Village of Cottage Grove                                         Notice of Public Meeting

COMMUNITY DEVELOPMENT AUTHORITY

Monday, June 10, 2019  5:30 p.m.
Village Hall
221 E Cottage Grove Rd.

1. Call To Order
2. Determination Of Quorum And That The Agenda Was Properly Posted.
3. PUBLIC APPEARANCES- Public's Opportunity To Speak About Any Subject That Is Not A Specific Agenda Item.
4. Discuss And Consider Approval Of Minutes Of The May 13, 2019 CDA Meeting.
   Documents:
   5-13-19 CDA MINUTES.PDF
5. PUBLIC HEARING Regarding The Proposed Amendment Of Boundaries And Project Plan For Tax Incremental District #10 Per Public Hearing Notice Published June 3, 2019.
   Documents:
   CDA_TID10_2019-06-10.PDF
   DRAFT TID 10 PROJECT PLAN AMENDMENT 2019.5.31.PDF
   RES 2019-04_TID 10_2019-06-05.PDF
6. Discuss And Consider ‘Resolution 2019-04: A Resolution Designating Proposed Amended Boundaries And Approving A Project Plan Amendment For Tax Incremental District No. 10, Village Of Cottage Grove, Wisconsin.’
7. Future Agenda Items
8. Adjournment

This agenda has been prepared by Staff and approved by the Chair of the Community Development Authority for use at the meeting as listed above. Any item on the agenda is subject to final action. Notice: Persons needing special accommodations should call 608-839-4704 at least 24 hours prior to the meeting. It is possible that members of and possibly a quorum of members of other governmental bodies may be in attendance at the above stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.
VILLAGE OF COTTAGE GROVE  
COMMUNITY DEVELOPMENT AUTHORITY  
Monday, May 13, 2019

MINUTES

1. **Call to order** - the meeting was called to order by Kalata at 5:32 p.m.

2. **Determination of quorum and that the agenda was properly posted** - It was confirmed that a quorum was present, and the meeting was properly posted. In attendance were Jeff Lennberg, Sarah Valencia, Jim Ahearn, Mike Elder, John Hogan, Mike Millage and Jerrud Rossing. Also, in attendance were Planning Director Erin Ruth, Village Administrator Matt Giese, Village Clerk Lisa Kalata, and Kyle Adams from Ruedebush.

3. **PUBLIC APPEARANCES** - None

4. **Discuss and consider approval of minutes of the March 11, 2019 CDA meeting.**

   Motion by Lennberg to approve the minutes of the March 11, 2019 CDA meeting, seconded by Hogan. Motion carried with a voice vote of 7-0-0.

5. **Discuss and Consider Election of Officers, Per Ch. 12-19(E)(1)(B) of the Village Ordinance:**
   a. Chairperson
   b. Vice-Chairperson
   c. Secretary

   Motion by Rossing to appoint Jeff Lennberg as Chairperson, seconded by Valencia. Motion carried with a voice vote of 6-0-0.

   Motion by Lennberg to appoint Sarah Valencia as Vice-Chairperson, seconded by Rossing. Motion carried with a voice vote of 6-0-0.

   Motion by Lennberg to appoint Jim Ahearn as Secretary, seconded by Hogan. Motion carried with a voice vote of 6-0-0.

6. **Presentation from Peter Ouchakof, Dane County Community Development Block Grant Director, Regarding the Dane County Community Development Block Grant Consortium and The Potential for The Village of Cottage Grove to Join the Consortium.**

   Peter Ouchakof from Dane County was presented to explain Dane County Community Development Block Grant Consortium. The Consortium was formed in 1999 and 56 municipalities out of the 61 in Dane County are part of the Consortium. Being a member of the Consortium would give greater benefit to Cottage Grove residents to a boarder range of programs available to them. The Village would complete a resolution and then the Village would be part of the Dane Count Community Development Block Grant Consortium in 2020.

7. **Discuss and Consider Recommendation for Village of Cottage Grove to Join Dane County Block Grant Consortium.**

   Motion by Ahearn to approve recommendation to Village Board to complete a resolution be become a member of Dane County Block Grant Consortium, seconded by Valencia. Motion carried with a voice vote of 6-0-0.
8. Discuss and Consider A Proposal from Ehlers, Inc. To Provide an Amendment to The TID 10 Project Plan.
   Ruth that Greywolf Partners have filed a petition to annex approximately 64 acres of land north of I-94 and this would be included in TID #10 and the project plan would need to be amended. Motion by Hogan to approve the proposal from Ehlers, Inc. to provide an amendment to the TID 10 project plan, seconded by Millage. Motion carried with a voice vote of 6-0-0.

9. Discuss and Consider Scheduling A Public Hearing Regarding the Amendment of The TID 10 Project Plan.
   Motion Lennberg to schedule the hearing on June 10, 2019, seconded by Rossing. Motion carried with a voice vote of 6-0-0.

10. Future Agenda Items
   Public hearing, block grant.

11. Adjournment
    Motion by Hogan to adjourn at 5:50 p.m., seconded by Ahearn. Motion carried with a voice vote of 6-0-0.

Lisa Kalata,
Clerk Village of Cottage Grove
Approved:

These minutes represent the general subject matter discussed in this meeting but do not reflect a verbatim documentation of the subjects and conversations that took place.
BACKGROUND

The Village recently acted to accept a petition for annexation from Greywolf Partners for the former Duschack property.

The Village is now seeking to add the annexed area into TID 10, which was established last year. According to the Village’s financial consultants (Ehlers), there is likely only a one-year window to add area to any of the Village’s TIF districts due to the State of Wisconsin’s 12% rule. The TID 10 Amendment will need to be completed by the end of July to ensure compliance with the statutes (see the attached timeline prepared by Ehlers).

OVERVIEW

The TID 10 Joint Review Board will hold an organizational meeting at 5:00 p.m. on Monday, June 10.

The CDA will hold a public hearing regarding the TID 10 amendment at its Monday, June 10 meeting. The CDA will be asked to discuss and consider Resolution 2019-04: A Resolution Designating Proposed Amended Boundaries and Approving a Project Plan Amendment for Tax Incremental District No. 10, Village of Cottage Grove.

The primary amendments to the plan include the following:
1. Amending the boundary to add the approximately 67 acres of the former Duschack property.
2. Adding internal infrastructure to the list of projects within the project plan, and increasing the allowance for developer incentives given the increased size of the district.
STAFF RECOMMENDATION

Staff recommends that Resolution 2019-04 be **APPROVED**.
May 31, 2019

DRAFT Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 10

VILLAGE OF COTTAGE GROVE, WISCONSIN

Organizational Joint Review Board Meeting Held: Scheduled for: June 10, 2019
Public Hearing Held: Scheduled for: June 10, 2019
Consideration for Approval by Community Development Authority: Scheduled for: June 10, 2019
Consideration for Adoption by Village Board: Scheduled for: June 17, 2019
Consideration for Approval by the Joint Review Board: Scheduled for: TBD
Tax Incremental District No. 10 Territory & Project Plan Amendment

Village of Cottage Grove Officials

Village Board

John Williams  
Troy Allen  
Melissa Ratcliff  
Heidi Murphy  
Sarah Valencia  
Vacant  
Jeffrey Lennberg  

Village President  
Trustee  
Trustee  
Trustee  
Trustee  
Trustee

Village Staff

Matt Giese  
Lisa Kalata  
Erin Ruth  
Deb Winter  
Leighton W. Boushea  

Village Administrator  
Village Clerk  
Director of Planning and Development  
Village Treasurer  
Village Attorney

Community Development Authority

Sarah Valencia  
Jeffrey Lennberg  
Jerrud Rossing  
Mike Millage  
Sarah Valencia  
John Hogan  
Jeffrey Lennberg  
Mike Elder  
Jerrud Rossing  
Jim Ahearn  
Mike Millage

Village Representative  
Dane County  
Madison Area Technical College District  
Sun Prairie School District  
Public Member
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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location
Tax Incremental District (“TID”) No. 10 (the “TID” or “District”) is an existing mixed-use district, which was created by a resolution of the Village of Cottage Grove (“Village”) Village Board adopted on June 18, 2018 (the “Creation Resolution”).

Amendments
The District has not been previously amended.

Purposes of this Amendment
To further facilitate development within areas adjacent to the District, the Village desires to amend its boundaries to add territory. A map, located in Section 3 of this plan, identifies the Territory to be added and its geographic relationship to the existing District’s boundaries. This amendment will cause territory to be added to the District, providing incentive and opportunities for additional private development. The Village is required to maintain whole parcels within the boundaries of a tax increment district. The proposed boundary amendment will ensure the Village complies with this requirement and allows the Village to implement the development envisioned in the original project plan.

This amendment will also modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development.

Estimated Total Project Expenditures
The Village anticipates making project expenditures of approximately $5,400,000 to undertake infrastructure projects in the amendment areas and $3.5 million of development incentives as listed in this Project Plan. The Village also retains the expenditure authority of $6,492,200 within the original District area. Project costs within the original and amended boundaries totals $15,392,200. It is anticipated that all projects will be completed in phases to match the pace of development. The Expenditure Period of this District terminates on June 18, 2033. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with General Obligation debt or funded through a developer incentive. However, the Village may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, or provide other advantages as determined by the Village Board. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.

Economic Development
As a result of the amendment of this District, the Village projects that additional land and improvements value of approximately $59,500,000 will be created as a result of new development. This additional value will be a result of the improvements made and projects undertaken within the amended area and within the original District boundaries. The $59.5 million of value is the projected amount needed to pay for the estimated infrastructure costs and a portion of the development incentives within the original boundary and amended area. This projected value is based on 100 acres of the 303 acre District achieving a value of $590,000 per acre that is comparable to the average of the PFS, Northern Shared Medical, Stihl, & Johnson Health Tech developments currently within the Village. A table detailing assumptions as to the
timing of new development and redevelopment, and associated values is located in Section 10 of this plan. In addition, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

TID No. 10 has a maximum statutory life of 20 years, and must close not later than June 18, 2038, resulting in a final collection of increment in budget year 2039. Cash flow projections prepared when the district was created in 2018 indicated that the entire available life of the District will be required to retire projected District liabilities. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from 2039 to 2038.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” amendment of this District, the additional development projected to occur within the amendment areas as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner at the values, or within the timeframe desired by the Village. In making this determination, the Village has considered the following information:

   - Some of the sites proposed for development have remained vacant for due to lack of sufficient street and utility infrastructure. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the Village that the use of Tax Incremental Financing (“TIF”) will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the Village.

   - In order to make the areas included within the District suitable for development a, the Village will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. Due to the extensive initial investment in public infrastructure that is required in order to allow development to occur, the Village has determined that development of the area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, development of the area is unlikely to occur.

   - The Village’s comprehensive plan has identified the areas within the District as future development opportunities and the use of TIF can accomplish those objectives.

2. The economic benefits of amending the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the Village has considered the following information:

   - As demonstrated in the Economic Feasibility Section of this Project Plan, the total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amended areas. On this basis alone, the finding is supported.

   - The area within the TID provides opportunities for largely vacant land to be converted to a higher industrial and commercial use and expand possibilities for tax base diversification in the Village as existing business parks are filled.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.

- If approved, the boundary amendment would become effective for valuation purposes as of January 1, 2019. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2019 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.

- Given that additional development is not likely to occur or in the same manner without the use of tax incremental financing (see finding #1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the Village reasonably concludes that the overall additional benefits of the District amendment outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not amended. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of the Project Plan.

4. Not less than 50% by area of the real property within the District, as amended, is suitable for a combination of industrial and commercial uses defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).

5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a mixed-use District based on the identification and classification of the property included within the District.

6. The Project Costs of the District relate directly to promoting mixed-use development in the District consistent with the purpose for which the District was created.

7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.

8. The equalized value of the taxable property within the territory to be added to the District by this amendment, plus the value increment of all other existing tax incremental districts within the Village, does not exceed 12% of the total equalized value of taxable property within the Village.

9. The Village estimates that none of the territory within the District, as amended, will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.
SECTION 2:
Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on June 18, 2018 by resolution of the Village Board. The District’s valuation date, for purposes of establishing base value, was January 1, 2018.

The existing District is a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District was suitable for a combination of industrial and commercial uses within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). The District will remain in compliance with this finding after the addition of the territory identified in this Amendment. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with the 50% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended.

This Project Plan Amendment supplements and does not supersede or replace any component of the original Project Plan unless specifically stated. All components of the original Project Plan remain in effect.

The purpose of the Amendment is to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the Village to install additional public improvements, and to make additional necessary related expenditures that will create development opportunities consistent with the original purposes for which the District was created. The amendment is also to provide for the undertaking of additional expenditures.

A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains a mixed-use District based on the identification and classification of the property included within the District.
SECTION 3:
Preliminary Map of Original District Boundary and Territory Amendment Area Identified

See maps on following pages
SECTION 4:
Map Showing Existing Uses and Conditions Within The Territory To Be Added

See map on following page
### SECTION 5:
Preliminary Parcel List and Analysis Within The Territory To Be Added

#### Village of Cottage Grove, Wisconsin

**Tax Increment District # 10**

**Parcels being added to TID #10**

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**Total Acreage Amendment**: 67.60

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**Estimated Base Value**: 20,133
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**Total Acreage Original TID 10**

| 234.99 |

**Totals for Original & Amendment**

| 302.59 |

**Percentages**

| 74% | 26% | 100% |
SECTION 6: Equalized Value Test

The following calculations demonstrate that the Village is in compliance with Wisconsin Statutes Section 66.1105(4)(gm)4.c., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village. The equalized value of the Territory to be incorporated by this Amendment, plus the value increment of all other existing tax incremental districts within the Village, totals $82,900,933. This value is less than the maximum of $89,527,080 in equalized value that is permitted for the Village of Cottage Grove. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

\[
\text{Village of Cottage Grove, Wisconsin} \\
\text{Tax Increment District # 10} \\
\text{Valuation Test Compliance Calculation} \\
\text{District Creation Date} \quad 6/18/2018 \\
\text{Valuation Data} \\
\text{Currently Available} \quad 2018 \\
\text{Total EV (TID In)} \quad 746,059,000 \\
\text{12\% Test} \quad 89,527,080 \\
\text{Increment of Existing TIDs} \\
\begin{array}{l}
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\text{TID \#7} \\
\text{TID \#8} \\
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\text{Total Existing Increment} \quad 82,880,800 \\
\text{Projected Base of Amended District} \quad 20,133 \\
\text{Less Value of Any Underlying TID Parcels} \quad 0 \\
\text{Total Value Subject to 12\% Test} \quad 82,900,933 \\
\text{Compliance} \quad \text{PASS}
\]
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 Village 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.

Property, Right-of-Way and Easement Acquisition

Acquisition of Rights-of-Way
The Village may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements
The Village may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire easement rights are eligible Project Costs.

Site Preparation Activities

Site Grading
Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The Village may need to remove and dispose of excess material or bring in fill material to provide for proper site elevations. Expenses incurred by the Village for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements
There are inadequate sanitary sewer facilities serving areas of the District. To allow development to occur, the Village may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.
Water System Improvements
There are inadequate water distribution facilities serving areas of the District. To allow development to occur, the Village may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs.

Stormwater Management System Improvements
Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; and infiltration, filtration and detention Best Management Practices (BMP’s). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs.

Streets and Streetscape

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

Streetscaping and Landscaping
In order to attract development consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)
The Village 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 Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.
Projects Outside the Tax Increment District
Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the Village’s corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The Village intends to make the following project cost expenditures outside the District:

- CTH TT improvements totaling $763,000
- CTH TT Roundabout improvements totaling $381,500

Professional Service and Organizational Costs
The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs
The Village may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by Village employees in connection with the implementation of the Plan.

Financing Costs
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating Village ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the Village 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.

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

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.
SECTION 8:
Map Showing Proposed Improvements and Uses Within The Territory To Be Added

See map on following page
SECTION 9: 
Detailed List of Additional Project Costs

This Section contains information relative to the specific projects and expenditures that the Village anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment. In addition, included for reference purposes, is a listing of the project cost estimates for the original District.

All costs are based on 2019 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2019 and the time of construction. The Village also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The Village retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without further amending this Plan.
## Village of Cottage Grove, Wisconsin

### Tax Increment District # 10

#### Estimated Project List

<table>
<thead>
<tr>
<th>ORIGINAL PLAN</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
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<td>Project Name/Type</td>
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<td>2,203,200</td>
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<td>3</td>
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<td>817,500</td>
</tr>
<tr>
<td>4</td>
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<td>63,000</td>
<td>700,000</td>
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<td>5</td>
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<td>31,500</td>
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<td>6</td>
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<td>7</td>
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<td>6,492,200</td>
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### Notes:

- **Note 1**: Project costs are estimates and are subject to modification.
- **Note 2**: Infrastructure project costs could be financed by the Village or reimbursed to developer if developer funded.
### Village of Cottage Grove, Wisconsin
#### Tax Increment District # 10

**Estimated Project List**

<table>
<thead>
<tr>
<th>Amended Plan</th>
<th>Phase 1</th>
<th>Ongoing</th>
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<td></td>
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**Total Projects**

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<th></th>
<th></th>
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</thead>
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<tr>
<td>Phase 1</td>
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**Original Project Costs**

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<td>6,492,200</td>
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**TOTAL PROJECT COSTS**

<p>| |</p>
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<th></th>
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<tr>
<td><strong>15,392,200</strong></td>
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</table>

**Notes:**

- **Note 1**: Project costs are estimates and are subject to modification.
- **Note 2**: Infrastructure project costs could be financed by the Village or reimbursed to developer if developer funded.
SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition of territory, will remain economically feasible insofar as:

- The Village has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.

- The Village expects to complete the remaining projects in one or multiple phases and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.

- The development anticipated to occur as a result of the continued implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) an updated projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Available Financing Methods

The following is a list of the types of obligations the Village may choose to utilize.

General Obligation (G.O.) Bonds or Notes
The Village may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the Village has a G.O. debt limit of $37,302,950, of which $18.6 million is currently unused and could be made available to finance Project Costs.

Bonds Issued to Developers (“Pay as You Go” Financing)
The Village may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the Village’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the Village and, therefore, do not count against the Village’s statutory borrowing capacity.
Tax Increment Revenue Bonds
The Village has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the Village, or as a form of lease revenue bond by its Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the Village and therefore do not count against the Village’s statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the Village may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds
The Village can issue revenue bonds to be repaid from revenues of its various utility systems, including revenues paid by the Village that represent service of the system to the Village. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the Village must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the Village utilizes utility revenues other than tax increments to repay a portion of the bonds, the Village must reduce the total eligible Project Costs in an equal amount.

Special Assessment “B” Bonds
The Village has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the Village determines that special assessments are appropriate, the Village can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the Village's statutory borrowing capacity. If special assessments are levied, the Village must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation
As stated in the original project plan, projects identified will provide the necessary anticipated governmental services and/or development incentives to the remaining district. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements, if any. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the Village reserves the right to use alternate financing solutions for the projects as they are implemented.
Implementation and Financing Timeline

### Village of Cottage Grove, Wisconsin

**Tax Increment District # 10**

**Estimated Financing Plan**

<table>
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<tr>
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<tbody>
<tr>
<td>Infrastructure into amended territory</td>
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<td>5,400,000</td>
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<td>CTH N Improvements (TT +3400 ft N)</td>
<td>163,200</td>
<td>2,040,000</td>
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<td>2,263,200</td>
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<tr>
<td>Watermain Extension (TT +3400 ft N)</td>
<td>27,000</td>
<td>300,000</td>
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<td>327,000</td>
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<tr>
<td>Northside Lift Station/Forcemain</td>
<td>67,500</td>
<td>750,000</td>
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<td>817,500</td>
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<tr>
<td>CTH TT Improvements</td>
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<td></td>
<td>763,000</td>
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<tr>
<td>CTH TT Roundabout Improvement (2 left)</td>
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<td>381,500</td>
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<td><strong>Total Project Funds</strong></td>
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<td>Bond Counsel</td>
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<td>Rating Agency Fee</td>
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<td>Underwriter Discount</td>
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<td>78,438</td>
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<td>Capitalized Interest</td>
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<td><strong>Total Financing Required</strong></td>
<td>6,329,904</td>
<td>3,201,538</td>
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<tr>
<td>Estimated Interest</td>
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<td>Assumed spend down (months)</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
<td>(11,445)</td>
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<td>Rounding</td>
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<td>4,363</td>
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<td><strong>Net Issue Size</strong></td>
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**Notes:**
## Village of Cottage Grove, Wisconsin

**Tax Increment District # 10**

**Development Assumptions**

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<th>Construction Year</th>
<th>Industrial and Commercial Development</th>
<th>Annual Total</th>
<th>Construction Year</th>
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<tr>
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<td>0</td>
<td>2018</td>
<td>1</td>
</tr>
<tr>
<td>2 2019</td>
<td>8,500,000</td>
<td>8,500,000</td>
<td>2019</td>
</tr>
<tr>
<td>3 2020</td>
<td>8,500,000</td>
<td>8,500,000</td>
<td>2020</td>
</tr>
<tr>
<td>4 2021</td>
<td>8,500,000</td>
<td>8,500,000</td>
<td>2021</td>
</tr>
<tr>
<td>5 2022</td>
<td>8,500,000</td>
<td>8,500,000</td>
<td>2022</td>
</tr>
<tr>
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<td>7 2024</td>
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<td>8 2025</td>
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<td>9 2026</td>
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<td>10 2027</td>
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<td>12 2029</td>
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<td>13 2030</td>
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### Totals

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<tr>
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<th>59,500,000</th>
<th>59,500,000</th>
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### Notes:

1. PFS, Northern Shared Medical, Stihl, & Johnson Health Tech average $590,000 per acre.
2. 100 acres of developable land results in approximately $59.5 million in value (TID is 303 acres)
Increment Revenue Projections

Village of Cottage Grove, Wisconsin
Tax Increment District # 10
Tax Increment Projection Worksheet

<table>
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<tr>
<th>Construction Year</th>
<th>Value Added</th>
<th>Inflation Year</th>
<th>Total Increment</th>
<th>Revenue Year</th>
<th>Tax Rate</th>
<th>Tax Increment</th>
<th>Tax Exempt NPV Calculation</th>
<th>Taxable NPV Calculation</th>
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<tr>
<td>1 2018</td>
<td>0</td>
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<td>2 2019</td>
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<td>3 2020</td>
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<td>11,283,995</td>
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</tbody>
</table>

Totals: 59,500,000

Future Value of Increment: 15,895,236

Notes:
- Actual results will vary depending on development, inflation of overall tax rate.
- NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).
# Village of Cottage Grove, Wisconsin

## Tax Increment District # 10

### Cash Flow Projection

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Revenues</th>
<th>Expenditures</th>
<th>Balances</th>
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<tr>
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<td>Tax Inc.</td>
<td>Capitalized</td>
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<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
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<td>0</td>
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<tr>
<td>2022</td>
<td>189,478</td>
<td>251,000</td>
<td>440,478</td>
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### Village of Cottage Grove

**Submitted by Ehlers**

Page 25

**May 31, 2019**

### Notes:

- Projected TID Closure

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**Total**

| Total | 19,895,236 | 522,917 | 20,418,153 | 6,275,000 | 3,620,417 | 3,175,000 | 1,525,201 | 1,200,000 | 463,500 | 258 | 3,520,000 | 270,000 | 105,000 | 19,544,368 | 0 | 2039 |
SECTION 11:
Annexed Property

Properties within the Territory proposed to be included within the District by Amendment were annexed by the Village on or after January 1, 2004. To satisfy the requirements of Wisconsin Statutes Section 66.1105(4)(gm)1, the Village pledges to pay to the Town of Sun Prairie for each of the next five years an amount equal to the property taxes levied on the annexed properties by the Town at the time of annexation.

SECTION 12:
Estimate of Additional Property to be Devoted to Retail Business

The Village estimates that none of the territory within the District, as amended, will be devoted to retail business at the end of the District’s maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

SECTION 13:
Proposed Zoning Ordinance Changes

The Village anticipates that a portion of the Territory to be incorporated into the District by Amendment will be rezoned prior to development.
SECTION 14:
Proposed Changes in Master Plan, Map, Building Codes and Village of Cottage Grove Ordinances

It is expected that this Plan will be complementary to the Village's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other Village ordinances for the implementation of this Plan.

SECTION 15:
Relocation

It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the Village will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 16:
Orderly Development of the Village of Cottage Grove

This amendment contributes to the orderly development of the Village by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. The area within the TID provides opportunities for largely vacant land to be converted to a higher industrial and commercial use and expand possibilities for tax base diversification in the Village as existing business parks are filled.

SECTION 17:
List of Estimated Non-Project Costs

Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

The Village does not expect to incur any non-project costs in the implementation of this Project Plan.
SECTION 18:  
Opinion of Attorney for the Village of Cottage Grove  
Advising Whether the Plan is Complete and Complies with Wisconsin Statutes 66.1105

May 31, 2019

John Williams, Village President  
Village of Cottage Grove  
221 E. Cottage Grove Road  
Cottage Grove, Wisconsin 53527

RE: Village of Cottage Grove, Wisconsin Tax Incremental District No. 10 Amendment

Dear Village President:

As Village Attorney for the Village of Cottage Grove, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Leighton W. Boushea  
Village of Cottage Grove
Exhibit A: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

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<th>Tax Bill Allocation for Levy Year</th>
<th>2018</th>
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<tr>
<td>Special District</td>
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<tr>
<td>Municipality</td>
<td>30%</td>
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<tr>
<td>School District of Sun Prairie Area</td>
<td>49%</td>
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<tr>
<td>Technical College</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
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</table>

<table>
<thead>
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<th>County</th>
<th>Municipality</th>
<th>School District of Sun Prairie Area</th>
<th>Technical College</th>
<th>Total</th>
<th>Revenue Year</th>
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| Sum          | 3,382,190 | 5,968,571 | 9,748,666 | 795,809 | 19,895,236 |

Notes: The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)(4).
RESOLUTION NO. 2019-04

RESOLUTION DESIGNATING PROPOSED AMENDED BOUNDARIES
AND APPROVING A PROJECT PLAN AMENDMENT
FOR TAX INCREMENTAL DISTRICT NO. 10,
VILLAGE OF COTTAGE GROVE, WISCONSIN

WHEREAS, the Village of Cottage Grove (the “Village”) has determined that use of Tax Incremental Financing is required to promote development within the Village; and

WHEREAS, Tax Incremental District No. 10 (the “District”) was created by the Village on June 18, 2018 as a mixed-use district; and

WHEREAS, the Village now desires to amend the Project Plan and boundaries of the District (the “Amendment”) in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, such Amendment will:

a. Add territory to the District as permitted under Wisconsin Statutes Section 66.1005(4)(h)2.

b. Amend the categories, locations or costs of project costs to be made as permitted under Wisconsin Statutes Section 66.1005(4)(h)1.

WHEREAS, an amended Project Plan for the District (the “Amendment”) has been prepared that includes:

a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;

b. An economic feasibility study;

c. A detailed list of estimated project costs;

d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;

e. A map showing existing uses and conditions of real property in the District;

f. A map showing proposed improvements and uses in the District;

g. Proposed changes of zoning ordinances, master plan, map, building codes and Village ordinances;

h. A list of estimated non-project costs;

i. A statement of the proposed plan for relocation of any persons to be displaced;

j. A statement indicating how the amendment of the district promotes the orderly development of the Village;

k. An opinion of the Village Attorney or of an attorney retained by the Village advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Dane County, the Sun Prairie School District, and the Madison Area Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Community Development Authority, on June 10, 2019 held a public hearing concerning the proposed...
amendment to the Project Plan and boundaries of the District, providing interested parties a reasonable opportunity to express their views thereon.

NOW, THEREFORE, BE IT RESOLVED by the Community Development Authority of the Village of Cottage Grove that:

1. It recommends to the Village Board that the boundaries of Tax Incremental District No. 10 be amended as designated in Exhibit A of this Resolution.

2. It approves and adopts the amended Project Plan for the District, attached as Exhibit B, and recommends its approval to the Village Board.

3. Amendment of the Project Plan and Boundaries of the District promotes orderly development in the Village.

Adopted this __________ day of ______________, 2019

________________________________________
Community Development Authority Chair

_____________________________________________
Secretary of the Community Development Authority
EXHIBIT A -

LEGAL BOUNDARY DESCRIPTION OR MAP OF TAX INCREMENTAL DISTRICT NO. 10 VILLAGE OF COTTAGE GROVE

THIS CAN BE FOUND IN THE PROJECT PLAN
EXHIBIT B -

PROJECT PLAN

THIS WILL BE HANDED OUT SEPARATELY