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December 6, 2013

Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 2

Organizational Joint Review Board Meeting Held:	November 20, 2013
Public Hearing Held:	November 20, 2013
Adoption by Plan Commission:	November 20, 2013
Adoption by Common Council:	December 5, 2013
Approval by the Joint Review Board:	Scheduled for December 18, 2013

Tax Incremental District No. 2 Territory & Project Plan Amendment

City of Waterloo Officials

Common Council

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Angie Stinnett	Council Member
Dale van Holten	Council Member
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Matthew J. Ziaja	Council Member
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Laura Cotting	Council Member
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Mo Hansen	City Clerk
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Lindsay Reynolds	Robert Crosby
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Joint Review Board

Mo Hansen	City Representative
Benjamin Wehmeier	Jefferson County
Lynn Forseth	Madison Area Technical College District
Connie Schiestl	Waterloo School District
Keri Sellnow	Public Member

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SECTION 1:
Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District ("TID") No. 2 (the "TID" or "District") is an existing rehabilitation - conservation district, which was created by a resolution of the City of Waterloo ("City") Common Council adopted on July 21, 2011 (the "Creation Resolution").

Amendments

The District has not been previously amended.

Purposes of this Amendment

To further facilitate development and/or redevelopment within areas adjacent to the District, the City desires to amend its boundaries to add territory. A map, located in Section 3 of this plan, identifies the Territory to be added and its geographic relationship to the existing District's boundaries.

This amendment will cause territory to be added to the District, providing incentive and opportunities for additional private development and redevelopment.

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

This amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Wisconsin Statutes Section 66.1105(2)(f)1.n.

Estimated Total Project Expenditures

The City anticipates making project expenditures of approximately $3,860,000 to undertake projects in the amendment areas as listed in this Project Plan. The City does not intend to make additional project expenditures within the original District area at this time. It is anticipated that the remaining and additional projects will be completed in several phases. The Expenditure Period of this District terminates on July 21, 2033. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with General Obligation debt issued, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.

The additional project costs include costs for sewer & water improvements, road construction, establishment of a revolving loan fund. These project areas, are located both in the current boundary & outside of, but within ½ mile of the current boundary of the District and within the City.

Economic Development

As a result of the amendment of this District, the City projects that additional land and improvements value of approximately $8,635,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the amended area. A table detailing assumptions as to the timing of new development and redevelopment, and associated values is located in Section 10 of this plan. In

addition, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

TID No. 2 has a maximum statutory life of 27 years, and must close not later than July 21, 2038, resulting in a final collection of increment in budget year 2039. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from the original plan projections of 2027 to 2034. The original plan had not anticipated the decline in property values in 2012.

Summary of Findings

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

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

   - Some sites proposed for redevelopment have remained vacant for 9 years due to lack of adequate infrastructure, environmental contamination, obsolete platting and ownership by multiple parties. Given that the sites have not redeveloped as would have been expected under normal market conditions, it is the judgment of the City that the use of tax incremental financing ("TIF") will be required to provide the necessary infrastructure inducements to encourage development on the sites consistent with that desired by the City.

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

   - Due to its geographic location and market conditions, the City has seen little growth or new investment in the community. Net new construction within the City for the period of 2008 to 2013 has averaged only .42%, while Jefferson County has average .81%. The City of Waterloo has had lower than the County's average net new construction 7 out of the last 8 years. Absent the use of Tax Increment Financing (TIF), this trend is likely to continue. Absent the use of Tax Increment Financing (TIF), this trend is likely to continue. Use of TIF will provide the City with the means to stimulate new development in the amended area.

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

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

- The Lang development expected to occur in the amendment area is likely to generate at least three full time positions at the facility.

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**

   - If approved, the boundary amendment would become effective for valuation purposes as of January 1, 2014. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2014 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.

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

4. Not less than 50% by area of the real property within the District, as amended, in need of rehabilitation - conservation work within the meaning of Wisconsin Statutes Section 66.1337(2m)(b). Furthermore, at the time of adoption of the Creation Resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Wisconsin Statutes Section 66.1105(4)(gm)1.

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

6. The Project Costs of the District relate directly to promoting rehabilitation of the area consistent with the purpose for which the District was created.

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

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

9. The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

SECTION 2:
Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 July 21, 2011by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2011.

The existing District is a "Rehabilitation - conservation District" created on a finding that at least 50%, by area, of the real property within the District was is in need of rehabilitation - conservation work, as defined in Section 66.1337(2m)(a). The District will remain in compliance with this finding after the addition of the Territory identified in this Amendment. In addition, the District will remain in compliance with the "vacant land test," which requires that property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 25% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan unless specifically stated. All components of the original Project Plan remain in effect.

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

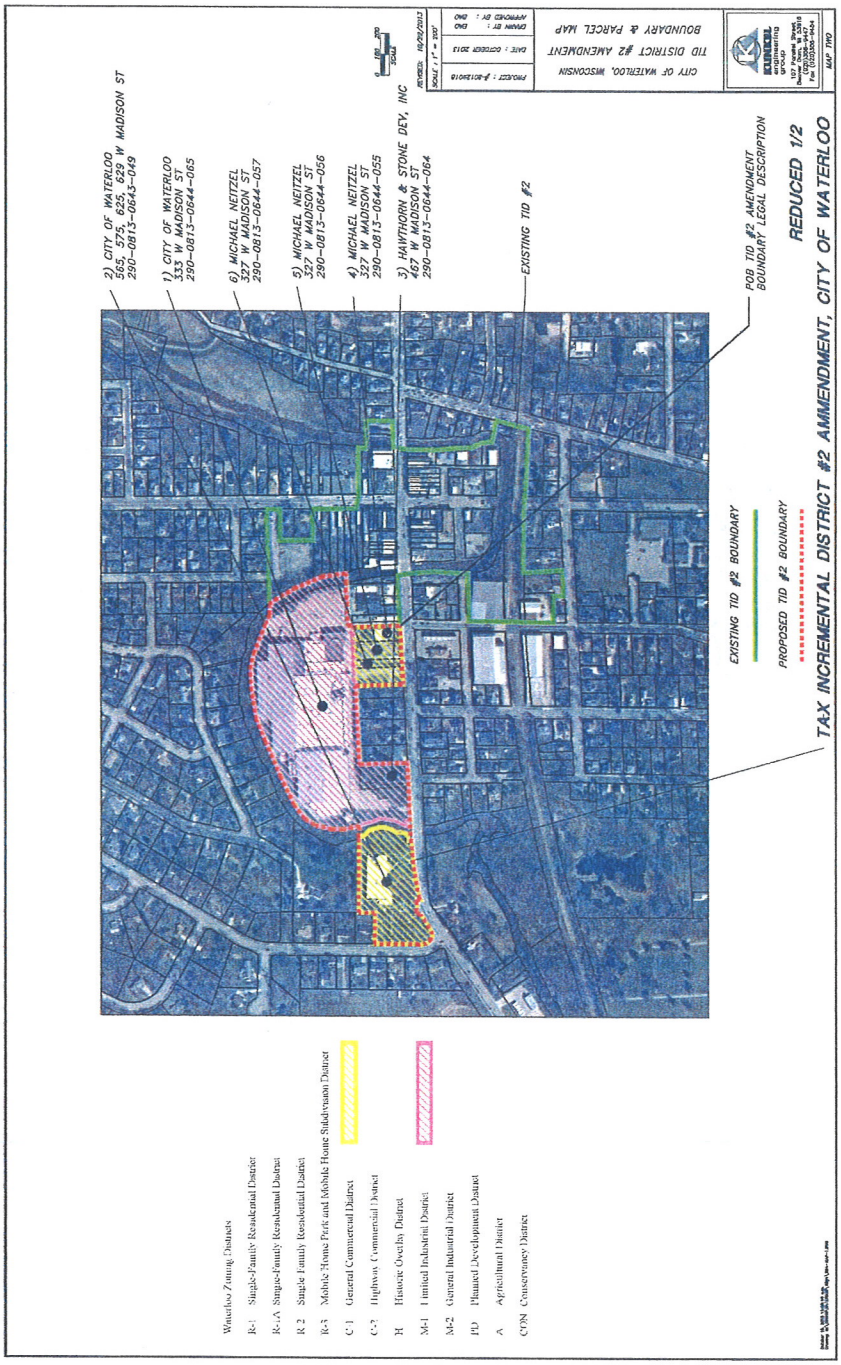
A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains a rehabilitation - conservation District based on the identification and classification of the property included within the District.

SECTION 3:

Map of Original District Boundary and Territory Amendment Area Identified

SECTION 4:

Map Showing Existing Uses and Conditions Within The Territory To Be Added



SECTION 5:
Preliminary Parcel List and Analysis Within The Territory To Be Added

City of Waterloo, WI

Tax Increment District No. 2

Preliminary Parcel List

MAP REF. #	PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	EQUALIZED VALUE	PARCEL ACREAGE	CURRENT ZONING	ACRES DECLARED IN NEED OF REHAB OR CONSERVATION	ACRES VACANT FOR PRECEDING 7 YEARS
	29008130644065	333 W MADISON ST	CITY OF WATERLOO		0	0	0	0	12.400	M1	12.400	
	29008130643049	565, 575, 625, 629 W MADISON ST	CITY OF WATERLOO		0	0	0	0	3.311	C1	3.311	
	29008130644064	467 W MADISON ST	HAWTHORN & STONE DEV, INC		30,400	89,100	119,500	119,500	0.613	M1		
	29008130644055	327 W MADISON ST	MICHAEL NEITZEL	52,475	33,300	187,100	220,400	223,400	0.379	C1		
	29008130644056	327 W MADISON ST	MICHAEL NEITZEL		38,300	5,000	43,300	43,900	0.463	C1		
	29008130644057	327 W MADISON ST	MICHAEL NEITZEL		20,500	2,200	22,700	23,000	0.210	C1		
							0					
			SUBTOTAL PERSONAL PROPERTY >	52,475				52,475	NA	NA	NA	NA
								462,275	17.376		15.711	0.000
								ESTIMATED BASE VALUE	*TOTAL DISTRICT ACREAGE*		*TOTAL CONS./REHAB. ACREAGE*	*TOTAL VACANT FOR PRECEDING 7 YEARS*
											90.418%	0.000%

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SECTION 6:
Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section 66.1105(4)(gm)4.c., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 2, plus the value increment of all other existing tax incremental districts within the City, totals an estimated $7,239,958. This value is less than the estimated maximum of $22,317,792 in equalized value that is permitted for the City of Waterloo. The City is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

City of Waterloo, WI

Tax Increment District No. 2

Valuation Test Compliance Calcuation

		Valuation Data Currently Available	Valuation Data Establishing 12% Limit Based on Anticipated Creation Date	Estimated Valuation Data Establishing Base Value
Anticipated Creation/Amendment	1/1/2014			
Property Appreciation Factor:	1.00%			
		ACTUAL	ESTIMATED	ESTIMATED
As of January 1,		2013	2014	2015
Total Equalized Value (TID IN)		184,140,200	185,981,602	
Limit for 12% Test		22,096,824	22,317,792	
Increment Value of Existing TID's				
TID No. 1 Increment		6,511,700	6,576,817	
TID No. 2 Increment		0	0	
TID No. 3 Increment		194,300	196,243	
Total Existing Increment		6,706,000	6,773,060	
Projected Base Value of New District		462,275	466,898	471,567
Existing TID New Construction Factor				
TOTAL VALUE SUBJECT TO TEST/LIMIT		7,168,275	7,239,958	7,244,627
COMPLIANCE		PASS	PASS	PASS

Percentage Increase in Base Value at Which EV Test will Fail

3229.37%

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Preserving the past for a successful future

SECTION 7:
Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The following is a list of public works and other TIF-eligible projects that the City expects to implement, within Territory to be incorporated by this Amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District. This amendment is not intended to change the scope of projects identified in the original project plan.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development or Redevelopment

In order to promote and facilitate development and/or redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

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

Acquisition of Easements

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

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

Site Preparation Activities

Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for redevelopment, the City will incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

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

Utilities

Sanitary Sewer System Improvements

There may be inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, are an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment to occur, the City may construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

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

infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

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

Streetscaping and Landscaping

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

CDA

Contribution to Community Development

As provided for in Wisconsin Statues Sections 66.1105(2)(f)1.h and 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program

To encourage private redevelopment consistent with the objectives of this Plan, the City, through its CDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside the District, parking, riverfront redevelopment pedestrian trails and signage as part of the original project plan.

Professional Service and Organizational Costs

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

Administrative Costs

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

Financing Costs

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

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

In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel

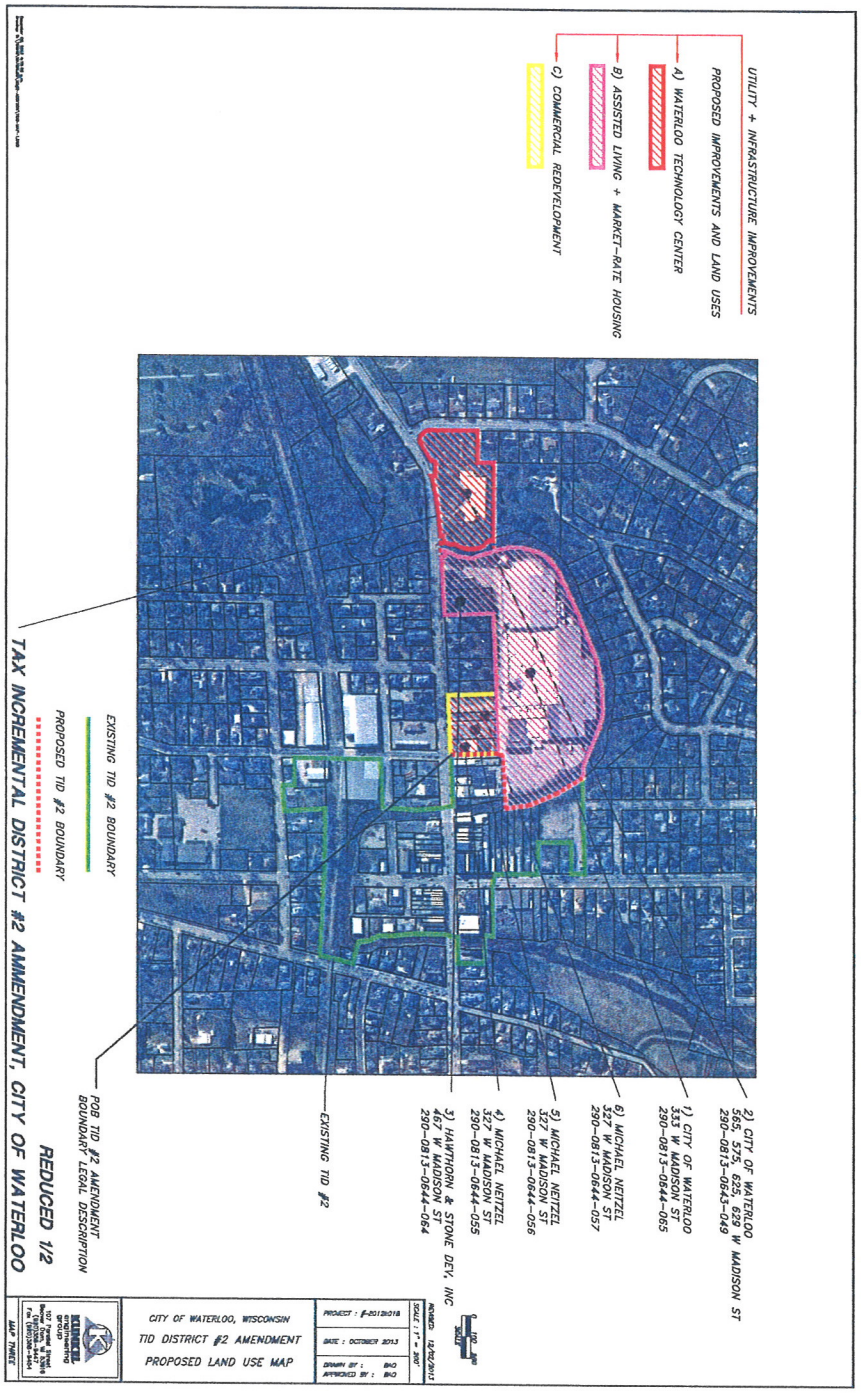
retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

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

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan or the original Project Plan. To the extent the costs benefit the City outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the City in connection with the implementation of this Plan.

SECTION 8:

Map Showing Proposed Improvements and Uses Within The Territory To Be Added



SECTION 9:
Detailed List of Additional Project Costs

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2013 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2013 and the time of construction. The City also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

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

Proposed TIF Project Cost Estimates

City of Waterloo, WI

Tax Increment District No. 2

Project List

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LEADERS IN PUBLIC FINANCE

	Phase I	Phase II	Phase III	Phase IV
	2013-2014	2014-2015	Future	2024
Projects				
Development Incentive	900,000	0	0	1,320,000
Demolition	0	100,000	0	
Public Infrastructure	400,000	120,000	0	
Revolving Loan	0	175,000	175,000	
Professional services	40,000	15,000	0	
Utility Improvements	0	500,000	35,000	
TID administration	25,000	25,000	30,000	
PAYGO				
Municipal Loan Guarantee ($400,000)*	0	0	0	
Subtotal Needed for Projects	1,365,000	935,000	240,000	1,320,000

* Municipal Loan Guarantee developer's financing, only incurred as an expense if developer defaults on loan.

SECTION 10:
Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

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

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

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

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

Available Financing Methods

The following is a list of the types of obligations the 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. 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). The tables on page 23 provide a calculation of the City's current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the City's equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects future valuation of the City using the average annual percentage of valuation growth experienced between 2009 and 2013. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual value change between 2009 and 2013. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City, demonstrating that the City will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

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

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other

obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City's statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by its Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

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

Special Assessment "B" Bonds

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

Equalized Valuation Projection

City of Waterloo, WI

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Projection of General Obligation Debt Borrowing Capacity

City of Waterloo, Wisconsin

Table 1 - Projection of Growth in Equalized Value (TID IN)

|----PERCENTAGE METHOD----|		|--STRAIGHT LINE METHOD--|	
		HISTORICAL DATA			
2009	203,494,800		2009	203,494,800	
2010	202,107,600		2010	202,107,600	
2011	197,597,100		2011	197,597,100	
2012	217,356,810		2012	217,356,810	
2013	184,140,200	-2.38%	2013	184,140,200	-4,838,650
		PROJECTED VALUATIONS			
2014	179,761,759	-2.38%	2014	179,301,550	-2.63%
2015	175,487,427	-2.38%	2015	174,462,900	-2.70%
2016	171,314,730	-2.38%	2016	169,624,250	-2.77%
2017	167,241,250	-2.38%	2017	164,785,600	-2.85%
2018	163,264,628	-2.38%	2018	159,946,950	-2.94%
2019	159,382,561	-2.38%	2019	155,108,300	-3.03%
2020	155,592,801	-2.38%	2020	150,269,650	-3.12%
2021	151,893,154	-2.38%	2021	145,431,000	-3.22%
2022	148,281,475	-2.38%	2022	140,592,350	-3.33%

Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)

BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY
2014	184,140,200	9,207,010	4,435,854	4,771,156
2015	179,301,550	8,965,078	3,957,775	5,007,303
2016	174,462,900	8,723,145	3,523,633	5,199,512
2017	169,624,250	8,481,213	3,073,151	5,408,061
2018	164,785,600	8,239,280	2,611,121	5,628,159
2019	159,946,950	7,997,348	2,122,082	5,875,265
2020	155,108,300	7,755,415	1,626,510	6,128,905
2021	150,269,650	7,513,483	1,121,103	6,392,380
2022	145,431,000	7,271,550	775,000	6,496,550
2023	140,592,350	7,029,618	390,000	6,639,618
2024	135,753,700	6,787,685		6,787,685
2025	130,915,050	6,545,753		6,545,753
2026	126,076,400	6,303,820		6,303,820
2027	121,237,750	6,061,888		6,061,888
2028	116,399,100	5,819,955		5,819,955
2029	111,560,450	5,578,023		5,578,023
2030	106,721,800	5,336,090		5,336,090
2031	101,883,150	5,094,158		5,094,158
2032	97,044,500	4,852,225		4,852,225
2033	92,205,850	4,610,293		4,610,293
2034	87,367,200	4,368,360		4,368,360
2035	82,528,550	4,126,428		4,126,428

Plan Implementation

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

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. 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.

Implementation and Financing Timeline

City of Waterloo, Wisconsin

City of Waterloo, WI

Tax Increment District No. 2

Estimated Project Costs & Financing Plan

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		G.O. Bond		G.O. Bond		Bank Note	Municipal Revenue Obligation (MRO)	Total Project Costs
		2014/Phase I		2016/Phase II		2021/Future Phases	2024	All Phases
Projects								
Development Incentive		900,000		0		0	1,320,000	2,220,000
Demolition		0		100,000		0		100,000
Public Infrastructure		400,000		120,000		0		520,000
Revolving Loan		0		175,000		175,000		350,000
Professional services		40,000		15,000		0		55,000
Utility Improvements		0		500,000		35,000		535,000
TID administration		25,000		25,000		30,000		80,000
Municipal Loan Guarantee ($400,000)*		0		0		0		0
Subtotal Needed for Projects		1,365,000		935,000		240,000	1,320,000	3,860,000
Finance Related Expenses								
Financial Advisor		15,244		13,197		5,875		
Bond Counsel (Estimate)		8,000		7,500		0		
Rating Agency Fee		10,000		10,000		0		
Paying Agent (if Term Bonds)		675		675		0		
Max. Underwriter's Discount	$12.50	17,750	$12.50	12,250	$10.00	0		
Capitalized Interest								
Total Financing Required		1,416,669		978,622		245,875	1,320,000	
Estimated Interest Earnings	0.15%	(171)	0.25%	(195)	0.25%	0		
Assumed Spend Down (Months)	3		3		1			
Rounding		3,502		1,573		(875)		
NET ISSUE SIZE		1,420,000		980,000		245,000	1,320,000	

Development Assumptions

City of Waterloo, Wisconsin

City of Waterloo, WI

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Tax Increment District No. 2
Development Assumptions

Construction Year	Actual	575 W Madison/ Lang Development *	333 W Madison/ Hawthorne Development *	217 N Monroe/ Monroe St Apartments **	Downtown Redevelopment Original Plan ***	Annual Total
2011	76,300					76,300
2012	(608,000)					(608,000)
2013						0
2014						0
2015		785,400	5,000,000	850,000	600,000	7,235,400
2016					390,000	390,000
2017						0
2018			2,000,000			2,000,000
2019					300,000	300,000
2020						0
2021						0
2022					300,000	300,000
2023						0
2024						0
2025						0
2026						0
2027						0
2028						0
2029						0
2030						0
2031						0
2032						0
2033						0
2034						0
2035						0
2036						0
2037						0
TOTALS	(531,700)	785,400	7,000,000	850,000	1,590,000	9,693,700

NOTES: * Development Values from Development Agreements
** Develoment Values provided by Developer
*** Development Values as part of original project plan

Increment Revenue Projections

City of Waterloo, WI

City of Waterloo, Wisconsin

Tax Increment District No. 2
Tax Increment Projection Worksheet

Type of District	Rehabilitation
Actual Creation Date	7/21/2011
Valuation Date	Jan. 1, 2011
Maximum Life (In Years)	27
Expenditure Period (In Years)	22
Revenue Periods/Final Rev Year	27 / 2039
End of Expenditure Period	7/21/2033
Latest Termination Date	7/21/2038
Eligible for Extension/No. of Years	Yes / 3
Eligible Recipient District	Yes

Projected Base Value	5,764,875
Pre-Amendment Base Value (Actual)	5,302,600
Property Appreciation Factor	1.00%
Current Tax Rate (Per $1,000 EV)	$22.00
Tax Rate Adjustment Factor (Next 2 Years)	0.00%
Tax Rate Adjustment Factor (Following 2 Years)	0.00%
Tax Rate Adjustment Factor (Thereafter)	0.00%
Discount Rate 1 for NPV Calculation	5.00%
Discount Rate 2 for NPV Calculation	7.00%

Apply Inflation Factor to Base? X

	Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Net Present Value Calculation: Cumulative @ 5.00%	Cumulative @ 7.00%
1	2011	76,300	2012		76,300	2013	25.90	1,976	1,707	1,613
2	2012	(608,000)	2013		-531,700	2014	25.90	0	1,707	1,613
3	2013	0	2014	52,332	-479,368	2015	25.90	0	1,707	1,613
4	2014	0	2015	52,855	-426,513	2016	25.90	0	1,707	1,613
5	2015	7,235,400	2016	53,384	6,862,270	2017	25.90	177,754	128,034	112,310
6	2016	390,000	2017	126,271	7,378,542	2018	25.90	191,127	257,396	223,547
7	2017	0	2018	131,434	7,509,976	2019	25.90	194,532	382,793	329,360
8	2018	2,000,000	2019	132,749	9,642,725	2020	25.90	249,776	536,134	456,333
9	2019	300,000	2020	154,076	10,096,801	2021	25.90	261,538	689,050	580,588
10	2020	0	2021	158,617	10,255,417	2022	25.90	265,647	836,972	698,539
11	2021	0	2022	160,203	10,415,620	2023	25.90	269,797	980,051	810,495
12	2022	300,000	2023	161,805	10,877,425	2024	25.90	281,759	1,122,359	919,766
13	2023	0	2024	166,423	11,043,848	2025	25.90	286,070	1,259,963	1,023,451
14	2024	0	2025	168,087	11,211,935	2026	25.90	290,424	1,393,010	1,121,827
15	2025	0	2026	169,768	11,381,704	2027	25.90	294,821	1,521,639	1,215,160
16	2026	0	2027	171,466	11,553,169	2028	25.90	299,263	1,645,989	1,303,701
17	2027	0	2028	173,180	11,726,350	2029	25.90	303,749	1,766,193	1,387,690
18	2028	0	2029	174,912	11,901,262	2030	25.90	308,279	1,882,380	1,467,355
19	2029	0	2030	176,661	12,077,923	2031	25.90	312,856	1,994,677	1,542,914
20	2030	0	2031	178,428	12,256,351	2032	25.90	317,477	2,103,207	1,614,573
21	2031	0	2032	180,212	12,436,564	2033	25.90	322,145	2,208,088	1,682,529
22	2032	0	2033	182,014	12,618,578	2034	25.90	326,860	2,309,437	1,746,968
23	2033	0	2034	183,835	12,802,413	2035	25.90	331,622	2,407,366	1,808,069
24	2034	0	2035	185,673	12,988,085	2036	25.90	336,432	2,501,984	1,866,001
25	2035	0	2036	187,530	13,175,615	2037	25.90	341,289	2,593,398	1,920,925
26	2036	0	2037	189,405	13,365,020	2038	25.90	346,195	2,681,710	1,972,993
27	2037	0	2038	191,299	13,556,319	2039	25.90	351,151	2,767,021	2,022,352
		9,693,700		3,862,619						

Future Value of Increment: 6,662,540

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Cash Flow

City of Waterloo, WI

Tax Increment District No. 2

Cash Flow Pro Forma

City of Waterloo, Wisconsin

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Year	Revenues: Tax Increments	Revenues: Investment Earnings	Revenues: Other Revenue	Revenues: Sharing From TID #1 *	Revenues: Total Revenues	Expenditures: G.O. Bond $1,420,000 8/1/2014 Prin (8/1)	G.O. Bond Est. Rate	G.O. Bond Interest	G.O. Bond $980,000 8/1/2016 Prin (8/1)	G.O. Bond Est. Rate	G.O. Bond Interest	Bank Note $245,000 8/1/2021 Prin (8/1)	Bank Note Est. Rate	Bank Note Interest	Project Costs **	Hawthorn PAYGO	Admin	Total Expenditures	Balances: Annual	Balances: Cumulative	Project Cost Principal Outstanding	Year
		1.00%																				
2011		0			0										22,110			22,110	(22,110)	(22,110)	2,645,000	2011
2012		0	1,000		1,000										83,986			83,986	(82,986)	(105,096)	2,645,000	2012
2013	1,976	0			1,976												30,000	30,000	(28,024)	(133,120)	2,645,000	2013
2014	0	0		200,000	200,000												3,000	3,000	197,000	63,880	2,645,000	2014
2015	0	639			639		3.750%	53,250									3,090	56,340	(55,701)	8,179	2,645,000	2015
2016	0	82		400,000	400,082		3.750%	53,250							180,000		3,183	236,433	163,649	171,828	2,645,000	2016
2017	177,754	1,718			179,472		3.750%	53,250		4.000%	39,200						3,278	95,728	83,744	255,572	2,645,000	2017
2018	191,127	2,556			193,683		3.750%	53,250		4.000%	39,200				100,000		3,377	195,827	(2,144)	253,429	2,645,000	2018
2019	194,532	2,534		300,000	497,066	50,000	3.750%	53,250		4.000%	39,200				50,000		3,478	195,928	301,138	554,567	2,595,000	2019
2020	249,776	5,546			255,322	70,000	3.750%	51,375		4.000%	39,200						3,582	164,157	91,165	645,732	2,525,000	2020
2021	261,538	6,457			267,996	100,000	3.750%	48,750	50,000	4.000%	39,200						3,690	241,640	26,356	672,088	2,375,000	2021
2022	265,647	6,721			272,368	100,000	3.750%	45,000	50,000	4.000%	37,200		5.000%	12,250			3,800	248,250	24,118	696,205	2,225,000	2022
2023	269,797	6,962			276,759	100,000	3.750%	41,250	50,000	4.000%	35,200	25,000	5.000%	12,250			3,914	267,614	9,145	705,350	2,050,000	2023
2024	281,759	7,053			288,812	100,000	3.750%	37,500	50,000	4.000%	33,200	25,000	5.000%	11,000		132,000	4,032	392,732	(103,919)	601,430	1,875,000	2024
2025	286,070	6,014			292,084	100,000	3.750%	33,750	60,000	4.000%	31,200	25,000	5.000%	9,750		132,000	4,153	395,853	(103,769)	497,662	1,690,000	2025
2026	290,424	4,977			295,400	100,000	3.750%	30,000	60,000	4.000%	28,800	30,000	5.000%	8,500		132,000	4,277	393,577	(98,177)	399,485	1,500,000	2026
2027	294,821	3,995			298,816	100,000	3.750%	26,250	65,000	4.000%	26,400	35,000	5.000%	7,000		132,000	4,406	396,056	(97,239)	302,246	1,300,000	2027
2028	299,263	3,022			302,285	100,000	3.750%	22,500	70,000	4.000%	23,800	35,000	5.000%	5,250		132,000	4,538	393,088	(90,803)	211,443	1,095,000	2028
2029	303,749	2,114			305,863	100,000	3.750%	18,750	75,000	4.000%	21,000	35,000	5.000%	3,500		132,000	4,674	389,924	(84,061)	127,382	885,000	2029
2030	308,279	1,274			309,553	100,000	3.750%	15,000	75,000	4.000%	18,000	35,000	5.000%	1,750		132,000	4,814	381,564	(72,011)	55,372	675,000	2030
2031	312,856	554			313,409	100,000	3.750%	11,250	75,000	4.000%	15,000					132,000	4,959	338,209	(24,799)	30,572	500,000	2031
2032	317,477	306			317,783	100,000	3.750%	7,500	75,000	4.000%	12,000					132,000	5,107	331,607	(13,824)	16,748	325,000	2032
2033	322,145	167			322,313	100,000	3.750%	3,750	75,000	4.000%	9,000					132,000	5,261	325,011	(2,698)	14,050	150,000	2033
2034	326,860	141			327,001				75,000	4.000%	6,000						5,418	86,418	240,582	254,633	75,000	2034
2035	331,622	2,546			334,168				75,000	4.000%	3,000						5,581	83,581	250,588	505,220	0	2035
2036	336,432	5,052			341,484												5,748	5,748	335,735	840,956	0	2036
2037	341,289	8,410			349,699												5,921	5,921	343,778	1,184,734	0	2037
2038	346,195	11,847			358,043												6,098	6,098	351,944	1,536,678	0	2038
2039	351,151	15,367			366,517												6,281	6,281	360,236	1,896,914	0	2039
Total	6,662,540	106,054	1,000	900,000	7,669,594	1,420,000		658,875	980,000		495,800	245,000		71,250	436,096	1,320,000	145,659	5,772,680	1,896,914			

NOTES: * Sharing amendment in place to share increment revenue from TID #1 with TID #2 to assist with project costs identified in original project plan

** Project Costs from original plan

Projected TID Closure

SECTION 11:
Annexed Property

There are no lands within the Territory proposed to be included within the District by Amendment that were annexed by the City on or after January 1, 2004.

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

The City estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

SECTION 13:
Proposed Zoning Ordinance Changes

The City anticipates that a portion of the Territory to be incorporated into the Distirct by Amendment will be rezoned prior to development.

SECTION 14:
Proposed Changes in Master Plan, Map, Building Codes and City of Waterloo Ordinances

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

SECTION 15:
Relocation

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

SECTION 16:

Orderly Development and/or Redevelopment of the City of Waterloo

This amendment contributes to the orderly development and/or redevelopment of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. This amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and/or redevelopment of the City.

SECTION 17:
List of Estimated Non-Project Costs

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

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 18:
Opinion of Attorney for the City of Waterloo Advising Whether the Plan is Complete and Complies with Wisconsin Statutes 66.1105

Axley
Attorneys Since 1885

AXLEY BRYNELSON, LLP

TIMOTHY D. FENNER
(608) 283-6733
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November 27, 2013

Via E-Mail

Mayor Robert Thompson
City of Waterloo
136 North Monroe Street
Waterloo, WI 53594

Re: City of Waterloo
Wisconsin Tax Incremental District No. 2 Amendment
Our File No. 11110.52281

Dear Mayor Thompson:

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

Sincerely,

AXLEY BRYNELSON, LLP

Timothy D. Fenner
TDF:avr

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Exhibit A:

Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

Revenue Year	*County*	*City*	*School District*	*Technical College*	*Total*
	16.69%	37.93%	38.37%	7.01%	
2013	330	750	758	139	**1,976**
2014	0	0	0	0	**0**
2015	0	0	0	0	**0**
2016	2,116	4,809	4,865	889	**12,679**
2017	33,671	76,511	77,398	14,139	**201,719**
2018	35,943	81,674	82,621	15,093	**215,331**
2019	36,551	83,058	84,020	15,349	**218,978**
2020	45,814	104,104	105,311	19,238	**274,467**
2021	47,818	108,659	109,918	20,080	**286,476**
2022	48,546	110,312	111,591	20,385	**290,834**
2023	49,280	111,982	113,279	20,694	**295,236**
2024	51,319	116,616	117,967	21,550	**307,452**
2025	52,082	118,348	119,719	21,870	**312,020**
2026	52,852	120,098	121,490	22,194	**316,633**
2027	53,630	121,865	123,277	22,520	**321,293**
2028	54,415	123,650	125,083	22,850	**325,999**
2029	55,209	125,453	126,907	23,184	**330,753**
2030	56,010	127,274	128,749	23,520	**335,553**
2031	56,819	129,113	130,609	23,860	**340,402**
2032	57,637	130,971	132,489	24,203	**345,299**
2033	58,462	132,847	134,386	24,550	**350,246**
2034	59,296	134,742	136,303	24,900	**355,241**
2035	60,139	136,656	138,239	25,254	**360,287**
2036	60,989	138,589	140,195	25,611	**365,383**
2037	61,848	140,541	142,169	25,972	**370,530**
2038	62,716	142,513	144,164	26,336	**375,729**
2039	63,592	144,504	146,179	26,704	**380,980**
	1,217,085	**2,765,642**	**2,797,687**	**511,084**	**7,291,497**

NOTE: The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.