

AGENDA
CITY OF STURGEON BAY
JOINT REVIEW BOARD MEETING
Tuesday, September 14, 2021
1:00 p.m.
Council Chambers, City Hall
421 Michigan Street, Sturgeon Bay WI

1. Call to Order.
2. Roll Call.
3. Approval of the Minutes from the August 17, 2021 JRB Meeting.
4. Review and discussion of the proposed Project Plan and Boundary for Tax Incremental District No. 5.
5. Approval of the Joint Review Board Resolution creating TID No. 5.
6. Adjourn.

The purpose of this meeting is to reconvene the Joint Review Board to review and discuss the proposed Project Plan and Boundary for the City of Sturgeon Bay TID No. 5, pursuant to Section 66.1105 of the Wisconsin Statutes. A final decision may be made regarding TID No. 5, a resolution may be acted upon, and the municipality will be notified of its decision. This meeting is expected to conclude in less than 1 hour. The City of Sturgeon Bay has contracted with Robert W. Baird & Company to assist in the creation of the project plan listed above. If you have any further questions about the duties of the Joint Review Board or want to discuss this project before the meeting, you may contact Martin Olejniczak Community Development Director at 920-746-6908.

It is possible that members of, and possibly a quorum of members of, other government bodies of the municipality may be in attendance at this Joint Review Board Organizational Meeting to gather information. No action will be taken by any governmental body at this meeting other than the Joint Review Board.

Posted:
Date: 9/9/21
Time: 1:30 p.m.
By: LS

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JOINT REVIEW BOARD
Tuesday August 17, 2021

A meeting of the Joint Review Board was called to order at 1:00p.m. by Community Development Director Marty Olejniczak in Council Chambers, City Hall, 421 Michigan Street.

Roll call: Members present were City Representative Mayor Ward, Door County Representative Steve Wipperfurth, NWTC Representative Bob Mathews, Sturgeon Bay Schools Representative Mike Stephani. Also present were Alderperson Bacon, Alderperson Williams, Community Development Director Marty Olejniczak, Finance Director/City Treasurer Val Clarizio, Robert W Baird Representative Brian Ruechel and Office Accounting Assistant II Tricia Metzger.

Appointment of Chairperson: Moved by Mr. Wipperfurth, seconded by Mr. Mathews to nominate Mayor Ward as Chairperson of the Joint Review Board. All ayes. Carried.

Appointment of Public Member:

Moved by Mr. Wipperfurth, seconded by Mr. Mathews to nominate Bill Chaudoir as the public member of the Joint Review Board. All ayes. Carried. Mr. Chaudoir then joined the meeting.

Discuss Role of the Joint Review Board: Community Development Director Olejniczak explained that Sturgeon Bay currently has 4 tax increment districts. This organizational meeting is regarding a proposed plan to create Tax Increment District No. 5. The TID would consist of two parcels owned by the Sturgeon Bay School District that are intended for redevelopment as multi-family housing. Brian Ruechel of Robert W. Baird continued, stating the Joint Review Board is comprised of representatives from the 5 taxing jurisdictions and a public member. This meeting is a statutory requirement for the creation of a TID. The purpose is to become familiar with the reasons why the City is proposing to create another TID. Mr. Ruechel stated he prepared a draft preliminary project plan which includes statutory requirements, decisioning criteria, timeline and cash flow analysis proforma.

Overview of purpose and description of the Tax Incremental District No.5 being created:

Mayor Ward stated the Board is in the review process, the parcels owned by the Sturgeon Bay School District are not on the tax rolls because it's a school therefore is zero taxable value currently, which brings up the issues of economic benefit.

Mr. Chaudoir questioned whether there are developers for this project. Mr. Olejniczak explained that there are two developers. There are two parcels, the school parking lot and school building property. The Plan Commission and Common Council approved Maritime Heights to build 10 units on the school parking lot and S.C Swiderski for 26 units on the school property. Both developments are contingent upon certain terms such as TID assistance. He stated the City and Sturgeon Bay School District joined to submit an RFP for redevelopment. The two developers selected, based on their proposals seemed to fit best in terms of the comprehensive plan, fit for the neighborhood and what the City and School District considered a mix of both property value and other benefits.

Mr. Chaudoir questioned the selection of two developers. Mr. Olejniczak explained that Maritime Heights has several buildings on the former Amity Field property. The school parking lot affords Maritime Heights the opportunity to extend their building with the same 10-unit townhouse style construction with detached garages. S.C Swiderski proposed a 26-unit townhouse style development with attached garages. They are higher end priced. The units along 8th Ave will be one story, and westerly two stories. S.C Swiderski did not plan to utilize the parking area therefore Maritime Heights was considered. Mayor Ward stated the School District agreed that the City is critically short on housing. The school property and parking lot needed the right match up, Maritime Heights and S.C. Swiderski offered proposals that best fit the neighborhood.

Mr. Chaudoir commented the project plan has budgeted funds for playground equipment. Is the equipment for public use or limited to the tenants? Mr. Olejniczak explained the Plan Commission requested the developers provide recreational space, considering the school has a playground available to the public.

Neither developer is interested in having a playground since neither developer anticipates many children but they will set aside recreational space for their tenants. The project plan calls for the replacement of the playground equipment somewhere, options could include Garland Park or available green space by the Dairy Queen that could be either leased or by easement.

Mr. Wipperfurth commented that trying to find affordable housing in Door County is challenging. What is considered affordable? Is the rent charged by the developers going to be affordable? With the shortage in the workforce, is the housing cost affordable to bring families into the area? Mayor Ward stated these points were raised with the other four developments, Lexington Homes, S.C Swiderski, Tall Pines and Maritime Heights. Lexington Homes is at the higher end while Maritime Heights is lower. The house study expressed the need for all price points. The City does have affordable housing projects in the works.

Mr. Mathews questioned with the increase in building costs if there is any risk for potential delay with project timelines? Mr. Olejniczak stated Maritime Heights plans to start very soon and S.C Swiderski expects to start in Spring 2022.

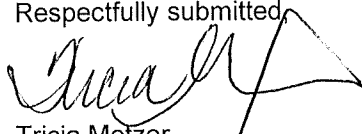
Mr. Chaudoir commented that the project plan includes repaving neighboring streets. How much is available to do with this TID. Mr. Olejniczak explained to keep the costs conservative the City is only considering the block that borders the TID District. It could go beyond for a section of Erie Street. Delaware Street needs work all the way down to 3rd Ave but work is included as part of the capital plan. If there is a need to extend further than the drafted project plan it could be written in. Mr. Ruechel stated that the initial cash proforma developed for the plan shows that there is additional financial capacity available.

Mr. Chaudoir questioned whether the neighborhood improvement program in the project plan is similar what was done in the area surrounding the former Wiretech site. Mr. Olejniczak stated the intent is to initialing offer funding for properties close to the TID and if extra funding is available expand broader. The concept being exterior type improvements either to the site or other improvements that would benefit the neighborhood.

The next meeting date is September 14, 2021 at 1:00 pm in the Council Chambers, City Hall.

Adjourn: Moved by Mr. Wipperfurth, seconded by Mr. Stephani to adjourn. Carried. The meeting adjourned at 1:34p.m.

Respectfully submitted,



Tricia Metzger
Office Accounting Assistant II

JOINT REVIEW BOARD RESOLUTION #21-XX

Resolution Formally Approving the Creation of Tax Incremental District No. 5

APPROVING THE CREATION OF TAX INCREMENTAL DISTRICT NO. 5, CITY OF STURGEON BAY, DOOR COUNTY, WISCONSIN

WHEREAS, the City of Sturgeon Bay seeks to create Tax Incremental District No. 5, City of Sturgeon Bay, Door County, Wisconsin ("the District"); and

WHEREAS, Section §66.1105(4m) of the Wisconsin Statutes requires that a Joint Review Board (the "Board") shall convene to review the proposal to create a tax incremental district; and

WHEREAS, the board consists of one representative chosen by the School District, one representative chosen by the Wisconsin Technical College District System, and one representative chosen by the County, all of whom represent local governmental entities and school districts that have the power to levy taxes on property within the District, and one representative chosen by the City and one public member; and

WHEREAS, the public member and the Board's chairperson were selected by a majority vote of the Board members before the public hearing was held pursuant to Section §66.1105(4)(a) of the Wisconsin Statutes; and

WHEREAS, all Board members were appointed and the first Board meeting held within 14 days after the notice was published pursuant to Section §66.1105(4)(a) and (e) of the Wisconsin Statutes, was held; and

WHEREAS, the Board has reviewed the public record, planning documents, the resolution adopted by the Plan Commission approving the District and adopting the Project Plan, and the resolution adopted by the Common Council approving the creation of the District as authorized by section §66.1105(4)(gm) of the Wisconsin Statutes; and

WHEREAS, the Board has considered whether, and concluded that, the District meets the following criteria:

1. The development expected in the District would not occur without the use of tax increment financing and the creation of a tax incremental district.
2. The economic benefits of the District, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of the property in the overlying taxing districts.

NOW THEREFORE, BE IT RESOLVED THAT the Recitals set forth above are approved by the Board and incorporated herein and made an enforceable part of this Resolution.

JOINT REVIEW BOARD RESOLUTION #21-XX

Resolution Formally Approving the Creation of Tax Incremental District No. 5

BE IT FURTHER RESOLVED THAT the Board approves the creation of Tax Incremental District No. 5, City of Sturgeon Bay, Door County, Wisconsin.

Adopted this 14th day of September, 2021 by a vote of ____ ayes and ____ noes.

By _____
David J. Ward, Ph.D., Chair

RESOLUTION # _____

Resolution Formally Establishing the Boundaries of and Approving the Project Plan for Tax Incremental District No. 5

ESTABLISHING THE BOUNDARIES OF AND APPROVING THE PROJECT PLAN FOR TAX INCREMENTAL DISTRICT NO. 5, CITY OF STURGEON BAY, DOOR COUNTY, WISCONSIN

WHEREAS, pursuant to Wisconsin Statutes §66.1105 the City of Sturgeon Bay has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 5 (“the District”) is proposed to be created as a “mixed-use district” where not less than fifty percent (50%) by area, of the real property within the District is suitable for industrial, commercial, and residential development; and

WHEREAS, a Project Plan for Tax Incremental District No. 5 has been prepared that includes the following:

1. A statement listing the kind, number, and location of proposed public works or improvements within the District;
2. An economic feasibility study;
3. A detailed list of estimated project costs;
4. 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;
5. A map showing existing uses and conditions of real property in the District;
6. A map showing proposed improvements and uses in the District;
7. Proposed changes of zoning ordinance, master plan, map, building codes, and City Ordinances;
8. A statement of the proposed method for relocation of any person to be displaced;
9. A statement indicating how creation of the District promotes the orderly development of the City;
10. An Opinion of the City Attorney advising that the plan is complete and complies with Wis. Statute §66.1105(4)(f); and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on August 18, 2021, held a public hearing concerning the project plan and boundaries and proposed creation of the District providing interested parties a reasonable opportunity to express their views on the proposed creation of a tax incremental district and the proposed boundaries of the District; and

WHEREAS, after said public hearing, the Plan Commission adopted a resolution, and recommended to the Common Council that it create the District.

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Sturgeon Bay that:

RESOLUTION # _____

Resolution Formally Establishing the Boundaries of and Approving the Project Plan for
Tax Incremental District No. 5

1. The Recitals set forth above are incorporated herein and are made an enforceable part of this resolution.
2. The boundaries of the District are hereby approved and established as legally described in Exhibit A attached and incorporated herein by reference.
3. The District is created effective as of January 1, 2021.
4. The City Council finds and declares that:
 - a. Not less than fifty percent (50%), by area, of the real property within the District is suitable for industrial, commercial, residential development within the meaning of Section §66.1105(2) (cm) of the Wisconsin Statutes. Less than 35 percent (35%) of the District land is proposed for newly platted residential development and the residential housing density is at least three units per acre.
 - b. Based upon the findings, as stated in (a) above, the District is declared to be a mixed-use development district based on the identification and classification of the property included within the District.
 - c. The improvement of the area is likely to significantly enhance all the other real property's value in the District.
 - d. The private development activities projected in the Project Plan would not occur without tax incremental financing.
 - e. The equalized value of the taxable property in the District plus the value increment of all other existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
 - f. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Section §66.1105 (5)(b) of the Wisconsin Statutes.
 - g. The project costs relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.
 - h. Confirms that the boundaries of the District do not include any annexed territory that was not within the boundaries of the City on January 1, 2004.
5. The Project Plan, prepared by Robert W. Baird & Co. dated August 2, 2021 which is incorporated herein in its entirety by reference, is approved and the City further finds that plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED THAT the City Clerk is hereby authorized and directed to apply to the Wisconsin Department of Revenue, in such form as may be prescribed, for a "Determination of Tax Incremental Base", as of January 1, 2021, pursuant to the provisions of Section §66.1105 (5) (b) of the Wisconsin Statutes.

BE IT FURTHER RESOLVED THAT the City Assessor is hereby authorized and directed to identify upon the assessment roll returned and examined under section §70.45 of the Wisconsin Statutes, those parcels of property which are within the District, specifying thereon the name of the District, and the City Clerk is hereby authorized and

RESOLUTION # _____

Resolution Formally Establishing the Boundaries of and Approving the Project Plan for
Tax Incremental District No. 5

directed to make similar notations on the tax roll made under Section §70.65 of the
Wisconsin Statutes, pursuant to Section §66.1105(5)(f) of the Wisconsin Statutes.

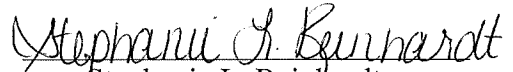
Adopted this 7th day of September, 2021

City of Sturgeon Bay

By _____
David J. Ward, Ph.D., Mayor

CERTIFICATION

I hereby certify that the foregoing Resolution was duly adopted by the Common Council
of the City of Sturgeon Bay on the 7th day of September, 2021.


Stephanie L. Reinhardt,
City of Sturgeon Bay
City Clerk

PLANNING COMMISSION RESOLUTION #01-2021

Resolution Formally Adopting Proposed Project Plan and Boundaries for Tax
Incremental District No. 5

RECOMMENDED ADOPTION OF THE PROJECT PLAN AND BOUNDARIES FOR TAX INCREMENTAL DISTRICT NO. 5 CITY OF STURGEON BAY, WISCONSIN

WHEREAS, pursuant to Wisconsin Statutes §66.1105 the City of Sturgeon Bay has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 5 ("the District") is proposed to be created as a "mixed-use district" where not less than fifty percent (50%) by area, of the real property within the District is suitable for industrial, commercial, and residential development, and

WHEREAS, a Project Plan for Tax Incremental District No. 5 has been prepared that includes the following:

1. A statement listing the kind, number, and location of proposed public works or improvements within the District;
2. An economic feasibility study;
3. A detailed list of estimated project costs;
4. 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;
5. A map showing existing uses and conditions of real property in the District;
6. A map showing proposed improvements and uses in the District;
7. Proposed changes of zoning ordinance, master plan, map, building codes, and City ordinances;
8. A statement of the proposed method for relocation of any person to be displaced;
9. A statement indicating how creation of the District promotes the orderly development of the City;
10. An opinion of the City Attorney advising that the plan is complete and complies with Wis. Statute §66.1105(4)(f); and

WHEREAS, prior to its publication, a copy of the notice of the public hearing by the Plan Commission was sent to the City of Sturgeon Bay, Door County, the Sturgeon Bay School District, and Northeast Wisconsin Area Technical College which constitutes all of the local governmental entities having the power to levy taxes on property located within the proposed District; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on August 18, 2021, held a public hearing concerning the project plan and boundaries and proposed creation of the District providing interested parties a reasonable opportunity to express their views on the proposed creation of a tax incremental district and the proposed boundaries of the District.

PLANNING COMMISSION RESOLUTION #01-2021

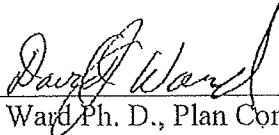
Resolution Formally Adopting Proposed Project Plan and Boundaries for Tax
Incremental District No. 5

NOW THEREFORE, BE IT RESOLVED by the Plan Commission of the City
of Sturgeon Bay that:

1. It recommends to the Common Council that Tax Incremental District No. 5, City of Sturgeon Bay, be created with boundaries as designated by Exhibit A, which is attached and incorporated herein by reference;
2. It approves the Project Plan as prepared by Robert W. Baird & Co, dated August 2, 2021, which is incorporated herein in its entirety by reference, and recommends its approval to the Common council;
3. Creation of the District promotes orderly development in the City; and
4. That the City Clerk is hereby directed to provide the Common Council with a certified copy of this Resolution upon its adoption by the Plan Commission.


Adopted this 18th day of August, 2021

City of Sturgeon Bay

By 
David J. Ward Ph. D., Plan Commission Chairman

CERTIFICATION

I hereby certify that the foregoing Resolution was duly adopted by the Planning
Commission of the City of Sturgeon Bay on the 18th day of August, 2021.


Stephanie L. Reinhardt,
City of Sturgeon Bay
City Clerk

**Project Plan & District Boundary
Tax Incremental District No. 5
in the
CITY OF STURGEON BAY, WISCONSIN**



August 2, 2021

(Approved Actions)

Organizational Joint Review Board Meeting Held.....August 17, 2021
Public Hearing Held.....August 18, 2021
Adopted by Planning Commission.....August 18, 2021
Adopted by City Council.....September 07, 2021
Approved by Joint Review Board.....September 14, 2021

Prepared in part by:



Robert W. Baird & Co.
Public Finance
777 E. Wisconsin Ave.
Milwaukee, WI 53202
800.792.2473

**City of Sturgeon Bay
TID #5 Project Plan & District Boundary**

Table of Contents

TABLE OF CONTENTS.....	2
CITY OF STURGEON BAY OFFICIALS.....	3
INTRODUCTION AND DESCRIPTION OF DISTRICT.....	4
SUMMARY OF FINDINGS.....	5
MAPS OF PROPOSED DISTRICT BOUNDARY.....	8
MAPS SHOWING EXISTING USES AND CONDITIONS.....	9
PRELIMINARY PARCEL LIST & ANALYSIS.....	10
EQUALIZED VALUATION TEST.....	10
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PROJECTS.....	11
MAPS SHOWING PROPOSED IMPROVEMENTS AND USES.....	13
DETAILED LIST OF PROJECT COSTS.....	14
ECONOMIC FEASIBILITY.....	14
METHOD OF FINANCING AND TIMING OF WHEN COSTS ARE TO BE INCURRED.....	15
ANNEXED PROPERTY.....	17
PROPOSED CHANGES IN ZONING ORDINANCES.....	17
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY ORDINANCES.....	17
RELOCATION.....	17
ORDERLY DEVELOPMENT OF THE CITY.....	17
A LIST OF ESTIMATED NON-PROJECT COSTS.....	18
CITY ATTORNEY OPINION.....	18
Exhibit A: TID #5 CASH FLOW PROFORMA ANALYSIS.....	19
Exhibit B: CITY ATTORNEY OPINION.....	20
Exhibit C: TID #5 BOUNDARY LEGAL DESCRIPTION.....	21
DISCLAIMER.....	22

City of Sturgeon Bay Officials

City Council

David J. Ward Ph.D	Mayor
Helen L. Bacon	Aldersperson District 1
Dennis Statz	Aldersperson District 2
Dan Williams	Aldersperson District 3
J. Spencer Gustafson	Aldersperson District 4
Gary Nault	Aldersperson District 5
Seth Wiederanders	Aldersperson District 6
Kirsten Reeths	Aldersperson District 7

City Staff

Josh Van Lieshout	City Administrator
Stephanie L. Reinhardt	City Clerk
Valerie J. Clarizio	Finance Director/City Treasurer
Martin J. Olejniczak	Community Development Director

Planning Commission

David J. Ward Ph.D, Chairperson	Jeff Norland
Helen L. Bacon	Kirsten Reeths
Mark Holey	Dennis Statz
Debbie Kiedrowski	

Joint Review Board

David J. Ward Ph.D, Mayor	City Representative
	Door County
	Northeast Wisconsin Area Technical College
	Sturgeon Bay School District
	Public Member

Introduction and Description of District

The City plans to use Tax Incremental Financing ("TIF") as a successful economic development programming tool by providing public improvements and development incentives to encourage and promote residential development. The goal is to increase the tax base, to create and enhance economic opportunities, and to increase housing options within the City. The City works with developers and property owners to provide infrastructure improvements and incentives for development. Public infrastructure and property improvements will be financed by a combination of TIF increments and debt financing.

The Tax Increment District ("TID") is being created as a "Mixed-Use District" based on the identification and classification of the property proposed to be included in the TID. The maximum life (absent extension) of the TID is 20 years from the date of adoption.

The City and School District have been working with Developers to redevelop the Sunset School property and school parking lot into housing. The school property is a 2.76-acre parcel abutting Delaware Street, N. 8th Avenue, and Erie Street. The Developer has proposed to construct approximately 26 apartment housing units on this property with assistance from the School District for land acquisition costs and assistance from the City for costs related to the demolition of the Sunset School building and approximately \$200,200 for housing construction costs. The City plans to recover those developer assisted costs through the creation of the TID. The 26 housing units are expected to be completed by the end of 2023 and add approximately \$3,000,000 of property value.

The school parking lot is a 0.81-acre parcel abutting Erie Street and Florida Street. The Developer for this parcel has proposed to construct 10 townhouse units with assistance from the School District for land acquisition costs. In addition, approximately \$15,000 may be needed for housing construction costs if the units require a sprinkling system for fire protection. The 10 housing units are expected to be completed by the end of 2022 and add approximately \$900,000 of property value.

The City anticipates various public improvement project cost expenditures of approximately \$975,316 during the TID's 15-year expenditure period. Proposed public project improvements may include, but not limited to infrastructure, professional and organizational services, administrative costs, and finance costs. As part of the project plan, Developer incentives may be provided by the City to developers of property within the TID in the form of cash grants.

City of Sturgeon Bay
TID #5 Project Plan & District Boundary

As a result of the creation of this TID, the City projects a preliminary and conservative cash flow analysis indicating \$1,940,566 in increments. The TID increment will primarily be used to pay the debt service costs of the TID, and project development incentives. The City projects land and improvement values (incremental value) of approximately \$3,900,000 will be created in the TID by the end of 2023. This additional value will be a result of the improvements made and projects undertaken with the TID.

Maps depicting the boundaries and existing uses and conditions of the TID are found in the respective mapping sections of this project plan.

Summary of Findings

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” the creation of this TID, the development projected 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 City. In making this determination, the City has considered the following information:
 - Development within the TID has not occurred at the pace anticipated by the City. Infrastructure and other development related expenses are not likely to be borne exclusively by private developers; therefore, the City has concluded that public investment will be required to fully achieve the City’s objectives for this area.
 - To achieve its objectives, the City has determined that it must take an active role in encouraging development by making appropriate public expenditures in the area. Without the availability of tax increment financing, these expenditures are unlikely to be made. Enhancement of this area will complement existing venues in the City, and benefit, not only the City, but all overlapping taxing jurisdictions. Accordingly, the costs to implement the needed projects and programs are appropriately funded through tax increment financing.
 - In order to make the area included within the TID suitable for development, the City will need to make a substantial investment to pay costs of some or all of the projects listed in the project plan and to maintain a rent structure that does not exceed the upper end of market levels. Due to the public investment that is required, the City has determined that development of the area will not occur at the

pace or levels desired solely as a result of private investment.

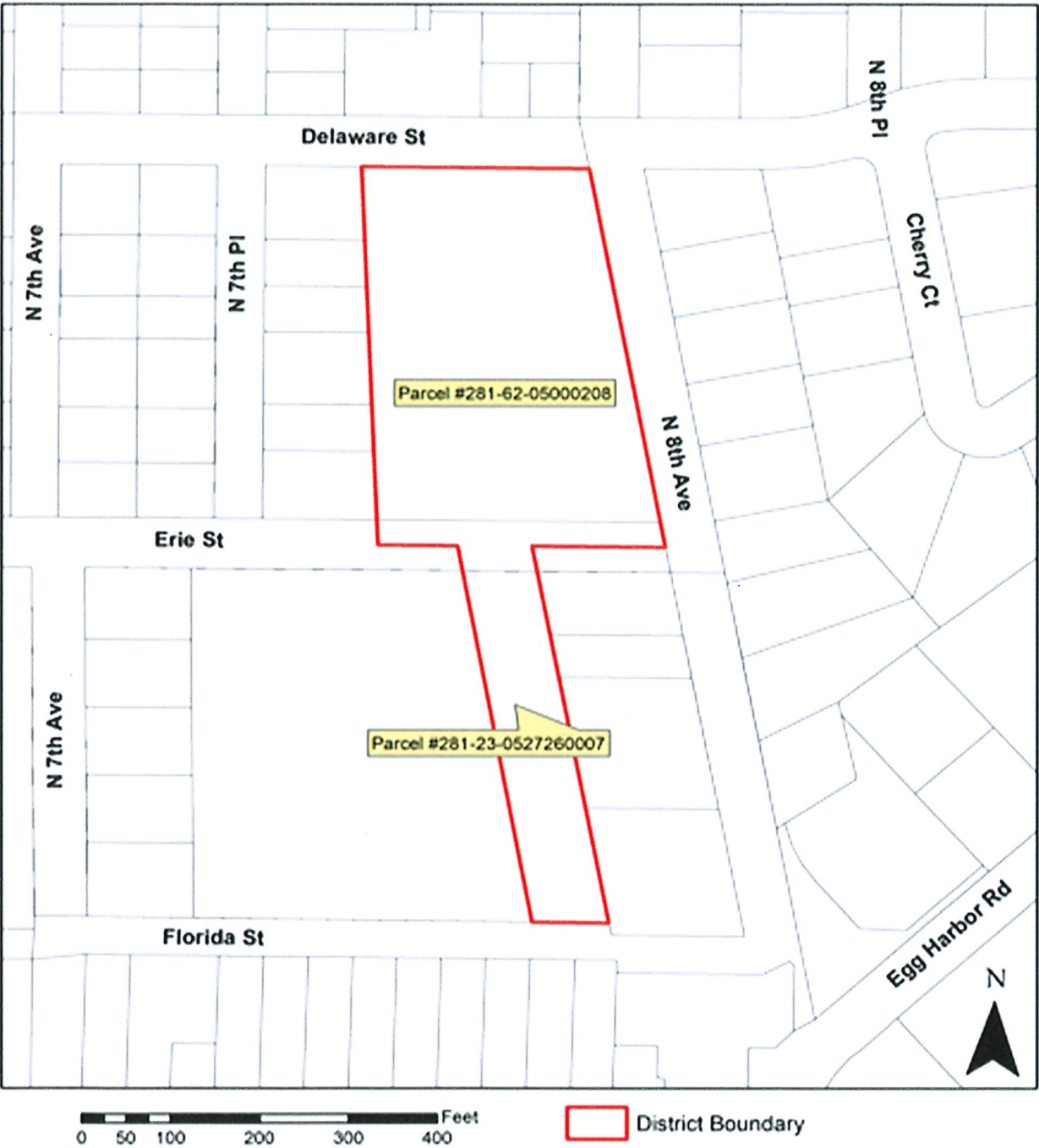
2. The economic benefits of the Tax Incremental District, as measured by increased property values, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:
 - As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected and the debt issuance will be more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
 - Since the development expected to occur is unlikely to take place without the use of Tax Incremental Financing (see Finding #1) and since the TID will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the TID 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 TID is not created.
4. The improvements to be made within the TID are likely to significantly enhance the value of substantially all other real property in the City surrounding the TID.
5. The equalized value of taxable property of the TID does not exceed 12% of the total equalized value of taxable property within the City.
6. The Project Plan for the TID is feasible and is in conformity with the master plan of the City.
7. The City estimates that less than 35% of the territory within the District 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).

City of Sturgeon Bay
TID #5 Project Plan & District Boundary

8. The TID is being created as a Mixed-Use District. This project plan has met the definition and requirements for a Mixed-Use District. Not less than 50% of the proposed district's area land is suitable for industrial, commercial, and residential use.

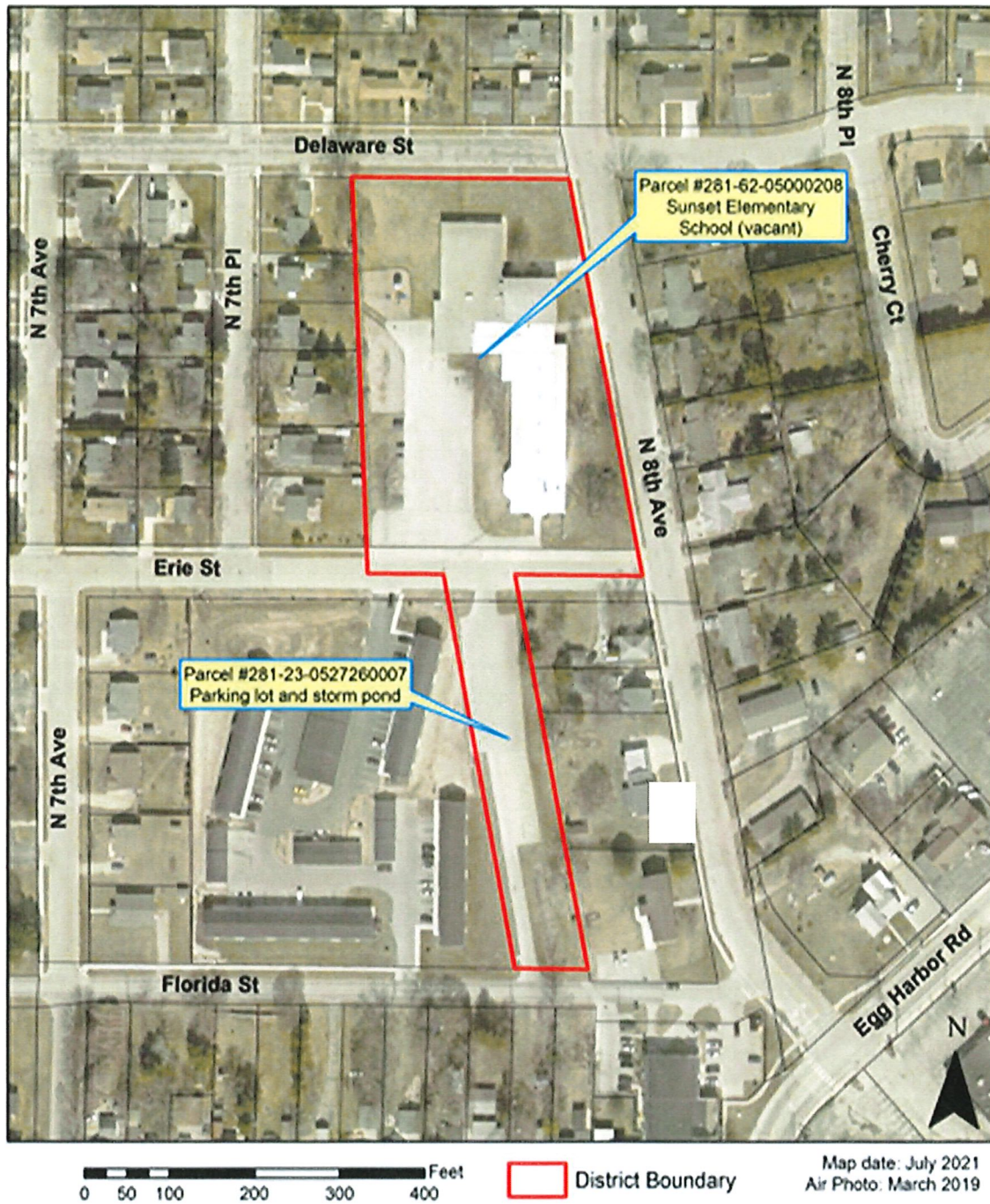
Maps of Proposed District Boundary
Current Map is reflective of the 01/01/2021 parcel list.

Tax Increment District #5



Map Showing Existing Uses and Conditions

Tax Increment District #5 Existing Uses and Conditions



Preliminary Parcel List and Analysis

As of the 01/01/2021 parcel list.

ID	Address	Parcel #	Valuation
1	827 N. 8 th Ave	2816205000208	\$0
2	N/A	281230527260007	\$0
Total Valuation			<u>\$0</u>

Equalized Valuation Test

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the taxable property in the proposed TID, plus the value increment of any existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the City. With TID #5, the value increment of all existing Tax Increment Districts will be approximately 8.40%.

Valuation Test Compliance Calculation

2021 Equalized Valuation (TID IN)	\$ 1,029,653,800
Limit for 12% Test	\$ 123,558,456
Increment Value of Existing TIDs	\$ 86,464,200
Projected Base Value of New TID	\$ <u>0</u>
Total Value Subject to Test	\$ 86,464,200
Compliance (\$86,464,200 < \$123,558,456)	Meets Requirement

Statement of Kind, Number and Location of Proposed Projects

The City expects to implement the following public project improvements. Any costs including eligible administrative costs necessary or convenient to the creation of the district or 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 TID.

1. SUNSET SCHOOL PROPERTY SITE CLEARANCE

LOCATION: 2.76-acre parcel abutting Delaware Street, N. 8th Avenue, and Erie Street

TOTAL: \$250,000

DESCRIPTION: Demolition of existing school building, including the abatement of hazardous materials, and the removal of the driveway, parking areas, and other paved areas of the property.

2. DEVELOPER CONSTRUCTION INCENTIVE

LOCATION: 2.76-acre parcel abutting Delaware Street, N. 8th Avenue, and Erie Street

TOTAL: \$200,200

DESCRIPTION: Payment to Developer upon an occupancy permit obtained for the 26 housing units. The amount of such payment shall be \$7,700 per unit.

3. NEW SIDEWALKS

LOCATION: Erie Street and Florida Street

TOTAL: \$26,300

DESCRIPTION: Installation of new sidewalks along portions of Erie Street and Florida Street.

4. STREET IMPROVEMENTS

LOCATION: Delaware Street and Erie Street

TOTAL: \$84,500

DESCRIPTION: Repair/replace portions of the pavement of Delaware Street and Erie Street abutting or adjacent to the TID. Remove concrete and restore terrace lawn along north side of Erie Street.

5. NEIGHBORHOOD PROPERTY IMPROVEMENTS

LOCATION: Approximately one-block radius surrounding the TID

TOTAL: \$150,000

DESCRIPTION: Low/No interest loans or grants for minor repairs and upgrades to properties surrounding the tax increment district. This could finance items such as roof repairs, residing/painting, window replacement and similar improvements. The exact boundaries of the area subject to this expenditure may be adjusted subject to demand compared with available funds.

6. RECREATIONAL FACILITIES

LOCATION: On public property or public easement within ¼ mile of TID

TOTAL: \$100,000

DESCRIPTION: Replacement of Sunset School playground equipment with new equipment serving the future residents of the TID and surrounding area. The location of the playground equipment is to be determined.

7. FINANCING & INTEREST, CAPITALIZED INTEREST, COST OF ISSUANCE

LOCATION: ENTIRE TID

TOTAL: \$134,316

DESCRIPTION: Debt financing and interest, capitalized interest, and cost of issuance fees.

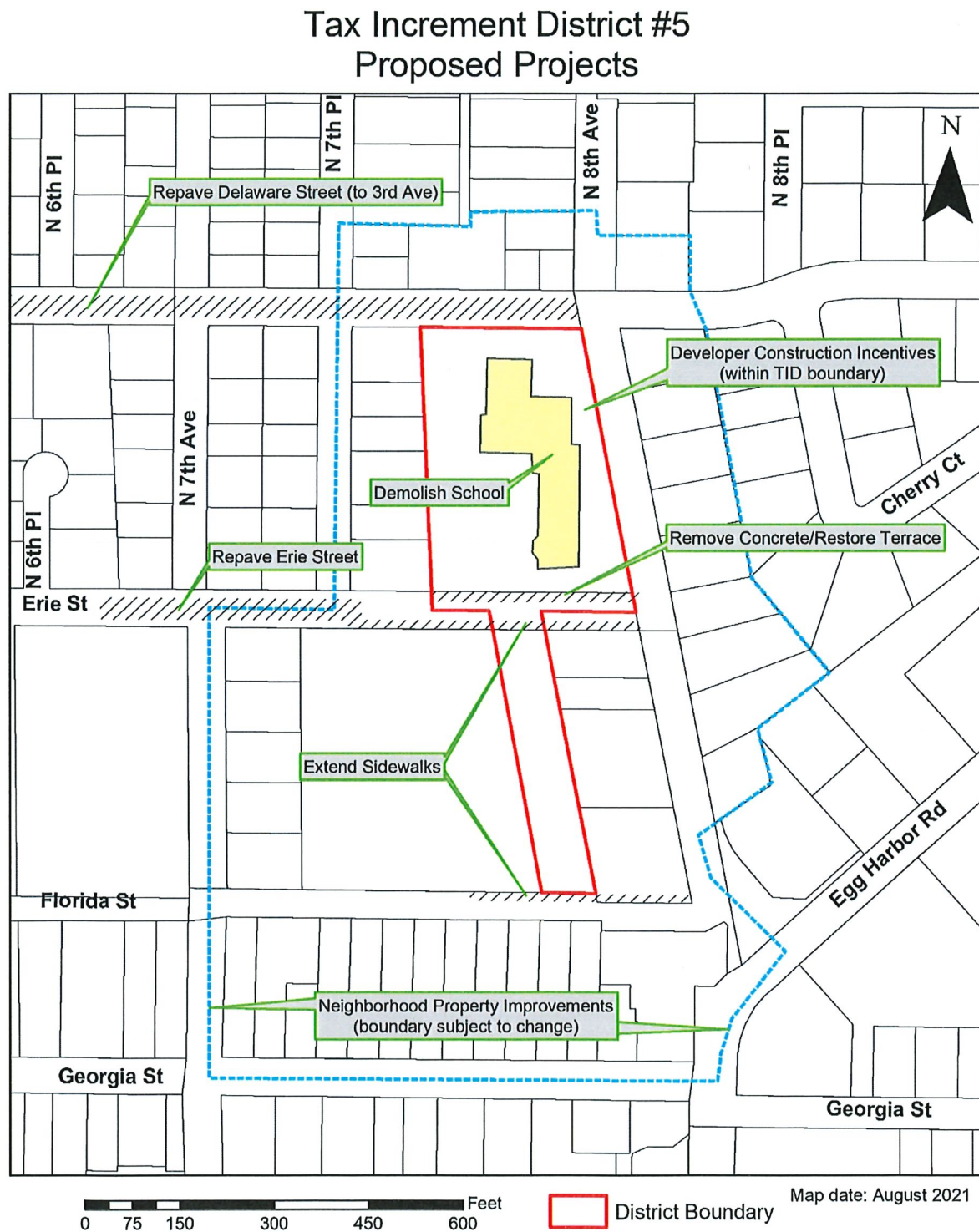
8. ADMINISTRATIVE / ORGANIZATIONAL FEES

LOCATION: ENTIRE TID

TOTAL: 30,000

DESCRIPTION: Annual TID and City staff administration fees and professional fees for creation and organization, including legal fees.

Maps Showing Proposed Improvements and Uses



Detailed List of Project Costs

1. SUNSET SCHOOL PROPERTY SITE CLEARANCE	\$250,000
2. DEVELOPER CONSTRUCTION INCENTIVE	\$200,200
3. NEW SIDEWALKS	\$26,300
4. STREET IMPROVEMENTS	\$84,500
5. NEIGHBORHOOD PROPERTY IMPROVEMENTS	\$150,000
6. RECREATIONAL FACILITIES	\$100,000
7. FINANCING & INTEREST, CAPITALIZED INTEREST, COST OF ISSUANCE	\$134,316
8. ADMINISTRATIVE/ORGANIZATIONAL FEES	\$30,000
Total	\$975,316

The project cost is based on current prices and preliminary estimates. The City reserves the right to increase this cost to reflect inflationary increases and other uncontrollable circumstances between the creation of the TID and the time of construction. 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 the best information available. The City retains the right to delete or pursue future projects listed in the prior paragraph, and shown on the map, or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without amending the Plan.

The Plan authorizes the expenditure of funds for project costs within a 1/2-mile radius of the TID boundary.

Economic Feasibility

The information and exhibits contained within this project plan demonstrate that the proposed TID is economically feasible insofar as:

City of Sturgeon Bay
TID #5 Project Plan & District Boundary

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of "Method of Financing and Timing of When Costs are to be Incurred" follows.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. This Plan identifies the following: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the TID, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available such as debt issuance will be sufficient to pay all Project Costs.

In order to evaluate the economic feasibility of TID #5 it is necessary to project the amount of tax revenue that can be reasonably generated over the legal life of the TID. Included in Exhibit A is a proforma analysis of TID #5. The proforma analyzes expenses based on project plan costs of TID #5 against projected TID revenue. Tax revenue is conservatively estimated. Cash received from future TID #5 tax increments will be used to fund project costs and implementation of this Plan will also require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. In 2042, the final year of revenue collection for the TID, it is projected to have repaid all expenditures and is left with a positive surplus balance.

Method of Financing and Timing of When Costs are to be Incurred

The City plans to fund project costs with cash received from future TID #5 tax increments and to issue obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. and State Trust Fund Loan debt that a community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (including increment values).

Board of Commissioners of Public Lands State Trust Fund Loans

The City may issue State Trust Fund Loans to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of State Trust Fund Loan and GO debt that a community may have

City of Sturgeon Bay
TID #5 Project Plan & District Boundary

outstanding at any point in time to an amount not greater than five percent of its total equalized value (including increment values).

Bonds Issued to Developers ("Pay as You Go" Financing)

The City may issue a bond 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 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 City's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds issued to developers in this fashion are not general obligations of the City and therefore do not count against the City's borrowing capacity.

Federal/State Loan Grant Programs

The State and Federal governments often sponsor grant and loan programs that municipalities may potentially use to supplement TID expenditures or provide financing for capital costs which positively impact the District. These programs include Wisconsin Community Development Block Grants, Rural Development Administration Community Facility Loan/Grants, Transportation Economic Assistance Grants, and Economic Development Administration Grants. These programs require local match funding to ensure State and Federal participation in the project.

The actual amount of debt issuance will be determined by the City at its convenience and as dictated by the nature of the projects as they are implemented.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area, and appropriate inducements to encourage development of the area. The City anticipates making total project expenditures of approximately \$975,316 to undertake the projects listed in this Project Plan. The Expenditure Period of this District is 15 years from the date of adoption of the Creation Resolution by the Common Council. The projects to be undertaken pursuant to this Project Plan are expected to be financed primarily with tax increments and debt proceeds. The City 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 City reserves the right to use alternate financing solutions for the projects as they are implemented.

Annexed Property

There are no lands proposed for inclusion within the TID that were annexed by the City on or after January 1, 2004.

Proposed Changes in Zoning Ordinances

The current property in the TID is zoned Residential. The zoning classification for the school parcel (parcel #2816205000208 is proposed to be changed to Planned Unit Development (PUD) with an underlying classification of Multiple-Family Residential (R-4). No change is proposed for parcel #281230527260007.

Proposed Changes in Master Plan, Map, Building Codes and Town Ordinances

The City does not anticipate that the TID will require any changes in the master plan, map, building codes, and City ordinances to implement this project plan. The proposed development and uses are consistent with the adopted Sturgeon Bay Comprehensive Plan.

Relocation

The City does not anticipate the 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 City will follow applicable state statutes as required in Wisconsin Statutes Chapter 32.

Orderly Development of the City

The creation of the TID will enable the City to undertake projects in furtherance of the stated objectives of its Comprehensive Plan and other

**City of Sturgeon Bay
TID #5 Project Plan & District Boundary**

planning documents. To this extent, the creation of the TID promotes the orderly development of the City.

A List of Estimated Non-Project Costs

Non-Project costs are public works projects that only partly benefit the TID or are not eligible to be paid with tax increment, or costs not eligible to be paid with Tax Incremental Financing funds. The City does not anticipate any non-project costs for the TID.

City Attorney Opinion

Exhibit B contains a signed opinion from the City attorney advising whether the project plan amendment is complete and complies with Section 66.1105(4)(f) of the Wisconsin Statutes.

EXHIBIT A
CASH FLOW PROFORMA ANALYSIS
TID #5

City of Sturgeon Bay
Tax Increment District No. 5
Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID	1.00%
2020 Gross Tax Rate (per \$1000 Equalized Value)	\$24.45
Annual Adjustment to Tax Rate	0.00%
Investment Rate	0.50%

Data above dashed line are actual

Background Data					
Year	(a) TIF District Valuation	(b) Inflation Increment	(c) Construction Increment	(d) TIF Increment Over Base	(e) Tax Rate
2021	\$0	\$0	\$0	\$0	\$24.45
2022	\$0	\$0	\$2,400,000	\$2,400,000	\$24.45
2023	\$2,400,000	\$24,000	\$1,500,000	\$3,924,000	\$24.45
2024	\$3,924,000	\$39,240	\$0	\$3,963,240	\$24.45
2025	\$3,963,240	\$39,632	\$0	\$4,002,872	\$24.45
2026	\$4,002,872	\$40,029	\$0	\$4,042,901	\$24.45
2027	\$4,042,901	\$40,429	\$0	\$4,083,330	\$24.45
2028	\$4,083,330	\$40,833	\$0	\$4,124,163	\$24.45
2029	\$4,124,163	\$41,242	\$0	\$4,165,405	\$24.45
2030	\$4,165,405	\$41,654	\$0	\$4,207,059	\$24.45
2031	\$4,207,059	\$42,071	\$0	\$4,249,130	\$24.45
2032	\$4,249,130	\$42,491	\$0	\$4,291,621	\$24.45
2033	\$4,291,621	\$42,916	\$0	\$4,334,537	\$24.45
2034	\$4,334,537	\$43,345	\$0	\$4,377,883	\$24.45
2035	\$4,377,883	\$43,779	\$0	\$4,421,661	\$24.45
2036	\$4,421,661	\$44,217	\$0	\$4,465,878	\$24.45
2037	\$4,465,878	\$44,659	\$0	\$4,510,537	\$24.45
2038	\$4,510,537	\$45,105	\$0	\$4,555,642	\$24.45
2039	\$4,555,642	\$45,556	\$0	\$4,601,199	\$24.45
2040	\$4,601,199	\$46,012	\$0	\$4,647,211	\$24.45
2041	\$4,647,211	\$46,472	\$0	\$4,693,683	\$24.45
2042					

Type of TID: Mixed-Use

- 2021 TID Inception (9/7/2021)
- 2036 Final Year to Incur TIF Related Costs
- 2041 Maximum Legal Life of TID (20 Years)
- 2042 Final Tax Collection Year

Revenues					
Year	(f) Tax Revenue	(g) Investment Proceeds	(h) Total Revenues		
2021	\$0	\$0	\$0		
2022	\$0	\$0	\$0		
2023	\$58,680	\$0	\$58,680		
2024	\$75,942	\$0	\$75,942		
2025	\$95,902	\$0	\$95,902		
2026	\$97,871	\$0	\$97,871		
2027	\$99,839	\$0	\$99,839		
2028	\$101,806	\$0	\$101,806		
2029	\$103,863	\$0	\$103,863		
2030	\$105,920	\$0	\$105,920		
2031	\$107,977	\$0	\$107,977		
2032	\$110,034	\$0	\$110,034		
2033	\$112,091	\$0	\$112,091		
2034	\$114,148	\$0	\$114,148		
2035	\$116,205	\$0	\$116,205		
2036	\$118,262	\$0	\$118,262		
2037	\$120,319	\$0	\$120,319		
2038	\$122,376	\$0	\$122,376		
2039	\$124,433	\$0	\$124,433		
2040	\$126,490	\$0	\$126,490		
2041	\$128,547	\$0	\$128,547		
2042	\$130,604	\$0	\$130,604		

Expenditures					
Year	(i) Principal (2.15)	(j) Interest (2.15) 40% 2.00%	(k) Debt Service	(l) Administrative/ Organizational Fees	(m) Combined Expenditures
2021	\$0	\$0	\$0	\$0	\$0
2022	\$73,773	\$31,262	\$105,035	\$1,500	\$1,500
2023	\$92,838	\$22,177	\$115,015	\$1,500	\$1,500
2024	\$95,942	\$19,631	\$115,573	\$1,500	\$1,500
2025	\$97,966	\$17,069	\$115,035	\$1,500	\$1,500
2026	\$99,990	\$14,430	\$114,420	\$1,500	\$1,500
2027	\$101,976	\$11,744	\$113,720	\$1,500	\$1,500
2028	\$103,962	\$9,013	\$112,975	\$1,500	\$1,500
2029	\$105,948	\$6,229	\$112,177	\$1,500	\$1,500
2030	\$107,934	\$3,459	\$111,393	\$1,500	\$1,500
2031	\$109,920	\$0	\$109,920	\$1,500	\$1,500
2032	\$111,906	\$0	\$111,906	\$1,500	\$1,500
2033	\$113,892	\$0	\$113,892	\$1,500	\$1,500
2034	\$115,878	\$0	\$115,878	\$1,500	\$1,500
2035	\$117,864	\$0	\$117,864	\$1,500	\$1,500
2036	\$119,850	\$0	\$119,850	\$1,500	\$1,500
2037	\$121,836	\$0	\$121,836	\$1,500	\$1,500
2038	\$123,822	\$0	\$123,822	\$1,500	\$1,500
2039	\$125,808	\$0	\$125,808	\$1,500	\$1,500
2040	\$127,794	\$0	\$127,794	\$1,500	\$1,500
2041	\$129,780	\$0	\$129,780	\$1,500	\$1,500
2042	\$131,766	\$0	\$131,766	\$1,500	\$1,500

TID Status			
(n) Annual Balance	(o) Year End Cumulative Balance (December 31)	(p) Cost Recovery	Year
\$0	\$0		2021
(\$1,500)	(\$1,500)		2022
(\$106,535)	(\$108,035)		2023
(\$47,833)	(\$155,868)		2024
(\$10,593)	(\$166,462)		2025
(\$9,533)	(\$176,116)		2026
(\$8,564)	(\$184,780)		2027
(\$7,595)	(\$192,463)		2028
(\$6,627)	(\$199,162)		2029
(\$5,659)	(\$204,861)		2030
(\$4,691)	(\$209,551)		2031
(\$3,722)	(\$213,273)		2032
(\$2,754)	(\$216,027)		2033
(\$1,786)	(\$218,813)	Furniture Replaced	2034
\$0	(\$218,813)	Furniture Replaced	2035
\$0	(\$218,813)	Furniture Replaced	2036
\$0	(\$218,813)	Furniture Replaced	2037
\$0	(\$218,813)	Furniture Replaced	2038
\$0	(\$218,813)	Furniture Replaced	2039
\$0	(\$218,813)	Furniture Replaced	2040
\$0	(\$218,813)	Furniture Replaced	2041
\$0	(\$218,813)	Furniture Replaced	2042

(1) Per City estimates.

**EXHIBIT B
CITY ATTORNEY OPINION**

**EXHIBIT C
TID #5 BOUNDARY LEGAL DESCRIPTION**

A parcel of land partly in Subdivision 5 of the Assessor's Map of the City of Sturgeon Bay, and partly in Babel Subdivision, located in the S ½ of the NW ¼ of Section 5, Township 27 North, Range 26 East, City of Sturgeon Bay, Door County, Wisconsin bounded and described as follows;

Commencing at the intersection of the southerly right-of-way line of Delaware Street and the westerly right-of-way line of North 8th Avenue, thence southerly along westerly right-of-way line of North 8th Avenue to the intersection with the centerline of the right-of-way of Erie Street, thence westerly along said centerline of the right-of-way of Erie Street to the intersection with the easterly line of Lot 7, Babel Subdivision extended, thence S 11°31'40" E along said easterly line of Lot 7 extended to the northeast corner of said Lot 7, thence S 11°31'40" E along the easterly line of said Lot 7 423.34 feet to the intersection with the northerly right-of-way of Florida Street as dedicated in the Babel Subdivision, thence S 89°53'00" W along said northerly right-of-way line 86.20 feet to the southwest corner of said Lot 7, thence N 10°51'40" W along the westerly line of said Lot 7 422.01 feet to the northwest corner of said Lot 7, thence continue N 10°51'40" W to the intersection with the centerline of the right-of-way of Erie Street, thence westerly along said centerline to the intersection with the easterly line of Sunset Hill Plat, thence northerly along said easterly line of Sunset Hill Plat to northeast corner of Lot 6, Block 3 of Sunset Hill Plat, thence easterly along the southerly right-of-way line of Delaware Street to the point of commencement.

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