



September 15, 2020

## Project Plan

# **Tax Incremental District No. 29**

## Springhouse Senior Apartments

### City of Waukesha, Wisconsin

Organizational Joint Review Board Meeting Held: August 26, 2020

Public Hearing Held: August 26, 2020

Approval by Plan Commission: August 26, 2020

Adoption by Common Council: September 15, 2020

Approval by the Joint Review Board: September 22, 2020

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## **SECTION 1:**

### **Executive Summary**

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#### **Description of District**

Tax Incremental District (“TID”) No. 29 (“District”) is a proposed In Need of Rehabilitation or Conservation District comprising approximately nine acres located at 200 Delafield St, Waukesha. The District will be created primarily to pay the costs of soil stabilization and geopiers, site demo and clean up, and secured underground parking needed (“Project”) to be developed by Horizon Development Group (“Developer”). In addition to the incremental property value that will be created, the City expects the Project will result in remediation of a site in need of rehabilitation and providing much-needed housing for senior citizens.

#### **Authority**

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

#### **Estimated Total Project Cost Expenditures**

The City anticipates making total expenditures of approximately \$8.38 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$4.309 million of development incentives on an upfront and pay as you go (PAYGO) basis associated with the Springhouse Senior Apartments, as well District administration expenses, creation expenses and interest on long term debt expense. The remaining \$3.6 million of potential future projects will only occur if the City has a proforma analysis completed for each future potential development to justify the need for the identified incentives. It is anticipated that the streetscaping improvements will only occur if the District has applicable fund balance to complete the project.

#### **Incremental Valuation**

The City projects that new land and improvements value of approximately \$13.3 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption’s as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

#### **Expected Termination of District**

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within 20 of its allowable 27 years.

## Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

- ✓ 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 return on investment over 10 years without TIF assistance is 3.26%. The Developer has requested that the City provide incentive payments on a pay as you go basis with an estimated present value of \$2,306,280. (Projected future value payments of \$3,815,222). Provision of the requested assistance would improve the Project’s return on investment to 8.93%. Projects of this type typically need to provide a return in the range of 8.0% to 12.0% to attract the necessary investment capital. Based on Ehlers review, provision of pay as you go incentives in the amount requested is necessary to provide an acceptable return on investment and indicates that “but for” the incentives, the project would not likely proceed.

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.

- ✓ 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:

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.

- ✓ 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.

- ✓ Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a).
- ✓ Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.
- ✓ The Project Costs relate directly to the rehabilitation or conservation of property and improvements in the District, consistent with the purpose for which the District is created.
- ✓ 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.
- ✓ The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
- ✓ 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).
- ✓ That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
- ✓ The Plan for the District is feasible and is in conformity with the Master Plan of the City.

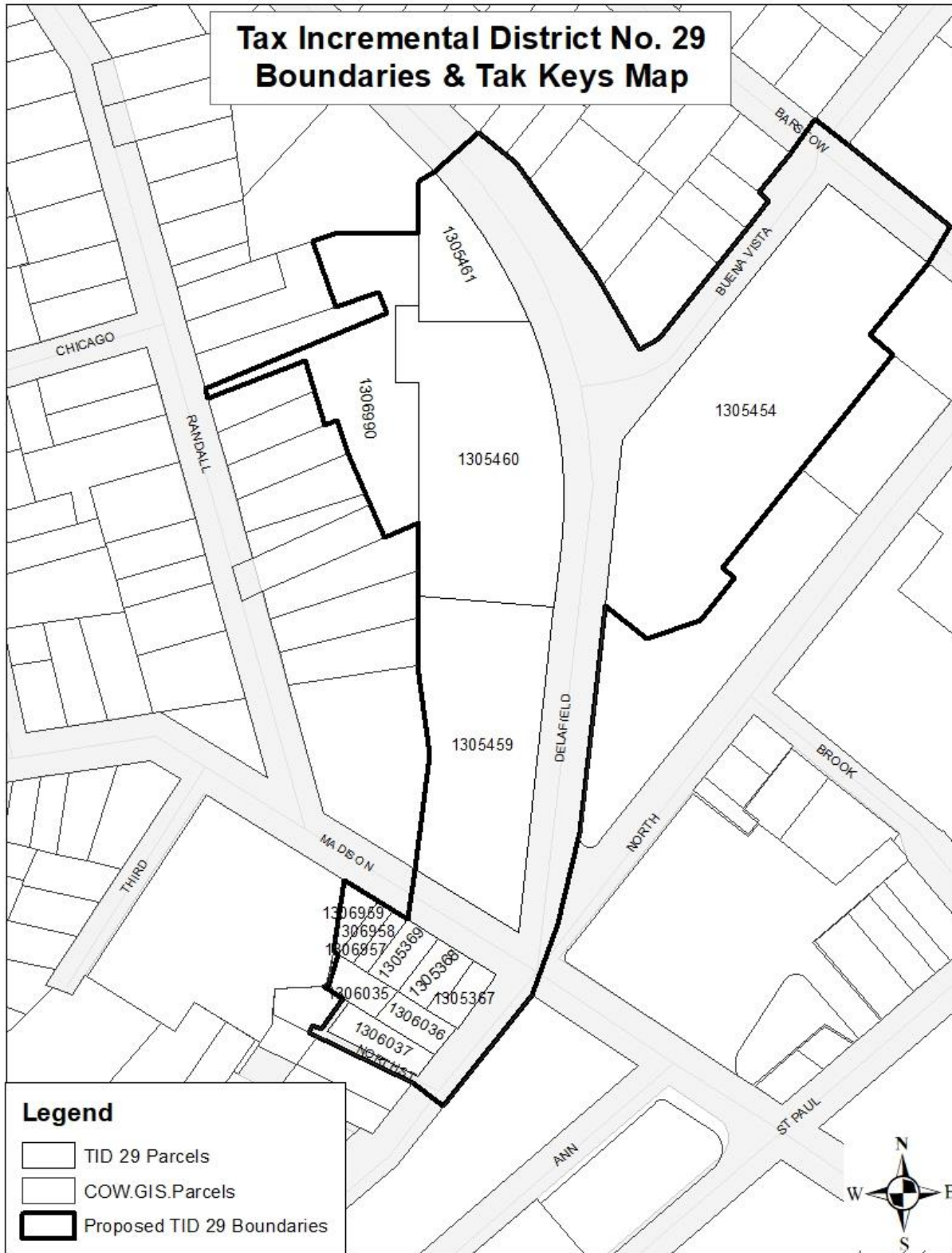
## **SECTION 2:**

### **Preliminary Map of Proposed District Boundary**

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Map Found on Following Page.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.

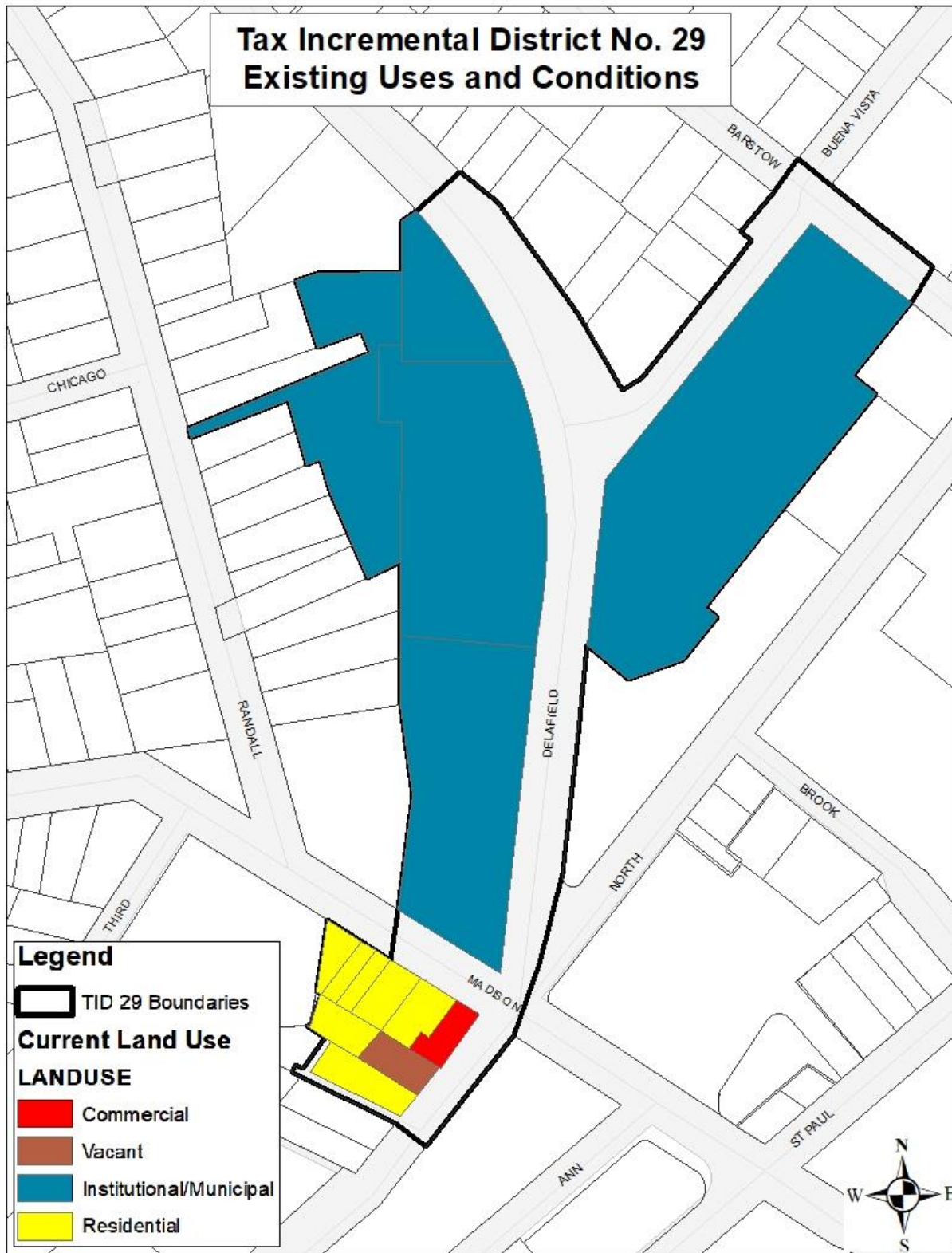


## **SECTION 3:**

# **Map Showing Existing Uses and Conditions**

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## SECTION 4: Preliminary Parcel List and Analysis

### City of Waukesha, Wisconsin

Tax Increment District # 29

#### Base Property Information

|                                                                                                                                                |                  |                             |         |                                     |                                    | Assessment Information |         |     |    |           | Equalized Value                |         |         |    |         | District Classification |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------|---------|-------------------------------------|------------------------------------|------------------------|---------|-----|----|-----------|--------------------------------|---------|---------|----|---------|-------------------------|-----------------|
| Parcel Number                                                                                                                                  | Street Address   | Owner                       | Acreage | Annexed                             | Part of                            | Total                  | Land    | Imp | PP | Total     | Equalized Value Ratio          | Land    | Imp     | PP | Total   | Rehab/<br>Conservation  | Vacant          |
|                                                                                                                                                |                  |                             |         | Post<br>1/1/04?<br>...Indicate date | Existing TID?<br>...Indicate TID # |                        |         |     |    |           |                                |         |         |    |         |                         |                 |
| 1305454                                                                                                                                        | 201 Delafield St | City of Waukesha            | 3.06    | No                                  | No                                 | 0                      | 0       | 0   | 0  | 0         | 99.48%                         | 0       | 0       | 0  | 0       |                         |                 |
| 1305461                                                                                                                                        | 318 Delafield St | City of Waukesha            | 0.48    | No                                  | No                                 | 0                      | 0       | 0   | 0  | 0         | 99.48%                         | 0       | 0       | 0  | 0       | 0.48                    |                 |
| 1306990                                                                                                                                        | Randall St       | City of Waukesha            | 1.09    | No                                  | No                                 | 0                      | 0       | 0   | 0  | 0         | 99.48%                         | 0       | 0       | 0  | 0       | 1.09                    |                 |
| 1305460                                                                                                                                        | 200 Delafield St | City of Waukesha            | 1.87    | No                                  | No                                 | 0                      | 0       | 0   | 0  | 0         | 99.48%                         | 0       | 0       | 0  | 0       | 1.87                    |                 |
| 1305459                                                                                                                                        | 130 Delafield St | City of Waukesha            | 1.63    | No                                  | No                                 | 0                      | 0       | 0   | 0  | 0         | 99.48%                         | 0       | 0       | 0  | 0       | 1.63                    |                 |
| 1305367                                                                                                                                        | 401 Madison St   | Leather Restoration Company | 0.09    | No                                  | No                                 | 34,200                 | 107,400 |     |    | 141,600   | 99.48%                         | 34,379  | 107,961 | 0  | 142,340 | 0.09                    | 0.00            |
| 1305368                                                                                                                                        | 407 Madison St   | Leather Restoration Company | 0.12    | No                                  | No                                 | 60,000                 | 78,700  |     |    | 138,700   | 99.48%                         | 60,314  | 79,111  | 0  | 139,425 | 0.12                    | 0.00            |
| 1305369                                                                                                                                        | 413 Madison St   | Cheryl L Rebholz            | 0.11    | No                                  | No                                 | 40,000                 | 108,000 |     |    | 148,000   | 99.48%                         | 40,209  | 108,565 | 0  | 148,774 | 0.11                    | 0.00            |
| 1306957                                                                                                                                        | 417 Madison St   | Alpine Properties LLC       | 0.05    | No                                  | No                                 | 24,000                 | 127,200 |     |    | 151,200   | 99.48%                         | 24,125  | 127,865 | 0  | 151,990 | 0.05                    | 0.00            |
| 1306958                                                                                                                                        | 421 Madison St   | Curruchich/Spangler Revoc   | 0.05    | No                                  | No                                 | 24,000                 | 116,600 |     |    | 140,600   | 99.48%                         | 24,125  | 117,209 | 0  | 141,335 | 0.05                    | 0.00            |
| 1306959                                                                                                                                        | 427 Madison St   | Todd L Mokwa                | 0.07    | No                                  | No                                 | 42,000                 | 131,300 |     |    | 173,300   | 99.48%                         | 42,220  | 131,986 | 0  | 174,206 | 0.07                    | 0.00            |
| 1306036                                                                                                                                        | W North St       | Leather Restoration Company | 0.11    | No                                  | No                                 | 30,000                 | 0       |     |    | 30,000    | 99.48%                         | 30,157  | 0       | 0  | 30,157  | 0.11                    | 0.11            |
| 1306035                                                                                                                                        | 105 Noth St Ct   | Curruchich/Spangler Revoc   | 0.10    | No                                  | No                                 | 35,600                 | 82,300  |     |    | 117,900   | 99.48%                         | 35,786  | 82,730  | 0  | 118,516 | 0.10                    | 0.00            |
| 1306037                                                                                                                                        | 116 W North St   | Leather Restoration Company | 0.15    | No                                  | No                                 | 42,100                 | 57,000  |     |    | 99,100    | 99.48%                         | 42,320  | 57,298  | 0  | 99,618  | 0.15                    | 0.00            |
| Total Acreage 8.99                                                                                                                             |                  |                             |         |                                     |                                    | 331,900                | 808,500 |     | 0  | 1,140,400 |                                | 333,635 | 812,726 | 0  |         | 5.9295<br>65.96%        | 0.1125<br>1.25% |
| The above values are as of January 1, 2019. Actual base value certification of the territory will be based on January 1, 2020 assessed values. |                  |                             |         |                                     |                                    |                        |         |     |    |           | Estimated Base Value 1,146,361 |         |         |    |         |                         |                 |

## SECTION 5:

### Equalized Value Test

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The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$342,984,261. This value is less than the maximum of \$809,930,004 in equalized value that is permitted for the City.

| City of Waukesha, Wisconsin               |                                               |
|-------------------------------------------|-----------------------------------------------|
| Tax Increment District # 29               |                                               |
| Valuation Test Compliance Calculation     |                                               |
| District Creation Date                    | 1/1/2020                                      |
|                                           | Valuation Data<br>Currently Available<br>2019 |
| Total EV (TID In)                         | 6,749,416,700                                 |
| 12% Test                                  | 809,930,004                                   |
| Total Existing Increment                  | 341,837,900                                   |
| Projected Base of New or Amended District | 1,146,361                                     |
| Less Value of Any Underlying TID Parcels  | 0                                             |
| Total Value Subject to 12% Test           | 342,984,261                                   |
| Compliance                                | PASS                                          |

## **SECTION 6:**

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

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

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

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of

## **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.

## **Streets and Streetscape**

### **Streetscaping and Landscaping**

In order to attract development and redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development

sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; retaining walls, lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

## **Miscellaneous**

### **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: streetscaping improvements within a half mile radius of the TID area.

### **Professional Service and Organizational Costs**

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

### **Administrative Costs**

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

### **Financing Costs**

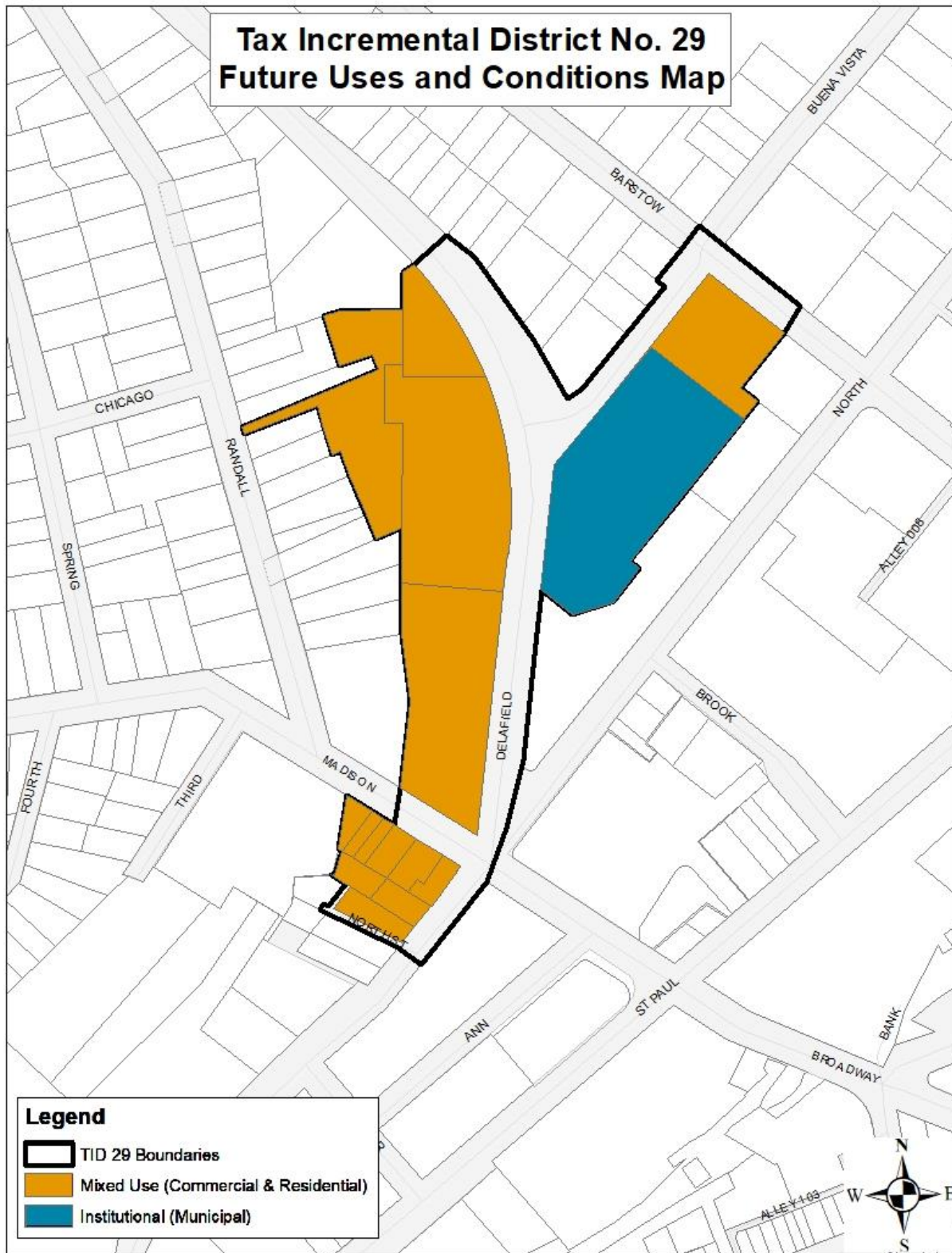
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

## **SECTION 7:**

# **Map Showing Proposed Improvements and Uses**

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Map Found on Following Page.



## SECTION 8:

# Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District's Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Waukesha, Wisconsin

Tax Increment District # 29

Estimated Project List

| Project ID     | Project Name/Type                              | Phase I<br>2020 | Phase II<br>On-Going | Phase III<br>Potential<br>Future Projects | Total (Note 1) |
|----------------|------------------------------------------------|-----------------|----------------------|-------------------------------------------|----------------|
| 1              | Development Incentives                         | 4,309,113       |                      |                                           | 4,309,113      |
| 2              | Administration Expense                         |                 | 353,014              |                                           | 353,014        |
| 3              | Interest on Long Term Debt                     |                 | 91,083               |                                           | 91,083         |
| 4              | TID Creation                                   |                 | 25,000               |                                           | 25,000         |
| 5              | City-Hall Multi-Family Site Incentives         |                 |                      | 1,500,000                                 | 1,500,000      |
| 6              | Mixed Use/Residential Redevelopment Incentives |                 |                      | 800,000                                   | 800,000        |
| 7              | Commercial Corner Incentives                   |                 |                      | 500,000                                   | 500,000        |
| 8              | Streetscape Improvements                       |                 |                      | 800,000                                   | 800,000        |
| Total Projects |                                                | 4,309,113       | 469,097              | 3,600,000                                 | 8,378,210      |

Notes:

Note 1

Project costs are estimates and are subject to modification

Note 2

Potential future project costs will only occur if there is applicable development within the TID and if a proforma review of the developers' sources and uses shows incentives are warranted. Streetscape improvements within the TID will only occur if funds are available. These project costs are not shown in the Project Plan cash flow analysis.

## **SECTION 9:**

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

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

### **Key Assumptions**

The Project Costs the City plans to make are expected to create \$13.3 million in incremental value by the end of 2021. 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 \$20.53 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$7.2 million in incremental tax revenue over the 27-year term of the District as shown in Table 2.

# City of Waukesha, Wisconsin

## Tax Increment District # 29

### Development Assumptions

| Construction Year |      | Springhouse<br>Senior<br>Apartments | Annual Total | Construction Year |    |
|-------------------|------|-------------------------------------|--------------|-------------------|----|
| 1                 | 2020 | 2,866,632                           | 2,866,632    | 2020              | 1  |
| 2                 | 2021 | 10,435,703                          | 10,435,703   | 2021              | 2  |
| 3                 | 2022 |                                     | 0            | 2022              | 3  |
| 4                 | 2023 |                                     | 0            | 2023              | 4  |
| 5                 | 2024 |                                     | 0            | 2024              | 5  |
| 6                 | 2025 |                                     | 0            | 2025              | 6  |
| 7                 | 2026 |                                     | 0            | 2026              | 7  |
| 8                 | 2027 |                                     | 0            | 2027              | 8  |
| 9                 | 2028 |                                     | 0            | 2028              | 9  |
| 10                | 2029 |                                     | 0            | 2029              | 10 |
| 11                | 2030 |                                     | 0            | 2030              | 11 |
| 12                | 2031 |                                     | 0            | 2031              | 12 |
| 13                | 2032 |                                     | 0            | 2032              | 13 |
| 14                | 2033 |                                     | 0            | 2033              | 14 |
| 15                | 2034 |                                     | 0            | 2034              | 15 |
| 16                | 2035 |                                     | 0            | 2035              | 16 |
| 17                | 2036 |                                     | 0            | 2036              | 17 |
| 18                | 2037 |                                     | 0            | 2037              | 18 |
| 19                | 2038 |                                     | 0            | 2038              | 19 |
| 20                | 2039 |                                     | 0            | 2039              | 20 |
| 21                | 2040 |                                     | 0            | 2040              | 21 |
| 22                | 2041 |                                     | 0            | 2041              | 22 |
| 23                | 2042 |                                     | 0            | 2042              | 23 |
| 24                | 2043 |                                     | 0            | 2043              | 24 |
| 25                | 2044 |                                     | 0            | 2044              | 25 |
| 26                | 2045 |                                     | 0            | 2045              | 26 |
| 27                | 2046 |                                     | 0            | 2046              | 27 |
| Totals            |      | 13,302,335                          | 13,302,335   |                   |    |

Notes:

**Table 1 – Development Assumptions**

# City of Waukesha, Wisconsin

## Tax Increment District # 29

### Tax Increment Projection Worksheet

|                                |                 |                          |           |                     |
|--------------------------------|-----------------|--------------------------|-----------|---------------------|
| Type of District               | Rehabilitation  | Base Value               | 1,146,361 | Apply to Base Value |
| District Creation Date         | January 1, 2020 | Appreciation Factor      | 0.00%     |                     |
| Valuation Date                 | Jan 1, 2020     | Base Tax Rate            | \$20.53   |                     |
| Max Life (Years)               | 27              | Rate Adjustment Factor   |           |                     |
| Expenditure Period/Termination | 22 1/1/2042     |                          |           |                     |
| Revenue Periods/Final Year     | 27 2048         |                          |           |                     |
| Extension Eligibility/Years    | Yes 3           | Tax Exempt Discount Rate |           |                     |
| Eligible Recipient District    | Yes             | Taxable Discount Rate    | 1.50%     |                     |

| Construction |             | Valuation  | Inflation | Total     | Revenue                   | Tax      |           | Tax Exempt  |             |           |
|--------------|-------------|------------|-----------|-----------|---------------------------|----------|-----------|-------------|-------------|-----------|
| Year         | Value Added | Year       | Increment | Increment | Year                      | Tax Rate | Increment | NPV         | Taxable NPV |           |
|              |             |            |           |           |                           |          |           | Calculation | Calculation |           |
| 1            | 2020        | 2,866,632  | 2021      | 0         | 2,866,632                 | 2022     | \$20.53   | 58,864      | 58,864      | 56,292    |
| 2            | 2021        | 10,435,703 | 2022      | 0         | 13,302,335                | 2023     | \$20.53   | 273,151     | 332,014     | 313,651   |
| 3            | 2022        | 0          | 2023      | 0         | 13,302,335                | 2024     | \$20.53   | 273,151     | 605,165     | 567,206   |
| 4            | 2023        | 0          | 2024      | 0         | 13,302,335                | 2025     | \$20.53   | 273,151     | 878,316     | 817,014   |
| 5            | 2024        | 0          | 2025      | 0         | 13,302,335                | 2026     | \$20.53   | 273,151     | 1,151,467   | 1,063,130 |
| 6            | 2025        | 0          | 2026      | 0         | 13,302,335                | 2027     | \$20.53   | 273,151     | 1,424,618   | 1,305,609 |
| 7            | 2026        | 0          | 2027      | 0         | 13,302,335                | 2028     | \$20.53   | 273,151     | 1,697,769   | 1,544,505 |
| 8            | 2027        | 0          | 2028      | 0         | 13,302,335                | 2029     | \$20.53   | 273,151     | 1,970,920   | 1,779,870 |
| 9            | 2028        | 0          | 2029      | 0         | 13,302,335                | 2030     | \$20.53   | 273,151     | 2,244,071   | 2,011,757 |
| 10           | 2029        | 0          | 2030      | 0         | 13,302,335                | 2031     | \$20.53   | 273,151     | 2,517,222   | 2,240,217 |
| 11           | 2030        | 0          | 2031      | 0         | 13,302,335                | 2032     | \$20.53   | 273,151     | 2,790,373   | 2,465,301 |
| 12           | 2031        | 0          | 2032      | 0         | 13,302,335                | 2033     | \$20.53   | 273,151     | 3,063,524   | 2,687,058 |
| 13           | 2032        | 0          | 2033      | 0         | 13,302,335                | 2034     | \$20.53   | 273,151     | 3,336,674   | 2,905,538 |
| 14           | 2033        | 0          | 2034      | 0         | 13,302,335                | 2035     | \$20.53   | 273,151     | 3,609,825   | 3,120,790 |
| 15           | 2034        | 0          | 2035      | 0         | 13,302,335                | 2036     | \$20.53   | 273,151     | 3,882,976   | 3,332,860 |
| 16           | 2035        | 0          | 2036      | 0         | 13,302,335                | 2037     | \$20.53   | 273,151     | 4,156,127   | 3,541,796 |
| 17           | 2036        | 0          | 2037      | 0         | 13,302,335                | 2038     | \$20.53   | 273,151     | 4,429,278   | 3,747,645 |
| 18           | 2037        | 0          | 2038      | 0         | 13,302,335                | 2039     | \$20.53   | 273,151     | 4,702,429   | 3,950,451 |
| 19           | 2038        | 0          | 2039      | 0         | 13,302,335                | 2040     | \$20.53   | 273,151     | 4,975,580   | 4,150,261 |
| 20           | 2039        | 0          | 2040      | 0         | 13,302,335                | 2041     | \$20.53   | 273,151     | 5,248,731   | 4,347,117 |
| 21           | 2040        | 0          | 2041      | 0         | 13,302,335                | 2042     | \$20.53   | 273,151     | 5,521,882   | 4,609,180 |
| 22           | 2041        | 0          | 2042      | 0         | 13,302,335                | 2043     | \$20.53   | 273,151     | 5,795,033   | 4,803,128 |
| 23           | 2042        | 0          | 2043      | 0         | 13,302,335                | 2044     | \$20.53   | 273,151     | 6,068,183   | 4,994,209 |
| 24           | 2043        | 0          | 2044      | 0         | 13,302,335                | 2045     | \$20.53   | 273,151     | 6,341,334   | 5,182,466 |
| 25           | 2044        | 0          | 2045      | 0         | 13,302,335                | 2046     | \$20.53   | 273,151     | 6,614,485   | 5,367,941 |
| 26           | 2045        | 0          | 2046      | 0         | 13,302,335                | 2047     | \$20.53   | 273,151     | 6,887,636   | 5,550,675 |
| 27           | 2046        | 0          | 2047      | 0         | 13,302,335                | 2048     | \$20.53   | 273,151     | 7,160,787   | 5,730,709 |
| Totals       |             | 13,302,335 |           | 0         | Future Value of Increment |          | 7,160,787 |             |             |           |

#### 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 2 – Tax Increment Projection Worksheet**

## Financing and Implementation

The project will be financed with a combination of upfront cash incentives issued through taxable General Obligation debt and pay as you go financing through the issuance of a Municipal Revenue Obligation. Table 3. provides a summary of the District's financing plan.

| City of Waukesha, Wisconsin        |                              |         |                                                     |         |                  |
|------------------------------------|------------------------------|---------|-----------------------------------------------------|---------|------------------|
| Tax Increment District # 29        |                              |         |                                                     |         |                  |
| Estimated Financing Plan           |                              |         |                                                     |         |                  |
|                                    | Taxable G.O.<br>Bond<br>2021 |         | Municipal<br>Revenue<br>Obligation<br>(MRO)<br>2021 |         | Totals           |
| Projects                           |                              |         |                                                     |         |                  |
| Phase I                            | 500,000                      |         | 3,809,113                                           |         | 4,309,113        |
| Total Project Funds                | <u>500,000</u>               |         | <u>3,809,113</u>                                    |         | <u>4,309,113</u> |
| Estimated Finance Related Expenses | 37,213                       |         |                                                     |         |                  |
| Total Financing Required           | 537,213                      |         | 3,809,113                                           |         |                  |
| Estimated Interest                 | 0.75%                        | (1,875) | 0.25%                                               | (4,761) |                  |
| Assumed spend down (months)        | 6                            |         | 6                                                   |         |                  |
| Rounding                           | (338)                        |         | 10,870                                              |         |                  |
| Net Issue Size                     | 535,000                      |         | 3,815,222                                           |         | 4,350,222        |
| Notes:                             |                              |         |                                                     |         |                  |

**Table 3 – Financing Plan**

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2040 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

| City of Waukesha, Wisconsin                                                                                                                                                                                                              |                    |                         |                   |                                                                                      |       |        |                                                                                                |   |         |           |                       |          |            |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------|-------------------|--------------------------------------------------------------------------------------|-------|--------|------------------------------------------------------------------------------------------------|---|---------|-----------|-----------------------|----------|------------|--------------------------|
| Tax Increment District # 29                                                                                                                                                                                                              |                    |                         |                   |                                                                                      |       |        |                                                                                                |   |         |           |                       |          |            |                          |
| Cash Flow Projection                                                                                                                                                                                                                     |                    |                         |                   |                                                                                      |       |        |                                                                                                |   |         |           |                       |          |            |                          |
| Year                                                                                                                                                                                                                                     | Projected Revenues |                         |                   | Expenditures                                                                         |       |        |                                                                                                |   |         |           | Balances              |          |            |                          |
|                                                                                                                                                                                                                                          | Tax<br>Increments  | Capitalized<br>Interest | Total<br>Revenues | Taxable G.O. Bond<br>535,000<br>Dated Date: 08/01/21<br>Principal Est. Rate Interest |       |        | Municipal Revenue Obligation (MRO)<br>3,815,222<br>Dated Date:<br>Principal Est. Rate Interest |   |         | Admin.    | Total<br>Expenditures | Annual   | Cumulative | Principal<br>Outstanding |
| 2020                                                                                                                                                                                                                                     |                    |                         | 0                 |                                                                                      |       |        |                                                                                                |   |         | 25,000    | 25,000                | (25,000) | (25,000)   |                          |
| 2021                                                                                                                                                                                                                                     |                    | 18,213                  | 18,213            |                                                                                      |       |        |                                                                                                |   |         | 13,500    | 13,500                | 4,713    | (20,288)   | 540,000                  |
| 2022                                                                                                                                                                                                                                     | 58,864             |                         | 58,864            | 15,000                                                                               | 0.75% | 9,163  | 514                                                                                            |   |         | 13,770    | 38,447                | 20,417   | 130        | 525,000                  |
| 2023                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 20,000                                                                               | 0.85% | 9,050  | 218,553                                                                                        |   |         | 14,045    | 261,648               | 11,503   | 11,632     | 505,000                  |
| 2024                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 20,000                                                                               | 1.00% | 8,880  | 218,447                                                                                        |   |         | 14,326    | 261,654               | 11,497   | 23,130     | 485,000                  |
| 2025                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 30,000                                                                               | 1.15% | 8,680  | 208,865                                                                                        |   |         | 14,613    | 262,158               | 10,993   | 34,122     | 455,000                  |
| 2026                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 30,000                                                                               | 1.25% | 8,335  | 208,915                                                                                        |   |         | 14,905    | 262,155               | 10,996   | 45,118     | 425,000                  |
| 2027                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 30,000                                                                               | 1.40% | 7,960  | 208,988                                                                                        |   |         | 15,203    | 262,152               | 10,999   | 56,117     | 395,000                  |
| 2028                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 40,000                                                                               | 1.50% | 7,540  | 199,598                                                                                        |   |         | 15,507    | 262,646               | 10,505   | 66,623     | 355,000                  |
| 2029                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 40,000                                                                               | 1.60% | 6,940  | 199,874                                                                                        |   |         | 15,817    | 262,631               | 10,520   | 77,142     | 315,000                  |
| 2030                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 40,000                                                                               | 1.70% | 6,300  | 200,181                                                                                        |   |         | 16,134    | 262,615               | 10,536   | 87,678     | 275,000                  |
| 2031                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 50,000                                                                               | 1.80% | 5,620  | 191,021                                                                                        |   |         | 16,456    | 263,097               | 10,054   | 97,732     | 225,000                  |
| 2032                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 50,000                                                                               | 1.95% | 4,720  | 191,563                                                                                        |   |         | 16,786    | 263,069               | 10,082   | 107,814    | 175,000                  |
| 2033                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 50,000                                                                               | 2.05% | 3,745  | 192,170                                                                                        |   |         | 17,121    | 263,037               | 10,114   | 117,928    | 125,000                  |
| 2034                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 60,000                                                                               | 2.15% | 2,720  | 183,319                                                                                        |   |         | 17,464    | 263,503               | 9,648    | 127,577    | 65,000                   |
| 2035                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           | 65,000                                                                               | 2.20% | 1,430  | 179,463                                                                                        |   |         | 17,813    | 263,706               | 9,445    | 137,022    | 0                        |
| 2036                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        | 242,233                                                                                        |   |         | 18,169    | 260,402               | 12,749   | 149,771    |                          |
| 2037                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        | 241,887                                                                                        |   |         | 18,533    | 260,420               | 12,731   | 162,502    |                          |
| 2038                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        | 241,535                                                                                        |   |         | 18,903    | 260,439               | 12,712   | 175,214    |                          |
| 2039                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        | 241,176                                                                                        |   |         | 19,281    | 260,457               | 12,693   | 187,908    |                          |
| 2040                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        | 240,810                                                                                        |   |         | 19,667    | 260,477               | 12,674   | 200,582    |                          |
| 2041                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 473,733    |                          |
| 2042                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 746,884    |                          |
| 2043                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 1,020,035  |                          |
| 2044                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 1,293,186  |                          |
| 2045                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 1,566,337  |                          |
| 2046                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 1,839,488  |                          |
| 2047                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 2,112,639  |                          |
| 2048                                                                                                                                                                                                                                     | 273,151            |                         | 273,151           |                                                                                      |       |        |                                                                                                |   |         |           | 0                     | 273,151  | 2,385,789  |                          |
| Total                                                                                                                                                                                                                                    | 7,160,787          | 18,213                  | 7,179,000         | 540,000                                                                              |       | 91,083 | 3,809,113                                                                                      | 0 | 353,014 | 4,793,210 |                       |          |            | Total                    |
| Notes: Developer assistance incl. \$500,000 upfront grant plus 95% of increment after Bond and Administration payments.<br>Inflation rate for administrative fees 2%<br>GO rate based on similar Plattville AA taxable July 2020 + 0.15% |                    |                         |                   |                                                                                      |       |        |                                                                                                |   |         |           |                       |          |            |                          |
| Projected TID Closure                                                                                                                                                                                                                    |                    |                         |                   |                                                                                      |       |        |                                                                                                |   |         |           |                       |          |            |                          |

**Table 4 – Cash Flow**

## **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 property within the proposed District boundary was annexed during the past three years.

## **SECTION 11:**

### **Estimate of Property to Be Devoted to Retail Business**

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Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that 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 is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

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

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for senior living apartments.

#### **Building Codes and Ordinances**

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

### **SECTION 13:**

## **Statement of the Proposed Method for the Relocation of any Persons to be Displaced**

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Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

### **SECTION 14:**

## **How Creation of the Tax Incremental District Promotes the Orderly Development of the City**

---

Creation of the District and the implementation of the projects in its Plan will promote 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 and new housing opportunities for senior living.

## **SECTION 15:**

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

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

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

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

**SECTION 16:**

**Legal Opinion Advising Whether the Plan is  
Complete and Complies with Wis. Stat. §  
66.1105(4)(f)**

---

Legal Opinion Found on Following Page.



## *Office of the City Attorney*

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September 8, 2020

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

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

Re: Tax Incremental District 29 Project Plan

To the Members of the Common Council and Plan Commission:

As required by Wis. Stat. §66.1105(4)(f), I have reviewed the proposed Project Plan for Tax Incremental District 29 and all associated documents. It is my opinion that the Project Plan is complete and complies with Wis. Stats. §66.1105(4)(f).

Sincerely,

Brian E. Running

Copies: Jennifer Andrews, Director of Community Development  
Kevin Lahner, City Administrator

## 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:                                                                                                         |        |                   | 2019         | Percentage      |           |              |
| County                                                                                                                                |        |                   | 11,735,777   | 8.47%           |           |              |
| Technical College                                                                                                                     |        |                   | 2,322,705    | 1.68%           |           |              |
| Municipality                                                                                                                          |        |                   | 71,802,930   | 51.81%          |           |              |
| School District                                                                                                                       |        |                   | 52,731,496   | 38.05%          |           |              |
| Total                                                                                                                                 |        |                   | 138,592,908  |                 |           |              |
| Revenue Year                                                                                                                          | County | Technical College | Municipality | School District | Total     | Revenue Year |
| 2022                                                                                                                                  | 4,984  | 987               | 30,496       | 22,396          | 58,864    | 2022         |
| 2023                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2023         |
| 2024                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2024         |
| 2025                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2025         |
| 2026                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2026         |
| 2027                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2027         |
| 2028                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2028         |
| 2029                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2029         |
| 2030                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2030         |
| 2031                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2031         |
| 2032                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2032         |
| 2033                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2033         |
| 2034                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2034         |
| 2035                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2035         |
| 2036                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2036         |
| 2037                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2037         |
| 2038                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2038         |
| 2039                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2039         |
| 2040                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2040         |
| 2041                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2041         |
| 2042                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2042         |
| 2043                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2043         |
| 2044                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2044         |
| 2045                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2045         |
| 2046                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2046         |
| 2047                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2047         |
| 2048                                                                                                                                  | 23,130 | 4,578             | 141,515      | 103,928         | 273,151   | 2048         |
|                                                                                                                                       |        | 606,361           | 120,009      | 3,709,898       | 2,724,519 | 7,160,787    |
| Notes:                                                                                                                                |        |                   |              |                 |           |              |
| The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.                                  |        |                   |              |                 |           |              |