

**City of Sturgeon Bay  
Tax Increment Financing  
District  
No. 4  
Project Plan**

April 2, 2013

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## Section I. Introduction

### Project Background

The City of Sturgeon Bay adopted the *West Waterfront Area Redevelopment Plan & Implementation Strategy* on September 15, 2011, as a means of advancing revitalization in the Sturgeon Bay West Waterfront Area. The West Waterfront Area is an underutilized stretch of prominent waterfront located at the western approach to two bridges, the Maple-Oregon St. and Michigan St. bridges, which connect Sturgeon Bay's central business district. The area is a key connection for residents, businesses, and visitors from throughout the region, as just one other bridge, the STH 42/75 bypass, connects the mainland to northern Door County.

The City undertook the West Waterfront Area planning effort to advance and expand upon prior planning efforts impacting the area, including the City's *Sturgeon Bay Downtown Waterfront Subarea Development Plan* (2003) and the *City of Sturgeon Bay Comprehensive Plan* (2010). This plan was driven by the need to support potential buyers of the former Applebee's restaurant site who had hoped to see a vision for the greater area, to see that their investment and project were part of a greater revitalization strategy for the West Waterfront Area. In addition, the relocation in 2009 of the U.S. Coast Guard Cutter *Mobile Bay*, and relocation of the Door County Cooperative operations (Co-op), created new redevelopment opportunities in the area and increased the importance of proactive area-wide planning.

The West Waterfront Area is an economic development priority for the City and the Waterfront Redevelopment Authority. The area includes various potential redevelopment sites which the City identified through earlier plans and the development of TID No. 2. In their current state, these sites are underutilized and, given their prominence, also impact the economic vitality and appeal of the western part of the City more broadly. Redevelopment sites in the West Waterfront Area include the City-owned former USGC site and adjacent former Door County Co-op site; a vacant restaurant; and several properties on the first block inland from the bay. The entire West Waterfront Area currently lies within TID No. 2, which is undergoing a Territory Subtraction Amendment to remove the proposed TID No. 4 properties.

The purpose of the *West Waterfront Area Redevelopment Plan & Implementation Strategy* is to establish a vision for private sector reinvestment, enable the City to strategically plan and implement public improvements in support of its long-term vision, and take the first steps in advancing plan implementation.

The *West Waterfront Area Redevelopment Plan & Implementation Strategy* outlined specific physical improvements to the waterfront area as well as identified numerous redevelopment opportunities. TID No. 4 is being created to address those infrastructure and redevelopment needs and opportunities and provide the primary funding tool to implement the recommendations contained in the Plan.

The West Waterfront Area will not fully realize its potential without public improvements in infrastructure along the waterfront and, more importantly, a public commitment to redevelopment. The creation of TID No. 4 would provide the financing vehicle for the City to undertake the public improvements necessary to stimulate private reinvestment and redevelopment within the West Waterfront Area. Without these public improvements, it is

unlikely that significant redevelopment or revitalization of the area within the proposed TID would occur. In fact, it is more likely that the area would continue its slow decline, economically, socially and physically.

#### Description of District

TID No. 4 is proposed to be created as a blighted area district. The purpose of TID No. 4 is to provide the necessary improvements in public infrastructure to eliminate blight, encourage economic development, and increase property values. This project plan is written to provide funding for infrastructure improvements aimed at stimulating and enhancing economic development opportunities within the City of Sturgeon Bay.

This project plan has been prepared in compliance with Sec. 66.1105(4)(f), Wis. Stats. The project plan establishes a need for the project, lists the proposed improvements within TID No. 4, provides an estimated time schedule for completion of the project as well as an estimated budget. This project plan is to be adopted by the City Council on the recommendation of the City Plan Commission. The TID Project Plan will be the official plans and guides for public and private sector development within their respective boundaries.

Implementation of the project plan and construction of the proposed improvements listed will still require case by case authorization by the City Council. Public expenditures for projects listed in the project plan should and will be based on market conditions and the status of development at the time the project is scheduled for construction.

The City Council is not mandated to make the public expenditures in this plan. The public expenditures are an itemization of TIF-eligible project costs that the City may undertake as well as a guide for the Plan Commission and City Council to assist them in the decision-making process for public expenditures. Redistribution of project costs within the total budget estimate will not require amendments to the plan, provided that the project meets the purpose and intent of TID No. 4.

As required by Sec. 66.1105(5)(b), Wis. Stats., a copy of this project plan will be submitted to the Department of Revenue and used as a basis for their certification of TID No. 4 in the City of Sturgeon Bay.

#### **Section II. Description of How TID No. 4 Will Promote the Orderly Development of the City of Sturgeon Bay**

In past years, the City of Sturgeon Bay has made a concerted effort to improve the economic, physical and social vitality of the waterfront area. The *Sturgeon Bay Downtown Waterfront Subarea Development Plan*, completed in 2003, established a vision for Downtown that was developed through significant public involvement before adoption by the Sturgeon Bay Waterfront Redevelopment Authority. As stated in the Introduction, TID No. 2 was formed to assist in redevelopment of the project area. The vision includes promoting a diversity of uses; opening up the waterfront to the public, extending a waterfront walkway, and promoting waterfront activities, amenities, and commerce; maintaining and enhancing view corridors; and promoting rehab and reuse of existing structures and 2+ story new construction. The vision also provides general design guidelines. The *West Waterfront Area Redevelopment Plan &*

*Implementation Strategy* develops an actionable land use plan and strategies to further this vision and facilitate the proposed development and redevelopment.

The *West Waterfront Area Redevelopment Plan & Implementation Strategy* set the stage for short and long-term redevelopment and helps to communicate the City's market-feasible vision with businesses and developers, property owners, and residents. Long-term goals include:

- Encourage higher and best uses for prominent, valuable waterfront sites;
- Develop a busy, highly functional waterfront area for community residents;
- Improve the City's appearance and welcome visitors to the community;
- Improve public access to the waterfront; and
- Position the City to move quickly in a rapidly-changing and challenging economy to advance business development and reinvestment.

The City of Sturgeon Bay has employed tax increment finance districts in the past to stimulate private reinvestment and redevelopment. The creation of TID No. 4 will provide the City with the tools to effectively implement the land use goals and objectives for the West Waterfront Area, as defined in the *West Waterfront Area Redevelopment Plan & Implementation Strategy*.

The boundary for TID No. 4 encompasses what has historically been defined as the West Waterfront in the City. Within the community, the West Waterfront Area "Maritime District" is the working waterfront directly across the Bay from the traditional downtown and more tourist-oriented activities. The West Waterfront Area's history and present use reflect a working waterfront of industry and maritime commerce. Properties within the project area have historic uses including the storing and transporting of seed and feed, and lumber mills. Icons of these past uses remain today including most notably the granary tower still standing at the former Door County Co-Op site. The USCG continues to operate in the project area, now from a new facility at Sawyer Park—which has opened up their previous site for redevelopment. Other former uses along the waterfront and in the surrounding inland blocks include supporting industries and commerce such as craftsman workshops, banking, retail, and hotels/lodging.

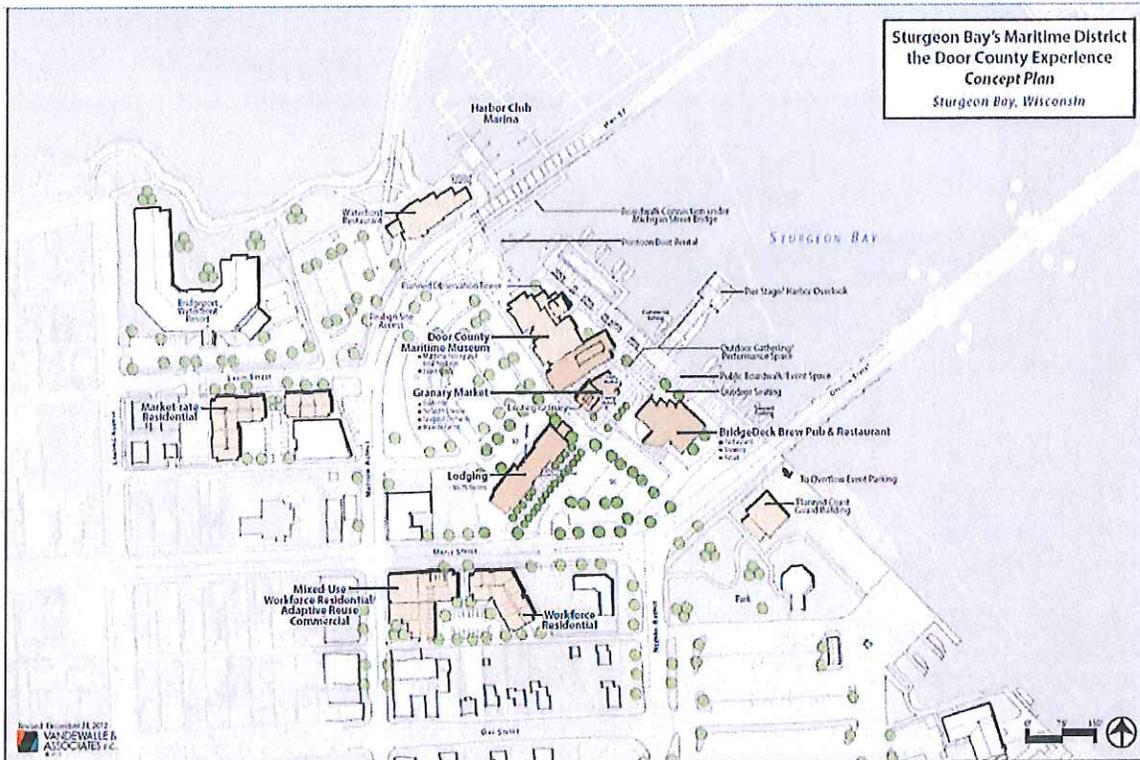
This project plan is aimed at implementing the waterfront infrastructure construction recommendations as well as redevelopment funding. Additional project activities may include acquisition and relocation activities aimed at eliminating blight and achieving the highest and best use within the West Waterfront Area, establishing an economic development fund, developing and implementing a marketing plan for the Area and other planning activities, as required.

Any zoning changes required to implement the projects listed herein will be made in accordance with the zoning ordinance on a project by project basis.

#### Catalytic Sites and Projects

Much as the Door County Maritime Museum is a trailhead to maritime tourism in the County, the Sturgeon Bay Maritime District will provide "Trailhead to Door County" as a destination and hub of activity, for public events and gathering, as well as direct connections to local produced

foods and beverages. The Maritime Museum is one anchor to the Maritime District, the addition of the new proposed developments will further strengthen this area as a local and regional draw. Catalytic sites and planned future uses for the West Waterfront Area Maritime District, as part of TID No. 4 include:



- **BridgeDeck Brew Pub and Restaurant.** The BridgeDeck Brew Pub and Restaurant will be a waterfront restaurant, brewery, and retail establishment centered on the Sturgeon Bay waterfront experience, with locally produced beer, spirits, and other value-added products to be located at the city-owned waterfront site (previous USCG location).
- **Lodging or Mixed-Use Residential/Commercial.** As described in the West Waterfront Redevelopment Plan, there is potential demand for a franchise brand ("flag") hotel in the redevelopment area, at the city-owned waterfront site (previous USCG location) and neighboring former Co-op site. Based on market demand the hotel development is estimated to be developed within the range of 40-60 rooms at this site; there is capacity on site for up to 75 rooms.
- **Granary Market and Granary Tower as an Historic Icon.** The Granary Market will be the showcase for Door County products, current and historic. Foods to be showcased will include cherries, apples, fish, dairy, meats, and other regional value-added and heritage foods and beverages. As a showcase, the Market will also act as a gateway and trailhead for Door County agritourism, provide year-round access to retail products, and promote the growth of participating producers and businesses.

The approximately 6,000 square foot Market may be constructed to tie into the existing granary tower. The historic granary is present in community Sanborn maps as early as 1900. As an icon, this granary is of three original granaries in the West Waterfront area, and is the only one still standing. The structure can be seen from the Bay View Bridge and is a visual reminder of the working waterfront and food heritage of the community. Restoration of the granary, as part of the Granary Market, will provide an authentic icon to the redeveloped area and backdrop for the public plaza space and events to be held there.

- **Mixed-Use Residential/Adaptive Reuse Commercial.** The site at the corner of Madison and Maple is well-positioned for adaptive reuse and the addition of floors for housing (approximately 30 units), as well as the construction of a second building on the site for around 40 apartments. The goal is to implement workforce housing in this area, workforce housing is rental housing for year-round residents. Typical residents would be young professionals and empty-nesters who are looking for attractive, modern, rental housing in close proximity to work, and downtown retail and services, with views of, and access to, the water.
- **Market-Rate Residential.** The site at the corner of Madison Avenue and Larch Street is well-positioned for market-rate housing to maximize the use of this prime location with water views and business district accessibility.

**Section III. Tax Increment Boundary Description and Equalized Values**

The boundaries of TID No. 4 are officially designated on Map 1. TID No. 4 contains properties fronting on the Sturgeon Bay Ship Canal, west to S Madison Ave, south to W Maple St, including one parcel on the southeast corner of S Madison and W Maple.

The City's Estimated Capacity to Create TID No. 4 (Effective January 1, 2012):

|                                      |                                               |
|--------------------------------------|-----------------------------------------------|
| Total Equalized Value<br>Of the City | 12% of the City's<br>Total Equalized<br>Value |
| \$811,355,800                        | \$97,362,696                                  |

State Certified and Estimated TID Values:

|                       | Base Value   | Increment    | Total        |
|-----------------------|--------------|--------------|--------------|
| TID No. 1             | \$9,634,200  | \$19,074,800 | \$28,709,000 |
| TID No. 2             | \$17,621,300 | \$49,650,700 | \$67,272,000 |
| TID No. 3             | \$916,900    | (\$376,400)  | \$540,500    |
| Proposed TID No. 4    | \$1,466,562  | \$0          | \$1,466,562  |
| Estimated in All TIDs | \$29,638,962 | \$68,725,500 | \$97,988,062 |

The City's Remaining Estimated Capacity to Create Additional TIDs:

|                             | 12% Calculation |
|-----------------------------|-----------------|
| Total City Capacity         | \$97,362,696    |
| 2012 Existing<br>Increment* | \$68,725,500    |
| Proposed TID                | \$1,466,562     |
| Remaining Capacity          | \$27,170,634    |

# Map 1: TID No. 4 Boundary



Jan 9, 2013



TID #4 Boundary



**Section IV. Existing Uses and Conditions of Real Property**

A description of the existing land uses within the proposed boundary for TID No. 4 is located on Map 2 and the existing zoning on Map 3. The current mix of land uses in TID No. 4 does not allow for the highest and best use within the context of a downtown area and, especially, a beautiful waterfront. The mix of land uses within TID No. 4 includes industrial, commercial and retail. The historic industrial uses thereby impede any type of more appropriate commercial and residential redevelopment.

The area within the proposed boundary for TID No. 4 currently contains the following zoning districts: Central Business District (C-2) and Planned Unit Development (PUD). In some instances if the zoning cannot accommodate the kind of future development needed to revitalize the Downtown. In such instances, zoning will be changed on a project-by-project basis.

A minimum of 51% of real property within TID No. 4 is considered blighted, physically and/or economically, due to deteriorating buildings, inappropriate land uses, obsolete platting, and existing/potential environmental issues. (See Appendix A for a parcel by parcel blight analysis). Some of the structures within the TID No. 4 district boundary are considered aged, deteriorating or potentially unfit for redevelopment. The historic granary along the waterfront could be considered historically significant from an architectural point of view, but its condition and suitability for repair needs to be studied. There is significant square footage devoted to unimproved surface storage on the waterfront. Therefore this area is currently not developed for the “highest and best” use for these areas in Sturgeon Bay.

Based on the above findings and the blight analysis presented in Appendix A, Blight Study, at least 51% of the area located within TID No. 4 meets the statutory definition of a blighted property as specified in Wis. Stats. 66.1105(4)(gm)(4)(a).

**TID No. 4 Parcels**

| Parcel Number     | Owner                                                                     | Owner Address                   | City         | State | Zip   | Parcel Street Name | Parcel Sq Ft | Land Value | Imp Value  | Total Value | Class |
|-------------------|---------------------------------------------------------------------------|---------------------------------|--------------|-------|-------|--------------------|--------------|------------|------------|-------------|-------|
| 281-12-10011102   | Vegetable Truck LLC                                                       | Atlas MGMT<br>720 W Virginia St | Milwaukee    | WI    | 53204 | 14 Madison Ave     | 40,970       | \$ 120,500 | \$ 87,000  | \$ 207,500  | C-2   |
| 281-12-10080101   | City of Sturgeon Bay                                                      | 421 Michigan St                 | Sturgeon Bay | WI    | 54235 | 92 E Maple St      | 97,189       | \$ 350,000 | \$ 40,000  | \$ 390,000  | C-2   |
| 281-24-15090101   | City of Sturgeon Bay                                                      | 421 Michigan St                 | Sturgeon Bay | WI    | 54235 | 100 Maple St       | 54,983       | \$ -       | \$ -       | \$ -        | C-2   |
| 281-24-15090101A1 | SB Waterfront RDA                                                         | 421 Michigan St                 | Sturgeon Bay | WI    | 54235 | *                  | 134,660      | \$ -       | \$ -       | \$ -        | C-2   |
| 281-24-15090101A2 | Door County Maritime<br>Museum & Lighthouse<br>Preservation Society, Inc. | 120 N Madison Ave               | Sturgeon Bay | WI    | 54235 | 120 Madison Ave    | 30,819       | \$ -       | \$ -       | \$ -        | PUD   |
| 281-24-15110103A  | Harbor Place LLC                                                          | 155 E Walnut St                 | Sturgeon Bay | WI    | 54235 | 49 Madison Ave     | 46,078       | \$ 219,500 | \$ 637,000 | \$ 856,500  | C-2   |

\*Parcel address not noted in Door County tax parcel search

## Map 2: TID #4 Existing Uses



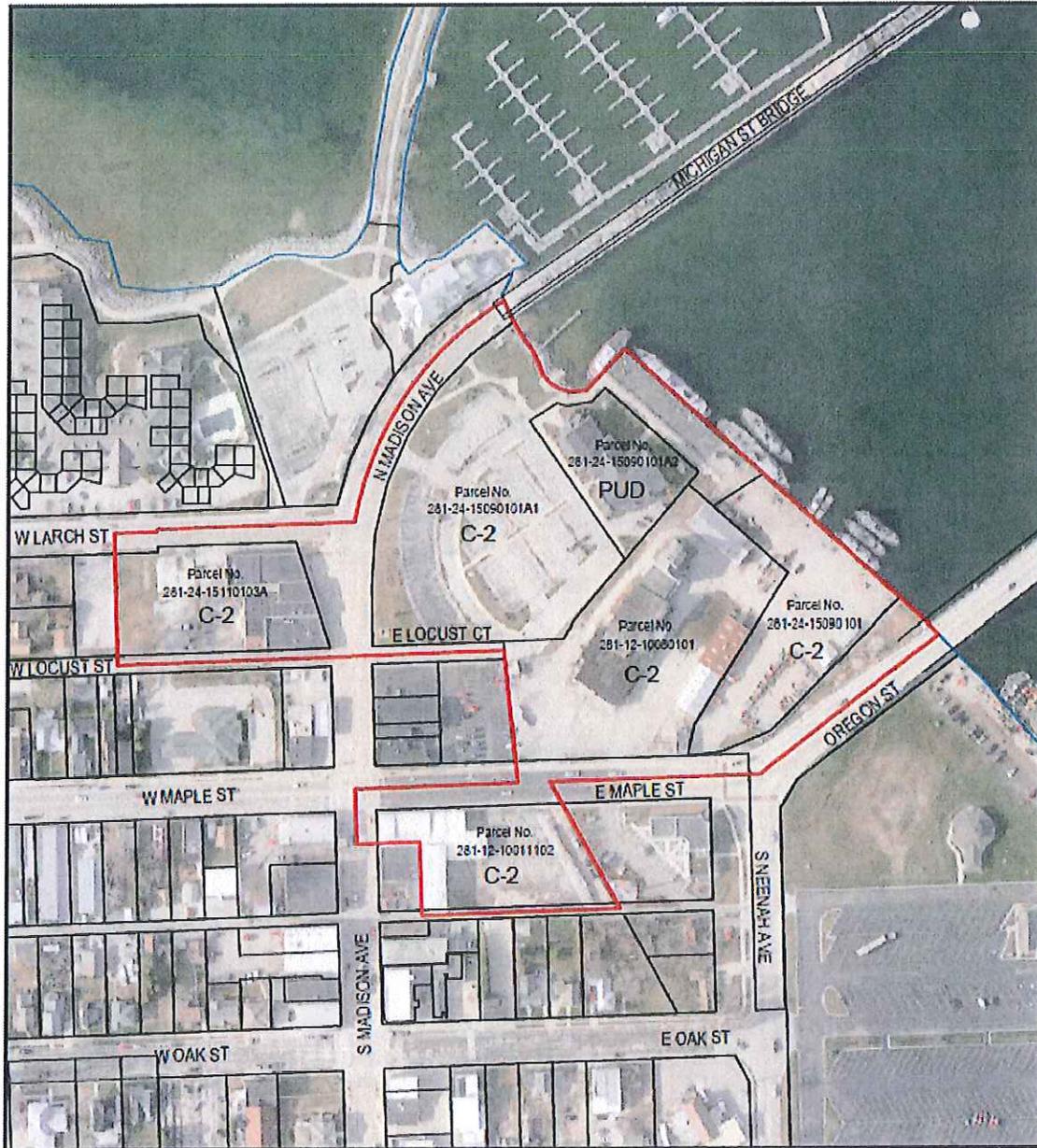
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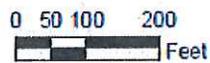
 TID #4 Boundary



### Map 3: TID #4 Zoning



Jan 9, 2013



Zoning Classification:  
C-2 Central Business District  
PUD Planned Unit Development

 TID #4 Boundary



## **Section V. Proposed Public Works and Estimated Costs**

This section describes the proposed public works projects and their estimated costs. These are referred to as project costs. Table 1 details the projects, their estimated costs, and breaks them into two phases. These project costs are preliminary estimates and may be adjusted and refined. The adjustments and refinements may include changing the year in which a project activity is undertaken and reallocating the cost of specific projects within the limitation of the total estimated project costs. The City serves 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 project plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the project plan. Adjustments to the proposed project plan will be made on the recommendation of the City Plan Commission to be reviewed and adopted by the City Council.

The project plan for TID No. 4 should be considered as a local enabling tool that allows the City Plan Commission, the Waterfront Redevelopment Authority (RDA) and City Council to implement the project activities described herein. Each project activity and expenditure will require specific action by the City Council even though it is included in this project plan.

The proposed project costs included in Table 1 have been established on the basis of providing public improvements that have the greatest chance of stimulating immediate economic development. Scheduling of project activities will be monitored to ensure that the projected economic stimulation is occurring prior to proceeding with other project activities. This monitoring will occur on an annual basis. If economic conditions are not altered by the proposed project activity, other project activities may be delayed and/or removed from the project schedule. The goal of the proposed project costs is to provide the necessary public improvements to attract and stimulate private reinvestment and redevelopment.

### Overview of Public Purpose Projects

Redevelopment of the West Waterfront Area should build off of the existing waterfront improvements, baywalk and waterfront pathways, and increase connectivity between redevelopment sites and to the nearby Madison Avenue business district. Public amenities should celebrate the working waterfront heritage, and provide opportunities for educational and artistic displays and artifacts, building off of the existing amenities at the Maritime Museum. Public purpose projects include:

- 1. Right-of-Way and Area Improvements at the Former Door County Cooperative Co-Op and USCG Sites:** Right-of-way and site improvements necessary to facilitate redevelopment include improvements to the sanitary sewer, relocation of fiber optics, and public space amenities including the public plaza, boardwalk/baywalk, walkways, entry features, parking and other site amenities. The Redevelopment Plan identified areas where the baywalk and public connections should be implemented, however, detailed design and engineering cost estimates were not yet conducted to determine the extent of specific costs. Detailed costs will be determined for improvements once detailed design and engineering cost estimates are completed.

- 2. Site Preparation Costs for the Former Door County Cooperative and USCG Area:** Improvements are necessary to prepare the site itself for redevelopment. These costs include environmental investigation and remediation such as Phase 1 and Phase 2 environmental site assessments (ESA). Additional site preparation costs may include remediation including asbestos removal and abatement. The Phase 2 ESA will inform additional remediation costs necessary to prepare the site for new development. Additional site preparation projects include site clearance and floodplain compliance to prepare the site for new development.
- 3. Maple Street improvements:** Improvements to Maple Street may be needed to assist in redevelopment of the area. Proposed improvements include concrete paving, sidewalks, and storm sewer. Improvements to Maple Street may occur on both sides of the street, within ½ mile radius of the TID 4 boundary.
- 4. Larch Street improvements:** Improvements to Larch Street may be needed to assist in redevelopment of the area. Proposed improvements include undergrounding utilities and widening the road to create angle parking on the south side of the street. Improvements to Larch Street may occur on both sides of the street, within ½ mile radius of the TID 4 boundary.
- 5. Maple and Madison intersection controls:** New intersection controls may be needed at the intersection of Maple and Madison in order to improve the traffic flow as part of successful redevelopment of the project area.
- 6. Realigned driveway at the former Applebee's (vacant restaurant) site:** Public improvements within a ½ mile radius include public site improvements and public connections between the TID No. 4 project area to the adjacent vacant waterfront restaurant (former Applebee's). Several design and site enhancements could be considered to improve the area including: develop a new access point to provide an accessible connection between the site and boardwalk; redesign the parking lot entrance so the stairway is no longer split up and down; relocate and regrade the site's vehicular access to align with the Maritime Museum entrance on Madison Avenue; and remove the covered drop-off area if needed for an entrance reconfiguration.
- 7. Dock improvements:** To help facilitate community connections and boat access to this site, a festival pier and transient docks are planned to accommodate visiting boaters and encourage them to spend time in the West Waterfront Area. The docks could serve the many well-connected amenities of a cohesive West Waterfront. The Maritime Museum and restaurant docks, south of the Michigan Street Bridge, provide a connection from the water to the public boardwalk which passes underneath the bridge. The pontoon boat rental facility in this area complements these users and draws more people out onto the water. The second set of docks serves more directly the Market and Madison Avenue and is located just north of the Oregon Street Bridge.
- 8. Additional public improvements within ½ mile of the TID boundary:** Public improvements within a ½ mile radius include parking that would support development within the TID 4 boundary. Other projects within a ½ mile radius could include USCG site

public improvements such as extending a public walkway or boardwalk around the USCG site is the primary public amenity that is needed. The walkway will connect to the rest of the waterfront area under the Oregon Street Bridge and should include landscaping, seating areas, and lighting. In order to celebrate the USCG's presence in Sturgeon Bay, the plan calls for historical artifacts, flagpoles, educational markers and the like to be strategically placed at intervals along the walkway.

- 9. Miscellaneous projects:** Miscellaneous projects include the design, engineering, architecture and administration for projects within TID No. 4. Additionally project costs include administration and legal costs for TID creation and administration, and developer agreement preparation and negotiations.

A category of Miscellaneous Redevelopment Funding has also been created to include marketing and recruitment of developers and businesses for redevelopment sites; low-interest loans or interest write down; façade improvement projects including the potential rehabilitation of the Granary façade; potential tug boat relocation; and potential property acquisition costs as determined integral to the successful redevelopment of the project area.

The Economic Development Project Management Team and Project Plan Implementation project cost has been designated to facilitate and bring to fruition successful redevelopment implementation. This cost category is further detailed in the next section.

#### Redevelopment Implementation

Redevelopment Funding through individual project funding, Miscellaneous Redevelopment Funding and the Economic Development Project Management and the Economic Development Master Fund is a key expenditure for successful implementation of the TID No. 4 project plan. It is the intent of the City of Sturgeon Bay City Council and RDA to work with individual property owners on redevelopment of their individual sites by offering different types of redevelopment services. These services may include, but not be limited to: recruitment of appropriately-qualified developers for each potential redevelopment site; marketing for potential businesses; low-interest loans and/or interest write-downs for property rehabilitation and redevelopment; grants for façade improvements and/or developer recruitment; and site acquisition and preparation.

It is recommended that a Project Management Team (PMT) be created as part of the implementation of this project plan and may include a member from the City Plan Commission, RDA, City Council, City staff and consultants. The PMT will be responsible for overall project management, conditioned on the review and approval of the City Council and/or the RDA. The PMT's duties may include the following:

1. Implementing this project plan;
2. Conducting more detailed planning and engineering studies;
3. Developing more refined land use and redevelopment plans for implementation;
4. Developing standards for which development within the district will need to conform to;

5. General guidance and referral of actions to other City Committees and the City Council;
6. Establishing and managing an economic development master fund;
7. Identifying and applying for additional non-TIF revenue sources;
8. Public infrastructure construction oversight;
9. Developing and implementing a business marketing plan;
10. Developer recruitment;
11. Business recruitment.

Each project will need to be addressed on an individual basis with developer negotiations and ultimate development agreement that will guarantee increment and repayment of any City participation in the project. Each project will also be reviewed in a manner addressing the criteria of blight elimination, housing development, job creation, tax increment creation and similar redevelopment criteria. One redevelopment project may address certain criteria while another may address different criteria. Consequently, the RDA and the City Council will need to review each project individually and make its determination based on the project's implementation goals.

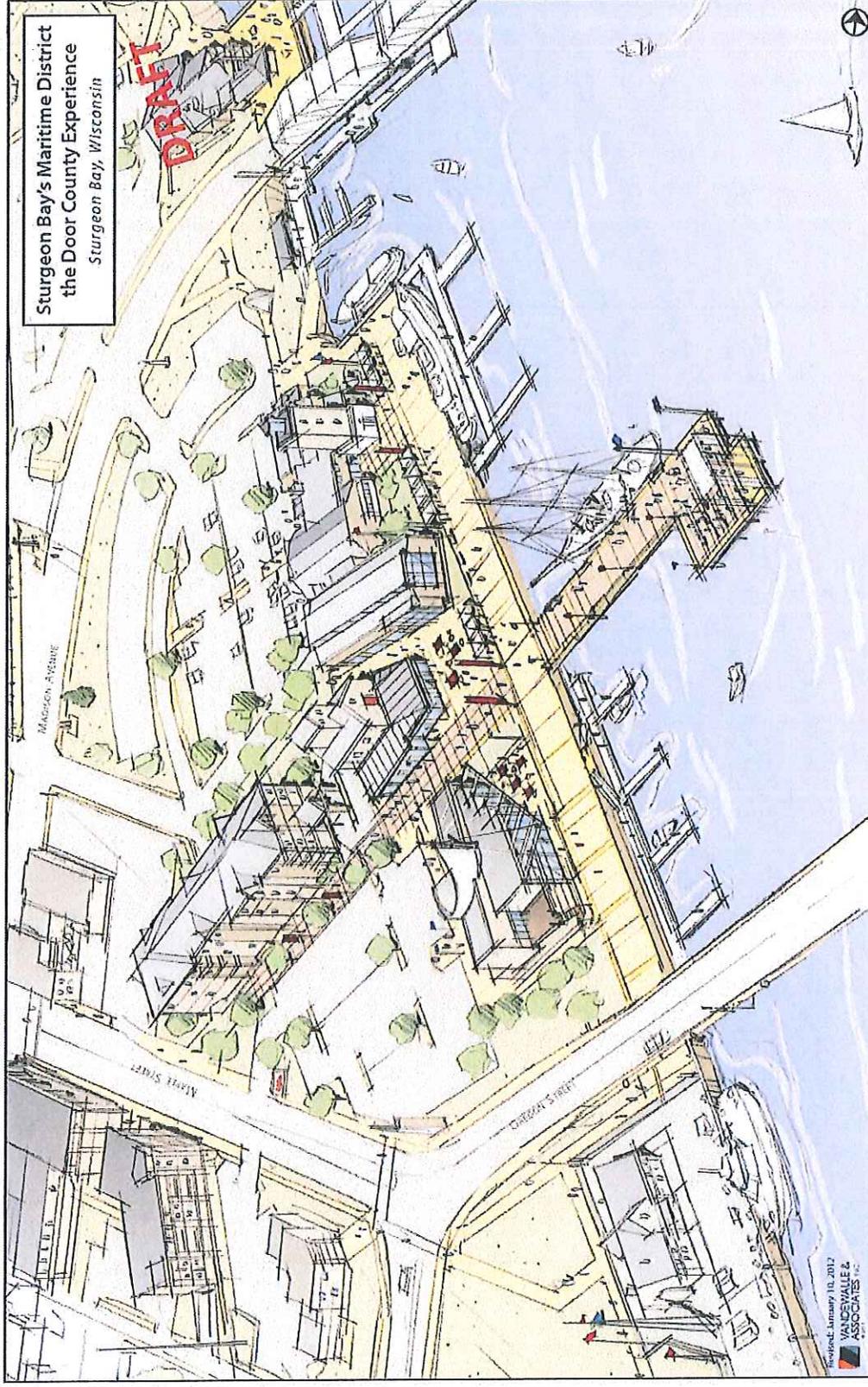
**Table 1: Proposed Public Improvements  
Proposed TID No. 4 Project Cost Estimates**

| Project Description                                                                                                                                                                                                                                          | Estimated Total Projects Costs |                     |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------|---------------------|
|                                                                                                                                                                                                                                                              | Phase 1                        | Phase 2             |                     |
| <b>1 Former Co-Op and USCG area right-of-way and site improvements includes:</b>                                                                                                                                                                             |                                |                     |                     |
| a. Sanitary sewer (between \$70,000 - \$165,000 depending on whether a lift station is needed)                                                                                                                                                               | \$ 165,000                     |                     | \$ 1,640,000        |
| b. Relocation of fiber optics                                                                                                                                                                                                                                | \$ 175,000                     |                     |                     |
| c. Public space amenities may include include public plaza, baywalk, walkways, entry feature, parking and other site amenities                                                                                                                               | \$ 1,300,000                   |                     |                     |
| <b>2 Former Co-Op and USCG area site preparation includes:</b>                                                                                                                                                                                               |                                |                     |                     |
| a. Environmental investigation and remediation (includes Phase 1 and Phase 2 ESA, asbestos removal/abatement)*                                                                                                                                               | \$ 170,000                     |                     | \$ 350,000          |
| b. Site clearance*                                                                                                                                                                                                                                           | \$ 120,000                     |                     |                     |
| c. Floodplain compliance*                                                                                                                                                                                                                                    | \$ 60,000                      |                     |                     |
| <b>3 Maple Street improvements (includes concrete paving, sidewalks, storm sewer)</b>                                                                                                                                                                        |                                |                     |                     |
| <b>4 Larch Street improvements (undergrounding utilities and widening the road to create angle parking on the southerly side with no sidewalk)</b>                                                                                                           |                                |                     | \$ 135,000          |
| <b>5 Maple &amp; Madison intersection controls</b>                                                                                                                                                                                                           |                                |                     | \$ 220,000          |
| <b>6 Realigned driveway at Applebee's site</b>                                                                                                                                                                                                               |                                |                     | \$ 150,000          |
| <b>7 Dock improvements (docks and center pier, including cost of utilities)</b>                                                                                                                                                                              |                                |                     | \$ 20,000           |
| <b>8 Additional public improvements within 1/2 mile of the TID Boundary (includes parking to support new development within district, streetscaping and amenities)</b>                                                                                       |                                |                     | \$ 1,000,000        |
| <b>9 Miscellaneous Projects includes:</b>                                                                                                                                                                                                                    |                                |                     | \$ 100,000          |
| a. Design, Engineering, Architecture, Administration                                                                                                                                                                                                         | \$ 250,000                     |                     | \$ 1,300,000        |
| b. Administration and Legal Costs (includes TID creation, district administration, developer agreement negotiations)                                                                                                                                         | \$ 300,000                     |                     | \$ 650,000          |
| c. Miscellaneous Redevelopment Funding (includes marketing and recruitment of developers and businesses for redevelopment sites, low-interest loans or interest write-down, tug relocation assistance, façade improvement projects including Granary façade) | \$ 500,000                     |                     |                     |
| d. Economic Development Project Management Team and Project Plan Implementation                                                                                                                                                                              | \$ 250,000                     |                     |                     |
| <b>TOTAL</b>                                                                                                                                                                                                                                                 | <b>\$ 4,915,000</b>            | <b>\$ 2,775,000</b> | <b>\$ 2,140,000</b> |

\* Some project costs may be covered by grant funding



**Conceptual Redevelopment Vision**



## **Section VI. Sources of Non-Tax Revenues**

The project plan for TID No. 4 is written with non-tax revenues anticipated to offset project costs. Non-tax revenues are defined as revenues from sources other than tax increments. The PMT will identify potential funding sources for individual projects within the project plan. Some non-tax revenue sources have already been identified in *West Waterfront Area Redevelopment Plan & Implementation Strategy*. It will be the PMT's responsibility, with City Council approval, to annually submit applications for the identified funding sources and to develop any special assessment formulas as part of a funding strategy as each specific project is implemented. Funding strategies will be recommended to the appropriate Council or commission with final action to be taken by the City Council. Other sources of revenue include, but are not limited to, the following:

### State and Federal Grants

There are numerous State and Federal grants that are available for revitalization projects. Some of these include, but are not limited to, the Community Development Block Grant (CDBG) program, historic tax credits, low interest loans and other programs administered through the Wisconsin Economic Development Corporation, WI-DNR, and others as applicable.

### Private Donation Program

Upon design and engineering of public infrastructure improvements, it is anticipated that a formal private donation program will be established. This program will allow the private sector to participate in funding some of the improvements through purchasing specialty streetscape amenities (furniture, trees, trash receptacles, etc.) as well as larger items. A "buy a boardwalk lineal foot" program could be instituted so residents can participate. The corporate community would also be approached for major projects.

### Land Sales Revenues

The City is anticipating the possibility of purchasing land, demolishing structures and preparing land for redevelopment activities. The City will seek developers to redevelop the area and it is anticipated that the City will receive land sales revenues from purchases made by developers for these redevelopment activities.

The City has already been successful in securing grants for the West Waterfront Redevelopment Area, including a recent grant award for site acquisition of the former Door County Cooperative site and a grant to design the public plaza and baywalk. Additional grants will be pursued to assist in project implementation, and it is anticipated that the City will be successful in obtaining some additional funding due to the nature and scope of the proposed projects.

The total scope of activities is estimated within the project cost estimates in Table 1. Any non-tax revenues received will help to reduce the applicable TIF project expenditures that, in turn, will assist in reducing the total amount of TIF project costs. This reduction may allow the City Council more flexibility in determining the timeframe for other project expenditures.

**Section VII. Economic Feasibility Analysis**

Table 2 lists the development value assumptions for new increment developed within TID No. 4. The economic feasibility analysis for TID No. 4 is presented in both the cash flow proforma analysis in Table 3 and in a second, hypothetical cash flow proforma analysis presented in Table 4, which hypothetically delays projected incremental value by 1 year.

The projected development values in Table 2 are based upon market assumptions of the development increment that will occur if TID No. 4 is aggressively marketed. The projected increment values, assumed in Table 2, are considered realistic and conservative for purposes of the economic feasibility analysis. The projections assume an estimated total of approximately \$15,606,200 of *net* new increment (new increment less tax base loss due to demolition).

The assumptions on when development will occur are based on redevelopment implementation progress and review of market conditions that exist in 2012. It is expected and recommended that the City RDA and the City Council annually review the financial condition of TID No. 4.

Non-tax revenues (i.e., land sales, grants, assessments, etc.) are not required to make TID No. 4 economically feasible, however non-tax grant revenue of \$150,000 and \$48,750 were included in the cash flow proforma analysis, as a grant has been awarded to cover, in part, some of the site preparation costs detailed in the project budget. With the general district-wide improvements, the City intends to seek out alternate funding sources to alleviate increment-generating pressure from the redevelopment projects. Therefore, if development occurs according to the anticipated development schedule and if project costs are expended per Table 1, TID No. 4 is feasible, and will be even further successful if additional non-tax revenues (i.e., land sales, grants, assessments) are realized within the district.

The expenditure analysis presented in Tables 3 and 4 compares the project cost projections, outlined in Table 1, to the development increment projections, outlined in Table 2, and calculates when project pay-back would occur. In the scenario presented in Table 3, construction will occur beginning in 2014, with all estimated development concluding in 2017. To present an even more conservative proforma, and further test TID No. 4 feasibility, the cash flow proforma analysis in Table 4 delays construction by one year, so construction begins in 2015, with all estimated development concluding in 2018.

In both scenarios, based on the analysis in Tables 3 and 4, TID No. 4 is feasible and can retire in the year 2035 or 2036, prior to the normal retirement period of 27 years (2040). The City has the right to request a three year extension (30 years to retire) if it determines it is in the best interest of the City to do so. A formal request will need to be made in order to accomplish this within the prescribed timeline as outlined in the statutes.

In TID No. 4 implementation, each redevelopment project should be reviewed on the criteria that it pays for any project costs incurred by the City plus a small reserve of tax increment should be kept for district-wide non-tax generating projects (public plaza, baywalk, etc.).

While the preliminary economic feasibility analysis projects that TID No. 4 is feasible, the City should annually analyze the fiscal condition of TID No. 4 as to the accuracy of the development assumptions. Decisions to continue spending should be based on this annual review.

Financing for the proposed project activities will be done primarily as General Obligation Bonds, revenue bonds or loans. The amount of borrowing or the finance strategy is estimated for planning purposes in Tables 3 and 4; the final schedule is yet to be determined. The accounting for TID No. 4 will be done as a separate fund. The City will make the final decision, in consultation with the City's financial consultant, as to where and how to borrow funds on a case by case basis.

Capital appreciation bonds have the potential for reducing capitalized interest. At a future date, the City may choose to issue bonds as outlined in Wisconsin Statutes 66.1331 and 66.1333 to induce the type of development desired in the project area. Through the RDA, the City also has the authority to issue lease revenue bonds should this financing vehicle be useful in accomplishing the objective of this project plan.

Table 2: Property Value Assumptions

# City of Sturgeon Bay

## Property Value Assumptions



Robert W. Baird & Co.

**TID#4 Detail**

| New Construction             | Construction Year |      | Valuation Year |      | Projected Values |                 | Base Value (Current Value) |                 | Projected Increment Value |                 |
|------------------------------|-------------------|------|----------------|------|------------------|-----------------|----------------------------|-----------------|---------------------------|-----------------|
|                              | 2014              | 2015 | 2015           | 2016 | Assessed Value   | Equalized Value | Assessed Value             | Equalized Value | Assessed Value            | Equalized Value |
| Brew Pub (F)                 |                   |      | 2015           |      | \$3,000,000      | \$2,906,002     | \$0                        | \$0             | \$3,000,000               | \$2,906,002     |
| Granary Market (D)           | 2014              | 2015 |                | 2015 | \$1,000,000      | \$968,667       | \$94,545                   | \$91,583        | \$905,455                 | \$877,084       |
| Hotel (D)                    | 2015              | 2016 |                | 2016 | \$3,125,000      | \$3,027,086     | \$295,455                  | \$286,197       | \$2,829,545               | \$2,740,888     |
| Maple Street Residential (E) | 2015              | 2016 |                | 2016 | \$6,000,000      | \$5,812,004     | \$207,500                  | \$200,998       | \$5,792,500               | \$5,611,006     |
| Larch Street Residential (A) | 2017              | 2018 |                | 2018 | \$4,500,000      | \$4,359,003     | \$856,500                  | \$829,664       | \$3,643,500               | \$3,529,340     |
|                              |                   |      |                |      | \$17,625,000     | \$17,072,762    | \$1,454,000                | \$1,408,442     | \$16,171,000              | \$15,664,320    |

**TID#2 Detail**

| ID Existing Parcel Name | 1994 (Original) Value |                 | Current Value  |                 | 2013 Increment Value |                 |
|-------------------------|-----------------------|-----------------|----------------|-----------------|----------------------|-----------------|
|                         | Assessed Value        | Equalized Value | Assessed Value | Equalized Value | Assessed Value       | Equalized Value |
| A Harbor Place LLC      | \$151,200             | \$179,313       | \$856,500      | \$829,664       | \$705,300            | \$650,350       |
| B SB Waterfront RDA     | \$0                   | \$0             | \$0            | \$0             | \$0                  | \$0             |
| C SB Waterfront RDA     | \$0                   | \$0             | \$0            | \$0             | \$0                  | \$0             |
| D Freedom Bank          | \$348,700             | \$414,152       | \$875,500      | \$848,068       | \$526,900            | \$433,916       |
| E Vegetable Truck LLC   | \$136,400             | \$161,615       | \$207,500      | \$200,998       | \$71,100             | \$39,384        |
| F City of Sturgeon Bay  | \$636,300             | \$755,080       | \$1,939,500    | \$1,878,730     | \$1,303,200          | \$1,123,650     |

**Notes:**

City of Sturgeon Bay 2012 Aggregate Ratio is 1.032346117.  
 City of Sturgeon Bay 1994 Aggregate Ratio is 0.8492 for land and 0.8408 for improvements.  
 Used adjusted property value for Freedom Bank of \$390,000 for base value (Granary & Hotel) in TID#4 proforma.  
 Used current property value for Freedom Bank of \$875,500 in TID#2 Proforma.





**Section VIII. Consistency of Activities within TID No. 4 with the City Zoning Ordinance, Master Plan and Other Development Ordinances**

The development of TID No. 4 is consistent with local plans. This project plan is consistent with and provides the funding mechanism for implementing the *West Waterfront Area Redevelopment Plan & Implementation Strategy* and other City plans. Any changes to the current zoning will be requested on a parcel-by-parcel or project-by-project basis as part of developer agreements.

**Section IX. Statement on Relocation**

It is anticipated that acquisition may occur within TID No. 4 that may cause displacement of some residents, parking or businesses. If such displacements occur due to the implementation of the project activities listed in this project plan, the City will conform to the requirements set forth in the State of Wisconsin Relocation Laws by the Department of Workforce Development.

### **Appendix A. Blighted Area Finding**

This Blighted Area Finding was made for this TID No. 4 Project Plan, City of Sturgeon Bay. Urban redevelopment is done to effect removal of blight, promote economic development, enhance community character and increase quality of life.

Vandewalle & Associates, a Madison-based urban planning and economic development consulting firm, with an office also in Milwaukee, WI, evaluated the property proposed for inclusion in TID No. 4 and determined that the properties contained in the District meet the statutory requirement of a redevelopment district.

The TID project plan states that not less than 50% by area of the properties within the proposed redevelopment area are blighted and in need of rehabilitation within the meaning of the criteria set forth in Section 66.1331 and 66.1333, Wis. Stats. In that they demonstrate deteriorating architecture, obsolete and vacant buildings that are a physical hazard, economically obsolete uses, environmental concerns, and other statutory factors meeting the definition of blight that do not comply with adopted City planning documents.

Some properties that are in good physical condition, are properly maintained and meet the land uses appropriate for the district may be included in the district. The purpose for inclusion of these “non-blighted” properties is to comprehensively address redevelopment in the long-range planning process and encourage other property owners to upgrade their properties in order to accomplish the goals and objectives of this TID.

The criterion for defining conditions of blight in this analysis is the statutory definition of “blighted area” appearing in Sections 66.1331 and 66.1333, Wis. Stats., which read as follows:

Section 66.1331, Wis. Stats.

*Blighted area means any area, including a slum area, in which a majority of the structures are residential or in which there is a predominance of buildings or improvements, whether residential or nonresidential, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.*

Section 66.1333(2m)(b), Wis. Stats.

*“Blighted area” means any of the following:*

- 1. An area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or non-residential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease,*

*infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.*

2. *An area which by reason of the presence of a substantial number of substandard slum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.*
3. *An area which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.*

*(bm) "Blighted property means any property within a city, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provisions for ventilation, light, air or sanitation, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime, and is detrimental to the public health, safety, morals or welfare, or any property which by reason of faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair market value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provisions of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use, or any property which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.*

#### General Description of Site

The following pages include a parcel-by-parcel analysis of the general condition of existing structures and improvements. A detailed physical analysis has been undertaken as part of the redevelopment process. Implementation of the TID, including activities such as appraisals and environmental examinations, may identify additional information that will further substantiate the blight findings found in this analysis. The blight finding made in this report is primarily based on the broader conditions within the overall district. These conditions emphasize properties not being used to their highest and best use, visually and/or physically blighted

properties, environmental concerns, obsolete land ownership and substandard buildings that are hazardous to the public welfare, and transportation problems that are substantially impairing the sound growth and expansion of this area of the community. Some or all of these areas of blight, as defined above, may be present in the redevelopment area.

Parcel Analysis and Assessment

Table 5 is a review of the parcels within TID No. 4. Parcels have been reviewed and critiqued on an individual ownership basis.

Table 5: Blight Determination Table

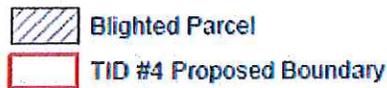
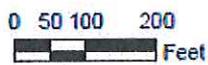
| Parcel Number     | Owner                                                               | Owner Address                  | City         | State | Zip   | Parcel Street Name | Parcel Sq Ft | Land Value | Imp Value  | Total Value | Class | Environmental | Visual | Physical | Economic | Transportation | Social | Inconsistent Land Use | Existing Structure/Use                               | Notes                                                                                                                                                                                                                                                                      |
|-------------------|---------------------------------------------------------------------|--------------------------------|--------------|-------|-------|--------------------|--------------|------------|------------|-------------|-------|---------------|--------|----------|----------|----------------|--------|-----------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 281-12-10011102   | Vegetable Truck LLC                                                 | Alex MGMT<br>720 W Virginia St | Milwaukee    | WI    | 53204 | 14 Madison Ave     | 40,970       | \$ 120,500 | \$ 87,000  | \$ 207,500  | C-2   | X             | X      | X        | X        |                |        |                       | BaySide Bargains resale store, site partially vacant | Site not fully utilized, parking lot behind building, lacks landscaping, peeling paint. A section of the building is deteriorating and obsolete                                                                                                                            |
| 281-12-10080701   | City of Sturgeon Bay                                                | 421 Michigan St                | Sturgeon Bay | WI    | 54235 | 92 E Maple St      | 97,189       | \$ 350,000 | \$ 40,000  | \$ 390,000  | C-2   | X             | X      | X        | X        | X              |        |                       | Vacant former Door County Cooperative buildings      | The buildings on site are vacant, deteriorating, obsolete, have peeling paint and boarded up windows; the parking lot, driveways, and site in general lack landscaping and general upkeep. The parcel is a known former fill site, with environmental issues               |
| 281-24-15090101   | City of Sturgeon Bay                                                | 421 Michigan St                | Sturgeon Bay | WI    | 54235 | 100 Maple St       | 54,983       | \$ -       | \$ -       | \$ -        | C-2   | X             | X      | X        | X        |                |        |                       | Vacant former USCG storage facility                  | Outdoor storage on site, lack of landscaping, the site is part of a known former fill site, with environmental issues                                                                                                                                                      |
| 281-24-15090101A1 | SB Waterfront RDA                                                   | 421 Michigan St                | Sturgeon Bay | WI    | 54235 | *                  | 134,660      | \$ -       | \$ -       | \$ -        | C-2   |               |        |          | X        |                |        |                       | Parking lot, tax exempt                              | Well maintained parking lot, economic blight due to use as parking lot                                                                                                                                                                                                     |
| 281-24-15090101A2 | Door County Maritime Museum & Lighthouse Preservation Society, Inc. | 120 N Madison Ave              | Sturgeon Bay | WI    | 54235 | 120 Madison Ave    | 30,819       | \$ -       | \$ -       | \$ -        | PUD   |               |        |          | X        |                |        |                       | Door County Maritime Museum, tax exempt              | Well maintained building, economic blight due to tax exemption                                                                                                                                                                                                             |
| 281-24-15110103A  | Harbor Phase LLC                                                    | 155 E Walnut St                | Sturgeon Bay | WI    | 54235 | 49 Madison Ave     | 46,078       | \$ 219,500 | \$ 637,000 | \$ 856,500  | C-2   | X             | X      | X        | X        |                |        |                       | Commercial buildings, partially vacant               | Corner building on site (at Larch and Madison) is vacant, deteriorating and obsolete; the building has peeling paint and some boarded up windows/doors; site lacks landscaping and there are weeds growing up the building in the parking lot which also lacks landscaping |

\*Parcel address not noted in Door County tax parcel search

Map 5: Blight Reference Map



Jan 9, 2013



**Appendix B. Taxing Jurisdiction Correspondence**

## Public Notice

City of Sturgeon Bay

Public Hearings for Proposed Amendment to TID No. 2 and Proposed TID No. 4 Creation  
February 20, 2013 in the Council Chambers of City Hall  
421 Michigan Street, Sturgeon Bay, WI 54235

At a meeting of the City of Sturgeon Bay Plan Commission to be held at 7:00 PM, Wednesday, February 20, 2013, a public hearing will be held on the proposed project plan amendment for the City of Sturgeon Bay Tax Increment District No. 2 (TID #2). The purpose of the TID #2 Amendment #3 is to remove territory. There are not additional project costs anticipated in Amendment #3.

At a meeting of the City of Sturgeon Bay Plan Commission to be held at 7:00 PM, Wednesday February 20, 2013, a public hearing will be held on the proposed boundary, project plan and creation of the proposed City of Sturgeon Bay Tax Increment District No. 4 (TID #4). The proposed TID #4 boundaries contain properties fronting on the Sturgeon Bay Ship Canal, west to S Madison Ave, south to W Maple St, including one parcel on the southeast corner of S Madison and W Maple. The City reserves the right to expend tax increments in the form of cash grants for owners, lessees, or developers within TID #4. The proposed TID #4 has an estimated cost of \$4,915,000.

A copy of the proposed Project Plan amendment for TID #2 is available and will be provided upon request at the City Clerk's office at City Hall between the hours of 8:00am and 4:30pm, Monday through Friday.

A copy of the proposed Project Plan for TID #4 is available and will be provided upon request at the City Clerk's office at City Hall between the hours of 8:00am and 4:30pm, Monday through Friday.

At the public hearings, interested parties will be afforded a reasonable opportunity to express their views on the Proposed Project Plan and Boundary Amendment to TID #2 and Proposed Project Plan, Boundary and Creation of TID #4.

Stephanie L. Reinhardt  
City Clerk

**Appendix C. Property Owner Correspondence**

February 4, 2013

Sturgeon Bay Waterfront RDA  
City of Sturgeon Bay  
421 Michigan Street  
Sturgeon Bay, WI 54235

**Re: Tax Increment Financing District No. 4 Project Plan**  
Parcel #281-24-15090101A1

Dear Sturgeon Bay Waterfront RDA,

The City of Sturgeon Bay has prepared the *City of Sturgeon Bay Tax Increment Financing District No. 4 Project Plan* (the Plan). The purpose of the Plan is to advance redevelopment opportunities within the West Waterfront Redevelopment Area and, specifically the proposed Tax Increment District No. 4 (TID #4) area. Adoption of the Plan by the Waterfront Redevelopment Authority, Plan Commission, and City Council will provide the opportunity for the Redevelopment Authority to participate with the private sector in identifying and implementing redevelopment projects.

One of the requirements in the Plan adoption process is to notify the property owners within the proposed TID #4 of a public hearing to be held by the Plan Commission. Further, Sec. 66.1105(4)(c), Wis. Stats., requires that owners of property identified as blighted or in need of rehabilitation or conservation work be notified at least 15 days prior to the date of the public hearing. The purpose of the public hearing is to get public comment and input to assist the Waterfront Redevelopment Authority, Plan Commission, and City Council in refining the contents of the Plan. Any such plan that may be approved and adopted may contain provision for taking property for redevelopment purposes.

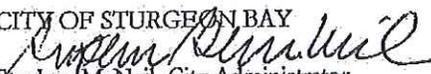
This public hearing is scheduled for **Wednesday, February 20, 2013, at 7:00pm**, and will take place at City Hall, 421 Michigan Street, Sturgeon Bay, Wisconsin. If you wish to speak, you will be afforded full opportunity to explain your individual views.

A draft copy of the proposed *Tax Increment Financing District No. 4 Project Plan* is available at City Hall, in the City Clerk's office. A copy of the map showing the boundary of the proposed TID #4 area is enclosed with this letter as is a copy of the Public Hearing Notice. Written objections regarding the Plan must be submitted directly to the Waterfront Redevelopment Authority prior to the hearing, at the hearing or within fifteen (15) days after the public hearing as a condition to the commencement of an action to contest the right of a redevelopment authority to condemn property.

Please note that upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. Please direct written comments, or requests for additional information, to the City Clerk's Office at 421 Michigan Street, Sturgeon Bay, Wisconsin. Phone: 920-746-2900. Email: [sreinhardt@sturgeonbaywi.org](mailto:sreinhardt@sturgeonbaywi.org)

Sincerely,

CITY OF STURGEON BAY

  
Stephen McNeil, City Administrator

Enclosures: Public Hearing Notice  
Map of proposed TID No. 4  
TID No. 4 Blight Determination Table

Appendix D. JRB Meeting Notice Proof of Publication and Meeting Minutes

# Door County Advocate

STATE OF WISCONSIN  
DOOR COUNTY

CITY OF STURGEON BAY  
421 MICHIGAN STREET  
STURGEON BAY, WI 54235

Natalie Bridenhagen

Being duly sworn, doth depose and say that she is an authorized representative of the Door County Advocate, a newspaper published in Door County, Wisconsin, and that an advertisement of which the annexed is a true copy, taken from said paper, which was published therein on:

Account Number: 281643

Ad Number: 6741852

Published Date: March 2, 2013

Total Ad Cost: \$132.00

(Signed): *Natalie Bridenhagen* Date: 3/2/13  
Legal Clerk

Signed and sworn to before me

*Sara Rogers*  
Notary Public,  
Brown County, Wisconsin

My commission expires 12/25/16



GANNETT WI MEDIA  
435 EAST WALNUT ST.  
PO BOX 23430  
GREEN BAY, WI 54305-3430

**GANNETT**  
Wisconsin Media  
the Safina Companies, Division of

PHONE 920-431-8298  
FAX 877-943-0443  
EMAIL [legals@doorcountyadvocate.com](mailto:legals@doorcountyadvocate.com)

3/2

**NOTICE OF MEETING FOR  
CITY OF STURGEON BAY  
JOINT REVIEW BOARD  
REGARDING THE CREATION OF TAX INCREMENT DISTRICT #4 AND  
AMENDMENT TO TAX INCREMENT DISTRICT #2  
(REMOVAL OF TERRITORY)**

Meeting to be held on **MONDAY, FEBRUARY 11, 2013**  
beginning at 2:00 PM. In the Council Chambers of City Hall  
421 Michigan Street, Sturgeon Bay, WI 54235

**Meeting Agenda:**

1. Roll call.
2. Adoption of agenda.
3. Selection of public member.
4. Selection of chairperson.
5. Discussion of: Project plan and boundary for proposed Tax Increment District #4.
6. Discussion of: Amendment to project plan for Tax Increment District #2 regarding removal of territory from TID #2.
7. Next meeting date.
8. Adjourn.

The purpose of this meeting is to organize the Joint Review Board and to review the proposed creation of Tax Increment District #4 and removal of territory from TID #2, pursuant to Section 66.1105 of the Wisconsin Statutes. The meeting should be completed in less than 1 hour. The City of Sturgeon Bay has contracted with Vandewalle & Associates and Robert W. Baird & Co. to assist in the project plan and plan amendment listed above. If you have any questions about the duties of the Joint Review Board or want to discuss this project before the meeting, you may contact Marty Olejniczak, Community Development Director at 920-746-2910.

It is possible that members of and possibly a quorum of members of other government bodies of the municipality may be in attendance at the above-mentioned meeting to gather information. No action will be taken by any governmental body at this meeting other than the governmental body specifically referred to in this notice.

Please note that upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, contact the City Clerk's Office at 421 Michigan Street, Sturgeon Bay, WI. Phone: 920-746-2800. Email: sreinhart@sturgeonbaywi.org

Published: February 2, 2013

WNAXLP

WI-06741852

**JOINT REVIEW BOARD**  
Monday, February 11, 2013

A meeting of the Joint Review Board was called to order at 2:00 p.m. by Mayor Thad Birmingham in Council Chambers, City Hall, 421 Michigan Street.

**Roll call:** Members present were City Representative Mayor Thad Birmingham, Sturgeon Bay School Representative Jacob Schulz, and Door County Representative Administrator Maureen Murphy. Excused: NWTC Representative James Blumreich. Also present were Jolena Presti from Vandewalle & Assoc., Brad Viegut from R.W. Baird & Co., Robert Starr, Finance Director/City Treasurer Val Clarizio, City Administrator Steve McNeil, Community Development Director Marty Olejniczak, and Community Development Secretary Cheryl Nault.

**Adoption of agenda:** Moved by Ms. Murphy, seconded by Mr. Schulz to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Selection of public member.
4. Selection of chairperson.
5. Discussion of: Project plan and boundary for proposed Tax Increment District #4.
6. Discussion of: Amendment to project plan for Tax Increment District #2 regarding removal of territory from TID #2.
7. Next meeting date.
8. Adjourn.

Carried.

**Selection of public member:** Moved by Ms. Murphy, seconded by Mr. Schulz to select Robert Starr as the public member. All ayes. Carried. Mr. Starr then joined the Board.

**Selection of chairperson:** Moved by Ms. Murphy, seconded by Mr. Schulz to select Mayor Thad Birmingham as chairperson. All ayes. Carried.

**Discussion of: Project plan and boundary for proposed Tax Increment District #4:** Mr. Olejniczak explained that the proposed tax increment district will help implement the West Waterfront redevelopment plan to revitalize the west side downtown area. There will be a public hearing and Plan Commission action on February 20<sup>th</sup>. If successful it would then go to the Common Council to adopt a resolution. If that is successful, it would come back to the Joint Review Board for formal action. The plan is a joint product from Vandewalle & Assoc., City staff, and the financials being prepared by R.W. Baird & Co.

Jolena Presti summarized the project plan and stated the new TIF district is a blighted area TID. The boundary area was selected based upon the most potential for value to be generated in the next 5 years. The project plan identifies all the potential proposed projects, including a brew pub and restaurant, lodging or mixed-used development, and a granary market also called the Door County 4-seasons market. There is also mixed-use residential and adaptive reuse of the property on the corner of Maple St. and Madison Ave. She explained what expenditures would be included in this TIF district and went over the project cost estimates.

Mr. Olejniczak stated that the City has applied for grants and have been successful in obtaining CDBG funds of \$440,000, which will go toward the purchasing of the DC Co-op, as well as other improvements to make the site ready for development. He also discussed other pending grant applications.

Mr. Viegut discussed the financial feasibility study. He went over the projected new incremental value in the TIF district from this development. The total projected value is just over \$17 million dollars. The goal of the TID is to have the district remain self-supporting throughout the life of the district. With the current projections, this TID would remain self-supporting, its revenues support its own expenditures throughout the life of the TIF district, and by 2035 it is anticipated this TID would close.

Mr. Olejniczak added it is the City's Intent not to go forward with most of these public expenditures until there is development lined up. There is already a commitment for the brewery/restaurant, as well as an anchor tenant for the Four Seasons Market.

Board members discussed various aspects of the TID, such as the need for development agreements and whether estimates for project costs would change.

**Discussion of: Amendment to project plan for Tax Increment District #2 regarding removal of territory from TID #2:** Ms. Presti stated that amendment #3 is a territory subtraction. The parcels proposed to be removed from TID #2 are the same parcels included in TID #4.

Mr. Viegut went over the financial feasibility study for TID #2. He stated that they are not adding to the TID. Parcels are being removed, thus reducing value in the TID. The TID is still anticipated to close in the same year despite the loss of the value from the parcels.

Mr. Olejniczak added that if no additional development is added to the TID, it would close in 2027.

**Next meeting date:** The next meeting date was scheduled for Tuesday, April 2 at 10:30 a.m.

**Adjourn:** Moved by Mr. Schulz, seconded by Mr. Starr to adjourn. Carried. The meeting adjourned at 2:55 p.m.

Respectfully submitted,



Cheryl Nault  
Community Development Secretary

Appendix E. Plan Commission Public Hearing Proof of Publication and Meeting Minutes



STATE OF WISCONSIN  
BROWN COUNTY

CITY OF STURGEON BAY  
421 MICHIGAN STREET  
STURGEON BAY, WI 54235

Natalie Bridenhagen

Being duly sworn, doth depose and say that she/he is an authorized representative of the Door County Advocate, a newspaper published in Door County, Wisconsin, and that an advertisement of which the annexed is a true copy, taken from said paper, which was published therein on:

Account Number: 283867

Ad Number: 6743700

Published Date: February 06, 2013

Published Date: February 13, 2013

Total Ad Cost: \$52.73

(Signed) [Signature]  
Legal Clerk

(Date) 2/15/13

Signed and sworn before me

[Signature]  
Notary Public, Brown County, Wisconsin

My commission expires 10/6/2013

CITY OF STURGEON BAY  
Re: Public Hearing

Public Hearing  
City of Sturgeon Bay  
Public Hearings for  
Proposed Amendment  
to TID No. 2 and  
Proposed  
TID No. 4 Creation  
February 20, 2013  
in the Council Chambers  
of City Hall  
421 Michigan Street,  
Sturgeon Bay, WI 54235  
At a meeting of the City  
of Sturgeon Bay Plan  
Commission to be held at  
7:00 PM, Wednesday,  
February 20, 2013, a  
public hearing will be  
held on the proposed  
project plan amendment  
for the City of Sturgeon  
Bay Tax Incremental Dis-  
trict No. 2 (TID #2). The  
purpose of the TID #2  
Amendment #3 is to re-  
move territory. There are  
not additional project  
costs anticipated in  
Amendment #3.  
At a meeting of the City  
of Sturgeon Bay Plan  
Commission to be held at  
7:00 PM, Wednesday,  
February 20, 2013, a  
public hearing will be  
held on the proposed  
boundary, project plan  
and creation of the pro-  
posed City of Sturgeon  
Bay Tax Incremental Dis-  
trict No. 4 (TID #4). The  
proposed TID #4 bound-  
aries contain properties  
fronting on the Sturgeon  
Bay Ship Canal, west to  
S Madison Ave, south to  
W Maple St, including  
one parcel on the south-  
east corner of S Madison  
and W Maple. The City  
reserves the right to ex-  
pend tax increments in  
the form of cash grants  
for owners, lessees, or  
developers within TID #4.  
The proposed TID #4  
has an estimated cost of  
\$4,915,000.  
A copy of the proposed  
Project Plan amendment  
for TID #2 is available  
and will be provided  
upon request at the City  
Clerk's office at City Hall  
between the hours of  
8:00am and 4:30pm,  
Monday through Friday.  
A copy of the proposed  
Project Plan for TID #4 is  
available and will be pro-  
vided upon request at the  
City Clerk's office at City  
Hall between the hours  
of 8:00am and 4:30pm,  
Monday through Friday.  
At the public hearings, in-  
terested parties will be  
afforded a reasonable  
opportunity to express  
their views on the Pro-  
posed Project Plan and  
Boundary Amendment to  
TID #2 and Proposed  
Project Plan, Boundary  
and Creation of TID #4.  
Stephan L. Reschard  
City Clerk  
Feb. 6, 13, 2013  
WUAX.P.

GANNETT WI MEDIA  
435 EAST WALNUT ST.  
PO BOX 23430  
GREEN BAY, WI 54305-3430

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FAX 877-943-0443  
EMAIL [legals@doorcountyadvocate.com](mailto:legals@doorcountyadvocate.com)

**CITY PLAN COMMISSION**  
Wednesday, February 20, 2013

A meeting of the City Plan Commission was called to order at 7:00 p.m. by Acting Chairperson John Lodi in Council Chambers, City Hall, 421 Michigan Street.

**Roll call:** Members Mike Gilson, Steve Parent, Jeff Norland, and John Lodi were present. Excused: Members Dan Wiegand, Dennis Statz, and Laurel Brooks. Also present were City Administrator Steve McNeil, City Engineer Tony Depies, Community Development Director Marty Olejniczak, and Community Development Secretary Cheryl Nault.

**Adoption of agenda:** Moved by Mr. Gilson, seconded by Mr. Norland to adopt the following agenda:

1. Roll call.
2. Adoption of agenda.
3. Approval of minutes from January 16, 2013.
4. Public comment on non-agenda items.
5. Official zoning classification for recently annexed property located on N. Columbia Avenue: (Proposed to be R-1)  
Presentation  
Public hearing  
Consideration of
6. Amendment to Tax Increment District #2 (Removal of Territory):  
Presentation regarding proposed removal of territory and amended project plan  
Public hearing  
Consideration of removal of territory and amended project plan
7. Creation of Tax Increment District #4 (West Waterfront Redevelopment):  
Presentation regarding proposed boundaries and project plan  
Public hearing  
Consideration of boundaries and project plan
8. Consideration of: Improvement plans for Marina View Subdivision.
9. Adjourn.

Carried.

**Approval of minutes from January 16, 2013:** Moved by Mr. Norland, seconded by Mr. Parent to approve the minutes from January 16, 2013. Carried.

**Public comment on non-agenda items:** No one spoke during public comment.

**Official zoning classification for recently annexed property located on N. Columbia Avenue: (Proposed to be R-1)**

**Presentation:** Mr. Olejniczak stated that this property was recently annexed under the R-1 temporary zoning classification. It is a vacant lot with the intent to build a single-family dwelling. A public hearing and recommendation to Council, along with Council's approval must take place in order for the official zoning to become effective.

**Public hearing:** Acting Chairperson Lodi opened the public hearing at 7:03 p.m. No one spoke during the hearing. There was no written correspondence. The public hearing was declared closed at 7:04 p.m.

**Consideration of:** After a short discussion, it was moved by Mr. Gilson, seconded by Mr. Norland to recommend to Council R-1 as the official zoning classification for the recently annexed property located on N. Columbia Avenue. All ayes. Carried.

**Amendment to Tax Increment District #2 (Removal of Territory): Presentation regarding proposed removal of territory and amended project plan:** Mr. Olejniczak stated that this amendment relates to the implementation of the West Waterfront redevelopment plan. The amendment would remove six parcels from TID #2 and then be put into a newly created TID #4. Tax increment financing is an economic development tool that municipalities have whereby future tax revenues from new development is used to pay back public costs to spur that development, such as infrastructure costs, land purchase, demolition, etc.

Jolena Presti of Vandewalle & Assoc. presented the details of the TID #2 amendment.

Brad Viegut of Robert Baird & Co. explained the financial feasibility analysis for TID #2. The projection shows the TID closing in 2027 even with the removal of the six parcels.

Ms. Presti stated that parcels chosen are areas where they see redevelopment occurring in the near future. These parcels need to be removed in order to put them in the proposed TID #4.

Mr. Olejniczak stated that when the City made TID #2 distressed, it precluded adding additional projects to that TID. He added that the tax increment law was changed a few years ago and now allows project costs outside the boundary within a half mile. This could benefit other nearby parcels outside the proposed TID #4.

**Public hearing:** Acting Chairperson Lodi opened the public hearing at 7:20 p.m. No one spoke during the hearing. There was no written correspondence. The public hearing was declared closed at 7:21 p.m.

**Consideration of removal of territory and amended project plan:** A short discussion was held. Moved by Mr. Norland, seconded by Mr. Gilson to recommend to Council adoption of the resolution approving the amended boundaries and territory subtraction of Tax Increment District #2 and approving the amended project plan for Tax Increment District No. 2. All ayes. Carried.

**Creation of Tax Increment District #4 (West Waterfront Redevelopment): Presentation regarding proposed boundaries and project plan:** Mr. Olejniczak explained that this is a project plan for a new tax increment district. By removing the area from TID #2 a new district can be created. This relates directly to the West Waterfront Redevelopment implementation.

Ms. Presti described the project plan. She gave an idea of what is trying to be accomplished and why this TIF district should be in place. They are trying to create a unique waterfront destination for all of Door County. She went over project costs estimates. The City has been successful in obtaining grants to help offset potential costs in the TIF district.

Mr. Viegut explained the economic feasibility analysis for TID #4. The total projections for new construction value would equal \$15,664,000. The plan shows the TIF remains self-supporting over its life.

Mr. Olejniczak added that putting items in the project plan doesn't force the City to actually implement them. Some of the items listed as expenditures may not be necessary. Grants were not included in the performa that were not already approved. There are two grants that the City has been recommended for, but have not been finalized. Other grant opportunities should be available in the future. He anticipates development agreements in place knowing construction will occur prior to the City spending significant funds.

Mr. Viegut explained the benefit of a TID. The TIF district is collecting the tax revenues from new development for all of the taxing entities until the TIF closes, including the City, County, School District, and NWTC.

Mr. Olejniczak pointed out that the tax increment revenue is being used to finance public improvements. He added that boundaries can be amended if it would benefit the TIF district. Also, the project plan needs approval from the Plan Commission, Council, Joint Review Board, as well as the City Attorney.

**Public hearing:** Acting Chairperson Lodi opened the public hearing at 7:55 p.m. No one spoke during the hearing. There was no written correspondence. The public hearing was declared closed at 7:56 p.m.

**Consideration of boundaries and project plan:** After a short discussion, it was moved by Mr. Norland, seconded by Mr. Parent to recommend to Council adoption of the resolution approving the boundaries of Tax Increment District #4 and project plan for Tax Increment District #4. All ayes. Carried.

**Consideration of: Improvement plans for Marina View Subdivision:** Mr. Olejniczak stated that the preliminary plat had previously been approved by Plan Commission and Council. This property includes the land between the end of Thorn Street and the marina, as well as north of Nautical Drive. Eight lots are proposed. The Plan Commission needs to consider the improvement plans.

Tim Wittman of Davel Engineering prepared the proposed plans for the use of grass swales and terrace as opposed to curb and gutter. The principal benefit to that in regard to stormwater is that the soil can absorb a fair amount of water and the best way to reduce pollutants and surface runoff is to try and get that water to soak into the ground.

Mr. Olejniczak stated that the improvement plans appear to meet the various suggestions and conditions placed on the preliminary plat.

Mr. Depies stated that if approved the City would use the same street cross section to reconstruct Thorn St. from Oxford Avenue to the boundary of this subdivision. He explained bio-retention basins. He felt it is a very well designed plan.

A pedestrian easement was also discussed. Mr. Olejniczak stated that Marina View was willing to grant an easement along the east edge of the property. A pedestrian easement was a requirement of the preliminary plat approval.

Staff recommended approval of the improvement plans, subject to the following conditions:

1. Provide easements for the storm sewers that cross the adjoining marina parcel.

2. Biofilters #2 and #3 and the 24" storm sewer shall be installed at the time of the other improvements in the subdivision rather than upon development by the future lot owner.
3. Verify that the drainage swale and storm inlet between Lots 3 and 4 can handle the 10-year storm event.
4. Approval by the Wisconsin DNR of the drainage/erosion control plan for the subdivision.
5. The final plat shall include all necessary easements for the utilities serving the subdivision and shall include provision for the long-term maintenance of the stormwater management system through private covenants, dedications to the City, or other means, subject to approval by the Common Council.
6. Upon construction of the street and utility improvements, the proposed lots shall be rough-graded and grass lawn established. Any stockpiles of stone or soil shall be in locations approved by the Plan Commission.

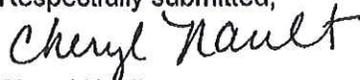
Mr. Olejniczak stated that it was unclear if the City would become responsible for the long-term maintenance of the stormwater system for the runoff from the road. In most cases, after the development is complete, the City would take over the maintenance. There is an option for the future lot owners to handle that through covenants or other means upon the City's approval.

Mr. Depies added that the City will maintain the Thorn St. right-of-way. When the water leaves the right-of-way it becomes the property owner's responsibility to maintain as proposed.

After further discussion, it was moved by Mr. Gilson, seconded by Mr. Norland to recommend to Council approval of the improvement plans for Marina View Subdivision subject to staff's six conditions. All ayes. Carried.

**Adjourn:** Moved by Mr. Gilson, seconded by Mr. Lodi to adjourn. Carried. Meeting adjourned at 8:19 p.m.

Respectfully submitted,



Cheryl Nault  
Community Development Secretary

*Appendix F. Plan Commission Resolution Creating TID No. 4*

PLAN COMMISSION  
OF THE  
CITY OF STURGEON BAY, WISCONSIN

February 2013

---

RESOLUTION APPROVING BOUNDARIES  
OF TAX INCREMENTAL DISTRICT NO. 4 AND  
APPROVING PROJECT PLAN  
OF TAX INCREMENTAL DISTRICT NO. 4

---

**WHEREAS** Section 66.1105 of the Wisconsin Statutes as amended (the "Tax Increment Law") authorizes Wisconsin cities to create tax incremental districts, to define the boundaries of such districts, to cause project plans to be prepared and approved, and to implement the provisions and effectuate the purposes of such plans; and

**WHEREAS**, acting pursuant to the Tax Increment Law the Plan Commission of the City of Sturgeon Bay, Wisconsin hereby finds, determines and declares that it is necessary and in the public interest for the City to create a tax incremental district in a defined area within the City, namely the area set forth in Exhibit A hereto (the proposed "Tax Incremental District 4"); and

**WHEREAS**, Wisconsin Tax Increment Law, Section 66.1105 of the Wisconsin Statutes provides that in order to implement the provisions of the Act with respect to the proposed Tax Incremental District, it is required, among other actions, that the Plan Commission:

- (i) hold a public hearing at which interested parties are afforded a reasonable opportunity to express their views on the proposed creation of the proposed Tax Incremental District 4 and the proposed boundaries thereof,
- (ii) designate the boundaries of the proposed Tax Incremental District 4 recommended by the Plan Commission to be created and submit such recommendation to the Common Council of the City,
- (iii) identify the specific property to be found by the Common Council as blighted or in need of rehabilitation or conservation work,
- (iv) prepare and adopt a proposed project plan for the proposed Tax Incremental District 4, and

- (v) hold a public hearing at which interested parties are afforded a reasonable opportunity to express their views on the proposed project plan for the proposed Tax Incremental District 4; and

**WHEREAS**, the Plan Commission has caused the preparation of a project plan for the proposed Tax Incremental District 4, in the form set forth in Exhibit B hereto (the proposed "Project Plan"); and

**WHEREAS** the Plan Commission of the City of Sturgeon Bay has followed the required provisions of the tax increment law in order to implement the project plan and district boundaries of Tax Incremental District No. 4 of the City of Sturgeon Bay. To wit:

- A. After due notice as required by law, the Plan Commission held a public hearing at which interested parties were afforded a reasonable opportunity to express their views on the project plan and district boundaries;
- B. Following said hearing, the Plan Commission of the City of Sturgeon Bay voted to adopt the project plan and district boundaries of Tax Incremental District No. 4 of the City of Sturgeon Bay;

**NOW THEREFORE, BE IT RESOLVED** by the Plan Commission as follows:

1. The Plan Commission hereby designates and approves the boundaries of Tax Incremental District No. 4 of the City of Sturgeon Bay as set forth in Exhibit A hereto, the "Boundaries". The Plan Commission hereby directs that the boundaries be submitted to the Common Council of the City of Sturgeon Bay and hereby requests that the Common Council adopt a resolution that, among other actions, describes and approves the boundaries of Tax Incremental District No. 4 of the City of Sturgeon Bay.
2. The Plan Commission hereby approves and adopts the proposed project plan in the form set forth in Exhibit B hereto. The Plan Commission hereby directs that in the project plan be submitted to the Common Council of the City of Sturgeon Bay and hereby requests the Common Council to adopt a resolution that, among other actions, (a) contains findings that the project plan and district boundaries are feasible and in conformity with the Master Plan of the City of Sturgeon Bay and (b) approves and adopts the project plan and district boundaries.
3. The Plan Commission of the City of Sturgeon Bay hereby finds that the property designated within the boundaries as set forth in Exhibit A is blighted or in need of rehabilitation or conservation work. The Plan Commission hereby recommends the creation of the Tax Incremental District No. 4, and hereby directs that said recommendation be submitted to the Common Council.

4. The Plan Commission hereby requests the Common Council to adopt a resolution that, among other actions, creates the Tax Incremental District No. 4 as required by Wisconsin Tax Increment Law, Section 66.1105 of the Wisconsin Statutes.

5. This Resolution shall take effect immediately upon its adoption.

Resolution adopted: February 20, 2013

Attest:

  
\_\_\_\_\_  
Martin Olejniczak  
Plan Commission Secretary

*Appendix G. Common Council Resolution Approving the Project Plan*

COMMON COUNCIL  
OF THE  
CITY OF STURGEON BAY, WISCONSIN

MARCH 19, 2013

---

RESOLUTION APPROVING BOUNDARIES  
OF TAX INCREMENTAL DISTRICT NO. 4 AND  
APPROVING PROJECT PLAN  
OF TAX INCREMENTAL DISTRICT NO. 4

---

**WHEREAS** Section 66.1105 of the Wisconsin Statutes as amended (the "Tax Increment Law") authorizes Wisconsin cities to create tax incremental districts, to define the boundaries of such districts, to cause project plans to be prepared and approved, and to implement the provisions and effectuate the purposes of such plans; and

**WHEREAS**, the Common Council has considered the costs and benefits of creating a tax incremental district within the City of Sturgeon Bay as defined and as located within the City, namely the area set forth in Exhibit A hereto (the proposed "Tax Incremental District 4"); and

**WHEREAS**, the Plan Commission of the City of Sturgeon Bay, Wisconsin on February 20, 2013, at a duly convened meeting (a) conducted a duly noticed public hearing at which interested parties were afforded a reasonable opportunity to express their views on the proposed project plan of Tax Incremental District 4 of the City of Sturgeon Bay, and (b) following said public hearing, voted to recommend adoption of the project plan and boundaries for Tax Incremental District 4 of the City of Sturgeon Bay; and

**WHEREAS**, prior to the publication of the notice of the hearing of the Plan Commission of the City of Sturgeon Bay, a copy of such notice was sent by first class mail to the chief executive officer or administrator of all local governmental entities having the power to levy taxes on the property within the district, to the school board of the school district which includes the property located in the district, and to the technical college district in which the property is located; and

**WHEREAS**, this Common Council has investigated and considered the facts and circumstances of the proposed Tax Incremental District, consideration having been given to the following matters among others: (i) consideration of the need for blight elimination, rehabilitation or conservation work of the property described in Exhibit A as provided by Wis. Stats. Sect. 66.1105(4)(c), (ii) the definition of "blighted area" contained Wis. Stats. Sect. 66.1105(2)(a), (iii) the past and present conditions of the streets, utilities and other properties in the proposed Tax Incremental District, (iv) the

zoning of the proposed Tax Incremental District, (v) the projects identified in the proposed project plan, (vi) the views expressed by interested parties at the February 20, 2013 public hearing, and (vii) reports and recommendations made to this Common Council by the Plan Commission, consultants, advisors and legal counsel retained by the City, and others; and

**WHEREAS**, the project plan, which is attached to this resolution and incorporated herein by reference as Exhibit A, meets all of the requirements of Wisconsin Tax Increment Law, Section 66.1105 of the Wisconsin Statutes in that it:

- (a) is feasible and in conformity with the Comprehensive Plan of the City of Sturgeon Bay;
- (b) contains the elements required by Wis. Stat. 66.1105(4)(f);
- (c) includes an opinion of the city attorney advising that the project plan is complete and complies with Wis. Stats. Section 66.1105; and

**WHEREAS**, the City Council of the City of Sturgeon Bay makes the following findings:

- A. The creation date of the district is January 1, 2013.
- B. Not less than fifty percent (50%), by area, of the real property within the district is a blighted area, in need of rehabilitation or conservation work, as defined in Wis. Stats. Sect. 66.1337(2m)(b);
- C. The improvement of such area is likely to enhance significantly the value of substantially all other real property in the district;
- D. The project costs relate directly to eliminating blight and directly serve to rehabilitate or conserve the area, consistent with the purpose for which the tax incremental district is created under Wis. Stats. Sect. 66.1105(4)(a);
- E. The aggregate value of equalized taxable property of the district and all other districts does not exceed 12 percent (12%) of the total value of equalized taxable property within the City of Sturgeon Bay;
- F. The project plan for the Tax Increment District is feasible;
- G. The project plan is in conformity with the Comprehensive Plan of the City of Sturgeon Bay.

**NOW THEREFORE, BE IT RESOLVED** by the Common Council of the City of Sturgeon Bay as follows:

1. The project plan in the form attached as Exhibit A hereto is hereby approved and adopted, and the district created therein shall hereafter be known as "Tax Incremental District 4 of the City of Sturgeon Bay".
2. The boundaries set forth in Exhibit A are hereby designated, described and approved as and for the boundaries of a new tax incremental district which is hereby created as of January 1, 2013, and shall be known as "Tax Incremental District 4 of the City of Sturgeon Bay".
3. The properties so designated in Exhibit A are hereby found, determined and declared to be "blighted areas" within the meaning of the Act or "in need of rehabilitation or conservation work" within the meaning of Section 66.1105(4)(c) of the Wisconsin Statutes.
4. The city clerk of the City of Sturgeon Bay is hereby directed to submit this resolution following its adoption and approval to the chairman of the Joint Review Board with the request to approve this resolution as provided by the Tax Increment Law.
5. This Resolution shall take effect immediately upon its adoption and approval.

\*\*\*\*\*

Introduced by \_\_\_\_\_.

Motion made by Alderperson Wiegand, seconded by  
Alderperson Schlicht to adopt.

Passed by the Common Council on this 19th day of March, 2013.

***Appendix H. TID No. 4 Joint Review Board Final Information and Decision***

**NOTICE OF MEETING FOR  
CITY OF STURGEON BAY  
JOINT REVIEW BOARD**

Tuesday, April 2, 2013

10:30 a.m.

Council Chambers, City Hall  
421 Michigan Street, Sturgeon Bay, WI

1. Roll call.
2. Adoption of agenda.
3. Resolution re: Amended Project Plan and District Boundaries (Territory Subtraction) of Tax Incremental District No. 2 of the City of Sturgeon Bay.
4. Resolution re: Approve Boundaries of Tax Incremental District No. 4 and Approving Project Plan of Tax Incremental District No. 4.
5. Adjourn.

It is possible that members of and possibly a quorum of members of other government bodies of the municipality, may be in attendance at the above-mentioned meeting to gather information. No action will be taken by any governmental body at this meeting other than the governmental body specifically referred to in this notice.

Please note that upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, contact the City Clerk's Office at 421 Michigan Street, Sturgeon Bay, WI. Phone: 920-746-2900 Email: sreinhart@sturgeonbaywi.org

Published: March 23, 2013

**JOINT REVIEW BOARD  
CITY OF STURGEON BAY, WISCONSIN**

**TAX INCREMENTAL DISTRICT NO. 4**

**INFORMATION AND PROJECTIONS**

Wisconsin state law requires that certain information and projections be provided to the Joint Review Board. The contents are listed in Section 66.1105(4)(i), Wis. Stats.

(i) *The local legislative body shall provide the joint review board with the following information and projections:*

1. *The specific items that constitute the project costs, the total dollar amount of these project costs to be paid with the tax increments, and the amount of tax increments to be generated over the life of the tax incremental district.*

Response:

TIF District No. 4 includes the following potential projects and costs. It is anticipated that \$10,162,197 of tax increments will be generated over the life of TIF District No. 4.

| Project Description                                                                                                                                                                                                                                          | Estimated Total Projects Costs |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <b>1 Former Co-Op and USCG area right-of-way and site improvements includes:</b>                                                                                                                                                                             | \$ 1,640,000                   |
| a. Sanitary sewer (between \$70,000 - \$165,000 depending on whether a lift station is needed)                                                                                                                                                               | \$ 165,000                     |
| b. Relocation of fiber optics                                                                                                                                                                                                                                | \$ 175,000                     |
| c. Public space amenities may include include public plaza, baywalk, walkways, entry feature, parking and other site amenities                                                                                                                               | \$ 1,300,000                   |
| <b>2 Former Co-Op and USCG area site preparation includes:</b>                                                                                                                                                                                               | \$ 350,000                     |
| a. Environmental investigation and remediation (includes Phase 1 and Phase 2 ESA, asbestos removal/abatement)*                                                                                                                                               | \$ 170,000                     |
| b. Site clearance*                                                                                                                                                                                                                                           | \$ 120,000                     |
| c. Floodplain compliance*                                                                                                                                                                                                                                    | \$ 60,000                      |
| <b>3 Maple Street improvements (includes concrete paving, sidewalks, storm sewer)</b>                                                                                                                                                                        | \$ 135,000                     |
| <b>4 Larch Street improvements (undergrounding utilities and widening the road to create angle parking on the southerly side with no sidewalk)</b>                                                                                                           | \$ 220,000                     |
| <b>5 Maple &amp; Madison intersection controls</b>                                                                                                                                                                                                           | \$ 150,000                     |
| <b>6 Realigned driveway at Applebee's site</b>                                                                                                                                                                                                               | \$ 20,000                      |
| <b>7 Dock improvements (docks and center pier, including cost of utilities)</b>                                                                                                                                                                              | \$ 1,000,000                   |
| <b>8 Additional public improvements within 1/2 mile of the TID Boundary (includes parking to support new development within district)</b>                                                                                                                    | \$ 100,000                     |
| <b>9 Miscellaneous Projects Includes:</b>                                                                                                                                                                                                                    | \$ 1,300,000                   |
| a. Design, Engineering, Architecture, Administration                                                                                                                                                                                                         | \$ 250,000                     |
| b. Administration and Legal Costs (includes TID creation, district administration, developer agreement negotiations)                                                                                                                                         | \$ 300,000                     |
| c. Miscellaneous Redevelopment Funding (includes marketing and recruitment of developers and businesses for redevelopment sites, low-interest loans or interest write-down, tug relocation assistance, façade improvement projects including Granary façade) | \$ 500,000                     |
| d. Economic Development Project Management Team and Project Plan Implementation                                                                                                                                                                              | \$ 250,000                     |
| <b>TOTAL</b>                                                                                                                                                                                                                                                 | <b>\$ 4,915,000</b>            |

\* Some project costs may be covered by grant funding

2. *The amount of the value increment when the project costs in subd. 1 are paid in full and the tax incremental district is terminated.*

Response:

TIF District No. 4 had a total equalized base value of \$1,408,442 as of January 1, 2012. Based on projections, the TID will have an incremental value of \$10,162,197 at its closing in 2040, project costs are projected to be paid in full in 2035.

3. *The reasons why the project costs in subd. 1 may not or should not be paid by the owners of property that benefit by improvements within the tax incremental district.*

Response:

TIF District No. 4 project costs focus on site preparation, contaminated site clean-up and the development of public improvements that are in excess of private development investment in the area. If TIF District No. 4 is not created to assist in completing the TID projects, the redevelopment project will not proceed.

4. *The share of the projected tax increments in subd. 1 estimated to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the tax incremental district.*

Response:

Proposed TIF District No. 4, as of January 1, 2012, had a total equalized base value of \$1,408,442 and has a projected total incremental value of \$10,162,197. The share of tax increments estimated to be paid by the owners of taxable property in each of the taxing jurisdictions is estimated as follows:

| <u>Jurisdiction</u>                      | <u>Amount</u>      | <u>Percent</u> |
|------------------------------------------|--------------------|----------------|
| Door County                              | \$1,503,555        | 14.80%         |
| Sturgeon Bay School District             | \$4,628,532        | 45.55%         |
| Northeastern Wisconsin Technical College | \$701,583          | 6.90%          |
| City of Sturgeon Bay                     | <u>\$3,328,527</u> | <u>32.75%</u>  |
| Total                                    | \$10,162,197       | 100%           |

*(Discrepancies may occur due to rounding)*

5. *The benefits that the owners of taxable property in the overlying taxing jurisdictions will receive to compensate them for their share of the project tax increments in subd. 4.*

Response:

The long-term benefits to not only the City of Sturgeon Bay residents but those in the overlying taxing jurisdictions will be the removal of blight and the addition of tax base, jobs, public waterfront amenities, commercial uses, and quality housing in TID No 4. The impact of TID No. 4 implementation over the life of the district, and beyond, will be the addition of more jobs, residents and tax base to the benefit of all.

**JOINT REVIEW BOARD  
CITY OF STURGEON BAY, WISCONSIN**

**TAX INCREMENTAL DISTRICT NO. 4**

**DECISION CRITERIA**

Under the Wisconsin Statutes, Joint Review Boards must base their decision to approve or deny a proposed tax incremental district plan and boundary designation on the following criteria:

- A. *Whether the development expected in the tax incremental district would occur without the use of tax incremental financing;*
- B. *Whether the economic benefits of the tax incremental district, as measured by increased employment, business and personal income and property value are insufficient to compensate for the cost of improvements; and*
- C. *Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying tax districts.*

This report has been prepared to address those criteria by providing some information and data on the impact of TIF District No. 2, Amendment No. 3, in the City of Sturgeon Bay. The criteria are addressed in turn below.

- A. TIF District No. 4 is being created for multiple purposes including, but not limited to the following: blight elimination; tax base creation; infrastructure extensions; job creation (living wage jobs); tax base diversification; provision of new, quality housing; and enhancing land use patterns. Without the creation of TIF District No. 4 to advance redevelopment of the challenging, costly blighted and contaminated properties in the West Waterfront Area, the expected development in the area will not occur. Most of the subject parcels in the district have been available for redevelopment for many years, but have not seen any significant improvements. Tax increment financing will provide the incentives necessary to achieve the desired development.
- B. The anticipated economic benefits of TIF District No. 4 are numerous and will benefit not only the City of Sturgeon Bay but also the overlying taxing jurisdictions through increased employment and income, sales, and accommodation taxes as well as through increases in property values. The projections in the project plan show that the tax increments from the anticipated development are sufficient to cover the project costs.
- C. Creation of TIF District No. 4 will allow the City to continue to actively promote and attract new development, and encourage the orderly growth of the West Waterfront Area of the City by providing a stimulus for new development, and allow the City flexibility in offering redevelopment incentives in order to promote blight elimination. The projects and development timelines included in project plan represent a robust, yet responsible, use of TID resources to achieve the level of development as indicated while still closing the TID on time and with a positive cash balance.

**Appendix I. JRB Resolution Approving City Board Resolutions Creating TID No. 4 and Adopting the Project Plan**

**JOINT REVIEW BOARD**

**RESOLUTION APPROVING CITY COUNCIL RESOLUTION  
APPROVING BOUNDARIES OF TAX INCREMENTAL DISTRICT NO. 4  
AND APPROVING PROJECT PLAN OF TAX INCREMENTAL DISTRICT NO. 4  
CITY OF STURGEON BAY, WISCONSIN**

**WHEREAS**, the Joint Review Board, Tax Incremental District No. 4, City of Sturgeon Bay, Wisconsin, has reviewed the public record, planning documents and resolution related to the boundary determination for Tax Incremental District No. 4, City of Sturgeon Bay, Wisconsin;

**WHEREAS**, the Joint Review Board has received in an open meeting additional information from the City of Sturgeon Bay staff regarding the Project Plan for Tax Incremental District No. 4, City of Sturgeon Bay, Wisconsin; and

**WHEREAS**, the Joint Review Board finds:

1. The development expected in Tax Incremental District No. 4, City of Sturgeon Bay, Wisconsin, would not occur without the use of tax incremental financing;
2. The economic benefits of Tax Incremental District No. 4, City of Sturgeon Bay, Wisconsin, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements;
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

**NOW, THEREFORE, BE IT RESOLVED** that the Joint Review Board approves the resolution of the Common Council of the City of Sturgeon Bay dated March 19, 2013 approving the boundaries and project plan of Tax Incremental District No. 4.

Adopted this 2<sup>nd</sup> day of April, 2013.

**JOINT REVIEW BOARD  
TAX INCREMENTAL DISTRICT No. 4  
CITY OF STURGEON BAY, WISCONSIN**

By:   
Joint Review Board Chair

**Appendix J. City Attorney Opinion**

JAMES R. SMITH  
 RANDALL J. NESBITT†  
 RICHARD A. HAUSER  
 DAVID L. WEBER\*\*†  
 JON R. PINKERT  
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HERMAN J. LEASUM (1910-2006)

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 2284 SUNSET DRIVE  
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 TELEPHONE (920) 854-2616

March 19, 2013

City of Sturgeon Bay  
 421 Michigan Street  
 Sturgeon Bay, WI 54235

**Re: Creation of Tax Incremental Finance District No. 4,  
 City of Sturgeon Bay**

Ladies and Gentlemen:

We have been retained by the City of Sturgeon Bay, Wisconsin, the "City" to render an opinion in connection with the creation of Tax Incremental District No. 4, City of Sturgeon Bay (the "District"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without our undertaking to verify the same by independent investigation, including the following:

1. Proof of mailing of notice of public hearing to local government entities pursuant to Wis. Stats. Section 66.1105 (4) (e).
2. Proof of publication of Class 2 notice of public hearing, pursuant to Wis. Stats. Section 66.1105 (4) (a).
3. Minutes of the City Plan Commission meeting and public hearing held on February 20, 2013 pursuant to Wis. Stats. Section 66.1105 (4) (a).
4. Resolution of the City Plan Commission of the City of Sturgeon Bay adopted on February 20, 2013 adopting the Project Plan and District Boundaries pursuant to Wis. Stats. Sections 66.1105 (4) (f).

**WISCONSIN LAWYERS**  
 EXPERT ADVISERS. SERVING YOU.

City of Sturgeon Bay  
March 19, 2013  
Page 2

5. The Project Plan and District Boundaries as approved by the Plan Commission of the City of Sturgeon Bay for submission to the Common Council of the City of Sturgeon Bay pursuant to Wis. Stats. Section 66.1105 (4) (f).

Based upon the foregoing, we are of the opinion that, as of the date above, the Project Plan is complete and complies with Section 66.1105 (4) (f) of the Wisconsin Statutes. Further, the process for approval of the Project Plan meets statutory requirements.

This letter of opinion is made to and for the benefit of the City of Sturgeon Bay and is made to no other person or entity. Should you have any questions with regard to the above opinions, please contact me.

Sincerely,

PINKERT LAW FIRM LLP



Randall J. Nesbitt

RJN:hb

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**Appendix K. Boundary Description**

A parcel of land located in the fractional NE  $\frac{1}{4}$  of Section 7, Township 27 North, Range 26 East, City of Sturgeon Bay, Door County, Wisconsin bounded and described as follows;

Commencing at the intersection of the centerline of North Madison Avenue and the high water line of Sturgeon Bay, thence southwesterly along a curve to the left and centerline of said North Madison Avenue to the intersection with the centerline of West Larch Street, thence westerly along said centerline of West Larch Street to the intersection with the extended westerly line of Lot 1 of Certified Survey No. 1142 recorded in Volume 6 of Certified Survey Maps, Page 298, thence southerly along said extended westerly line of Lot 1 to the intersection with the centerline of West Locust Court, thence easterly along said centerline of West Locust Court to the intersection with North Madison Avenue, thence continue easterly along the centerline of East Locust Court to the intersection with the westerly line of Parcel No. 281-12-10080101, thence southerly along said westerly line extended to the intersection with the centerline of East Maple Street, thence westerly along said centerline of East Maple Street to the intersection of South Madison Avenue, thence southerly along said centerline of South Madison Avenue to the extended northerly line of Parcel No. 281-12-10011101, thence easterly along said extended northerly line to the northeast corner of said parcel, thence southerly along the westerly line of said parcel extended to the centerline of an alley, thence easterly along said alley to the intersection with the extended westerly line of Lot 1 of Certified Survey No. 1306 recorded in Volume 7 of Certified Survey Maps, Page 322, thence northwesterly along said extended westerly line of said Lot 1 to the intersection of East Maple Street, thence easterly along said centerline of East Maple Street to the centerline of Oregon Street, thence northeasterly along said centerline of Oregon Street to the high water line of the bay of Sturgeon Bay, thence northwesterly along said high water line to the point of commencement.

**Appendix L. Share of projected tax increments estimated to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the tax incremental district**

# City of Sturgeon Bay Tax Increment District No. 4 (New) Projected Increments by Taxing Jurisdiction

| Year | Revenues       |                |                  |                           |                            |
|------|----------------|----------------|------------------|---------------------------|----------------------------|
|      | Tax<br>Revenue | 32.75%<br>City | 14.80%<br>County | 45.55%<br>School District | 6.90%<br>Technical College |
| 2013 | \$0            | \$0            | \$0              | \$0                       | \$0                        |
| 2014 | \$0            | \$0            | \$0              | \$0                       | \$0                        |
| 2015 | \$0            | \$0            | \$0              | \$0                       | \$0                        |
| 2016 | \$91,125       | \$29,847       | \$13,482         | \$41,504                  | \$6,291                    |
| 2017 | \$292,803      | \$95,905       | \$43,322         | \$133,361                 | \$20,215                   |
| 2018 | \$296,069      | \$96,974       | \$43,805         | \$134,849                 | \$20,440                   |
| 2019 | \$384,064      | \$125,796      | \$56,825         | \$174,928                 | \$26,515                   |
| 2020 | \$388,243      | \$127,165      | \$57,443         | \$176,831                 | \$26,804                   |
| 2021 | \$392,463      | \$128,547      | \$58,067         | \$178,754                 | \$27,095                   |
| 2022 | \$396,726      | \$129,944      | \$58,698         | \$180,695                 | \$27,389                   |
| 2023 | \$401,031      | \$131,354      | \$59,335         | \$182,656                 | \$27,687                   |
| 2024 | \$405,380      | \$132,778      | \$59,978         | \$184,636                 | \$27,987                   |
| 2025 | \$409,771      | \$134,217      | \$60,628         | \$186,637                 | \$28,290                   |
| 2026 | \$414,207      | \$135,669      | \$61,284         | \$188,657                 | \$28,596                   |
| 2027 | \$418,687      | \$137,137      | \$61,947         | \$190,698                 | \$28,906                   |
| 2028 | \$423,212      | \$138,619      | \$62,617         | \$192,759                 | \$29,218                   |
| 2029 | \$427,782      | \$140,116      | \$63,293         | \$194,840                 | \$29,533                   |
| 2030 | \$432,398      | \$141,628      | \$63,976         | \$196,942                 | \$29,852                   |
| 2031 | \$437,060      | \$143,155      | \$64,666         | \$199,066                 | \$30,174                   |
| 2032 | \$441,769      | \$144,697      | \$65,362         | \$201,210                 | \$30,499                   |
| 2033 | \$446,524      | \$146,255      | \$66,066         | \$203,376                 | \$30,827                   |
| 2034 | \$451,327      | \$147,828      | \$66,776         | \$205,564                 | \$31,159                   |
| 2035 | \$456,179      | \$149,417      | \$67,494         | \$207,774                 | \$31,494                   |
| 2036 | \$461,079      | \$151,022      | \$68,219         | \$210,005                 | \$31,832                   |
| 2037 | \$466,027      | \$152,643      | \$68,951         | \$212,259                 | \$32,174                   |
| 2038 | \$471,026      | \$154,280      | \$69,691         | \$214,536                 | \$32,519                   |
| 2039 | \$476,074      | \$155,933      | \$70,438         | \$216,835                 | \$32,867                   |
| 2040 | \$481,173      | \$157,603      | \$71,192         | \$219,158                 | \$33,219                   |
|      | \$10,162,197   | \$3,328,527    | \$1,503,555      | \$4,628,532               | \$701,583                  |

*Prepared by Robert W. Baird & Co. Incorporated R:\municipalities\sturgeon bay cy w\l\4\tif4 proforma5 sturgeon bay cy (2013).xlsx /sgk 3/25/2013*