



May 21, 2014

# Project Plan for the Creation of Tax Incremental District No. 6



Organizational Joint Review Board Meeting Held:	April 14, 2014
Public Hearing Held:	April 14, 2014
Adoption by Plan Commission:	April 14, 2014
Consideration for Adoption by Village Board:	May 19, 2014
Interim Joint Review Board Meeting Held:	May 22, 2014
Approval by the Joint Review Board:	Scheduled for: June 12, 2014



# Tax Incremental District No. 6 Creation Project Plan

## Village of Germantown Officials

### Village Board

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David Baum	Village Trustee
Terri Kaminski	Village Trustee
Shane R. Daniels	Village Trustee
Jeff Werderman	Village Trustee
Robert L. Warren	Village Trustee
Al Vanderheiden	Village Trustee
Jeffrey M. Hughes	Village Trustee
Art Zabel	Village Trustee

### Village Staff

Barbara Goeckner	Village Clerk
David Schornack	Village Administrator
Jeffrey W. Retzlaff	Community Development Director
Kim E. Rath	Finance Director
Brian Sajdak	Village Attorney

### Plan Commission

Dean Wolter	Dan Campbell
David Baum	William Shadid
Mary Ellen Gray	Tim Yokes
Marty Peck	

### Joint Review Board

Dean Wolter, Village President, Chair	Village Representative
Tim Michalak	Washington County
Al Shoreibah	Milwaukee Area Technical College District
Ric Ericksen	Germantown School District
Dan Wing	Public Member



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# SECTION 1: Executive Summary

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## Description of District

### Type of District, Size and Location

Tax Incremental District (“TID”) No. 6 (the “TID” or “District”) is proposed to be created by the Village of Germantown (“Village”) as a mixed-use district. A map of the proposed District boundaries is located in Section 3 of this plan.

### Estimated Total Project Expenditures.

The Village anticipates making total eligible project expenditures of approximately \$9,600,000 to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in phases as development warrants. The Expenditure Period of this District is 15 years from the date of adoption of the authorizing Resolution of the Village Board (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with general obligation debt issued by the Village, however, the Village may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, or provide other advantages as determined by the Village Board. 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 Village projects that additional land and improvements value of approximately \$41,000,000 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 2035; (the 20 year maximum statutory 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 Village.** In making this determination, the Village has considered the following information:

- Some of the sites proposed for development have remained vacant due to lack of adequate infrastructure, 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 Village 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 Village.
  - In order to make the areas included within the District suitable for development, the Village will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, 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 that is required in order to allow development to occur, the Village has determined that development of the area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, development of the area is unlikely to occur.
  - The development of the area included within the proposed TID #6 Boundary in the manner prescribed herein, is in accordance with the Village’s overall Master Plan.
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 Village 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.
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, 2014. 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, 2014 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 Village 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 suitable for a combination of industrial and commercial uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).
5. Based upon the findings, as stated above, the District is declared to be a mixed-use District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting mixed-use development in the District 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 Village, does not exceed 12% of the total equalized value of taxable property within the Village.
9. The Village estimates that no more than 15% 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 Village is feasible, and is in conformity with the master plan of the Village.

## SECTION 2: Type and General Description of District

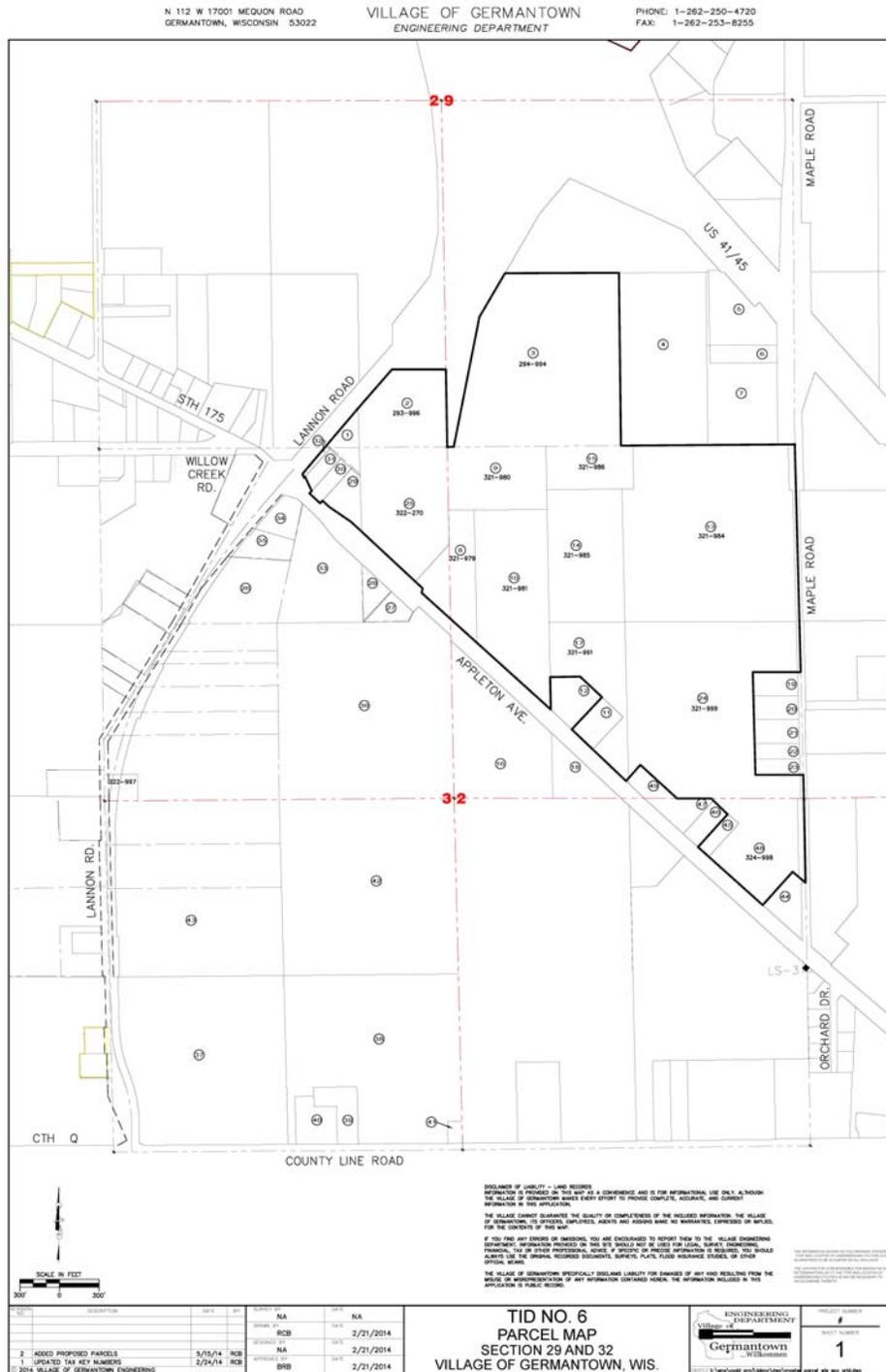
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The District is being created by the Village under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of industrial and commercial uses as defined within the meaning of Wisconsin Statutes Section 66.1105(2)(cm) (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test).

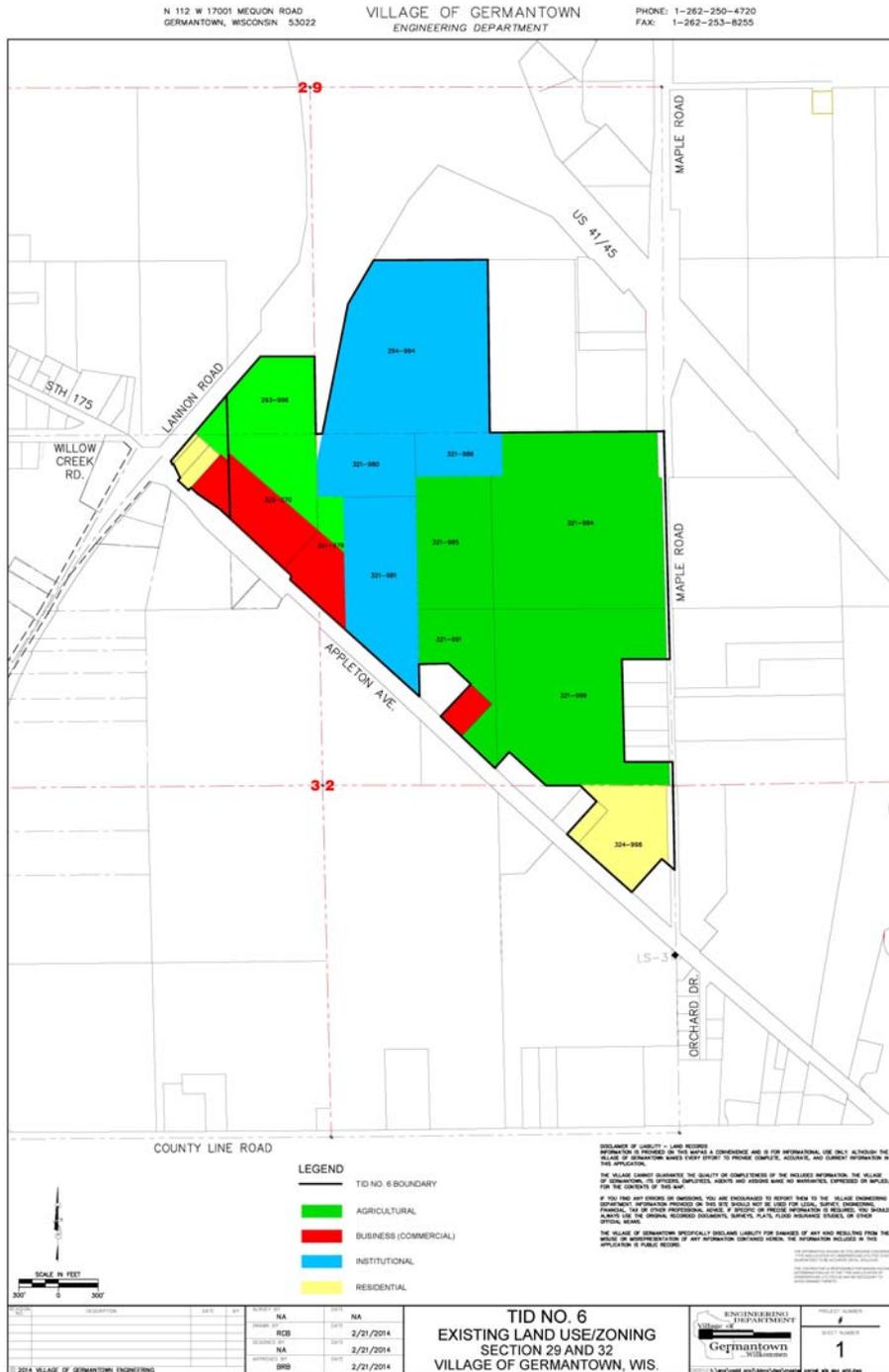
A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The Village intends that TIF will be used to assure that a combination of private industrial and commercial development occurs within the District consistent with the Village’s development objectives. This will be accomplished by installing public improvements and making necessary related expenditures to induce and promote development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the Village. The project costs included in the Plan relate directly to promoting mixed-use development 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 mixed-use District based on the identification and classification of the property included within the district.

# SECTION 3: Map of Proposed District Boundary



# SECTION 4: Map Showing Existing Uses and Conditions



# SECTION 5: Preliminary Parcel List and Analysis

Village of Germantown, Wisconsin											
Tax Increment District #6											
Base Property Information											
Property Information					Assessment Information						
Map Ref #	Parcel Number	Street Address	Owner	Zoning	Actual Use	Blended Use (1)	Land	Imp	PP	Total	Classification
				Acreage (2)							
1	GTNV26895	W198 N16980 APPLETON AVE	FIRST HOPE LLC	1.49 A-2	Agricultural/Outdoors Storage	Commercial	246,200	0	0	246,200	B-Commercial
2	GTNV26896	STATE HWY 175	MC ROADHOUSE LLC	8.15 B-3	Business/Outdoor Recreation	Mixed Use	186,300	0	0	186,300	B-Commercial
3	GTNV26897	LANNON RD	STATE OF WISCONSIN DEPT OF TRANSPORTATION	33.33 I	Agriculture/Vacant	Mixed Use	0	0	0	0	X2-State Exempt
8	GTNV321979	APPLETON AVE	JALT CAPITAL INVESTMENT CO LLC	5.95 A-2	Agriculture/Vacant	Commercial/Mixed Use	425,600	4,200	0	429,800	B-Commercial
9	GTNV321980	APPLETON AVE	STATE OF WISCONSIN DEPT OF TRANSPORTATION	9.16 I	Agriculture/Vacant	Mixed Use	0	0	0	0	X2-State Exempt
10	GTNV321981	APPLETON AVE	NMHR & ASSOCIATES	10.08 I	Agriculture/Vacant	Mixed Use	7,600	0	0	7,600	D-E-Agricultural, Undeveloped
11	GTNV324982	W130 N9950 APPLETON AVE	MICHAEL R & JULIE A SCHODRON	1.65 R5-3	Residential	Commercial	108,800	131,000	0	239,800	A-Residential
13	GTNV321984	MAPLE RD	DONALD A & GLORIA A NEU	39.38 A-1	Agriculture/Vacant	Commercial/Mixed Use/Environmental Corridor	28,200	0	0	28,200	5M-D-E-Ag forest, Undeveloped
14	GTNV321985	APPLETON AVE	DONALD A & GLORIA A NEU	13.12 A-1	Agriculture/Vacant	Commercial	5,000	0	0	5,000	5M-D-E-Ag forest, Undeveloped
15	GTNV321986	APPLETON AVE	STATE OF WISCONSIN DEPT OF TRANSPORTATION	5.00 I	Agriculture/Vacant	Mixed Use	0	0	0	0	X2-State Exempt
17	GTNV321991	APPLETON AVE	DONALD A & GLORIA A NEU	8.74 A-1	Agriculture/Vacant	Commercial	2,300	0	0	2,300	D-E-Agricultural, Undeveloped
24	GTNV321999	MAPLE RD	DONALD A & GLORIA A NEU	32.89 A-1	Agriculture/Vacant	Commercial/Environmental Corridor	19,000	0	0	19,000	5M-D-E-Ag forest, Undeveloped
25	GTNV322270	W197 N16340 APPLETON AVE	MC ROADHOUSE LLC	11.99 A-2 & B-3	Business/Outdoor Recreation	Commercial/Mixed Use	688,300	372,700	2,000	1,063,000	B-Commercial
29	GTNV322973	W198 N16386 APPLETON AVE	DONALD G SIEBERT	1.80 B-3	Business/Vacant	Commercial	143,000	17,100	0	160,100	B-Commercial
30	GTNV322974	W198 N16390 APPLETON AVE	MAPLE GROVE INVESTMENTS LLC	1.00 R5-4	Residential	Commercial	120,000	169,500	0	289,500	A-Residential
31	GTNV322975	STATE HWY 175	NMHR ASSOCIATES	1.00 R5-4	Vacant	Commercial	90,000	0	0	90,000	B-Commercial
32	GTNV322976	LANNON RD	NMHR ASSOCIATES	0.01 R5-4	Vacant	Commercial	3,800	0	0	3,800	B-Commercial
45	GTNV326980	W130 N9320 APPLETON AVE	ROBERT M WEILAND	0.86 R5-4	Residential	Commercial	89,400	113,200	0	202,600	A-Residential
48	GTNV326988	MAPLE RD	ROBERT M WEILAND	8.80 R5-1	Agriculture/Vacant	Commercial	3,600	0	0	3,600	D-E-Agricultural, Undeveloped
<b>Total Acreage</b>							2,162,100	755,600	2,000	2,917,700	0

NOTES:  
1. Village of Germantown 2020 Future Land Use Plan Map Designation  
2. Acres taken from 2010 Washington County Prior Maps

DRAFT DATE: 2/20/2014  
Prepared By: V. of Germantown Community Development Department.

## SECTION 6: Equalized Value Test

The following calculations demonstrate that the Village 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 Village.

The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$73,000,000. This value is less than the maximum of \$264,000,000 in equalized value that is permitted for the Village of Germantown. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

Village of Germantown, Wisconsin			
Tax Increment District #6			
Valuation Test Compliance Calculation			
Anticipated Creation/Boundary Amendment	5/19/2014		
Property Appreciation Factor	1.00%	Valuation Data Currently Available	Valuation Data Est. Creation Date
As of January 1,		Actual 2014	Estimated
Total EV (TID In)		2,202,155,500	
12% Test		264,258,660	264,258,660
Increment of Existing TIDs			
TID #4		70,222,800	70,925,028
Total Existing Increment		70,222,800	70,925,028
Projected Base of New or Amended District (see Prelim Parcel List)		2,917,700	2,917,700
Existing TID New Construction - Percentage Based			709,250
Existing TID New Construction - Dollar Based			
Total Value Subject to 12% Test		73,140,500	74,551,978
Compliance		PASS	PASS

Version 7

## SECTION 7:

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

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The following is a list of public works and other TIF-eligible projects that the Village expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

## Property, Right-of-Way and Easement Acquisition

### Property Acquisition for Development

In order to promote and facilitate development and/or redevelopment the Village 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 Village 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 Village to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

### Acquisition of Rights-of-Way

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

### Acquisition of Easements

The Village 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 Village to identify, negotiate and acquire easement rights are eligible Project Costs.

### Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

## Site Preparation Activities

### Environmental Audits and Remediation

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

## Demolition

In order to make sites suitable for development, the Village 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 Village may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the Village for site grading are eligible Project Costs.

## Utilities

### Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow to occur, the Village may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village 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 Village 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

There are inadequate water distribution facilities serving areas of the District. To allow development and/or redevelopment to occur, the Village may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the Village 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 Village construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village 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 Village 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 Village 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, the Village 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 Village to undertake this work are eligible Project Costs.

### **Gas Service**

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

### **Communications Infrastructure**

In order to create sites suitable for development, the Village 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 Village to undertake this work are eligible Project Costs.

## **Streets and Streetscape**

### **Street Improvements**

There are inadequate street improvements serving areas of the District. To allow development to occur, the Village 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; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

### **Streetscaping and Landscaping**

In order to attract development and/or redevelopment consistent with the objectives of this Plan, the Village 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 Village are eligible Project Costs.

## Miscellaneous

### Cash Grants (Development Incentives)

The Village 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 Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.

### Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village 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 Village'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 Village intends to make the following project cost expenditures outside the District: Water Main Looping, roadway improvements along Appleton Avenue and Lannon Road.

### 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 Village 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 Village 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 Village ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

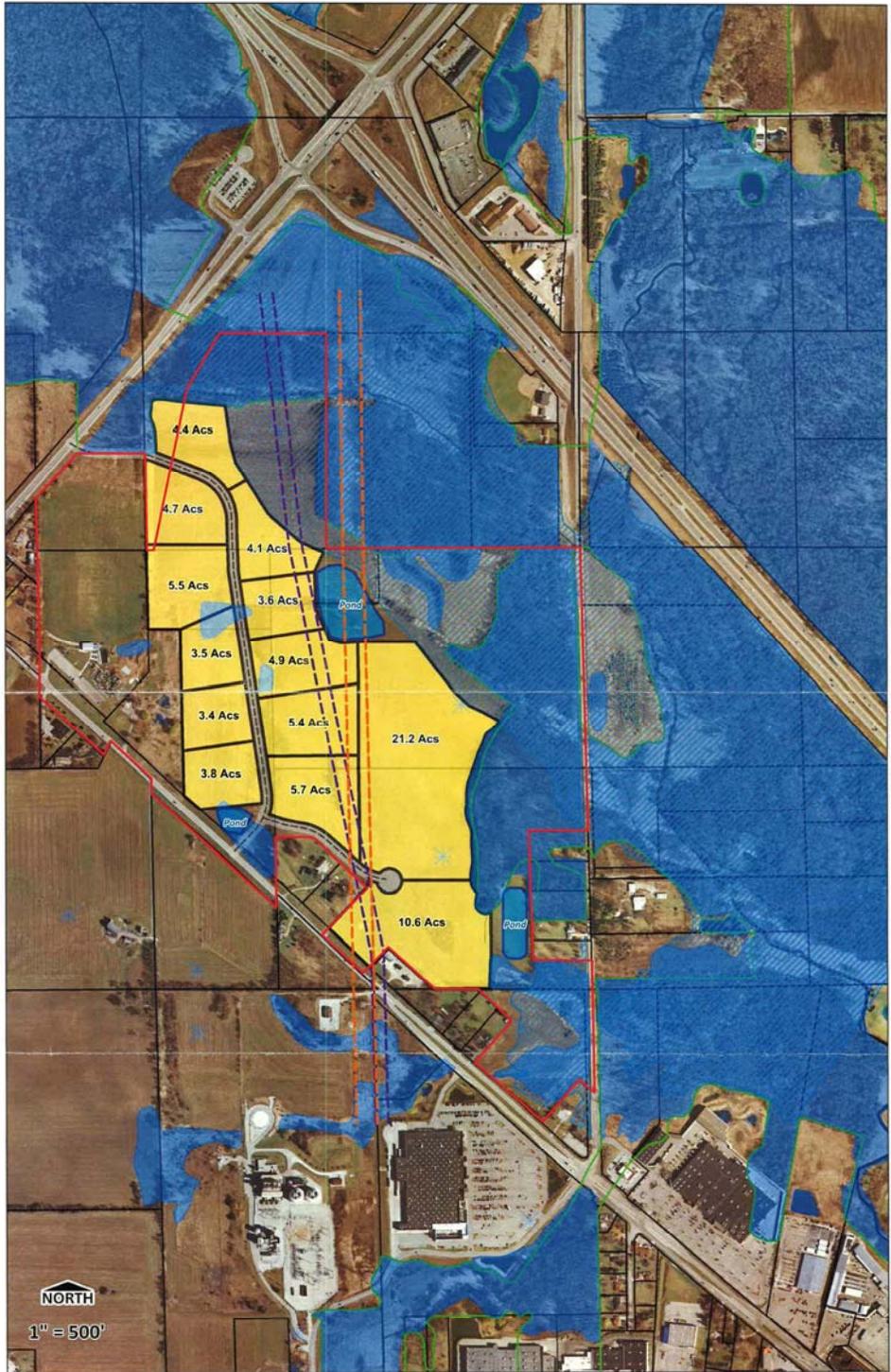
In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the Village for such purpose or a court of record so rules in a final order, then such project or projects 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 Village 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 Village and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

# SECTION 8: Map Showing Proposed Improvements and Uses

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## SECTION 9: Detailed List of Project Costs

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All costs are based on 2014 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2014 and the time of construction. The Village 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 neither 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 Village retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without amending the Plan.**

All costs are based on 2014 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2014 and the time of construction.

# Proposed TIF Project Cost Estimates

Village of Germantown, Wisconsin Tax Increment District #6 Estimated Project List							
Project ID	Project Name/Type	Phase I 2014 <i>(Note 2)</i>	Phase II 2014	Phase III 2014	Phase IV 2018	Phase V TBD	Total <i>(Note 1)</i>
1	Survey	40,000					40,000
2	Roadways	1,465,000			455,000		1,920,000
3	Sanitary Sewer	935,000			945,000		1,880,000
4	Water System	620,000					620,000
5	Water Main Looping <i>(Note 3)</i>	600,000			1,140,000		1,740,000
6	Storm Sewer	950,000			315,000		1,265,000
7	Storm Water Ponds	55,000			10,000		65,000
8	Grading	885,000			275,000		1,160,000
9	Street Lighting	100,000			35,000		135,000
10	Signage	70,000			70,000		140,000
11	Legal & Planning	50,000					50,000
12	Land Write Down/Land Bank	100,000	500,000				600,000
13	Development Incentives			320,000		180,000	500,000
14	Engineering & Contingencies	510,000			400,000		910,000
<b>Total Projects</b>		<b>6,380,000</b>	<b>500,000</b>	<b>320,000</b>	<b>3,645,000</b>	<b>180,000</b>	<b>11,025,000</b>

**Notes:**

- Note 1 Project costs are estimates and are subject to modification
- Note 2 Based on Engineering Estimate dated 2-21-14
- Note 3 Assume 75% of looping costs not allocable to proposed TID 6 area

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

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The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The Village 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 Village expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

### Available Financing Methods

The following is a list of the types of obligations the Village may choose to utilize.

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

The Village 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).

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

The Village 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 Village’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 Village and, therefore, do not count against the Village’s statutory borrowing capacity.

## Tax Increment Revenue Bonds

The Village has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the Village, 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 Village and therefore do not count against the Village's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the Village 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 Village can issue revenue bonds to be repaid from revenues of the its various systems, including revenues paid by the Village that represent service of the system to the Village. 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 Village must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the Village utilizes utility revenues other than tax increments to repay a portion of the bonds, the Village must reduce the total eligible Project Costs in an equal amount.

## Special Assessment "B" Bonds

The Village 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 Village determines that special assessments are appropriate, the Village 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 Village's statutory borrowing capacity. If special assessments are levied, the Village must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

## Plan Implementation

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

It is anticipated developer agreements between the Village 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 Village 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 Village reserves the right to use alternate financing solutions for the projects as they are implemented.**

## Implementation and Financing Timeline

Village of Germantown, Wisconsin						
Tax Increment District #6						
Estimated Financing Plan						
	G.O. Bond 2014	Taxable Taxable BAN 2014	Municipal Revenue Obligation (MRO) 2014	G.O. Bond 2018	Municipal Revenue Obligation (MRO) TBD	Totals
Projects					Note 1	
Phase I	6,380,000					6,380,000
Phase II		500,000				500,000
Phase III			320,000			320,000
Phase IV				3,645,000		3,645,000
Phase V					180,000	180,000
Less Non Project Costs	(489,097)			(960,393)		(1,449,490)
<b>Total Project Funds</b>	<b>5,890,903</b>	<b>500,000</b>	<b>320,000</b>	<b>2,684,607</b>	<b>180,000</b>	<b>9,575,510</b>
Finance Related Expenses						
Financial Advisor	15,000	15,000	10,000	15,000		
Bond Counsel	12,000	6,000	10,000	12,000		
Rating Agency Fee	10,000	2,000		10,000		
Paying Agent	675	0		675		
Underwriter Discount	12.50	79,813	5.00	2,625	0.00	0
Debt Service Reserve	0	0	0	10.00	27,500	0.00
Capitalized Interest	383,100					
<b>Total Financing Required</b>	<b>6,391,490</b>	<b>525,625</b>	<b>340,000</b>	<b>2,749,782</b>	<b>180,000</b>	
Estimated Interest	0.25%	(7,364)	0.25%	(625)	0.00%	0
Assumed spend down (months)	6	6	6	6	6	
Rounding	873	0	(20,000)	3,574	0	
<b>Net Issue Size</b>	<b>6,385,000</b>	<b>525,000</b>	<b>320,000</b>	<b>2,750,000</b>	<b>180,000</b>	<b>10,160,000</b>
Notes:			Note 2			
Note 1	Only to be paid out for increment generation beyond current projections					
Note 2	Any finance expenses are included in 2014 "Admin Costs" on the Cash Flow Projections					

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# Development Assumptions

Village of Germantown, Wisconsin Tax Increment District #6 Development Assumptions							
Construction Year		Actual	Corporate Park	Swing Time Redev.	Misc. Dev.	Annual Total	Construction Year
1	2014		10,000,000			10,000,000	2014 1
2	2015		4,500,000		500,000	5,000,000	2015 2
3	2016		4,500,000		500,000	5,000,000	2016 3
4	2017		4,500,000		500,000	5,000,000	2017 4
5	2018		4,500,000		500,000	5,000,000	2018 5
6	2019		4,500,000		500,000	5,000,000	2019 6
7	2020		4,500,000		500,000	5,000,000	2020 7
8	2021		765,000			765,000	2021 8
9	2022					0	2022 9
10	2023					0	2023 10
11	2024					0	2024 11
12	2025					0	2025 12
13	2026					0	2026 13
14	2027					0	2027 14
15	2028					0	2028 15
16	2029					0	2029 16
17	2030					0	2030 17
18	2031					0	2031 18
19	2032					0	2032 19
20	2033					0	2033 20
Totals		0	37,765,000	0	3,000,000	40,765,000	

Notes:  
Corporate Park estimates provided by MLG + \$300,000 per acre for 10 ac. of other non-wetland area

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# Increment Revenue Projections

Village of Germantown, Wisconsin Tax Increment District #6 Tax Increment Projection Worksheet										
Type of District	Mixed Use		Base Value	2,917,700						
Creation Date	May 19, 2014		Appreciation Factor	0.50%		Apply to Base Value				
Valuation Date	Jan 1,	2014	Base Tax Rate	\$20.03						
Max Life (Years)	20		Rate Adjustment Factor							
Expenditure Periods/Termination	15	5/19/2029	Tax Exempt Discount Rate	4.25%						
Revenue Periods/Final Year	20 2035		Tableable Discount Rate	6.25%						
Extension Eligibility/Years	Yes 3									
Recipient District	No									

Construction Year	Valuation Year	Value Added	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2014	10,000,000		0	2016	\$20.03	200,287	192,122	188,506
2	2015	5,000,000	50,000	15,050,000	2017	\$20.03	301,433	469,479	455,519
3	2016	5,000,000	75,250	20,125,250	2018	\$20.03	403,084	825,247	791,572
4	2017	5,000,000	100,626	25,225,876	2019	\$20.03	505,243	1,253,002	1,188,018
5	2018	5,000,000	126,129	30,352,006	2020	\$20.03	607,913	1,746,700	1,636,967
6	2019	5,000,000	151,760	35,503,766	2021	\$20.03	711,096	2,300,651	2,131,226
7	2020	5,000,000	177,519	40,681,284	2022	\$20.03	814,795	2,909,509	2,664,249
8	2021	765,000	203,406	41,649,691	2023	\$20.03	834,191	3,507,449	3,177,860
9	2022	0	208,248	41,857,939	2024	\$20.03	838,362	4,083,879	3,663,675
10	2023	0	209,290	42,067,229	2025	\$20.03	842,554	4,639,575	4,123,199
11	2024	0	210,336	42,277,565	2026	\$20.03	846,767	5,175,282	4,557,855
12	2025	0	211,388	42,488,953	2027	\$20.03	851,001	5,691,718	4,968,988
13	2026	0	212,445	42,701,398	2028	\$20.03	855,256	6,189,578	5,357,872
14	2027	0	213,507	42,914,905	2029	\$20.03	859,532	6,669,529	5,725,710
15	2028	0	214,575	43,129,479	2030	\$20.03	863,829	7,132,216	6,073,641
16	2029	0	215,647	43,345,127	2031	\$20.03	868,149	7,578,259	6,402,744
17	2030	0	216,726	43,561,852	2032	\$20.03	872,489	8,008,258	6,714,036
18	2031	0	217,809	43,779,662	2033	\$20.03	876,852	8,422,789	7,008,482
19	2032	0	218,898	43,998,560	2034	\$20.03	881,236	8,822,409	7,286,993
20	2033	0	219,993	44,218,553	2035	\$20.03	885,642	9,207,654	7,550,431
<b>Totals</b>		<b>40,765,000</b>		<b>3,453,553</b>	<b>Future Value of Increment</b>		<b>14,719,709</b>		

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).

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Cash Flow

Village of Germantown, Wisconsin																					
Tax Increment District #6																					
Cash Flow Projection																					
Year	Projected Cash Inflows					Projected Cash Outflows										Balances			Year		
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest	Land Sale Revenue	Other Cash Inflows/Outflows	Total Revenues	G.O. Bond 6,385,000 Dated: 09/01/14 Principal Interest @	Taxable BAN 525,000 Dated: 06/01/14 Principal Interest	Municipal Revenue Obligation (MRO) 320,000 Dated: 06/01/14 Principal Interest	G.O. Bond 2,750,000 Dated: 06/01/18 Principal Interest	Municipal Revenue Obligation (MRO) 180,000 Dated: TBD Principal Interest	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstand-ing					
2014		0.50%			Note 3	583,100	Note 1	4.00%		3.50%		0.00%	Note 1	4.50%	Note 2	40,000	108,444	474,656	474,656	7,230,000	2014
2015		2,373	383,100			2,373		63,850		4,594		0				25,000	298,775	(296,402)	178,255	7,230,000	2015
2016	200,287	891				201,179		255,400		18,375	40,000	40,000				25,000	338,775	(137,596)	40,658	7,190,000	2016
2017	301,433	203				301,636		255,400		18,375	40,000	40,000				25,000	338,775	(37,139)	3,519	7,150,000	2017
2018	403,084	18		593,906		997,007		255,400	525,000	9,188	40,000	40,000				25,000	854,588	142,420	145,939	9,335,000	2018
2019	505,243	730			(200,000)	305,972		0		255,400	40,000				10,000	429,150	(123,178)	22,762	9,295,000	2019	
2020	607,913	114				608,026		175,000		251,900	40,000				10,000	600,650	7,376	30,138	9,080,000	2020	
2021	711,096	151				711,247		190,000		244,600	40,000	100,000			10,000	706,100	5,147	35,285	8,750,000	2021	
2022	814,795	176				814,972		305,000		234,700	40,000	100,000			10,000	806,700	8,272	43,556	8,305,000	2022	
2023	834,191	218				834,409		345,000		221,700	40,000	100,000			10,000	829,200	5,209	48,765	7,820,000	2023	
2024	838,362	244				838,606		400,000		206,800		0			10,000	834,575	4,031	52,796	7,310,000	2024	
2025	842,554	264				842,818		425,000		190,300		110,000			10,000	838,125	4,693	57,489	6,775,000	2025	
2026	846,767	287				847,054		450,000		172,800		110,000			10,000	840,675	6,379	63,868	6,215,000	2026	
2027	851,001	319				851,320		475,000		154,300		115,000			10,000	847,113	4,207	68,075	5,625,000	2027	
2028	855,256	340				855,596		500,000		134,800		115,000			10,000	847,438	8,158	76,234	5,010,000	2028	
2029	859,532	381				859,913		500,000		114,800		145,000			10,000	851,588	8,325	84,559	4,365,000	2029	
2030	863,829	423				864,252		500,000		94,800		180,000			10,000	859,275	4,977	89,536	3,685,000	2030	
2031	868,149	448				868,596		525,000		74,300		185,000			10,000	860,563	8,034	97,570	2,975,000	2031	
2032	872,489	488				872,977		525,000		53,300		190,000			10,000	836,125	36,852	134,422	2,260,000	2032	
2033	876,852	672				877,524		525,000		32,300		195,000			10,000	811,463	66,061	200,484	1,540,000	2033	
2034	881,236	1,002				882,238		545,000		10,900		195,000			10,000	801,288	80,951	281,435	800,000	2034	
2035	885,642	1,407				887,049						200,000			20,000	251,500	635,549	916,984	600,000	2035	
2036		0				0						200,000				222,500	222,500	1,139,484	400,000	2036	
2037		0				0						200,000				213,500	213,500	1,352,984	200,000	2037	
2038		0				0						200,000				204,500	204,500	1,557,484	0	2038	
Total	14,719,709	11,150	383,100	593,906	0	15,707,865	6,385,000	3,533,150	525,000	68,906	320,000	0	2,750,000	1,529,325	0	0	320,000	15,431,381		Total	

Notes:

**Note 1 - Debt to be prepayable no later than 2028 (from any surplus balance)**

**Note 2 - Payable only to the extent that a development achieves "excess performance" or otherwise warrants incentives beyond infrastructure**

**Note 3 - Cash flow loan to be made available by Washington County**

**TID Closure when Cum Bal exceeds Principal**

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## SECTION 11: Annexed Property

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There are no lands proposed for inclusion within the District that were annexed by the Village on or after January 1, 2004.

## SECTION 12: Estimate of Property to be Devoted to Retail Business

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Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the Village estimates that no more than 15% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## SECTION 13: Proposed Zoning Ordinance Changes

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The Village anticipates that a portion of the District will be rezoned to M1-Limited Industrial District, a new Business Park-specific zoning district, or such other district as would allow similar mixed-use development within the District.

## SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and Village of Germantown Ordinances

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This Plan is complementary to the Village's Master Plan. However, it is anticipated that changes to the 2020 Land Use Plan map and/or other Village ordinances for the implementation of this Plan will be required.

## SECTION 15: Relocation

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

## SECTION 16: Orderly Development of the Village of Germantown

---

The District contributes to the orderly development of the Village by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. The remaining industrial/business park developable areas of the Village have virtually been exhausted. Without adding territory that is in a position to be developed, the pressure for development will be shifted away from Germantown and away from adequate infrastructure.

## SECTION 17: List of Estimated Non-Project Costs

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Non-Project costs are public works projects that to the extent they do not benefit the District are not eligible to be paid with TIF funds. The only such costs identified to date are portions of the water main looping project.

SECTION 18:  
Opinion of Attorney for the Village of Germantown  
Advising Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105

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JANE C. KASSIS,  
LEGAL SECRETARY

May 19, 2014

Honorable President and Village Trustees  
Village of Germantown  
N112 W17001 Mequon Road  
Germantown, WI 53022

Re: Village of Germantown, Wisconsin Tax Incremental District No. 6

Dear Mr. President and Village Trustees:

As Village Attorney for the Village of Germantown, I have reviewed the Project Plan for TID No. 6. Following that review, it is my determination and opinion that the Project Plan for TID No. 6 is complete and complies with the requirements of Wis. Stat. § 66.1105(4)(f).

If you should have any questions, do not hesitate to contact me.

Very truly yours,



Brian C. Sajdak  
Village Attorney

cc: David Schornack, Village Administrator

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		2012		Percentage		
Washington County		6,059,920		13.26%		
Village of Germantown		13,481,410		29.50%		
Germantown School District		21,696,071		47.48%		
Milwaukee Area Technical College		4,458,484		9.76%		
Total		45,695,885				
Revenue Year	Washington County	Village of Germantown	Germantown School District	Milwaukee Area Technical College	Total	Revenue Year
2016	26,561	59,090	95,095	19,542	200,287	2016
2017	39,974	88,930	143,118	29,410	301,433	2017
2018	53,455	118,920	191,381	39,328	403,084	2018
2019	67,002	149,059	239,886	49,296	505,243	2019
2020	80,618	179,349	288,632	59,313	607,913	2020
2021	94,301	209,791	337,623	69,381	711,096	2021
2022	108,053	240,385	386,859	79,498	814,795	2022
2023	110,626	246,107	396,068	81,391	834,191	2023
2024	111,179	247,337	398,048	81,798	838,362	2024
2025	111,735	248,574	400,038	82,207	842,554	2025
2026	112,293	249,817	402,039	82,618	846,767	2026
2027	112,855	251,066	404,049	83,031	851,001	2027
2028	113,419	252,321	406,069	83,446	855,256	2028
2029	113,986	253,583	408,099	83,863	859,532	2029
2030	114,556	254,851	410,140	84,283	863,829	2030
2031	115,129	256,125	412,191	84,704	868,149	2031
2032	115,704	257,406	414,252	85,128	872,489	2032
2033	116,283	258,693	416,323	85,553	876,852	2033
2034	116,864	259,986	418,404	85,981	881,236	2034
2035	117,449	261,286	420,496	86,411	885,642	2035
	<u>1,952,041</u>	<u>4,342,676</u>	<u>6,988,810</u>	<u>1,436,182</u>	<u>14,719,709</u>	

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