



PROJECT PLAN

FOR

Tax Incremental District No. 2, TOWN OF MADISON, WISCONSIN

August 16, 2006

Contacts

Town of Madison

James Campbell	Chairman
Rindert Kiemel, Jr.	Board Member
Jeffrey Kritch	Board Member
Renee Schwass	Business Manager
Richard Rose	Director of Public Works
Richard Yde	Attorney

Joint Review Board

James Campbell	Town Representative
David Gawenda	Dane County Representative
Mary Rapp	Madison Area Technical College Representative
Johnny Winston, Jr.	Madison Metropolitan School District Representative
Don Pierstorff	Public Member at Large

August 16, 2006

Checklist

- ❑ Notification to certain property owners
- ❑ Hearing notices sent by First Class mail to the school board and Chief Executive Officer of all taxing entities affected
- ❑ Class 2 hearing notices published
- ❑ Public Hearing on Project Plan
- ❑ Statement of kind, number, and location of all proposed public works or improvements
- ❑ Economic feasibility study
- ❑ Description of the methods of financing project costs and the time when they are to be incurred
- ❑ Detailed list of project costs
- ❑ Proposed changes in zoning ordinances, master plan, map, building codes, and Town ordinances
- ❑ List of estimated non-project costs
- ❑ Statement of the proposed method of relocation of any persons to be displaced
- ❑ Statement indicating how the creation of the TID promotes orderly development of the Town
- ❑ Town attorney's opinion as to whether the Project Plan is complete and complies with Section 66.1105
- ❑ Map Showing:
 - ❑ Existing uses and conditions of real property in district
 - ❑ Proposed improvements and uses therein
- ❑ Project Plan resolution adopted by Town prior to or concurrent with creation resolution

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SECTION I

Introduction

Tax Incremental Financing Districts provide municipalities with a powerful tool to enable economic investments in the community. Until the passage of the 2005 Wisconsin Act 13, this tool was unavailable to towns in the State of Wisconsin. Tax Incremental District No. 2 (the “District”) is being created under the authority granted to townships under the 2005 Wisconsin Act 13 and Wisconsin State Statute 66.1105 to promote economic development and eliminate blight in a distressed portion of the Town of Madison (the “Town”). As is often the case with blighted areas, the area proposed for the District in the Town of Madison suffers from both real and perceived issues that contribute to the economic stagnation of the area. In order to attract new investment to the area, the Town needs the ability to provide the types of incentives available through TIF financing and provided in this Project Plan.

The creation of the District will enable the Town to use this powerful tool for funding infrastructure improvements and to provide incentives to encourage redevelopment projects that are otherwise financially unfeasible and unlikely to occur. The Town is currently a party to a cooperative agreement with the City of Fitchburg that was executed pursuant to section 66.0307 of the Wisconsin Statutes (“Cooperative Agreement”) and 100% of the area in the District is located within the area that is to be attached to the City of Fitchburg. The Cooperative Agreement provides a mechanism for the two municipalities to work together to manage land use and development within the area encompassed by the District.

The boundaries of the District are generally within an area bounded by the Beltline, Rimrock Road, and Hwy 14. The District will focus on the rehabilitation of currently blighted apartments as well as the redevelopment of brownfields and underutilized properties into a higher and better use. The redevelopment of this area will provide both economic and social benefits for the residents of the area as well as significant economic benefits for current and future taxing jurisdictions through an increased tax base. It has been determined that greater than 50% of the area in the District is currently blighted and in need of redevelopment/rehabilitation.

Total Area TID No. 2	3,334,677 Square Feet
Blighted Area	3,095,346 Square Feet
<hr/>	
Blighted Area % of Total	92.82%

It is important to recognize that this plan is intended to provide a broad strategic plan for the Town and provide the Town with a tool to eliminate blight in the District. The Town is not mandated to make any expenditure outlined in this plan and each project or development agreement will require the Town's authorization. Additionally, the Town has the ability to alter the timing, projects, or allocation of funds described in this plan as necessary to maximize its goals in the elimination of blight and redevelopment of the District. The Town will underwrite the district at a level that will allow any financing to be repaid before the dissolution of the Town. Any underwriting by the Town will be in accordance with Wisconsin law.

August 16, 2006

SECTION II

Statement of kind, number, and location of the proposed public works or improvements within the district.

The area encompassed by the District has recently been the subject of a considerable amount of infrastructure development by the Town. Utilizing federal grant funds, the Town has improved access and infrastructure servicing much of the area in the District. The creation of the District will allow the Town to continue to support revitalization efforts in the area.

The long-term vision for the District includes both the rehabilitation of residential housing and development of a commercial district as described in the Site Redevelopment Strategy and Concept Plan and the Neighborhood Revitalization Strategy Area Plan and as may otherwise be desirable in order to eliminate blighting influences in the area. While the Town intends to provide additional infrastructure and public improvements in the District, the major emphasis of the District will be in attracting private development that is otherwise unlikely to occur due to the economic realities involved in redeveloping previously blighted areas. In an effort to attract private development, the Town intends to offer development incentives to private parties willing to undertake development activities that the Town believes will help to alleviate the blighting factors currently in the area. Providing incentives directly to private developers should produce the most efficient and effective use of capital by the Town.

The projects to eliminate blight in the District consist of three main categories: Infrastructure Improvements, Development Incentives, and Administrative, Legal, and Organizational Costs. A detailed budget for these projects is included in Chart #5, however; the Town reserves the ability to modify the budget as components of the projects evolve.

Infrastructure Improvements: The Town may wish to undertake various infrastructure improvements intended to improve pedestrian, vehicular, and bicycle access for neighborhood residents, as well as improving public safety, signage, and the streetscape to further the development of the area.

Land Acquisition: The Town may need to acquire property in order to construct public improvements or facilitate development activities.

Streets, Landscaping, and Right-of-Way Enhancements: The Town may elect to make certain improvements to the infrastructure in the District including, but not limited to the construction of a new street or streets to improve traffic circulation in the District, installation of new sidewalks, lighting, signage, and/or landscaping in the public right-of-way, and the relocation of utilities as it deems appropriate.

Public Park: The Town may wish to make improvements to the public park located in the Southdale Neighborhood.

Development Incentives: The Town may enter into various development agreements with private developers to provide funding for projects that the Town views as contributing to the elimination of blight in the District.

Land & Residential Purchase Write-Down: The Town may provide private developers with loans and/or grants to write-down the cost of acquiring the real estate for redevelopment within the District.

Commercial & Residential Construction Cost Write-Down: The Town may provide private developers with loans and/or grants to write-down the costs of constructing new or rehabilitating existing commercial & residential property in the District.

Environmental Audits & Remediation: Parts of the District are known or suspected to have environmental concerns. Any costs associated with the investigation into potential environmental issues or the remediation of those issues will be considered eligible project costs.

Administrative, Financial, and Organizational Costs: The Town may include various administrative, financing, and/or organizational costs as eligible project costs.

Financing Costs: Any costs including, but not limited to, all interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of the obligation prior to maturity.

Professional Service Costs: These costs may include, but are not limited to, those costs incurred for architectural, planning, engineering, and legal advice and services. These costs may also include the preparation and/or revision of neighborhood and Comprehensive Development Plans for the area included in the District.

Imputed Administrative Costs: These costs may include, but are not limited to, reasonable charges for time spent by Town employees in connection with the creation and execution of the Project Plan including, but not limited to, the creation of compilation reports and related audit costs.

Organizational Costs: These costs may include, but are not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public with respect to the creation of the District and the implementation of this Project Plan

In the event that any of the above projects are deemed to be ineligible for reimbursement through the tax increment generated in the District under Wisconsin Statute Section 66.1105 or are otherwise found to be in conflict with any other law or ordinance, said project shall be removed and the remaining projects shall constitute the entirety of the projects for the purposes of this project plan.

A map showing the proposed boundary of the District and a parcel list is included in Section III. A map of current uses is located in Section IV. A map of proposed improvements is located in Section V.

SECTION III

Parcel List & Boundary Map

The boundary of the District has been developed to include both residential and commercial parcels. The following is a list of parcels included in the district and a map showing the proposed district boundaries.

The proposed boundary was selected to provide the Town with the greatest amount of flexibility in selecting and prioritizing projects to take advantage of emerging opportunities that provide the greatest impact for the area.

TID No.2 Parcel List

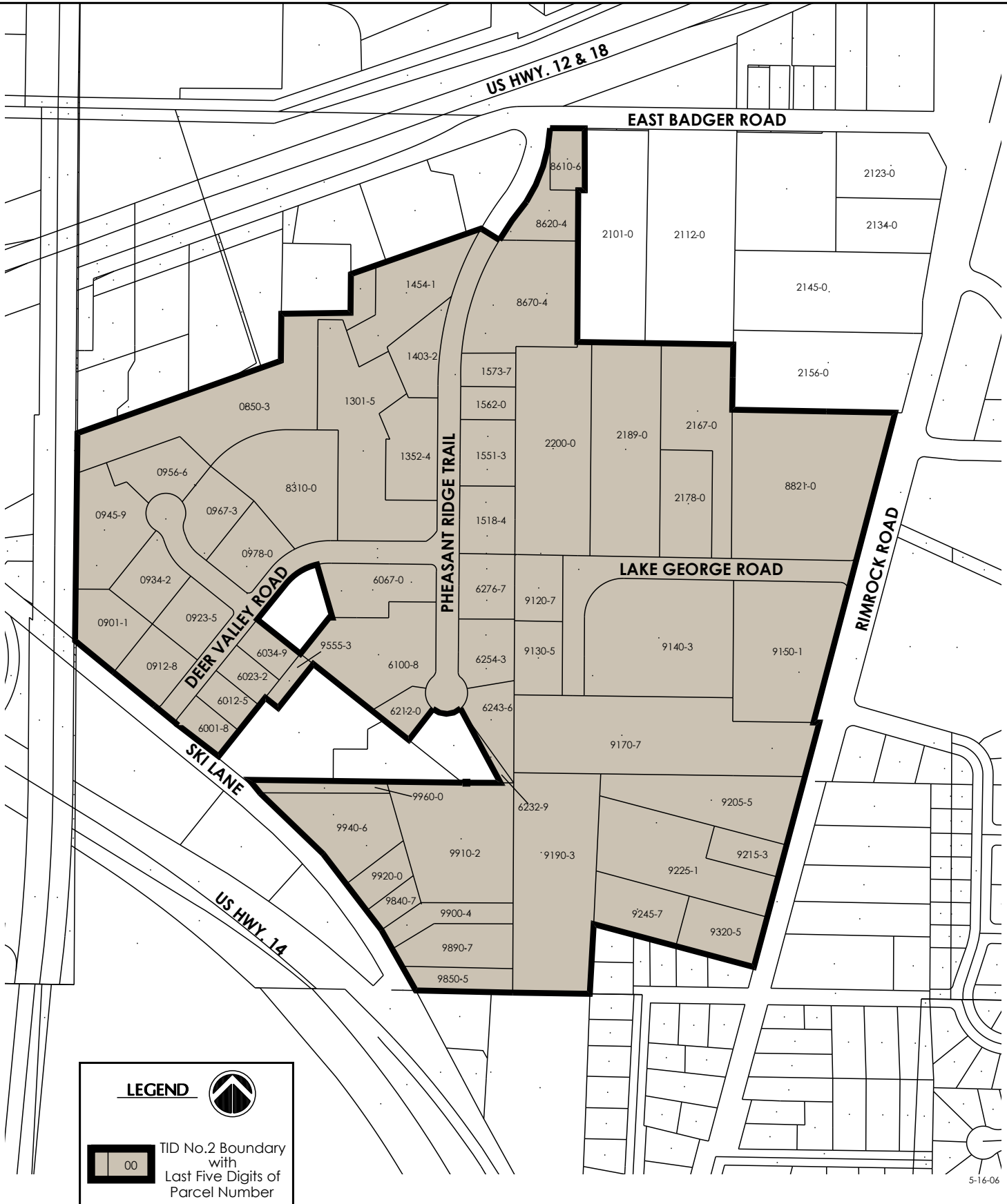
<i>Parcel Number</i>	<i>Parcel Address</i>	<i>Owner</i>
0709-354-0850-3	112 Deer Valley Road	Town of Madison
0709-354-0901-1	2609 Ski Lane	Castille Affordable Housing
0709-354-0912-8	216 Deer Valley Road	Castille Affordable Housing
0709-354-0923-5	208 Deer Valley Road	Castille Affordable Housing
0709-354-0934-2	2614 Country Rose Court	Castille Affordable Housing
0709-354-0945-9	2602 Country Rose Court	Castille Affordable Housing
0709-354-0956-6	2605 Country Rose Court	Castille Affordable Housing
0709-354-0967-3	2613 Country Rose Court	Castille Affordable Housing
0709-354-0978-0	200 Deer Valley Road	Castille Affordable Housing
0709-354-1301-5	102 Deer Valley Road	Birnamwood Apartments, LLC
0709-354-1352-4	2608 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-354-1403-2	2604 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-354-1454-1	102 Brown Quail Court	Birnamwood Apartments, LLC
0709-354-1518-4	2617 Pheasant Ridge Trail	Yang
0709-354-1551-3	2609 Pheasant Ridge Trail	Klund
0709-354-1562-0	2601 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-354-1573-7	2601 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-363-2167-0	50 Lake George Road	Mid-Town Center, LLC
0709-363-2178-0	72 Lake George Road	Mid-Town Center, LLC
0709-363-2189-0	100 Lake George Road	Mid-Town Center, LLC
0709-363-2200-0	160 Lake George Road	Mid-Town Center, LLC
0709-354-6001-8	217 Deer Valley Road	C&L Construction, LLC
0709-354-6012-5	213 Deer Valley Road	C&L Construction, LLC
0709-354-6023-2	209 Deer Valley Road	Sorenson
0709-354-6034-9	205 Deer Valley Road	Birnamwood Apartments, LLC
0709-354-6067-0	101 Deer Valley Road	Birnamwood Apartments, LLC
0709-354-6100-8	2706 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-354-6212-0	2722 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-354-6232-9	2717 Pheasant Ridge Trail	Vue
0709-354-6243-6	2717 Pheasant Ridge Trail	Vue
0709-354-6254-3	2709 Pheasant Ridge Trail	Xiong Properties, LLC
0709-354-6276-7	2701 Pheasant Ridge Trail	Xiong Properties, LLC
0709-354-8310-0	112 Deer Valley Road	Town of Madison
0709-363-8610-6	17 E Badger Road	Mid-Town Center, LLC
0709-363-8620-4	2501 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-363-8670-4	2507 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-363-8821-0	2504 Rimrock Road	Icke Co., Inc.
0709-363-9120-7	2600 Roma Road	Icke Construction Co, Inc.
0709-363-9130-5	2642 Rimrock Road	Icke

TID No.2 Parcel List

<i>Parcel Number</i>	<i>Parcel Address</i>	<i>Owner</i>
0709-363-9140-3	2642 Rimrock Road	Icke
0709-363-9150-1	2642 Rimrock Road	Mid-Town Center, LLC
0709-363-9170-7	2642 Rimrock Road	Icke Construction Co, Inc.
0709-363-9190-3	2642 Rimrock Road	Icke Co., Inc.
0709-363-9205-5	2700 Rimrock Road	C O Schwengel
0709-363-9215-3	2720 Rimrock Road	Icke Construction Co, Inc.
0709-363-9225-1	2730 Rimrock Road	Icke Construction Co, Inc.
0709-363-9245-7	Rimrock Road	Icke Construction Co, Inc.
0709-363-9320-5	2740 Rimrock Road	Dettinger
0709-354-9555-3	2706 Pheasant Ridge Trail	Birnamwood Apartments, LLC
0709-354-9840-7	2761 Ski Lane	Mid-Town Center, LLC
0709-354-9850-5	2779 Ski Lane	Stroede
0709-354-9890-7	2777 Ski Lane	Mid-Town Center, LLC
0709-354-9900-4	2775 Ski Lane	Spink
0709-354-9910-2	2705 Ski Lane	Mid-Town Center, LLC
0709-354-9920-0	2747 Ski Lane	Wright
0709-354-9940-6	2733 Ski Lane	Wright
0709-354-9960-0	Ski Lane	Skolaski

Town of Madison

Proposed Tax Incremental Financing District No. 2 Boundary



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SECTION IV

Map showing existing uses and conditions

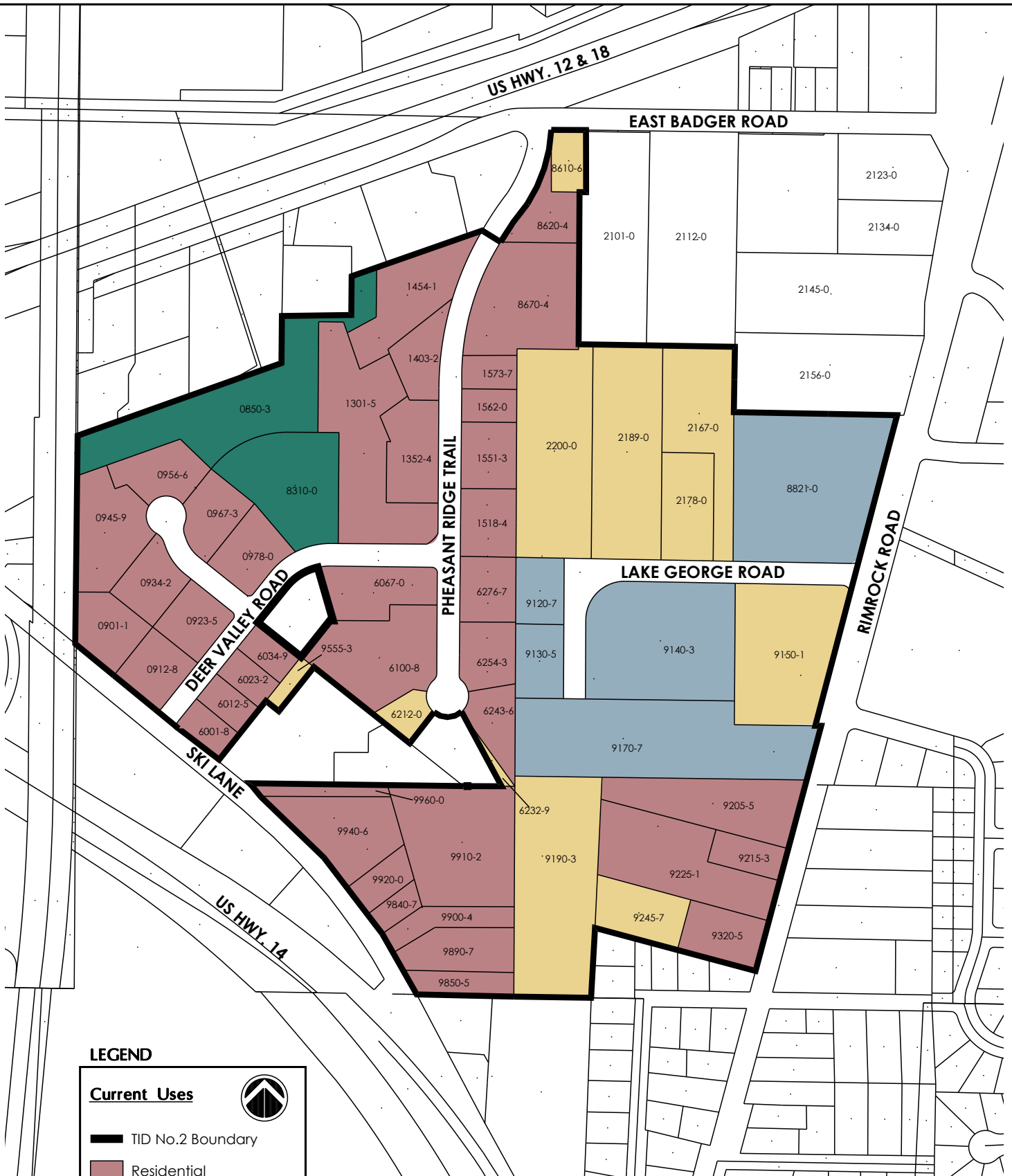
The map on the following page shows the proposed boundary of the District and the existing uses and conditions of real property in the District.

The District generally consists of residential uses, commercial uses, and vacant land.


Town of Madison






Proposed Tax Incremental Financing District No. 2

Current Land Uses



LEGEND

Current Uses 

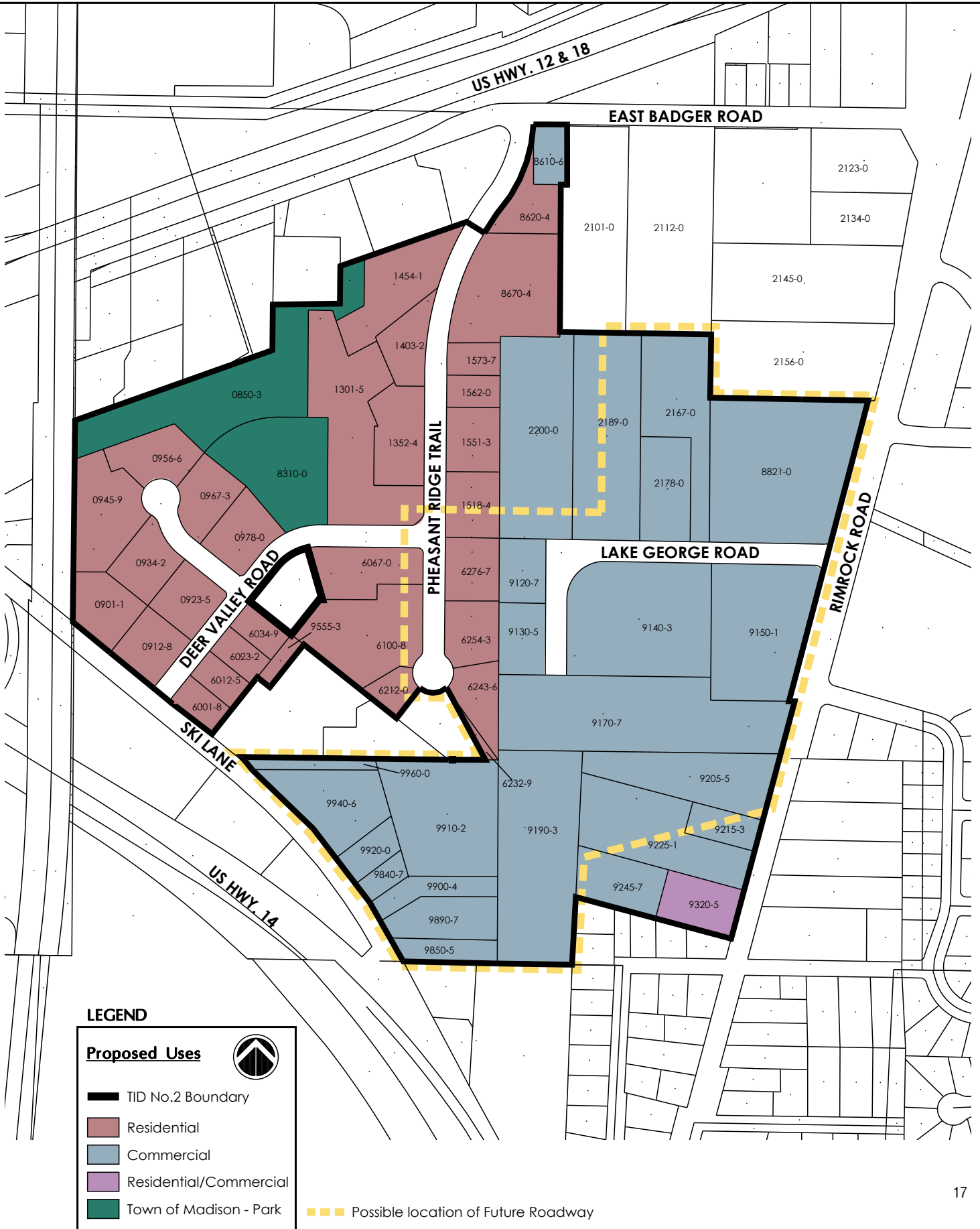
-  TID No.2 Boundary
-  Residential
-  Commercial
-  Town of Madison - Park
-  Vacant Land

SECTION V

Map showing proposed improvements and uses

The map on the following page shows the proposed boundary of the District and the proposed improvements and uses within the district.

Town of Madison Proposed Tax Incremental Financing District No. 2 Uses And Improvements



SECTION VI

Economic feasibility study

Wisconsin Statute requires that the total tax base of Tax Incremental Financing Districts within a municipality may not exceed 12% of the municipalities total tax base. Chart #1 on the following page demonstrates that the District meets this requirement. Based upon previous equalized value ratios used by the Department of Revenue and information from the Dane County assessor's office, the Town has estimated that current assessments are approximately 81% of actual value.

The economic feasibility of the District is dependent upon incremental tax revenue generated in the district. The amount of incremental tax revenue is a function of three major factors:

- New development activities that increase the tax base of the district
- Appreciation rate of values within the district
- Tax rate applied to properties in the district

New Development Activities

The creation of the District is expected to lead to a significant amount of development activity within the District. Chart #2 and Chart #3 summarize the potential improved value after private investment and the corresponding potential tax increment to be generated by the improvements.

The new investment estimates are based upon the projected values of residential and commercial space. These estimates include the renovation of approximately 480 residential units and the construction or renovation of 650,000 square feet of commercial space.

Appreciation Rate of Property Values in the District

The appreciation rate for properties in the District is assumed to be 2% for the purposes of the economic feasibility calculation. This rate is conservative and likely to be below the actual appreciation rate for properties in the District. It should be expected that the significant increase in investment in TID No. 2 should raise the values of all properties within the District.

Tax Rate

The full equalized tax rate applied to parcels in the District is assumed to remain constant at \$20.99 per \$1,000 of valuation throughout the life of the district.

These assumptions and projections are used in Chart #4 to determine the amount of project costs that would be supported by the District. Potential private investment could increase the tax base of the District by approximately \$127MM. Based upon current calculations and the assumption that any TIF financing would be repaid by the time the Town is annexed by the City of Fitchburg, the District could support approximately \$22.9MM in eligible project costs.

The Town is aware that the projections in Chart #4 provide for a fairly aggressive schedule for development. Depending upon the actual timing of private investment within the District, the total amount of supported project costs may differ from the projections set forth in Chart #4. The Town maintains the right to finance only those project costs that remain viable as the project plan proceeds.

Chart #1: 12% Test & Equalized Value Determination

Assessment Base

Town of Madison 2006 Real Estate Assessment	311,055,420
Estimated Equalized Value Ratio	0.8100
Equalized Real Estate Value	384,019,037
Manufacturing 2006 Assessment	3,486,400
Town of Madison 2006 Equalized Assessment	387,505,437

Proposed TID No.2 Assessment Base

Residential Real Estate	11,504,800
Commercial Real Estate	6,020,500
Commercial Personal Property	1,517,240
Total TID No.2 Assessment Base	19,042,540
Estimated Equalized Value Ratio	0.8100
Equalized Value TID No.2 Parcels	23,509,309
Equalized Value TID No.1 Parcels	-
Equalized Tax Base of all Tax Incremental Financing Districts	23,509,309
% 2006 Equalized Value*	6.07%

**Note: must be less than 12% of total 2006 equalized value.*

Chart #2: Projected Improved Value After Private Investment
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Year	Improvement Type	Improved Value
2006	Residential	-
	Commercial	2,160,000
		2,160,000
2007	Residential	10,200,000
	Commercial	24,840,000
		35,040,000
2008	Residential	14,280,000
	Commercial	30,240,000
		44,520,000
2009	Residential	10,200,000
	Commercial	27,000,000
		37,200,000
2010	Residential	3,672,000
	Commercial	21,600,000
		25,272,000
2011	Residential	2,448,000
	Commercial	2,160,000
		4,608,000
Total		148,800,000

Chart #3: Potential TID No. 2 Increment
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HOUSING COMPONENT

Projected Improved Housing Value		85,000
# Improved Units	x	480
		40,800,000
Less: Current Housing Equalized Value	-	14,203,457
Incremental Housing Value		\$ 26,596,543

COMMERCIAL COMPONENT

Projected Improved Commercial Value		108,000,000
Less: Current Commercial Equalized Value	-	7,432,716
Incremental Commercial Value		\$ 100,567,284

TOTAL INCREMENTAL VALUE

Incremental Housing Value		26,596,543
Incremental Commercial Value	+	100,567,284
Total Incremental Value		\$ 127,163,827

PROJECTED IMPROVED VALUE AFTER PRIVATE INVESTMENT

Residential Component		40,800,000
Commercial Component	+	108,000,000
Total Projected Improved Value After Private Investment		\$ 148,800,000

Future Commercial Value is projected at approx. \$56/sf of land area.

Chart #4: TID No. 2 - Calculation of Supported Project Costs

Equalized Base Value 23,509,309
 Property Appreciation Rate 2.00%
 Property Tax Rate 0.02356
 Equalized Tax Rate 0.02099
 Base Property Tax 493,460

Improvement Year	Assessment Increase from Annual Appreciation	Projected Spending (1)	Assessment Increase from Spending (2)	Annual Increase in Assessed Value	TID Assessed Value	Property Tax	Tax Increment	Cumulative Tax Increment	Net Present Value @ 5.50%
0	-	2,011,346	-	-	23,509,309	493,460	-	-	-
1	470,186	29,779,611	-	470,186	23,979,495	503,330	9,869	9,869	8,867
2	479,590	37,467,630	2,011,346	2,490,936	26,470,430	555,614	62,154	72,023	65,197
3	529,409	31,790,957	29,779,611	30,309,020	56,779,450	1,191,801	698,340	770,363	659,913
4	1,135,589	22,507,146	37,467,630	38,603,219	95,382,669	2,002,082	1,508,622	2,278,985	1,877,698
5	1,907,653	3,607,138	31,790,957	33,698,610	129,081,279	2,709,416	2,215,956	4,494,941	3,573,202
6	2,581,626	-	22,507,146	25,088,771	154,170,050	3,236,029	2,742,569	7,237,510	5,562,238
7	3,083,401	-	3,607,138	6,690,539	160,860,589	3,376,464	2,883,003	10,120,513	7,544,121
8	3,217,212	-	-	3,217,212	164,077,801	3,443,993	2,950,533	13,071,046	9,466,685
9	3,281,556	-	-	3,281,556	167,359,357	3,512,873	3,019,413	16,090,458	11,331,562
10	3,347,187	-	-	3,347,187	170,706,544	3,583,130	3,089,670	19,180,128	13,140,350
11	3,414,131	-	-	3,414,131	174,120,675	3,654,793	3,161,333	22,341,461	14,894,606
12	3,482,414	-	-	3,482,414	177,603,089	3,727,889	3,234,428	25,575,889	16,595,856
13	3,552,062	-	-	3,552,062	181,155,151	3,802,447	3,308,986	28,884,876	18,245,586
14	3,623,103	-	-	3,623,103	184,778,254	3,878,496	3,385,035	32,269,911	19,845,250
15	3,695,565	-	-	3,695,565	188,473,819	3,956,065	3,462,605	35,732,516	21,396,266
16	3,769,476	-	-	3,769,476	192,243,295	4,035,187	3,541,726	39,274,242	22,900,016
17	3,844,866	-	-	3,844,866	196,088,161	4,115,890	3,622,430	42,896,672	24,357,850
18	3,921,763	-	-	3,921,763	200,009,924	4,198,208	3,704,748	46,601,420	25,771,085
19	4,000,198	-	-	4,000,198	204,010,123	4,282,172	3,788,712	50,390,132	27,141,004
20	4,080,202	-	-	4,080,202	208,090,325	4,367,816	3,874,356	54,264,488	28,468,858
21	4,161,807	-	-	4,161,807	212,252,132	4,455,172	3,961,712	58,226,200	29,755,866
22	4,245,043	-	-	4,245,043	216,497,174	4,544,276	4,050,815	62,277,015	31,003,216
		127,163,827					62,277,015		

Total Project Costs that can be supported by tax revenue through 2020: \$ 19,845,250
 Total Project Costs that can be supported by tax revenue through 2022: \$ 22,900,016

- 1) Projected Spending is recorded the year the expenditures are projected to occur.
- 2) Assessment Increase from Spending is lagged to account for the delay between the actual expenditure and the year in which the Town actually receives the benefit of that spending.

Section VII

Detailed list of estimated project costs

Estimated project costs are presented in Chart #5 on the following page. The costs presented represent a fairly aggressive schedule of investment to take advantage of the limited timeframe the Town will have to utilize the District. The Town has elected to set the level of total project costs at approximately \$2.1MM less than the total amount of project costs that could be supported and repaid by the year 2020, two years before the scheduled dissolution of the Town. Chart #6 demonstrates the projected cash flow position of the District based upon the new development projections, the proposed level of project costs, and Tax Increment available for repayment. Depending upon the timing of investments and the generation of increment, the supported project costs may differ from the projections. It is important to reiterate that the Town is not obligated to complete these projects and may elect to reallocate funds as necessary to achieve the elimination of blight in the District.

Chart #5: TID No. 2 - Project Costs & Timing

Project	Year					Total	
	2006	2007	2008	2009	2010		2011
Infrastructure Improvements							
Land Acquisition	-	178,790	226,573	189,677	129,556	25,403	750,000
Streets, Landscaping, & Right-of-Way Enhancements	-	357,581	453,145	379,355	259,113	50,806	1,500,000
Park Improvements	-	59,597	75,524	63,226	43,185	8,468	250,000
Subtotal	-	595,968	755,242	632,258	431,855	84,677	2,500,000
Development Incentives							
Acquisition Write-Down	53,673	870,702	1,106,268	924,375	627,979	114,503	3,697,500
Construction Write-Down	107,347	1,741,403	2,212,536	1,848,750	1,255,957	229,006	7,395,000
Environmental Remediation	53,673	870,702	1,106,268	924,375	627,979	114,503	3,697,500
Subtotal	214,694	3,482,806	4,425,073	3,697,500	2,511,915	458,013	14,790,000
Administration, Financial, & Organizational							
Financing Costs	3,092	50,158	63,728	53,250	36,176	6,596	213,000
Professional Service Costs	1,452	23,548	29,919	25,000	16,984	3,097	100,000
Imputed Administrative Costs	1,815	29,435	37,399	31,250	21,230	3,871	125,000
Organizational Costs	174	2,826	3,590	3,000	2,038	372	12,000
Subtotal	6,532	105,968	134,637	112,500	76,427	13,935	450,000
Total	221,226	4,184,742	5,314,952	4,442,258	3,020,197	556,626	17,740,000

SECTION VIII

Description of the financing methods and the time when the costs or obligations are to be incurred

The Town may elect to employ a variety of funding methods to provide TIF funding for eligible projects within the District. The Town has identified the following sources of funds as the most likely candidates for funding of TIF eligible projects:

“Pay-as-you-go”: The Town will have the opportunity to provide reimbursements based on increment after the increment has been received. This is often referred to as “pay-as-you-go” TIF.

EPA Revolving Loan Fund: The Town has access to a grant from the EPA that provides a revolving loan fund for environmental remediation. The Town can continue to recycle all or a portion of this loan fund within the district and allow repayment to occur through tax increment.

TIF Bonding: The Town may elect to issue TIF Bonds as an additional source of funding.

General Obligation Borrowing and Bonding: The Town may elect to use General Obligation Borrowing and Bonding as an additional source of funding to a level not to exceed the Town’s statutory borrowing limits.

The Town reserves the right to employ other sources of funding as they become available or use alternative forms of funding if appropriate.

The expected timing for incurring project costs was presented in Chart #5.

SECTION IX

Proposed changes in zoning ordinance, master plan, map, building codes, and Town ordinance

In order to implement the proposed uses as shown on the Proposed TID No. 2 Uses & Improvements map, several parcels that currently have incompatible uses, as shown on the Current Land Uses in Proposed TID No. 2 map, will need to be rezoned to permit commercial activity, primarily C-2. Rezoning of these parcels will provide a more cohesive land use for the area. The process of rezoning these parcels will include review by the Town of Madison, Dane County, and the City of Fitchburg as permitted under the terms of the Cooperative Agreement. Zoning within the District is expected to be consistent with adjoining property uses in the Town as well as the neighboring cities of Fitchburg and Madison.

While the proposed improvements and uses are consistent with the Town's current plans for the area, the Town may, as an eligible project cost, create an updated neighborhood/development plan for the area. Changes to building codes or Town ordinances are not anticipated at this time.

SECTION X

A list of estimated non-project costs

Non-project costs include costs necessary to complete the project that are paid by the municipality but are not reimbursable under the TID. There are no estimated non-project costs.

SECTION XI

Relocation statement

It is not anticipated that relocation activities will be required as a result of the creation of the District, however; should relocation of any person or business become necessary, the Town will file a relocation plan with the Department of Commerce, supply any person or business to be relocated with a pamphlet on relocation rights, and comply with all statutes regarding relocation.

SECTION XII

Orderly development of the Town

The creation of the District will contribute to the orderly development of the Town by encouraging the removal of blight that is otherwise prevented by economic barriers. The development of these parcels will create both new commercial development and improved housing conditions for area residents. The development of the District will lead to increased job opportunities, an improved standard of living, and a significant and sustained improvement in the underlying tax base.

SECTION XIII

Attorney's opinion on completeness of project plan and conformance with Wisconsin Statutes, Section 66.1105(4)(f)

Richard C. Yde
Government Law Team Leader
ryde@staffordlaw.com
608.259.2639

June 27, 2006

James Campbell, Town Chair
Town of Madison
2120 Fish Hatchery Road
Madison, WI 53713

Re: Project Plan for Tax Incremental District No. 2

Dear Mr. Campbell:

As Attorney for the Town of Madison, I have reviewed the Project Plan for Tax Incremental District No. 2, Town of Madison, Wisconsin. In my opinion, the project plan is complete and complies with Wis. Stat. § 66.1105(4)(f).

Very truly yours,



Richard C. Yde

RCY:kps

cc: Renee Schwass, Deputy Clerk/Treasurer

