



September 9, 2019

Annual Tax Increment District Report – TID No. 9

City of Fitchburg, Wisconsin



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Annual Tax Increment District Report

City of Fitchburg, Wisconsin
Tax Increment District No. 9

Purpose: State law requires municipalities with an active Tax Incremental District (TID) to electronically file an Annual Report for each TID by July 1 of each calendar year. This is a summary of that filing to be used at the annually required meeting of the standing Joint Review Board.

District Summary: Tax Increment District No. 9 (“District”) was created on June 9, 2015 as an industrial district. The District was first amended in 2016 to add territory and amend the project plan expenditures. The District was amended a second time in 2019 to add territory and amend the project plan expenditures (including costs within a ½ mile radius).

The TID has an expenditure period that ends on June 9, 2030 and has a mandatory termination date of June 9, 2035. The final year of increment collection is 2036.

Background Data:	Base Value (as of 1/1/2015) will change with 2019 amendment	\$43,552,400
	Incremental Value (1/1/2019)	\$26,617,200
	Year End Fund Balance (12/31/2018)	(\$591,435)
	Projected Closure (based on current cash flow*)	2036

* The City expects to make additional projects costs through the end of the District’s expenditure period. The projected closure year identified is based on current cash flow projections only.

Notes: Sub Zero is constructing a 350,000 square foot office, research and development, testing, and manufacturing facility. Promega is constructing a 145,000 square foot manufacturing facility. PAYGO payments are estimates and will be updated once final.

Other developments recently approved that will be incorporated going forward includes the Bertler/Hop Haus/Race Day development.

Joint Review Board Action: Resolution acknowledging filing of Annual TID Report and compliance with annual meeting requirements.

Attachments:

- Development Assumptions
- TID increment projection
- Estimated Financing Plan
- TID Cash Flow Projection
- City of Fitchburg financial report
- PE-300 form

City of Fitchburg, Wisconsin

Tax Increment District # 9

Development Assumptions

Construction Year		Actual	Sub Zero 2019 Expansion	Promega Expansion	Annual Total	Construction Year	
1	2015	4,226,900			4,226,900	2015	1
2	2016	13,070,500			13,070,500	2016	2
3	2017	7,651,300			7,651,300	2017	3
4	2018	1,668,500			1,668,500	2018	4
5	2019		27,494,128	17,142,857	44,636,985	2019	5
6	2020			22,857,143	22,857,143	2020	6
7	2021			0	0	2021	7
8	2022			0	0	2022	8
9	2023			0	0	2023	9
10	2024			0	0	2024	10
11	2025				0	2025	11
12	2026				0	2026	12
13	2027				0	2027	13
14	2028				0	2028	14
15	2029				0	2029	15
16	2030				0	2030	16
17	2031				0	2031	17
18	2032				0	2032	18
19	2033				0	2033	19
20	2034				0	2034	20
Totals		<u>26,617,200</u>	<u>27,494,128</u>	<u>40,000,000</u>	<u>94,111,328</u>		

Notes:

City of Fitchburg, Wisconsin

Tax Increment District # 9

Tax Increment Projection Worksheet

Type of District	Industrial	Existing Base Value	43,552,400
District Creation Date	June 9, 2015	Projected Amendment #2 Base Value	1,254,888
Valuation Date	Jan 1, 2015	Appreciation Factor	1.50%
Max Life (Years)	20	Base Tax Rate	\$24.69
Expenditure Periods/Termination	15 6/9/2030	Rate Adjustment Factor	-0.50%
Revenue Periods/Final Year	20 2036	Tax Exempt Discount Rate	4.50%
Extension Eligibility/Years	Yes 3	Taxable Discount Rate	6.00%
Recipient District	No		

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
1	2015	4,226,900	2016		4,226,900	2017	\$24.43	103,252	90,479	86,692
2	2016	13,070,500	2017		17,297,400	2018	\$25.36	438,616	458,286	434,118
3	2017	7,651,300	2018		24,948,700	2019	\$24.69	616,023	952,614	894,446
4	2018	1,668,500	2019		26,617,200	2020	\$24.57	653,935	1,454,768	1,355,444
5	2019	44,636,985	2020	399,258	71,653,443	2021	\$24.45	1,751,589	2,741,885	2,520,350
6	2020	22,857,143	2021	1,074,802	95,585,388	2022	\$24.32	2,324,929	4,376,740	3,979,039
7	2021	0	2022	1,433,781	97,019,168	2023	\$24.20	2,348,003	5,956,722	5,368,819
8	2022	0	2023	1,455,288	98,474,456	2024	\$24.08	2,371,307	7,483,672	6,692,944
9	2023	0	2024	1,477,117	99,951,573	2025	\$23.96	2,394,843	8,959,371	7,954,518
10	2024	0	2025	1,499,274	101,450,846	2026	\$23.84	2,418,611	10,385,539	9,156,493
11	2025	0	2026	1,521,763	102,972,609	2027	\$23.72	2,442,616	11,763,838	10,301,687
12	2026	0	2027	1,544,589	104,517,198	2028	\$23.60	2,466,859	13,095,875	11,392,781
13	2027	0	2028	1,567,758	106,084,956	2029	\$23.48	2,491,343	14,383,203	12,432,332
14	2028	0	2029	1,591,274	107,676,231	2030	\$23.37	2,516,069	15,627,322	13,422,773
15	2029	0	2030	1,615,143	109,291,374	2031	\$23.25	2,541,041	16,829,683	14,366,425
16	2030	0	2031	1,639,371	110,930,745	2032	\$23.13	2,566,261	17,991,687	15,265,499
17	2031	0	2032	1,663,961	112,594,706	2033	\$23.02	2,591,731	19,114,689	16,122,100
18	2032	0	2033	1,688,921	114,283,626	2034	\$22.90	2,617,454	20,199,997	16,938,234
19	2033	0	2034	1,714,254	115,997,881	2035	\$22.79	2,643,432	21,248,878	17,715,814
20	2034	0	2035	1,739,968	117,737,849	2036	\$22.67	2,669,668	22,262,553	18,456,661
Totals		94,111,328		23,626,521		Future Value of Increment		40,967,584		

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 Fitchburg, Wisconsin

Tax Increment District # 9

Estimated Financing Plan

	SUB ZERO Municipal Revenue Obligation (MRO)	PROMEGA Municipal Revenue Obligation (MRO)	Portion of CIP Financing G.O. Bond 2020	Portion of CIP Financing G.O. Bond 2021	Portion of CIP Financing G.O. Bond 2022	Portion of CIP Financing G.O. Bond 2023	Portion of CIP Financing G.O. Bond 2024	Cash 2028- 2029	Totals
Projects									
Sub Zero Development Incentive	5,500,000								5,500,000
Promega Development Incentive		3,771,000							3,771,000
Infrastructure incentive		1,318,000							1,318,000
Lacy Rd - West of Seminole inside TID (Promega Development Ince		3,186,000							3,186,000
Lacy/Seminole Intersect, Lacy E, Seminole N						920,385	3,704,620		4,625,005
Quarry Vista Extension to Subzero Parkway								771,000	771,000
Lacy/Seminole Regional Storm Water			225,000		2,393,000				2,618,000
Lacy/Seminole Storm Pond for Roads			157,350	891,650					1,049,000
Total Project Funds	5,500,000	8,275,000	382,350	891,650	2,393,000	920,385	3,704,620	771,000	22,838,005
Estimated Finance Related Expenses									
Municipal Advisor			1,273	4,181	11,558	4,200	9,451		
Bond Counsel			648	1,664	4,459	1,700	3,619		
Disclosure Counsel			389	998	2,675	1,000	2,171		
Rating Agency Fee			595	1,775	5,487	2,100	3,619		
Paying Agent			23	95	300	95	140		
Underwriter Discount	0	0	12.50	4,875	12.50	11,313	12.50	30,438	12.50
46,875									
Total Financing Required	5,500,000	8,275,000	390,153	911,676	2,447,917	941,230	3,770,495		
Estimated Interest	0	0	2.00%	(2,549)	2.50%	(7,430)	2.00%	(15,953)	2.00%
Assumed spend down (months)			4	4	4	4	4	4	(24,697)
Rounding	0	0	2,396	755	3,037	4,906	4,202		
Net Issue Size	5,500,000	8,275,000	390,000	905,000	2,435,000	940,000	3,750,000		

Notes:

City of Fitchburg, Wisconsin

Tax Increment District # 9

Cash Flow Projection Page 1 of 3

Year	Projected Revenues				Proposed MRO Expenditures							
	Tax Increments	Interest Earnings/ (Cost)	Inter gov.	Total Revenues	Existing MRO Sub Zero \$3,250,000 plus unpaid accrued interest Dated Date: 03/20/18			Proposed Sub Zero Expansion \$5,500,000 Dated Date: TBD		Promega Expansion MRO \$8,275,000 Dated Date: TBD		Year
					Principal	Accrued int. paid	Interest	Principal	Interest	Principal	Interest	
2015				0								2015
2016		33		33								2016
2017	103,252	3,992	1,046,701	1,153,945								2017
2018	438,616	1,762	214,777	655,155		125,000	218,194					2018
2019	616,023		83,000	699,023	0	125,000	210,694					2019
2020	653,935			653,935	0	150,000	202,444		275,000			2020
2021	1,751,589			1,751,589	100,945	49,055	193,444		275,000		455,125	2021
2022	2,324,929	280		2,325,209	200,000		182,943	190,000	275,000	200,000	455,125	2022
2023	2,348,003	2,005		2,350,008	200,000		170,943	235,000	265,500	350,000	444,125	2023
2024	2,371,307	2,723		2,374,030	200,000		158,943	260,000	253,750	375,000	424,875	2024
2025	2,394,843	3,216		2,398,059	200,000		146,943	285,000	240,750	405,000	404,250	2025
2026	2,418,611	2,876		2,421,487	200,000		134,943	300,000	226,500	435,000	381,975	2026
2027	2,442,616	2,653		2,445,269	200,000		122,943	325,000	211,500	465,000	358,050	2027
2028	2,466,859	2,529		2,469,388	225,000		110,193	345,000	195,250	500,000	332,475	2028
2029	2,491,343	2,152		2,493,494	225,000		96,693	365,000	178,000	530,000	304,975	2029
2030	2,516,069	557		2,516,626	250,000		82,443	390,000	159,750	570,000	275,825	2030
2031	2,541,041	388		2,541,429	250,000		67,443	415,000	140,250	610,000	244,475	2031
2032	2,566,261	345		2,566,606	250,000		52,443	440,000	119,500	655,000	210,925	2032
2033	2,591,731	425		2,592,157	250,000		37,443	465,000	97,500	700,000	174,900	2033
2034	2,617,454	226		2,617,681	250,000		22,443	495,000	74,250	750,000	136,400	2034
2035	2,643,432	162		2,643,595	249,055		7,472	525,000	49,500	800,000	95,150	2035
2036	2,669,668	247		2,669,916				465,000	23,250	930,000	51,150	2036
Total	40,967,584	26,572	1,344,478	42,338,634	3,250,000	449,055	2,219,011	5,500,000	3,060,250	8,275,000	4,749,800	

Notes:

1. Proposed MRO for Sub Zero based on 75% of increment projected
2. Proposed MRO for Promega based on 80% of increment projected

City of Fitchburg, Wisconsin

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Cash Flow Projection Page 2 of 3

Potential Debt Financed Expenditures										
Year	G.O. Bond \$385,000		G.O. Bond \$905,000		G.O. Bond \$2,450,000		G.O. Bond \$955,000		G.O. Bond \$3,765,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015										
2016										
2017										
2018										
2019										
2020										
2021	20,000	8,717								
2022	20,000	8,343	60,000	29,413						
2023	20,000	7,965	60,000	27,463	175,000	91,875				
2024	25,000	7,583	60,000	25,513	175,000	85,313	70,000	40,588		
2025	25,000	7,098	60,000	23,563	175,000	78,750	70,000	37,613	200,000	160,013
2026	25,000	6,608	60,000	21,613	175,000	72,188	70,000	34,638	200,000	151,513
2027	25,000	6,105	60,000	19,663	175,000	65,625	70,000	31,663	200,000	143,013
2028	25,000	5,578	60,000	17,713	175,000	59,063	75,000	28,688	200,000	134,513
2029	25,000	5,033	60,000	15,763	175,000	52,500	75,000	25,500	200,000	126,013
2030	25,000	4,468	60,000	13,813	175,000	45,938	75,000	22,313	300,000	117,513
2031	25,000	3,880	60,000	11,863	175,000	39,375	75,000	19,125	300,000	104,763
2032	25,000	3,270	60,000	9,913	175,000	32,813	75,000	15,938	300,000	92,013
2033	25,000	2,640	60,000	7,963	175,000	26,250	75,000	12,750	465,000	79,263
2034	25,000	1,995	60,000	6,013	175,000	19,688	75,000	9,563	465,000	59,500
2035	25,000	1,340	60,000	4,063	175,000	13,125	75,000	6,375	465,000	39,738
2036	25,000	675	65,000	2,113	175,000	6,563	75,000	3,188	470,000	19,975
	385,000	81,294	905,000	236,438	2,450,000	689,063	955,000	287,938	3,765,000	1,227,825

City of Fitchburg, Wisconsin

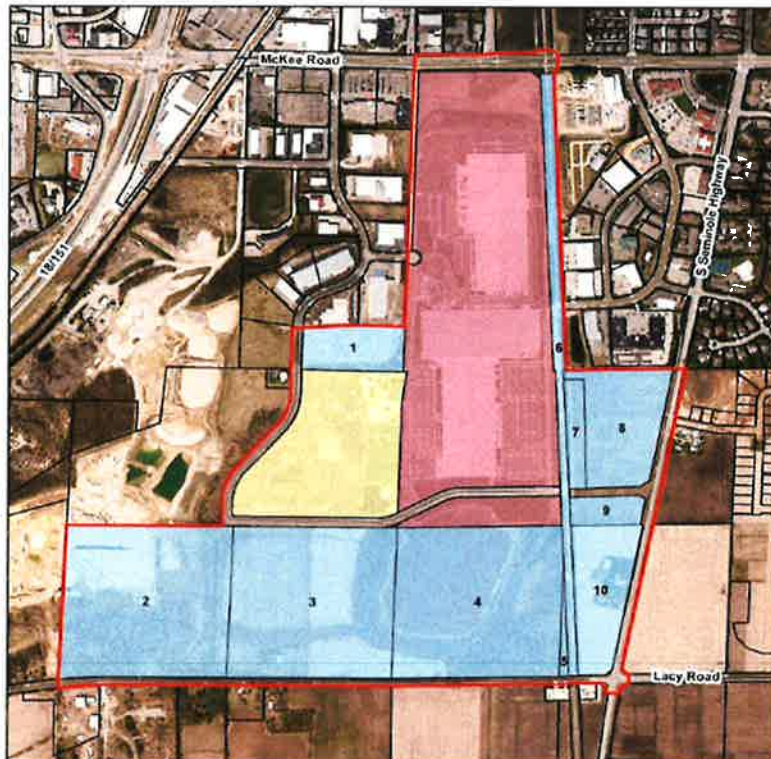
Tax Increment District #9

Cash Flow Projection Page 3 of 3

Other Expenditures							Balances			
Year	Capital Outlay	1/2 mile Sub Zero Parkway	1/2 mile Marketplace Dr. N	Fiscal Charges	Admin. Costs	Total Expenditures	Annual	Cumulative	Principal Outstanding	Year
2015	30				27,633	27,663	(27,663)	(27,663)		2015
2016	904,946			708	40,329	945,983	(945,950)	(973,613)		2016
2017	19,640	70,492			1,745	91,877	1,062,068	88,455		2017
2018	88,689	821,740	60,910	7,100	13,412	1,335,045	(679,890)	(591,435)	3,250,000	2018
2019	645	268,059		11,829	13,680	629,907	69,115	(522,319)	8,750,000	2019
2020				9,195	13,954	650,593	3,342	(518,978)	25,485,000	2020
2021				4,084	14,233	1,120,603	630,986	112,008	25,364,055	2021
2022					14,518	1,635,341	689,867	801,876	24,694,055	2022
2023					14,808	2,062,679	287,330	1,089,206	23,654,055	2023
2024					15,104	2,176,668	197,363	1,286,568	22,489,055	2024
2025					15,406	2,534,385	(136,326)	1,150,242	21,069,055	2025
2026					15,714	2,510,690	(89,203)	1,061,039	19,604,055	2026
2027					16,029	2,494,590	(49,321)	1,011,718	18,084,055	2027
2028	115,650				16,349	2,620,470	(151,082)	860,636	16,479,055	2028
2029	655,350				16,676	3,131,502	(638,008)	222,628	14,824,055	2029
2030					17,010	2,584,071	(67,445)	155,183	12,979,055	2030
2031					17,350	2,558,524	(17,094)	138,089	11,069,055	2031
2032					17,697	2,534,511	32,096	170,185	9,089,055	2032
2033					18,051	2,671,759	(79,603)	90,582	6,874,055	2033
2034					18,412	2,643,263	(25,582)	64,999	4,579,055	2034
2035					18,780	2,609,597	33,998	98,997	2,205,000	2035
2036					19,156	2,331,068	338,848	437,845	0	2036
	1,784,950	1,160,291	60,910	32,916	376,045	41,900,789				Total

Projected TID Closure

ANNUAL REPORT OF
TAX INCREMENTAL FINANCING (TIF) DISTRICT NO. 9
CITY OF FITCHBURG
December 31, 2018



**CITY OF FITCHBURG
December 31, 2018**

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS**

For The Year Ended December 31, 2018
And From Date Of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<u>PROJECT COSTS</u>		
Capital expenditures	\$ 971,338	\$ 1,966,446
Interest on advances	7,100	7,808
Administration expenditures	13,412	83,120
Debt issuance costs	-	-
Capitalized interest	125,000	125,000
Interest on long-term debt	218,194	218,194
	<u>1,335,044</u>	<u>2,400,568</u>
Total Costs		
 <u>PROJECT REVENUES</u>		
Tax increments	438,616	541,868
Exempt computer aid	131,693	261,478
TEA grant	83,084	1,000,000
Investment income	1,762	5,787
Premium on debt issued	-	-
Miscellaneous	-	-
	<u>655,155</u>	<u>1,809,133</u>
Total Revenues		
 <u>RECONCILIATION OF RECOVERABLE COSTS</u>		
G.O. debt		-
Less: Fund balance		<u>591,435</u>
 NET COSTS RECOVERABLE/(RECOVERED) THROUGH TAX INCREMENTS - DECEMBER 31, 2018		 <u>\$ 591,435</u>

CITY OF FITCHBURG
December 31, 2018

HISTORICAL SUMMARY OF SOURCES, USES AND STATUS OF FUNDS

For The Year Ended December 31, 2018
And From Date Of Creation Through December 31, 2018

<u>SOURCES OF FUNDS</u>	<u>Year Ended</u>	<u>From Date of Creation</u>
Tax increments	\$ 438,616	\$ 541,868
Exempt computer aid	131,693	261,478
TEA grant	83,084	1,000,000
Investment income	1,762	5,787
Premium on debt issued	-	-
Miscellaneous revenues	-	-
Proceeds from long-term debt	-	-
	<hr/>	<hr/>
Total Sources	655,155	1,809,133
	<hr/>	<hr/>
<u>USES OF FUNDS</u>		
Capital expenditures	971,338	1,966,446
Interest on advances	7,100	7,808
Administration expenditures	13,412	83,120
Debt issuance costs	-	-
Capitalized interest	125,000	125,000
Interest on long-term debt	218,194	218,194
Principal on long-term debt	-	-
	<hr/>	<hr/>
Total Uses	1,335,044	2,400,568
	<hr/>	<hr/>
BEGINNING FUND BALANCE (DEFICIT)	88,454	-
	<hr/>	<hr/>
ENDING FUND BALANCE (DEFICIT)	\$ (591,435)	\$ (591,435)
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**CITY OF FITCHBURG
December 31, 2018**

DETAILED SUMMARY OF PROJECT COSTS

From The Date Of Creation Through December 31, 2018

	<u>Actual</u>	<u>Amended Project Plan Estimate</u>
Capital Expenditures:		
Land/Easement Acquisition	\$ 30	\$ 2,050,000
Road Access	-	490,000
Utilities Extension	19,670	750,000
Engineering & Permitting	13,560	17,525
Demo & Reconstruct Cul de Sacs	-	60,000
Retention Pond	-	410,000
Parking Lots	-	1,550,000
Engineering Services	56,602	263,900
Municipal Fees	-	72,323
Grading and Other Site Work	-	3,008,000
Stormwork	-	600,000
Stormwater Land Acquisition	-	1,000,000
Road Construction	923,443	3,031,000
1/2 Mile - Stormwater Pond Relocation	-	300,000
1/2 Mile - Marketplace Dr. North	60,910	517,000
1/2 Mile - Marketplace Dr. South	-	831,000
1/2 Mile - Sub Zero Parkway	892,231	599,000
Contingency	-	-
Principal on MRO	-	-
Less: Other Financing Sources (TEA Grant; WEDC Grant/Loan)	(1,000,000)	(10,052,748)
SUBTOTAL PROJECT COSTS	966,446	5,497,000
Interest on advance	7,808	-
Administration expenditures	83,120	382,608
Debt issuance costs	-	-
Capitalized interest on MRO	125,000	292,168
Interest on MRO	218,194	-
Interest on long-term debt	-	3,192,656
Principal on long-term debt	-	5,720,000
TOTAL DISTRICT COSTS	\$ 1,400,568	\$ 15,084,432

**CITY OF FITCHBURG
December 31, 2018**

NOTES TO ANNUAL REPORT

December 31, 2018

NOTE 1 - TIF District Information

The City of Fitchburg Tax Incremental District No. 9 (the "District") was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called a tax increment.

Project costs may not be incurred longer than five years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or maximum life based on the resolution date and type of TID, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
<u>Original Project Plan</u> District #9	June 9, 2015	June 9, 2030	2036
<u>Plan Amendment</u> Amendment #1	September 26, 2016	June 9, 2030	2036

NOTE 2 - Subsequent Event

This district was amended in February 2019 (project plan and boundary).

Form PE-300	TID Annual Report	2018 WI Dept of Revenue
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Municipality/TID					
Co-muni code 13225	Municipality FITCHBURG	County DANE	Due date 07-01-2019	Report type ORIGINAL	
TID number 009	TID type 5	TID name Sub Zero	Creation date 06-09-2015	Mandatory termination date 06-09-2035	Expected termination date N/A

Section 1 : Beginning Balance	
TID fund balance at beginning of fiscal year	\$88,454

Section 2. Revenue	
Does this TID receive allocated funds from another TID?	No
Allocation from another TID	Allocation amount
N/A	\$0
Subtotal allocation from another TID amount	\$0
Developer guarantee name	Developer guarantee amount
Subtotal developer guarantee amount	\$0
Transfer from other fund source	Transfer from other fund amount
Subtotal transfer from other fund amount	\$0
Other grant sources	Other grant amount
TEA Grant	\$83,084
Subtotal other grant source amount	\$83,084
Other revenue sources	Other revenue amount
Subtotal other revenue source amount	\$0
Tax increment	\$438,616
Investment income	\$1,762
Debt proceeds	\$0
Special assessments	\$0
Exempt computer aid	\$131,693
Sale of property	\$0
Total Revenue (deposits)	\$655,155

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Section 3. Expenditures	
Developer grant name	Developer grant amount
Sub-Zero Group Inc	\$343,194
Subtotal developer grant amount	\$343,194
Does this TID allocate funds to another TID?	No
Allocation to another TID	Allocation amount
N/A	\$0
Subtotal allocation to another TID	\$0
Transfer to other fund name	Transfer to other fund amount
Subtotal transfer to other fund amount	\$0
Other expenditure name	Other expenditure amount
Other Administrative Costs	\$3
Subtotal other expenditures amount	\$3
Capital expenditures	\$971,338
Administration	\$10,384
Professional services	\$2,875
Interest and fiscal charges	\$7,100
DOR fees	\$150
Discount on long-term debt	
Debt issuance costs	
Principal on long-term debt	
Environmental costs	
Real property assembly costs	
Total Expenditures	\$1,335,044

Section 4. Ending Balance	
TID fund balance at end of fiscal year	\$-591,435
Future costs	\$7,730,542
Future revenue	\$12,306,387
Surplus or deficit	\$3,984,410

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Contact Information

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