

AGENDA
CITY OF STURGEON BAY
JOINT REVIEW BOARD ORGANIZATIONAL MEETING
Tuesday, August 17, 2021
1:00 p.m.
Council Chambers, City Hall
421 Michigan Street, Sturgeon Bay WI

1. Call to Order.
2. Roll Call.
3. Appointment of Chairperson.
4. Appointment of Public Member.
5. Discuss Role of the Joint Review Board
6. Overview of purpose and description of the Tax Incremental District No.5 being created.
7. Set next meeting of September 14, 2021 for formal review and action on Tax Incremental District No.5.
8. Adjourn.

The purpose of this meeting is to organize the Joint Review Board to review the proposed plan and district boundary for the City of Sturgeon Bay Tax Incremental District No. 5, pursuant to Section 66.1105 of the Wisconsin Statutes. 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: 08/11/21
Time: 2:15p.m
By: TM

Tax Incremental Financing (TIF) Manual

2. Complete Form PE-223 and email documents to DOR ([sec. 66.1105\(8\)\(a\), Wis. Stats.](#))

Within 60 days of adopting the termination resolution, the municipal clerk must email tif@wisconsin.gov a copy of the termination resolution and a completed Final Accounting Submission Date Agreement ([PE-223](#)). DOR recommends the municipality also notify its municipal assessor, county property lister, and overlying taxing jurisdictions.

3. Complete the TID Final Audit

The municipality must have a Certified Public Accountant (CPA) complete the final audit for all revenue and expenditures during the TID life. The municipality must save a copy of the audit in its TID records and does not need to submit a copy to DOR.

4. E-file the TID Final Accounting Report (PE-110)

Before the termination is final, the municipality must electronically file (e-file) the Final TID Accounting Report ([PE-110](#)) using [MyDORGov](#). The TID Final Accounting Report (PE-110) is due to DOR based on the date agreed upon between the municipality and DOR on the Final Accounting Submission Date Agreement ([PE-223](#)). The PE-110 form includes total expenditures and revenue during the TID life based on the final audit.

If a municipality does not e-file this report within the specified timeframe, it will delay the certification of future TIDs. For more details on termination reporting, review ([sec. 66.1105\(8\)\(c\), Wis. Stats.](#)).

Final Accounting Report must show either:

- Increment revenue paid all project costs and the TID account has a surplus. The municipality must return the excess increments to the overlying taxing jurisdictions in proportion to the amounts that belong to each taxing jurisdiction.
- Increment revenue did not cover the project costs and the TID account has a deficit. The municipality is responsible for paying the remaining debt.

The final TID account balance must be zero either after the surplus is distributed or after the municipality pays the remaining debt.

III. Joint Review Board (JRB)

A. JRB Purpose

State law provides for a JRB and defines its members and responsibilities. JRB members represent a taxing jurisdiction (municipality, county, school, technical college). It is the JRB's responsibility to approve or deny the creation or amendment of a Tax Incremental District (TID). If the JRB approves the TID, it viewed or heard convincing evidence of the need for Tax Incremental Financing (TIF) assistance to make the development a reality. The JRB jurisdictions agree to sacrifice some amount of tax revenue for many years into the future expecting the tax base will ultimately increase.

B. JRB Members

The JRB consists of one representative from each taxation jurisdiction (school district, technical college, county, municipality), and one public member.

District representatives

- **School** – the school board president, or their designee with preference to the school district's finance director. If the TID is located in a union high school district, the school seat is shared by the union high school representative and school district representative; each having one-half vote.

Tax Incremental Financing (TIF) Manual

- **Technical college** – the technical college district director, or their designee with preference to the district's chief financial officer
- **County** – the county executive or the county board chairperson, or this person's designee with preference to the county treasurer
- **City/village/town** – the mayor or city manager, the village board president, town board chairperson or their designee with preference to the person who administers the economic development programs, the municipal treasurer or another person with knowledge of local government finances
- **Public member** – a majority of the other members chooses the public member at the JRB's first meeting. State law has no requirements for the public member. A public member can be appointed as chairperson. For a multijurisdictional TID, each participating municipality may appoint one public member.
- **JRB chairperson** – the chair of the JRB is chosen by a vote of the other members at the first JRB meeting

If more than one school, union high school, technical college or county district has the power to levy taxes on the property within the TID, the district with the greatest **value** chooses the representative to the JRB.

Examples:

- School District "A" serves 75 percent of the area in the TID, but only has 40 percent of the TID value. School District "B" serves 25 percent of the area in the TID but has 60 percent of the TID value. District "B" chooses the JRB member.
- In the case of a territory amendment, if adding property from one county to an existing TID in a different county, the county where the additional territory is located chooses the JRB member. After the territory amendment is completed, any future amendments require a new calculation to determine which county has the majority of the land value and voting representation on the JRB.

C. JRB Procedures

1. Based on review, the JRB can approve or deny a TID creation or amendment

- When creating a TID, the municipality must send the overlying taxing districts a letter with a copy of the public hearing notice (by first class mail before the notice is published) to request a representative to serve on the JRB for that TID
- Within 14 days after the public hearing notice is published and before the public hearing for a TID creation, all JRB members must be appointed and the first organizational meeting held. At the organizational meeting, the members must select a public member and chairperson. They may also review details of the new TID.
- After receiving the municipal resolution, the JRB must meet again to vote on the resolution. The JRB should adopt its own resolution to document its decision based on the criteria in state law.
- Any JRB member may request additional JRB meetings or public hearings
- At all JRB meetings, one of the members must take minutes and record votes. The municipality is responsible for keeping these TID records.
- The municipality must publish a notice for any JRB meeting at least five days before the meeting, under state law (ch. 985, [sec. 66.1105\(4m\)\(e\), Wis. Stats.](#)). This does not apply to town TIDs created under [sec. 60.85 Wis. Stats.](#) or Environmental Remediation TIDs created under [sec. 66.1106](#).

2. After receiving the municipal resolution, the JRB must approve or deny the resolution

- **Within 45 days** – City/Village TIDs created under [sec. 66.1105, Wis. Stats.](#)
- **Between 10 days and 45 days** – Town TIDs created under [sec. 60.85, Wis. Stats.](#) or Environmental Remediation TIDs created under [sec. 66.1106, Wis. Stats.](#)

Tax Incremental Financing (TIF) Manual

3. After the JRB resolution is adopted

- JRB must respond to municipal officials within seven days of its decision
- If the JRB rejects a resolution, the JRB must explain in writing why the proposal did not meet the decision criteria

D. JRB Document Review

The municipality must provide the JRB with specific information under state law ([sec. 66.1105\(4\)\(i\)](#), [sec. 60.85\(3\)\(k\)](#), and [sec. 66.1106\(3\)\(b\)](#), Wis. Stats.). JRB members may request missing or additional information.

1. Required information

- Specific projects and costs, including the amounts expected to be paid by tax increments and the estimated tax increments over the life of the TID
- Value increment after project costs are paid and the TID terminates
- Reasons why the property owners benefitting from the improvements within the TID should not pay the project costs
- Share of the projected tax increments estimated to be paid by the property owners in each of the overlying taxing districts
- Benefits the taxpayers will receive to compensate for their share of the projected tax increments

2. Additional information the JRB may request

- **Detailed list of project costs, resolutions and public records** – copies of the planning commission and municipal resolutions, project plan, public hearing minutes and notices, signed development agreement
- **Economic feasibility study** – detailing the projected tax increments and estimates of increased property values
- **For multijurisdictional TIDs** – copy of the signed intergovernmental agreement created under state law ([sec. 66.0301](#), Wis. Stats.). The agreement must provide the specific information listed in [sec. 66.1105\(18\)\(b\)2](#), Wis. Stats.

E. JRB Decision Criteria

The JRB must make a decision based on the documents and information provided by the municipality and three criteria found in state law ([sec. 66.1105\(4m\)\(c\)](#), [sec. 66.1106\(3\)\(c\)](#), [sec. 60.85\(4\)\(c\)](#), Wis. Stats.). The JRB must determine whether the:

1. Development expected in the TID would occur without the use of TIF ("but for" requirement)
2. Economic benefits of the TID, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements
3. Benefits of the proposal outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing districts

Each criterion is important to ensure the TIF project is beneficial for all taxpayers in the overlying districts. Many consider the first criterion, the "but for" requirement, the most important. "But for" gets its name from the phrase, "This development would not happen but for the financial support of TIF." This means the project is not economically viable without the use of TIF to pay for the infrastructure improvements. Review [But for Requirement](#) for more information.

Questions to consider

1. Would the expected development occur without ("but for") the use of TIF? Would the development occur if the project was scaled back or the timeframe pushed out? Did similar projects proceed without the use of TIF?
2. Will the development's economic benefits measured by increased employment, business and personal income and property value, compensate for the cost of the improvements?
3. Do the benefits outweigh the taxes residents of overlying districts are expected to pay?

Tax Incremental Financing (TIF) Manual

4. How does the planned development fit into the overall economic picture in the district? How does the development fit with other development in the district? Will the potential businesses benefit the district in the long term? How many and what type of jobs will this development create?
5. How does the TID benefit taxpayers in my district? Is the total expenditure for eligible project costs feasible?
6. Is there a better use for the development site, the tax revenue and the limited TIF capacity?
7. What is the general opinion of my district's residents on this TID?
8. How will the planned development affect the demand for services in my district? Consider items such as: increased population, traffic impact, fire and police protection, emergency medical services, water, sewer, administrative services, increased student population, demand for training or housing.
9. Is the developer receiving a subsidy, such as a cash grant, incentive or forgivable loan? If so, how was the need and benefit analyzed? Is there a written developer's agreement? Was the public informed of the developer's subsidy in the published hearing notice?
10. What guarantees are in place to ensure the development will occur as anticipated and the property value will increase as expected?

F. DOR Review Procedure

Under state law ([sec. 66.1105\(4m\)\(b\)4, Wis. Stats.](#)), the JRB may request DOR review the facts contained in the documents listed in [Additional information the JRB may request](#).

1. To request a DOR review

- Majority of the JRB members must support the request
- JRB must submit a written request to DOR and must specify which fact or item the members believe is inaccurate or incomplete
- Within 10 working days of receiving a request for review that complies with the filing requirements, DOR will investigate the issues raised and send a written response to the JRB
- Review [JRB Request for DOR Review](#) for more information

2. What if the information does not comply or is inaccurate?

- If DOR determines the information does not comply with state law or contains a factual inaccuracy, the JRB may request (but may not require) that the municipality correct and resubmit the proposal for review.
 - » **If the municipality resubmits the proposal** – the JRB must vote to approve or reject under state law. The JRB must submit its decision to the municipality within 10 working days after receiving the resubmitted proposal.
 - » **If the municipality does not resubmit the proposal** – the TID is not certified
- If DOR does not identify any factual inaccuracies, the JRB must vote to approve or reject as otherwise specified in state law. The JRB must submit its decision to the municipality within 10 working days of receiving DOR's written response.

G. After the JRB approves a TID

- Municipality sends DOR a request to certify the TID and includes all the required documents. If DOR determines procedures were followed, DOR will email the municipality a certification letter.
- While the TID is active, the JRB must meet yearly to review the annual performance and status of the TID based on the annual report ([sec. 66.1105\(4m\)\(f\), Wis. Stats.](#))

State of Wisconsin
Department of Revenue

Tax Incremental Finance (TIF) - Joint Review Board (JRB)

Secs. 60.23(32), 60.85, 66.1105, and 66.1106, Wis. Stats.

1. How soon can a JRB approve/deny a resolution after the local legislative body adopts the resolution?
2. Does a Tax Incremental District (TID) creation need unanimous JRB approval?
3. When does the initial JRB meeting for a creation or amendment have to be held?
4. Do the JRB meetings require a published notice?
5. If there are two lake districts in a TID, which one should have a representative on the JRB?
6. If there is an elementary and union high school district, which one has a representative on the JRB?
7. If a municipality creates a TID with two counties, which county has a representative on the JRB?
8. If a municipality amends a TID with additional territory that includes a new school district or county, should the school district or the county have a representative on the JRB?
9. How are the JRB's chairperson and public member determined?
10. After the JRB adopts the resolution, how soon does the Wisconsin Department of Revenue (DOR) need to be notified?
11. How often does the JRB need to meet after the TID is created?
12. Does the JRB need to vote to select a chairperson and public member at each year's meeting?
13. How many JRB members need to attend the meeting for it to take place?
14. Are the JRB members required to attend meetings in person?
15. Where should the JRB meetings be held?
16. Since the JRB for any active TID is already established, does it still need to hold an organizational meeting when amending a TID?

17. When a municipality has a standing JRB but is creating a new TID, should it reappoint a chairperson and public member for the new TID?
 18. What is the criteria for selecting a public member?
 19. Can the public member be employed by the municipality or county?
 20. Does the public member need to live in the same municipality as the TID?
-

1. How soon can a JRB approve/deny a resolution after the local legislative body adopts the resolution?

- **For Municipal TIDs** – the JRB may approve/deny a resolution anytime within 45 days of receiving the resolution from the local legislative body
- **For Town TIDs created under sec 60.85, Wis. Stats., or Environmental Remediation TIDs created under sec. 66.1106, Wis. Stats.** – the JRB may not approve/deny a resolution until 10 days after receiving the municipal resolution

2. Does a Tax Incremental District (TID) creation need unanimous JRB approval?

No. Only a majority approval vote is required.

3. When does the initial JRB meeting for a creation or amendment have to be held?

The initial JRB meeting must be held within 14 days after the public hearing notice is published.

4. Do the JRB meetings require a published notice?

Yes. For all JRB meetings, a municipal representative must publish a notice in a local newspaper, at least five days before the meeting.

5. If there are two lake districts in a TID, which one should have a representative on the JRB?

Neither. Only the school, county, technical college and municipality can appoint JRB members. However, the municipality must notify all affected taxing jurisdictions of the public hearing, including the lake districts.

6. If there is an elementary and union high school district, which one has a representative on the JRB?

A representative from the elementary school and a representative from the union high school share one seat and each have one-half a vote.

7. If a municipality creates a TID with two counties, which county has a representative on the JRB?

The county with the greatest value in the TID is represented on the JRB.

8. If a municipality amends a TID with additional territory that includes a new school district or county, should the school district or the county have a representative on the JRB?

The school district or county where the additional territory is located chooses the JRB member.

After the territory amendment is completed, any future amendments require a new calculation

determine which school district or county has the majority of the land value and voting representation on the JRB.

9. How are the JRB's chairperson and public member determined?

The JRB members, by majority vote, choose the chairperson and public member. If the representative acting as chairperson resigns from the JRB, the members must elect a new chairperson by majority vote. If the public member resigns, the JRB must choose a new public member by majority vote.

10. After the JRB adopts the resolution, how soon does the Wisconsin Department of Revenue (DOR) need to be notified?

Under state law (66.1105(5)(cm), Wis. Stats.), the municipal clerk must give DOR written notice within 60 days of adopting any amendment resolution. Although state law does not require this same notice for a creation resolution, municipalities should also notify DOR within 60 days.

11. How often does the JRB need to meet after the TID is created?

At a minimum, the JRB must meet annually to review the TID's annual report, performance and status. The JRB must also meet to consider any amendments to the TID.

12. Does the JRB need to vote to select a chairperson and public member at each year's meeting?

No. Once the chairperson and public member are selected, no new vote is required. The chairperson and public member remain the same for the TID's life or until they are no longer on the board.

13. How many JRB members need to attend the meeting for it to take place?

At least one-half of the members must attend a meeting. When one-half or more of the members of a governmental body attend, a meeting is assumed to be for official purposes (sec. 19.82(2), Wis. Stats.).

14. Are the JRB members required to attend meetings in person?

Due to the complexity of TID project plans, meeting in person is considered best practice. However, JRB members may participate in meetings via telephone or video conference, if there is a physical meeting location where the public can attend and communication is two-way, so votes and comments can be heard by all attendees. JRB members may not vote by email. The municipality should consult its attorney to confirm JRB meetings and notices comply with open meetings law.

For more information, review the [Joint Review Board](#) section of the TIF Manual.

15. Where should the JRB meetings be held?

When creating or amending a TID, the municipality should hold the JRB meeting locally so the affected members of the public can easily attend.

When reviewing the TID annual reports, the meeting may be held by one of the taxing jurisdictions (school, county, technical college) to review the reports from multiple municipalities.

16. Since the JRB for any active TID is already established, does it still need to hold an organizational meeting when amending a TID?

Yes. Under state law, ([sec. 66.1105\(4m\)\(a\), Wis. Stats.](#)), the JRB must hold its first meeting to review the proposal within 14 days after the public hearing notice is published. The organizational meeting provides the public an opportunity to express their views about the amendment.

17. When a municipality has a standing JRB but is creating a new TID, should it reappoint a chairperson and public member for the new TID?

Yes. The taxing jurisdiction may or may not appoint the same representatives for the newly created TID. DOR considers it a best practice to appoint a chairperson and public member for the new TID. They may be the same chairperson and public member as previous TIDs.

18. What is the criteria for selecting a public member?

State law does not define any requirements for the public member. The JRB members, by majority vote, choose the public member at the JRB's first meeting. A public member can be appointed as the JRB chairperson.

19. Can the public member be employed by the municipality or county?

Yes. A public member may work for the municipal, county, state or federal government.

20. Does the public member need to live in the same municipality as the TID?

No. State law does not require the public member to live in the same municipality as the proposer TID.

FOR QUESTIONS OR COMMENTS CONTACT:

MS 6-97

WISCONSIN DEPARTMENT OF REVENUE

Office of Technical and Assessment Services

PO Box 8971

Madison, WI 53708-8971

Phone: (608) 266-7750

Email additional questions to tif@wisconsin.gov

Related Links

- [Allocation Amendments](#)
- [Annexations](#)
- [Audits and Annual Report](#)
- [Base Value Redetermination](#)
- [Creation](#)
- [Developer's Agreement](#)
- [Extensions](#)
- [General](#)

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

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	Alderpersion District 1
Dennis Statz	Alderpersion District 2
Dan Williams	Alderpersion District 3
J. Spencer Gustafson	Alderpersion District 4
Gary Nault	Alderpersion District 5
Seth Wiederanders	Alderpersion District 6
Kirsten Reeths	Alderpersion 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).

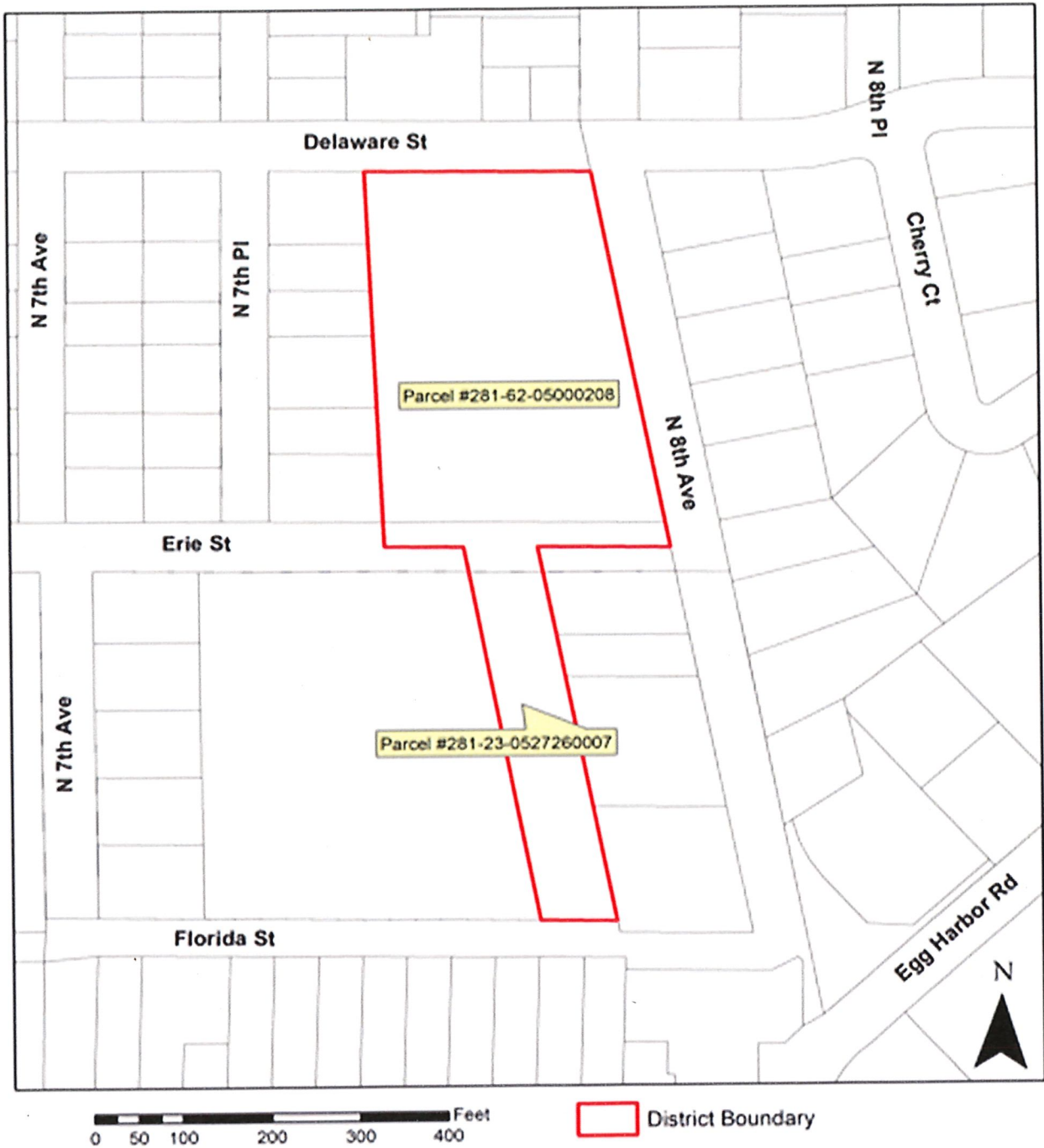
City of Sturgeon Bay
TID #5 Project Plan & District Boundary

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

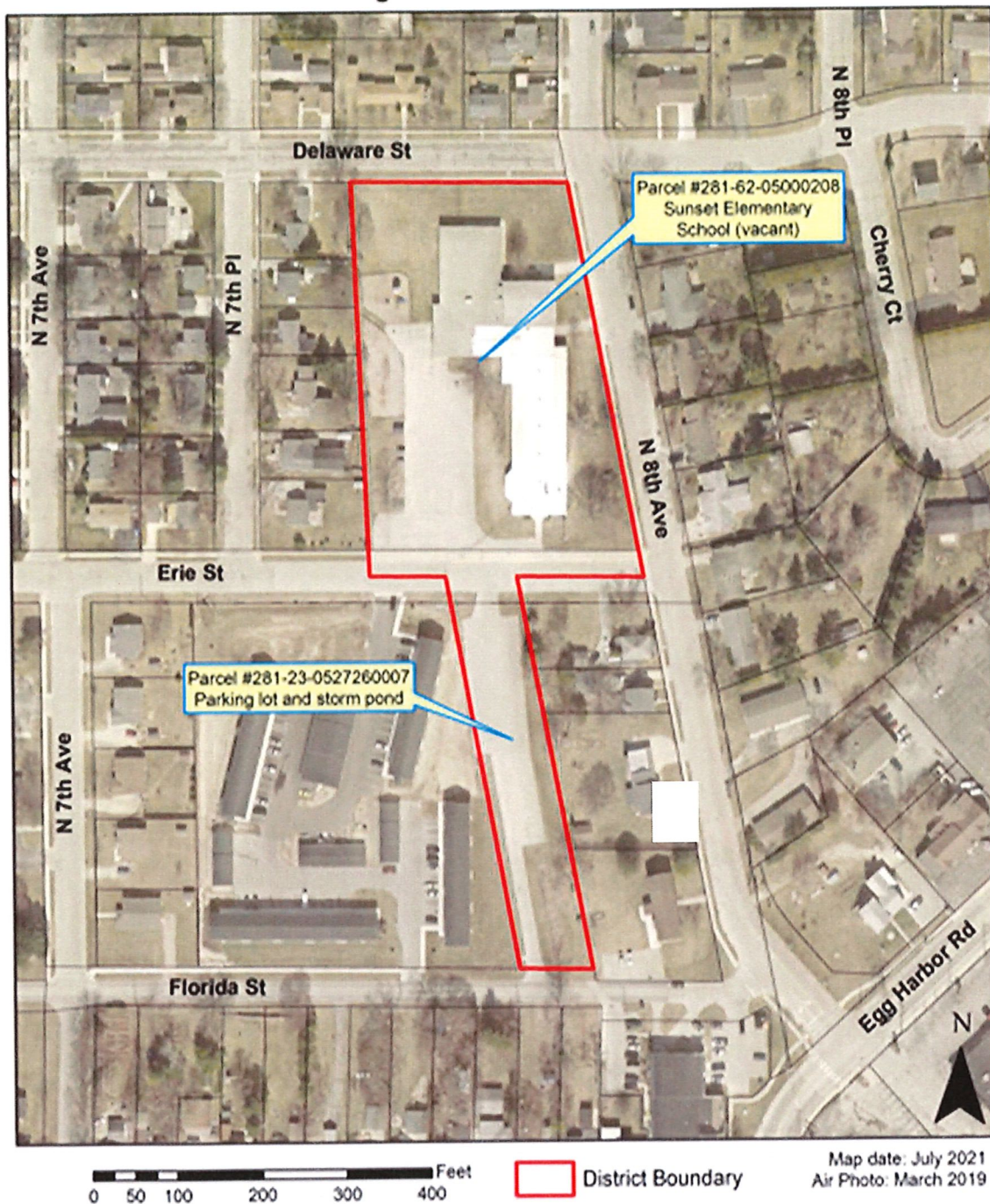
Current Map is reflective of the 01/01/2021 parcel list.

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

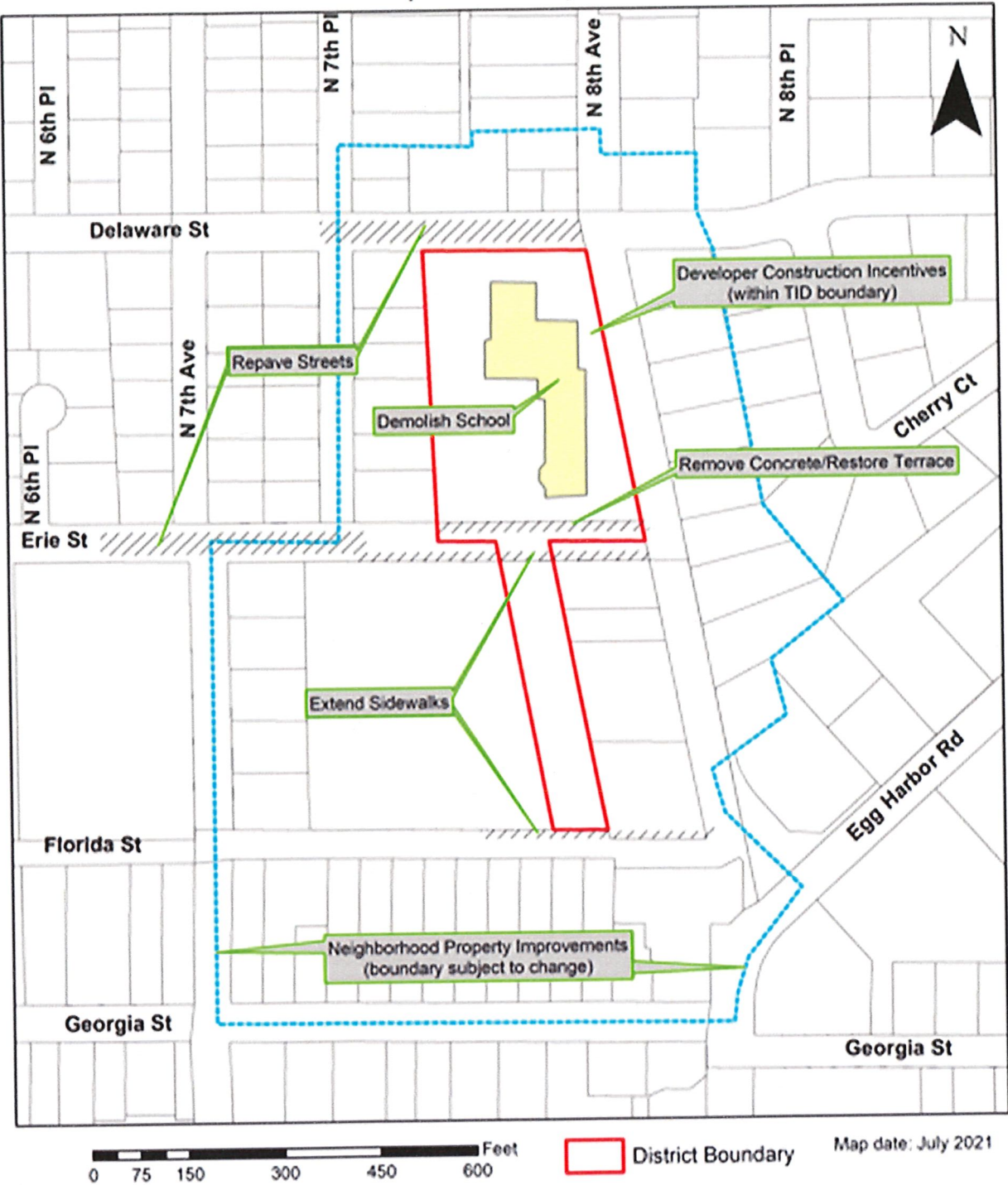
LOCATION: ENTIRE TID

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

Tax Increment District #5
Proposed Projects



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:

- 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 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 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

Assumptions	
Annual Inflation During Life of NID	1.00%
2020 Gross Tax Rate (per \$1,000 Equalized Value)	\$24.45
Annual Adjustment to tax rate	0.00%
Investment rate	0.50%

Data above dashed line are actual

[illegible]

Revenues		
(f)	(g)	(h)
Tax Revenue	Investment Proceeds	Total Revenues
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$58,600	\$0	\$58,600
\$25,942	\$0	\$25,942
\$96,902	\$0	\$96,902
\$27,871	\$0	\$27,871
\$36,850	\$0	\$36,850
\$29,830	\$0	\$29,830
\$100,836	\$0	\$100,836
\$101,845	\$0	\$101,845
\$102,863	\$0	\$102,863
\$103,872	\$0	\$103,872
\$104,931	\$0	\$104,931
\$105,900	\$408	\$106,468
\$107,040	\$1,013	\$108,053
\$108,110	\$1,946	\$109,656
\$109,121	\$2,087	\$111,278
\$110,263	\$2,638	\$112,919
\$111,386	\$3,193	\$114,579
\$112,500	\$3,758	\$116,258
\$113,625	\$4,332	\$117,957
\$1,040,566	\$19,051	\$1,059,617

Example New Issue				Expenditures				TID Status			
\$811,000 State Trust Fund Loan Dated December 1, 2021				(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
Principal (2-15)	Interest (2-16)	AVG- 2.00%	Debt Service	Administrative/ Organizational Fees	Combined Expenditures	Annual Balance	Year End Cumulative Balance (December 31)	Cost Recovery			
\$3,277.3	\$1,762		\$105,035	\$1,500	\$1,500	\$0	\$0				
\$2,853	\$2,177		\$103,035	\$1,500	\$106,535	(\$106,535)	(\$1,500)				
\$5,404	\$19,631		\$103,035	\$1,500	\$106,535	(\$47,653)	(\$155,000)				
\$97,966	\$17,069		\$103,035	\$1,500	\$106,535	(\$10,503)	(\$166,462)				
\$90,603	\$14,430		\$105,035	\$1,500	\$106,535	(\$9,833)	(\$176,114)				
\$93,291	\$11,744		\$105,035	\$1,500	\$106,535	(\$6,664)	(\$184,780)				
\$96,122	\$6,913		\$105,035	\$1,500	\$106,535	(\$6,696)	(\$192,465)				
\$99,006	\$6,029		\$105,035	\$1,500	\$106,535	(\$5,977)	(\$199,162)				
\$101,976	\$3,059		\$105,035	\$1,500	\$106,535	(\$4,992)	(\$204,961)				
				\$1,500	\$1,500	(\$1,363)	(\$209,333)				
				\$1,500	\$1,500	(\$102,792)	(\$55,796)	Feasibility Forecast			
				\$1,500	\$1,500	(\$103,431)	\$97,654	Feasibility Forecast			
				\$1,500	\$1,500	\$104,968	\$202,603	Feasibility Forecast			
				\$1,500	\$1,500	\$106,553	\$309,156	Feasibility Forecast			
				\$1,500	\$1,500	\$108,156	\$417,312	Feasibility Forecast			
				\$1,500	\$1,500	\$109,778	\$527,090	Feasibility Forecast			
				\$1,500	\$1,500	\$111,419	\$638,508	Feasibility Forecast			
				\$1,500	\$1,500	\$113,079	\$751,587	Feasibility Forecast			
				\$1,500	\$1,500	\$114,750	\$866,345	Feasibility Forecast			
				\$1,500	\$1,500	\$117,257	\$984,302	Feasibility Forecast			
\$431,000	\$134,316		\$945,316	\$30,000	\$975,316						

(!) Per City estimated.

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

**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.

DISCLAIMER TEXT

As required for all underwriters by the Municipal Securities Rulemaking Board ("MSRB"), Robert W. Baird & Co. Incorporated ("Baird") is hereby providing you with certain disclosures.

Robert W. Baird & Co. Incorporated ("Baird") is providing the information contained herein and/or accompanying materials (the "Content") for discussion or general informational purposes only, in seeking to serve as underwriter for a possible issuance of municipal securities you may be considering.

Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors. The primary role of Baird, as underwriter, is the purchase securities with a view to distribution in an arm's length commercial transaction between you and Baird. In its role as underwriter, Baird has financial and other interests that differ from yours. As part of our services as underwriter, Baird may provide advice concerning the structure, timing, terms, and other similar matters concerning an issuance of municipal securities you are considering. Any such advice, however, would be provided by Baird in the context of serving as an underwriter and not as municipal advisor, financial advisor or fiduciary. Unlike a municipal advisor, Baird as an underwriter does not have a fiduciary duty to the issuer under the federal securities law and is therefore not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests. As underwriter, Baird has a duty to purchase securities from the issuer at a fair and reasonable price but must balance that duty with its duty to sell those securities to investors at prices that are fair and reasonable. As underwriter, Baird will review the official statement applicable to the proposed issuance in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the proposed issuance.

The Content does not include any recommendations or suggestions that you take or refrain from taking any action with regard to an issuance of municipal securities and is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 or Rule 15Ba1-1 thereunder. You should consult with your own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate. The Content is intended to provide information of a factual or educational nature, as well as general information about Baird (including its Public Finance unit) and its experience, qualifications and capabilities.

If you have any questions or concerns about the above disclosures, please contact Baird Public Finance.