CITY OF WATERTOWN

TAX INCREMENT DISTRICT #8

Amendment No. 1

Plan Commission Hearing and Approval:	August 11, 2025
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Joint Review Board Approval:	September 22, 2025

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SECTION I. INTRODUCTION

Project Background

The City of Watertown created Tax Incremental District #8 (TID #8) on March 16, 2021. TID #8 is a District in need of rehabilitation or conservation work, as defined by Wis. Stat §66.1337(2m)(a), in the central part of the City corporate limits. The District remains in need of rehabilitation or conservation work.

Within Amendment No. 1, there are two proposed changes to the TID #8 boundary:

1. The City is proposing to add additional territory to TID #8 to accommodate a single 1.06-acre parcel owned by Cady Emerald, LLC that a developer is planning to redevelop within the remaining life of the District. Its inclusion will add $67,500 to the District's base value. The additional territory to be added is the former Johnsonville Sausage, LLC building that caught fire in 2015, creating a vacant, blighted property. As a result, it has been found to be in need of rehabilitation or conservation work, as defined by Wis. Stat §66.1337(2m)(a).
2. The City is proposing to add additional territory to TID #8 to accommodate a 0.9-acre portion of a 1.57-acre parcel. The property was formerly multiple parcels when TID #8 was created and has since been combined to serve as the Watertown Library site. The property is owned by the City of Watertown and its full inclusion will add $0 to the District's base value. This additional territory is only being proposed to correct the TID #8 boundaries to ensure the full parcel is located within the District, rather than being split by the boundaries.

Together, the proposed additional territory is referred to as the "Subject Parcels" throughout this document.

This TID #8 Project Plan Amendment No. 1 has been prepared in compliance with Sec. 66.1105, Wis. Stats. This amended project plan is to be adopted by resolution of the Common Council upon receipt of a resolution of an affirmative recommendation from the City Plan Commission and is intended to work in conjunction with the original TID #8 project plan. Following Council adoption, it will be forwarded to the Joint Review Board for action on a resolution affirming the Board's approval.

As required by Wis. Stat. § 66.1105(5), a copy of this amended Project Plan will be submitted to the Department of Revenue and used as the basis for their certification of Tax Increment District #8, Amendment No. 1 in the City of Watertown.

This amended Project Plan follows the same layout and section order as the original Project Plan. Sections where no changes are proposed are indicated as such, and sections with amendments are identified accordingly.

Summary of Findings

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

1. That "but for" the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.
    - To support development within the District and the Subject Parcels, the City will need to make a substantial investment to pay for the costs of necessary public infrastructure and to

close financing gaps as needed to make private development economically feasible. Due to the extensive investment required, the City has determined that development of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development of the area as described in the Plan is unlikely to occur.

2. The economic benefits of the Tax Increment District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:
   - Redevelopment and/or expansion projects are expected to occur sporadically throughout the life of the District. Any increment generated by new residential, commercial or industrial construction may provide additional funding for infrastructure and development incentives.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
   - Taxes levied on any additional value on the parcels due to new construction, renovation or appreciation of property values occurring after January 1, 2024, will be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
   - Since the development expected to occur is likely subject to extraordinary site and other costs, it is unlikely to take place or in the same manner or timeframe without the use of TIF. Because the amended District will generate economic benefits that are sufficient to compensate for the cost of the improvements, the City reasonably concludes that the overall benefits of the District, as amended, outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no forgone tax increments to be paid in the event the District is not amended.
4. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
5. The equalized value of taxable property of the District, plus the value increment of all existing tax increment districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
6. More than 50%, by area, of the real property within the District, including the Subject Parcels, is in need of rehabilitation or conservation work, as defined in Wis. Stat. § 66.1337(2m)(a).
7. The City estimates that approximately 50% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. §66.1105(5)(b) and 66.1105(6)(am)1.
8. The Project Plan for the District is economically feasible and is in conformity with the Comprehensive Plan of the City.

SECTION II. DESCRIPTION OF HOW TAX INCREMENT DISTRICT #8 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE CITY OF WATERTOWN

There are no changes to this section.

SECTION III. TAX INCREMENT DISTRICT BOUNDARY DESCRIPTION AND EQUALIZED VALUES

The boundaries of TID #8 are officially designated on Map 1 and include two parcels to be added with this amendment as shown below.***

Map ID	Tax Key	Owner Name	Parcel Address	Acres	2024 Land Value	2024 Improvement Value	2024 Total Assessed Value	Currently in TID #5
90**	291-0815-0421-122	City of Watertown	100 S. Water Street	1.57*	$0	$0	$0	Yes
101	291-0915-3343-053	Cady Emerald, LLC	104 E. Division Street	1.06	$62,800	$4,700	$67,500	No
Totals				**2.63**	**$62,800**	**$4,700**	**$67,500**	

Source: 2024 values as provided by the City Assessor and DOR.

**0.9 acres are proposed to be added to TID #8 and 0.67 of the 1.57 total acres that make up the parcel are already located within TID #8.*

***To note, in the original Project Plan for TID #8, Map ID numbers 90 and 91 were separate parcels. Since that time, they have been combined into one parcel and are now referred to only as Map ID 90 within Amendment No. 1. To retain continuity between Project Plans, Map ID number 91 has been intentionally omitted within Maps 1-5.*

****Other notations regarding changes between the original Project Plan for TID #8 and Amendment No. 1 include:*

1. *Map ID number 18 now includes a portion of right-of-way that has been vacated (0.16-acres). The total size of Map ID 18 is now 1.26-acres.*
2. *Map ID number 57 is now smaller because a portion of the property was dedicated to the City for right-of-way purposes. The total size of Map ID 57 is now 0.1-acres.*
3. *Map ID numbers 83-88 are no longer separate parcels and are now referred to only as Map ID 88 within Amendment No. 1. A small portion of right-of-way was also added to the parcel when this lot combination occurred. The total size of Map ID 88 is now 0.62-acres. To retain continuity between Project Plans, Map ID numbers 83-87 have been intentionally omitted within Maps 1-5.*

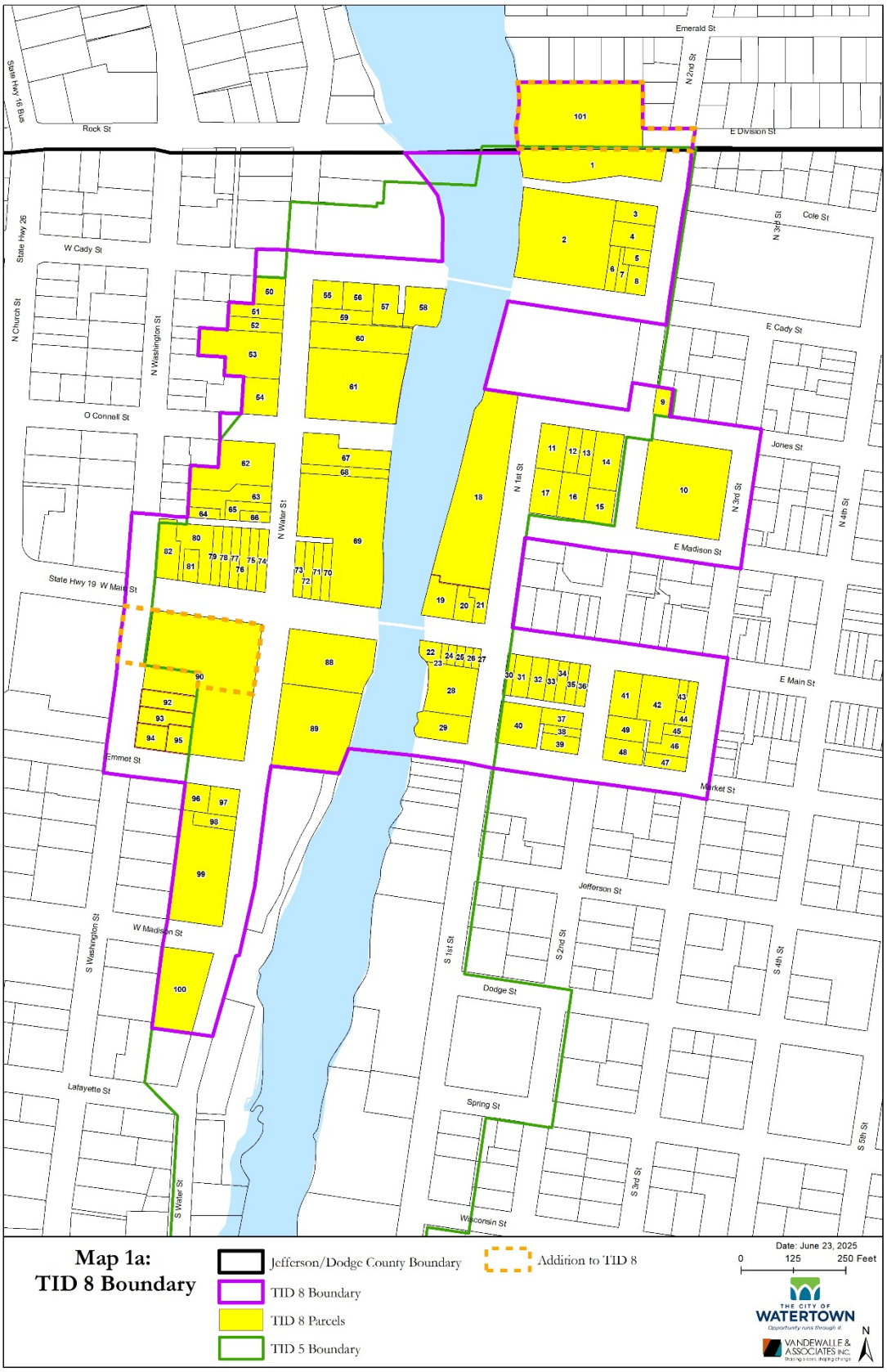
As of January 1, 2024, the real property in TID #8 had an assessed base value of $19,856,500, and the City's total equalized value was $2,382,749,500. The TID #8 value increment ($3,917,600), plus $67,500 and $0 in projected additional base value via the boundary amendment Subject Parcels and $115,149,300 in value increment in the 4 existing TIF districts, equals $119,134,400 or 5% of the City's total. This is less than the 12% maximum currently permitted under the Tax Increment Law, as demonstrated in Table 1.

To note, TID #9 was approved on November 8, 2024 and will have an established base year of 2025. The base value of the district has not yet been determined and is subject to 2025 certified values being established. As such, TID #9 is not included within Table 1 below.

Table 1: Valuation Test Compliance

Total City EAV (2024)		$2,382,749,500
12% Test		$285,929,940
Value Increment of Existing TIDs		
TID #4	2.30%	$54,857,300
TID #5	1.03%	$24,459,900
TID #6	0.18%	$4,356,000
TID #7	1.32%	$31,476,100
TID #8	0.16%	$3,917,600
Total Existing Value Increment	**5.00%**	**$119,066,900**
Projected Additional Base Value of TID #8	0.003%	$67,500
Total Value Subject to 12% Test		**$119,134,400**
Compliance	**5.00%**	**PASS**

Map 1a: TID 8 Boundary



SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY

The Subject Parcels to be added with this amendment includes Map ID 90 and 101.

The Map ID 101 property was the former Johnsonville Sausage, LLC building that was destroyed by a fire beyond repair and has been subsequently raised. It's currently vacant and adjoins a property to the south where the former factory also used to be located. However, the property to the south is located within Jefferson County and TID #8, while the northern property is located in Dodge County and not currently within TID #8. Both properties are now under the same ownership and a developer has plans to redevelop them together.

Together, this collective site has been eyed for redevelopment for many years as it's located along the Rock River, near City Hall and the core of downtown Watertown. The adjoining property to the south was found to be in need of rehabilitation or conservation work, as defined in Wis. Stat. § 66.1337(2m)(a) as part of the TID #8 creation in 2021. Given its current condition and use, the Map ID 101 is also found to be in need of rehabilitation or conservation work, as defined in Wis. Stat. § 66.1337(2m)(a).

The Map ID 90 property was formerly multiple parcels that have since been combined to serve as the site for the Watertown Library. Currently, the TID #8 boundary bisects the parcel, and the proposed territory amendment is intended to correct that situation by adding the 0.9-acre portion of the property that is currently outside of the TID #8 boundary. The entire combined property serves as the Library site today.

Map 2 depicts existing land uses within TID #8. The Subject Parcels are identified as General Industrial and Institutional. The Map ID 101 property existing land use is consistent with the adjoining parcel to the south that's located within TID #8 today (Map ID 1). The boundary amendment has been designed to encompass both properties within the TID #8 boundaries for redevelopment purposes (Map ID 101 and 1), in addition to ensuring that the TID #8 boundaries do not split an existing parcel (Map ID 90).

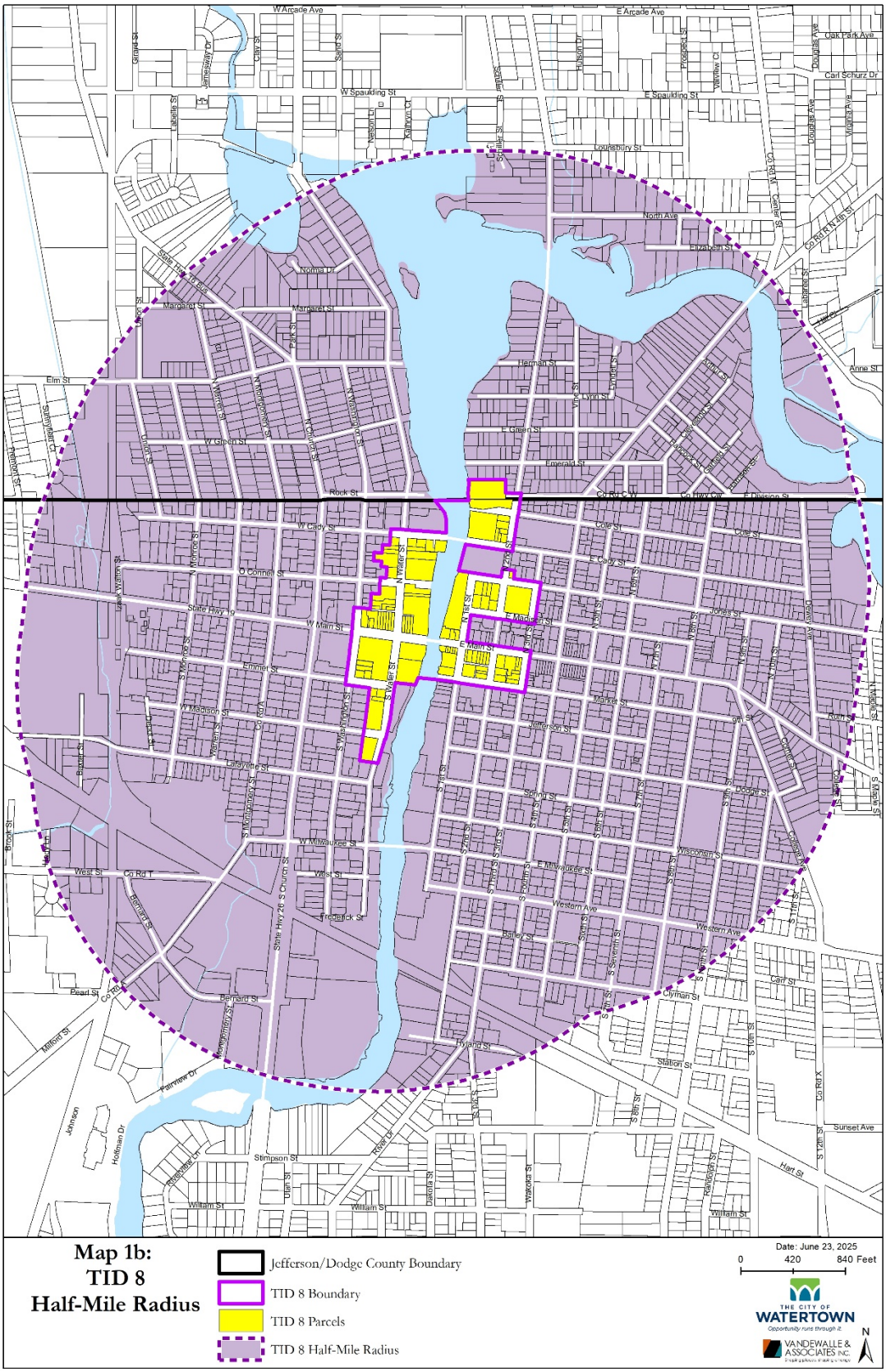
Much of TID #8, comprising a portion of the downtown core, features mostly mixed-use downtown-oriented land uses, some single-family, two-family, and institutional land uses, and general industrial land uses. The District boundary has been designed to capture key commercial space within the downtown along the river and central business district.

The anticipated use of the Subject Parcels is generally consistent with the future land uses shown in the City of Watertown Comprehensive Plan, which is Central Mixed-Use, as shown on Map 3.

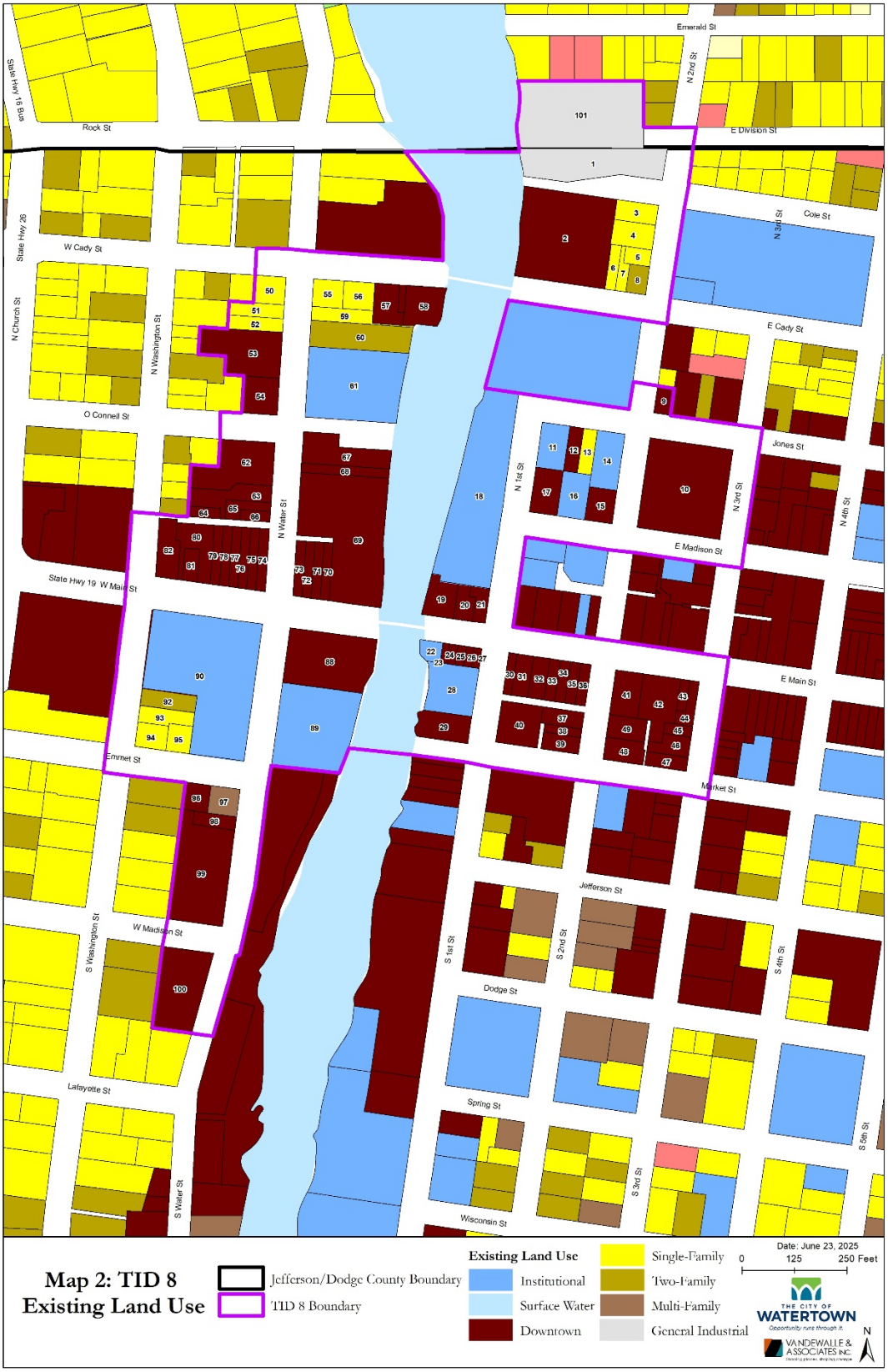
Map 4 reflects current zoning designations within TID #8. The Subject Parcels are zoned General Business and Central Business District. The Comprehensive Plan allows the City to rezone property when and if demand for rezoning takes place to maintain compatibility with the Future Land Use Map.

As reflected on Map 5, one of the Subject Parcels (Map ID 101) is determined to be in need of rehabilitation or conservation work, as defined in Wis. Stat. § 66.1337(2m)(a).

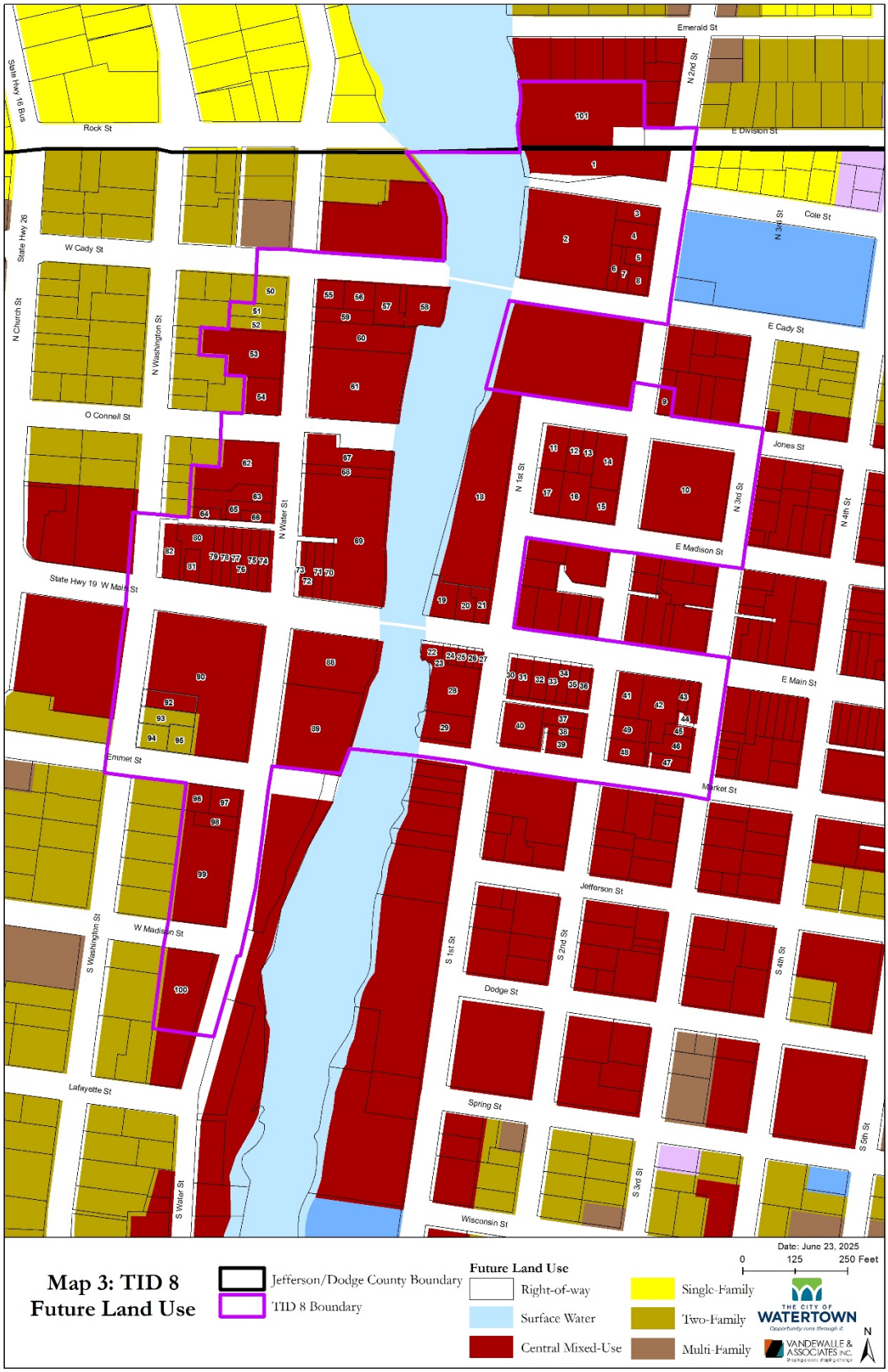
Map 1b: TID 8 Boundary and Half Mile Radius



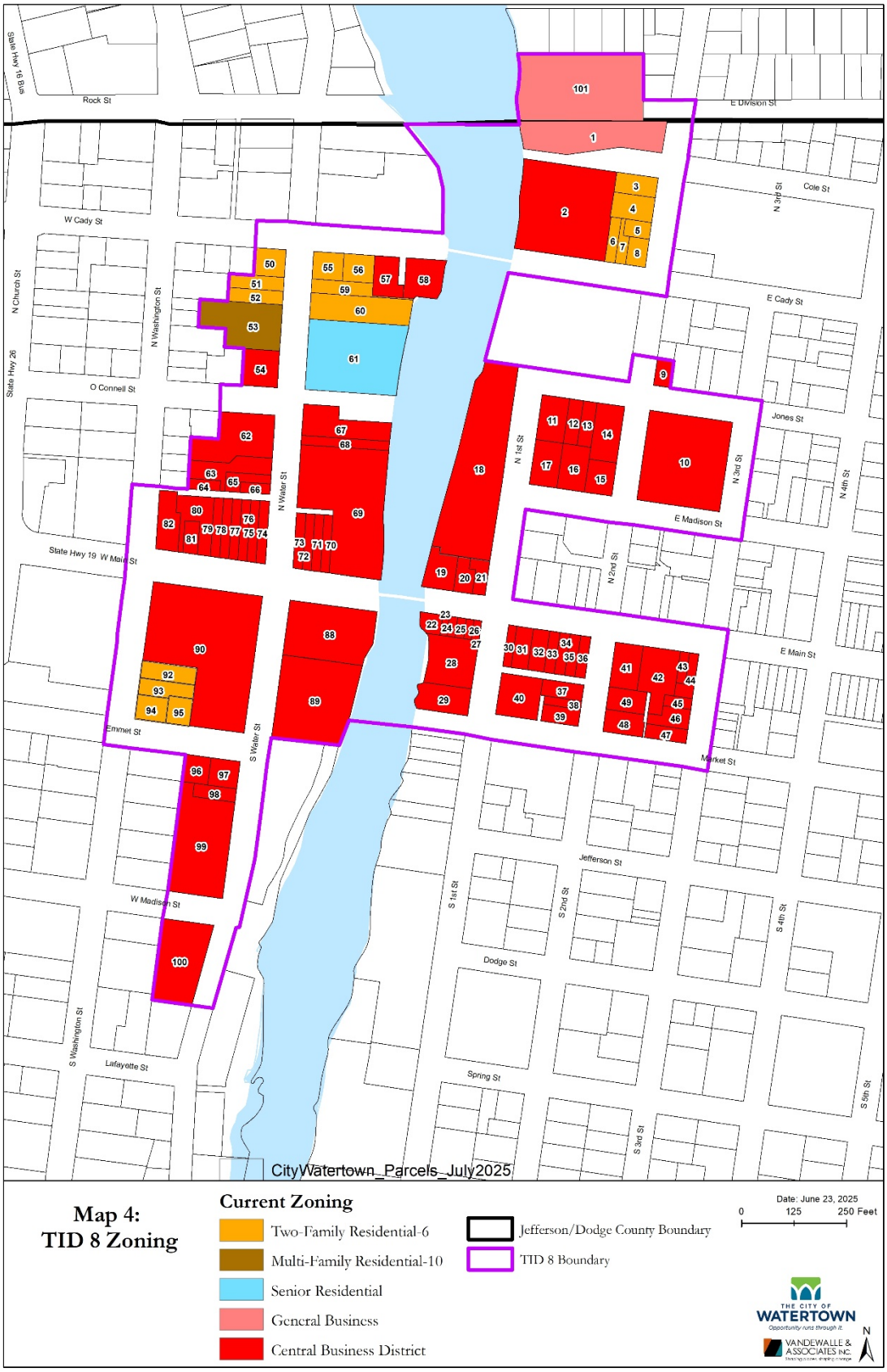
Map 2: TID 8 Existing Land Use



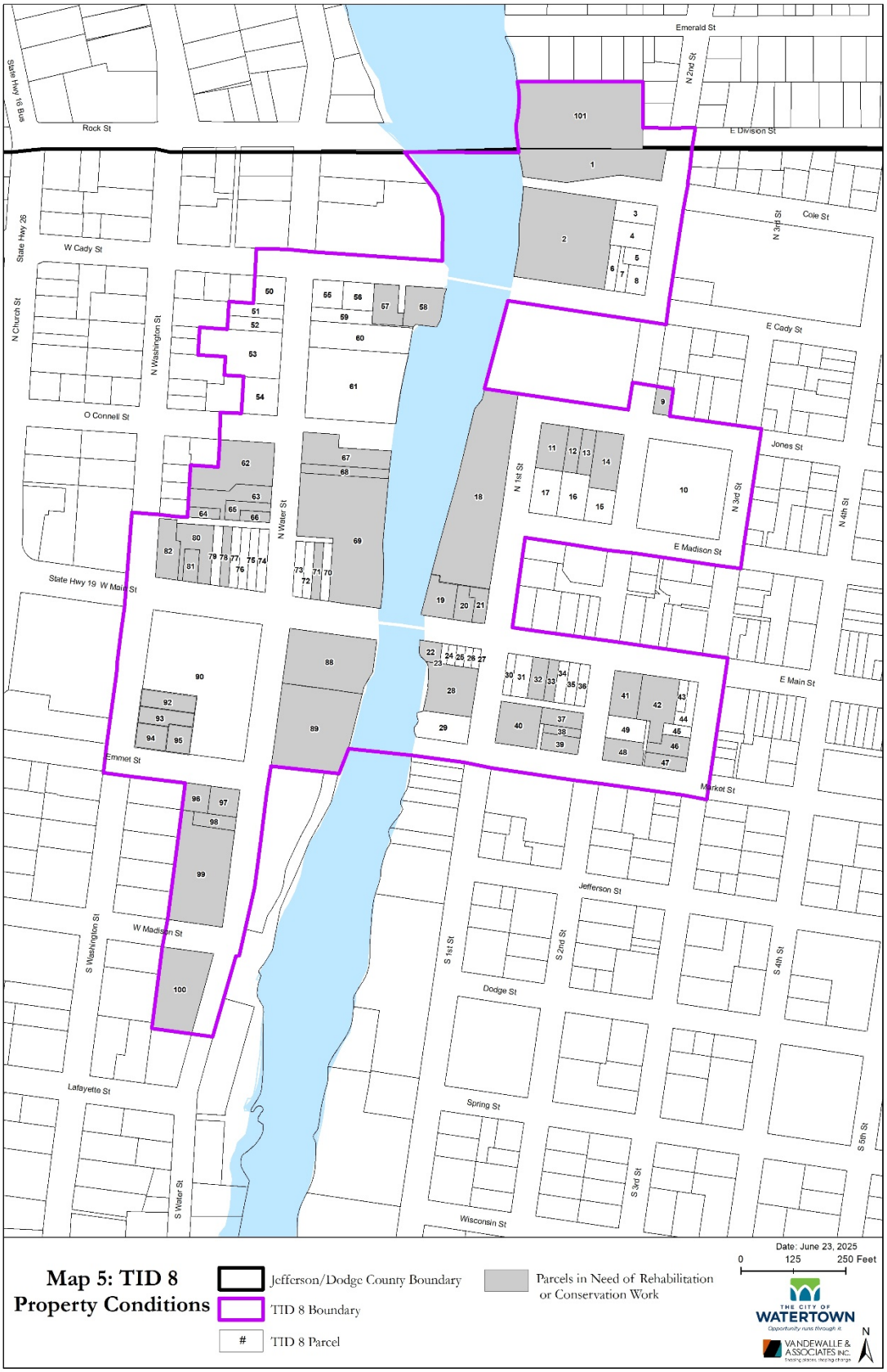
Map 3: TID 8 Future Land Use



Map 4: TID 8 Zoning



Map 5: TID 8 Property Conditions



SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS

Redevelopment of the Subject Parcels being added to the District with this amendment shall be eligible to receive economic development incentives as described in the original project plan. However, no changes are proposed to the total level of spending for project costs as authorized in the original project plan.

SECTION VI. NON-TAX REVENUES AND NON-PROJECT COSTS

There are no changes to this section.

SECTION VII. ECONOMIC FEASIBILITY ANALYSIS

There are no changes to this section.

SECTION VIII. AVAILABLE FINANCING METHODS

There are no changes to this section.

SECTION IX. CONSISTENCY OF ACTIVITIES WITHIN TAX INCREMENT DISTRICT #8 WITH THE CITY ZONING ORDINANCE, MASTER PLAN AND OTHER DEVELOPMENT ORDINANCES

The Subject Parcels to be added with this amendment are designated as Central Mixed-Use on the Future Land Map contained within the adopted Comprehensive Plan. This is consistent with the likely redevelopment of Map ID 101 property and the existing development of the Map ID 90 property; however, the zoning may need to be amended from General Business to Planned Development for Map ID 101 to accommodate the proposed redevelopment.

SECTION X. ANNEXED PROPERTY

There are no changes to this section.

SECTION XI. ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

There are no changes to this section.

SECTION XII. STATEMENT ON RELOCATION

There are no changes to this section.

APPENDIX A PROPERTY CONDITIONS ASSESSMENT

MAP ID	Parcel Address	Land Value 2024	Imp Value 2024	Total Value 2024	Parcel Acres	Existing/ Former Use	Unhealthful, unsafe, unsanitary conditions	Lessen Density	Reduce Traffic Hazards	Obsolete or Detrimental Uses	Remove or prevent spread of blight or deterioration	Provide land for needed public facilities	Acres in Need of Rehabilitation or Conservation Work	Additional Notes
90**	100 S. Water Street	$0	$0	$0	1.57*	Library							0.0	
101	104 E. Division Street	$62,800	$4,700	$67,500	1.06	Vacant				X	X		1.06	Listed in Redevelopment District #2
	Totals	**$62,800**	**$4,700**	**$67,500**	**2.63**								**1.06**	**Acres in Need of Rehabilitation or Conservation Work**

**0.9 acres are proposed to be added to TID #8 and 0.67 acres of the 1.57 total acres that make up the parcel are already located within TID #8.*

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APPENDIX B IMPACT ON OVERLYING TAXING JURISDICTIONS

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APPENDIX C LEGAL DESCRIPTION

(to be added)

APPENDIX D TAXING JURISDICTION CORRESPONDENCE

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