



April 27, 2020

Project Plan

Tax Incremental District No. 6

[Highway 60 Business Park]



Organizational Joint Review Board Meeting Held:	April 27, 2020
Public Hearing Held:	April 27, 2020
Approval by CDA:	April 27, 2020
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SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 6 (“District”) is a proposed Industrial District comprising approximately 60 acres of City owned land located on State Highway 60. The District will be created to pay the costs of public infrastructure and other expenditures needed to develop the land for use as a business park (“Project”). In addition to the incremental property value that will be created, the City expects the Project will result in creation or retention of jobs, increased demand for goods and services, and increased collections of income, payroll and sales taxes benefitting the local area, region and state.

Authority

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$12.82 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$8.22 million in public infrastructure expense, \$4.43 million in long term interest and finance related expense, and \$170,000 for expenses related to the administration of the District.

Incremental Valuation

The Plan assumes that over a ten-year period a total of 562,500 sq. ft. of manufacturing property will be constructed within the District with initial land and improvements value of approximately \$42.19 million. Due to the depreciating nature of manufacturing property, the Plan assumes property values will decline by 2% annually, resulting in total incremental value of \$30.86 million at the end of the twenty-year life of the District. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption’s as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within 19 of its allowable 20 years.

Summary of Findings

As required by Wis. Stat. § 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 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 reaching this determination, the City has considered the substantial investment needed to provide the public infrastructure necessary to allow for development within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements. Furthermore, the City recognizes that most manufacturers prefer “shovel ready” sites when considering construction of facilities. It is therefore unlikely that the City’s manufacturing tax base will grow but for the use of tax incremental financing.
2. The economic benefits of the 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 that industries locating in the District are likely to purchase goods and services from local suppliers for both the construction and operation of their facilities. Employees working within the District are likely to spend locally for goods and services from retailers, restaurants and service companies.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 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 prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is suitable for industrial sites as defined by Wis. Stat. § 66.1101 and has been zoned for industrial use. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of creation of the District will remain zoned for industrial use for the life of the District.

5. Based on the foregoing finding, the District is designated as an industrial district.
6. The Project Costs relate directly to promoting industrial development in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value 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 Wis. Stat. § 66.1105(5)(b).
10. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2:

Preliminary Map of Proposed District Boundary

Map Found on Following Page.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.

Proposed District Boundary



SECTION 3:

Map Showing Existing Uses and Conditions

Map Found on Following Page.

Existing Uses and Conditions



SECTION 4:
Preliminary Parcel List and Analysis

The proposed District consist of a single parcel owned by the City. Parcel details are as follows:

Parcel #	13-022-02-000.00
Acres	59.33
Value:	Tax-Exempt
Zoned	M-3 Business Park

The entirety of the territory to be located within the District is zoned and suitable for industrial development.

SECTION 5: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 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.

Calculation of City Equalized Value Limit

City TID IN Equalized Value (Jan. 1, 2019)	\$ 1,433,294,900
TID Valuation Limit @ 12% of Above Value	\$ 171,995,388

Calculation of Value Subject to Limit

Base Value of New District	\$ 0
Incremental Value of Existing Districts (Jan. 1, 2019)	\$ <u>4,782,000</u>
Total Value Subject to 12% Valuation Limit	\$ 4,782,000

The parcels to be included within the District is City owned and are tax-exempt. The equalized value of the increment of existing tax incremental districts within the City totals \$4,782,000. This value is less than the maximum of \$171,995,388 in equalized value that is permitted for the City.

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, 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.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

Property, Right-of-Way and Easement Acquisition

Land Writedown

The City acquired the property prior to creating the District, therefore the costs of acquisition are not an eligible Project Cost. The City may, however, charge to the District as an eligible Project Cost the amount of any land writedown as a "real property assembly cost" as defined in Wis. Stat. § 66.1105(2)(f)1.c. A land writedown will occur if the City's prior cost to acquire the land plus its costs to make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, and to the extent that those costs are not otherwise recovered from tax increments.

Acquisition of Rights-of-Way

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

Acquisition of Easements

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

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include but are not limited to preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, 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, 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 development 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; pumping stations; lift stations; wastewater treatment facilities; 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 Plan will require that the City construct sanitary sewer improvements 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 Plan are eligible Project Costs under Wis. Stat. § 66.1105(2)(f)1 k.

Water System Improvements

To allow development 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; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Plan will require that the City construct water system improvements 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 Plan are eligible Project Costs under Wis. Stat. § 66.1105(2)(f)1 k.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. 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; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

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

Gas Service

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

Communications Infrastructure

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

Streets and Streetscape

Street Improvements

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

Streetscaping and Landscaping

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

Miscellaneous

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside the District:

- Development of the Project will require that certain improvements be made to STH 60, which is located adjacent to the northern boundary of the District.

- Development of the Project may also require that the City pay costs to install road improvements and to mitigate associated wetlands on property located immediately to the west of the District.

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 relating to the implementation of the Plan.

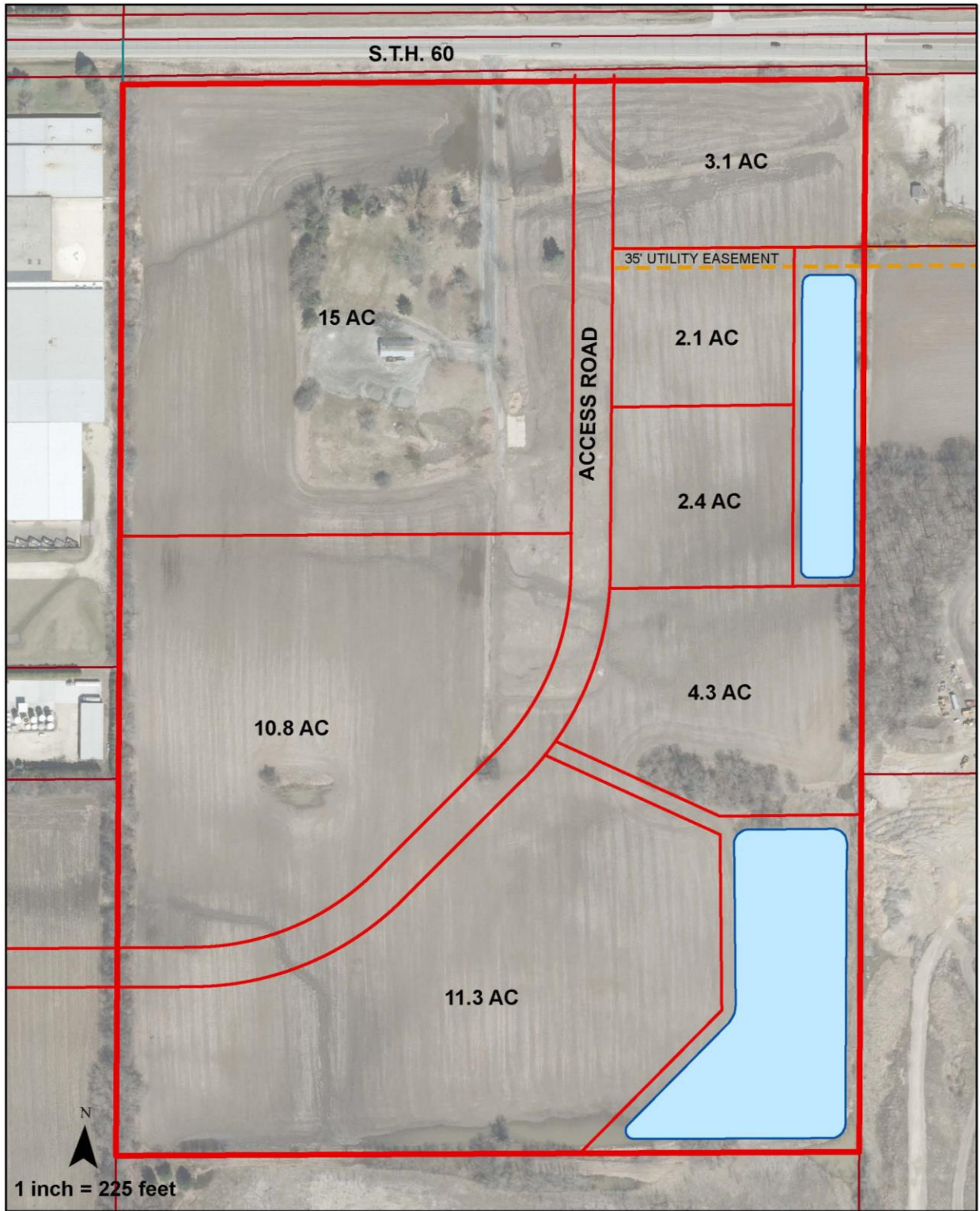
Financing Costs

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.

SECTION 7:
Map Showing Proposed Improvements and Uses

Map Found on Following Page.

Proposed Improvements and Uses



SECTION 8: Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District’s Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Cedarburg Tax Increment District #6 Estimated Project List	
Public Infrastructure (2021)	Est. Cost
Wetland Mitigation*	\$ 281,310
Erosion Control	\$ 75,000
Demolition	\$ 62,500
Grading	\$ 737,450
Sanitary Sewer System	\$ 620,350
Sanitary Pump Station Improvements	\$ 139,900
Water Distribution System	\$ 434,550
Water Booster Station	\$ 750,000
Storm Sewer System	\$ 363,170
Storm Water Management Ponds	\$ 220,000
Internal Streets	\$ 554,300
Ped Pathways	\$ 144,400
STH 60 Improvements @ Business Park*	\$ 1,043,070
Offsite Connector Road Construction*	\$ 200,000
Gas, Electric & Communication Facilities	\$ 196,080
Engineering Design	\$ 456,240
Construction Phase Services	\$ 570,240
Contingency @ 20%	\$ 1,369,712
Finance Related Expense (2021)	\$ 200,975
Interest on Long Term Debt (2021 - 2041)	\$ 4,226,775
Administrative Expense (2021 - 2041)	\$ 174,352
Total Projects	<u>\$ 12,820,374</u>

*Portions or the entirety of these line items may be located in territory outside of, but within 1/2 mile of the District’s boundaries and are eligible Project Cost under Wis. Stat. § 66.1105(2)(f)1.n.

SECTION 9: Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Plan assumes that over a ten-year period a total of 562,500 sq. ft. of manufacturing property will be constructed within the District with initial land and improvements value of approximately \$42.19 million. Due to the depreciating nature of manufacturing property, the Plan assumes property values will decline by 2% annually, resulting in total incremental value of \$30.86 million at the end of the twenty-year life of the District. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$19.08 per thousand of equalized value, the Project would generate \$11,394,550 in incremental tax revenue over the 20-year term of the District as shown in **Table 2**.

City of Cedarburg
Tax Increment District #6
Development Assumptions

Construction Year		Industrial Development		Projected Value			Annual Total	Construction Year	
		Sq. Ft.	Acres	Est. Value	Per Sq. Ft.	Per Acre			
1	2021							2021	1
2	2022	250,000	15.00	18,750,000	\$75	937,500	18,750,000	2022	2
3	2023						0	2023	3
4	2024	125,000	10.00	9,375,000	\$75	937,500	9,375,000	2024	4
5	2025						0	2025	5
6	2026	62,500	5.00	4,687,500	\$75	937,500	4,687,500	2026	6
7	2027						0	2027	7
8	2028	62,500	5.00	4,687,500	\$75	937,500	4,687,500	2028	8
9	2029						0	2029	9
10	2030	62,500	5.00	4,687,500	\$75	937,500	4,687,500	2030	10
11	2031						0	2031	11
12	2032						0	2032	12
13	2033						0	2033	13
14	2034						0	2034	14
15	2035						0	2035	15
16	2036						0	2036	16
17	2037						0	2037	17
18	2038						0	2038	18
19	2039						0	2039	19
20	2040						0	2040	20
Totals		<u><u>40</u></u>		<u><u>42,187,500</u></u>			<u><u>42,187,500</u></u>		

Table 1 – Development Assumptions

City of Cedarburg

Tax Increment District #6

Tax Increment Projection Worksheet

Type of District	Industrial	Base Value	0
District Creation Date	October 1, 2020	Appreciation Factor	-2.00%
Valuation Date	Jan 1, 2021	Base Tax Rate	19.08
Max Life (Years)	20	Rate Adjustment Factor	
Expenditure Period/Termination	15 10/1/2035		
Revenue Periods/Final Year	20 2042		
Extension Eligibility/Years	Yes 3		
Recipient District	No		

Construction		Valuation	Inflation	Total	Revenue	Tax	
Year	Value Added	Year	Increment	Increment	Year	Tax Rate ¹	Increment
1	2021	0	2022	0	2023	\$19.08	0
2	2022	18,750,000	2023	0	2024	\$19.08	357,742
3	2023	0	2024	-375,000	2025	\$19.08	350,587
4	2024	9,375,000	2025	-367,500	2026	\$19.08	522,447
5	2025	0	2026	-547,650	2027	\$19.08	511,998
6	2026	4,687,500	2027	-536,697	2028	\$19.08	591,193
7	2027	0	2028	-619,713	2029	\$19.08	579,369
8	2028	4,687,500	2029	-607,319	2030	\$19.08	657,218
9	2029	0	2030	-688,922	2031	\$19.08	644,073
10	2030	4,687,500	2031	-675,144	2032	\$19.08	720,627
11	2031	0	2032	-755,391	2033	\$19.08	706,215
12	2032	0	2033	-740,283	2034	\$19.08	692,091
13	2033	0	2034	-725,478	2035	\$19.08	678,249
14	2034	0	2035	-710,968	2036	\$19.08	664,684
15	2035	0	2036	-696,749	2037	\$19.08	651,390
16	2036	0	2037	-682,814	2038	\$19.08	638,362
17	2037	0	2038	-669,157	2039	\$19.08	625,595
18	2038	0	2039	-655,774	2040	\$19.08	613,083
19	2039	0	2040	-642,659	2041	\$19.08	600,821
20	2040	0	2041	-629,806	2042	\$19.08	588,805
Totals		42,187,500		-11,327,024	Future Value of Increment		11,394,550

Notes:

¹Rate shown is actual rate for 2019/20 per DOR Form PC-202 (Tax Increment Collection Worksheet).

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

The City expects to finance the cost of required public improvements with General Obligation debt. At the end of 2019, the City had \$18,524,050 in outstanding General Obligation debt principal, which was 25.85% of its limit. The City has \$53.14 million in remaining debt capacity; therefore, it can finance the public improvements in this manner.

Given that tax increments will be generated no sooner than the 2023 budget year, and more likely the 2024 budget year, the City expects to capitalize the first 36 months of interest due on the debt. Once the funds borrowed to pay interest are expended, the City will pay debt service from land sale revenue and tax increments collected.

The Project is expected to create a total of 49 developable acres. Of that total, the City expects to provide 15 acres at no cost to a prospective tenant as an incentive to build facilities within the Project. Of the remaining 34 acres, the City anticipates selling 25 acres at an average price of \$75,000 per acre during the first ten years of the District's life. No assumptions are made as to the timing of sale or development of the final nine acres. Should tax increment or land sale revenue be insufficient to pay debt service, the City would be obligated to levy a tax to pay the full amount due, or to appropriate other funds for the payment.

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 3), the District is projected to accumulate enough funds by the year 2041 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

City of Cedarburg

Tax Increment District #6

Cash Flow Projection

Year	Projected Revenues				Expenditures						Balances			Year		
	Tax Increments	Interest Earnings/ (Cost) ¹	Proceeds of Long Term Debt	Land Sales ²	Total Revenues	G.O. Bond 9,410,000 Dated Date: 03/01/21 Principal (3/1) Est. Rate Interest			Public Infrastructure	Finance Related Expense ³	Admin.	Total Expenditures	Annual		Cumulative	Principal Outstanding
2021			9,410,000	0	9,410,000			164,675	8,218,272	200,975	25,000	8,608,922	801,078	801,078	9,410,000	2021
2022		8,011		0	8,011			329,350			5,000	334,350	(326,339)	474,738	9,410,000	2022
2023	0	4,747		750,000	754,747			329,350			5,150	334,500	420,247	894,986	9,410,000	2023
2024	357,742	8,950		0	366,692			329,350			5,305	334,655	32,038	927,023	9,410,000	2024
2025	350,587	9,270		375,000	734,858	415,000	3.500%	322,088			5,464	742,551	(7,694)	919,330	8,995,000	2025
2026	522,447	9,193		0	531,640	425,000	3.500%	307,388			5,628	738,015	(206,375)	712,955	8,570,000	2026
2027	511,998	7,130		375,000	894,127	440,000	3.500%	292,250			5,796	738,046	156,081	869,036	8,130,000	2027
2028	591,193	8,690		0	599,884	460,000	3.500%	276,500			5,970	742,470	(142,587)	726,449	7,670,000	2028
2029	579,369	7,264		375,000	961,634	475,000	3.500%	260,138			6,149	741,287	220,347	946,796	7,195,000	2029
2030	657,218	9,468		0	666,686	490,000	3.500%	243,250			6,334	739,584	(72,898)	873,898	6,705,000	2030
2031	644,073	8,739		0	652,812	510,000	3.500%	225,750			6,524	742,274	(89,462)	784,436	6,195,000	2031
2032	720,627	7,844		0	728,472	525,000	3.500%	207,638			6,720	739,357	(10,885)	773,551	5,670,000	2032
2033	706,215	7,736		0	713,950	545,000	3.500%	188,913			6,921	740,834	(26,883)	746,668	5,125,000	2033
2034	692,091	7,467		0	699,557	565,000	3.500%	169,488			7,129	741,616	(42,059)	704,609	4,560,000	2034
2035	678,249	7,046		0	685,295	585,000	3.500%	149,363			7,343	741,705	(56,410)	648,198	3,975,000	2035
2036	664,684	6,482		0	671,166	605,000	3.500%	128,538			7,563	741,100	(69,935)	578,264	3,370,000	2036
2037	651,390	5,783		0	657,173	630,000	3.500%	106,925			7,790	744,715	(87,542)	490,721	2,740,000	2037
2038	638,362	4,907		0	643,269	650,000	3.500%	84,525			8,024	742,549	(99,279)	391,442	2,090,000	2038
2039	625,595	3,914		0	629,509	675,000	3.500%	61,338			8,264	744,602	(115,092)	276,350	1,415,000	2039
2040	613,083	2,764		0	615,847	695,000	3.500%	37,363			8,512	740,875	(125,028)	151,322	720,000	2040
2041	600,821	1,513		0	602,335	720,000	3.500%	12,600			8,768	741,368	(139,033)	12,289	0	2041
2042	588,805	123		0	588,928						15,000	15,000	573,928	586,217	0	2042
Total	11,394,550	137,041	9,410,000	1,875,000	22,816,592	9,410,000		4,226,775	8,218,272	200,975	174,352	22,230,374				Total

Notes:

¹Assumes interest earnings of 1% on special revenue fund cash balances, and 1% interest charged on any advances received.

²Assumes sale proceeds from 25.0 acres of City owned land at \$75,000/ acre.

³Includes underwriting discount, bond and disclosure counsel, rating fee and municipal advisor fee.

Projected TID Closure

Table 3 - Cash Flow

SECTION 10: Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11: Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development. Land within the District zoned industrial at the time of District creation will remain in a zoning classification suitable for industrial sites for the life of the District.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for industrial development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City and State permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by creating new industrial sites, providing necessary public infrastructure improvements and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as creation or retention of jobs, increased demand for goods and services, and increased collections of income, payroll and sales taxes benefitting the local area, region and state.

SECTION 15:

List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- 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.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 16:
Legal Opinion Advising Whether the Plan is
Complete and Complies with Wis. Stat. §
66.1105(4)(f)

Legal Opinion Found on Following Page.

Robert L. Feind, Jr.
John M. Gallo
Michael P. Herbrand
Margaret G. Zickuhr
Timothy S. Schoonenberg
Johnathan G. Woodward
Amber J. Hollrith
Lisa Vizanko



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May 6, 2020

Mr. Todd Taves
Executive Vice President/Financial Advisor
Ehlers & Associates, Inc.
375 Bishops Way, Suite 225
Brookfield, Wisconsin 53005-6202

Re: Tax Incremental District No. 6 Project Plan – City of Cedarburg

Dear Mr. Taves:

At your direction, I have reviewed the Tax Incremental District No. 6 Project Plan. As you know, my review of the Plan is required by Section 66.1105(4)(f), Wis. Stats. This Section requires that a project plan for a tax incremental district include the following information:

1. A statement listing the kind, number and location of all proposed public works or improvements within the district;
2. An economic feasibility study;
3. A detailed list of estimated project costs;
4. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
5. A map showing the existing uses and conditions of real property in the district;
6. A map showing proposed improvements and uses in the district;
7. Any proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances;
8. A list of estimated non-project costs;
9. A statement of the proposed method for relocation of any persons to be displaced; and
10. The plan should further indicate how creation of the tax incremental district promotes the orderly development of the City.

HOUSEMAN & FEIND, LLP

May 6, 2020

Page 2

My review of the Tax Incremental District No. 6 Project Plan indicates that it is complete and complies the requirements of Section 66.1105(f), as identified above. Each of the itemized elements set forth above can be found in the Plan.

Should you have any further questions or concerns with regard to this matter, or this opinion, please do not hesitate to contact me.

Very truly yours,

HOUSEMAN & FEIND, LLP

A handwritten signature in black ink, appearing to read 'M P Herbrand', written in a cursive style.

Michael P. Herbrand
City Attorney

MPH:csp

cc: Mr. Mikko Hilvo, City Administrator
Ms. Amy Kletzien, Deputy City Clerk

SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Estimated Portion of Taxes that Owners of Taxable Property in Each Taxing Jurisdiction Overlying District Would pay by Jurisdiction						
	DOR Form PC-202	2019/20	Percentage			
	Ozaukee County	8,138	8.92%			
	City of Cedarburg	34,345	37.64%			
	Cedarburg School District	43,099	47.24%			
	MATC	5,657	6.20%			
	Total	91,239				
Revenue Year	Ozaukee County	City of Cedarburg	Cedarburg School District	MATC	Total	Revenue Year
2023	0	0	0	0	0	2023
2024	31,907	134,663	168,989	22,182	357,742	2024
2025	31,269	131,970	165,609	21,739	350,587	2025
2026	46,598	196,663	246,791	32,395	522,447	2026
2027	45,666	192,729	241,855	31,747	511,998	2027
2028	52,729	222,541	279,265	36,658	591,193	2028
2029	51,675	218,090	273,680	35,925	579,369	2029
2030	58,618	247,394	310,454	40,752	657,218	2030
2031	57,446	242,446	304,245	39,937	644,073	2031
2032	64,274	271,263	340,407	44,684	720,627	2032
2033	62,988	265,838	333,599	43,790	706,215	2033
2034	61,728	260,521	326,927	42,914	692,091	2034
2035	60,494	255,310	320,388	42,056	678,249	2035
2036	59,284	250,204	313,981	41,215	664,684	2036
2037	58,098	245,200	307,701	40,391	651,390	2037
2038	56,936	240,296	301,547	39,583	638,362	2038
2039	55,798	235,490	295,516	38,791	625,595	2039
2040	54,682	230,780	289,606	38,015	613,083	2040
2041	53,588	226,165	283,814	37,255	600,821	2041
2042	52,516	221,642	278,137	36,510	588,805	2042
Totals	1,016,294	4,289,205	5,382,511	706,541	11,394,550	