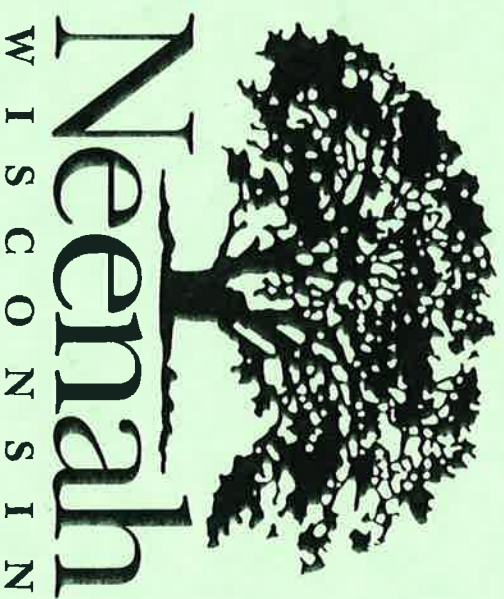


**CITY OF NEENAH TAX INCREMENT DISTRICT #6
PROJECT PLAN AMENDMENT NO. 1**

Effective January 1, 2007



SUMMARY FINDINGS

CITY OF NEENAH TAX INCREMENT DISTRICT #6 SOUTH PARK INDUSTRIAL CENTER PROJECT PLAN AMENDMENT NO.1 *Effective January 1, 2007*

District Name: City of Neenah Tax Increment District #6 (2007 Amendment)

Location: Southpark Industrial Center.

Size: 75.7 acres.

Purpose: Expand Southpark Industrial Center to provide manufacturing building sites in a planned business park setting.

Effective Date: The effective date of the amendment is January 1, 2007.

Proposed Costs: \$1.15 million of public investment in utility and access improvements, site preparation, and marketing program, to support the creation of 6 – 10 fully served industrial sites. Investment expenditure period will extend from 2007-2011.

Project Financing: Capital financing of \$1.15 million, utilizing borrowing proceeds.

Project Revenues: Tax Increment District #6, as amended, is projected to create \$40.7 million of tax base through its maximum life period (2023). It will generate an estimated \$13.3 million in tax increments during that same period.

Economic Feasibility: Based on projected expenditure and revenue levels, all obligations of TTD #6, as amended, will be paid in full during calendar year 2017, the 21st year of the District. Upon closure and dissolution of the District, all accrued and unencumbered increments will be promptly distributed among the local taxing entities (School District, County, Vocational District and City). Following closure and dissolution, the tax base created as a result of development in the District will directly benefit the taxing entities and all future tax revenues will be directly distributed to them.

December 2006

**CITY OF NEENAH TAX INCREMENT DISTRICT #6
SOUTH PARK INDUSTRIAL CENTER
PROJECT PLAN AMENDMENT NO. 1**

Effective January 1, 2007

INTRODUCTION

Tax Increment District #6 (TID #6) was created in 1997 to accommodate an expansion of Southpark Industrial Center, a City of Neenah municipal business park. From its inception in 1983, Southpark produced rapid results with major development projects, job creation, tax base growth and private capital investment.

This amendment to the Project Plan and boundaries of TID #6 will accommodate the third expansion of Southpark Industrial Center. The development resulting from the City's managed approach to industrial growth has been a key factor in fueling economic progress and financial strength community-wide. Today, Southpark is home to 75 companies, which have combined to create more than 2500 new jobs. The diverse products and services offered by these companies are sold in both local and worldwide markets, and range in type from computer and technology components to luggage tags, food packaging to aeronautical parts, manufacturing machinery to hospital supplies, and from technical training to commercial inks. The work force includes both skilled labor and highly specialized scientists and engineers.

Over the years, the dynamics of the regional real estate market have proven that the development of private business parks is not an economically viable investment. Recognizing that future growth of the local industrial tax base would not occur without municipal government leadership, the City of Neenah has undertaken the continued development of Southpark Industrial Center, using the tools afforded it through Tax Increment Financing. Tax increment financing provides the means for the City to undertake projects such as business park development, which require significant investment in public improvements. Wisconsin's Tax Increment law allows the City to use property tax revenues from new development in the district to pay for public improvements made in the area. After an industrial TID is created, the City has a fifteen-year period in which to make the necessary public investment in land, infrastructure, and site improvements. The law allows a 23-year maximum debt retirement period, during which time tax revenues generated by new development and other growth in the TID are applied by the City to pay the public investment made in the project. When all project and associated holding costs are paid off, the TID is dissolved and all subsequent tax revenues generated are distributed to all taxing entities.

Tax increment financing ensures that the public investment made to support economic development is done in a financially feasible manner, and that the benefits of the investment are distributed fairly, first to the affected area, and ultimately to the community as a whole. It promotes and supports growth in the tax base which otherwise might not occur. The law also recognizes that since the City is the only taxing unit that assumes financial risk in a district, it is entitled within a prescribed time period to receive all new tax revenues of the TID as the source of paying off its public investment costs. All taxing entities subsequently receive future benefits from the expanded tax base that was created as a result of the City's TID investment.

Wisconsin's Tax Increment law also allows municipalities to modify the boundaries of a TID up to four times during the district's existence. This modification is accomplished by amending the Project Plan.

The information presented herein documents the amendment to the TID #6 Project Plan, which will enable an expansion of district boundaries necessary to accommodate the growth of South-park Industrial Center.

BOUNDARIES

The boundaries of TID #6 will be modified to add territory to the district. The amended boundaries are illustrated in Figure 1.

NAME OF DISTRICT

Upon amendment, the name of the TID shall remain City of Neenah, Tax Increment District #6.

CREATION DATE

TID #6 was created effective January 1, 1997. The effective date of this amendment is January 1, 2007.

PROPOSED IMPROVEMENTS AND PROJECT COSTS

Table 1 provides a detailed annual listing of proposed improvements and project costs for the expanded boundary area of TID #6. Primary costs are for utility and access improvements, site preparation, and planning/marketing. Proposed uses are depicted in Figure 2. The expanded boundary area will enable the City to provide manufacturing building sites in a planned business park setting.

A schedule of project costs for TID #6, as amended, is provided in Appendix B.

NON-PROJECT COSTS

There are no anticipated non-project costs within the expanded boundary area of TID #6.

RELOCATION

Persons and businesses displaced by project activities will be relocated in accordance with applicable state and federal laws and regulations. Relocation plans for the project will be filed with the Department of Commerce, Relocation Unit, Division of Community Development. Approved relocation plans will serve as the basis for all relocation payments made as part of project activities.

MASTER PLAN, ZONING, BUILDING AND OTHER CODE CONSIDERATIONS

This Project Plan amendment is consistent with the City of Neenah 2020 Comprehensive Plan, which identifies this area for business park uses. Planned Business Center (L-1) zoning classification will accommodate the type of industrial development anticipated there.

ECONOMIC FEASIBILITY

Upon the amendment of the Project Plan for TTD #6, total revenues generated from property tax increments are projected to offset total project costs in the 21st year, within the maximum allowed 23-year life of the district. Consequently, the amended TTD is economically feasible. Projected tax base growth for TTD #6, as amended, is provided in Appendix A.

\$1.15 million of public investment in utility and access improvements, site preparation, and planning/marketing activities, is scheduled for TTD #6, as amended. A schedule of these costs and a financing plan and financial feasibility analysis is provided in Appendix B.

Based on projected expenditure and revenue levels after the amendment, all obligations of TTD #6 will be paid in full during 2017, the 21st year of the District. Upon closure and dissolution of the District, all remaining unencumbered increments will be promptly distributed among all taxing entities (School District, County, Vocational District and City). Following closure and dissolution, projected after the 21st year, the tax base created as a result of development in the District will directly benefit the taxing entities and all future tax revenues will be directly distributed to them.

Recognizing that all taxing entities involved in the District will accrue significant long-term benefits from the projected success of TTD #6, the City realizes that each entity is also a continuing partner in its progress, in that they will forego tax benefits on new development in the District until it is dissolved. Appendix C shows the projected increments from TTD #6, as amended, over the life of the District, apportioned among the four entities, based on the formula prescribed by the Wisconsin Department of Revenue.

The following new or updated economic assumptions have been applied when developing the amended Project Plan. All other assumptions from the original plan remain in place.

- The base equalized value of the expanded boundary area of TTD #6 has been established at \$648,366, as of January 1, 2007.
- A projected equalized tax rate of \$23.00 is assumed to remain level beginning in 2007 and continuing throughout the life of the district.
- General Obligation (G.O.) Notes and Bonds represent annual capital borrowing for public investment in the District. Borrowing has been assumed to be 10-20 years in length with repayment of principal on a schedule to match with accruing tax increments. Debt service in 2017 assumes reserving sufficient funds for all remaining outstanding debt. This allows for the district to be dissolved when sufficient funds are accumulated for this purpose.
- All interest rates have been projected between 2.5%-5.0%, approximately the same level as current Aa-rated G.O. Notes. Guidance for estimating future rates was provided by the City's financial advisor. No attempt has been made to anticipate cyclical rate changes in future years. Principal and interest payments of future scheduled debt installments are being planned to match the estimated tax increments generated on an annual basis.

FINANCING

The City of Neenah plans the use of G.O. Notes and Bonds or other permitted loan instruments in order to finance or refinance the costs of TID #6, as amended.

Repayment costs will be funded from tax increments generated by new tax base growth in the District.

ORDERLY DEVELOPMENT

The expansion of the boundaries of TID #6 will promote managed, orderly development by ensuring the supply of well-planned and properly located sites for industrial growth. Given the factors that make improvement of land for industrial uses so difficult, were it not for TIF financing in conjunction with the City's commitment to economic investment, such development would not occur. The expansion of Southpark Industrial Center will continue the demonstrated success of industrial growth, and provide sustained opportunity for growth in the areas of tax base, job creation, and capital investment.

EXISTING USES AND CONDITIONS

Figure 3 illustrates the existing uses and conditions within the expanded boundary area of TID #6.

FINDINGS

- The entire expanded boundary area of TID #6 is suitable for industrial sites, has been zoned for industrial use, and will remain zoned for industrial use for the life of the district.
- The expanded boundary area includes properties that have been annexed to the City of Neenah since January 1, 2004. By law, such properties can be included in the Project Plan Amendment, on the basis of the terms and conditions of the *Intergovernmental Agreement Among The City of Neenah, The Town of Neenah, The Town of Neenah Sanitary District #1-1, and The Town of Neenah Sanitary District #2, To Provide For Orderly Growth and Development Within Agreed-Upon Municipal Boundaries*, dated April 2003.
- The improvement of land in the expanded boundary area for development of high value manufacturing uses will enhance significantly the value of all property in the district.
- The project costs directly serve to promote industrial development.
- As of January 1, 2006, using equalized values, the increment values of TID #5, TID #6, TID #7, and TID #8, plus the base equalized values for the expanded boundary areas of TID #5 and TID #6, total \$102,116,641, which is 5.54% of the total of all taxable property in the City of Neenah as shown below. State law requires that those values not exceed 12%.

TID #5 Increment Value	\$18,657,300
TID #6 Increment Value	\$7,197,400
TID #7 Increment Value	\$46,587,000
TID #8 Increment Value	\$26,063,100
TID #5 Expanded Boundary Area No. 2 Base Value	2,963,475
TID #6 Expanded Boundary Area No. 1 Base Value	648,366
Total	\$102,116,641
Total City Equalized Value	\$1,843,845,100
	= 5.54%

TABLE 1
SCHEDULE OF PROJECT IMPROVEMENTS AND COSTS
TAX INCREMENT DISTRICT #6, PROJECT PLAN AMENDMENT NO. 1

Project Description	TOTAL	2007	2008	2009	2010	2011
1. Utility & Access Improvements	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0
2. Site Preparation	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
3. Planning/Marketing	\$100,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL COSTS	\$1,150,000	\$1,030,000	\$30,000	\$30,000	\$30,000	\$30,000

FIGURE 1
CITY OF NEENAH
TAX INCREMENT DISTRICT #6
EXPANDED BOUNDARIES



FIGURE 2
CITY OF NEENAH
TAX INCREMENT DISTRICT #6
PROPOSED USES

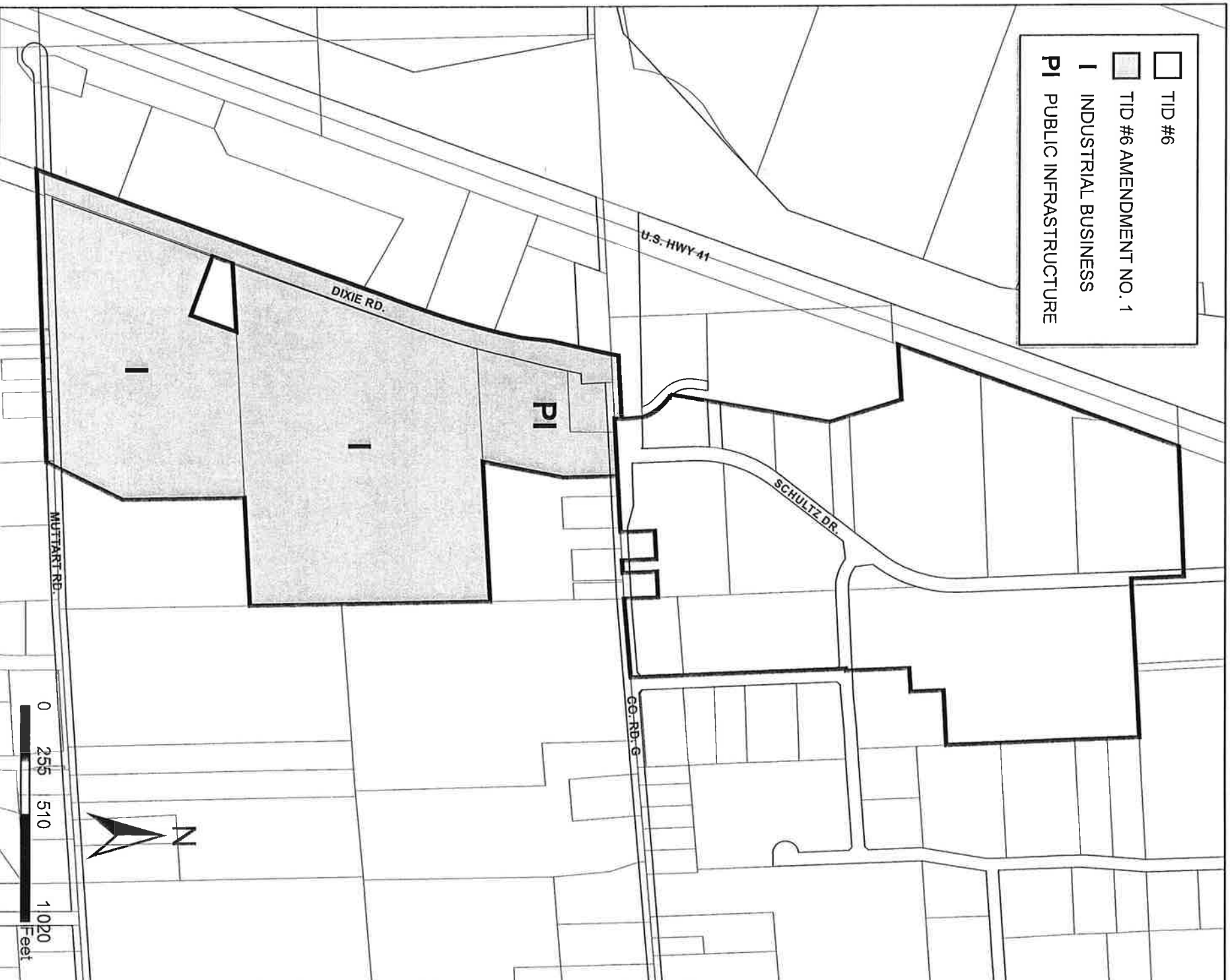
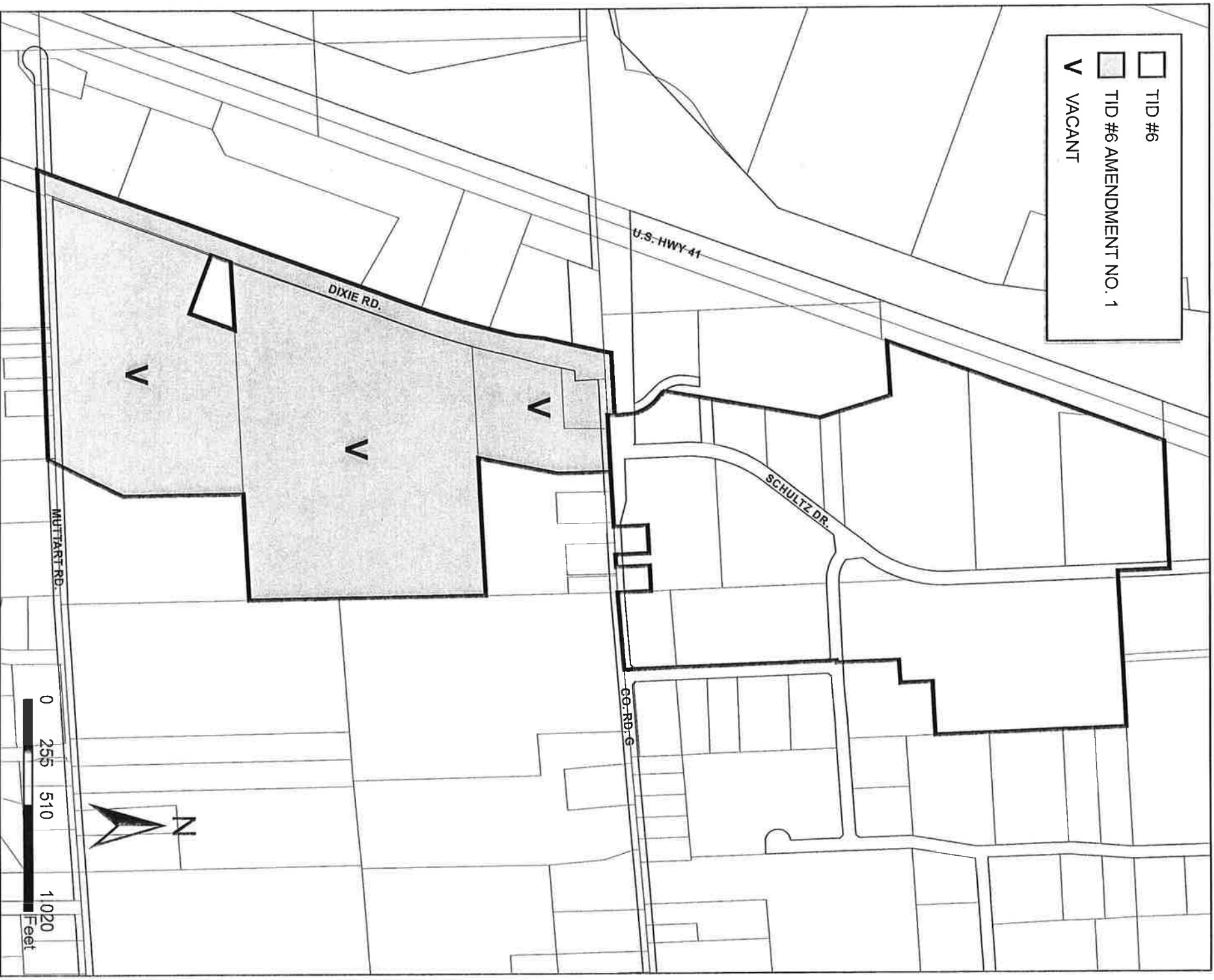


FIGURE 3
CITY OF NEENAH
TAX INCREMENT DISTRICT #6
EXISTING USES AND CONDITIONS



APPENDICES

**CITY OF NENAH TAX INCREMENT DISTRICT #6
PROJECT PLAN AMENDMENT NO. 1**

APPENDIX A	SCHEDULE OF PROJECTED TAX BASE GROWTH
APPENDIX B	FINANCING & FEASIBILITY PLAN
APPENDIX C	SCHEDULE OF PROJECTED TAX INCREMENTS APPORTIONED AMONG TAXING ENTITIES

APPENDIX A
SCHEDULE OF PROJECTED TAX BASE GROWTH
TAX INCREMENT DISTRICT #6 - 1ST AMENDMENT

TID	Value		Construction	1% Annual	Total	Cumulative	Cumulative		Projected	Cumulative	Tax
Year	Base	Base	Value	Value	Incremental	Incremental	Total	Equalized	Tax	Tax	Collection
	Year	Value	Increase	Appreciation	Value	Value	Value	Tax Rate	Increment	Increment	Year
1	1997	\$ 1,166,100	\$0	\$0	\$0	\$0	\$ 1,166,100	N/A	N/A		1998
2	1998	1,166,100	100,268	0	100,268	100,268	1,266,368	26.16	2,623	2,623	1999
3	1999	1,166,100	2,100,525	0	2,100,525	2,200,793	3,366,893	26.55	58,431	61,054	2000
4	2000	1,166,100	2,000,000	0	2,000,000	4,200,793	5,366,893	26.33	110,607	171,661	2001
5	2001	1,166,100	2,827,032	0	2,827,032	7,027,825	8,193,925	26.55	186,589	358,250	2002
6	2002	1,166,100	0	0	0	7,027,825	8,193,925	25.37	178,296	536,546	2003
7	2003	1,166,100	0	0	0	7,027,825	8,193,925	24.57	172,674	709,219	2004
8	2004	1,166,100	246,800	0	246,800	7,274,625	8,440,725	23.72	172,554	881,773	2005
9	2005	1,166,100	909,600	0	909,600	8,184,225	9,350,325	22.57	184,718	1,066,491	2006
10	2006	1,166,100	83,700	0	83,700	8,267,925	9,434,025	22.33	184,623	1,251,114	2007
11	2007	1,814,466	0	94,340	94,340	8,362,265	10,176,731	23.00	192,332	1,443,446	2008
12	2008	1,814,466	600,000	101,767	701,767	9,064,033	10,878,499	23.00	208,473	1,651,919	2009
13	2009	1,814,466	7,400,000	108,785	7,508,785	16,572,818	18,387,284	23.00	381,175	2,033,094	2010
14	2010	1,814,466	5,000,000	183,873	5,183,873	21,756,690	23,571,156	23.00	500,404	2,533,498	2011
15	2011	1,814,466	6,500,000	235,712	6,735,712	28,492,402	30,306,868	23.00	655,325	3,188,823	2012
16	2012	1,814,466	3,900,000	303,069	4,203,069	32,695,471	34,509,937	23.00	751,996	3,940,819	2013
17	2013	1,814,466	2,000,000	345,099	2,345,099	35,040,570	36,855,036	23.00	805,933	4,746,752	2014
18	2014	1,814,466		368,550	368,550	35,409,120	37,223,586	23.00	814,410	5,561,162	2015
19	2015	1,814,466		372,236	372,236	35,781,356	37,595,822	23.00	822,971	6,384,133	2016
20	2016	1,814,466		375,958	375,958	36,157,314	37,971,780	23.00	831,618	7,215,751	2017
21	2017	1,814,466		379,718	379,718	36,537,032	38,351,498	23.00	840,352	8,056,103	2018
22	2018	1,814,466		383,515	383,515	36,920,547	38,735,013	23.00	849,173	8,905,275	2019
23	2019	1,814,466		387,350	387,350	37,307,897	39,122,363	23.00	858,082	9,763,357	2020
24	2020	1,814,466		391,224	391,224	37,699,121	39,513,587	23.00	867,080	10,630,437	2021
25	2021	1,814,466		395,136	395,136	38,094,257	39,908,723	23.00	876,168	11,506,605	2022
26	2022	1,814,466		399,087	399,087	38,493,344	40,307,810	23.00	885,347	12,391,952	2023
27	2023	1,814,466		403,078	403,078	38,896,422	40,710,888	23.00	894,618	13,286,569	2024
Total			\$ -	\$ 33,667,925	\$3,639,972	\$37,307,897				13,286,569	
Net Increase				\$ 33,667,925							

**APPENDIX B
FINANCING & FEASIBILITY PLAN
TAX INCREMENT DISTRICT #6 - 1ST AMENDMENT**

TID YEAR		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28				
CALENDER YEAR	TOTAL	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024				
PROJECT COSTS:																																	
Utility & Access	2,233,000	551,000	186,000	50,000	30,000	60,000	106,000	0	0	0	250,000	1,000,000																					
Land Acquisition	2,045,836	675,000	0	0	0	0	0	0	1,370,836	0																							
Electric Power Installation	50,000	0	0	0	0	0	50,000	0	0	0																							
Land Sales/Site Prep	130,000	0	0	0	10,000	30,000	20,000	10,000	0	0	10,000	10,000	10,000	10,000	10,000	10,000																	
Planning & Project Support	280,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000																	
TOTAL PROJECT COSTS	4,738,836	1,246,000	206,000	70,000	60,000	110,000	196,000	30,000	1,370,836	20,000	280,000	1,030,000	30,000	30,000	30,000	30,000																	
CAPITAL BORROWING:																																	
General Obligation Notes	1,286,000	846,000	200,000	70,000	60,000	110,000																											
General Obligation Bonds	3,046,836						196,000	30,000	1,370,836	20,000	280,000	1,030,000	30,000	30,000	30,000	30,000																	
TOTAL CAPITAL BORROWING	4,332,836	846,000	0	70,000	60,000	110,000	196,000	30,000	1,370,836	20,000	280,000	1,030,000	30,000	30,000	30,000	30,000																	
REPAYMENT COSTS:																																	
G. O. Debt Service - Principal	5,074,569	70,000	179,000	199,000	126,000	126,000	171,000	46,000	46,000	93,793	104,021	162,437	268,194	279,981	304,310	344,728	158,550	147,368	162,644	167,608	173,217	177,457	183,958	190,850	198,074	204,445	199,021	206,600	384,313				
G. O. Debt Service - Interest	2,534,584	17,770	39,023	36,275	33,708	26,980	14,545	20,762	2,205	14,514	157,029	132,791	172,133	163,313	163,755	142,739	134,452	129,665	124,897	119,643	114,257	108,399	102,325	95,875	89,153	81,967	74,798	67,564	162,047				
TOTAL REPAYMENT COSTS	7,609,153	87,770	218,023	237,275	159,708	152,980	185,545	66,762	48,205	108,307	261,050	295,228	440,327	443,294	458,065	487,467	293,002	277,033	287,541	287,251	287,474	285,856	286,283	286,725	287,227	286,412	273,819	274,164	546,360				
PLAN REVENUES:																																	
Property Tax Increment-Projected	13,286,569	0	0	2,623	58,431	110,607	186,589	178,296	172,874	172,554	184,718	184,623	192,332	208,473	381,175	500,404	655,325	751,996	805,933	814,410	822,971	831,618	840,352	849,173	858,082	867,080	876,168	885,347	894,618				
Computer Exemption Aid	4,649	0	0	0	182	648	408	368	453	193	197	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200			
TOTAL REPAYMENT COSTS	13,291,218	0	0	2,623	58,613	111,255	186,997	178,664	173,127	172,747	184,915	184,823	192,532	208,673	381,375	500,604	655,525	752,196	806,133	814,610	823,171	831,818	840,552	849,373	858,282	867,280	876,368	885,547	894,818				
Net Excess Revenue over Costs	5,677,416	(87,770)	(218,023)	(234,652)	(101,277)	(42,373)	1,044	111,534	124,469	94,247	(76,332)	(110,605)	(247,995)	(234,921)	(76,890)	12,937	362,323	474,963	518,392	527,159	535,497	545,762	554,069	562,448	570,855	580,668	602,349	611,183	348,258				
Cumulative Revenue over Costs			(305,793)	(540,445)	(641,722)	(684,095)	(683,051)	(571,517)	(447,049)	(382,802)	(459,134)	(569,739)	(817,734)	(1,052,555)	(1,129,445)	(1,116,508)	(754,185)	(279,222)	239,170	766,329	1,301,826	1,847,588	2,401,657	2,964,104	3,534,959	4,115,627	4,717,976	5,329,159	5,677,416				

**APPENDIX C
SCHEDULE OF PROJECTED TAX INCREMENTS
APPORTIONED AMONG TAXING ENTITIES
TAX INCREMENT DISTRICT #6 - 1ST AMENDMENT**

TID Year	Tax Year	Projected Tax Increment	** ESTIMATED APPORTIONMENT among TAXING ENTITIES **					
			Neenah School District 34.000%	City of Neenah 35.000%	Winnebago County 24.000%	Fox Valley Technical College 7.000%	State of Wisconsin 0.000%	
1	1997	\$ -						
2	1998	2,623	892	918	630	184	0	
3	1999	58,431	19,867	20,451	14,023	4,090	0	
4	2000	110,607	37,606	38,712	26,546	7,742	0	
5	2001	186,589	63,440	65,306	44,781	13,061	0	
6	2002	178,296	60,621	62,404	42,791	12,481	0	
7	2003	172,674	58,709	60,436	41,442	12,087	0	
8	2004	172,554	58,668	60,394	41,413	12,079	0	
9	2005	184,718	62,804	64,651	44,332	12,930	0	
10	2006	184,623	62,772	64,618	44,309	12,924	0	
11	2007	192,332	65,393	67,316	46,160	13,463	0	
12	2008	208,473	70,881	72,965	50,033	14,593	0	
13	2009	381,175	129,599	133,411	91,482	26,682	0	
14	2010	500,404	170,137	175,141	120,097	35,028	0	
15	2011	655,325	222,811	229,364	157,278	45,873	0	
16	2012	751,996	255,679	263,199	180,479	52,640	0	
17	2013	805,933	274,017	282,077	193,424	56,415	0	
18	2014	814,410	276,899	285,043	195,458	57,009	0	
19	2015	822,971	279,810	288,040	197,513	57,608	0	
20	2016	831,618	282,750	291,066	199,588	58,213	0	
21	2017	840,352	285,720	294,123	201,684	58,825	0	
22	2018	849,173	288,719	297,210	203,801	59,442	0	
23	2019	858,082	291,748	300,329	205,940	60,066	0	
24	2020	867,080	294,807	303,478	208,099	60,696	0	
25	2021	876,168	297,897	306,659	210,280	61,332	0	
26	2022	885,347	301,018	309,871	212,483	61,974	0	
27	2023	894,618	304,170	313,116	214,708	62,623	0	
TOTALS		\$ 13,286,569	\$ 4,517,434	\$ 4,650,299	\$ 3,188,777	\$ 930,060	0	

NOTE: Estimated apportionment percentages are based upon historical trends.



City Attorney

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Attorney's e-mail: jgodlewski@ci.neenah.wi.us

December 6, 2006

Mr. Robert Buckingham
Director of Community Development
211 Walnut Street
Neenah, WI 54956

RE: Tax Increment District No. 6 Project Plan Amendment No. 1

Dear Mr. Buckingham:

You have asked me for a legal opinion as to the legal sufficiency and statutory compliance of the proposed amended Tax Incremental Financing Plan for the City of Neenah Tax Increment District No. 6 Amendment No. 1. I have reviewed the Project Plan Amendment for said district as well as the appendices attached thereto in relation to their compliance with the provisions of Section 66.1105, Wis. Stats. It is my opinion that the Project Plan Amendment is in compliance with all of the provisions of Section 66.1105, Wis. Stats. dealing with the amendment of tax incremental financing districts.

If you have any questions concerning this matter, please contact me at your convenience.

Very truly yours,


James G. Godlewski
City Attorney

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