



August 5, 2019

Project Plan for the Creation of Tax Incremental District No. 26

CITY OF WAUKESHA, WISCONSIN

Organizational Joint Review Board Meeting Held:	Scheduled for: August 13, 2019
Public Hearing Held:	Scheduled for: August 14, 2019
Consideration for Approval by Plan Commission:	Scheduled for: August 14, 2019
Consideration for Adoption by Common Council:	Scheduled for: September 3, 2019
Consideration for Approval by the Joint Review Board:	Scheduled for: TBD

Tax Incremental District No. 26 Creation Project Plan

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Table of Contents

EXECUTIVE SUMMARY	5
TYPE AND GENERAL DESCRIPTION OF DISTRICT	7
PRELIMINARY MAP OF PROPOSED DISTRICT BOUNDARY	9
MAP SHOWING EXISTING USES AND CONDITIONS	10
PRELIMINARY PARCEL LIST AND ANALYSIS	11
EQUALIZED VALUE TEST	12
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS	12
MAP SHOWING PROPOSED IMPROVEMENTS AND USES	16
DETAILED LIST OF PROJECT COSTS	17
ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED	19
ANNEXED PROPERTY	25
ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS	25
PROPOSED ZONING ORDINANCE CHANGES	25
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF WAUKESHA ORDINANCES	25
RELOCATION	26
ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF WAUKESHA	26
LIST OF ESTIMATED NON-PROJECT COSTS	26
OPINION OF ATTORNEY FOR THE CITY OF WAUKESHA ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105	27
CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS	28

SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 26 (the “TID” or “District”) is proposed to be created by the City of Waukesha (“City”) as a rehabilitation - conservation 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 \$15,330,000 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in four 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 a combination of General Obligation debt and Municipal Revenue Obligations 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 \$79,000,000 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 2034; 13 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 first multi-family proposed development project shown on the Development Assumptions page of this project plan. This review has concluded that a public investment of approximately \$4,750,000 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. The \$4,750,000 is broken down into \$1,500,000 in up front funding, and the remaining \$3,250,000 as a Municipal Revenue Obligation. This is shown on the Estimated Project List as the phase I and II development incentives, and in the Estimated Financing Plan within this project plan document.
 - Some of the sites proposed for development and/or redevelopment have remained vacant for several years due to lack of adequate infrastructure, environmental contamination, obsolete platting and ownership by multiple parties. 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/or redevelopment, the City will need to make a substantial investment to pay for the costs of: property, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. 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/or 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/or 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 first phase of development expected to occur within the District would create approximately 185 residential units, with the possibility for additional housing in within the District boundaries providing housing opportunities for workers.
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, 2019. 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, 2019 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 in need of rehabilitation - conservation work within the meaning of Wisconsin Statutes Section 66.1337(2m)(b).
 5. Based upon the findings, as stated above, the District is declared to be a rehabilitation - conservation District based on the identification and classification of the property included within the District.
 6. The project costs relate directly to promoting the rehabilitation of the area 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 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 Statutes Section 66.1105. The District is created as a “Rehabilitation - conservation District” based upon a finding that at least 50%, by area, of the real property within the District is in need of rehabilitation - conservation work. In Section 5 of this Plan, the City has identified those properties within the District that meet the criteria of “rehabilitation - conservation areas” as defined in Wisconsin Statutes Section 66.1337(2m)(a) and relies on these characterizations as the basis for making the above finding.

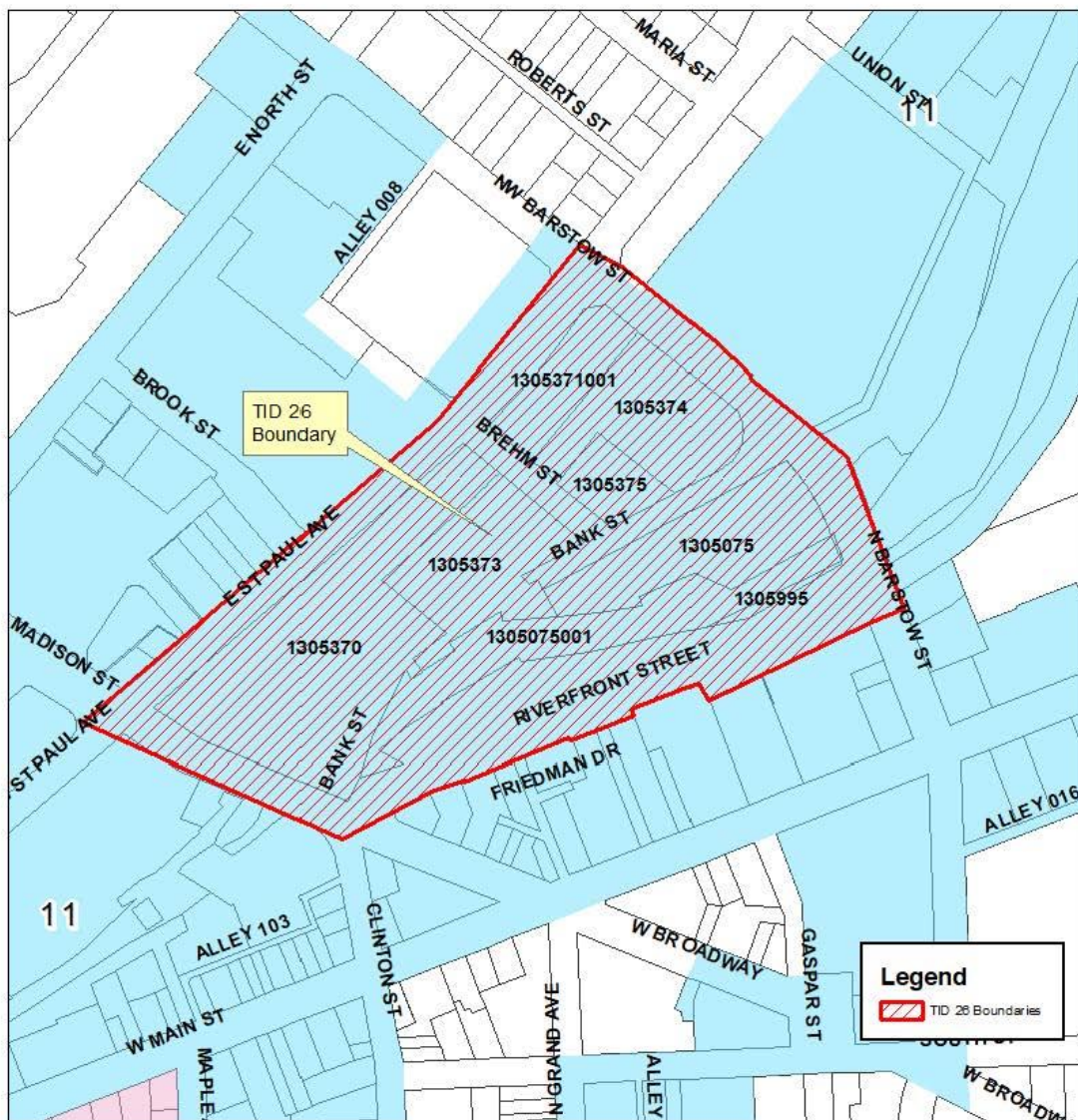
A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that private development occurs within the District consistent with the City’s development 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 rehabilitation - conservation of areas in the District consistent with the purpose for which the District is created.

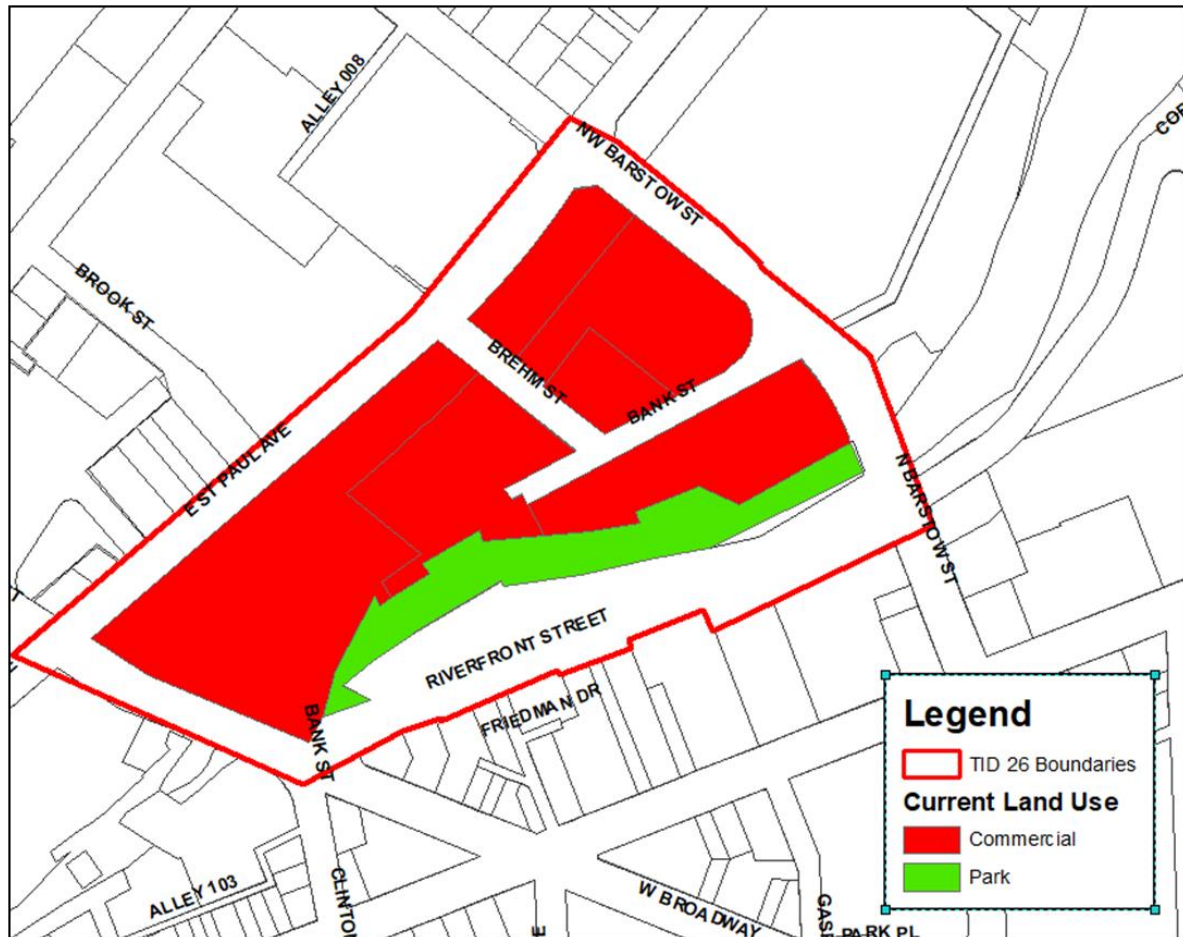
Based upon the findings, as stated within this Plan, the District is declared to be a rehabilitation - conservation District based on the identification and classification of the property included within the district.

SECTION 3: Preliminary Map of Proposed District Boundary

City of Waukesha Tax Incremental District Number 26 Boundaries and Tax Keys Map



SECTION 4: Map Showing Existing Uses and Conditions



SECTION 5: Preliminary Parcel List and Analysis

City of Waukesha, Wisconsin																	
Tax Increment District # 26																	
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
1305075	Bank St	Waukesha Loan	1.37	No	Yes, TID 11	467,300	0	0	467,300	96.22%	485,658	0	0	485,658			1.37
1305370	151 E. St Paul Ave	Waukesha State Bank	3.21	No	Yes, TID 11	1,143,000	1,374,000	0	2,517,000	96.22%	1,187,903	1,427,978	0	2,615,880			
1305373	Bank St	Waukesha Loan	1.30	No	Yes, TID 11	411,000	0	0	411,000	96.22%	427,146	0	0	427,146			1.30
1305374	130 Barstow St NW	Historic Prairieville LP	1.23	No	Yes, TID 11	435,600	114,400	0	550,000	96.22%	452,713	118,894	0	571,607			1.23
1305375	Bank St	Wisconsin Elec Power Co	0.40	No	Yes, TID 11	140,100	0	0	140,100	96.22%	145,604	0	0	145,604			0.40
1305995	1000 Friedman Dr	City of Waukesha		No	Yes, TID 11	0	0	0	0	96.22%	0	0	0	0			
1305075001	Bank St	City of Waukesha	1.38	No	Yes, TID 11	0	0	0	0	96.22%	0	0	0	0			
1305371001	E St Paul Ave	Waukesha State Bank	0.64	No	Yes, TID 11	222,900	0	0	222,900	96.22%	231,657	0	0	231,657			0.64
Total Acreage 9.53						2,819,900	1,488,400	0	4,308,300		2,930,680	1,546,872	0		0	0	4,9434
											Estimated Base Value 4,477,551				0.00%	0.00%	51.86%

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 \$289,255,151. This value is less than the maximum of \$769,732,236 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.

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.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development and/or Redevelopment

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 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

There are sites that likely will need environmental testing and cleanup. In particular, the sites along St. Paul Ave. may have residual contamination from a former WE Energies operation. There has been some investigation and remediation completed in the past with documentation on file with the WI DNR.

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 abandonment of wells 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.

Utilities

Sanitary Sewer System Improvements

To allow development and/or redevelopment 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; 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. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

To allow development and/or redevelopment 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; 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 and/or redevelopment within the District will cause stormwater runoff and pollution. 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

In order to create sites suitable for development and/or redevelopment, 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

In order to create sites suitable for development and/or redevelopment, 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

In order to create sites suitable for development and/or redevelopment, 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 and/or redevelopment to occur, the City may need to construct and/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; 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

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

Miscellaneous

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: road improvements, utility upgrades and streetscape improvements.

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.

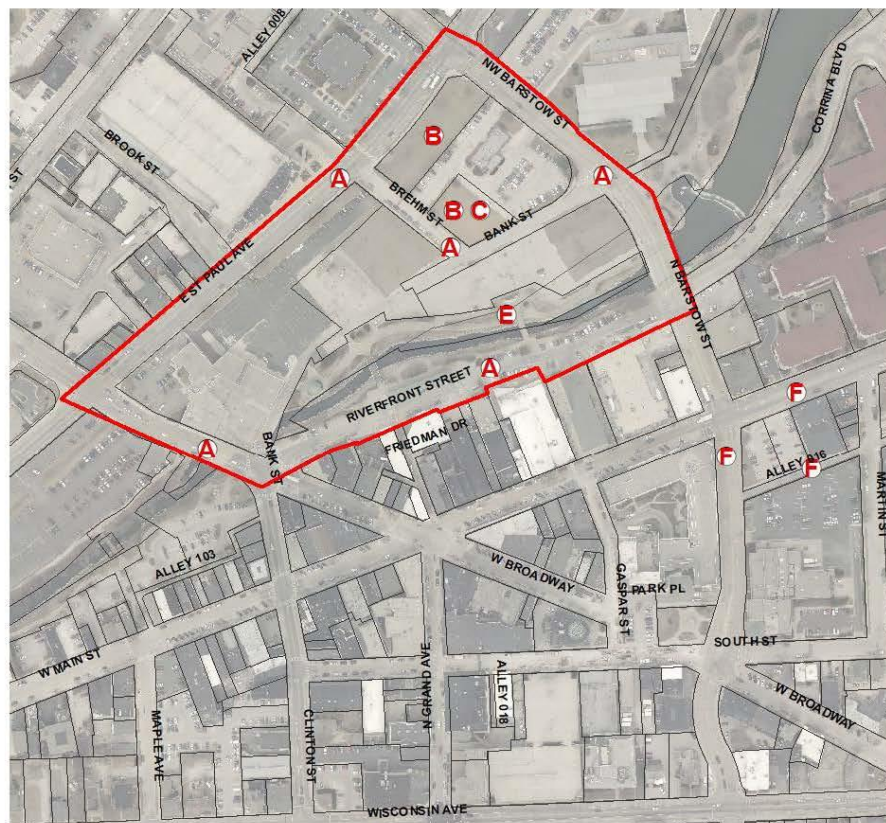
In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall 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 26 Boundaries and Tax Keys Map



TID 26 Project Map Key

- A. Public infrastructure and streetscape improvements
- B. Environmental remediation
- C. Property acquisition
- D. Riverfront improvements
- E. Public infrastructure and streetscape improvements within ½ mile of TID 26 boundary

SECTION 9: Detailed List of Project Costs

All costs are based on 2019 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2019 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 # 26

Estimated Project List

Project ID	Project Name/Type	Phase I 2020	Phase II 2021	Phase III 2022	Phase IV 2023	On-Going	Total <small>(Note 1)</small>
1	Development Incentive	1,500,000	3,250,000		7,250,000		12,000,000
2	Riverfront Improvements <small>(Note 2)</small>		860,000				860,000
3	Road, Utility, Stormwater and Streetscape Improvements		440,000				440,000
4	Property Acquisition			200,000			200,000
5	Environmental Remediation			250,000			250,000
6	Half Mile Radius Projects <small>(Note 3)</small>				250,000		250,000
7	TID Creation	25,000					25,000
8	Administration, Legal, Professional Consultants					500,000	500,000
9	Interest on Long Term Debt					803,019	803,019
Total Projects		1,525,000	4,550,000	450,000	7,500,000	1,303,019	15,328,019

Notes:

Note 1

Project costs are estimates and are subject to modification

Note 2

Riverfront improvements include a possible amphitheater, parking area for food truck vendors and permanent high-top tables along with necessary site work, lighting, sidewalks and public pathways, stormwater management and flood mitigation expenses.

Note 3

1/2 mile radius projects include road, utility, storm water and streetscape improvements.

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

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 \$[REDACTED] 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) or by a Redevelopment Authority (RDA). 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 the 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 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 # 26					
Estimated Financing Plan					
	Taxable G.O. Note 2020	Municipal Revenue Obligation (MRO) 2021	G.O. Bond 2021	Municipal Revenue Obligation (MRO) 2023	Totals
Projects					
Phase I - Development Incentive	1,500,000				1,500,000
Phase II - Development Incentive		3,250,000			3,250,000
Phase II - Riverfront Infrastructure			1,300,000		1,300,000
Phase III - Property and Env. Remediation			450,000		450,000
Phase IV - Development Incentive				7,250,000	7,250,000
Phase IV - Half Mile Radius Infrastructure Projects			250,000		
Total Project Funds	1,500,000	3,250,000	2,000,000	7,250,000	13,750,000
Estimated Finance Related Expenses	65,400		82,600		
Capitalized Interest	76,031				
Total Financing Required	1,641,431	3,250,000	2,082,600	7,250,000	
Estimated Interest	2.00%	(7,500)	0	2.00%	(20,000)
Assumed spend down (months)	3	6	6	6	
Rounding	1,069	0	2,400	0	
Net Issue Size	1,635,000	3,250,000	2,065,000	7,250,000	14,200,000
Notes:					

Development Assumptions

<div> City of Waukesha, Wisconsin Tax Increment District # 26 Development Assumptions </div>					
Construction Year		Multi-Family Development	Commercial Development	Annual Total	Construction Year
1	2019			0	2019 1
2	2020	30,000,000		30,000,000	2020 2
3	2021			0	2021 3
4	2022		11,000,000	11,000,000	2022 4
5	2023	38,000,000		38,000,000	2023 5
6	2024			0	2024 6
7	2025			0	2025 7
8	2026			0	2026 8
9	2027			0	2027 9
10	2028			0	2028 10
11	2029			0	2029 11
12	2030			0	2030 12
13	2031			0	2031 13
14	2032			0	2032 14
15	2033			0	2033 15
16	2034			0	2034 16
17	2035			0	2035 17
18	2036			0	2036 18
19	2037			0	2037 19
20	2038			0	2038 20
21	2039			0	2039 21
22	2040			0	2040 22
23	2041			0	2041 23
24	2042			0	2042 24
25	2043			0	2043 25
26	2044			0	2044 26
27	2045			0	2045 27
Totals		<u>68,000,000</u>	<u>11,000,000</u>	<u>79,000,000</u>	
Notes:					

Increment Revenue Projections

City of Waukesha, Wisconsin Tax Increment District # 26 Tax Increment Projection Worksheet										
Type of District	Rehabilitation			Base Value	4,477,551					
District Creation Date	September 3, 2019			Appreciation Factor	0.00%		Apply to Base Value			
Valuation Date	Jan 1, 2019			Base Tax Rate	\$20.29					
Max Life (Years)	27			Rate Adjustment Factor						
Expenditure Period/Termination	22 9/3/2041									
Revenue Periods/Final Year	27 2047									
Extension Eligibility/Years	Yes 3			Tax Exempt Discount Rate	3.00%					
Eligible Recipient District	Yes			Taxable Discount Rate	4.50%					

	Construction		Valuation Year	Inflation Increment	Total Increment	Revenue		Tax Increment	Tax Exempt	Taxable NPV Calculation
	Year	Value Added				Year	Tax Rate		NPV Calculation	
1	2019	0	2020	0	0	2021	\$20.29	0	0	0
2	2020	30,000,000	2021	0	30,000,000	2022	\$20.29	608,822	540,931	510,535
3	2021	0	2022	0	30,000,000	2023	\$20.29	608,822	1,066,106	999,085
4	2022	11,000,000	2023	0	41,000,000	2024	\$20.29	832,057	1,762,941	1,638,018
5	2023	38,000,000	2024	0	79,000,000	2025	\$20.29	1,603,232	3,066,515	2,816,118
6	2024	0	2025	0	79,000,000	2026	\$20.29	1,603,232	4,332,121	3,943,487
7	2025	0	2026	0	79,000,000	2027	\$20.29	1,603,232	5,560,865	5,022,309
8	2026	0	2027	0	79,000,000	2028	\$20.29	1,603,232	6,753,820	6,054,675
9	2027	0	2028	0	79,000,000	2029	\$20.29	1,603,232	7,912,029	7,042,584
10	2028	0	2029	0	79,000,000	2030	\$20.29	1,603,232	9,036,504	7,987,952
11	2029	0	2030	0	79,000,000	2031	\$20.29	1,603,232	10,128,226	8,892,610
12	2030	0	2031	0	79,000,000	2032	\$20.29	1,603,232	11,188,152	9,758,312
13	2031	0	2032	0	79,000,000	2033	\$20.29	1,603,232	12,217,205	10,586,735
14	2032	0	2033	0	79,000,000	2034	\$20.29	1,603,232	13,216,286	11,379,484
15	2033	0	2034	0	79,000,000	2035	\$20.29	1,603,232	14,186,268	12,138,095
16	2034	0	2035	0	79,000,000	2036	\$20.29	1,603,232	15,127,998	12,864,039
17	2035	0	2036	0	79,000,000	2037	\$20.29	1,603,232	16,042,299	13,558,722
18	2036	0	2037	0	79,000,000	2038	\$20.29	1,603,232	16,929,969	14,223,491
19	2037	0	2038	0	79,000,000	2039	\$20.29	1,603,232	17,791,785	14,859,633
20	2038	0	2039	0	79,000,000	2040	\$20.29	1,603,232	18,628,500	15,468,382
21	2039	0	2040	0	79,000,000	2041	\$20.29	1,603,232	20,024,070	16,773,208
22	2040	0	2041	0	79,000,000	2042	\$20.29	1,603,232	20,836,414	17,355,742
23	2041	0	2042	0	79,000,000	2043	\$20.29	1,603,232	21,625,098	17,913,192
24	2042	0	2043	0	79,000,000	2044	\$20.29	1,603,232	22,390,811	18,446,636
25	2043	0	2044	0	79,000,000	2045	\$20.29	1,603,232	23,134,221	18,957,109
26	2044	0	2045	0	79,000,000	2046	\$20.29	1,603,232	23,855,978	19,445,600
27	2045	0	2046	0	79,000,000	2047	\$20.29	1,603,232	24,556,714	19,913,055
Totals		79,000,000		0		Future Value of Increment		38,924,036		

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 # 26																					
Cash Flow Projection																					
Year	Projected Revenues			Expenditures														Balances			Year
	Tax Increments	Capitalized Interest	Total Revenues	Taxable G.O. Note 1,635,000			Municipal Revenue Obligation (MRO) 3,250,000			G.O. Bond 2,065,000			Municipal Revenue Obligation (MRO) 7,250,000			Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
				Dated Date: 02/01/20	Dated Date: 02/01/21	Dated Date: 05/01/21	Dated Date: 05/01/23														
				Principal	Est. Rate ¹	Interest	Principal	Est. Rate	Interest	Principal	Est. Rate ²	Interest	Principal	Est. Rate	Interest						
2019			0														0	0	0		2019
2020			0														0	0	0	1,635,000	2020
2021	0	76,031	76,031		2.25%	76,031										25,000	101,031	(25,000)	(25,000)	3,700,000	2021
2022	608,822		608,822	125,000	2.25%	49,281	155,543	0.00%	0		2.15%	80,063				12,000	421,888	186,934	161,934	3,575,000	2022
2023	608,822		608,822	160,000	2.50%	45,875	314,974	0.00%	0	75,000	2.19%	52,554				13,000	661,403	(52,581)	109,354	3,340,000	2023
2024	832,057		832,057	165,000	3.25%	41,194	314,655	0.00%	0	75,000	2.24%	50,893	167,426	0.00%	0	25,000	839,168	(7,111)	102,243	3,100,000	2024
2025	1,603,232		1,603,232	170,000	3.25%	35,750	315,099	0.00%	0	150,000	2.28%	48,343	745,807	0.00%	0	50,000	1,514,999	88,233	190,476	2,780,000	2025
2026	1,603,232		1,603,232	175,000	3.25%	30,144	315,705	0.00%	0	155,000	2.34%	44,820	745,807	0.00%	0	50,000	1,516,475	86,756	277,232	2,450,000	2026
2027	1,603,232		1,603,232	180,000	3.25%	24,375	316,474	0.00%	0	175,000	2.43%	40,880	745,807	0.00%	0	50,000	1,532,536	70,696	347,929	2,095,000	2027
2028	1,603,232		1,603,232	200,000	3.25%	18,200	317,405	0.00%	0	175,000	2.48%	36,584	745,807	0.00%	0	50,000	1,542,996	60,236	408,165	1,720,000	2028
2029	1,603,232		1,603,232	225,000	3.25%	11,294	318,499	0.00%	0	175,000	2.54%	32,191	745,807	0.00%	0	50,000	1,557,791	45,441	453,606	1,320,000	2029
2030	1,603,232		1,603,232	235,000	3.25%	3,819	319,755	0.00%	0	185,000	2.61%	27,554	745,807	0.00%	0	50,000	1,566,935	36,297	489,903	900,000	2030
2031	1,603,232		1,603,232				517,924	0.00%	0	200,000	2.69%	22,450	745,807	0.00%	0	50,000	1,536,181	67,051	556,954	700,000	2031
2032	1,603,232		1,603,232				43,968	0.00%	0	225,000	2.74%	16,678	745,807	0.00%	0	50,000	1,081,453	521,779	1,078,733	475,000	2032
2033	1,603,232		1,603,232							225,000	2.82%	10,423	745,807	0.00%	0	50,000	1,031,230	572,002	1,650,735	250,000	2033
2034	1,603,232		1,603,232							250,000	2.90%	3,625	370,309	0.00%	0		623,934	979,298	2,630,033	0	2034
2035	1,603,232		1,603,232														0	1,603,232	4,233,265		2035
2036	1,603,232		1,603,232														0	1,603,232	5,836,497		2036
2037	1,603,232		1,603,232														0	1,603,232	7,439,729		2037
2038	1,603,232		1,603,232														0	1,603,232	9,042,961		2038
2039	1,603,232		1,603,232														0	1,603,232	10,646,193		2039
2040	1,603,232		1,603,232														0	1,603,232	12,249,425		2040
2041	1,603,232		1,603,232														0	1,603,232	13,852,657		2041
2042	1,603,232		1,603,232														0	1,603,232	15,455,888		2042
2043	1,603,232		1,603,232														0	1,603,232	17,059,120		2043
2044	1,603,232		1,603,232														0	1,603,232	18,662,352		2044
2045	1,603,232		1,603,232														0	1,603,232	20,265,584		2045
2046	1,603,232		1,603,232														0	1,603,232	21,868,816		2046
2047	1,603,232		1,603,232														0	1,603,232	23,472,048		2047
Total	38,924,036	76,031	39,000,067	1,635,000		335,963	3,250,000		0	2,065,000		467,057	7,250,000		0	525,000	15,528,019				Total
Notes:																		Projected TID Closure			
1. Based on a recent taxable note sale for a similarly rated municipality plus 25-basis points.																					
2. Based on the City's recent GO Note sale plus 50-basis points.																					

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

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

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/or Redevelopment of the City of Waukesha

The District contributes to the orderly development and/or redevelopment of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. The District will provide for additional housing opportunities within the City while alleviating several long-standing vacant sites. The District sits along two major roadways within the City and has been in significant need of development for many years. Developing and redeveloping the District in general will enhance the look of the this area of the City while providing for additional walkability and amenities near the river.

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

August 5, 2019

SAMPLE

Mayor Shawn Reilly
City of Waukesha
201 Delafield Street
Waukesha, Wisconsin 53188

RE: City of Waukesha, Wisconsin Tax Incremental District No. 26

Dear Mayor:

As City Attorney for the City of Waukesha, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Brian Runnings
City of Waukesha

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%		
Total				130,175,031				
Revenue Year	County	Technical College	Municipality	School District	0	0	Total	Revenue Year
2021	0	0	0	0	0	0	0	2021
2022	54,183	10,379	320,708	223,552	0	0	608,822	2022
2023	54,183	10,379	320,708	223,552	0	0	608,822	2023
2024	74,050	14,184	438,301	305,522	0	0	832,057	2024
2025	142,682	27,331	844,531	588,688	0	0	1,603,232	2025
2026	142,682	27,331	844,531	588,688	0	0	1,603,232	2026
2027	142,682	27,331	844,531	588,688	0	0	1,603,232	2027
2028	142,682	27,331	844,531	588,688	0	0	1,603,232	2028
2029	142,682	27,331	844,531	588,688	0	0	1,603,232	2029
2030	142,682	27,331	844,531	588,688	0	0	1,603,232	2030
2031	142,682	27,331	844,531	588,688	0	0	1,603,232	2031
2032	142,682	27,331	844,531	588,688	0	0	1,603,232	2032
2033	142,682	27,331	844,531	588,688	0	0	1,603,232	2033
2034	142,682	27,331	844,531	588,688	0	0	1,603,232	2034
2035	142,682	27,331	844,531	588,688	0	0	1,603,232	2035
2036	142,682	27,331	844,531	588,688	0	0	1,603,232	2036
2037	142,682	27,331	844,531	588,688	0	0	1,603,232	2037
2038	142,682	27,331	844,531	588,688	0	0	1,603,232	2038
2039	142,682	27,331	844,531	588,688	0	0	1,603,232	2039
2040	142,682	27,331	844,531	588,688	0	0	1,603,232	2040
2041	142,682	27,331	844,531	588,688	0	0	1,603,232	2041
2042	142,682	27,331	844,531	588,688	0	0	1,603,232	2042
2043	142,682	27,331	844,531	588,688	0	0	1,603,232	2043
2044	142,682	27,331	844,531	588,688	0	0	1,603,232	2044
2045	142,682	27,331	844,531	588,688	0	0	1,603,232	2045
2046	142,682	27,331	844,531	588,688	0	0	1,603,232	2046
2047	142,682	27,331	844,531	588,688	0	0	1,603,232	2047
3,464,098		663,549	20,503,940	14,292,449	0	0	38,924,036	

Notes:

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