

March 16, 2023

PROJECT PLAN AMENDMENT

City of Waukesha, Wisconsin

Tax Incremental District No. 17

Cobblestone Hotel Development



Prepared by:

Ehlers

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Suite 100

Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	Scheduled for 3/22/23
Public Hearing Held:	Scheduled for 3/22/23
Approval by Plan Commission:	Scheduled for 3/22/23
Adoption by Common Council:	Scheduled for 4/6/23
Approval by the Joint Review Board:	TBD

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 17 (“District”) is a Rehabilitation or Conservation District created on September 18, 2007. The District was created to:

- Promote redevelopment of the neighborhood directly south of the downtown central city.
- Provide greater employment opportunities, increased and improved near downtown central city housing opportunities and to broaden the property tax base.

The District has not been amended to date.

Purpose of Amendment

The purpose of this amendment, referred to hereafter as the Plan, the Amendment, or the Plan Amendment, is to:

- Add territory to the District as permitted under Wis. Stat. § 66.1105(4)(h)2. This is the first of four permitted territory amendments available to the District.
- Amend the categories, locations or costs of project costs to be made as permitted under Wis. Stat. § 66.1105(4)(h)1. (“Project”).

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$1,400,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated.

Incremental Valuation

The City projects that new land and improvements value of approximately \$9.2 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 outstanding Project Costs by 2027 prior to this Amendment. It is projected the District could close

by 2028 after the Amendment, or within 22 of its allowable 27 years. However there are additional projects identified in the original 2007 project plan that have not been completed, which ultimately will determine when the district closes.

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:

A review of the Project’s sources and uses, and cash flow proforma. The Project’s projected internal rate of return on investment over 10 years without TIF assistance is 10.47%. The Developer has requested that the City provide incentive payments on a combination of up front assistance and a pay as you go basis, with an estimated net present value of \$1,254,457. (Projected future value payments of \$1,400,000). Provision of the requested assistance would improve the Project’s return on investment to 14.96%. Projects of this type typically need to provide a return in the range of 12% to 18% to attract the necessary investment capital. Based on Ehlers review, provision of pay as you go the aforementioned 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.

The Developer’s representation that the Project is not economically viable without public participation based on extraordinary costs associated with demolition of structures and redevelopment of existing sites.

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 the following information:**

The expectation is the Project will employ between 18-22 workers once the Project is fully operational, with an estimated wage range between \$12-\$16 per hour. Additionally, visitors to the hotel will result in an increase in visitor spending in the downtown, specifically at event venues, specialty retail,, personal service businesses, restaurants/bars, and on downtown entertainment venues. The Developer is also likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and

services. The presence of a larger 60-room hotel downtown will benefit our local event spaces when attracting weddings and other special events. Also near the proposed hotel is the Rotunda, an event space that went dark in January of 2023. The Rotunda can accommodate events for up to 150 people and is a key historic structure in the downtown. The owner is currently seeking a new operator for the site. The hotel would be 2 blocks from this event space and would make the Rotunda a much more desirable location for events that include visitors from outside the area.

That the Developer is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and services from retailers, restaurants and service companies.

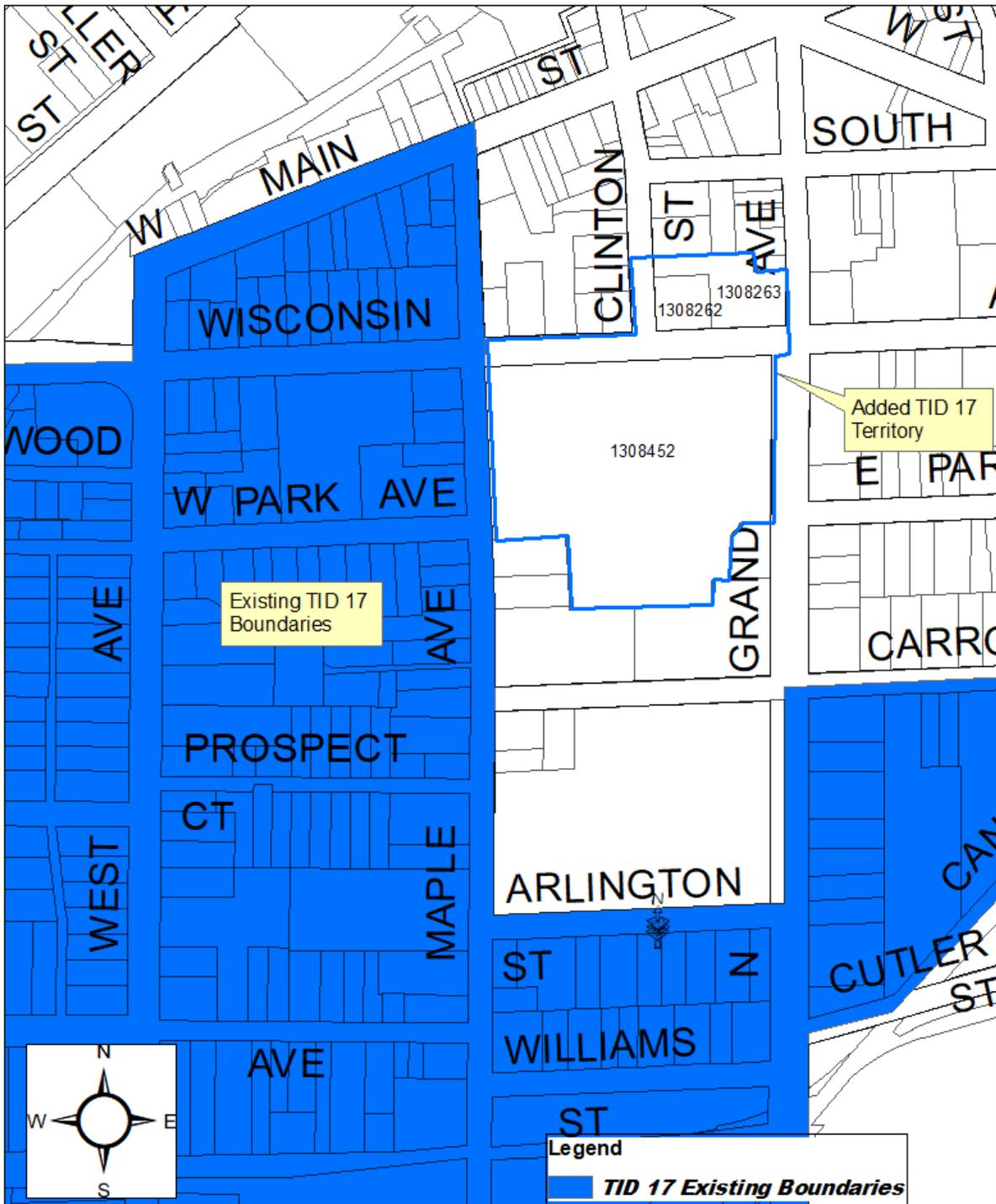
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District, as amended, is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a), or was in need of rehabilitation or conservation work as the time the District was created.
5. Based on the foregoing finding, the District remains designated as rehabilitation and conservation district.
6. The Project Costs relate directly to the rehabilitation and conservation of property and improvements 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 within the territory to be added to 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 Plan for the District is feasible and is in conformity with the Master Plan of the City.
10. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
11. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.

SECTION 2: Preliminary Map of Original District Boundary and Territory to be Added

Map Found on Following Page.

Tax Incremental Finance District #17 Territory Addition - Boundaries and Tax Keys Map



SECTION 3:
**Map Showing Existing Uses and Conditions Within the
Territory to be Added**

Map Found on Following Page.

SECTION 4: Preliminary Identification of Parcels to be Added

City of Waukesha, Wisconsin											Assessment Roll Classification? <i>(Residential = Class 1, Commercial = Class 2, Manufacturing = Class 3, Ag = Class 4, Undeveloped = Class 5, Ag Forest = Class 5M, Forest = Class 6 Other = Class 7 & Exempt = X)</i>									
Tax Increment District # 17 Amendment																				
Base Property Information																				
Property Information							Assessment Information				Equalized Value				District Classification					
Map Ref #	Parcel Number	Street Address	Owner	Acreage	Wetland Acres (if any)	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	
	1308452	321 Wisconsin Avenue	City of Waukesha	5.73	None	No	No	0	0	0	0	78.50%	0	0	0	0		0.00		
	1308262	Wisconsin Avenue	City of Waukesha	0.28	None	No	No	0	0	0	0	78.50%	0	0	0	0		0.28		
	1308263	704 N. Grand Avenue	First Financial Savings Assn	0.57	None	No	No	163,200	561,800	0	725,000	78.50%	207,898	715,669	0	923,567		0.57	0.00	
								0	0	0	0	78.50%	0	0	0	0		0.00		
				Total Acreage	6.58			163,200	561,800	0	725,000		207,898	715,669	0		0	0.854	0	
The above values are as of January 1, 2022. Actual base value certification of the territory will be based on January 1, 2023 assessed values.																Estimated Base Value	923,567			

SECTION 5: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property proposed to be added to the 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 value of the territory proposed to be added to the District, totals approximately \$373.5 million. This value is less than the maximum of \$1.044 billion in equalized value that is permitted for the City.

City of Waukesha, Wisconsin	
Tax Increment District # 17 Amendment	
Valuation Test Compliance Calculation	
District Creation Date	9/18/2007
	Valuation Data
	Currently Available
	2022
Total EV (TID In)	8,702,131,200
12% Test	1,044,255,744
Increment of Existing TIDs	
Total Existing Increment	<u>372,544,700</u>
Projected Base of New or Amended District	923,567
Less Value of Any Underlying TID Parcels	0
Total Value Subject to 12% Test	<u><u>373,468,267</u></u>
Compliance	PASS

SECTION 6:

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

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

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

The “Statement of Kind, Number and Location of Proposed Public Works and Other Projects” set forth in the original District Project Plan approved on September 18th, 2007 is not changing as part of this amendment.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. 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 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 Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

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

Acquisition of Easements

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

Relocation Costs

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

Site Preparation Activities

Environmental Audits and Remediation

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

Demolition

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

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City

may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the 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 river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

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

Gas Service

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

Communications Infrastructure

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

Streets and Streetscape

Street Improvements

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

marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development 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

Rail Spur

To allow for development, the City may incur costs for installation of a rail spur or other railway improvements to serve development sites located within the District.

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: public infrastructure projects outside the District which may include street reconstruction, wayfinding signage and streetscape projects.

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.

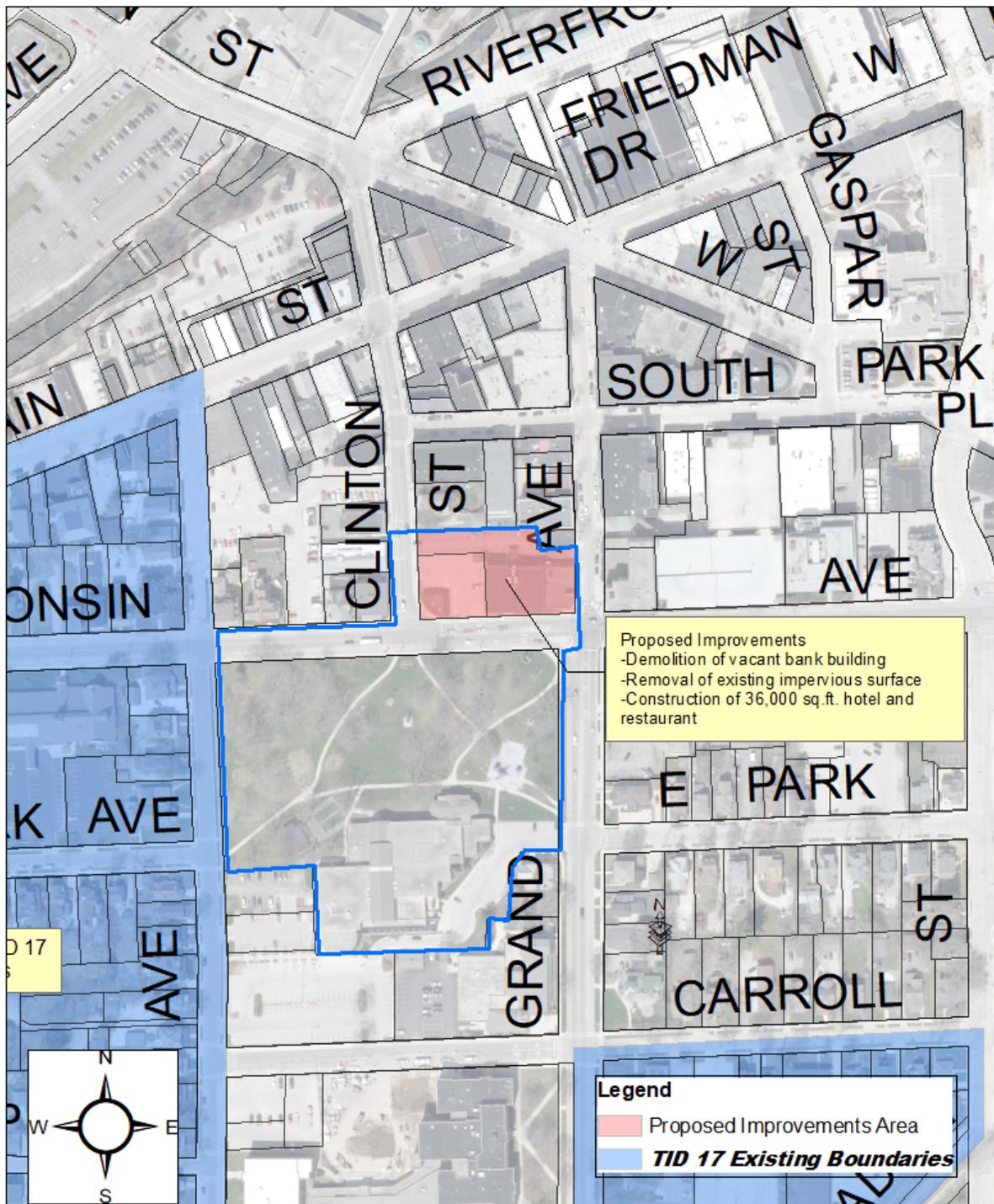
Financing Costs

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 Within
the Territory to be Added**

Map Found on Following Page.

Tax Incremental Finance District #17 Territory Addition - Proposed Improvements & Uses



SECTION 8: Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City has made, expects to make, or may need to make in conjunction with the implementation of the District's Plan or this Plan Amendment. The "Statement of Kind, Number and Location of Proposed Public Works and Other Projects" set forth in the original District Project Plan approved on September 18th, 2007 is not changing as part of this amendment. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Waukesha, Wisconsin

Tax Increment District # 17 Amendment

Estimated Project List

Project ID	Project Name/Type	TID Eligible Projects from 2007 Plan	Total (Note 1)
	Land acquisition, write downs, loans,		
1	incentives and special projects	5,350,000	5,350,000
2	Planning, legal and consulting	133,750	133,750
3	Engineering	240,750	240,750
4	Administration	267,500	267,500
5	Water main improvements	1,531,560	1,531,560
6	Railroad crossing upgrades	30,000	30,000
7	Storm sewer system	150,000	150,000
8	Storm water management	250,000	250,000
9	Landscaping, signage, streetlighting and streetscaping	50,000	50,000
10	Environmental remediation	125,000	125,000
11	Street improvements	750,000	750,000
12	Park improvements	150,000	150,000
13	Sanitary Sewers	250,000	250,000
14	Fees and assessments	50,000	50,000
15	Financing costs and interest	5,580,263	5,580,263
Total Projects		<u>14,908,823</u>	<u>14,908,823</u>
Total Project Costs (not including financing and int)		9,328,560	
Total Project Costs completed as of 12/31/22 (Note 2)		4,700,000	
Remaining project costs to be incurred		4,628,560	

Notes:

Note 1 Project costs are estimates and are subject to modification

Note 2 Source: City of Waukesha Finance Department, March, 2023.

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

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

Key Assumptions

The Project Costs the City plans to make are expected to create an additional \$9.2 million in incremental value by 2026. Actual valuations from the District’s creation, and 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 \$16.83 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$1.6 million in incremental tax revenue over the remaining life of the District as shown in **Table 2**. In addition **Table 3** and **Table 4** show the increment projections over the remaining life of the District in total pre and post amendment.

Table 1 - Development Assumptions

City of Waukesha, Wisconsin
Tax Increment District # 17 Amendment
Development Assumptions

Construction Year		Actual	Cobblestone Hotel	Annual Total	Construction Year	
7	2013	19,564,100		19,564,100	2013	7
8	2014	1,628,800		1,628,800	2014	8
9	2015	2,882,700		2,882,700	2015	9
10	2016	1,834,400		1,834,400	2016	10
11	2017	3,663,700		3,663,700	2017	11
12	2018	2,706,700		2,706,700	2018	12
13	2019	5,215,600		5,215,600	2019	13
14	2020	8,134,900		8,134,900	2020	14
15	2021	11,140,700		11,140,700	2021	15
16	2022			0	2022	16
17	2023		3,619,000	3,619,000	2023	17
18	2024		2,896,000	2,896,000	2024	18
19	2025		1,763,328	1,763,328	2025	19
20	2026		911,587	911,587	2026	20
21	2027			0	2027	21
22	2028			0	2028	22
23	2029			0	2029	23
24	2030			0	2030	24
25	2031			0	2031	25
26	2032			0	2032	26
27	2033			0	2033	27
Totals		56,771,600	9,189,915	65,961,515		

Notes:

Table 2 – Tax Increment Projection Worksheet Cobblestone Development Only

City of Waukesha, Wisconsin Tax Increment District # 17 Amendment Tax Increment Projection Worksheet - Cobblestone Development Only										
Type of District	Rehabilitation			Base Value	923,567			<input checked="" type="checkbox"/> Apply to Base Value		
District Creation Date	September 18, 2007			Appreciation Factor	0.00%					
Valuation Date	Jan 1,	2007		Base Tax Rate	\$16.83					
Max Life (Years)	27			Rate Adjustment Factor						
Expenditure Period/Termination	22	9/18/2029		Tax Exempt Discount Rate	4.00%					
Revenue Periods/Final Year	27	2035		Taxable Discount Rate	5.50%					
Extension Eligibility/Years	Yes	6								
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
							0		
15	2021	0	2022	0	0	2023	\$16.83	0	0
16	2022	0	2023	0	0	2024	\$16.83	0	0
17	2023	3,619,000	2024	0	3,619,000	2025	\$16.83	60,913	58,570
18	2024	2,896,000	2025	0	6,515,000	2026	\$16.83	109,656	159,953
19	2025	1,763,328	2026	0	8,278,328	2027	\$16.83	139,335	283,821
20	2026	911,587	2027	0	9,189,915	2028	\$16.83	154,678	416,041
21	2027	0	2028	0	9,189,915	2029	\$16.83	154,678	543,175
22	2028	0	2029	0	9,189,915	2030	\$16.83	154,678	665,420
23	2029	0	2030	0	9,189,915	2031	\$16.83	154,678	782,963
24	2030	0	2031	0	9,189,915	2032	\$16.83	154,678	895,985
25	2031	0	2032	0	9,189,915	2033	\$16.83	154,678	1,004,660
26	2032	0	2033	0	9,189,915	2034	\$16.83	154,678	1,109,155
27	2033	0	2034	0	9,189,915	2035	\$16.83	154,678	1,209,631
Totals		9,189,915		0		Future Value of Increment		1,547,330	

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).

Table 3 – Tax Increment Projection Worksheet Pre-Amendment

City of Waukesha, Wisconsin Tax Increment District # 17 Amendment Tax Increment Projection Worksheet - <u>Pre District Amendment</u>									
Type of District	Rehabilitation				Base Value	923,567			
District Creation Date	September 18, 2007				Appreciation Factor	0.00%			
Valuation Date	Jan 1,	2007			Base Tax Rate	\$16.83			
Max Life (Years)	27				Rate Adjustment Factor				
Expenditure Period/Termination	22	9/18/2029			Tax Exempt Discount Rate				
Revenue Periods/Final Year	27	2035			Taxable Discount Rate	1.50%			
Extension Eligibility/Years	Yes	6							
Eligible Recipient District	Yes								

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
								0
15	2021	56,771,600	2022	0	56,771,600	2023	\$16.83	955,541
16	2022	0	2023	0	56,771,600	2024	\$16.83	955,541
17	2023	0	2024	0	56,771,600	2025	\$16.83	955,541
18	2024	0	2025	0	56,771,600	2026	\$16.83	955,541
19	2025	0	2026	0	56,771,600	2027	\$16.83	955,541
20	2026	0	2027	0	56,771,600	2028	\$16.83	955,541
21	2027	0	2028	0	56,771,600	2029	\$16.83	955,541
22	2028	0	2029	0	56,771,600	2030	\$16.83	955,541
23	2029	0	2030	0	56,771,600	2031	\$16.83	955,541
24	2030	0	2031	0	56,771,600	2032	\$16.83	955,541
25	2031	0	2032	0	56,771,600	2033	\$16.83	955,541
26	2032	0	2033	0	56,771,600	2034	\$16.83	955,541
27	2033	0	2034	0	56,771,600	2035	\$16.83	955,541
Totals		56,771,600		0		Future Value of Increment		12,422,027

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).

Table 4 - Tax Increment Projection Worksheet Post Amendment

City of Waukesha, Wisconsin Tax Increment District # 17 Amendment Tax Increment Projection Worksheet - Total Development								
Type of District	Rehabilitation				Base Value	923,567		
District Creation Date	September 18, 2007				Appreciation Factor	0.00%		■
Valuation Date	Jan 1,	2007			Base Tax Rate	\$16.83		
Max Life (Years)	27				Rate Adjustment Factor			
Expenditure Period/Termination	22	9/18/2029						
Revenue Periods/Final Year	27	2035						
Extension Eligibility/Years	Yes 6				Tax Exempt Discount Rate			
Eligible Recipient District	Yes				Taxable Discount Rate	1.50%		

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	
							0	
15	2021	56,771,600	2022	0	56,771,600	2023	\$16.83	955,541
16	2022	0	2023	0	56,771,600	2024	\$16.83	955,541
17	2023	3,619,000	2024	0	60,390,600	2025	\$16.83	1,016,453
18	2024	2,896,000	2025	0	63,286,600	2026	\$16.83	1,065,197
19	2025	1,763,328	2026	0	65,049,928	2027	\$16.83	1,094,876
20	2026	911,587	2027	0	65,961,515	2028	\$16.83	1,110,219
21	2027	0	2028	0	65,961,515	2029	\$16.83	1,110,219
22	2028	0	2029	0	65,961,515	2030	\$16.83	1,110,219
23	2029	0	2030	0	65,961,515	2031	\$16.83	1,110,219
24	2030	0	2031	0	65,961,515	2032	\$16.83	1,110,219
25	2031	0	2032	0	65,961,515	2033	\$16.83	1,110,219
26	2032	0	2033	0	65,961,515	2034	\$16.83	1,110,219
27	2033	0	2034	0	65,961,515	2035	\$16.83	1,110,219
Totals		65,961,515		0		Future Value of Increment		13,969,358

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).

Financing and Implementation

To date the City has issued General Obligation Debt for the infrastructure projects completed. The existing debt will fully mature in 2030. The City plans to use existing fund balance for the upfront incentive to the Cobblestone development, and to fund the remaining infrastructure expenses. The City further anticipates entering into a Municipal Revenue Obligation (MRO) for the \$400,000 additional incentive to the Cobblestone development. **Table 5** provides a summary of the District's financing plan for the planned MRO.

Based on the Project Cost expenditures as included within the cash flow exhibits (**Tables 6-8**), the District is projected to accumulate sufficient funds by the year 2028 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.

Table 5 - Financing Plan

City of Waukesha, Wisconsin Tax Increment District # 17 Amendment Estimated Financing Plan - Cobblestone Development		
	Municipal Revenue Obligation (MRO) Year	Totals
Projects		
Phase I	133,750	133,750
Total Project Funds	<u>133,750</u>	<u>133,750</u>
Estimated Finance Related Expenses		
Total Financing Required	133,750	
Estimated Interest	0.00%	0
Assumed spend down (months)	0	
Rounding	266,250	
Net Issue Size	400,000	400,000
Notes:		

Table 6 - Cash Flow (Pre Amendment)

Tax Increment District # 17 Amendment															
Cash Flow Projection - Pre District Amendment															
Year	Projected Revenues					Expenditures						Balances			Year
	Tax Increments	Computer Aid	Exempt PP Aid	Other Revenue/Int. Earnings	Total Revenues	Total Outstanding Principal and Interest Dated Date:		Other	TID Infrastructure Expenses ²	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2021	753,499	1,019	1,826	42,865	799,209	160,000	124,735	11,066		13,840	309,641	489,568	2,482,966	4,465,000	2021
2022	879,552	1,019	1,826		882,397	355,000	121,842	334		13,200	490,376	392,021	2,874,987	4,110,000	2022
2023	955,541	1,019	1,826		958,386	545,000	112,103	400		13,550	671,053	287,333	3,162,320	3,565,000	2023
2024	955,541	1,019	1,826		958,386	635,000	99,478	400		13,550	748,428	209,958	3,372,278	2,930,000	2024
2025	955,541	1,019	1,826		958,386	655,000	85,945	400		13,550	754,895	203,491	3,575,769	2,275,000	2025
2026	955,541	1,019	1,826		958,386	600,000	71,240	400	1,500,000	13,550	2,185,190	(1,226,804)	2,348,964	1,675,000	2026
2027	955,541	1,019	1,826		958,386	410,000	56,990	400	1,500,000	13,550	1,980,940	(1,022,554)	1,326,410	1,265,000	2027
2028	955,541	1,019	1,826		958,386	420,000	43,880	400		13,550	477,830	480,556	1,806,965	845,000	2028
2029	955,541	1,019	1,826		958,386	420,000	30,000	400		13,550	463,950	494,436	2,301,401	425,000	2029
2030	955,541	1,019	1,826		958,386	425,000	15,300	400		13,550	454,250	504,136	2,805,537	0	2030
2031	955,541	1,019	1,826		958,386			400		13,550	13,950	944,436	3,749,972	0	2031
2032	955,541	1,019	1,826		958,386			400		13,550	13,950	944,436	4,694,408	0	2032
2033	955,541	1,019	1,826		958,386			400		13,550	13,950	944,436	5,638,843		2033
2034	955,541	1,019	1,826		958,386			400		13,550	13,950	944,436	6,583,279		2034
2035	955,541	1,019	1,826		958,386			400		13,550	13,950	944,436	7,527,714		2035
Total	14,055,078	15,285	27,390	42,865	14,140,618	4,625,000	761,512	16,600		203,190	8,606,302				Total

Notes:
 1. MRO payment equates to 90% of the tax increment revenue generated from the Cobblestone Hotel project on an annual basis up to the MRO total.
 2. TID infrastructure improvements represent remaining expenses from 2007 project plan identified but not yet constructed.

Projected TID Closure

Table 7 - Cash Flow (Cobblestone Development Only)

City of Waukesha, Wisconsin												
Tax Increment District # 17 Amendment												
Cash Flow Projection - Cobblestone Development Only												
Year	Projected Revenues			Expenditures					Balances		Year	
	Tax Increments	Other Revenue/Int. Earnings	Total Revenues	Municipal Revenue Obligation (MRO) 400,000 Dated Date: 01/01/24			Cobblestone Incentive	Admin.	Total Expenditures	Annual		Cumulative
2021	0		0						0	0		2021
2022	0		0						0	0	0	2022
2023	0		0						0	0	0	2023
2024	0		0				1,000,000	2,250	1,002,250	(1,002,250)	(1,002,250)	2024
2025	60,913		60,913					2,295	2,295	58,618	(943,632)	2025
2026	109,656		109,656					2,341	2,341	107,315	(836,317)	2026
2027	139,335		139,335					2,388	2,388	136,947	(699,370)	2027
2028	154,678		154,678					2,435	2,435	152,243	(547,127)	2028
2029	154,678		154,678					2,484	2,484	152,194	(394,933)	2029
2030	154,678		154,678					2,534	2,534	152,144	(242,788)	2030
2031	154,678		154,678					2,585	2,585	152,094	(90,695)	2031
2032	154,678		154,678	139,211				2,636	141,847	12,832	(77,863)	2032
2033	154,678		154,678	139,211				2,689	141,899	12,779	(65,084)	2033
2034	154,678		154,678	121,579				2,743	124,322	30,357	(34,728)	2034
2035	154,678		154,678					2,798	2,798	151,881	117,153	2035
Total	1,547,330	0	1,547,330	400,000		0	1,000,000	30,177	1,430,177			Total

Notes: Projected TID Closure

Table 8 - Cash Flow (Post Amendment)

City of Waukesha, Wisconsin
 Tax Increment District # 17 Amendment
 Cash Flow Projection - Post Amendment (Total Development)

Year	Projected Revenues					Expenditures							Balances			Year						
	Tax Increments	Computer Aid	Exempt PP Aid	Other Revenue/Int. Earnings	Total Revenues	Total Outstanding Principal and Interest		Municipal Revenue Obligation (MRO) 400,000			Cobblestone Incentive	TID Infrastructure Expenses ²	Other	Admin.	Total Expenditures		Annual	Cumulative	Principal Outstanding	MRO Outstanding	Total Obligations	
2021	753,499	1,019	1,826	42,865	799,209	160,000	124,735	0					11,066	13,840	309,641	489,568	2,482,966	4,465,000		4,465,000	2021	
2022	879,552	1,019	1,826		882,397	355,000	121,842	0						334	13,200	490,376	392,021	2,874,987	4,110,000		4,110,000	2022
2023	955,541	1,019	1,826		958,386	545,000	112,103	0						400	13,550	671,053	287,333	3,162,320	3,565,000		3,565,000	2023
2024	955,541	1,019	1,826		958,386	635,000	99,478	0		1,000,000				400	15,800	1,750,678	(792,292)	2,370,028	2,930,000	400,000	3,330,000	2024
2025	1,016,453	1,019	1,826		1,019,298	655,000	85,945	0						400	15,845	757,190	262,108	2,632,136	2,275,000	400,000	2,675,000	2025
2026	1,065,197	1,019	1,826		1,068,042	600,000	71,240	0			1,500,000			400	15,891	2,187,531	(1,119,489)	1,512,647	1,675,000	400,000	2,075,000	2026
2027	1,094,876	1,019	1,826		1,097,721	410,000	56,990	0			1,500,000			400	15,938	1,983,328	(885,607)	627,040	1,265,000	400,000	1,665,000	2027
2028	1,110,219	1,019	1,826		1,113,064	420,000	43,880	0						400	15,985	480,265	632,798	1,259,838	845,000	400,000	1,245,000	2028
2029	1,110,219	1,019	1,826		1,113,064	420,000	30,000	0						400	16,034	466,434	646,630	1,906,468	425,000	400,000	825,000	2029
2030	1,110,219	1,019	1,826		1,113,064	425,000	15,300	0						400	16,084	456,784	656,280	2,562,748	0	400,000	400,000	2030
2031	1,110,219	1,019	1,826		1,113,064			0						400	16,135	16,535	1,096,529	3,659,277	0	400,000	400,000	2031
2032	1,110,219	1,019	1,826		1,113,064			139,211						400	16,186	155,797	957,267	4,616,545	0	260,789	260,789	2032
2033	1,110,219	1,019	1,826		1,113,064			139,211						400	16,239	155,849	957,214	5,573,759	0	121,579	121,579	2033
2034	1,110,219	1,019	1,826		1,113,064			121,579						400	16,293	138,272	974,792	6,548,551	0	0	0	2034
2035	1,110,219	1,019	1,826		1,113,064			0						400	16,348	16,748	1,096,316	7,644,868	0	0	0	2035
Total	15,602,409	15,285	27,390	42,865	15,687,949	4,625,000	761,512	400,000	0	1,000,000	3,000,000	16,600	233,367	10,036,479								Total

Notes:

1. MRO payment equates to 90% of the tax increment revenue generated from the Cobblestone Hotel project on an annual basis up to the MRO total.

2. TID infrastructure improvements represent remaining expenses from 2007 project plan identified but not yet constructed.

Projected TID Closure

SECTION 10:

Annexed Property

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

SECTION 11:

Estimate of Property to be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that 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 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan Amendment 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 Amendment is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for hotel 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 Amendment conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

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

Should the continued 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 Amendment of the Tax Incremental District Promotes the Orderly Development of the City

This Plan Amendment promotes the orderly development of the City by rehabilitating and conserving property 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 employment opportunities.

SECTION 15:

List of Estimated Non-Project Costs

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

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District as part of this amendment. Furthermore, there will be no improvements made outside the District as part of this amendment 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)**

INSERT SIGNED LEGAL OPINION

SAMPLE

Mayor
City of Waukesha
600 Sentry Drive
Waukesha, Wisconsin 53186

RE: Project Plan Amendment for Tax Incremental District No. 17

Dear Mayor:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105. As City Attorney for the City of Waukesha, I have been asked to review the above-referenced project plan amendment for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the amended Project Plan for the City of Waukesha Tax Incremental District No. 17 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

City Attorney

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

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

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2021		Percentage		
County	12,407,619			8.29%		
Technical College	2,225,762			1.49%		
Municipality	79,786,464			53.32%		
School District	55,211,268			36.90%		
Total	<u>149,631,113</u>					
Revenue Year	County	Technical College	Municipality	School District	Total	Revenue Year
2023	79,235	14,214	509,514	352,578	955,541	2023
2024	79,235	14,214	509,514	352,578	955,541	2024
2025	84,286	15,120	541,994	375,053	1,016,453	2025
2026	88,328	15,845	567,985	393,039	1,065,197	2026
2027	90,789	16,286	583,811	403,990	1,094,876	2027
2028	92,061	16,515	591,992	409,651	1,110,219	2028
2029	92,061	16,515	591,992	409,651	1,110,219	2029
2030	92,061	16,515	591,992	409,651	1,110,219	2030
2031	92,061	16,515	591,992	409,651	1,110,219	2031
2032	92,061	16,515	591,992	409,651	1,110,219	2032
2033	92,061	16,515	591,992	409,651	1,110,219	2033
2034	92,061	16,515	591,992	409,651	1,110,219	2034
2035	92,061	16,515	591,992	409,651	1,110,219	2035
	<u>1,158,358</u>	<u>207,794</u>	<u>7,448,756</u>	<u>5,154,449</u>	<u>13,969,358</u>	
Notes:						
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.						