



January 22, 2020

Project Plan for the Creation of Tax Incremental District No. 27

CITY OF WAUKESHA, WISCONSIN

Organizational Joint Review Board Meeting Held:	January 22, 2020
Public Hearing Held:	January 22, 2020
Consideration for Approval by Plan Commission:	January 22, 2020
Consideration for Adoption by Common Council:	March 17, 2020
Consideration for Approval by the Joint Review Board:	March 31, 2020

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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 27 (the “TID” or “District”) is proposed to be created by the City of Waukesha (“City”) as a blighted area district. A map of the proposed District boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures.

The City anticipates making total project expenditures of approximately \$4,877,000 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in three phases. 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 financed with General Obligation Notes and Municipal Revenue Obligations (MRO’s) issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, 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 \$32,340,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. 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

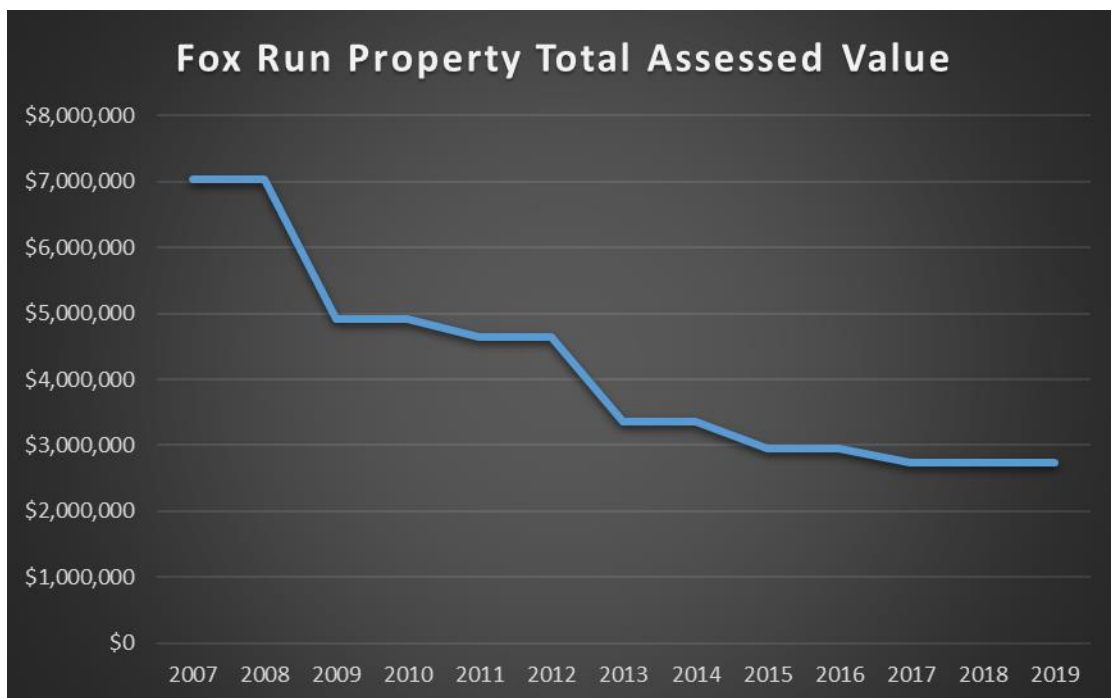
Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2030; 17 years earlier than the 27 year maximum life of this District.

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 City has conducted an independent review of the intended developer’s sources and uses proforma for the initial proposed redevelopment project. This review has concluded that a public investment of approximately \$3,700,000 is required to enable the development to occur in the manner desired by the City, while providing the developer a fair and reasonable return on their investment.
- Some of the sites proposed for redevelopment have remained vacant for several years despite being available for lease and/or sale. Tenants began leaving the Fox Run Shopping Center in the mid-2000’s with the loss of Banner Crafts and several smaller tenants. Larger tenants followed suit with Sentry Liquor closing in 2010, True Value Hardware in 2011, and the stand-alone Denny’s Restaurant in 2016. None of the spaces were ever reoccupied after these businesses left and remain vacant to date. Contributing to the vacancies is the blighted condition of both the buildings and site infrastructure, including driveways and parking areas. The property where the Fox Run Shopping Center is located went into foreclosure in 2014 which concluded in 2015, and the property was in receivership until 2016. The property was sold in 2016 to its current owner. In addition, the property has steadily declined in value since 2009 as demonstrated in the chart below. Given that the sites have 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 infrastructure and inducements to encourage development on the sites consistent with that desired by the City.



- In order to make the areas included within the District suitable for development and redevelopment, the City will need to make a substantial investment to pay for the costs of: a water reservoir abandonment and pedestrian improvements to the proposed redevelopment site. Due to the extensive initial investment in public infrastructure and/or rehabilitation that is required in order to allow development and/or redevelopment to occur, the City has determined that development and redevelopment of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development and redevelopment of the area is unlikely to occur.

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.
 - The development expected to occur within the District would create approximately 72 residential units, providing housing opportunities for workers.
 - The medical office development expected to occur within the District would create a minimum of 60 new jobs within the City.
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, 2020. 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, 2020 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (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 Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.
4. Not less than 50% by area of the real property within the District is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1.
5. Based upon the findings, as stated above, the District is declared to be a blighted area District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting the elimination of blight consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.

8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

SECTION 2: Type and General Description of District

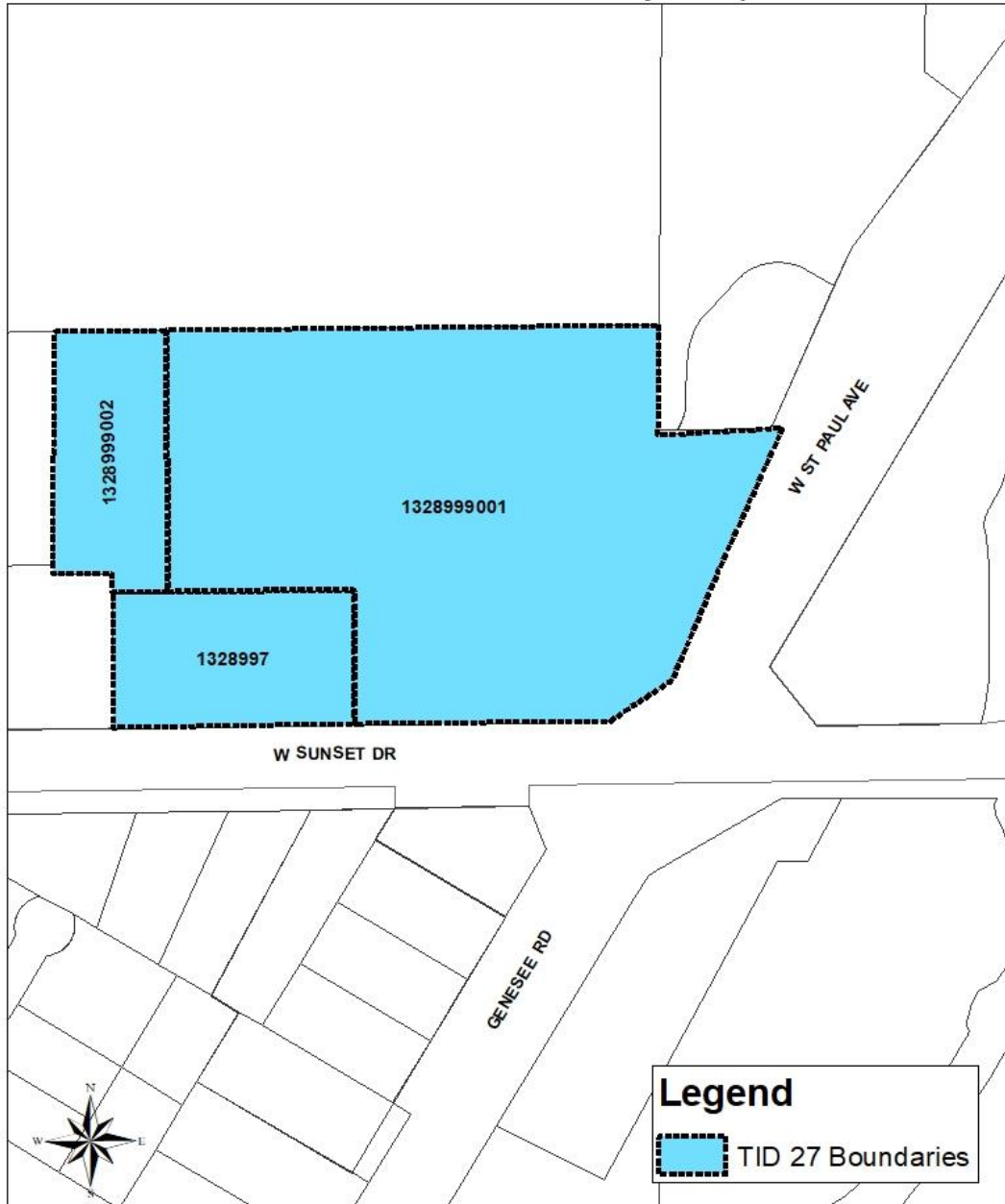
The District is being created by the City under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a "Blighted Area District" based upon a finding that at least 50%, by area, of the real property within the District is blighted. In Section 5 of this Plan, the City 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.

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 installing public improvements and 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.

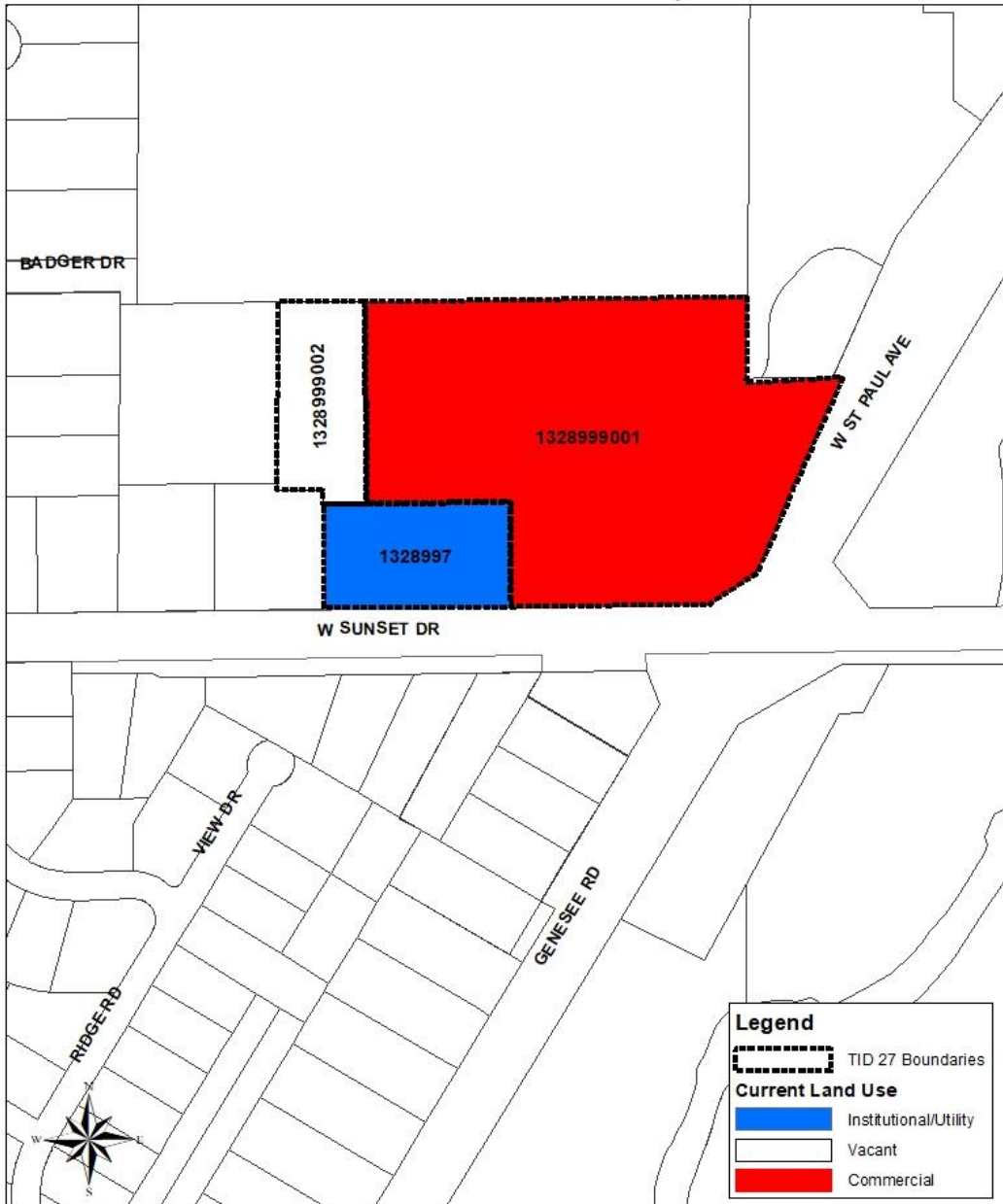
SECTION 3: Preliminary Map of Proposed District Boundary

City of Waukesha Tax Incremental District Number 27 Boundaries and Tax Keys Map



SECTION 4: Map Showing Existing Uses and Conditions

City of Waukesha Tax Incremental District Number 27 Current Land Use Map




SECTION 5: Preliminary Parcel List and Analysis

City of Waukesha, Wisconsin																									
Tax Increment District # 27																									
Base Property Information																									
							Assessment Information				Equalized Value				District Classification										
Parcel Number	Street Address	Owner	Acreage	Annexed Post 1/1/04? ...Indicate date	Part of Existing TID? ...Indicate TID #	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Blighted	Rehab/Conservation	Vacant								
1328999002	W Sunset Dr	WINFOX LLC	1.78	No	No	233,300	0	0	233,300	99.48%	234,520	0	0	234,520	1.78		0.00								
1328999001	2300 W St. Paul Ave	WINFOX LLC	11.64	No	No	2,028,300	471,700		2,500,000	99.48%	2,038,902	474,166	0	2,513,068	11.64		0.00								
1328997	2320 W Sunset Drive	City of Waukesha Water Utility	2.05	No	No	0	0	0	0	99.48%	0	0	0	0			2.05								
Total Acreage			15.47			2,261,600	471,700	0	2,733,300		2,273,422	474,166	0		13.4185	0	2.05								
The above values are as of January 1, 2019. Actual base value certification of the territory will be based on January 1, 2020 assessed values.																									
														Estimated Base Value		2,747,587									

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 \$303,011,287. This value is less than the maximum of \$809,930,004 in equalized value that is permitted for the City of Waukesha. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Waukesha, Wisconsin	
Tax Increment District # 27	
Valuation Test Compliance Calculation	
District Creation Date	1/1/2020
	Valuation Data Currently Available 2019
Total EV (TID In)	6,749,416,700
12% Test	809,930,004
Increment of Existing TIDs	
Total Existing Increment	<u>300,263,700</u>
Projected Base of New or Amended District	2,747,587
Less Value of Any Underlying TID Parcels	0 
Total Value Subject to 12% Test	<u><u>303,011,287</u></u>
Compliance	PASS

SECTION 7:

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

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.

Site Preparation Activities

Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development and/or redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include the abandonment of the water reservoir within the TID boundary as the City transitions to Lake Michigan for its water supply, or other existing utility services.

Site Grading

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

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development and redevelopment to occur, the City may need to construct sidewalks, crossing signal upgrades and bicycle facilities. 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; and installation of sidewalks, and bicycle facilities.

Streetscaping and Landscaping

In order to attract development and 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; retaining walls, 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

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.

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 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: pedestrian improvements including sidewalks and bike facilities to improve walkability and alternative transportation modes to and from the TID area.

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 for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

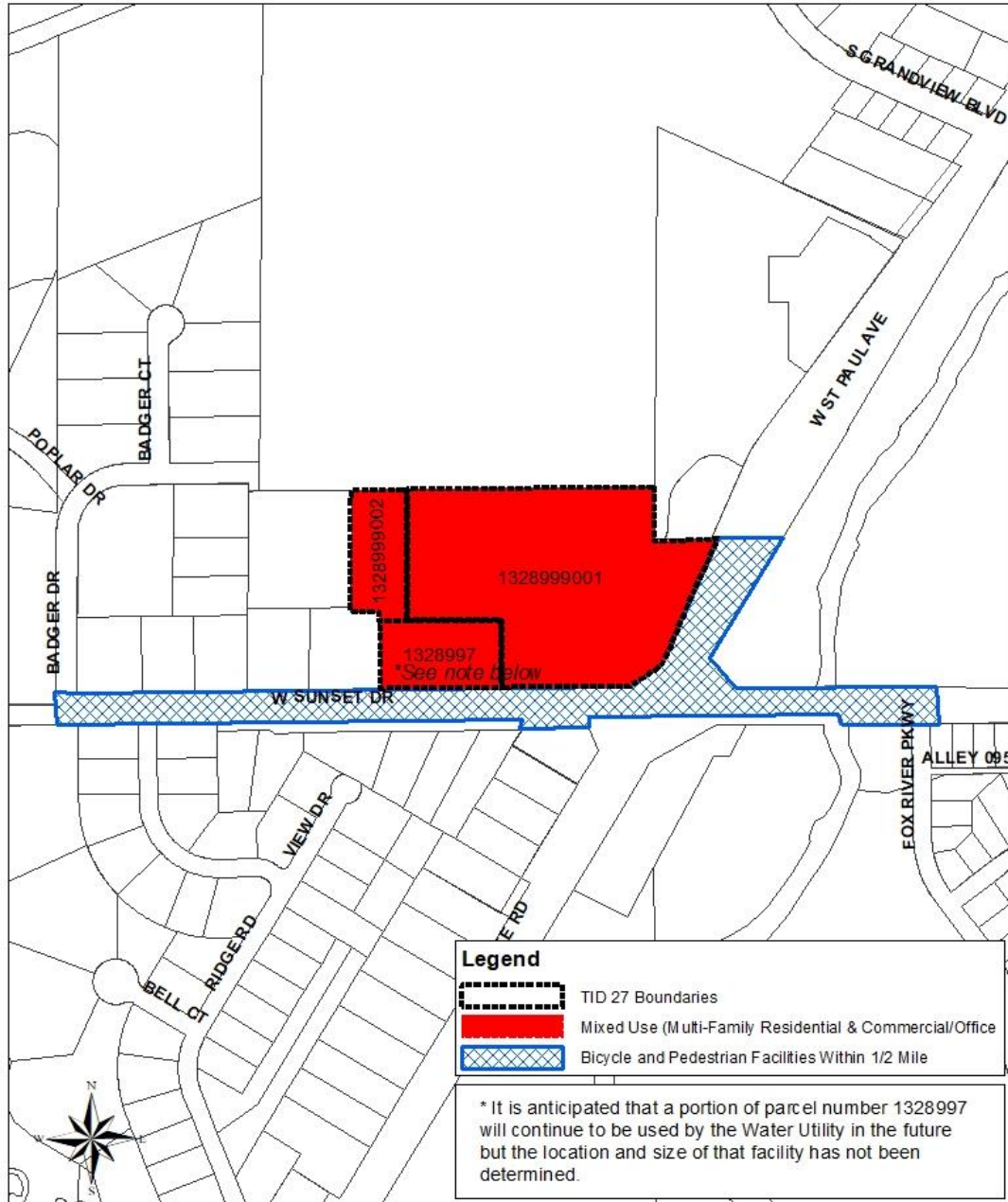
The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

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

City of Waukesha Tax Incremental District Number 27 Future Uses and Conditions



SECTION 9: Detailed List of Project Costs

All costs are based on 2020 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2020 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 Waukesha, Wisconsin Tax Increment District # 27 Estimated Project List						
Project ID	Project Name/Type	Phase I 2020	Phase II 2022	Phase III 2030	On Going	Total (Note 1)
1	Development Incentives	3,700,000				3,700,000
2	Water reservoir abandonment			400,000		400,000
3	Pedestrian Improvements (1/2 mile radius)		517,000			517,000
4	TID Creation	25,000				25,000
5	Administration, Legal and Professional Costs				144,000	144,000
6	Interest on Long Term Debt				90,795	90,795
Total Projects		<u>3,725,000</u>	<u>517,000</u>	<u>400,000</u>	<u>234,795</u>	<u>4,876,795</u>

Notes:
 Note 1 Project costs are estimates and are subject to modification

SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

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 and redevelopment. 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 and redevelopment expected to occur, 2) a projection of tax increments to be collected resulting from that development and redevelopment 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

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 \$320,721,765, of which \$183,832,000 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.

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 and/or redevelopment 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.

Implementation and Financing Timeline

City of Waukesha, Wisconsin			
Tax Increment District # 27			
Estimated Financing Plan			
	Municipal Revenue Obligation (MRO) 2020	G.O. Promissory Note 2022	Totals
Projects			
Phase I	3,700,000		3,700,000
Phase II		517,000	517,000
Total Project Funds	<u>3,700,000</u>	<u>517,000</u>	<u>4,217,000</u>
Estimated Finance Related Expenses		38,350	
Total Financing Required	3,700,000	555,350	
Estimated Interest	0.00%	0	1.50%
Assumed spend down (months)		3	(1,939)
Rounding	0	1,589	
Net Issue Size	3,700,000	555,000	4,255,000
Notes:			

Development Assumptions

City of Waukesha, Wisconsin									
Tax Increment District # 27									
Development Assumptions									
Construction Year		Actual	Medical	Retail	Restaurant	Multi-Family	Annual Total	Construction Year	
1	2020		2,197,101	0	115,676	2,258,444	4,571,222	2020	1
2	2021		7,273,290	2,610,925	536,110	5,981,086	16,401,411	2021	2
3	2022		2,360,360	66,898	31,445	0	2,458,703	2022	3
4	2023		4,540,776		257,876	4,110,392	8,909,044	2023	4
5	2024						0	2024	5
6	2025						0	2025	6
7	2026						0	2026	7
8	2027						0	2027	8
9	2028						0	2028	9
10	2029						0	2029	10
11	2030						0	2030	11
12	2031						0	2031	12
13	2032						0	2032	13
14	2033						0	2033	14
15	2034						0	2034	15
16	2035						0	2035	16
17	2036						0	2036	17
18	2037						0	2037	18
19	2038						0	2038	19
20	2039						0	2039	20
21	2040						0	2040	21
22	2041						0	2041	22
23	2042						0	2042	23
24	2043						0	2043	24
25	2044						0	2044	25
26	2045						0	2045	26
27	2046						0	2046	27
Totals		0	16,371,528	2,677,823	941,107	12,349,921	32,340,379		

Notes:

Increment Revenue Projections

City of Waukesha, Wisconsin										
Tax Increment District # 27										
Tax Increment Projection Worksheet										
Type of District	Blighted Area		Base Value		2,747,587		Apply to Base Value			
District Creation Date	January 1, 2020		Appreciation Factor		0.50%					
Valuation Date	Jan 1, 2020		Base Tax Rate		\$20.53					
Max Life (Years)	27		Rate Adjustment Factor							
Expenditure Period/Termination	22 1/1/2042		Tax Exempt Discount Rate		3.00%					
Revenue Periods/Final Year	27 2048		Taxable Discount Rate		4.50%					
Extension Eligibility/Years	Yes 3									
Eligible 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	2020	4,571,222	2021	0	4,571,222	2022	\$20.53	93,866	85,900	82,254
2	2021	16,401,411	2022	22,856	20,995,488	2023	\$20.53	431,123	468,947	443,777
3	2022	2,458,703	2023	104,977	23,559,169	2024	\$20.53	483,765	886,247	831,975
4	2023	8,909,044	2024	117,796	32,586,008	2025	\$20.53	669,123	1,446,627	1,345,792
5	2024	0	2025	162,930	32,748,938	2026	\$20.53	672,469	1,993,406	1,839,941
6	2025	0	2026	163,745	32,912,683	2027	\$20.53	675,831	2,526,913	2,315,175
7	2026	0	2027	164,563	33,077,246	2028	\$20.53	679,210	3,047,471	2,772,218
8	2027	0	2028	165,386	33,242,633	2029	\$20.53	682,606	3,555,394	3,211,767
9	2028	0	2029	166,213	33,408,846	2030	\$20.53	686,019	4,050,989	3,634,491
10	2029	0	2030	167,044	33,575,890	2031	\$20.53	689,449	4,534,555	4,041,035
11	2030	0	2031	167,879	33,743,769	2032	\$20.53	692,896	5,006,383	4,432,017
12	2031	0	2032	168,719	33,912,488	2033	\$20.53	696,361	5,466,760	4,808,033
13	2032	0	2033	169,562	34,082,051	2034	\$20.53	699,843	5,915,963	5,169,656
14	2033	0	2034	170,410	34,252,461	2035	\$20.53	703,342	6,354,262	5,517,437
15	2034	0	2035	171,262	34,423,723	2036	\$20.53	706,859	6,781,923	5,851,906
16	2035	0	2036	172,119	34,595,842	2037	\$20.53	710,393	7,199,204	6,173,572
17	2036	0	2037	172,979	34,768,821	2038	\$20.53	713,945	7,606,357	6,482,925
18	2037	0	2038	173,844	34,942,665	2039	\$20.53	717,515	8,003,627	6,780,438
19	2038	0	2039	174,713	35,117,379	2040	\$20.53	721,102	8,391,255	7,066,562
20	2039	0	2040	175,587	35,292,965	2041	\$20.53	724,708	8,769,475	7,341,734
21	2040	0	2041	176,465	35,469,430	2042	\$20.53	728,331	9,142,670	7,948,660
22	2041	0	2042	177,347	35,646,777	2043	\$20.53	731,973	9,783,555	8,214,623
23	2042	0	2043	178,234	35,825,011	2044	\$20.53	735,633	10,145,437	8,470,405
24	2043	0	2044	179,125	36,004,136	2045	\$20.53	739,311	10,498,536	8,716,396
25	2044	0	2045	180,021	36,184,157	2046	\$20.53	743,008	10,843,065	8,952,972
26	2045	0	2046	180,921	36,365,078	2047	\$20.53	746,723	11,179,231	9,180,492
27	2046	0	2047	181,825	36,546,903	2048	\$20.53	750,456	11,507,238	9,399,303
Totals		32,340,379		4,206,524		Future Value of Increment	18,025,859			

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Cash Flow

City of Waukesha, Wisconsin																
Tax Increment District # 27																
Cash Flow Projection																
Year	Projected Revenues			Expenditures						Balances			Year			
	Tax Increments	Other Revenue	Total Revenues	Municipal Revenue Obligation (MRO) 3,700,000 Dated Date: 05/01/20			G.O. Promissory Note 555,000 Dated Date: 04/01/22			Water Reservoir Abandonment	Admin.	Total Expenditures		Annual	Cumulative	Principal Outstanding
2020			0								25,000	25,000	(25,000)	(25,000)		2020
2021			0								4,500	4,500	(4,500)	(29,500)		2021
2022	93,866		93,866	84,479							4,500	88,979	4,887	(24,613)	555,000	2022
2023	431,123		431,123	388,010				1.60%	17,786		5,000	410,797	20,326	(4,287)	555,000	2023
2024	483,765		483,765	435,389				1.65%	11,734		15,000	477,123	6,643	2,355	540,000	2024
2025	669,123		669,123	602,211				1.70%	11,398		15,000	653,608	15,515	17,870	515,000	2025
2026	672,469		672,469	605,222				1.80%	10,960		15,000	656,182	16,287	34,157	490,000	2026
2027	675,831		675,831	608,248				1.90%	10,260		15,000	683,508	(7,677)	26,480	440,000	2027
2028	679,210		679,210	611,289				2.00%	9,285		15,000	685,574	(6,364)	20,116	390,000	2028
2029	682,606		682,606	365,153				2.10%	7,998		15,000	463,150	219,456	239,572	315,000	2029
2030	686,019		686,019					2.20%	6,110	400,000	15,000	521,110	164,909	404,481	215,000	2030
2031	689,449		689,449					2.25%	3,885			103,885	585,564	990,046	115,000	2031
2032	692,896		692,896					2.40%	1,380			116,380	576,516	1,566,562	0	2032
2033	696,361		696,361									0	696,361	2,262,923		2033
2034	699,843		699,843									0	699,843	2,962,766		2034
2035	703,342		703,342									0	703,342	3,666,108		2035
2036	706,859		706,859									0	706,859	4,372,966		2036
2037	710,393		710,393									0	710,393	5,083,359		2037
2038	713,945		713,945									0	713,945	5,797,304		2038
2039	717,515		717,515									0	717,515	6,514,819		2039
2040	721,102		721,102									0	721,102	7,235,921		2040
2041	724,708		724,708									0	724,708	7,960,629		2041
2042	728,331		728,331									0	728,331	8,688,960		2042
2043	731,973		731,973									0	731,973	9,420,933		2043
2044	735,633		735,633									0	735,633	10,156,566		2044
2045	739,311		739,311									0	739,311	10,895,877		2045
2046	743,008		743,008									0	743,008	11,638,885		2046
2047	746,723		746,723									0	746,723	12,385,607		2047
2048	750,456		750,456									0	750,456	13,136,064		2048
Total	18,025,859	0	18,025,859	3,700,000	0	555,000	90,795	400,000	144,000	4,889,795						Total

Notes:

- MRO annual payment represents 90% of the annual increment generated.
- Interest rate is based on a January, 2020 Aa2 tax exempt scale plus 25-basis points.

Projected TID Closure

SECTION 11: Annexed Property

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

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

SECTION 13: Proposed Zoning Ordinance Changes

The City anticipates that a portion of the District will be rezoned prior to development.

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

There may need to be a change to the City's Master Plan to incorporate the proposed development plan within the TID boundary. Changes to the Master Plan would be done prior to any rezoning within the TID boundary.

SECTION 15: Relocation

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 Wisconsin Statutes Section chapter 32.

SECTION 16: Orderly Development and Redevelopment of the City of Waukesha

The District contributes to the orderly development and redevelopment of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. The redevelopment of the Fox Run Shopping Center will turn a blighted property into a redevelopment site with multiple uses and will grow property values within the area. The site will provide additional housing opportunities for the City, as well as medical office, retail, restaurant and other amenities.

SECTION 17: List of Estimated Non-Project Costs

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 Waukesha Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105



Office of the City Attorney

City Hall, Suite 206
201 Delafield Street
Waukesha, Wisconsin 53188-3646
Telephone (262) 524-3520
Fax (262) 650-2569
Email attorneys@waukesha-wi.gov

Brian E. Running
City Attorney
Miles W.B. Eastman
Assistant City Attorney
Julie M. Gay
Assistant City Attorney
Anne Marie Iselin
Assistant City Attorney
Linda M. Lamm
Legal Assistant

March 11, 2020

City of Waukesha Common Council
201 Delafield Street
Waukesha, Wisconsin 53188

City of Waukesha Plan Commission
201 Delafield Street
Waukesha, Wisconsin 53188

Re: Tax Incremental District 27 Project Plan

To the Members of the Common Council and Plan Commission:

I have reviewed the proposed Project Plan for Tax Incremental District 27 and all associated documents. It is my opinion that the Project Plan is complete and complies with Wisconsin Statutes §66.1105(4)(f).

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian Running".

Brian E. Running

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:		2018						
					Percentage			
County		11,585,106			8.90%			
Technical College		2,219,131			1.70%			
Municipality		68,572,051			52.68%			
School District		47,798,743			36.72%			
					0.00%			
					0.00%			
Total		130,175,031						
Revenue Year	County	Technical College	Municipality	School District	0	0	Total	Revenue Year
2022	8,354	1,600	49,445	34,466	0	0	93,866	2022
2023	38,368	7,349	227,102	158,303	0	0	431,123	2023
2024	43,053	8,247	254,832	177,633	0	0	483,765	2024
2025	59,550	11,407	352,473	245,694	0	0	669,123	2025
2026	59,847	11,464	354,235	246,923	0	0	672,469	2026
2027	60,147	11,521	356,006	248,157	0	0	675,831	2027
2028	60,447	11,579	357,786	249,398	0	0	679,210	2028
2029	60,749	11,637	359,575	250,645	0	0	682,606	2029
2030	61,053	11,695	361,373	251,898	0	0	686,019	2030
2031	61,358	11,753	363,180	253,158	0	0	689,449	2031
2032	61,665	11,812	364,996	254,423	0	0	692,896	2032
2033	61,974	11,871	366,821	255,696	0	0	696,361	2033
2034	62,283	11,930	368,655	256,974	0	0	699,843	2034
2035	62,595	11,990	370,498	258,259	0	0	703,342	2035
2036	62,908	12,050	372,351	259,550	0	0	706,859	2036
2037	63,222	12,110	374,212	260,848	0	0	710,393	2037
2038	63,539	12,171	376,083	262,152	0	0	713,945	2038
2039	63,856	12,232	377,964	263,463	0	0	717,515	2039
2040	64,175	12,293	379,854	264,780	0	0	721,102	2040
2041	64,496	12,354	381,753	266,104	0	0	724,708	2041
2042	64,819	12,416	383,662	267,435	0	0	728,331	2042
2043	65,143	12,478	385,580	268,772	0	0	731,973	2043
2044	65,469	12,541	387,508	270,116	0	0	735,633	2044
2045	65,796	12,603	389,445	271,466	0	0	739,311	2045
2046	66,125	12,666	391,393	272,824	0	0	743,008	2046
2047	66,456	12,730	393,350	274,188	0	0	746,723	2047
2048	66,788	12,793	395,316	275,559	0	0	750,456	2048
	1,604,236	307,292	9,495,447	6,618,884	0	0	18,025,859	

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