

April 4, 2022

PROJECT PLAN

# City of Cedarburg, Wisconsin

## Tax Incremental District No. 7



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Prepared by:

Ehlers

N21W23350 Ridgeview Parkway West,

Suite 100

Waukesha, WI 53188

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

## KEY DATES

Organizational Joint Review Board Meeting Held:	Mar. 29, 2022 (Scheduled)
Public Hearing Held:	April 4, 2022 (Scheduled)
Approval by CDA:	April 4, 2022 (Scheduled)
Adoption by Common Council:	April 19, 2022 (Scheduled)
Approval by the Joint Review Board:	TBD

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# **SECTION 1:**

## **Executive Summary**

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### **DESCRIPTION OF DISTRICT**

Tax Incremental District (“TID”) No. 7 (“District”) is a proposed Blighted Area District consisting of a single 12.76-acre parcel located at N49 W6337 Western Road. The parcel was the site of the Mercury Marine Plant 1 which produced outboard motors from 1951 through 1982. Portions of the former plant were demolished in 2020. Wilo Machine Co. is presently operating in the remaining building located on the site and will be relocating that operation to their new facility in the Cedarburg Business Park. The District will be created to facilitate redevelopment of the parcel for residential use. P2 Development (“Developer”) has submitted plans to develop 160 rental apartment units, 44 two- and three-bedroom rental townhomes, and 26 for sale “pocket homes” averaging 2,500 sq. ft. (“Project”). In addition to the incremental property value that will be created, the City expects the Project will provide increased opportunities for employment, personal income and business income related to the construction and operation of the Project, and provision of housing opportunities for City residents.

### **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 \$17.08 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$2.54 million for extension of Hanover Avenue, \$930,000 for interest on associated long-term debt and related costs of financing, \$13.48 million in “pay as you go” development incentives and \$130,000 for administrative costs.

### **INCREMENTAL VALUATION**

The City projects that new land and improvements value of approximately \$49.3 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions 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 20 of its allowable 27 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 Ehlers’ analysis of the Project’s sources and uses, and cash flow proforma. The Project’s projected annual return on investment in Year 10 without TIF assistance is 3.83%. The Developer has requested that the City provide incentive payments on a pay as you go basis with an estimated present value of \$8.5 million. (Projected future value payments of \$13.48 million). Provision of the requested assistance would improve the Project’s annual return on investment to 8.62% in year 10, averaging 6.16% over the investment period. Projects of this type typically need to provide a return in the range of 8% to 12% after stabilization to attract the necessary investment capital. Similarly, the internal rate of return with TIF assistance is projected to be 6.96% (4.55% without assistance); investors’ expected range for this type of project would be between 11 – 18%. Based on Ehlers review, provision of pay as you go incentives in the amount requested is necessary to provide an acceptable return on investment and indicates that “but for” the incentives, the project would not likely proceed. Additionally, the Project will require that the City extend Hanover Avenue through the site. Absent the use of tax incremental financing, the City is unable to fund the needed infrastructure improvements.
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 in addition to the incremental property value that will be created, the City expects the Project will provide increased opportunities for employment, personal income and business income related to the construction and operation of the Project, and provision of housing opportunities for City residents.

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 a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1.
5. Based on the foregoing finding, the District is designated as a blighted area district.
6. The Project Costs relate directly to the elimination of blight 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 none 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. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. 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**

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Map Found on Following Page.

# MAP OF PROPOSED DISTRICT BOUNDARY



N  
1 inch = 250 feet

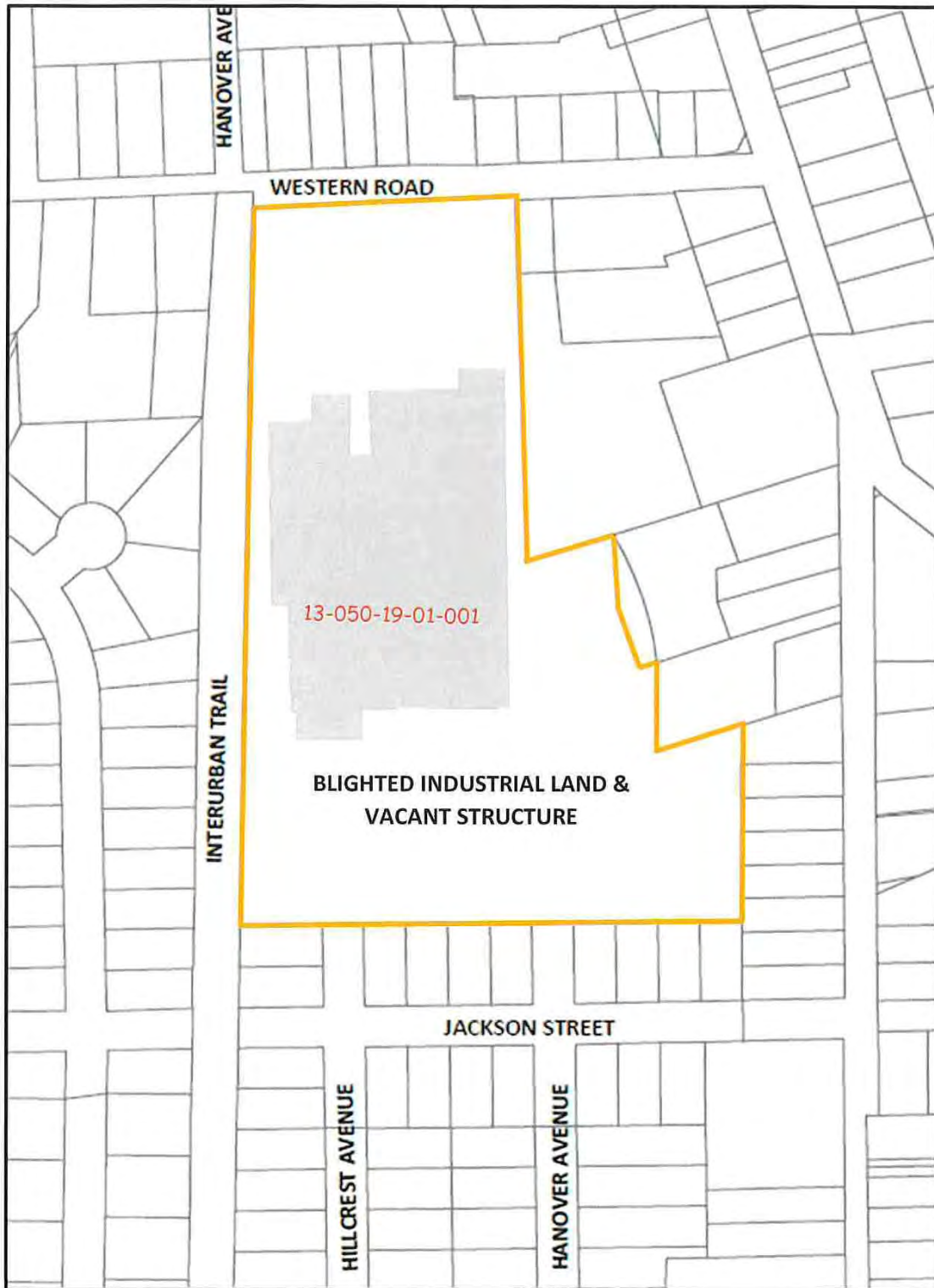
## **SECTION 3: Map Showing Existing Uses and Conditions**

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Map Found on Following Page.



# MAP SHOWING EXISTING USE & CONDITIONS



1 inch = 250 feet

# SECTION 4: Preliminary Parcel List and Analysis

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The District will consist of a single tax parcel. The equalized value identified in the table below is the actual January 1, 2021 State assessed manufacturing value. The January 1, 2022 valuation, which is not yet available, will become the base value for the District. Any increases in valuation occurring after January 1, 2022 will generate incremental value.

Parcel Number: 13-050-19-01-001  
 Address: N43 W6300 Jackson Street  
 Owner: Jackson Western LLC  
 Acres: 12.76

Current Value:	Assessed	Equalized
Land	\$ 564,900	\$ 685,300
Improvements	\$ 867,400	\$ 1,052,300
Total	\$ 1,432,300	\$ 1,737,600

The parcel is a blighted area as defined in [Wis. Stat. § 66.1105\(2\)\(ae\)](#). More, specifically:

1. The structures and improvements located on the parcel are dilapidated and obsolete.
2. The current manufacturing use is incompatible with adjacent residential uses.
3. A Phase II Environmental Site Assessment dated November 24, 2021 prepared by Kapur, Inc. identified both soil and groundwater contamination resulting from prior manufacturing operations that took place on the site which complicates and adds risk and cost to the Project.

As it relates to the statutory definition referenced above, these conditions collectively qualify the parcel as “(a)n area in which the structures, buildings or improvements, which by reason of dilapidation, deterioration, age or obsolescence, and the existence of conditions which endanger life or property (i.e. environmental contamination) is conducive to ill health, and is detrimental to the public health, safety, morals or welfare.”

## **SECTION 5: Equalized Value Test**

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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, 2021)	\$ 1,683,699,600
<b>TID Valuation Limit @ 12% of Above Value</b>	<b>\$ 202,043,952</b>

### **Calculation of Value Subject to Limit**

Estimated Base Value of New District	\$ 1,737,600
Incremental Value of Existing Districts (Jan. 1, 2021)	\$ <u>16,092,000</u>
<b>Total Value Subject to 12% Valuation Limit</b>	<b>\$ 17,829,600</b>

The equalized value of the increment of existing tax incremental districts within the City, plus the estimated base value of the District, totals \$17,829,600, which is 1.06% of the City's total equalized value. This value is less than the maximum of \$202,043,952 (12%) in equalized value that is permitted for the City. Following creation of the District its base value is no longer counted towards the 12% limit, however, any incremental increase in value will be included in the calculation for creation of subsequent districts, or where territory is being added to an existing district.

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

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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**

#### **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.

### **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 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 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 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**

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 riverbanks; 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 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.

## **Community Development**

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

The City may enter into agreements with property owners, lessees, or developers of land located within the District for 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.

## **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: **The City will extend Hanover Avenue from Western Avenue south to Jackson Street. A short segment of that extension, from the District's southern boundary to Jackson Street lies, outside 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.



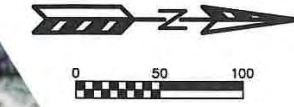
**Financing Costs**

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**

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Map Found on Following Page.



UNIT MIX & COUNT		
A:	TOWNHOMES 2 STORY / 2 BED	18 UNITS
B:	TOWNHOMES 3 STORY / 3 BED	26 UNITS
C1:	FRONT PORCH NEIGHBORHOOD 2 STORY / 3 BED	14 UNITS
C2:	FRONT PORCH NEIGHBORHOOD 2 STORY / 3 BED	12 UNITS
D:	APARTMENT BUILDING 3 STORY	110 UNITS
E:	APARTMENT BUILDING 2 STORY	50 UNITS
TOTAL		230 UNITS

**Project Costs**

- A** City will extend Hanover Avenue from Jackson Street to Western Road as shown on map.
- B** City will provide Developer “pay as you go” development incentives for construction



**P2 DEVELOPMENT & PROPERTY MANAGEMENT**  
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## 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.

<b>City of Cedarburg</b> <b>Tax Increment District #7</b> <b>Estimated Project List</b>		
<u>Project Name/Type</u>	<u>Est. Cost</u>	<u>Timing</u>
Extension of Hanover Avenue (City Financed)	2,538,285	2022
Interest on LT Debt & Related Costs of Financing	929,388	2022 - 2042
Development Incentive ("Pay as you Go") <sup>1</sup>	13,482,076	2025 - 2043
Administrative Expense	128,917	2023 - 2024
<b>Total</b>	<b><u>17,078,665</u></b>	
<b>Notes:</b>		
<sup>1</sup> Estimated incentive payments shown are for purpose of identifying financial feasibility only. The City has not entered into an agreement with Developer and final terms may vary.		

## **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**

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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 Project Costs the City plans to make are expected to create \$49.3 million in incremental new construction value by January 1, 2027. 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 \$16.57 per thousand of equalized value, and annual 2% economic appreciation, the Project would generate \$26.07 million\_ in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

## City of Cedarburg Tax Increment District #7 Development Assumptions

Construction Year	160 Apartments	44 Townhomes	26 Pocket Homes	Annual Total	Construction Year
1 2022	1,593,097	1,125,068		2,718,165	2022 1
2 2023	8,867,761	3,375,205	2,493,938	14,736,904	2023 2
3 2024	8,867,761	3,375,205	2,992,726	15,235,691	2024 3
4 2025	6,707,833	2,425,251	2,493,938	11,627,022	2025 4
5 2026			2,493,938	2,493,938	2026 5
6 2027			2,493,938	2,493,938	2027 6
7 2028				0	2028 7
8 2029				0	2029 8
9 2030				0	2030 9
10 2031				0	2031 10
11 2032				0	2032 11
12 2033				0	2033 12
13 2034				0	2034 13
14 2035				0	2035 14
15 2036				0	2036 15
16 2037				0	2037 16
17 2038				0	2038 17
18 2039				0	2039 18
19 2040				0	2040 19
20 2041				0	2041 20
21 2042				0	2042 21
22 2043				0	2043 22
23 2044				0	2044 23
24 2045				0	2045 24
25 2046				0	2046 25
26 2047				0	2047 26
27 2048				0	2048 27
<b>Totals</b>	<b><u>26,036,451</u></b>	<b><u>10,300,728</u></b>	<b><u>12,968,478</u></b>	<b><u>49,305,658</u></b>	

**Table 1 - Development Assumptions**

**City of Cedarburg**  
**Tax Increment District #7**  
**Tax Increment Projection Worksheet**

	Construction Year	Value Added Apartments	Value Added Townhomes	Value Added Pocket Homes	Valuation Year	Total Increment	Revenue Year	Tax Rate <sup>1</sup>	Tax Increment Apartments	Tax Increment Townhouses	Tax Increment Pocket	Tax Increment
1	2022	1,593,097	1,125,068	0	2023	2,718,165	2024	\$16.57	\$26,390	\$18,637	\$0	45,027
2	2023	8,867,761	3,375,205	2,493,938	2024	17,509,432	2025	\$16.57	\$173,814	\$74,920	\$41,312	290,047
3	2024	8,867,761	3,375,205	2,992,726	2025	33,095,312	2026	\$16.57	\$324,186	\$132,330	\$91,714	548,229
4	2025	6,707,833	2,425,251	2,493,938	2026	45,384,240	2027	\$16.57	\$441,786	\$175,151	\$134,860	751,797
5	2026	0	0	2,493,938	2027	48,785,862	2028	\$16.57	\$450,621	\$178,654	\$178,870	808,146
6	2027	0	0	2,493,938	2028	52,255,518	2029	\$16.57	\$459,634	\$182,227	\$223,760	865,621
7	2028	0	0	0	2029	53,300,628	2030	\$16.57	\$468,827	\$185,872	\$228,235	882,933
8	2029	0	0	0	2030	54,366,641	2031	\$16.57	\$478,203	\$189,589	\$232,800	900,592
9	2030	0	0	0	2031	55,453,974	2032	\$16.57	\$487,767	\$193,381	\$237,456	918,604
10	2031	0	0	0	2032	56,563,053	2033	\$16.57	\$497,523	\$197,248	\$242,205	936,976
11	2032	0	0	0	2033	57,694,314	2034	\$16.57	\$507,473	\$201,193	\$247,049	955,716
12	2033	0	0	0	2034	58,848,200	2035	\$16.57	\$517,622	\$205,217	\$251,990	974,830
13	2034	0	0	0	2035	60,025,164	2036	\$16.57	\$527,975	\$209,322	\$257,030	994,326
14	2035	0	0	0	2036	61,225,668	2037	\$16.57	\$538,534	\$213,508	\$262,171	1,014,213
15	2036	0	0	0	2037	62,450,181	2038	\$16.57	\$549,305	\$217,778	\$267,414	1,034,497
16	2037	0	0	0	2038	63,699,185	2039	\$16.57	\$560,291	\$222,134	\$272,762	1,055,187
17	2038	0	0	0	2039	64,973,168	2040	\$16.57	\$571,497	\$226,576	\$278,218	1,076,291
18	2039	0	0	0	2040	66,272,632	2041	\$16.57	\$582,927	\$231,108	\$283,782	1,097,817
19	2040	0	0	0	2041	67,598,084	2042	\$16.57	\$594,585	\$235,730	\$289,457	1,119,773
20	2041	0	0	0	2042	68,950,046	2043	\$16.57	\$606,477	\$240,445	\$295,247	1,142,169
21	2042	0	0	0	2043	70,329,047	2044	\$16.57	\$618,607	\$245,254	\$301,152	1,165,012
22	2043	0	0	0	2044	71,735,628	2045	\$16.57	\$630,979	\$250,159	\$307,175	1,188,312
23	2044	0	0	0	2045	73,170,340	2046	\$16.57	\$643,598	\$255,162	\$313,318	1,212,078
24	2045	0	0	0	2046	74,633,747	2047	\$16.57	\$656,470	\$260,265	\$319,584	1,236,320
25	2046	0	0	0	2047	76,126,422	2048	\$16.57	\$669,600	\$265,470	\$325,976	1,261,046
26	2047	0	0	0	2048	77,648,951	2049	\$16.57	\$682,992	\$270,780	\$332,496	1,286,267
27	2048	0	0	0	2049	79,201,930	2050	\$16.57	\$696,652	\$276,195	\$339,146	1,311,993
<b>Totals</b>		<b>10,300,728</b>						<b>Future Value of Increment</b>			<b>26,073,819</b>	

Notes:

<sup>1</sup>Tax rate shown is actual 2021/22 TID interim rate from DOR Form PC-202 (Tax Increment Collection Worksheet)

**Table 2 - Tax Increment Projection Worksheet**

## **Financing and Implementation**

Implementation of the Plan will require that Hanover Avenue be extended. The City will finance the cost of that extension through issuance of tax-exempt General Obligation Bonds with debt service to be paid from the tax increment generated by the Project. Cost of issuance will be paid from bond proceeds, and interest due prior to availability of tax increment will be capitalized.

Development incentives will be made on a “pay as you go” basis from tax increment generated by the Project. The City’s obligation to make payments is solely limited to the available tax increment, and the City’s debt service for extension of Hanover Avenue will enjoy priority of payment on an annual basis. To the extent incremental revenues are less than projected, the full amount of the development incentive may not ultimately be paid.

Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds by the year 2043 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 #7

### Cash Flow Projection

Year	Projected Revenues			Expenditures							Balances			Year	
	Tax Increments	Proceeds of LT Debt	Total Revenues	20 Year Tax-Exempt Bond 2,745,000 Dated Date: 07/01/22			Development Incentive ("Pay as you Go")	Hanover St. Extension	Finance Related Expense	Admin.	Total Expenditures	Annual	Cumulative		G.O. Debt Principal Outstanding
2022		2,745,000	2,745,000					2,538,285	95,463		2,633,748	111,253	111,253	2,745,000	2022
2023			0			77,175	0			5,000	82,175	(82,175)	29,078	2,745,000	2023
2024	45,027		45,027			66,150	0			5,100	71,250	(26,223)	2,854	2,745,000	2024
2025	290,047		290,047	125,000	1.600%	65,150	94,695			5,202	290,047	0	2,854	2,620,000	2025
2026	548,229		548,229	130,000	1.750%	63,013	349,911			5,306	548,229	0	2,854	2,490,000	2026
2027	751,797		751,797	130,000	1.900%	60,640	555,745			5,412	751,797	0	2,854	2,360,000	2027
2028	808,146		808,146	130,000	2.000%	58,105	614,520			5,520	808,146	0	2,854	2,230,000	2028
2029	865,621		865,621	135,000	2.100%	55,388	669,603			5,631	865,621	0	2,854	2,095,000	2029
2030	882,933		882,933	140,000	2.150%	52,465	684,725			5,743	882,933	0	2,854	1,955,000	2030
2031	900,592		900,592	140,000	2.250%	49,385	705,349			5,858	900,592	0	2,854	1,815,000	2031
2032	918,604		918,604	145,000	2.300%	46,143	721,486			5,975	918,604	0	2,854	1,670,000	2032
2033	936,976		936,976	150,000	2.350%	42,713	738,169			6,095	936,976	0	2,854	1,520,000	2033
2034	955,716		955,716	150,000	2.400%	39,150	760,349			6,217	955,716	0	2,854	1,370,000	2034
2035	974,830		974,830	155,000	2.500%	35,413	778,076			6,341	974,830	0	2,854	1,215,000	2035
2036	994,326		994,326	160,000	2.600%	31,395	796,463			6,468	994,326	0	2,854	1,055,000	2036
2037	1,014,213		1,014,213	165,000	2.650%	27,129	815,487			6,597	1,014,213	0	2,854	890,000	2037
2038	1,034,497		1,034,497	170,000	2.700%	22,648	835,120			6,729	1,034,497	0	2,854	720,000	2038
2039	1,055,187		1,055,187	175,000	2.750%	17,946	855,377			6,864	1,055,187	0	2,854	545,000	2039
2040	1,076,291		1,076,291	175,000	2.800%	13,090	881,200			7,001	1,076,291	0	2,854	370,000	2040
2041	1,097,817		1,097,817	180,000	2.850%	8,075	902,601			7,141	1,097,817	0	2,854	190,000	2041
2042	1,119,773		1,119,773	190,000	2.900%	2,755	919,734			7,284	1,119,773	0	2,854	0	2042
2043	1,142,169		1,142,169				803,468			7,430	810,898	331,271	334,125	0	2043
2044	1,165,012		1,165,012								0	1,165,012	1,499,137	0	2044
2045	1,188,312		1,188,312								0	1,188,312	2,687,449	0	2045
2046	1,212,078		1,212,078								0	1,212,078	3,899,527	0	2046
2047	1,236,320		1,236,320								0	1,236,320	5,135,847	0	2047
2048	1,261,046		1,261,046								0	1,261,046	6,396,894	0	2048
2049	1,286,267		1,286,267								0	1,286,267	7,683,161	0	2049
2050	1,311,993		1,311,993								0	1,311,993	8,995,154	0	2050
<b>Total</b>	<b>26,073,819</b>	<b>2,745,000</b>	<b>28,818,819</b>	<b>2,745,000</b>		<b>833,925</b>	<b>13,482,076</b>	<b>2,538,285</b>	<b>95,463</b>	<b>128,917</b>	<b>19,823,665</b>				<b>Total</b>

**8,500,000** Present Value of Incentive Payments @ 4% Discount

**Projected District Closure**

**Table 3 - Cash Flow**

## **SECTION 10: Annexed Property**

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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**

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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**

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### **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.

### **Master (Comprehensive) Plan and Map**

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for single-family medium -density and medium-high density urban residential 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's 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**

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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**

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Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by eliminating a blighted area, 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 increased opportunities for employment, personal income and business income related to the construction and operation of the Project, and provision of housing opportunities for City residents.

## **SECTION 15:**

### **List of Estimated Non-Project Costs**

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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)**

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Legal Opinion Found on Following Page.

Insert Signed Legal Opinion

## 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.

Revenue Year	Ozaukee County	City of Cedarburg	School District of Cedarburg	Milwaukee Area Technical College	Total	Revenue Year
2024	4,079	18,039	20,163	2,746	45,027	2024
2025	26,273	116,202	129,880	17,691	290,047	2025
2026	49,660	219,638	245,492	33,439	548,229	2026
2027	68,100	301,194	336,647	45,856	751,797	2027
2028	73,205	323,769	361,880	49,293	808,146	2028
2029	78,411	346,795	387,616	52,799	865,621	2029
2030	79,979	353,731	395,369	53,854	882,933	2030
2031	81,579	360,806	403,276	54,932	900,592	2031
2032	83,210	368,022	411,342	56,030	918,604	2032
2033	84,874	375,382	419,569	57,151	936,976	2033
2034	86,572	382,890	427,960	58,294	955,716	2034
2035	88,303	390,548	436,519	59,460	974,830	2035
2036	90,069	398,359	445,249	60,649	994,326	2036
2037	91,871	406,326	454,154	61,862	1,014,213	2037
2038	93,708	414,452	463,238	63,099	1,034,497	2038
2039	95,582	422,741	472,502	64,361	1,055,187	2039
2040	97,494	431,196	481,952	65,648	1,076,291	2040
2041	99,444	439,820	491,591	66,961	1,097,817	2041
2042	101,433	448,617	501,423	68,301	1,119,773	2042
2043	103,461	457,589	511,452	69,667	1,142,169	2043
2044	105,531	466,741	521,681	71,060	1,165,012	2044
2045	107,641	476,075	532,114	72,481	1,188,312	2045
2046	109,794	485,597	542,757	73,931	1,212,078	2046
2047	111,990	495,309	553,612	75,409	1,236,320	2047
2048	114,230	505,215	564,684	76,917	1,261,046	2048
2049	116,514	515,319	575,978	78,456	1,286,267	2049
2050	118,845	525,626	587,497	80,025	1,311,993	2050
<b>Total</b>	<b>2,361,854</b>	<b>10,445,998</b>	<b>11,675,596</b>	<b>1,590,371</b>	<b>26,073,819</b>	