

October 30, 2017

# Project Plan for Creation of Tax Incremental District No. 4 (Amcast Redevelopment)



Organizational Joint Review Board Meeting Held:	October 16, 2017
Public Hearing Held:	October 16, 2017
Approval by CDA:	October 16, 2017
Adoption by Common Council:	October 30, 2017
Approval by the Joint Review Board:	Scheduled for November 16, 2017

# Tax Incremental District No. 4 Creation Project Plan

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## SECTION 1: Executive Summary

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### Type of District, Size and Location

Tax Incremental District No. 4 (the “TID” or “District”) is a proposed 8.42 acre blighted area district to be created to facilitate redevelopment of the former Meta Mold Aluminum Company manufacturing site. Located in the east central portion of the City in the general vicinity of the intersection of Johnson Avenue and Hamilton Road, the properties to be included within the District are listed as part of a larger property included on the United State Environmental Protection Agency National Priorities List. The properties are contaminated with various hazardous substances including polychlorinated biphenyl (PCB), polycyclic aromatic hydrocarbons (PAH), asbestos containing building materials (ACBMs), lead based paint, and other volatile organic compounds (VOCs). The City intends to use tax incremental financing to provide incentives to a private developer for remediation and redevelopment of the properties. A map of the proposed District boundaries is found in Section 3 of this plan.

### Estimated Total Project Expenditures

The City anticipates making total project expenditures (“Project Costs”) of approximately \$4.54 million including \$3.33 million in project incentive and assistance payments, \$1.04 million for long-term interest due on the associated debt obligation, \$97,000 for finance related expenses and \$84,000 for administrative expense over the life of the District. Full costs to carry the debt are estimated to be \$1.37 million with an expectation that the City will need to provide a net \$337,766 subsidy to cover the full amount of the interest payments due. Projects to be undertaken pursuant to this Project Plan (“Plan”) are expected to be financed with general obligation debt issued by the City. A summary of total project financing, is found in Section 10 of this plan.

### Economic Development

The development agreement obligates the developer to create a minimum of \$10,025,000 in incremental valuation within the District not later than January 1, 2027. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and associated values is found in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

### Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, the City expects the District will remain open for its entire 27-year term. The City further expects that the District will not recover its Project Costs, and that the City will be providing an estimated \$878,946 subsidy to the District consisting of the \$337,766 debt service gap noted in the Estimated Total Project Expenditures paragraph above plus \$541,180 in estimated interest accruals on both the recovered and unrecovered portions of advanced funds. The City’s subsidy would be reduced should development occur sooner, at greater densities or higher values, or in the event of economic appreciation beyond the 1% assumed in the projections included in this Plan. While the City does not expect the District to fully recover its project costs, it is willing to provide a subsidy to eliminate a blighted and contaminated property which constitutes a public nuisance and health hazard. Cooperation with a willing developer provides an opportunity to leverage private investment and share risks in redevelopment of the site that would otherwise be entirely borne by the public.

## Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this 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.** In making this determination, the City has considered the fact that the properties have been idle since 2005 when Amcast ceased manufacturing operations and filed for bankruptcy. Given the documented presence of various types of environmental contamination and the level of remediation related expense that must be incurred to allow for redevelopment, the use of tax incremental financing will be required to attract private investment.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
  - While the City does not expect that redevelopment within the District will allow for full recovery of all Project Costs, creation of the District will provide a revenue source to offset a substantial portion of the remediation cost that would otherwise be borne entirely by existing taxpayers.
  - Although presently undetermined, redevelopment of the properties within the District is expected to generate short-term employment related to remediation and construction activities within the District, and potential long-term employment related to business operations that may locate within the District in the future.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
  - If approved, the District’s creation would become effective for valuation purposes as of January 1, 2018. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2018 would be collected by the TID and used to repay the costs of eligible Project Costs undertaken within the District.
  - Since the development expected to occur is unlikely to take place or in the same manner without the use of tax incremental financing (see Finding #1) and since the District will generate economic benefits that are sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.
4. Not less than 50% by area of the real property within the District is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1.

5. Based upon the findings, as stated above, the District is declared to be a blighted area district based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting the elimination of blight consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that LESS THAN 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

## SECTION 2: Type and General Description of District

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The District is a proposed 8.42 acre blighted area district to be created to facilitate redevelopment of the former Meta Mold Aluminum Company manufacturing site. Located in the east central portion of the City in the general vicinity of the intersection of Johnson Avenue and Hamilton Road, the properties to be included within the District are listed as part of a larger property included on the United State Environmental Protection Agency National Priorities List. The properties are contaminated with various hazardous substances including polychlorinated biphenyl (PCB), polycyclic aromatic hydrocarbons (PAH), asbestos containing building materials (ACBMs), lead based paint, and other volatile organic compounds (VOCs). The City intends to use tax incremental financing to provide incentives to a private developer for remediation and redevelopment of the properties. A map of the proposed District boundaries is found in Section 3 of this plan.

The City intends that tax incremental financing will be used for remediation of the properties located within the District, and to assure that private development occurs consistent with the City's redevelopment objectives. This will be accomplished making necessary related Project Cost expenditures. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in this Plan relate directly to the elimination of blight and are consistent with the purpose for which the District is created.

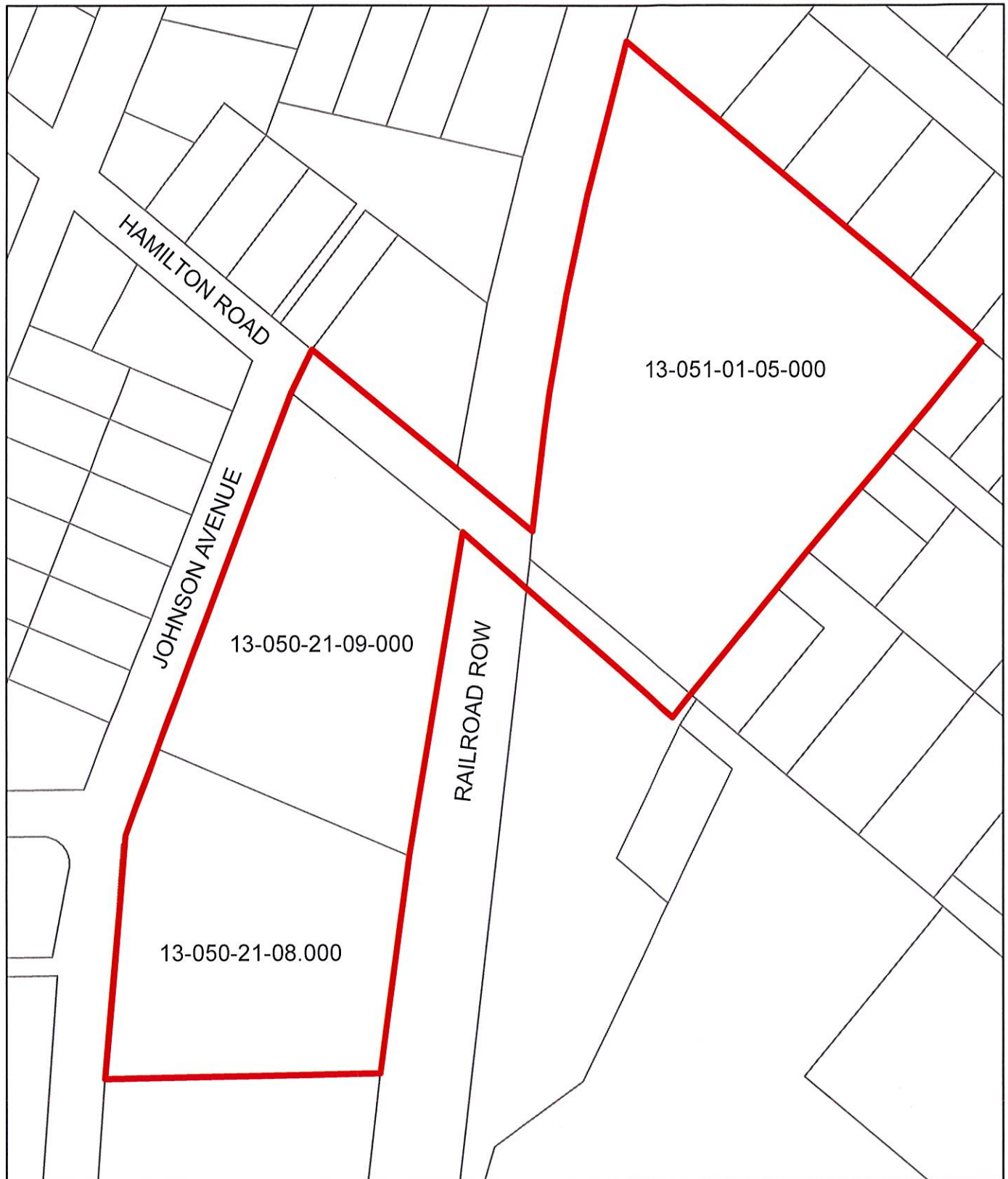
## SECTION 3: Preliminary Map of Proposed District Boundary

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See Map on Following Page



# Map of Proposed District Boundary



N



1 inch = 150 feet

TIF Boundary  
Current Land Use

City of Cedarburg  
Ozaukee County, Wisconsin

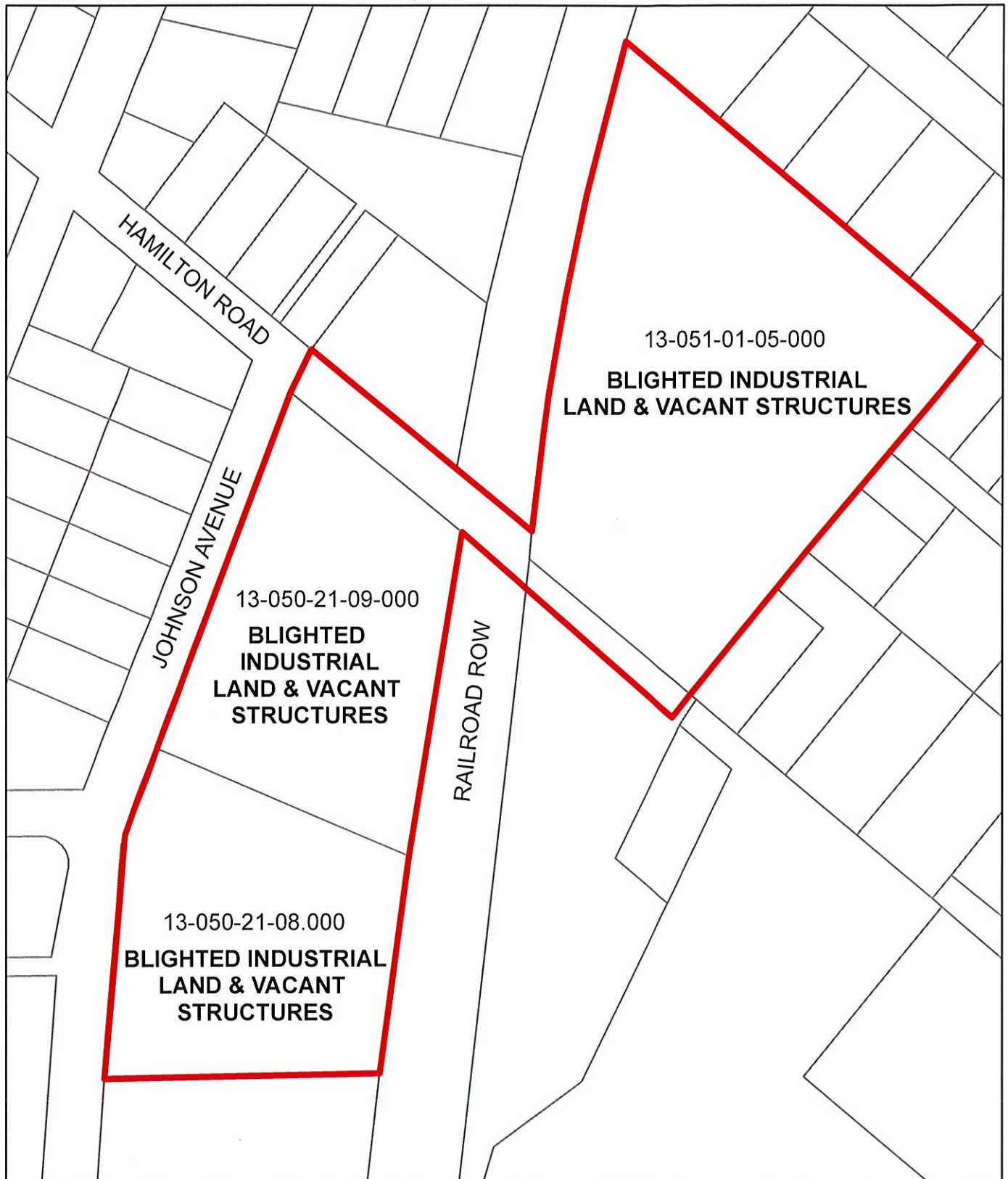
Project Plan TID No. 4 Creation  
September, 2017

## SECTION 4: Map Showing Existing Uses and Conditions

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See Map on Following Page

# Map Showing Existing Use & Conditions



N



1 inch = 150 feet

TIF Boundary  
Current Land Use

City of Cedarburg  
Ozaukee County, Wisconsin

Project Plan TID No. 4 Creation  
September, 2017

## SECTION 5: Preliminary Parcel List and Analysis

City of Cedarburg											
Tax Increment District #4											
Base Property Information											
Property Information				Assessment Information <sup>2</sup>			Equalized Value				District Classification
Parcel Number	Street Address	Owner	Acreage <sup>1</sup>	Land	Imp	Total	Equalized Value Ratio <sup>3</sup>	Land	Imp	Total	Blighted <sup>4</sup>
13-051-01-05-000	N37 W5684 Hamilton Road	META-MOLD ALUMINUM CO	4.020	100	100	200	97.39%	103	103	205	4.020
13-050-21-09-000	N39 W5789 Hamilton Road	META-MOLD ALUMINUM CO	2.400	100	100	200	97.39%	103	103	205	2.400
13-050-21-08-000	Hamilton Road	META-MOLD ALUMINUM CO	2.004	100	100	200	97.39%	103	103	205	2.004
<b>Total Acreage 8.42</b>				300	300	600		308	308		8.424
								<b>Estimated Base Value 616</b>			100.00%

**Notes:**

<sup>1</sup>Parcel acreage taken from development agreement.

<sup>2</sup>Assessed values shown are as of January 1, 2017.

<sup>3</sup>January 1, 2016 assessment ratio as published by the Wisconsin Department of Revenue.

<sup>4</sup>Sites on which "...the structures, buildings or improvements, 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." in accordance with Wis. Stat. § 66.1105(2)(a)1.a.

## SECTION 6: Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City. The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$15,516. This value is less than the maximum of \$157,097,676 in equalized value that is permitted for the City of Cedarburg. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Cedarburg	
Tax Increment District #4	
Valuation Test Compliance Calculation	
District Creation Date	10/30/2017
	Valuation Data Currently Available 2017
Total EV (TID In)	1,309,147,300
12% Test	157,097,676
Increment of Existing TIDs	
TID #3	14,900
Total Existing Increment	14,900
Projected Base of New District	616
Total Value Subject to 12% Test	15,516
Compliance	PASS

## SECTION 7:

# Statement of Kind, Number and Location of Proposed Public Works and Other Projects

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

The following is a list of public works and other eligible projects that the City expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered Project Costs and eligible to be paid with tax increment revenues of the District.

## Property, Right-of-Way and Easement Acquisition

### Property Acquisition for Redevelopment

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

### Acquisition of Rights-of-Way

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

### Acquisition of Easements

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

## Site Preparation Activities

### Environmental Audits and Remediation

Any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.



## **Demolition**

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

## **Site Grading**

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

## **Utilities**

### **Sanitary Sewer System Improvements**

To allow redevelopment to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Water System Improvements**

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

### **Stormwater Management System Improvements**

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

## **Streets and Streetscape**

### **Street Improvements**

To allow redevelopment to occur, the City may need to construct or reconstruct streets. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; utility relocation, street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

### **CDA Activities**

#### **Contribution to Community Development Authority (CDA)**

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

### **Miscellaneous**

#### **Cash Grants (Development Incentives)**

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

#### **Professional Service and Organizational Costs**

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

#### **Administrative Costs**

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

#### **Financing Costs**

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

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



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

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted here from and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

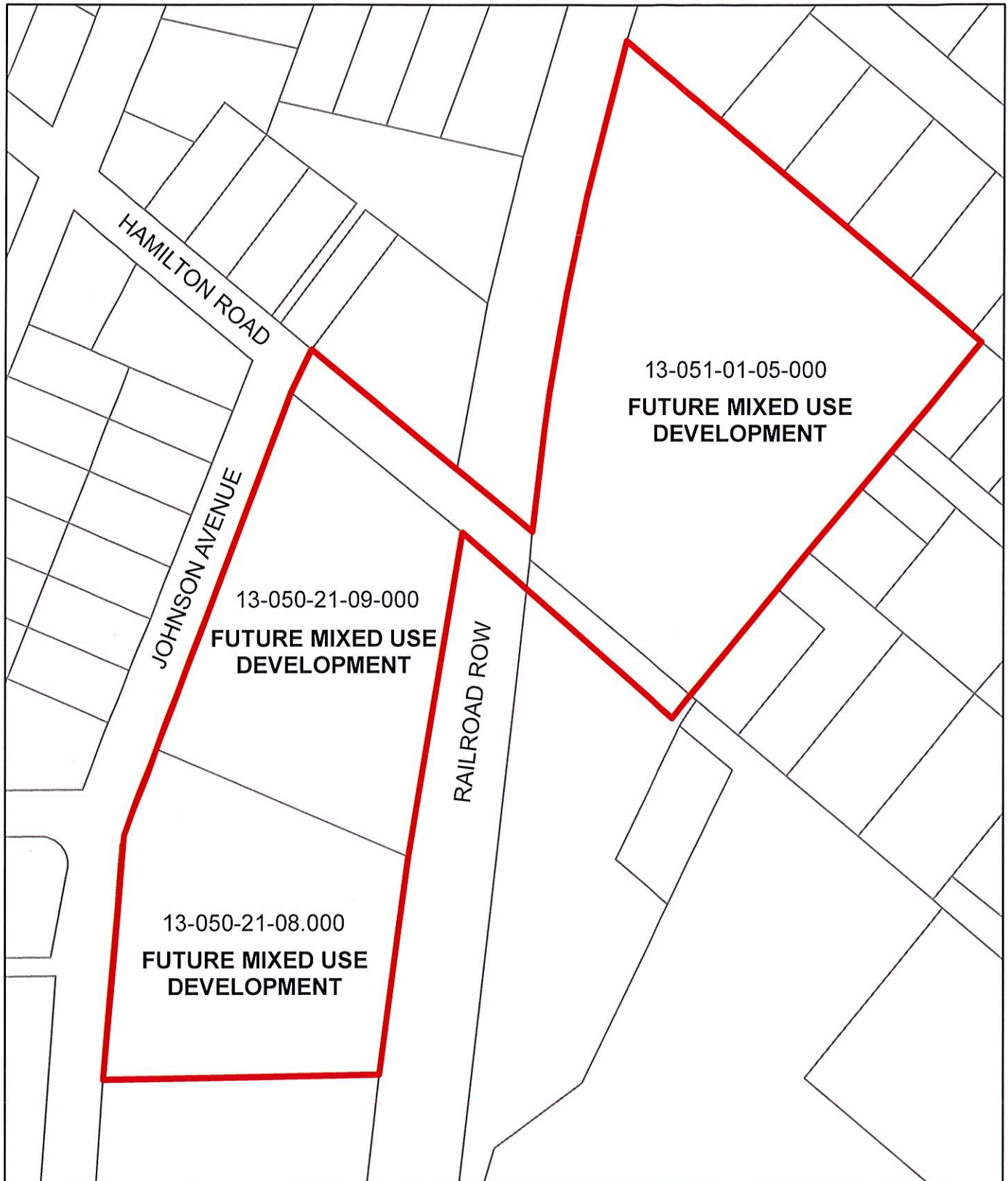
**The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.**

## SECTION 8: Map Showing Proposed Improvements and Uses

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See Map on Following Page

# Map Showing Proposed Improvements & Conditions



N



1 inch = 150 feet

**TIF Boundary  
Current Land Use**

**City of Cedarburg  
Ozaukee County, Wisconsin**

Project Plan TID No. 4 Creation  
September, 2017

## SECTION 9: Detailed List of Project Costs

All costs are based on 2017 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2017 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

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

### Proposed TIF Project Cost Estimates

City of Cedarburg				
Tax Increment District #4				
Estimated Project List				
Project ID	Project Name/Type	Phase I 2018	Phase II Ongoing	Total
1	Developer Assistance	275,000		275,000
2	Project Gap Financing <sup>2</sup>	3,053,000		3,053,000
3	Financed Related Expenses <sup>3</sup>	97,000		97,000
4	Interest on Long Term Debt		1,374,298	1,374,298
5	Projected Unrecovered Interest Expense on Long-Term Debt <sup>4</sup>		(337,766)	(337,766)
6	Administrative Expense	20,000	64,000	84,000
7				0
8				0
9				0
10				0
<b>Total Projects</b>		<b>3,445,000</b>	<b>1,100,532</b>	<b>4,545,532</b>
<b>Notes:</b>				
<sup>1</sup> Per development agreement, assistance amounts to be paid in four installments based on achieving specified objectives.				
<sup>2</sup> Per development agreement, maximum amount available for reimbursement to site developer for remediation related costs.				
<sup>3</sup> Estimated debt issuance related costs to include underwriting discount, municipal advisor, bond attorney and rating fee.				
<sup>4</sup> Anticipated shortfall between available tax increments and project debt service.				

## SECTION 10:

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

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The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- While the development anticipated to occur as a result of the implementation of this Plan is not expected to generate sufficient tax increments to fully pay for the related Project Costs, remediation of the site will eliminate a blighted and contaminated property which constitutes a public nuisance and health hazard. Cooperation with a willing developer provides an opportunity to leverage private investment and share risks in redevelopment of the site that would otherwise be entirely borne by the public.
- Within this Section are tables identifying: 1) the development expected to occur; 2) a projection of tax increments to be collected resulting from that development; and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs assuming a City subsidy to the District.

## Available Financing Methods

The development agreement that the City has approved obligates it to provide up to \$3,328,000 in incentive financing if all terms and conditions of that agreement are satisfied by the developer. The City will issue general obligation bonds to finance this incentive. The City is presently indebted at 25.3% of its available limit with over \$48 million in available debt capacity.

## Plan Implementation

The City expects to incur approximately \$4.54 million in Project Costs including \$3.33 million in project incentive and assistance payments, \$1.04 million for long-term interest due on the associated debt obligation, \$97,000 for finance related expenses and \$84,000 for administrative expense over the life of the District. The full cost to carry the debt is estimated to be \$1.37 million with an expectation that the City will need to provide a \$878,946 subsidy to the District consisting of \$337,766 in unrecovered advances for debt service payment plus \$541,180 in estimated interest accruals on both the recovered and unrecovered portions of the advanced funds. The City’s subsidy would be reduced should development occur sooner, at greater densities or higher values, or in the event of economic appreciation beyond the 1% assumed in the projections included in this Plan.

## Implementation and Financing Timeline

City of Cedarburg		
Tax Increment District #4		
Estimated Financing Plan		
		<div>Taxable G.O. Development Bond</div> Dated 4-1-2018
Projects		
Developer Assistance		275,000
Project Gap Financing		3,053,000
Total Project Funds		3,328,000
Estimated Finance Related Expenses		
Municipal Advisor		23,000
Bond Counsel		12,000
Disclosure Counsel		7,200
Rating Agency Fee		11,500
Paying Agent		675
Underwriter Discount	12.50	42,625
Total Financing Required		3,425,000
Estimated Interest	0.50%	(16,640)
Assumed spend down (months)	12	
Rounding		1,640
Net Issue Size		3,410,000
<b>Notes:</b>		

## Development Assumptions

<div>City of Cedarburg</div> <div>Tax Increment District #4</div> <div>Development Assumptions<sup>1</sup></div>					
Construction Year		Actual	Metamold/ Amcast Site <sup>1</sup>	Annual Total	Construction Year
1	2018			0	2018 1
2	2019		275,000	275,000	2019 2
3	2020			0	2020 3
4	2021			0	2021 4
5	2022			0	2022 5
6	2023		2,500,000	2,500,000	2023 6
7	2024		2,000,000	2,000,000	2024 7
8	2025		2,500,000	2,500,000	2025 8
9	2026		2,750,000	2,750,000	2026 9
10	2027			0	2027 10
11	2028			0	2028 11
12	2029			0	2029 12
13	2030			0	2030 13
14	2031			0	2031 14
15	2032			0	2032 15
16	2033			0	2033 16
17	2034			0	2034 17
18	2035			0	2035 18
19	2036			0	2036 19
20	2037			0	2037 20
21	2038			0	2038 21
22	2039			0	2039 22
23	2040			0	2040 23
24	2041			0	2041 24
25	2042			0	2042 25
26	2043			0	2043 26
27	2044			0	2044 27
Totals		0	10,025,000	10,025,000	

**Notes:**

<sup>1</sup>Timing and valuation amounts per development agreement.

# Increment Revenue Projections

## City of Cedarburg

### Tax Increment District #4

#### Tax Increment Projection Worksheet

Type of District	Blighted Area	Base Value	616	<b>Apply to Base Value</b>
District Creation Date	October 30, 2017	Appreciation Factor	1.00%	
Valuation Date	Jan 1, 2018	Base Tax Rate	19.86	
Max Life (Years)	27	Rate Adjustment Factor		
Expenditure Period/Termination	22 10/30/2039			
Revenue Periods/Final Year	27 2046			
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	3.00%	
Recipient District	Yes	Taxable Discount Rate	4.50%	

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1 2018	0	2019	0	0	2020	\$19.86	0	0	0
2 2019	275,000	2020	0	275,000	2021	\$19.86	5,461	5,148	5,001
3 2020	0	2021	2,750	277,750	2022	\$19.86	5,516	10,195	9,834
4 2021	0	2022	2,778	280,528	2023	\$19.86	5,571	15,145	14,506
5 2022	0	2023	2,805	283,333	2024	\$19.86	5,627	19,999	19,021
6 2023	2,500,000	2024	2,833	2,786,166	2025	\$19.86	55,330	66,337	61,509
7 2024	2,000,000	2025	27,862	4,814,028	2026	\$19.86	95,601	144,069	131,759
8 2025	2,500,000	2026	48,140	7,362,168	2027	\$19.86	146,204	259,484	234,568
9 2026	2,750,000	2027	73,622	10,185,790	2028	\$19.86	202,278	414,513	370,681
10 2027	0	2028	101,858	10,287,648	2029	\$19.86	204,301	566,532	502,236
11 2028	0	2029	102,876	10,390,524	2030	\$19.86	206,344	715,599	629,385
12 2029	0	2030	103,905	10,494,429	2031	\$19.86	208,407	861,771	752,275
13 2030	0	2031	104,944	10,599,374	2032	\$19.86	210,491	1,005,105	871,049
14 2031	0	2032	105,994	10,705,367	2033	\$19.86	212,596	1,145,656	985,845
15 2032	0	2033	107,054	10,812,421	2034	\$19.86	214,722	1,283,478	1,096,796
16 2033	0	2034	108,124	10,920,545	2035	\$19.86	216,869	1,418,624	1,204,031
17 2034	0	2035	109,205	11,029,751	2036	\$19.86	219,038	1,551,145	1,307,675
18 2035	0	2036	110,298	11,140,048	2037	\$19.86	221,228	1,681,094	1,407,847
19 2036	0	2037	111,400	11,251,449	2038	\$19.86	223,441	1,808,519	1,504,664
20 2037	0	2038	112,514	11,363,963	2039	\$19.86	225,675	1,933,470	1,598,239
21 2038	0	2039	113,640	11,477,603	2040	\$19.86	227,932	2,055,994	1,688,679
22 2039	0	2040	114,776	11,592,379	2041	\$19.86	230,211	2,176,139	1,776,091
23 2040	0	2041	115,924	11,708,303	2042	\$19.86	232,513	2,293,952	1,860,574
24 2041	0	2042	117,083	11,825,386	2043	\$19.86	234,838	2,409,477	1,942,228
25 2042	0	2043	118,254	11,943,640	2044	\$19.86	237,187	2,522,758	2,021,148
26 2043	0	2044	119,436	12,063,076	2045	\$19.86	239,558	2,633,840	2,097,424
27 2044	0	2045	120,631	12,183,707	2046	\$19.86	241,954	2,742,765	2,171,145
<b>Totals</b>	<b>10,025,000</b>		<b>2,158,707</b>		<b>Future Value of Increment</b>		<b>4,528,892</b>		

Notes:

<sup>1</sup>Rate shown is actual rate for 2016/17 per DOR Form PC-202 (Tax Increment Collection Worksheet).



Cash Flow

City of Cedarburg																		
Tax Increment District #4																		
Cash Flow Projection																		
Year	Projected Revenues					Expenditures								Balances			Year	
	Tax Increments	Interest Earnings <sup>1</sup>	Proceeds of Long Term Debt	City Levy & Advances for TID Debt & Projects <sup>2</sup>	Total Revenues	Taxable G.O. Development Bond 3,410,000				Developer Assistance & Project Gap Financing	Finance Related Expense <sup>4</sup>	Repayment of City Advances	Admin.	Total Expenditures	Annual	Cumulative		Principal Outstanding
						Dated Date:	04/01/18											
						Prin (4/1)	Est. Rate <sup>3</sup>	Interest	Total									
2018		16,640	3,410,000	18,360	3,445,000					3,233,000	97,000		20,000	3,350,000	95,000	95,000	3,410,000	2018
2019				242,388	242,388	80,000	1.620%	160,388	240,388	64,500			2,000	306,888	(64,500)	30,500	3,330,000	2019
2020	0			241,867	241,867	135,000	1.770%	104,867	239,867	30,500			2,000	272,367	(30,500)	0	3,195,000	2020
2021	5,461			233,908	239,369	135,000	1.930%	102,369	237,369				2,000	239,369	0	0	3,060,000	2021
2022	5,516			235,997	241,513	140,000	2.220%	99,513	239,513				2,000	241,513	0	0	2,920,000	2022
2023	5,571			237,619	243,190	145,000	2.440%	96,190	241,190				2,000	243,190	0	0	2,775,000	2023
2024	5,627			233,945	239,572	145,000	2.550%	92,572	237,572				2,000	239,572	0	0	2,630,000	2024
2025	55,330			185,338	240,668	150,000	2.740%	88,668	238,668				2,000	240,668	0	0	2,480,000	2025
2026	95,601			145,772	241,373	155,000	2.890%	84,373	239,373				2,000	241,373	0	0	2,325,000	2026
2027	146,204			95,546	241,750	160,000	2.980%	79,750	239,750				2,000	241,750	0	0	2,165,000	2027
2028	202,278			39,522	241,800	165,000	3.110%	74,800	239,800				2,000	241,800	0	0	2,000,000	2028
2029	204,301			37,154	241,455	170,000	3.270%	69,455	239,455				2,000	241,455	0	0	1,830,000	2029
2030	206,344			34,365	240,709	175,000	3.390%	63,709	238,709				2,000	240,709	0	0	1,655,000	2030
2031	208,407			31,203	239,611	180,000	3.480%	57,611	237,611				2,000	239,611	0	0	1,475,000	2031
2032	210,491			32,577	243,068	190,000	3.590%	51,068	241,068				2,000	243,068	0	0	1,285,000	2032
2033	212,596			28,522	241,118	195,000	3.630%	44,118	239,118				2,000	241,118	0	0	1,090,000	2033
2034	214,722			24,157	238,879	200,000	3.700%	36,879	236,879				2,000	238,879	0	0	890,000	2034
2035	216,869			24,414	241,284	210,000	3.710%	29,284	239,284				2,000	241,284	0	0	680,000	2035
2036	219,038			24,258	243,296	220,000	3.720%	21,296	241,296				2,000	243,296	0	0	460,000	2036
2037	221,228			18,768	239,997	225,000	3.740%	12,997	237,997				2,000	239,997	0	0	235,000	2037
2038	223,441			17,954	241,395	235,000	3.740%	4,395	239,395				2,000	241,395	0	0	0	2038
2039	225,675				225,675							223,675	2,000	225,675	0	0	0	2039
2040	227,932				227,932							225,932	2,000	227,932	0	0	0	2040
2041	230,211				230,211							228,211	2,000	230,211	0	0	0	2041
2042	232,513				232,513							230,513	2,000	232,513	0	0	0	2042
2043	234,838				234,838							232,838	2,000	234,838	0	0	0	2043
2044	237,187				237,187							235,187	2,000	237,187	0	0	0	2044
2045	239,558				239,558							237,558	2,000	239,558	0	0	0	2045
2046	241,954				241,954							231,954	10,000	241,954	0	0	0	2046
Total	4,528,892	16,640	3,410,000	2,183,635	10,139,166	3,410,000		1,374,298	4,784,298	3,328,000	97,000	1,845,868	84,000	10,139,166				Total
				(1,845,868)	Repayment of City Advances													
				337,766	Unrecovered Portion													
				541,180	Plus 1% Interest Accrued on Advance Amounts													
				878,946	Net Total City Contribution													
					Maturities Subject to Optional Redemption (Callable)													
Notes:																		
<sup>1</sup> Estimated interest earnings on temporary investment of bond proceeds.																		
<sup>2</sup> Estimated amount of City tax levy or other revenue needed to pay TID debt service and administrative costs. Negative figures shown for 2038 through 2045 reflect potential to recoup a portion of prior contributions to the TID after debt is retired.																		
<sup>3</sup> Estimated rates shown reflect taxable MMD AA scale of 8-29-2017 plus 0.25%.																		
<sup>4</sup> Includes underwriting discount, bond counsel, disclosure counsel, rating fee, paying agent and municipal advisor.																		
															Projected TID Closure			

## **SECTION 11: Annexed Property**

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There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

## **SECTION 12: Estimate of Property to be Devoted to Retail Business**

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

## **SECTION 13: Proposed Zoning Ordinance Changes**

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The City anticipates that there may be changes in the Zoning Ordinance needed for the implementation of this plan.

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

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It is anticipated that the Comprehensive Land Use Plan/Map and Zoning Map will need to be amended for the implementation of this plan.

## **SECTION 15: Relocation**

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There are no current business or residential uses of property within the District. Should relocation become necessary it will be carried out in accordance with the relocation requirements set forth in Chapter 32 of the Wisconsin Statutes and the Federal Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 (P.L. 91-646) as applicable.

## SECTION 16: Orderly Development of the City of Cedarburg

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The District contributes to the orderly development of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity.

## SECTION 17: List of Estimated Non-Project Costs

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

Examples would include:

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

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

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

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

SECTION 18:

Opinion of Attorney for the City of Cedarburg Advising  
Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105

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Robert L. Feind, Jr.  
John M. Gallo  
Michael P. Herbrand  
Margaret G. Zickuhr  
Timothy S. Schoonenberg  
  
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October 19, 2017

Mr. Kip Kinzel, Mayor  
City of Cedarburg  
W63 N645 Washington Avenue  
Cedarburg, WI 53012

Re: City of Cedarburg, Wisconsin Tax Incremental District No. 4

Dear Mayor Kinzel:

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

Very truly yours,

HOUSEMAN & FEIND, LLP



Michael P. Herbrand

MPH:csp

Exhibit A:

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

Estimated Portion of Taxes that Owners of Taxable Property in each Taxing Jurisdiction Overlaying District would pay by Jurisdiction <sup>1</sup>						
DOR Form PC-202 Year		2016/17				
Ozaukee County		2,262,791	9.09%			
City of Cedarburg		9,118,860	36.62%			
Cedarburg School District		11,937,297	47.94%			
MATC		1,580,353	6.35%			
Total		24,899,302				
Revenue Year	Ozaukee County	City of Cedarburg	Cedarburg School District	MATC	Total	Revenue Year
2020	0	0	0	0	0	2020
2021	496	2,000	2,618	347	5,461	2021
2022	501	2,020	2,644	350	5,516	2022
2023	506	2,040	2,671	354	5,571	2023
2024	511	2,061	2,698	357	5,627	2024
2025	5,028	20,263	26,526	3,512	55,330	2025
2026	8,688	35,012	45,833	6,068	95,601	2026
2027	13,287	53,544	70,094	9,280	146,204	2027
2028	18,383	74,080	96,977	12,839	202,278	2028
2029	18,566	74,821	97,946	12,967	204,301	2029
2030	18,752	75,569	98,926	13,097	206,344	2030
2031	18,940	76,325	99,915	13,228	208,407	2031
2032	19,129	77,088	100,914	13,360	210,491	2032
2033	19,320	77,859	101,923	13,493	212,596	2033
2034	19,513	78,638	102,943	13,628	214,722	2034
2035	19,709	79,424	103,972	13,765	216,869	2035
2036	19,906	80,218	105,012	13,902	219,038	2036
2037	20,105	81,020	106,062	14,041	221,228	2037
2038	20,306	81,831	107,123	14,182	223,441	2038
2039	20,509	82,649	108,194	14,324	225,675	2039
2040	20,714	83,475	109,276	14,467	227,932	2040
2041	20,921	84,310	110,368	14,611	230,211	2041
2042	21,130	85,153	111,472	14,758	232,513	2042
2043	21,342	86,005	112,587	14,905	234,838	2043
2044	21,555	86,865	113,713	15,054	237,187	2044
2045	21,771	87,733	114,850	15,205	239,558	2045
2046	21,988	88,611	115,998	15,357	241,954	2046
<b>Total</b>	<b>411,575</b>	<b>1,658,614</b>	<b>2,171,255</b>	<b>287,448</b>	<b>4,528,892</b>	

<sup>1</sup>The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.