from the SW corner of parcel 1797.0000 straight west. The City will further define the eastern portion of 1800.000 to correspond with the eastern boundary of parcel 1801.000, creating a clean square or rectangle and preserving the remaining parking circulation (see Item #5).
- Developer's agreement to stipulate a one year option for the developer's to purchase the aforementioned parcels.

- Sale of parcels is contingent upon the developer pre-selling the condominium units over the 1 year option period.
- Failure of the developer to pre-sell the units during the one year option period will result in the termination of the agreement.
- Upon developer’s delivery of documentation showing the sale of all condo units the City and developer will execute provisions in the agreement to sell the parcels.
- City will then provide an up-front loan to the developer in an amount between \$70,000 and \$95,000 dependent upon condo sale configurations. The loan will be paid back by the developer in three years.
- Further, the City will provide cash grant funding between \$112,000 and \$150,000 (dependent upon condo sale configurations) for the development of the project.
- City will conduct a Phase I Environmental Study upon execution of option.
- City will provide curb cuts and utilities to the property line, if needed.

**Financial Analysis (conducted by Ehler’s completed on May 6<sup>th</sup>, 2016)**

In accordance with Step 3 of the TIF Policy City staff have employed the professional services of Ehler’s to review the financial scope of the project (see Item #6). Ehler’s has identified a number of recommendations including the following:

- Undertake a market study to determine whether or not the demand for this type of development is there.
- City should request an equity position up-front by the developer.
- City should explore shifting its participation towards a pay-as-you-go arrangement as opposed to an up-front arrangement.
- Require developers to make up any shortfalls caused by insufficient increment.

Ehler’s has also prepared cash flow models of six scenarios. The scenarios include the City’s involvement of both the up-front loan to be paid off by the developer in three years and the additional cash grant contribution.

**Low-End Value/Investment**

The first set of scenarios address the developer’s anticipated “low-end” taxable value, which would translate to the low-end City investment (\$70,000 in up-front loan and \$112,000 in cash grants).

**High-End Value/Investment**

The second set of scenarios address the developer’s anticipated “high-end” taxable value, which would translate to the high-end City investment (\$92,000 in up-front loan and \$150,000 in cash grants).

<b>Ehler’s Scenario Reference</b>	<b>Anticipated Value of Project (\$)</b>	<b>City Provided Up-Front Loan (\$)</b>	<b>City Provided Cash Grant (\$)</b>	<b>Yearly Growth in Property Values (%)</b>	<b>Total City Expenditures on Project (\$)</b>	<b>Total City Revenues from Project Through 2033 (\$)</b>	<b>Net Revenue (\$)</b>
1	\$560,000	\$70,000	\$112,000	1.75%	\$227,007	\$352,536	\$125,529
2	\$560,000	\$70,000	\$112,000	3.5%	\$227,007	\$391,729	\$164,722
3	\$560,000	\$70,000	\$112,000	0%	\$227,007	\$319,100	\$92,093
4	\$750,000	\$92,000	\$150,000	1.75%	\$302,125	\$470,245	\$168,120
5	\$750,000	\$92,000	\$150,000	3.5%	\$302,125	\$522,735	\$220,610
6	\$750,000	\$92,000	\$150,000	0%	\$302,125	\$425,464	\$123,339

Note: the financial analysis does not include costs related to the Phase I Environmental Study, curb cuts, any utility extensions to the property line as well as the savings associated with annual snow removal, regular seal-coating and asphalt maintenance costs.

Net revenue is the amount of dollars the City will take in above and beyond covering the project's expenditures. Based on the developer's anticipated low and high values and property value growth between 0% and 3.5% the City could expect to net between \$92,093 and \$220,610 in additional revenue above and beyond covering the City's costs in the project. 2033 is the final year TID 7 can collect increment.

In accordance with the City's TIF Policy a developer's agreement will be drafted in order to protect the City in the event these projections don't hold and to address the recommendations and risks highlighted from Ehler's. The protections created in the developer's agreement are addressed in part within the developer's letter of intent, in consultation with the City Attorney and with further direction from City Council.

### **Developer's Agreement**

City Attorney to provide information to Committee on the inclusion or exclusion of items and policy decisions related to the drafting of the developer's agreement. Based on this input a draft agreement will be before Committee/Council on June 7<sup>th</sup>.

### **Status of Silverstone Project**

Around six years ago the City worked with a developer on a senior housing project for this site. The project fell through in 2011 because of the lack of available State tax credits/grant funding for the project. The project failed to submit for the grants/credits in 2012 based on the incompatibility of the project with available funding programs. After reviewing the previous agreements made with the developer and making an inquiry with the project lead it appears the Silverstone project has no existing claim on the site and no stated interest in further pursuing the project. The City was considering \$190,000 in cash grants to this project.

### **Comprehensive Plan/TID 7 Project Plan Intent**

The City's newly adopted Comprehensive Plan provides guidance on the community's expectations for housing, development and land use in the community. This project can reasonably fit within the following Goals, Objectives and Strategies identified:

Housing Element Goal: Increase a diverse range of modern, aesthetically pleasing housing supply and housing resources.

- Objective: Concentrate on infill development.
  - Strategy: Market proactive incentives to developers to develop these areas.

Housing Element Goal: Use strategic funding resources to promote new development and home ownership.

- Objective: Use TIF funding to generate new construction.
  - Strategy: Focus on having flexible TIF plan to act proactively and react to unforeseen opportunities.

Economic Development and Agriculture Element Goal: Explore growth opportunities through land and infrastructure adaptations.

- Objective: Identify available land that is 'shovel-ready' for new development.

Land Use Element: Future Land Use Map Created by Community Members identifies this site as mixed-use.

Land Use Element Goal: Promote a culture of growth in Monroe.

- Objective: Increase the diversity and availability of housing stock.
  - Strategy: Prioritize and incentivize multi-family, high-density, and mixed-use housing developments near the Square.

Tax Increment District 7 was created in 2005, at the time the City of Monroe identified a need to expand its economic base through the redevelopment of its central business district. In order to promote redevelopment, the City designated the area as a tax increment district under State Statute. The creation of the TID allowed the City to make public improvements to the area. These public improvements were intended to encourage the attraction and retention of potential development, and encourage further private investment in local businesses. The business development anticipated to occur would provide long term tax benefits to both the City and all other overlying taxing jurisdictions.

The City of Monroe made the following determinations:

- Activities and improvements to TID #7 are intended to encourage and attract commercial growth, as well as redevelopment, conservation and rehabilitation of private property in the City.
- The improvements to the area are likely to encourage, develop, and maintain a strong growth pattern in the City while taking advantage of major transportation routes.
- Improvements to the area are likely to maximize private investment within TID #7 and to significantly enhance the value of all other real estate in the District.
- The improvement to the area is likely to make currently underdeveloped areas of the City more attractive by providing necessary and desired public improvements that are compatible and feasible with existing systems.
- The improvement to the area is likely to encourage and promote conformity with the City's land use and development policies.
- More than 50% of the area designated as TIF District #7 is in need of "rehabilitation."

The recent TID 7 amendment retained the intent of the original plan, but included additional land and further defined the type of projects to be allowed in the district, including: cash grant development incentives whereby *the City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.*

#### **Impact on downtown parking:**

Utilizing the analysis completed during the Downtown Parking Study in 2015 conducted by Rich & Associates we are able to measure the impact on downtown parking this development will have. Dave Burr from Rich & Associates has completed an analysis, see his analysis in Item #7.

Adding the four-unit condominium into what is known as Block 2 in the study would eliminate approximately 44 public parking spaces (reducing it from 97 to 53 spots). With the potential addition of garages as part of the development we estimated four additional spaces on the private supply, which increases the supply from 17 to 21 spaces.

In 2015 the study identified that block as only being 27% occupied during a normal day. Out of the 97 available spaces that would have meant only 26 spaces were occupied. With the reduction in parking down to 53 available public parking spots, the occupancy of the lot would grow to 50% of the lot, with 85% being the best practice rule of concern. Finally, if we look at the adjacent blocks in the study, including Block 1 and Block 3, the changes with the new development would still mean a gross surplus of 106 combined spaces with 99 of them being publicly available.

The condominium development would not have a significant impact on the parking demand for that area during typical days. This analysis does not address parking impacts beyond the nearby blocks that may occur as a result of this development. For example: potential impacts, if any, on the needs for further parking elsewhere throughout the downtown. This analysis does not address parking for special event purposes.

### **Final Thoughts/Further Policy Implications**

The City Council has positioned itself to create an environment in the downtown that allows for more public stimulation of private projects. Because this project proposal is the first of this nature the City Council can use the following three weeks to digest the information provided and consider the impact and policy implications of the City's stimulation in this project and the highest and best use for this site.

During this time please review the attached documents to better understand the scope of the project and consider the requests and implications therein. City staff can provide any additional information needed for the decision-making process.

The City can minimize its risk in this project by drafting a developer's agreement that specifically addresses the complete pre-sale of the condominiums BEFORE investing its dollars and to include non-performance penalties that will make up any difference in values that fall short of the guaranteed value of the project (something that we have standardized in past agreements).

**ITEM #1**



## Tax Increment Financing Policy

Development Handbook

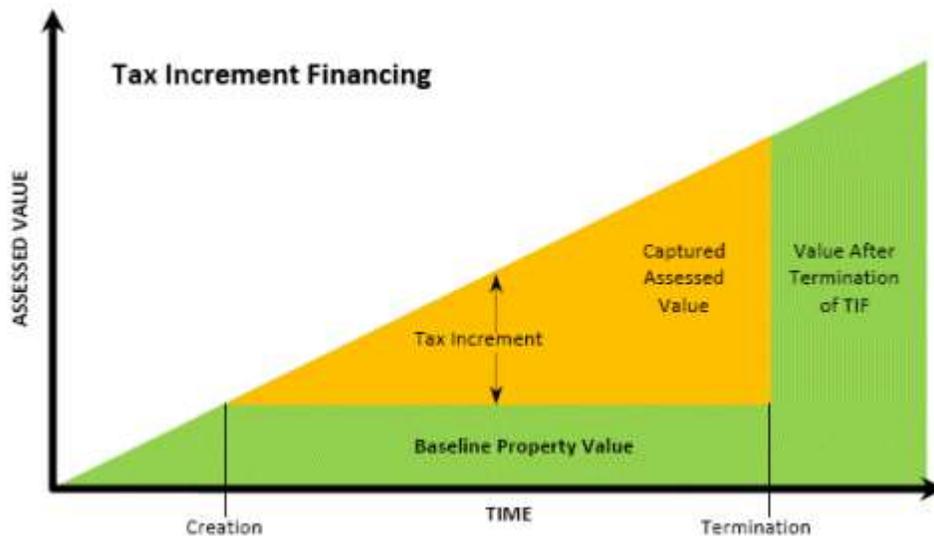
Adoption Date: August 17, 2015

Pages: 7

Last Update: August 17, 2015

### What is TIF?

Tax Incremental Financing (TIF) is a special funding tool available to local municipalities that spurs economic development which otherwise would not occur. When a Tax Increment District (TID) is created property owners within the district continue to pay the same property tax rates as those outside the district. The difference is that tax collections, over and above the "base value", are placed into a special fund that is used to pay for project costs. Once all costs incurred by the creation of the TID are recouped by the additional tax increment created, the TID is closed and the additional property taxes created are shared by all taxing entities. Closure of the TID could be delayed to allow for a "donation" to another district or delayed projects / amendments. Additionally, unless granted an extension there is a maximum life for the TID. The use of TIF varies from project to project and district to district. In some cases, the City uses TIF to promote redevelopment of older parts of the community. In other cases TIF is used to create industrial parks through land acquisition and construction of infrastructure. In both cases, increased property tax collections are used to pay down debt service associated with project costs. Below is a graph depicting the basic mechanism behind how TIF operates.



## Policy

The following guidelines have been created and adopted by the City of Monroe to help direct and evaluate requests for financial assistance through any one of the existing and active TIF districts or future districts. The purpose of this policy is to provide guidelines regarding the City's use of Tax Increment Financing (TIF) for business development incentive purposes.

The goal of the City's use of TIF is to diversify its economic base through the retention and expansion of existing businesses, the redevelopment of the areas that are blighted or in need of redevelopment, the attraction of new industrial users and employment centers, and other projects of special community interest. These goals will help to establish new employment opportunities for City residents and expand the tax base.

These guidelines are intended to provide general direction on the creation/amendment of TIF districts and the use of TIF funds. TIF funds must be used on projects permitted in the project plan for each TIF district. The City recognizes that each development area and project is unique and should be considered on a case-by-case basis. The City Council may choose to deviate from these guidelines if appropriate for projects of special economic or community interest.

## Types of TIF Assistance

1. *Traditional TIF Assistance* – Traditional TIF assistance may take the form of direct cash assistance for projects that will result in a development increment. In such cases that the City would use existing funds or newly borrowed proceeds.
2. *"Pay-as-you-go" TIF* – The City will use "pay-as-you-go" financing, also known as developer financing, as a method to help reduce the financial exposure of the City. Under this financing method the developer pays the upfront costs of the project. The City would provide a Municipal Revenue Obligation (MRO) to establish the criteria to fully or partially reimburse the developer using future tax increment.
3. *Land / Infrastructure* – In lieu of or in combination with other incentives, the City may assist development or redevelopment projects by providing City-owned land to a developer at no cost or a reduced cost. Further, the City may provide construction of public infrastructure projects.

## Guidelines for TIF Financial Assistance for Private Development Projects

The following are general guidelines for evaluating requests for TIF funded development assistance for major projects:

1. Each project should demonstrate sufficient need for financial assistance. In accordance with State law, the City will not provide TIF assistance unless the proponent can demonstrate that "but for" the use of TIF, the project could not proceed as proposed. The burden is on the requesting party to prove that the proposed project would not be feasible without City assistance.
2. Every other financial alternative should be explored prior to the use of TIF, including equity participation, other federal and state funds, bonds, tax credits, loans, etc.
3. TIF assistance should be utilized as gap financing. The requesting party may be required to provide adequate financial records to demonstrate the financial gap. Examples of information

that may be required would include: detailed Sources & Uses of funds, ten (10) years projections of revenues and expenses for leased properties, details on outside funding and equity. The City may seek to independently corroborate the level of project profitability with and without TIF funding to assure that the returns are within the ranges of the norm for the market.

4. TIF assistance should be limited to the amount necessary to make a project competitive with other similar projects in the Monroe market area.
5. Each project should demonstrate probability of economic success.
6. TIF should not be used to pay for public infrastructure expenditures that are paid by special assessments or other City charges. Non-assessable public infrastructure expenditures may be funded with TIF.
7. Any recipient of TIF assistance will be asked to provide a guarantee or security in a form satisfactory to the City that the project will be developed as proposed.
8. All TIF assisted projects shall be consistent with the goals, objectives, and policies of the City of Monroe Comprehensive Plan and the individual Tax Increment District Project Plan.
9. No assistance will be provided unless the recipient developer first enters into an agreement with the City setting forth the mutual obligations of both parties.

## **Implementation**

The City Administrator or designee shall be responsible for implementing this economic development policy, and will lead in facilitating development projects and coordinating efforts with the private sector. As development projects arise, the City Administrator or designee shall inform the City Council of the project details and request for assistance. The City Council is responsible for granting authority to negotiate the types and levels of development incentives with the potential project developers. The City Council shall have the final authority to review and approve all negotiated agreements in accordance with Wisconsin State Statutes. Meeting statutory requirements, policy guidelines or other criteria listed herein does not guarantee the provision of TIF financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

## **Process to Request TIF Assistance**

### **Step 1 - Preliminary Consultation with City Staff**

Prior to giving much thought to potential TIF assistance, it is advised that those interested schedule a meeting to discuss their project and request with City staff.

Prior to attending the meeting, please carefully review the City's TIF policy and other background materials regarding TIF in Monroe

Staff may assist by identifying concurrent processes that may be feasible during a TIF assistance approval process, such as rezoning, site plans, conditional use permits, etc. To the greatest extent possible, staff hopes to accommodate a prompt time-frame by running multiple approvals concurrently.

### **Step 2 - Submit Letter of Intent**

A formal request for TIF assistance is initiated by the City receiving a letter of intent which should include the following details:

- Description of site or building(s) (e.g. current condition, historical overview, size and condition of existing structures, environmental conditions, past uses, etc.)
- Description of proposed use and end users (e.g. industrial, commercial, retail, office, residential for sale or rental, senior housing, etc.)
- Discussion of profitability
- Overview of private-sector financing
- Summary of increment projections
- Total development costs
- Construction information (e.g., size of existing structures to be rehabbed or razed, size of new construction, type of structural and finish materials, delineation of square foot allocation by use, total number and individual square footage of residential units, type of residential units, number of affordable units, number/type of parking spaces, construction phasing plan, etc.)
- Project start and end dates
- Confirmation that project is consistent with goals and objectives of the TIF Project Plan for the District
- Description of public benefits, including job creation
- Amount of TIF assistance requested
- Name of developer and owner
- Statement regarding why TIF is essential and why the "but for" provision will be met\*
- Draft project renderings (to the extent possible, renderings could be provided at this stage to better explain the site and proposed uses; additional drawings may be required for the project during later steps in the process)

\*Note: In the "but for" discussion, you must clearly describe why TIF is needed to help this project and why the project will not / cannot proceed without such support. Failure to clearly provide the "but for" explanation will delay action on your request. The State of Wisconsin Department of Revenue produces materials on what they expect in terms of the "but for" finding.

### **Step 3 - Staff and 3rd Party Consultant Review / Drafting of Development Agreement**

City staff, together with 3rd party consultants (legal, financial, planning, design), will review the proposal. In most instances, a Development Agreement is the formal document used to memorialize a TIF assistance package. The City requires that the City Attorney will draft any such agreement.

Be advised that the City may require detailed project pro-forma above and beyond what is initially presented in the letter of intent. Further, the City may require financial statements to assist in determining whether the "but for" test is met. To the extent allowed by law, the City may utilize a 3rd party financial advisor to collect, review, and report on the private financial statements in order to protect confidentiality of sensitive applicant data.

The City may bill the applicant for 3rd party consulting fees and/or other related expenses as they pertain to the assistance request review process.

### **Step 4 - City Council Approval**

Final decision making authority on granting TIF assistance rests with the City Council. Typically staff will brief members of the City Council in advance of discussion at a public meeting. It may also be the case that one or two members of the Board will participate in a sub-committee during earlier steps in the

process to offer Council member perspective on potential assistance requests.

Once scheduled for City Council action, approval may be completed in a single meeting. However, the Council has the right to defer action for further study/review or outright deny the request. In order to avoid delay at this step staff will work diligently with the developer to assemble thorough and complete information.

The City Council meets on the first and third Tuesday of the month.

## **Current City TIF Districts**

Tax Increment District #4 – North Industrial Park

- Expenditure period has closed. No development incentives available.

Tax Increment District #5 – West Side Commercial & Honey Creek Industrial District

- Expenditure period has closed. No development incentives available.

Tax Increment District #6 – Near West Side Commercial

- Expenditure period has closed. No development incentives available.

Tax Increment District #7 – Downtown

- ~~No development incentives available per adopted Project Plan~~

TID 7 amended to include development incentives on February 15th, 2016

Tax Increment District #8 – North Side City Entrance Corridor

- Expenditure period ends in 2028. Project plan stipulates “Redevelopment Funds” can be used for designated blighted parcels.

## **Creating New TIF Districts**

Any consideration to create a new TIF district within the City of Monroe should begin with a consultation with the City Administrator or designee. Depending on the potential feasibility, additional staff may become involved along with the City's financial advisors. Conceptual discussion with City committee(s) and/or the City Council may be required to provide staff with authorization to proceed with a creation process.

There is no formal application form to request that a new district be considered, nor is there a specified fee. The City reserves the right to re-bill expenses related to district creation to a requesting party with advanced notification. It is not unusual, although not required, for TID creation expenses to be repaid using future increment generated by the newly created TID.

The formal process of creating district is governed by state law. Generally the process takes approximately 90 days - start to finish.

## **Amending TIF Districts**

Any consideration to amend an existing TIF district within the City of Monroe should begin with a consultation with the City Administrator or designee. Depending on the potential feasibility, additional staff may become involved along with the City's financial advisors. Conceptual discussion with City

committee(s) and/or the City Council may be required to provide staff with authorization to proceed with the amendment process.

# Request for TIF Assistance Checklist



## **Instructions/Notes:**

Per the City of Monroe's TIF Policy a formal request for TIF assistance is initiated by the City receiving a letter of intent. Below is a checklist of items that are required to be included in the letter of intent package.

City staff, together with 3rd party consultants (legal, financial, planning, design), will review the proposal. Be advised that the City may require detailed project pro-forma above and beyond what is initially presented in the letter of intent. Further, the City may require financial statements to assist in determining whether the "but for" test is met. To the extent allowed by law, the City may utilize a 3rd party financial advisor to collect, review, and report on the private financial statements in order to protect confidentiality of sensitive applicant data.

The City reserves the right to bill the applicant for 3rd party consulting fees and/or other related expenses as they pertain to the assistance request review process.

- Description of site or building(s) (e.g. current condition, historical overview, size and condition of existing structures, environmental conditions, past uses, etc.)
- Description of proposed use and end users (e.g. industrial, commercial, retail, office, residential for sale or rental, senior housing, etc.)
- Discussion of profitability
- Overview of private-sector financing
- Summary of increment projections
- Total development costs
- Construction information (e.g., size of existing structures to be rehabbed or razed, size of new construction, type of structural and finish materials, delineation of square foot allocation by use, total number and individual square footage of residential units, type of residential units, number of affordable units, number/type of parking spaces, construction phasing plan, etc.)
- Project start and end dates
- Confirmation that project is consistent with goals and objectives of the TIF Project Plan for the District
- Description of public benefits, including job creation
- Amount and type of TIF assistance requested
- Name of developer and owner
- Statement regarding why TIF is essential and why the "but for" provision will be met\*
- Draft project renderings (to the extent possible, renderings could be provided at this stage to better explain the site and proposed uses; additional drawings may be required for the project during later steps in the process)

**Please include this checklist with the letter of intent and application materials. All boxes must be checked as completed.**

---

Individual Submitting Application

---

Date

**ITEM #2**

## SECTION 7:

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

---

The following is a list of public works and other TIF-eligible projects that the City has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District. This language is consistent with the project plan approved in 2005. The only changes are an expansion of the types of parking area improvements and the inclusion of cash grants/development incentives.

### County Building Area Enhancements

This project may include but is not limited to the following expenditures: site preparation costs for new or expanded building construction, construction of common public areas or park spaces in or around new or existing Green County buildings within the district.

### Districtwide Streetscaping and Landscaping

This project may include but is not limited to the following expenditures: colored paving, trees, decorative plantings, theme related signage, crosswalks, sidewalks, public benches, bike racks, trash receptacles and screening, street lighting, and handicapped accessibility points or curbed areas.

### Land Acquisition, Demolition, and Remediation

This project may include but is not limited to the following expenditures: purchase of vacant lots, purchase of available buildings, and clean-up of contaminated sites.

### Parking Area Construction and Renovation

This project may include but is not limited to the following expenditures: connecting the existing ramp to existing commercial and residential buildings, adding a level to the ramp, underground parking for a new or existing County building, or tear down and rebuild the existing ramp. In addition, the City may renovate, reconfigure, relocate, or reconstruct existing parking lots; acquire land for parking; and develop parking structures.

### Street Redesign and Reconstruction

This project may include but is not limited to the following expenditures: removal of two rows of parking on the courthouse square.

### Directional and Definitional Signage

This project may include but is not limited to the following expenditures: directional signage from primary transportation routes to the Downtown-Main Street Square, theme related signage for the Downtown/Main Street Square, community information posting areas, trail marking signage and public safety signage for vehicles and pedestrians in the district.

### Overhead Utility Line Burial

This project may include but is not limited to the following expenditures: relocation and burial of overhead utility lines.

## Access/Structural Improvements to Downtown Buildings

This project may include but is not limited to the following expenditures: roof repairs or replacement, floor repair or replacement, elevator installation, and conversion/rehabilitation of unused or underutilized space (e.g. upper floors) for residential, office, retail, or other use.

## Project Related Design, Planning and Engineering

This project may include but is not limited to the following expenditures: related design, planning and engineering costs associated with the projects identified in the Plan.

## Façade Improvement Grant

This project may include but is not limited to the following expenditures: contribution of funds for private building owners to perform maintenance, replacement, painting, reconstruction, and other improvements to the exterior of their building. The program will evaluate applicants on a formal set of criteria that may include but is not limited to tax base guarantees, job creation, elimination of safety hazards, or other policies defined by the City of Monroe.

## Security Cameras

This project may include but is not limited to the following expenditures: purchase and installation of monitoring equipment to enhance the overall safety of the courthouse square area.

## Main Street Program Funding Assistance

This project may include but is not limited to the following expenditures: funds will be provided to the Main Street program to assist in operating costs or specific projects as identified by the Main Street program and approved by the Monroe City Council.

## General Downtown Planning

This project may include but is not limited to the following expenditures: funds will be utilized to create or maintain planning efforts designated to further enhance the Downtown-Main Street Square area throughout the life of the District.

## Cash Grants (Development Incentives)

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

In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

**The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.** All projects identified are TID eligible. The City will use increment generated within the District to pay for projects supported by the overall cash flow of the District. The City will evaluate project costs as development occurs to tie investment to the pace of development. Prior to providing any cash grant or development incentive, the City will enter into a development agreement that will specify the commitments of the City and the developer, and forms of security pledged to make debt service

payments (if any). The City may conduct an independent review of the intended developer's sources and uses proforma for the initial proposed development project. This review will seek to verify that a public investment is required to enable the development to occur in the manner desired by the City, while providing the developer a fair and reasonable return on their investment.

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

**ITEM #3**

## **Letter of Intent to Purchase and Develop the Parking Lot North of Stop-N-Go**

City of Monroe  
1110 18<sup>th</sup> Ave, Monroe, WI 53566

3/29/16

Submitted by: Square North LLC

### **Description of site or building(s) (e.g. current condition, historical overview, size and condition of existing structures, environmental conditions, past uses, etc.)**

The subject property is made up of four City-owned parcels with Parcel Numbers:

1801.0000, 1800.0000, 1797.0000, 2544.0000

The property currently consists wholly of paved parking lot and has historically been used for parking and is currently underutilized. The property is in good to fair condition. There are currently no structures on the property. The property is adjacent to a gas station, which brings up the environmental concern of possible ground contamination. The site would need to undergo an environmental inspection to fully understand this risk.

### **Description of proposed use and end users (e.g. industrial, commercial, retail, office, residential for sale or rental, senior housing, etc.)**

Phase I: We propose building a 4-unit residential condo building on the northwest portion of the current parking lot. Each condo will then be sold to individual home buyers. The condo buyers will have the opportunity to choose from a selection of variable features, which will result in a budget range and a flexible site plan until all units are pre-sold. Until all units are sold, we propose to operate within low-end and high-end boundaries for both budget and site plan.

Phase II: Following a successful completion of Phase I, we propose the continuation of development on the southern portion of the property. This development will consist of either an additional residential condo structure or a mixed-use building with commercial space on the ground floor and residential apartments/condos above, depending on further developer planning and feasibility.

### **Discussion of profitability**

The biggest roadblock to development currently in Monroe is the significant gap between the cost of developing and the development's finished value (based on market rents). Concurrently, one of the biggest needs facing the community is a need for housing that is both high-quality and affordable. The current demand for

such housing has lifted the potential value of new-build condos and created the opportunity for such a development if the three legs of developer, City, and bank can work together to make it happen.

We expect the project to cost between \$630,000 and \$843,000. We expect the units to have an average re-sale price between \$140,000 and \$187,500 apiece. After closing costs and buyer’s agents are paid, we expect to retain a profit of approximately \$2,000 to \$5,000, assuming we are awarded the TIF funding that we are requesting.

While the profit to be made is negligible, each person on the team of developers will be employed to some extent by the project, which, paired with the benefits to the City, will provide sufficient incentive to the developer to move forward with the project.

Sale	Low-End	High-End
List Price Per Unit	\$149,000	\$199,000
Breakeven Price Per Unit	\$139,464	\$186,333
Actual Sale Price Per Unit	\$140,000	\$187,500
Total Sale Price	\$560,000	\$750,000
(Less Bank Loan Payback)	-\$448,000	-\$600,000
(Less Mezzanine Gap Payback)	-\$70,655	-\$92,831
(Less Closing Costs)	-\$39,200	\$52,500
<b>Total Developer Profit</b>	<b>\$2,145</b>	<b>\$4,669</b>

### Overview of private-sector financing

We anticipate private funding in between \$448,000 and \$600,000 (80% of completed value). The loan will be structured as a construction loan with interest-only payments for up to one year at an interest rate of no more than 5%.

Funding	Low-End	High-End
City/Mezzanine Gap Funding	\$70,655	\$92,831
City 20% TIF	\$112,000	\$150,000
Bank 80% Financing	\$448,000	\$600,000
<b>Total Funding</b>	<b>\$630,655</b>	<b>\$842,831</b>

### Summary of increment projections

Currently, the property produces no tax income for the City, so all new improvements will count toward the increment value. We anticipate the City to never have actual expenditures in any year that exceed \$11,150. We anticipate the City to be in the black within 2 years, to have a total net profit between \$126,156

and \$162,866 by the end of TID 7, and to have total a net profit between \$385,786 and \$503,507 after 30 years. (See tables below).

#### LOW-END ANALYSIS

TIF		Year	City Profit	Year	City Profit
New Property Tax (Increment)	\$15,960	0	-\$8,323		
Annual Inflation	1.00%	1	-\$685	16	\$136,548
Debt Interest Rate	4.25%	2	\$7,273	17	\$147,127
Debt Term	240	3	\$15,394	18	\$157,895
Annual Debt Payments	\$8,323	4	\$23,680	19	\$168,853
		5	\$32,131	20	\$180,005
		6	\$40,751	21	\$199,674
		7	\$49,540	22	\$219,540
		8	\$58,499	23	\$239,604
		9	\$67,632	24	\$259,869
		10	\$76,939	25	\$280,337
		11	\$86,423	26	\$301,009
		12	\$96,085	27	\$321,888
		13	\$105,926	28	\$342,976
		14	\$115,949	29	\$364,275
		<b>End of TID 7 --&gt;</b>	<b>15</b>	<b>30</b>	<b>\$385,786</b>

#### HIGH-END ANALYSIS

TIF		Year	City Profit	Year	City Profit
New Property Tax (Increment)	\$21,000	0	-\$11,146		
Annual Inflation	1.00%	1	-\$1,292	16	\$176,344
Debt Interest Rate	4.25%	2	\$8,983	17	\$190,068
Debt Term	240	3	\$19,474	18	\$204,041
Annual Debt Payments	\$11,146	4	\$30,180	19	\$218,265
		5	\$41,105	20	\$232,742
		6	\$52,251	21	\$258,623
		7	\$63,619	22	\$284,762
		8	\$75,213	23	\$311,162
		9	\$87,034	24	\$337,827
		10	\$99,085	25	\$364,758
		11	\$111,368	26	\$391,958
		12	\$123,885	27	\$419,430
		13	\$136,639	28	\$447,178
		14	\$149,631	29	\$475,202
		<b>End of TID 7 --&gt;</b>	<b>15</b>	<b>30</b>	<b>\$503,507</b>

## Total Development Costs

We anticipate a total development cost between \$630,000 and \$843,000, as outlined below.

Project Cost	Low-End	High-End
Property Purchase	\$1	\$1
Closing Costs	\$750	\$750
Construction - Hard Costs	\$496,800	\$672,000
Temporary Financing	\$25,760	\$34,720
Project Management	\$40,000	\$48,000
Design Fees	\$39,744	\$53,760
Insurance	\$5,520	\$6,720
Professional Fees & Contingency	\$22,080	\$26,880
<b>Total Cost</b>	<b>\$630,655</b>	<b>\$842,831</b>

## Construction Information

Total conditioned square footage:	Appx 3,680 – 4,480 SF
Conditioned square footage per unit:	Appx 920 - 1120 SF
Total garage square footage per unit:	Appx 0 – 240 SF
Total units:	4

Each unit will be 2 stories, featuring 2-3 bedrooms and 1-2 bathrooms. Garages will be an option to buyers, potentially adding additional attached or detached square footage. We anticipate wood construction and exterior finishes with a higher quality and aesthetic appeal than vinyl, such as brick, masonry, wood, or a combination of these materials. Interiors will also be finished with quality in mind, featuring wood or high-quality laminate floors, drywall walls, wood trim, stainless steel kitchen appliances, and solid surface countertops. No new parking will be added as part of this development. Instead, the parking spaces on the east side of the property will be retained as public parking and will be available as overflow and/or guest parking for residents.

## Project Start and End Dates

Start date:	Between June 1, 2016 – May 1, 2017
End date:	Between October 1, 2016 – October 1, 2017

## Confirmation that project is consistent with goals and objectives of the TIF Project Plan for the District

This project will definitely increase taxable property for the City and will do so in a way that adds quality to the aesthetic landscape and caters to the need for quality housing in Monroe.

### **Description of public benefits, including job creation**

The project will directly alleviate one of the biggest needs Monroe is facing – the need for quality, affordable, low-maintenance housing. The location of the development is central, providing residents convenient access to the Square, the Clinic, Twining Park, and many other city amenities. It will transform the eyesore of a mostly-empty parking lot into an attractive new development. The quality of the development will set an aesthetic precedent in the City, encouraging the same level of quality in subsequent developments.

The project will not create jobs directly during Phase I. However, one of the challenges faced by employers in Monroe is the lack of quality housing to attract and retain employees. This project will directly fill that need, which will hopefully alleviate some employee turnover for local employers.

### **Amount of TIF assistance requested**

We are requesting 20% of the completed build-value as a TIF incentive at the front end of the project. Depending on what features are chosen in our pre-sold condos, this will amount to somewhere between \$112,000 and \$150,000.

### **Name of developer and owner**

Current owner: City of Monroe  
Developer: Square North, LLC

### **Statement regarding why TIF is essential and why the “but for” provision will be met**

The cost of building this development plus the costs associated with reselling the condo units totals between approximately \$670,000 at the low end and \$895,000 at the high end. The market value of the finished product will be between approximately \$560,000 at the low end and \$750,000 at the high end. This leaves a gap of at least \$110,000 and as much as \$145,000, which includes only \$2,000 - \$5,000 for developer profit. Since no developer will knowingly enter into a project that will lose money, it is essential that this entire gap be closed for the project to materialize.

### **Draft project renderings**

(Attached)

## Summary of Request

Developer intends to improve the city parking lot north of the Stop-N-Go gas station. The development will consist of two phases. The first phase will be a condo development as shown in our proposed project renderings and as outlined above. Ideally, this phase will be followed by a second phase of development consisting of an additional condo development or mixed-use development with similar aesthetic quality. In order to move forward with this project, we request the following from the City:

- City to sub-divide Parcel 1800.000 into two new lots (a north portion and a south portion), with a dividing line that runs from the southwest corner of Parcel 1797.0000 straight west.
- City to grant Developer an Option To Purchase Parcels with Parcel Numbers 1801.0000, 1800.0000 (both new portions), 1797.0000, 2544.0000, with an Option Term of 1 year. Option price for each lot will be \$1 apiece and consideration to secure the Option for each lot shall be \$1 apiece. City and Developer to work in good faith to execute such Options To Purchase no later than May 15, 2016. Within 30 days of executing Options to purchase, City shall sub-divide Parcel 1800.0000.
- City to draft a Developer's Agreement to be agreed upon and signed by both parties concurrently with execution of the Options to Purchase.
- Following execution of the Options To Purchase, Developer to complete its due diligence for the development.
- If Developer exercises its Option to Purchase Parcel 1801.0000 and the north portion of Parcel 1800.0000 before the expiration of the 1-year Option Term, then the expiration date for the 3 remaining Options to Purchase shall automatically be extended for an additional 2 years beyond the original expiration date. Until such time as the final 3 Options to Purchase are exercised, City may retain the parcels for parking or may elect to replace them with grass lots.
- If Developer fails to exercise its Option to Purchase Parcel 1801.0000 and the north portion of Parcel 1800.0000 before the expiration of the 1-year Option Term, ownership of the lots will remain with the City and both parties shall mutually release the other from any liability.
- City to provide a title insurance commitment acceptable to Developer within 30 days of execution of the Options to Purchase.
- City to provide a Phase I Environmental Inspection Report, covering all four (to be five) parcels (estimated cost \$2,000), to Developer within 30 days of execution of the Options to Purchase.

- Upon Developer exercising the Options to Purchase Parcel 1801.0000 and the north portion of Parcel 1800.0000, City to fund Developer a TIF incentive of \$112,000 (the low-end estimate of 20% of the final build-value), to be supplemented with additional TIF funding as condos are pre-sold with additional features, in amounts equaling 20% of the additional value added to the final build. At no time shall the amount of this TIF incentive exceed \$150,000.
- Upon execution of the above agreements, City to fund Developer a Mezzanine Gap Loan a to-be-determined amount between \$70,000 and \$95,000, providing Developer with temporary operating capital for the project. This loan shall be amortized over 20 years with a 3.5% annual interest rate and maturity date of ~~two~~ three years after the funding date.
- City to agree to provide at City's expense, within 60 days of Developer's request: 1) curb cuts as shown on the draft project renderings (subject to change as necessary upon the mutual agreement of City and Developer) and 2) utility (natural gas, electric, cable/phone) extensions to build site.

Sincerely,

Craig Patchin, Aaron Holverson, Kevin Visel  
Members: Square North, LLC

# ITEM #4



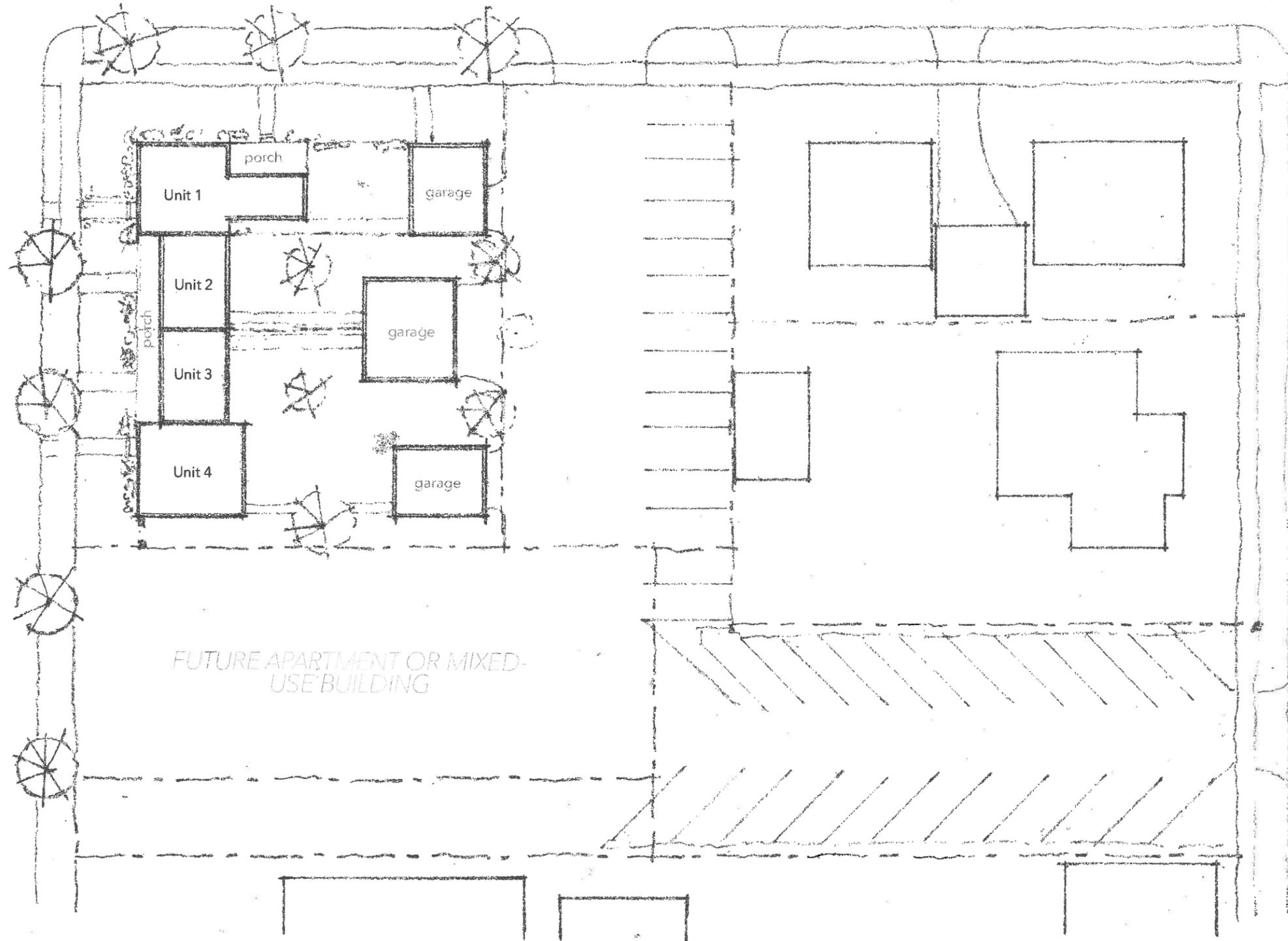
FourPlex -- SquareNorth, LLC

03/29/2016

 **HOLVERSON DESIGN**  
DESIGN | DOCUMENTATION | REPRESENTATION

8th STREET

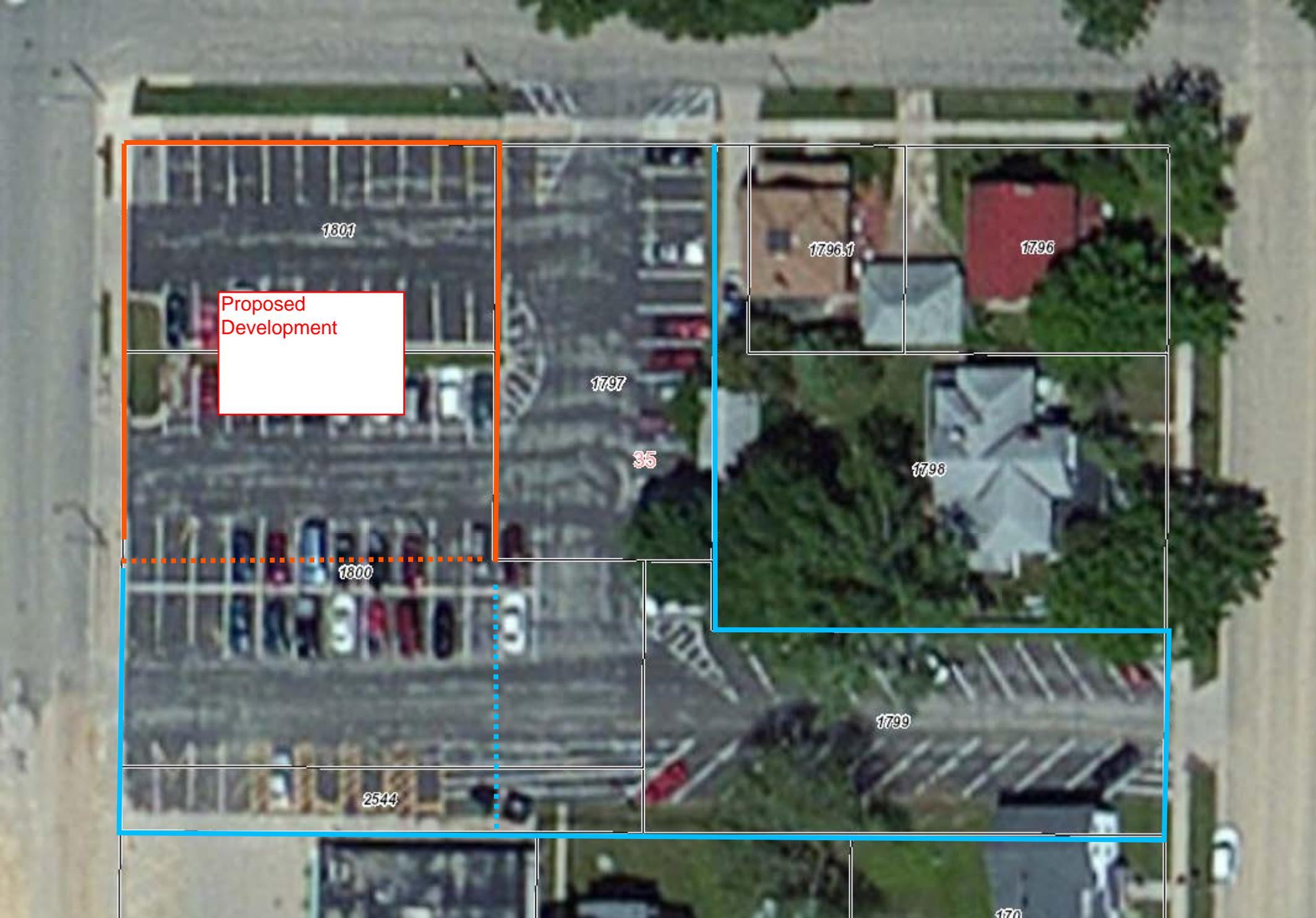
16th AVENUE







# ITEM #5



Proposed  
Development

1801

1796.1

1796

1797

35

1798

1800

1799

2544

170

# ITEM #6



# Memo

**To:** Martin Shanks, Monroe Assistant City Administrator  
**From:** Greg Johnson, Ehlers Senior Municipal Advisor  
**Date:** May 6, 2016  
**Subject:** Square North Condo Development Proposal

---

Ehlers has reviewed the proposal submitted by Square North Condo LLC to the City of Monroe requesting Tax Incremental Finance participation. The project is located within TID #7.

## Request of City

The primary components of the financial assistance request to Square North by the City are as follows:

1. Several land parcels sold for \$1.00 each.
2. Up front operating capital ranging from \$70,000 to \$92,000.
3. Up front TIF funding gap ranging from \$112,000 to \$150,000

Square North outlines 80% of the project financing is from a private bank loan and 20% is requested from the City upfront. No equity from the developer is included in the funding proposal outlined by the developer.

This funding proposal has a higher risk for the City, since the funds are being provided upfront. If the City borrows funds for the operating capital and the TIF funding gap and the increment is insufficient to cover the debt service, the City is responsible for the shortfall unless the developer is required to cover any shortfalls in a developer's agreement. It is likely the City will be in a second position to the primary lender on the project. If the condo development is sold and the primary loan is paid off, the City is still left with potential debt outstanding to satisfy with increment from the project.

Ehlers has prepared several cash flow scenarios at the request of the City. A summary of each scenario is found on page 1. Scenarios #1 - #3 include the "low end" assistance identified in the Square North proposal that includes \$70,000 of operating capital and \$112,000 of TIF gap assistance. The sale price identified in the Square North proposal for the "low end" proposal (\$560,000) is used as the estimated taxable value of the project. Each scenario uses a different methodology for property value increases.





Scenarios #4 - #6 includes the “high end” assistance identified in the Square North proposal that includes \$92,000 of operating capital and \$150,000 of TIF gap assistance. The sale price identified in the Square North proposal for the “high end” proposal (\$750,000) is used as the estimated taxable value of the project. Each scenario uses a different methodology for property value increases.

In each models the developer is paying the debt service for the operating capital and the projected increment is paying the debt service for the TIF funding gap. If the projected sale prices are comparable to the taxable value of the project the TID does cash flow. The City can provide upfront TIF assistance on this project, but the City is taking on a greater amount of risk.

### Summary

Under the Square North proposal the City is the equity investor. Ehlers recommends the City determine if a market study has been performed to support the demand for this type of development, especially if the City is committing funds upfront. In order to reduce the City’s risk exposure, we recommend the City request an equity position up front by the developer, shift some or all of its participation to a pay-as-you-go arrangement (incentive paid out annually verses all up front), or a combination of both approaches. We also recommend the City through a development agreement require the developer to make up any shortfalls caused by insufficient increment.



**Square North Condo Development Proposal  
Monroe, WI TIF #7**

Scenario #1

- \* \$560,000 of total taxable value generated
- \* 1.75% appreciation of property value (per City request)
- \* Operating Capital Loan paid off in 2019 (17 year amortization used on loan)
- \* TIF Loan amortized over remaining life of TID

Scenario #2

- \* \$560,000 of total taxable value generated
- \* 3.5% appreciation of property value (per City request)
- \* Operating Capital Loan paid off in 2019 (17 year amortization used on loan)
- \* TIF Loan amortized over remaining life of TID

Scenario #3

- \* \$560,000 of total taxable value generated
- \* No appreciation of property value (per City request)
- \* Operating Capital Loan paid off in 2019 (17 year amortization used on loan)
- \* TIF Loan amortized over remaining life of TID

Scenario #4

- \* \$750,000 of total taxable value generated
- \* 1.75% appreciation of property value (per City request)
- \* Operating Capital Loan paid off in 2019 (17 year amortization used on loan)
- \* TIF Loan amortized over remaining life of TID

Scenario #5

- \* \$750,000 of total taxable value generated
- \* 3.5% appreciation of property value (per City request)
- \* Operating Capital Loan paid off in 2019 (17 year amortization used on loan)
- \* TIF Loan amortized over remaining life of TID

Scenario #6

- \* \$750,000 of total taxable value generated
- \* No appreciation of property value (per City request)
- \* Operating Capital Loan paid off in 2019 (17 year amortization used on loan)
- \* TIF Loan amortized over remaining life of TID

5/6/2016

# City of Monroe, WI

## Tax Increment District #7

### Development Assumptions - Scenario #1, #2, #3

Construction Year		Phase 1	Annual Total	Construction Year	
12	2016	280,000	280,000	2016	12
13	2017	280,000	280,000	2017	13
14	2018		0	2018	14
15	2019		0	2019	15
16	2020		0	2020	16
17	2021		0	2021	17
18	2022		0	2022	18
19	2023		0	2023	19
20	2024		0	2024	20
21	2025		0	2025	21
22	2026		0	2026	22
23	2027		0	2027	23
24	2028		0	2028	24
25	2029		0	2029	25
26	2030		0	2030	26
27	2031		0	2031	27
Totals		<u>560,000</u>	<u>560,000</u>		

Notes:

# City of Monroe, WI

## Tax Increment District #7

### Tax Increment Projection Worksheet - Scenario #1

Type of District	Rehabilitation	
District Creation Date	September 28, 2005	
Valuation Date	Jan 1,	2005
Max Life (Years)	27	
Expenditure Period/Termination	22	9/28/2027
Revenue Periods/Final Year	27	2033
Extension Eligibility/Years	Yes	3
Recipient District	Yes	

Base Value	0
Appreciation Factor	1.75%
Base Tax Rate	\$27.99
Rate Adjustment Factor	
Tax Exempt Discount Rate	3.25%
Taxable Discount Rate	3.50%

Apply to Base Value

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
12	2016	280,000	2017	0	280,000	2018	\$27.99	7,838	5,340	5,187
13	2017	280,000	2018	4,900	564,900	2019	\$27.99	15,812	22,424	22,334
14	2018	0	2019	9,886	574,786	2020	\$27.99	16,089	37,041	36,845
15	2019	0	2020	10,059	584,845	2021	\$27.99	16,371	51,445	51,111
16	2020	0	2021	10,235	595,079	2022	\$27.99	16,657	65,641	65,136
17	2021	0	2022	10,414	605,493	2023	\$27.99	16,949	79,630	78,924
18	2022	0	2023	10,596	616,089	2024	\$27.99	17,245	93,416	92,478
19	2023	0	2024	10,782	626,871	2025	\$27.99	17,547	107,002	105,804
20	2024	0	2025	10,970	637,841	2026	\$27.99	17,854	120,390	118,904
21	2025	0	2026	11,162	649,003	2027	\$27.99	18,167	133,584	131,783
22	2026	0	2027	11,358	660,361	2028	\$27.99	18,485	146,587	144,444
23	2027	0	2028	11,556	671,917	2029	\$27.99	18,808	159,400	156,890
24	2028	0	2029	11,759	683,676	2030	\$27.99	19,137	172,027	169,127
25	2029	0	2030	11,964	695,640	2031	\$27.99	19,472	184,471	181,156
26	2030	0	2031	12,174	707,814	2032	\$27.99	19,813	196,734	192,982
27	2031	0	2032	12,387	720,201	2033	\$27.99	20,160	208,818	204,608
<b>Totals</b>	<b>560,000</b>		<b>160,201</b>		<b>Future Value of Increment</b>		<b>276,403</b>			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).



# City of Monroe, WI

## Tax Increment District #7

### Cash Flow Projection - Scenario #1

Year	Projected Revenues			Expenditures							Balances			Year	
	Tax Increments	Developer Payments for Operating Capital	Total Revenues	State Trust Fund Loan (Operating Capital) 70,000			State Trust Fund Loan ("TIF Funding") 112,000				Total Expenditures	Annual	Cumulative		Principal Outstanding
				Dated Date: Principal	Est. Rate	Interest	Dated Date: Principal	Est. Rate	Interest						
2016	0		0							0	0	0		2016	
2017	0		0							0	0	0	182,000	2017	
2018	7,838	5,893	13,731	2,135	3.50%	3,759	3,415	3.50%	6,014	15,323	(1,592)	(1,592)	176,450	2018	
2019	15,812	70,240	86,053	67,865	3.50%	2,375	5,629	3.50%	3,800	79,670	6,383	4,791	102,956	2019	
2020	16,089		16,089				5,816	3.50%	3,613	9,430	6,660	11,450	97,139	2020	
2021	16,371		16,371				6,030	3.50%	3,400	9,430	6,941	18,391	91,110	2021	
2022	16,657		16,657				6,241	3.50%	3,189	9,430	7,228	25,619	84,869	2022	
2023	16,949		16,949				6,459	3.50%	2,970	9,430	7,519	33,138	78,410	2023	
2024	17,245		17,245				6,678	3.50%	2,752	9,430	7,816	40,954	71,732	2024	
2025	17,547		17,547				6,919	3.50%	2,511	9,430	8,117	49,071	64,813	2025	
2026	17,854		17,854				7,161	3.50%	2,268	9,430	8,425	57,496	57,652	2026	
2027	18,167		18,167				7,412	3.50%	2,018	9,430	8,737	66,233	50,240	2027	
2028	18,485		18,485				7,666	3.50%	1,763	9,430	9,055	75,288	42,574	2028	
2029	18,808		18,808				7,940	3.50%	1,490	9,430	9,378	84,666	34,634	2029	
2030	19,137		19,137				8,217	3.50%	1,212	9,430	9,708	94,374	26,417	2030	
2031	19,472		19,472				8,505	3.50%	925	9,430	10,042	104,416	17,912	2031	
2032	19,813		19,813				8,801	3.50%	629	9,430	10,383	114,799	9,111	2032	
2033	20,160		20,160				9,111	3.50%	319	9,430	10,730	125,529	(0)	2033	
Total	276,403	76,134	352,536	70,000		6,134	112,000		38,873	227,007				Total	

Notes:

# City of Monroe, WI

## Tax Increment District #7

### Tax Increment Projection Worksheet - Scenario #2

Type of District	Rehabilitation	
District Creation Date	September 28, 2005	
Valuation Date	Jan 1,	2005
Max Life (Years)	27	
Expenditure Period/Termination	22	9/28/2027
Revenue Periods/Final Year	27	2033
Extension Eligibility/Years	Yes	3
Recipient District	Yes	

Base Value	0
Appreciation Factor	3.50%
Base Tax Rate	\$27.99
Rate Adjustment Factor	
Tax Exempt Discount Rate	3.25%
Taxable Discount Rate	3.50%

Apply to Base Value

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
12	2016	280,000	2017	0	280,000	2018	\$27.99	7,838	5,340	5,187
13	2017	280,000	2018	9,800	569,800	2019	\$27.99	15,950	22,552	22,462
14	2018	0	2019	19,943	589,743	2020	\$27.99	16,508	37,550	37,351
15	2019	0	2020	20,641	610,384	2021	\$27.99	17,086	52,584	52,240
16	2020	0	2021	21,363	631,747	2022	\$27.99	17,684	67,654	67,129
17	2021	0	2022	22,111	653,859	2023	\$27.99	18,302	82,760	82,018
18	2022	0	2023	22,885	676,744	2024	\$27.99	18,943	97,904	96,907
19	2023	0	2024	23,686	700,430	2025	\$27.99	19,606	113,084	111,796
20	2024	0	2025	24,515	724,945	2026	\$27.99	20,292	128,300	126,685
21	2025	0	2026	25,373	750,318	2027	\$27.99	21,003	143,554	141,574
22	2026	0	2027	26,261	776,579	2028	\$27.99	21,738	158,844	156,463
23	2027	0	2028	27,180	803,759	2029	\$27.99	22,498	174,172	171,353
24	2028	0	2029	28,132	831,891	2030	\$27.99	23,286	189,537	186,242
25	2029	0	2030	29,116	861,007	2031	\$27.99	24,101	204,938	201,131
26	2030	0	2031	30,135	891,142	2032	\$27.99	24,944	220,378	216,020
27	2031	0	2032	31,190	922,332	2033	\$27.99	25,817	235,854	230,909
<b>Totals</b>	<b>560,000</b>		<b>362,332</b>		<b>Future Value of Increment</b>		<b>315,595</b>			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).



# City of Monroe, WI

## Tax Increment District #7

### Cash Flow Projection - Scenario #2

Year	Projected Revenues			Expenditures							Balances			Year
	Tax Increments	Developer Payments for Operating Capital	Total Revenues	State Trust Fund Loan (Operating Capital) 70,000			State Trust Fund Loan ("TIF Funding") 112,000				Total Expenditures	Annual	Cumulative	
				Dated Date: Principal	Est. Rate	Interest	Dated Date: Principal	Est. Rate	Interest					
2016	0		0							0	0	0		2016
2017	0		0							0	0	0	182,000	2017
2018	7,838	5,893	13,731	2,135	3.50%	3,759	3,415	3.50%	6,014	15,323	(1,592)	(1,592)	176,450	2018
2019	15,950	70,240	86,190	67,865	3.50%	2,375	5,629	3.50%	3,800	79,670	6,520	4,928	102,956	2019
2020	16,508		16,508				5,816	3.50%	3,613	9,430	7,078	12,006	97,139	2020
2021	17,086		17,086				6,030	3.50%	3,400	9,430	7,656	19,662	91,110	2021
2022	17,684		17,684				6,241	3.50%	3,189	9,430	8,254	27,916	84,869	2022
2023	18,302		18,302				6,459	3.50%	2,970	9,430	8,873	36,789	78,410	2023
2024	18,943		18,943				6,678	3.50%	2,752	9,430	9,513	46,303	71,732	2024
2025	19,606		19,606				6,919	3.50%	2,511	9,430	10,176	56,479	64,813	2025
2026	20,292		20,292				7,161	3.50%	2,268	9,430	10,863	67,342	57,652	2026
2027	21,003		21,003				7,412	3.50%	2,018	9,430	11,573	78,915	50,240	2027
2028	21,738		21,738				7,666	3.50%	1,763	9,430	12,308	91,223	42,574	2028
2029	22,498		22,498				7,940	3.50%	1,490	9,430	13,069	104,292	34,634	2029
2030	23,286		23,286				8,217	3.50%	1,212	9,430	13,856	118,148	26,417	2030
2031	24,101		24,101				8,505	3.50%	925	9,430	14,671	132,819	17,912	2031
2032	24,944		24,944				8,801	3.50%	629	9,430	15,515	148,334	9,111	2032
2033	25,817		25,817				9,111	3.50%	319	9,430	16,388	164,722	(0)	2033
<b>Total</b>	<b>315,595</b>	<b>76,134</b>	<b>391,729</b>	<b>70,000</b>		<b>6,134</b>	<b>112,000</b>		<b>38,873</b>	<b>227,007</b>				<b>Total</b>

Notes:

# City of Monroe, WI

## Tax Increment District #7

### Tax Increment Projection Worksheet - Scenario #3

Type of District	Rehabilitation	
District Creation Date	September 28, 2005	
Valuation Date	Jan 1,	2005
Max Life (Years)	27	
Expenditure Period/Termination	22	9/28/2027
Revenue Periods/Final Year	27	2033
Extension Eligibility/Years	Yes	3
Recipient District	Yes	

Base Value	0
Appreciation Factor	0.00%
Base Tax Rate	\$27.99
Rate Adjustment Factor	
Tax Exempt Discount Rate	3.25%
Taxable Discount Rate	3.50%

Apply to Base Value

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
12	2016	280,000	2017	0	280,000	2018	\$27.99	7,838	5,340	5,187
13	2017	280,000	2018	0	560,000	2019	\$27.99	15,675	22,295	22,206
14	2018	0	2019	0	560,000	2020	\$27.99	15,675	36,536	36,344
15	2019	0	2020	0	560,000	2021	\$27.99	15,675	50,329	50,004
16	2020	0	2021	0	560,000	2022	\$27.99	15,675	63,688	63,202
17	2021	0	2022	0	560,000	2023	\$27.99	15,675	76,626	75,954
18	2022	0	2023	0	560,000	2024	\$27.99	15,675	89,157	88,274
19	2023	0	2024	0	560,000	2025	\$27.99	15,675	101,293	100,178
20	2024	0	2025	0	560,000	2026	\$27.99	15,675	113,048	111,680
21	2025	0	2026	0	560,000	2027	\$27.99	15,675	124,432	122,792
22	2026	0	2027	0	560,000	2028	\$27.99	15,675	135,458	133,529
23	2027	0	2028	0	560,000	2029	\$27.99	15,675	146,137	143,903
24	2028	0	2029	0	560,000	2030	\$27.99	15,675	156,480	153,925
25	2029	0	2030	0	560,000	2031	\$27.99	15,675	166,498	163,609
26	2030	0	2031	0	560,000	2032	\$27.99	15,675	176,200	172,966
27	2031	0	2032	0	560,000	2033	\$27.99	15,675	185,596	182,006
<b>Totals</b>	<b>560,000</b>		<b>0</b>		<b>Future Value of Increment</b>		<b>242,966</b>			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

# City of Monroe, WI

## Tax Increment District #7

### Cash Flow Projection - Scenario #3

Year	Projected Revenues			Expenditures							Balances			Year
	Tax Increments	Developer Payments for Operating Capital	Total Revenues	State Trust Fund Loan (Operating Capital) 70,000			State Trust Fund Loan ("TIF Funding") 112,000				Total Expenditures	Annual	Cumulative	
				Dated Date: Principal	Est. Rate	Interest	Dated Date: Principal	Est. Rate	Interest					
2016	0		0							0	0	0		2016
2017	0		0							0	0	0	182,000	2017
2018	7,838	5,893	13,731	2,135	3.50%	3,759	3,415	3.50%	6,014	15,323	(1,592)	(1,592)	176,450	2018
2019	15,675	70,240	85,916	67,865	3.50%	2,375	5,629	3.50%	3,800	79,670	6,246	4,654	102,956	2019
2020	15,675		15,675				5,816	3.50%	3,613	9,430	6,246	10,899	97,139	2020
2021	15,675		15,675				6,030	3.50%	3,400	9,430	6,246	17,145	91,110	2021
2022	15,675		15,675				6,241	3.50%	3,189	9,430	6,246	23,391	84,869	2022
2023	15,675		15,675				6,459	3.50%	2,970	9,430	6,246	29,636	78,410	2023
2024	15,675		15,675				6,678	3.50%	2,752	9,430	6,246	35,882	71,732	2024
2025	15,675		15,675				6,919	3.50%	2,511	9,430	6,246	42,128	64,813	2025
2026	15,675		15,675				7,161	3.50%	2,268	9,430	6,246	48,373	57,652	2026
2027	15,675		15,675				7,412	3.50%	2,018	9,430	6,246	54,619	50,240	2027
2028	15,675		15,675				7,666	3.50%	1,763	9,430	6,246	60,865	42,574	2028
2029	15,675		15,675				7,940	3.50%	1,490	9,430	6,246	67,110	34,634	2029
2030	15,675		15,675				8,217	3.50%	1,212	9,430	6,246	73,356	26,417	2030
2031	15,675		15,675				8,505	3.50%	925	9,430	6,246	79,602	17,912	2031
2032	15,675		15,675				8,801	3.50%	629	9,430	6,246	85,847	9,111	2032
2033	15,675		15,675				9,111	3.50%	319	9,430	6,246	92,093	(0)	2033
<b>Total</b>	<b>242,966</b>	<b>76,134</b>	<b>319,100</b>	<b>70,000</b>		<b>6,134</b>	<b>112,000</b>		<b>38,873</b>	<b>227,007</b>				<b>Total</b>

Notes:

# City of Monroe, WI

## Tax Increment District #7

### Development Assumptions - Scenario #4, #5, #6

Construction Year		Phase 1	Annual Total	Construction Year	
12	2016	375,000	375,000	2016	12
13	2017	375,000	375,000	2017	13
14	2018		0	2018	14
15	2019		0	2019	15
16	2020		0	2020	16
17	2021		0	2021	17
18	2022		0	2022	18
19	2023		0	2023	19
20	2024		0	2024	20
21	2025		0	2025	21
22	2026		0	2026	22
23	2027		0	2027	23
24	2028		0	2028	24
25	2029		0	2029	25
26	2030		0	2030	26
27	2031		0	2031	27
Totals		<u>750,000</u>	<u>750,000</u>		

Notes:

# City of Monroe, WI

## Tax Increment District #7

### Tax Increment Projection Worksheet - Scenario #4

Type of District	Rehabilitation	
District Creation Date	September 28, 2005	
Valuation Date	Jan 1,	2005
Max Life (Years)	27	
Expenditure Period/Termination	22	9/28/2027
Revenue Periods/Final Year	27	2033
Extension Eligibility/Years	Yes	3
Recipient District	Yes	

Base Value	0
Appreciation Factor	1.75%
Base Tax Rate	\$27.99
Rate Adjustment Factor	
Tax Exempt Discount Rate	3.25%
Taxable Discount Rate	3.50%

Apply to Base Value

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
12	2016	375,000	2017	0	375,000	2018	\$27.99	10,497	7,151	6,947
13	2017	375,000	2018	6,563	756,563	2019	\$27.99	21,177	30,032	29,911
14	2018	0	2019	13,240	769,802	2020	\$27.99	21,548	49,608	49,346
15	2019	0	2020	13,472	783,274	2021	\$27.99	21,925	68,900	68,453
16	2020	0	2021	13,707	796,981	2022	\$27.99	22,309	87,912	87,236
17	2021	0	2022	13,947	810,928	2023	\$27.99	22,699	106,648	105,702
18	2022	0	2023	14,191	825,120	2024	\$27.99	23,096	125,111	123,855
19	2023	0	2024	14,440	839,559	2025	\$27.99	23,501	143,306	141,702
20	2024	0	2025	14,692	854,251	2026	\$27.99	23,912	161,237	159,247
21	2025	0	2026	14,949	869,201	2027	\$27.99	24,330	178,908	176,495
22	2026	0	2027	15,211	884,412	2028	\$27.99	24,756	196,321	193,451
23	2027	0	2028	15,477	899,889	2029	\$27.99	25,189	213,482	210,121
24	2028	0	2029	15,748	915,637	2030	\$27.99	25,630	230,393	226,509
25	2029	0	2030	16,024	931,661	2031	\$27.99	26,079	247,059	242,620
26	2030	0	2031	16,304	947,965	2032	\$27.99	26,535	263,483	258,458
27	2031	0	2032	16,589	964,554	2033	\$27.99	26,999	279,668	274,029
<b>Totals</b>	<b>750,000</b>		<b>214,554</b>		<b>Future Value of Increment</b>		<b>370,182</b>			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).



# City of Monroe, WI

## Tax Increment District #7

### Cash Flow Projection - Scenario #4

Year	Projected Revenues			Expenditures							Balances			Year	
	Tax Increments	Developer Payments for Operating Capital	Total Revenues	State Trust Fund Loan (Operating Capital) 92,000			State Trust Fund Loan ("TIF Funding") 150,000			Other	Total Expenditures	Annual	Cumulative		Principal Outstanding
				Dated Date: Principal	Est. Rate	Interest	Dated Date: Principal	Est. Rate	Interest						
2016	0		0							0	0	0		2016	
2017	0		0							0	0	0	242,000	2017	
2018	10,497	7,746	18,243	2,805	3.50%	4,940	4,574	3.50%	8,055		20,375	(2,132)	(2,132)	234,621	
2019	21,177	92,317	113,494	89,195	3.50%	3,122	7,539	3.50%	5,090		104,946	8,548	6,416	137,887	
2020	21,548	0	21,548				7,790	3.50%	4,839		12,629	8,919	15,335	130,097	
2021	21,925	0	21,925				8,076	3.50%	4,553		12,629	9,296	24,631	122,022	
2022	22,309	0	22,309				8,358	3.50%	4,271		12,629	9,680	34,311	113,664	
2023	22,699	0	22,699				8,651	3.50%	3,978		12,629	10,070	44,381	105,013	
2024	23,096	0	23,096				8,943	3.50%	3,686		12,629	10,467	54,849	96,069	
2025	23,501	0	23,501				9,266	3.50%	3,362		12,629	10,872	65,720	86,803	
2026	23,912	0	23,912				9,591	3.50%	3,038		12,629	11,283	77,003	77,212	
2027	24,330	0	24,330				9,926	3.50%	2,702		12,629	11,701	88,705	67,286	
2028	24,756	0	24,756				10,267	3.50%	2,361		12,629	12,127	100,832	57,018	
2029	25,189	0	25,189				10,633	3.50%	1,996		12,629	12,560	113,392	46,385	
2030	25,630	0	25,630				11,005	3.50%	1,623		12,629	13,001	126,393	35,379	
2031	26,079	0	26,079				11,391	3.50%	1,238		12,629	13,450	139,843	23,989	
2032	26,535	0	26,535				11,787	3.50%	842		12,629	13,906	153,749	12,202	
2033	26,999	0	26,999				12,202	3.50%	427		12,629	14,370	168,119	0	
<b>Total</b>	<b>370,182</b>	<b>100,063</b>	<b>470,245</b>	<b>92,000</b>		<b>8,062</b>	<b>150,000</b>		<b>52,063</b>	<b>0</b>	<b>302,125</b>			<b>Total</b>	

Notes:

# City of Monroe, WI

## Tax Increment District #7

### Tax Increment Projection Worksheet - Scenario #5

Type of District	Rehabilitation	
District Creation Date	September 28, 2005	
Valuation Date	Jan 1,	2005
Max Life (Years)	27	
Expenditure Period/Termination	22	9/28/2027
Revenue Periods/Final Year	27	2033
Extension Eligibility/Years	Yes	3
Recipient District	Yes	

Base Value	0
Appreciation Factor	3.50%
Base Tax Rate	\$27.99
Rate Adjustment Factor	
Tax Exempt Discount Rate	3.25%
Taxable Discount Rate	3.50%

Apply to Base Value

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
12	2016	375,000	2017	0	375,000	2018	\$27.99	10,497	7,151	6,947
13	2017	375,000	2018	13,125	763,125	2019	\$27.99	21,361	30,204	30,083
14	2018	0	2019	26,709	789,834	2020	\$27.99	22,109	50,290	50,023
15	2019	0	2020	27,644	817,479	2021	\$27.99	22,882	70,424	69,964
16	2020	0	2021	28,612	846,090	2022	\$27.99	23,683	90,608	89,905
17	2021	0	2022	29,613	875,703	2023	\$27.99	24,512	110,840	109,846
18	2022	0	2023	30,650	906,353	2024	\$27.99	25,370	131,121	129,786
19	2023	0	2024	31,722	938,075	2025	\$27.99	26,258	151,451	149,727
20	2024	0	2025	32,833	970,908	2026	\$27.99	27,177	171,831	169,668
21	2025	0	2026	33,982	1,004,890	2027	\$27.99	28,128	192,260	189,609
22	2026	0	2027	35,171	1,040,061	2028	\$27.99	29,113	212,738	209,549
23	2027	0	2028	36,402	1,076,463	2029	\$27.99	30,132	233,266	229,490
24	2028	0	2029	37,676	1,114,139	2030	\$27.99	31,186	253,844	249,431
25	2029	0	2030	38,995	1,153,134	2031	\$27.99	32,278	274,471	269,372
26	2030	0	2031	40,360	1,193,494	2032	\$27.99	33,408	295,148	289,312
27	2031	0	2032	41,772	1,235,266	2033	\$27.99	34,577	315,876	309,253
<b>Totals</b>	<b>750,000</b>		<b>485,266</b>		<b>Future Value of Increment</b>		<b>422,672</b>			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).



# City of Monroe, WI

## Tax Increment District #7

### Cash Flow Projection - Scenario #5

Year	Projected Revenues			Expenditures							Balances			Year	
	Tax Increments	Developer Payments for Operating Capital	Total Revenues	State Trust Fund Loan (Operating Capital) 92,000			State Trust Fund Loan ("TIF Funding") 150,000			Other	Total Expenditures	Annual	Cumulative		Principal Outstanding
				Dated Date:	Est. Rate	Interest	Dated Date:	Est. Rate	Interest						
2016	0		0							0	0	0		2016	
2017	0		0							0	0	0	242,000	2017	
2018	10,497	7,746	18,243	2,805	3.50%	4,940	4,574	3.50%	8,055		20,375	(2,132)	(2,132)	234,621	
2019	21,361	92,317	113,678	89,195	3.50%	3,122	7,539	3.50%	5,090		104,946	8,732	6,600	137,887	
2020	22,109	0	22,109				7,790	3.50%	4,839		12,629	9,480	16,080	130,097	
2021	22,882	0	22,882				8,076	3.50%	4,553		12,629	10,254	26,333	122,022	
2022	23,683	0	23,683				8,358	3.50%	4,271		12,629	11,054	37,388	113,664	
2023	24,512	0	24,512				8,651	3.50%	3,978		12,629	11,883	49,271	105,013	
2024	25,370	0	25,370				8,943	3.50%	3,686		12,629	12,741	62,012	96,069	
2025	26,258	0	26,258				9,266	3.50%	3,362		12,629	13,629	75,642	86,803	
2026	27,177	0	27,177				9,591	3.50%	3,038		12,629	14,548	90,190	77,212	
2027	28,128	0	28,128				9,926	3.50%	2,702		12,629	15,499	105,689	67,286	
2028	29,113	0	29,113				10,267	3.50%	2,361		12,629	16,484	122,173	57,018	
2029	30,132	0	30,132				10,633	3.50%	1,996		12,629	17,503	139,676	46,385	
2030	31,186	0	31,186				11,005	3.50%	1,623		12,629	18,558	158,234	35,379	
2031	32,278	0	32,278				11,391	3.50%	1,238		12,629	19,649	177,883	23,989	
2032	33,408	0	33,408				11,787	3.50%	842		12,629	20,779	198,662	12,202	
2033	34,577	0	34,577				12,202	3.50%	427		12,629	21,948	220,610	0	
<b>Total</b>	<b>422,672</b>	<b>100,063</b>	<b>522,735</b>	<b>92,000</b>		<b>8,062</b>	<b>150,000</b>		<b>52,063</b>	<b>0</b>	<b>302,125</b>			<b>Total</b>	

Notes:

# City of Monroe, WI

## Tax Increment District #7

### Tax Increment Projection Worksheet - Scenario #6

Type of District	Rehabilitation	
District Creation Date	September 28, 2005	
Valuation Date	Jan 1,	2005
Max Life (Years)	27	
Expenditure Period/Termination	22	9/28/2027
Revenue Periods/Final Year	27	2033
Extension Eligibility/Years	Yes	3
Recipient District	Yes	

Base Value	0
Appreciation Factor	0.00%
Base Tax Rate	\$27.99
Rate Adjustment Factor	
Tax Exempt Discount Rate	3.25%
Taxable Discount Rate	3.50%

Apply to Base Value

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
12	2016	375,000	2017	0	375,000	2018	\$27.99	10,497	7,151	6,947
13	2017	375,000	2018	0	750,000	2019	\$27.99	20,994	29,859	29,740
14	2018	0	2019	0	750,000	2020	\$27.99	20,994	48,932	48,675
15	2019	0	2020	0	750,000	2021	\$27.99	20,994	67,405	66,969
16	2020	0	2021	0	750,000	2022	\$27.99	20,994	85,296	84,646
17	2021	0	2022	0	750,000	2023	\$27.99	20,994	102,624	101,724
18	2022	0	2023	0	750,000	2024	\$27.99	20,994	119,406	118,225
19	2023	0	2024	0	750,000	2025	\$27.99	20,994	135,661	134,167
20	2024	0	2025	0	750,000	2026	\$27.99	20,994	151,403	149,571
21	2025	0	2026	0	750,000	2027	\$27.99	20,994	166,650	164,454
22	2026	0	2027	0	750,000	2028	\$27.99	20,994	181,417	178,833
23	2027	0	2028	0	750,000	2029	\$27.99	20,994	195,720	192,727
24	2028	0	2029	0	750,000	2030	\$27.99	20,994	209,572	206,150
25	2029	0	2030	0	750,000	2031	\$27.99	20,994	222,988	219,120
26	2030	0	2031	0	750,000	2032	\$27.99	20,994	235,982	231,650
27	2031	0	2032	0	750,000	2033	\$27.99	20,994	248,567	243,758
<b>Totals</b>	<b>750,000</b>		<b>0</b>		<b>Future Value of Increment</b>		<b>325,401</b>			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).



# City of Monroe, WI

## Tax Increment District #7

### Cash Flow Projection - Scenario #6

Year	Projected Revenues			Expenditures							Balances			Year	
	Tax Increments	Developer Payments for Operating Capital	Total Revenues	State Trust Fund Loan (Operating Capital) 92,000			State Trust Fund Loan ("TIF Funding") 150,000			Other	Total Expenditures	Annual	Cumulative		Principal Outstanding
				Dated Date: Principal	Est. Rate	Interest	Dated Date: Principal	Est. Rate	Interest						
2016	0		0							0	0	0		2016	
2017	0		0							0	0	0	242,000	2017	
2018	10,497	7,746	18,243	2,805	3.50%	4,940	4,574	3.50%	8,055		20,375	(2,132)	(2,132)	234,621	
2019	20,994	92,317	113,310	89,195	3.50%	3,122	7,539	3.50%	5,090		104,946	8,365	6,233	137,887	
2020	20,994	0	20,994				7,790	3.50%	4,839		12,629	8,365	14,597	130,097	
2021	20,994	0	20,994				8,076	3.50%	4,553		12,629	8,365	22,962	122,022	
2022	20,994	0	20,994				8,358	3.50%	4,271		12,629	8,365	31,327	113,664	
2023	20,994	0	20,994				8,651	3.50%	3,978		12,629	8,365	39,692	105,013	
2024	20,994	0	20,994				8,943	3.50%	3,686		12,629	8,365	48,056	96,069	
2025	20,994	0	20,994				9,266	3.50%	3,362		12,629	8,365	56,421	86,803	
2026	20,994	0	20,994				9,591	3.50%	3,038		12,629	8,365	64,786	77,212	
2027	20,994	0	20,994				9,926	3.50%	2,702		12,629	8,365	73,150	67,286	
2028	20,994	0	20,994				10,267	3.50%	2,361		12,629	8,365	81,515	57,018	
2029	20,994	0	20,994				10,633	3.50%	1,996		12,629	8,365	89,880	46,385	
2030	20,994	0	20,994				11,005	3.50%	1,623		12,629	8,365	98,245	35,379	
2031	20,994	0	20,994				11,391	3.50%	1,238		12,629	8,365	106,609	23,989	
2032	20,994	0	20,994				11,787	3.50%	842		12,629	8,365	114,974	12,202	
2033	20,994	0	20,994				12,202	3.50%	427		12,629	8,365	123,339	0	
<b>Total</b>	<b>325,401</b>	<b>100,063</b>	<b>425,464</b>	<b>92,000</b>		<b>8,062</b>	<b>150,000</b>		<b>52,063</b>	<b>0</b>	<b>302,125</b>			<b>Total</b>	

Notes:

**ITEM #7**

## Martin Shanks

---

**From:** Dave Burr <dburr@richassoc.com>  
**Sent:** Wednesday, May 11, 2016 8:51 AM  
**To:** Martin Shanks  
**Subject:** RE: Project Impact  
**Attachments:** FutureDemandTableBlock2CondoDevelopment.xlsx

Good Morning Martin,

I have attached the non-core block section table (from the model) reflecting the projection of adding a future 4-unit condominium on the site of existing City-owned lot on block 2. I have therefore deducted 44 spaces from the public supply (reducing it from 97 to 53 spaces). I also added 4 spaces to the private supply increasing it from 17 to 21 spaces. In terms of the parking demand, I added 4 units to the 2 existing residential units on that block (for a total of 6 dwelling units on that block) but increased the parking required factor from about .63 to 1 per unit.

The city lot on that block was only 27% occupied. Therefore of 97 spaces in that lot this would have meant only 26 spaces occupied. With the reduction (down to 53 public spaces remaining on that block), the occupancy of that lot would still be only 50%.

Finally, if you look at blocks 1, 2 and 3 on that side of 9<sup>th</sup> street, with these changes, the gross surplus is 106 spaces and the net surplus (which throws out surplus "private" spaces, since these generally are not available to the public or others from outside the private landowners business) would be 99 spaces.

Therefore, I don't think the condominiums would have a serious negative effect as that block (and the adjoining blocks north of 9<sup>th</sup> Street) still have significant surpluses. The loss of the spaces may only be an issue during particularly large events hosted in the downtown that would not have the 44 spaces lost to the condo development available.

Please feel free to call or email if you have any questions.

Dave

Dave Burr  
Rich and Associates, Inc.  
26877 Northwestern Hwy, Suite 208  
Southfield, MI. 48033  
248 – 353-5080 (office)  
248-421-9908 (cell)  
dburr@richassoc.com

---

**From:** Martin Shanks [mailto:mshanks@cityofmonroe.org]  
**Sent:** Tuesday, May 10, 2016 12:53 PM  
**To:** Dave Burr <dburr@richassoc.com>  
**Subject:** Project Impact

Dave –

I was wondering if you could help me run a calculation on the parking model for downtown. I have the spreadsheet you sent me, but I'm not really sure what I'm doing...

There has been a new project proposed on the City's North Parking Lot, which is Block 2 in the demand model. The project is a 4 unit condominium. It would eliminate ~44 parking spots from the North Parking Lot. The condos could include garages for each unit, depending on the buyer's preference in design. I want to demonstrate the impact on parking with this project so that our Council can have that information during their decision-making process. The existing model shows that parking lot is pretty significantly underused so I don't think it will have a detrimental impact whatsoever, but I want to make sure we're carrying forward our study in useful ways to making decisions. Would appreciate your assistance in demonstrating the impact.

Thank you,

Martin Shanks  
Assistant City Administrator  
Director of Community Development  
1110 18th Avenue  
Monroe, WI 53566  
(608) 329-2521  
[mshanks@cityofmonroe.org](mailto:mshanks@cityofmonroe.org)

This electronic transmission, including any files attached thereto, may contain confidential information that is legally privileged, confidential, and exempt from disclosure. The information is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any disclosure, dissemination, copying, distribution, or the taking of any action in reliance on the contents of this confidential information is strictly prohibited. If you have received this communication in error, please destroy it and immediately notify Martin Shanks by any of the means of contact as listed above.

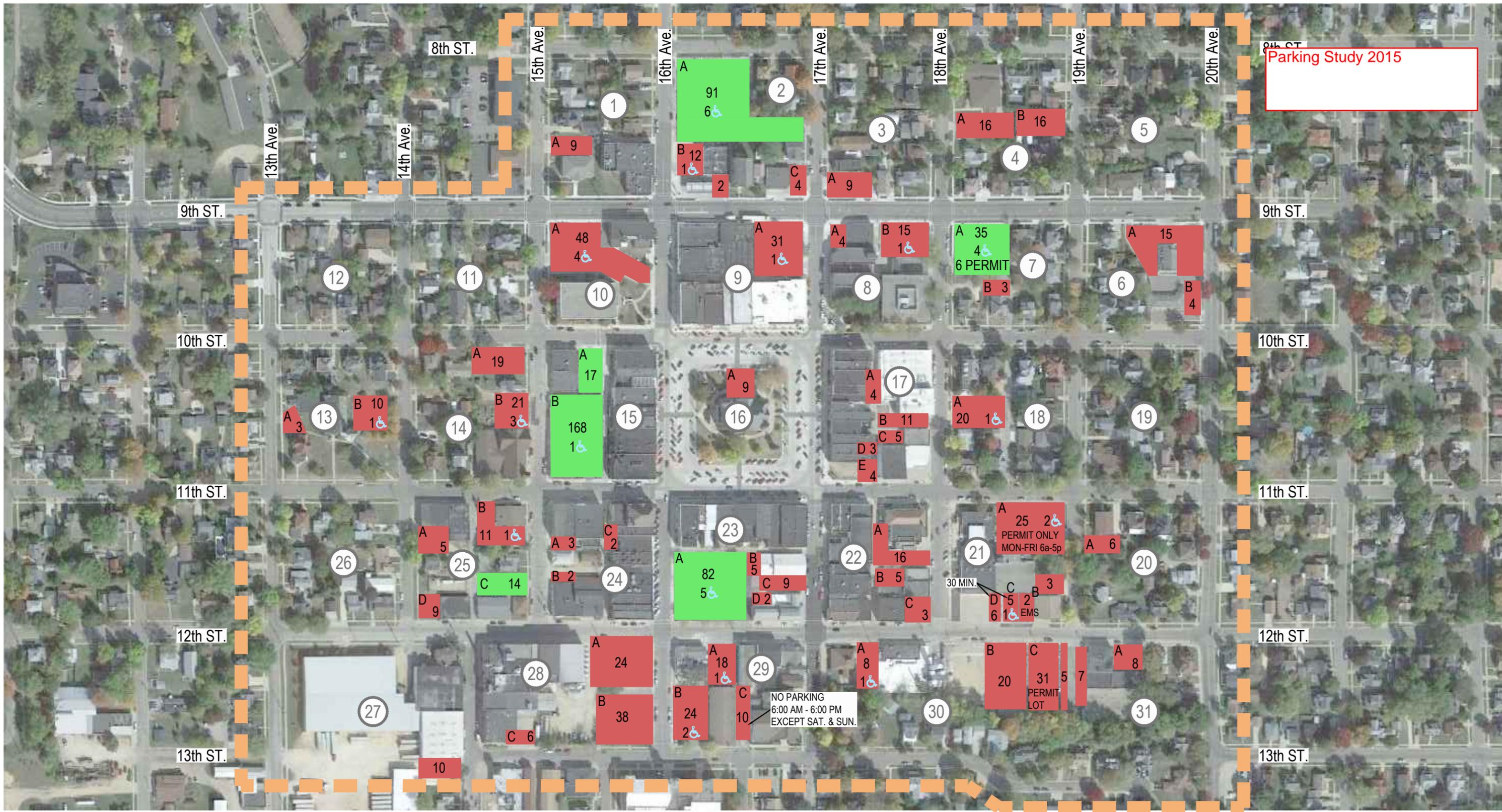
												Current							
Block	Auto Service	Bank	Food Service	Medical Office	Office	Residential	Retail	Utility	Warehouse	Vacant	Special	Demand (Current)	Parking Supply			Surplus / (Deficit)			
													Public On Street	Public Off Street	Private Off Street	Total Supply	Gross	Net	
Current	1.35	1.47	2.01	2.30	1.20	1.00	0.78	0.36	0.00	0.00									
Base Year Values																			
1					7,056			8,230				11	19	0	9	28	17	17	
2						6	6,600				5,380	0.99	16	11	53	21	85	69	64
3					2,520	3	1,224						7	18	0	9	27	20	18
4											9,984	0.99	10	16	0	32	48	38	16
5						13							13	18	0	0	18	5	5
6		2,963					2,356						6	12	0	19	31	25	12
7					2,612								3	16	45	3	64	61	61
11							5,184				2,730	0.99	7	22	0	0	22	15	15
12													0	10	0	0	10	10	10
13											8,092	0.99	8	29	0	14	43	35	29
14											13,680	0.99	14	27	0	43	70	56	27
18					5,438								7	21	0	0	21	14	14
19					1,058								1	25	0	0	25	24	24
20						4							4	22	0	6	28	24	22
21											32,307	0.99	32	29	0	44	73	41	29
25		4,554						3,825					8	22	0	40	62	54	22
26													0	24	0	0	24	24	24
27			1,818										4	28	0	0	28	24	24
28							2,000				35,000	0.99	37	26	0	68	94	57	26
29			8,208		1,440						28,532	0.99	47	25	0	55	80	33	25
30		2,688					8,464				1,660	0.99	13	17	31	29	77	64	48
31													0	7	0	8	15	15	7
	0	10,205	10,026	0	20,124	26	25,828	12,055	0	0	137,365		248	444	129	400	973	725	539
											215,603							25%	

0 15 20 0 24 0 20 4 0 0 248

215,603

Avg PGF 1.15

Adjusted numbers based on proposed project



**CITY OF MONROE**  
**PARKING STUDY**  
 MONROE, WISCONSIN

**Parking Consultants**  
**Architects · Engineers**  
**Planners**  
 26877 Northwestern Hwy., Suite 208  
 Southfield, Michigan 48033  
 Tel: 248.353.5080  
 Fax: 248.353.3830  
**RICH & ASSOCIATES**  
 Lutz, Florida  
 Tel: 813.949.9860  
 www.RichAssoc.com

**BLOCK NUMBER**  
 08/15

**LEGEND:**

STUDY AREA (dashed orange line)

OFF STREET PARKING

- PRIVATE (red rectangle)
- PUBLIC (green rectangle)
- BARRIER FREE (blue wheelchair icon)

**BLOCK FACE KEY PLAN:**

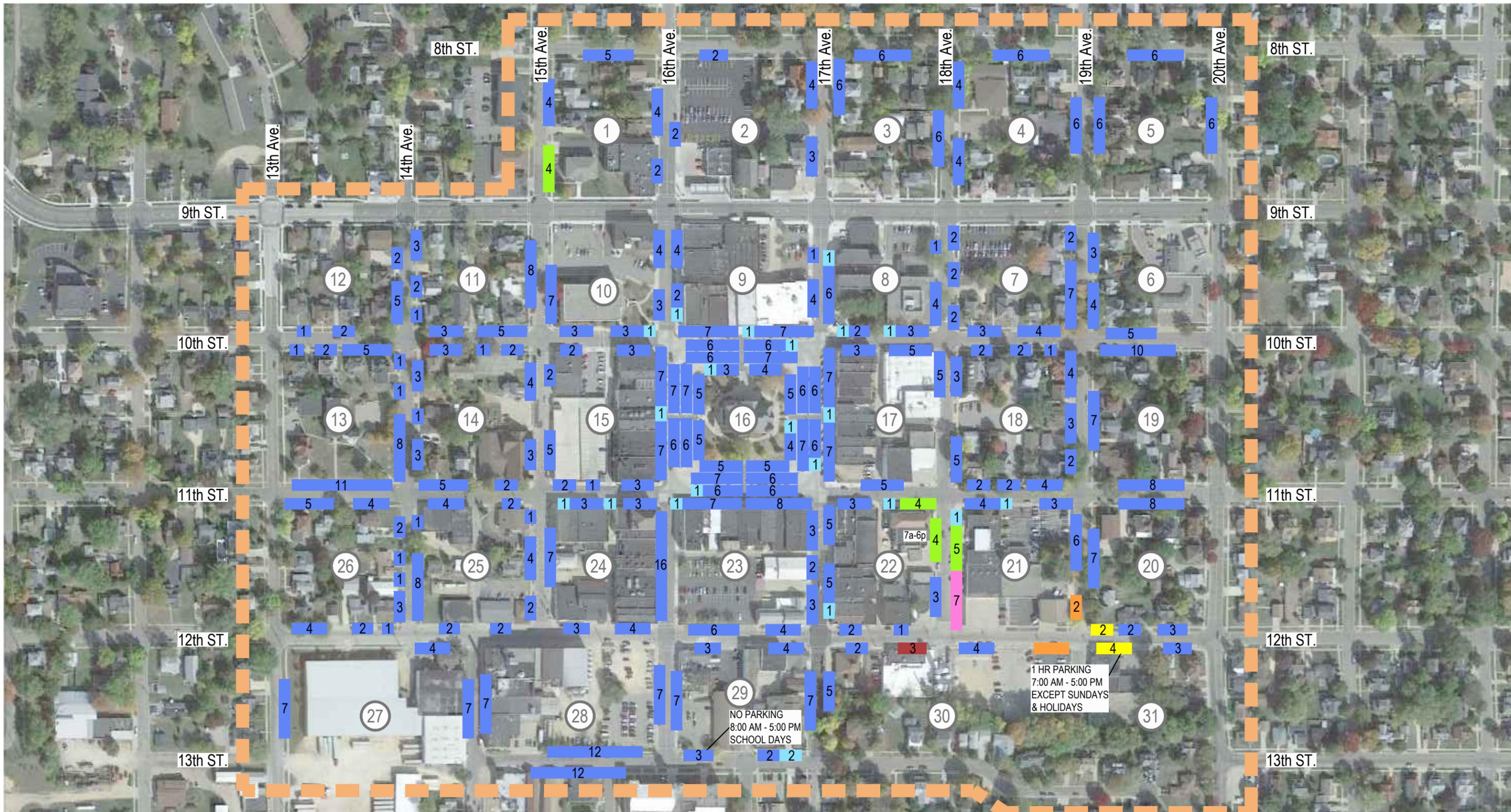
NO PARKING  
 6:00 AM - 6:00 PM  
 EXCEPT SAT. & SUN.

30 MIN.  
 PERMIT ONLY  
 MON-FRI 6a-5p  
 EMS

Sheet Title:

**PARKING SUPPLY**  
 OFF STREET

MAP Number:  
**MAP 2**



**CITY OF MONROE**  
PARKING STUDY  
MONROE, WISCONSIN

**Parking Consultants Architects - Engineers Planners**  
26877 Northwestern Hwy., Suite 208  
Southfield, Michigan 48033  
Tel: 248.353.5080  
Fax: 248.353.3830  
Lutz, Florida  
Tel: 813.949.9860  
www.RichAssoc.com

**RICH & ASSOCIATES**

**NOV 08/15**

**BLOCK NUMBER**

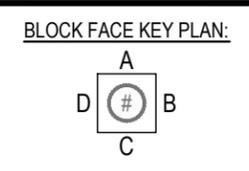
**LEGEND:**

STUDY AREA

**ON STREET PARKING**

- 15 MINUTE
- 1 HOUR
- 2 HOUR (WEEKDAYS 8am - 5pm)
- UNRESTRICTED
- BARRIER FREE

- EMS ONLY
- LOADING ZONE

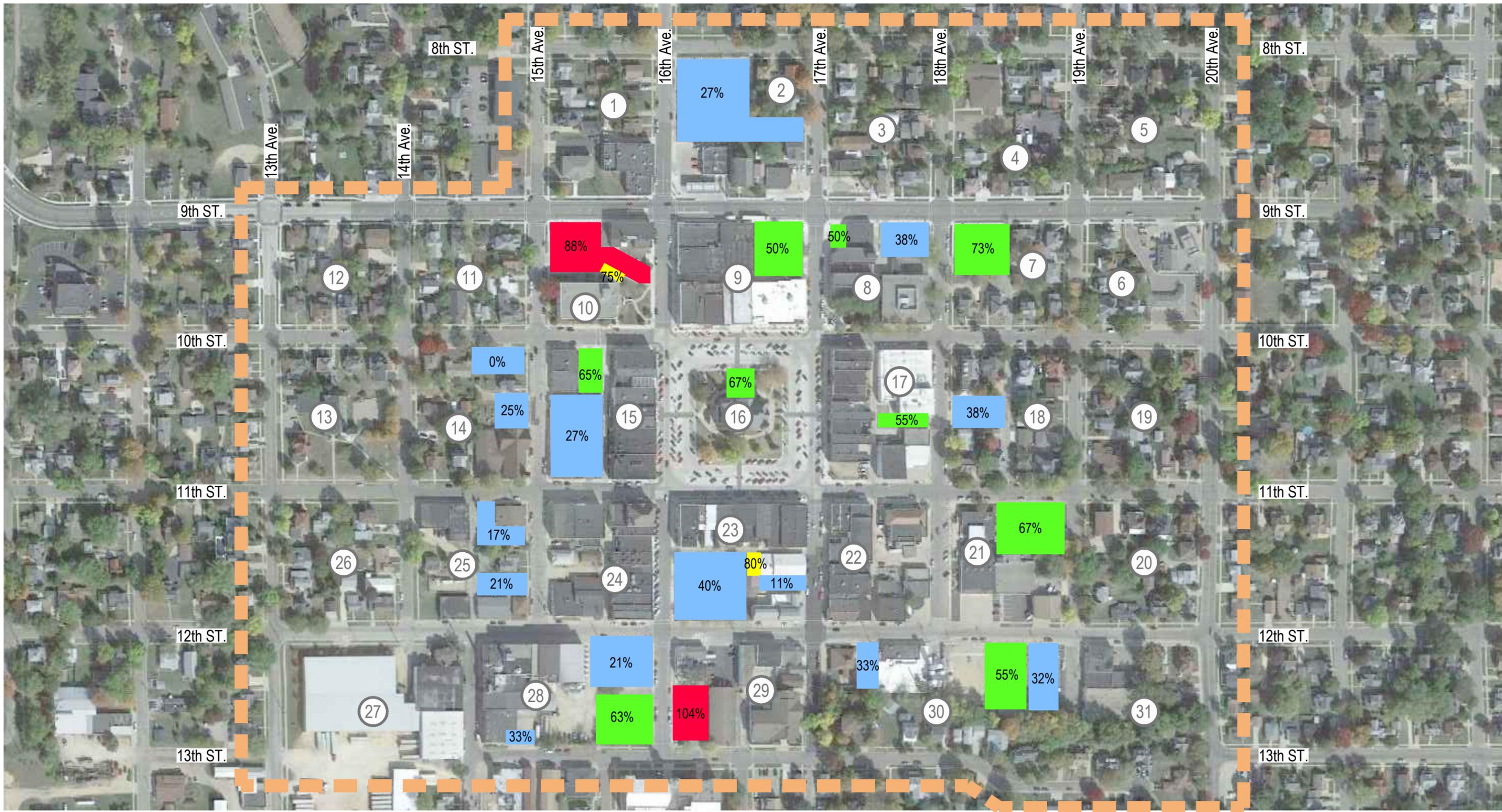


Sheet Title:

**PARKING SUPPLY**  
ON STREET

MAP Number:

**MAP 3**



**CITY OF MONROE**  
**PARKING STUDY**  
 MONROE, WISCONSIN

**Parking Consultants Architects Engineers Planners**  
 26877 Northwestern Hwy., Suite 208  
 Southfield, Michigan 48033  
 Tel: 248.353.5080  
 Fax: 248.353.3830  
**RICH & ASSOCIATES**  
 Lutz, Florida  
 Tel: 813.949.9860  
 www.RichAssoc.com

**MONROE**  
 BLOCK NUMBER

**LEGEND:**

STUDY AREA

**PARKING OCCUPANCY**

- 85% through 100%
- 75% through 84%
- 50% through 74%
- 0 through 49%

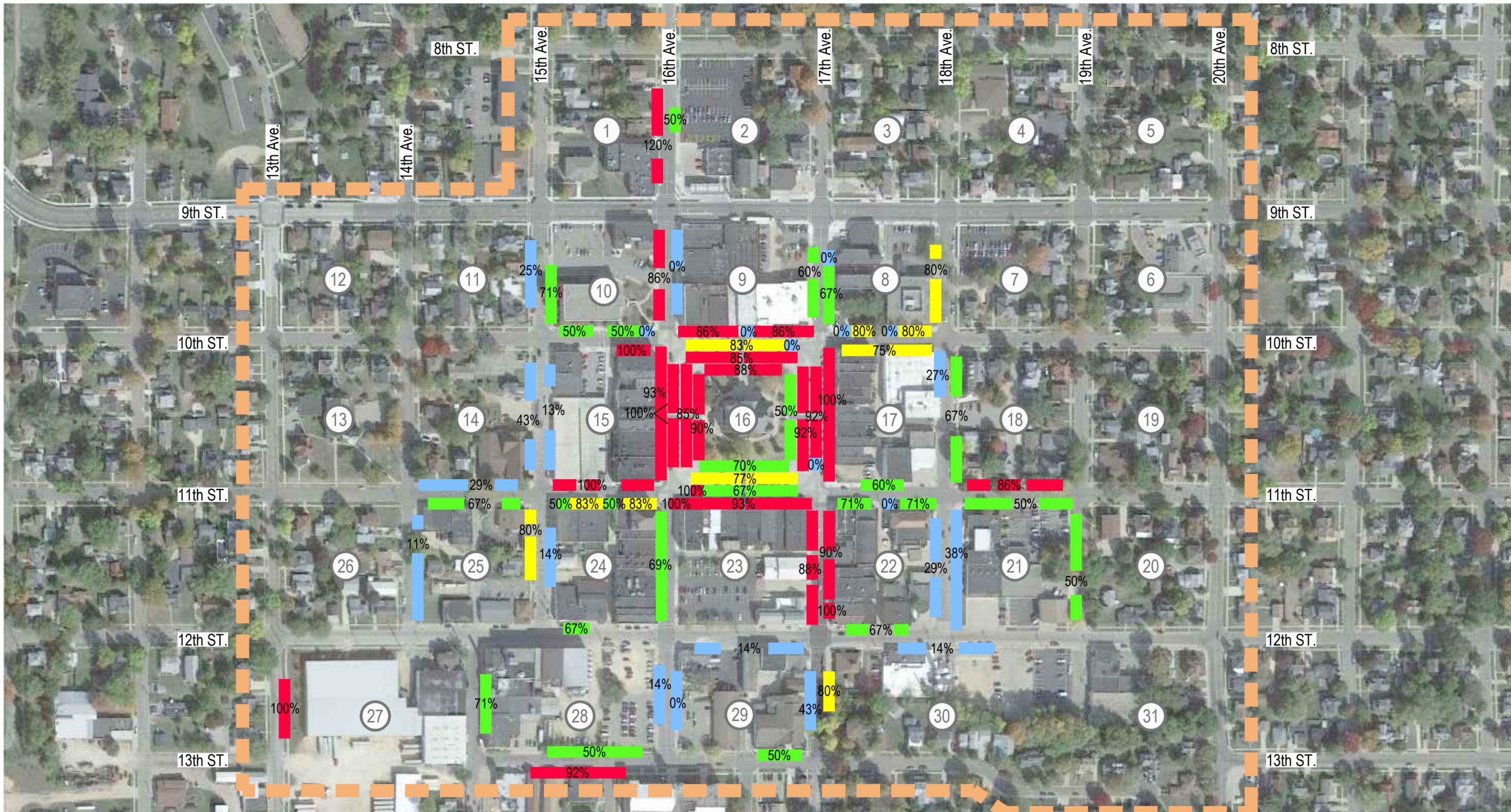
**BLOCK FACE KEY PLAN:**

Sheet Title:

**PEAK OCCUPANCY**  
 10:00am - 12:00pm  
 OFF STREET

MAP Number:

**MAP 4**



**CITY OF MONROE PARKING STUDY**  
 MONROE, WISCONSIN

**Parking Consultants Architects Engineers Planners**  
 RICH & ASSOCIATES  
 26877 Northwestern Hwy., Suite 208  
 Southfield, Michigan 48033  
 Tel: 248.353.5080  
 Fax: 248.353.3830  
 Lutz, Florida  
 Tel: 813.949.9860  
 www.RichAssoc.com

**BLOCK NUMBER**

**LEGEND:**

STUDY AREA

**PARKING OCCUPANCY**

- 85% through 100%
- 75% through 84%
- 50% through 74%
- 0 through 49%

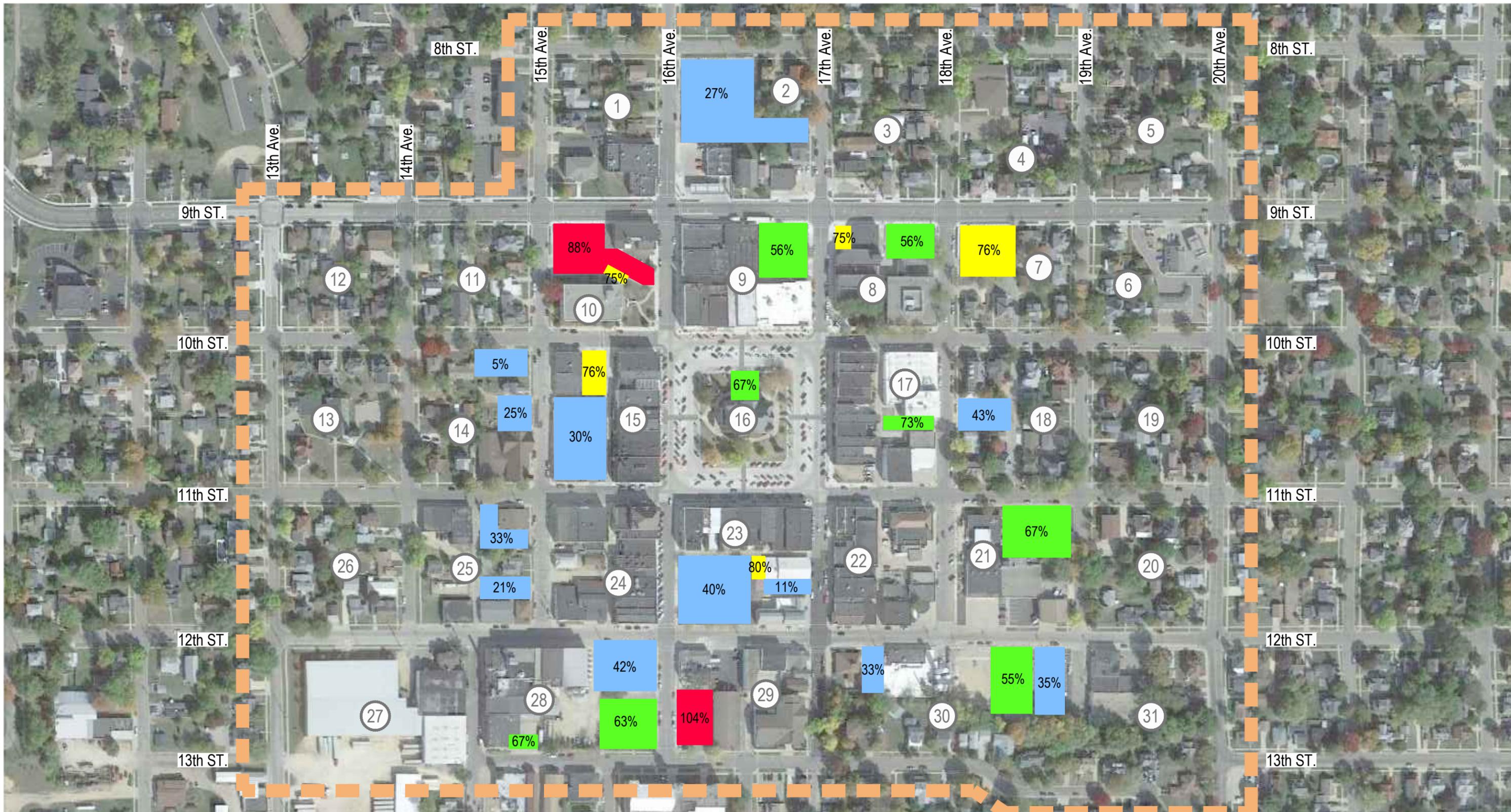
**BLOCK FACE KEY PLAN:**

Sheet Title:

**PEAK OCCUPANCY**  
 1:00pm - 3:00pm  
 ON STREET

MAP Number:

**MAP 5**



**CITY OF MONROE PARKING STUDY**  
MONROE, WISCONSIN

**Parking Consultants Architects Engineers Planners**  
**RICH & ASSOCIATES**  
 26877 Northwestern Hwy., Suite 208  
 Southfield, Michigan 48033  
 Tel: 248.353.5080  
 Fax: 248.353.3830  
 Lutz, Florida  
 Tel: 813.949.9860  
 www.RichAssoc.com

**BLOCK NUMBER**

**LEGEND:**

STUDY AREA

**PARKING OCCUPANCY**

- 85% through 100%
- 75% through 84%
- 50% through 74%
- 0 through 49%

**BLOCK FACE KEY PLAN:**

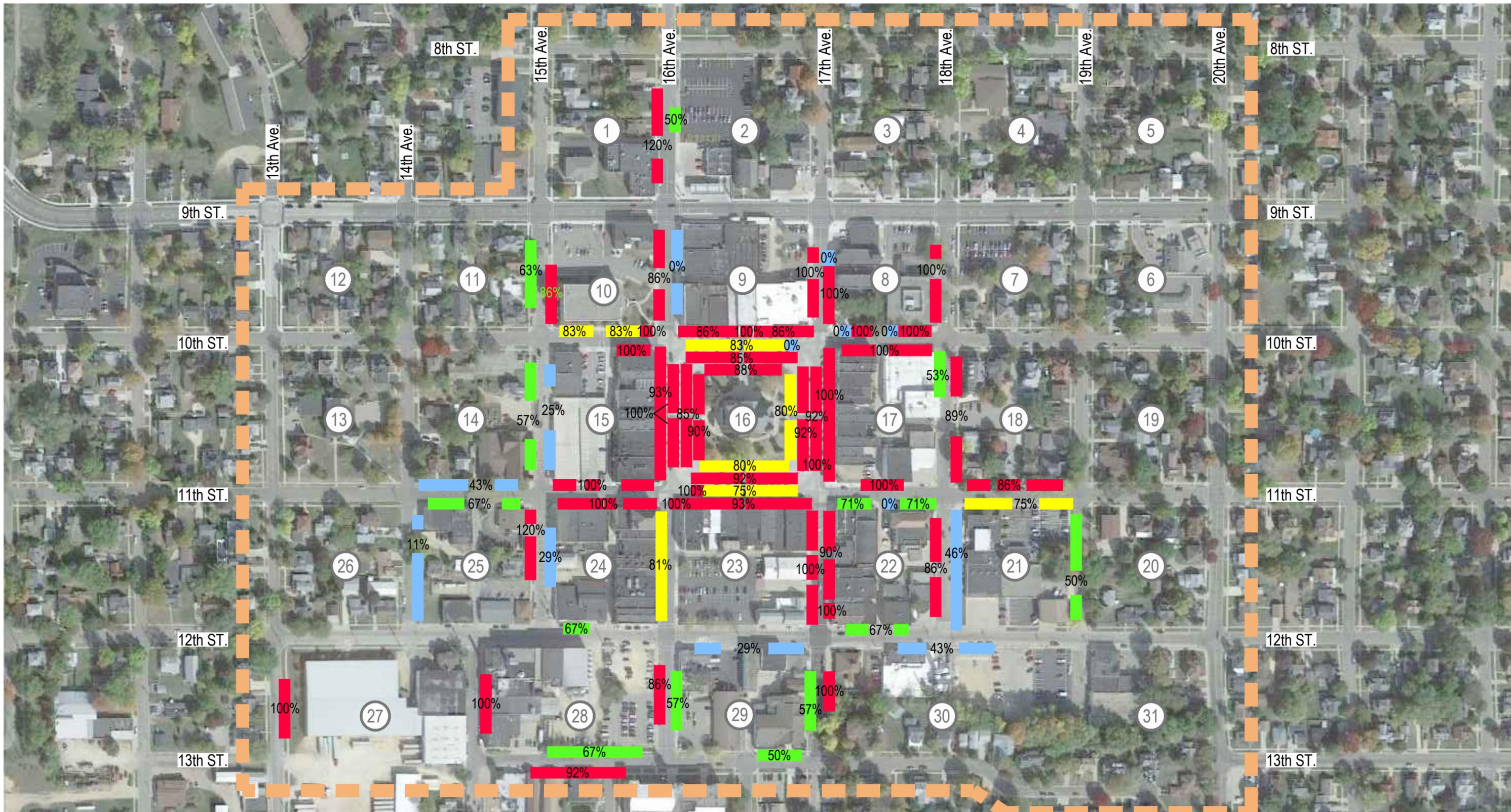
Sheet Title:

**PEAK OCCUPANCY ACHIEVED**

OFF STREET

MAP Number:

**MAP 6**



**CITY OF MONROE**  
**PARKING STUDY**  
 MONROE, WISCONSIN

**Parking Consultants Architects Engineers Planners**  
 26877 Northwestern Hwy., Suite 208  
 Southfield, Michigan 48033  
 Tel: 248.353.5080  
 Fax: 248.353.3830

**RICH & ASSOCIATES**  
 Lutz, Florida  
 Tel: 813.949.9860  
 www.RichAssoc.com

**MONROE**  
 BLOCK NUMBER

08/15

**LEGEND:**

STUDY AREA

**PARKING OCCUPANCY**

- 85% through 100%
- 75% through 84%
- 50% through 74%
- 0 through 49%

**BLOCK FACE KEY PLAN:**

Sheet Title:

**PEAK OCCUPANCY ACHIEVED**  
 ON STREET

MAP Number:

**MAP 7**



# **CITY OF MONROE**

*Office of the Assistant City Administrator  
Martin Shanks  
(608) 329-2521  
mshanks@cityofmonroe.org*

1110 18th Avenue  
Monroe, Wisconsin 53566  
(608) 329-2500  
www.cityofmonroe.org

## **MEMORANDUM**

**DATE:** July 11, 2016  
**TO:** Finance & Taxation Committee  
**FROM:** Martin Shanks  
**RE:** Pete Raskovic offer for land purchase

Pete Raskovic of Raskovic Automotive has submitted an offer to purchase the 2.95 acres directly west of his current site in the North Industrial Park for \$30,000. His current 2 acre property houses Raskovic Automotive, a full-service auto and truck repair center. Mike Lambert had made an offer on this property recently that made it to the Finance & Taxation Committee agenda, but was pulled off because of ongoing discussion between these two businesses. Both parties have agreed to have Raskovic's offer come before the committee (please see the attached email conversation for reference). The site was previously set aside by an Arctic Cat dealership which fell through earlier this Spring.

Raskovic Automotive entered into a purchase and development agreement on their existing 2 acres in 2014. That project is completed and the current business is meeting the requirements of the agreement. The total assessed property value of the existing site in 2016 is \$227,500, which exceeds our requirement of the \$100,000 value/acre standard by \$27,500.

The offer indicates a desire for improved visibility for the existing business, the ability to better showcase product as well as space for future potential expansion and growth.

The offer is in lieu of our typical \$1.00/acre for \$100,000 in value/acre purchase and development agreement meaning if the offer was accepted there would be no requirement for value. As in the past for offers on City-owned land the Committee is asked to consider accepting, rejecting or negotiating the offer.

MS

## Martin Shanks

---

**From:** Mike Lambert <mike@mdtruckequipment.com>  
**Sent:** Tuesday, July 05, 2016 12:26 PM  
**To:** Martin Shanks  
**Subject:** RE: Offer

Hey Martin,

I just talked with Pete, We came to the conclusion that it would be in his best interest to put the offer in Pete's Name.

Please let me know if that is an issue. I am going to be on the road please give me a call with any questions as I will be on the Road this afternoon.

608-325-8622

Thank you

***Mike Lambert***

M&D Truck and Equipment Sales, LLC

201 N 29th Avenue

Monroe, WI 53566

608.325.3810 (Phone)

608.328.2607 (Fax)

[www.mdtruckequipment.com](http://www.mdtruckequipment.com)

[www.skidloadersource.com](http://www.skidloadersource.com)



---

**From:** Martin Shanks [mailto:mshanks@cityofmonroe.org]  
**Sent:** Tuesday, July 05, 2016 9:32 AM  
**To:** Mike Lambert  
**Subject:** Offer

Hi Mike –

Hope you had a nice 4<sup>th</sup> of July weekend.

Late last week I had a couple conversations with Pete Raskovic and he indicated to me that you and him may be tweaking your initial offer on the 2.95 acres. I have plans to call him later today to discuss, but I also wanted to check with you as you were the initial submitter on this. You are on the agenda tonight for the Finance & Taxation Committee. You can see the agenda at this web address:

<http://cityofmonroe.org/AgendaCenter/ViewFile/Agenda/07052016-962>. The meeting starts at 6:10pm in the City Council Room.

If the offer is changing I will need to know as soon as possible if you will have the modified offer ready for tonight or if this needs to be pushed out two additional weeks. It's not a big deal if it has to be pushed out as I can just simply state you asked me for additional time to tweak the offer.

Regards,

Martin Shanks  
Assistant City Administrator  
Director of Community Development  
1110 18th Avenue  
Monroe, WI 53566  
(608) 329-2521  
[mshanks@cityofmonroe.org](mailto:mshanks@cityofmonroe.org)

This electronic transmission, including any files attached thereto, may contain confidential information that is legally privileged, confidential, and exempt from disclosure. The information is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any disclosure, dissemination, copying, distribution, or the taking of any action in reliance on the contents of this confidential information is strictly prohibited. If you have received this communication in error, please destroy it and immediately notify Martin Shanks by any of the means of contact as listed above.

Email address: pete@raskovicautomotive.com

First Name: Pete

Last Name: Raskovic

Address: 2740 3rd Street North

City: Monroe

State: WI

Zipcode: 53566

Phone Number: 608.214.3597

Fax Number:

Comments/Questions: Dear Martin,

Thanks for taking my calls this week and being of excellent assistance.

As you know, the current location of our building in the Industrial Park does not give us any road frontage on Route 11/81 for which to advertise via sign, or to place any vehicles offered for sale. There is virtually no traffic on 3rd street north and we have deemed this to be a detriment to our business.

We also anticipate our manufacturing of high-end truck conversions for new car dealerships to grow rapidly, and a facility expansion will probably be in order within the next two years.

That being said, we believe it to be in the best interest of our company to purchase the remaining lot directly to the west of our current property.

The immediate use would be for access to road frontage on 11/81 and the ability to showcase some of our brand new up-fit truck and used units for sale. Also, we would be able to maintain a clear line of sight from the highway to our facility which is very important to us. In retrospect, we would have been better served to purchase that lot initially.

The lot would also be used for any future building expansion that we anticipate. We will need a larger facility to accommodate our growth.

That being said, we would ask the city administration and city council to please consider our offer to purchase this remaining land/lot. This purchase is a very important part of our anticipated growth and equally important to our current situation. Not having this available road frontage will severely limit our ability to grow our business. In addition, the overgrown and unmanicured and does not serve the industrial park well. We would immediately work to maintain the property in accordance with the regulations of the industrial park.

I respectfully submit an offer to purchase the property from the City of Monroe in for consideration for \$30,000.00

The City of Monroe's willingness to work with us on our past project was very much appreciated and enough cannot positive words cannot be spoken for how helpful everyone was in the entire process.

Our current family business could very well be negatively impacted if we are unable to secure this property.

We hope that the City of Monroe will look favorably on our request to purchase this property so that we may grow and prosper.

Thank you for your time and consideration in this very important business matter.

Warmest Regards,

Pete & Lauree Raskovic & Family

Additional Information:

Form submitted on: 7/6/2016 9:44:09 AM

Submitted from IP Address: 24.240.94.143

Referrer Page: No Referrer - Direct Link

Form Address: <http://www.cityofmonroe.org/Forms.aspx?FID=148>



Available property  
2.95 acres

Raskovic  
Automotive 2 Acres

City of  
Monroe