



October 7, 2014

# Project Plan for the Creation of Tax Incremental District No. 3



Organizational Joint Review Board Meeting Held:	October 6, 2014
Public Hearing Held:	October 6, 2014
Adoption by Plan Commission:	October 6, 2014
Adoption by Common Council:	October 27, 2014
Approval by the Joint Review Board:	Scheduled for November 18, 2014



# Tax Incremental District No. 3 Creation Project Plan

## City of Cedarburg Officials

### Common Council

Kip Kinzel	Mayor
John Czarnecki	Council Member
Ronald H. Reimer	Council Member
Arthur E. Filter	Council Member
Paul A. Radtke	Council Member
Mitch Regenfuss	Council Member
Patricia Thome	Council Member
Michael O'Keefe	Council Member

### City Staff

Christy Mertes	City Administrator - Treasurer
Mike Herbrand	City Attorney
Constance McHugh	City Clerk
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### Plan Commission

Kip Kinzel, Chair	Dan Von Bargaen
Patricia Thome	Heather Cain
Mark Burgoyne	Greg Zimmerschied
Mark Poellot	

### Joint Review Board

Kip Kinzel	City Representative
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Al Shoreibah	Milwaukee Area Technical College District
Jonathan Lamberson	Cedarburg School District
Jim Coutts	Public Member



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# SECTION 1: Executive Summary

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## Description of District

### Type of District, Size and Location

Tax Incremental District No. 3 (the “TID” or “District”) is proposed to be created as a blighted area district reflecting residual soils contamination resulting from a leaking underground petroleum storage tank formerly located on the site. The contamination was documented in reports prepared by the Wagner Komurka Technical Group, Inc. dated September 26, 2011, and Stantec Consulting Services Inc. dated October 19, 2011. Site limitations resulting from the contamination and the potential need for the undertaking of additional remediation activities have been an impediment to the orderly redevelopment of the site. A map of the proposed District boundaries is located in Section 3 of this plan.

### Estimated Total Project Cost Expenditures.

The City anticipates making total project cost expenditures of approximately \$375,294 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in one phase. The Expenditure Period of this District is 22 years from the date of adoption of the authorizing Resolution of the Common Council (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be paid for with cash available from annual tax increment collections; however, the City may use other financing methods which may provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as an economic feasibility study, is located in Section 10 of this plan.

### Economic Development

As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$1,200,000 will be created as a result of new development and appreciation in the value of that new development over time. 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 redevelopment and associated values is located 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, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2035; seven years earlier than the 27 year maximum life of this District.

## Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.**
  - In making this determination, the City has considered the following information: The site has remained underutilized for many years as a result of environmental contamination. Given that the site has not developed as would have been expected under normal market conditions, it is the judgment of the City that the use of Tax Incremental Financing (“TIF”) will be required to provide the necessary inducements to encourage development on the site consistent with that desired by the City.
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: As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
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, 2015. 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, 2015 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
  - Given that the development expected to occur is not likely to take place or in the same manner without the use of tax increment financing (see Finding #1) and since the District will generate economic benefits that are more than 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 Wisconsin Statutes 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. Furthermore, any property standing vacant for the entire seven years preceding adoption of the Creation Resolution does not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)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 approximately 50% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District 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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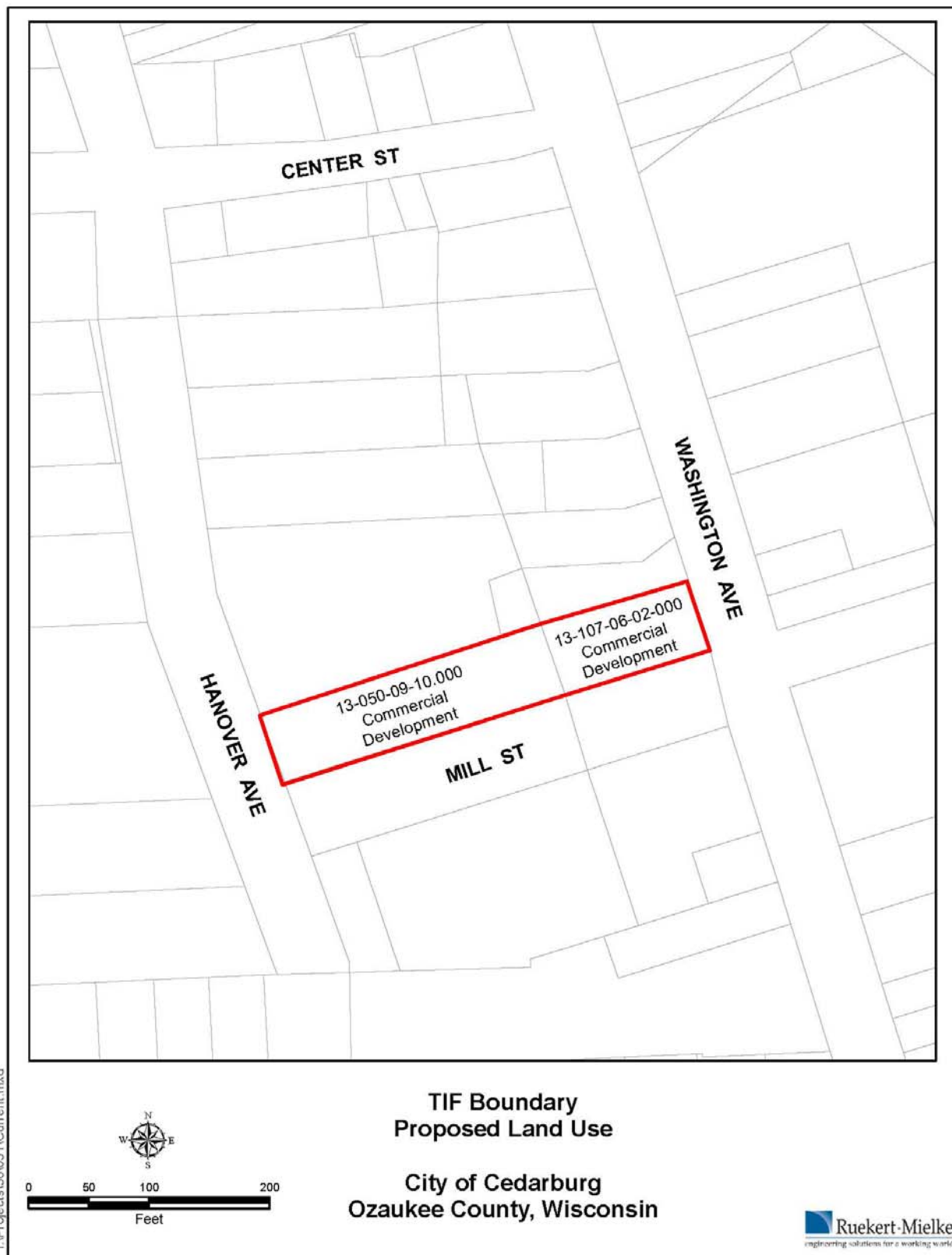
The District is being created by the City under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Blighted Area District” based upon a finding that at least 50%, by area, of the real property within the District is blighted. In Section 5 of this Plan, the City has identified those properties within the District that meet the criteria of “blighted areas” as defined in Wisconsin Statutes Section 66.1105(2)(ae)1 and relies on these characterizations as the basis for making the above finding.

Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1. A calculation demonstrating compliance with this test is found as part of the Preliminary Parcel List in Section 5 of this plan. For purposes of compliance with this test, the City is relying on the exception for environmentally contaminated land contained within this statutory provision.

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that private development occurs within the District consistent with the City’s development and redevelopment objectives. This will be accomplished by making necessary related expenditures to promote development and redevelopment within the District. 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.

Based upon the findings, as stated within this Plan, the District is declared to be a blighted area, District based on the identification and classification of the property included within the district.

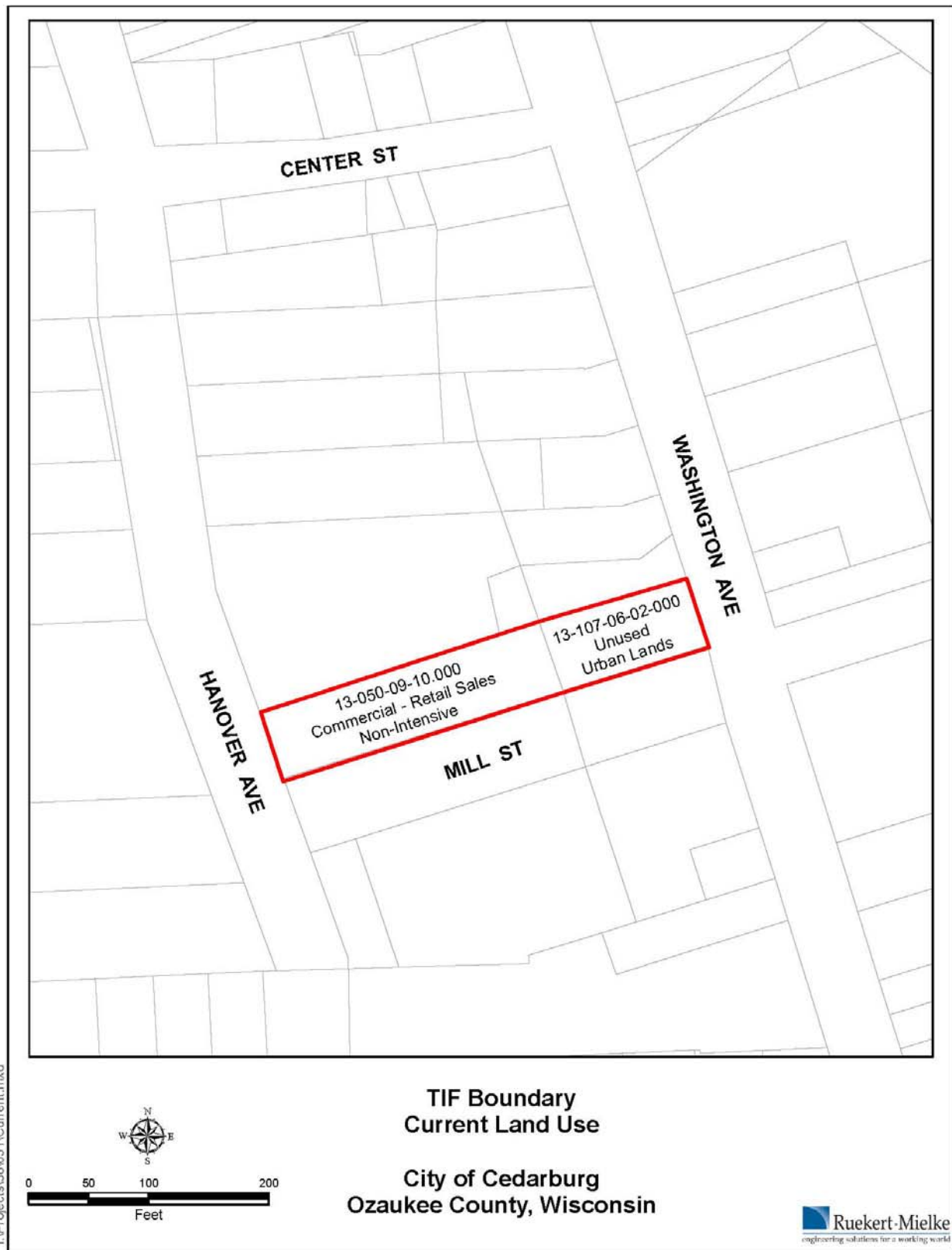
# SECTION 3: Map of Proposed District Boundary



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# SECTION 4: Map Showing Existing Uses and Conditions



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# SECTION 5: Preliminary Parcel List and Analysis

City of Cedarburg, Wisconsin Tax Increment District # 3 Base Property Information												
Property Information				Assessment Information <sup>1</sup>			Equalized Value			District Classification		
Parcel Number	Street Address	Owner	Acreage	Land	Imp	Total	Equalized Value Ratio <sup>2</sup>	Land	Imp	Total	Blighted <sup>3</sup>	Vacant <sup>3</sup>
13-050-09-10-000	MILL ST/HANOVER AVE	CEDARBURG LAND & CATTLE LLC	0.34	141,800	0	141,800	102.18%	138,775	0	138,775	0.34	0.00
13-107-06-02-000	W62 N535 WASHINGTON AVE	CEDARBURG LAND & CATTLE LLC	0.18	141,800	0	141,800	102.18%	138,775	0	138,775	0.18	0.00
<b>Total Acreage</b>			<b>0.52</b>	<b>283,600</b>	<b>0</b>	<b>283,600</b>		<b>277,549</b>	<b>0</b>	<b>277,549</b>	<b>0.519</b>	<b>0</b>
										<b>100.000%</b>	<b>0.00%</b>	

NOTES:  
<sup>1</sup> Assessed values as of 1-1-2014.  
<sup>2</sup> Ratio shown is for 1-1-2013. Ratio for 1-1-2014 not yet available.  
<sup>3</sup> Both parcels are environmentally contaminated. This status qualifies them as blighted, and also exempts them from the vacant land test.

## 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 \$277,549. This value is less than the maximum of \$142,455,816 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, Wisconsin				
Tax Increment District # 3				
Valuation Test Compliance Calculation				
Creation Date	1/1/2015			
	Valuation Data Currently Available 2014	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	1,187,131,800			1,187,131,800
12% Test	142,455,816			142,455,816
Increment of Existing TIDs				
TID #2	0			0
				0
				0
				0
				0
				0
Total Existing Increment	0			0
Projected Base of New or Amended District	277,549			277,549
Total Value Subject to 12% Test	277,549			277,549
Compliance	PASS			PASS

## SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

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The following is a list of public works and other TIF-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 Development

In order to promote and facilitate development and/or 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 in order to make the property suitable for development and/or 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

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.

### 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.

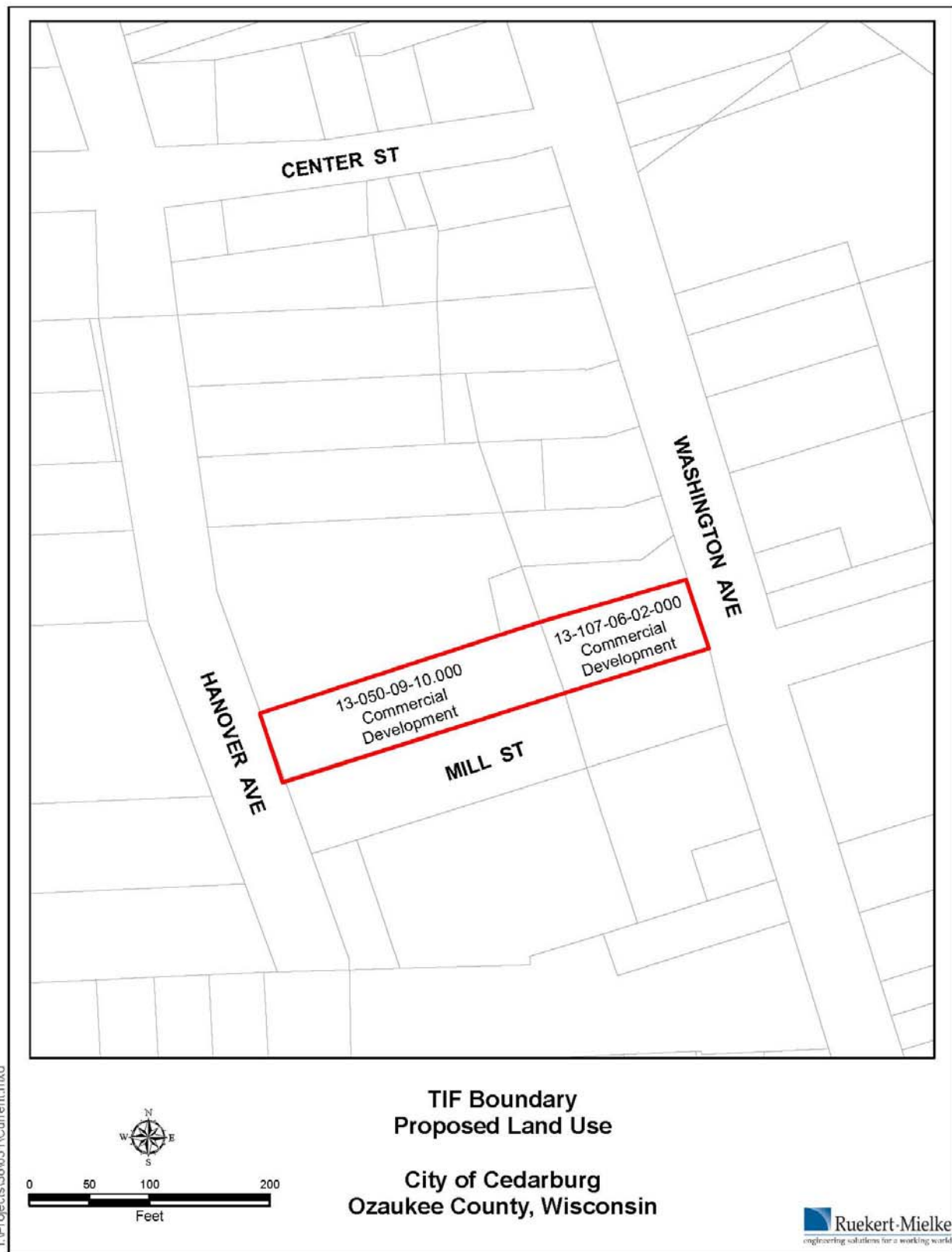
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments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

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 of Cedarburg 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 of Cedarburg reserves the right to implement only those projects that remain viable as the Plan period proceeds.

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 the 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 made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

# SECTION 8: Map Showing Proposed Improvements and Uses



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## SECTION 9: Detailed List of Project Costs

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The table below lists the specific projects and expenditures that the city anticipates it will undertake or make within the Territory to be incorporated into District by this Amendment.

All costs are based on 2014 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2014 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, Wisconsin		
Tax Increment District # 3		
Estimated Financing Plan		
	Cash Financed 2014 - 2035	Totals
Projects		
Cash Grant (Development Incentive) <sup>1</sup>	310,234	310,234
Interest on City Advance	2,060	2,060
Administrative Expense <sup>2</sup>	63,000	63,000
<b>Total Project Funds</b>	<b>375,294</b>	<b>375,294</b>
Notes:		
<sup>1</sup> Includes estimated accrued interest on unpaid balance.		
<sup>2</sup> Estimated cost of initial TID creation, and ongoing annual administration (i.e. audit, annual DOR fee).		

## 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.
- The City expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. 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 other economic growth within the District, 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.



## Available Financing Methods

While the City expects to pay for all Project Costs with cash available from annual tax increment collections, implementation of this Plan may require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

### General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$59,356,590, of which \$52,308,503 is currently unused and could be made available to finance Project Costs.

### Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

### Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City’s statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

### Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

### Special Assessment “B” Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City’s statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

## Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

# Development Assumptions

## City of Cedarburg, Wisconsin Tax Increment District # 3 Development Assumptions

Construction Year		Actual	Mill - Washington Site <sup>1</sup>	Annual Total	Construction Year	
1	2015		475,000	475,000	2015	1
2	2016		475,000	475,000	2016	2
3	2017			0	2017	3
4	2018			0	2018	4
5	2019			0	2019	5
6	2020			0	2020	6
7	2021			0	2021	7
8	2022			0	2022	8
9	2023			0	2023	9
10	2024			0	2024	10
11	2025			0	2025	11
12	2026			0	2026	12
13	2027			0	2027	13
14	2028			0	2028	14
15	2029			0	2029	15
16	2030			0	2030	16
17	2031			0	2031	17
18	2032			0	2032	18
19	2033			0	2033	19
20	2034			0	2034	20
21	2035			0	2035	21
22	2036			0	2036	22
23	2037			0	2037	23
24	2038			0	2038	24
25	2039			0	2039	25
26	2040			0	2040	26
Totals		0	<u>950,000</u>	<u>950,000</u>		

Notes:

1 The Cash Grant Developer's Agreement requires that the developer create improvements with a minimum assessed value of \$950,000 not later than January 1, 2020. Analysis assumes only minimum required value created, with construction occurring during 2015-2016.

# Increment Revenue Projections

City of Cedarburg, Wisconsin										
Tax Increment District # 3										
Tax Increment Projection Worksheet										
Type of District	Blighted Area		Base Value	277,549						
Creation Date	October 27, 2014		Appreciation Factor	1.00%		Apply to Base Value				
Valuation Date	Jan 1,	2015	Base Tax Rate	\$21.34						
Max Life (Years)	27		Rate Adjustment Factor							
Expenditure Periods/Termination	22	10/27/2036	Tax Exempt Discount Rate	4.00%						
Revenue Periods/Final Year	26	2042	Taxable Discount Rate	5.50%						
Extension Eligibility/Years	Yes	3								
Recipient District	Yes									
Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
1	2015	475,000	2016	0	475,000	2017	\$21.34	10,137	9,747	9,608
2	2016	475,000	2017	4,750	954,750	2018	\$21.34	20,374	28,584	27,913
3	2017	0	2018	9,548	964,298	2019	\$21.34	20,578	46,878	45,438
4	2018	0	2019	9,643	973,940	2020	\$21.34	20,784	64,644	62,215
5	2019	0	2020	9,739	983,680	2021	\$21.34	20,992	81,898	78,277
6	2020	0	2021	9,837	993,517	2022	\$21.34	21,202	98,654	93,653
7	2021	0	2022	9,935	1,003,452	2023	\$21.34	21,414	114,926	108,374
8	2022	0	2023	10,035	1,013,486	2024	\$21.34	21,628	130,729	122,466
9	2023	0	2024	10,135	1,023,621	2025	\$21.34	21,844	146,077	135,958
10	2024	0	2025	10,236	1,033,857	2026	\$21.34	22,063	160,981	148,874
11	2025	0	2026	10,339	1,044,196	2027	\$21.34	22,283	175,456	161,239
12	2026	0	2027	10,442	1,054,638	2028	\$21.34	22,506	189,513	173,077
13	2027	0	2028	10,546	1,065,184	2029	\$21.34	22,731	203,165	184,410
14	2028	0	2029	10,652	1,075,836	2030	\$21.34	22,958	216,423	195,259
15	2029	0	2030	10,758	1,086,595	2031	\$21.34	23,188	229,298	205,646
16	2030	0	2031	10,866	1,097,461	2032	\$21.34	23,420	241,802	215,589
17	2031	0	2032	10,975	1,108,435	2033	\$21.34	23,654	253,946	225,109
18	2032	0	2033	11,084	1,119,519	2034	\$21.34	23,891	265,739	234,222
19	2033	0	2034	11,195	1,130,715	2035	\$21.34	24,129	277,192	242,947
20	2034	0	2035	11,307	1,142,022	2036	\$21.34	24,371	288,314	251,299
21	2035	0	2036	11,420	1,153,442	2037	\$21.34	24,614	299,116	259,296
22	2036	0	2037	11,534	1,164,976	2038	\$21.34	24,861	309,606	266,951
23	2037	0	2038	11,650	1,176,626	2039	\$21.34	25,109	319,793	274,280
24	2038	0	2039	11,766	1,188,392	2040	\$21.34	25,360	329,687	281,296
25	2039	0	2040	11,884	1,200,276	2041	\$21.34	25,614	339,295	288,012
26	2040	0	2041	12,003	1,212,279	2042	\$21.34	25,870	348,626	294,443
<b>Totals</b>		<b>950,000</b>	<b>262,279</b>		<b>Future Value of Increment</b>		<b>585,574</b>			

# Cash Flow

City of Cedarburg, Wisconsin												
Tax Increment District # 3												
Cash Flow Projection												
Year	Projected Revenues				Expenditures				Balances			
	Tax Increments	Advance from Other Funds	Total Revenues	Pay As You Go Cash Grant <sup>1</sup> Dated Date: Principal Rate Def. Int. <sup>3</sup>	Repayment of City Advance <sup>2</sup> Dated Date: Principal Est. Rate Def. Int. <sup>3</sup>	Admin.	Total Expenditures	Annual	Cumulative	Cash Grant Principal & Accrued Int.	City Advance & Accrued Interest	Year
2014		23,000	23,000	237,500 07/01/17 3.00% 115	23,000 11/01/14 3.00% 115	17,000	17,000	6,000	6,000	23,000	23,000	2014
2015		0	0	237,500 07/01/17 3.00% 693	23,000 11/01/14 3.00% 693	3,000	3,000	(3,000)	3,000	23,115	23,115	2015
2016		0	0	237,500 07/01/17 3.00% 714	23,000 11/01/14 3.00% 714	3,000	3,000	(3,000)	0	23,808	23,808	2016
2017	10,137		10,137	237,500 07/01/17 3.00% 3,563	23,000 11/01/14 3.00% 522	3,000	10,137	0	0	237,500	17,386	2017
2018	20,374		20,374	237,500 07/01/17 3.00% 7,232	23,000 11/01/14 3.00% 16	3,000	20,374	0	0	241,063	534	2018
2019	20,578		20,578	237,500 07/01/17 3.00% 6,938	23,000 11/01/14 3.00% 0	3,000	20,578	0	0	231,266	0	2019
2020	20,784		20,784	237,500 07/01/17 3.00% 6,613	23,000 11/01/14 3.00% 0	3,000	20,784	0	1	220,420	0	2020
2021	20,992		20,992	237,500 07/01/17 3.00% 6,271	23,000 11/01/14 3.00% 0	3,000	20,992	0	1	209,041	0	2021
2022	21,202		21,202	237,500 07/01/17 3.00% 5,913	23,000 11/01/14 3.00% 0	3,000	21,202	0	1	197,111	0	2022
2023	21,414		21,414	237,500 07/01/17 3.00% 5,558	23,000 11/01/14 3.00% 0	3,000	21,414	0	1	184,611	0	2023
2024	21,628		21,628	237,500 07/01/17 3.00% 5,146	23,000 11/01/14 3.00% 0	3,000	21,628	0	1	171,522	0	2024
2025	21,844		21,844	237,500 07/01/17 3.00% 4,735	23,000 11/01/14 3.00% 0	3,000	21,844	0	2	157,823	0	2025
2026	22,063		22,063	237,500 07/01/17 3.00% 4,305	23,000 11/01/14 3.00% 0	3,000	22,063	0	2	143,495	0	2026
2027	22,283		22,283	237,500 07/01/17 3.00% 3,856	23,000 11/01/14 3.00% 0	3,000	22,283	0	2	128,517	0	2027
2028	22,506		22,506	237,500 07/01/17 3.00% 3,386	23,000 11/01/14 3.00% 0	3,000	22,506	0	2	112,867	0	2028
2029	22,731		22,731	237,500 07/01/17 3.00% 2,896	23,000 11/01/14 3.00% 0	3,000	22,731	0	2	96,522	0	2029
2030	22,958		22,958	237,500 07/01/17 3.00% 2,384	23,000 11/01/14 3.00% 0	3,000	22,958	0	3	79,460	0	2030
2031	23,188		23,188	237,500 07/01/17 3.00% 1,850	23,000 11/01/14 3.00% 0	3,000	23,188	0	3	61,656	0	2031
2032	23,420		23,420	237,500 07/01/17 3.00% 1,293	23,000 11/01/14 3.00% 0	3,000	23,420	0	3	43,086	0	2032
2033	23,654		23,654	237,500 07/01/17 3.00% 712	23,000 11/01/14 3.00% 0	3,000	23,654	0	3	23,725	0	2033
2034	23,891		23,891	237,500 07/01/17 3.00% 106	23,000 11/01/14 3.00% 0	3,000	23,891	0	3	3,546	0	2034
2035	24,129		24,129	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	24,129	17,477	17,480	0	0	2035
2036	24,371		24,371	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	24,371	24,371	41,851	0	0	2036
2037	24,614		24,614	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	24,614	24,614	66,465	0	0	2037
2038	24,861		24,861	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	24,861	24,861	91,326	0	0	2038
2039	25,109		25,109	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	25,109	25,109	116,435	0	0	2039
2040	25,360		25,360	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	25,360	25,360	141,796	0	0	2040
2041	25,614		25,614	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	25,614	25,614	167,409	0	0	2041
2042	25,870		25,870	237,500 07/01/17 3.00% 0	23,000 11/01/14 3.00% 0	3,000	25,870	25,870	193,280	0	0	2042
Total	585,574	0	585,574	310,234	25,060	63,000	398,294					Total

Protected TID Closure

Notes:  
 1 Cash Grant Developer's Agreement specifies that the cash grant will be equal to 25% of the incremental value of the Final Project, with unpaid amounts accruing interest at 3%.  
 2 The City will advance funds from other sources to cover initial district creation and related expenses, and will recover those amounts with interest from available increment as it is realized.  
 3 Deferred interest amounts are shown for reference and are not included in annual expenditures total. Unpaid deferred interest charges are added to the principal amount of the cash grant/advance amounts shown.

## **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 50% 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 does not anticipate that the District will require any changes in zoning ordinances.

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

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It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

## **SECTION 15: Relocation**

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It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable state statutes as required in Wisconsin Statutes chapter 32.

## SECTION 16: Orderly Development and/or Redevelopment 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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October 21, 2014

In Memoriam:  
Ralph E. Houseman  
1916 - 2012

OF COUNSEL:  
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Ms. Christy Mertes, Administrator  
City of Cedarburg  
W63 N645 Washington Avenue  
P.O. Box 49  
Cedarburg, Wisconsin 53012

Re: Tax Incremental District No. 3 Project Plan

Dear Ms. Mertes:

At your direction, I have reviewed the Project Plan for the creation of Tax Incremental District No. 3 in the City of Cedarburg dated September 8, 2014. 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 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;



HOUSEMAN & FEIND, LLP

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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 Village.

My review of the Project Plan for the creation of Tax Incremental District No. 3 indicates that it is complete and complies with the requirements of Section 66.1105(4)(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



Michael P. Herbrand

MPH:csp

cc: Ms. Paula Czaplewski, Ehlers, Inc., via [PCzaplewski@ehlers-inc.com](mailto:PCzaplewski@ehlers-inc.com)

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.						
Statement of Taxes Data Year:		2013		Percentage		
Ozaukee County		2,243,675		9.10%		
City of Cedarburg		8,266,129		33.52%		
School District of Cedarburg		11,689,535		47.40%		
Milwaukee Area Technical College		2,460,817		9.98%		
Total		24,660,156				
Revenue Year	Ozaukee County	City of Cedarburg	Cedarburg School District	Milwaukee Area Technical College	Total	Revenue Year
2017	922	3,398	4,805	1,012	10,137	2017
2018	1,854	6,830	9,658	2,033	20,374	2018
2019	1,872	6,898	9,755	2,053	20,578	2019
2020	1,891	6,967	9,852	2,074	20,784	2020
2021	1,910	7,036	9,951	2,095	20,992	2021
2022	1,929	7,107	10,050	2,116	21,202	2022
2023	1,948	7,178	10,151	2,137	21,414	2023
2024	1,968	7,250	10,252	2,158	21,628	2024
2025	1,987	7,322	10,355	2,180	21,844	2025
2026	2,007	7,395	10,458	2,202	22,063	2026
2027	2,027	7,469	10,563	2,224	22,283	2027
2028	2,048	7,544	10,668	2,246	22,506	2028
2029	2,068	7,619	10,775	2,268	22,731	2029
2030	2,089	7,696	10,883	2,291	22,958	2030
2031	2,110	7,773	10,992	2,314	23,188	2031
2032	2,131	7,850	11,102	2,337	23,420	2032
2033	2,152	7,929	11,213	2,360	23,654	2033
2034	2,174	8,008	11,325	2,384	23,891	2034
2035	2,195	8,088	11,438	2,408	24,129	2035
2036	2,217	8,169	11,552	2,432	24,371	2036
2037	2,240	8,251	11,668	2,456	24,614	2037
2038	2,262	8,333	11,785	2,481	24,861	2038
2039	2,285	8,417	11,902	2,506	25,109	2039
2040	2,307	8,501	12,021	2,531	25,360	2040
2041	2,330	8,586	12,142	2,556	25,614	2041
2042	2,354	8,672	12,263	2,582	25,870	2042
	53,278	196,285	277,577	58,434	585,574	

Notes:  
 The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.