

December 17, 2018

Annual Tax Increment District Report – TID No. 6

Village of Germantown, Wisconsin



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Annual Tax Increment District Report

Village of Germantown, Wisconsin
Tax Increment District No. 6

Purpose: State law requires municipalities with an active Tax Incremental District (TID) to electronically file an Annual Report for each TID by July 1 of each calendar year. This is a summary of that filing to be used at the annually required meeting of the standing Joint Review Board.

District Summary: Tax Increment District No. 6 (“District”) was created on May 19, 2014 as Mixed-Use District.

The purpose of the District was to promote the development of commercial and industrial properties within the Village.

Shortly after the District was created the Village borrowed money to install infrastructure that was intended to attract developers to the site- specifically, an industrial development that would have occupied much of the area- however, that development failed to occur.

While its anticipated that the site will be completely built out in the next few years, the delay results in insufficient revenue available to meet the required debt service payments, which will require contributions from other revenue sources in order to avoid closing in a deficit position.

The TID has an expenditure period that ends on May 19, 2029 and has a mandatory termination date of May 19, 2034.

Financial Data:	Base Value	\$2,796,400
	Incremental Value	\$48,900
	Year End Fund Balance	\$380,068
	Projected Closure (based on current cash flow*)	2036 (assuming an extension)

* The Village expects to make additional projects costs through the end of the District’s expenditure period. The projected closure year identified is based on current cash flow projections only.

Notes: The Discount Ramp building was completed and is included in the 2018 TID Value.



Construction on Metro Cigars and Ryan Companies has begun, and it is estimated to generate about \$750,000 and \$9,000,000 of additional value for 2019.

It is also estimated that the final lot will have another structure built on it with a value of \$9,000,000 for valuation year 2021.

Its anticipated that the TID will be a recipient of approximately \$700,000 of Revenue from other sources, broken down, as follows:

- General Fund Reserve: \$150,000
- MLG Escrow Account: \$187,532
- Village portion of TID No. 4 Residual Balance: \$382,301

Given these development assumptions and revenue sources its anticipated the TID's life would need to be extended and remain open one year longer than its maximum life with a closure in budget year 2036.

**Joint Review Board
Action:**

Resolution acknowledging filing of Annual TID Report and compliance with annual meeting requirements.

Attachments:

- TID Boundary Map
- TID Cash Flow Projection (Detail)
- State Submittal



Village of Germantown, Wisconsin

Tax Increment District #6

Anticipated Buildout

Type of District	Mixed Use	Base Value	2,796,400
Creation Date	May 19, 2014	Appreciation Factor	0.50%
Valuation Date	Jan 1, 2014	Base Tax Rate	\$18.07
Max Life (Years)	20	Rate Adjustment Factor	
Expenditure Periods/Termination	15 5/19/2029	Tax Exempt Discount Rate	5.00%
Revenue Periods/Final Year	20 2035	Taxable Discount Rate	7.00%
Extension Eligibility/Years	Yes 3		
Recipient District	No		

Construction Year	Value Added*	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
2 2015	(15,700)	2016	0	48,900	2017	\$17.53	857
3 2016	150,300	2017	0	199,200	2018	\$17.58	3,502
4 2017	4,094,000	2018	0	4,293,200	2019	\$17.58	75,470
5 2018	9,750,000	2019	21,466	14,064,666	2020	\$17.58	247,243
6 2019		2020	70,323	14,134,989	2021	\$17.58	248,479
7 2020	9,000,000	2021	70,675	23,205,664	2022	\$17.58	407,932
8 2021		2022	116,028	23,321,693	2023	\$17.58	409,972
9 2022		2023	116,608	23,438,301	2024	\$17.58	412,022
10 2023		2024	117,192	23,555,493	2025	\$17.58	414,082
11 2024		2025	117,777	23,673,270	2026	\$17.58	416,152
12 2025		2026	118,366	23,791,636	2027	\$17.58	418,233
13 2026		2027	118,958	23,910,595	2028	\$17.58	420,324
14 2027		2028	119,553	24,030,148	2029	\$17.58	422,426
15 2028		2029	120,151	24,150,298	2030	\$17.58	424,538
16 2029		2030	120,751	24,271,050	2031	\$17.58	426,661
17 2030		2031	121,355	24,392,405	2032	\$17.58	428,794
18 2031		2032	121,962	24,514,367	2033	\$17.58	430,938
19 2032		2033	122,572	24,636,939	2034	\$17.58	433,092
20 2033		2034	123,185	24,760,124	2035	\$17.58	435,258
21 2034		2035	123,801	24,883,924	2036	\$17.58	437,434
22 2035		2036	124,420	25,008,344	2037	\$17.58	439,621
23 2036		2037	125,042	25,133,386	2038	\$17.58	441,820
Totals	23,043,200		2,090,186		Future Value of Increment		7,796,015

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).

* Development Assumptions:

	Construction Year		
	2017	2018	2020
Discount Ramp	4,094,000		
Metro Cigars		\$750,000	
Ryan Companies		\$9,000,000	
Similar Bldg to Ryan Companies			\$ 9,000,000
	\$ 4,094,000	\$9,750,000	\$ 9,000,000

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)	Miscellaneous Revenue	Other Revenue ¹	Total Revenues	G.O. Bond 5,405,000 Dated: 10/01/14			Project Expenditures	Admin.	Total Expenditures	Annual	Cumulative		Principal Outstanding	
2017	857	2,874	110,948		114,679			184,713		181,984	33,460	400,157	(285,478)	104,986	5,405,000	2017
2018	3,502	525		142,356	146,383			184,713			25,000	209,713	(63,330)	41,656	5,405,000	2018
2019	75,470	208		77,378	153,056			184,713		10,000	10,000	194,713	(41,656)	(0)	5,405,000	2019
2020	247,243	(0)		95,220	342,463	150,000	3.00%	182,463		10,000	10,000	342,463	0	(0)	5,255,000	2020
2021	248,479	(0)		89,484	337,963	150,000	3.00%	177,963		10,000	10,000	337,963	0	0	5,105,000	2021
2022	407,932	0		53,580	461,512	280,000	3.00%	171,513		10,000	10,000	461,513	(0)	(0)	4,825,000	2022
2023	409,972	(0)		41,741	451,713	280,000	4.00%	161,713		10,000	10,000	451,713	0	0	4,545,000	2023
2024	412,022	0		77,491	489,513	330,000	4.00%	149,513		10,000	10,000	489,513	0	0	4,215,000	2024
2025	414,082	0		111,230	525,312	380,000	4.00%	135,313		10,000	10,000	525,313	(1)	(0)	3,835,000	2025
2026	416,152	(0)		31,353	447,505	380,000	4.00%	120,113		10,000	10,000	510,113	(62,607)	(62,608)	3,455,000	2026
2027	418,233	(313)			417,920	405,000	3.00%	106,438		10,000	10,000	521,438	(103,518)	(166,125)	3,050,000	2027
2028	420,324	(831)			419,493	415,000	3.00%	94,138		10,000	10,000	519,138	(99,644)	(265,769)	2,635,000	2028
2029	422,426	(1,329)			421,097	425,000	3.00%	81,538		10,000	10,000	516,538	(95,441)	(361,210)	2,210,000	2029
2030	424,538	(1,806)			422,732	435,000	3.25%	68,094		10,000	10,000	513,094	(90,362)	(451,572)	1,775,000	2030
2031	426,661	(2,258)			424,403	440,000	3.25%	53,875		10,000	10,000	503,875	(79,472)	(531,044)	1,335,000	2031
2032	428,794	(2,655)			426,139	440,000	3.50%	39,025		10,000	10,000	489,025	(62,886)	(593,931)	895,000	2032
2033	430,938	(2,970)			427,968	440,000	3.50%	23,625		10,000	10,000	473,625	(45,657)	(639,588)	455,000	2033
2034	433,092	(3,198)			429,895	455,000	3.50%	7,963		10,000	10,000	472,963	(43,068)	(682,656)	0	2034
2035	435,258	(3,413)			431,845					10,000	10,000	10,000	421,845	(260,811)	0	2035
2036	437,434	(1,304)			436,130					10,000	10,000	10,000	426,130	165,319	0	2036
2037	439,621	827			440,448					10,000	10,000	10,000	430,448	595,767	0	2037
2038	441,820	2,979			444,798					20,000	20,000	20,000	424,798	1,020,565	0	2038
Total	7,796,015	2,963	119,957	719,833	8,638,769	5,405,000		2,312,131		4,501,913	353,745	12,572,789				Total

Notes:

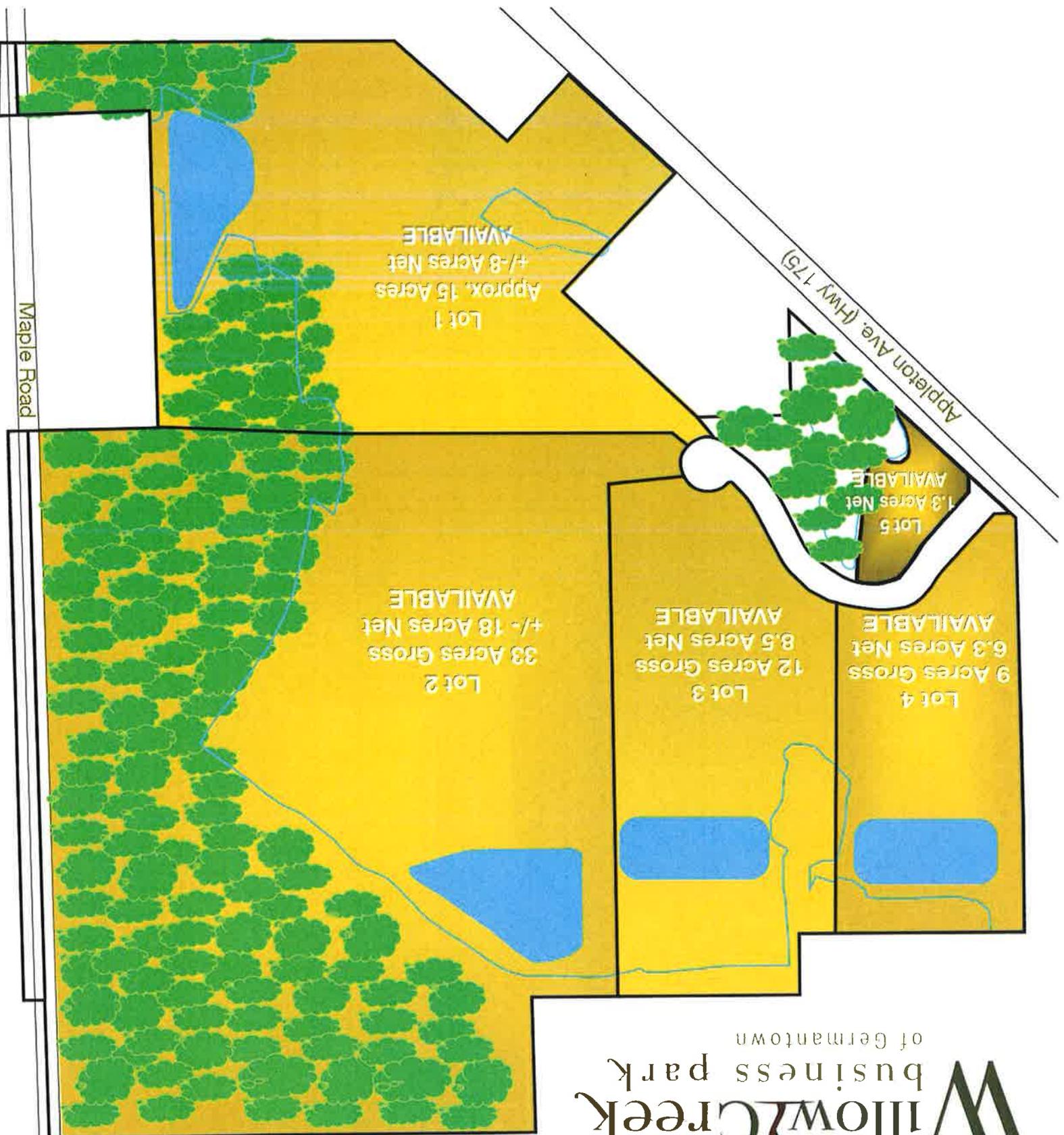
¹ Other Revenue Sources

TID Closure when Cum Bal exceeds Principal

Year	General Fund Reserve	MLG Escrow Account	Village Portion of TID No. 4 Residual Balance	Totals
Starting Balance	150,000	187,532	382,301	719,833
2018	(50,000)	(92,356)		(142,356)
2019	(77,378)			(77,378)
2020	(44)	(95,176)		(95,220)
2021	(22,578)		(66,906)	(89,484)
2022			(53,580)	(53,580)
2023			(41,741)	(41,741)
2024			(77,491)	(77,491)
2025			(111,230)	(111,230)
2026			(31,353)	(31,353)
Remaining Balance	0	0	0	0

Willow Creek

business park
of Germantown



Maple Road

Appleton Ave. (Hwy 175)

Form PE-300	TID Annual Report	2017 WI Dept of Revenue
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Municipality/TID					
Co-muni code 66131	Municipality GERMANTOWN		County WASHINGTON	Due date 07-02-2018	Report type ORIGINAL
TID number 006	TID type 6	TID name TID No 6	Creation date 05-19-2014	Mandatory termination date 05-19-2034	Expected termination date N/A

Section 1 : Beginning Balance	
TID fund balance at beginning of fiscal year	\$390,463

Section 2. Revenue	
Does this TID receive allocated funds from another TID?	No
Allocation from another TID	Allocation amount
N/A	\$0
Subtotal allocation from another TID amount	\$0
Developer guarantee name	Developer guarantee amount
Subtotal developer guarantee amount	\$0
Transfer from other fund source	Transfer from other fund amount
Subtotal transfer from other fund amount	\$0
Other grant sources	Other grant source amount
Subtotal other grant source amount	\$0
Other revenue sources	Other revenue source amount
Subtotal other revenue source amount	\$0
Tax increment	\$857
Investment income	\$2,874
Debt proceeds	
Special assessments	
Exempt computer aid	
Miscellaneous revenue	\$110,948
Sale of property	
Total Revenue (deposits)	\$114,679

Section 3. Expenditures	
Developer grant name	Developer grant amount
n/a	\$0
Subtotal developer grant amount	\$0
Does this TID allocate funds to another TID?	No
Allocation to another TID	Allocation amount
N/A	\$0
Subtotal allocation to another TID	\$0
Transfer to other fund source	Transfer to other fund amount
Subtotal transfer to other fund amount	\$0
Other expenditure source	Other expenditure source amount
Subtotal other expenditures source amount	\$0
Capital expenditures	\$176,561
Administration	\$33,310
Professional services	\$5,423
Interest and fiscal charges	\$184,713
DOR fees	\$150
Discount on long-term debt	
Debt issuance costs	
Principal on long-term debt	
Environmental costs	
Real property assembly costs	
Total Expenditures	\$400,157
Section 4. Ending Balance	
TID fund balance at end of fiscal year	\$104,985
Future costs	\$7,481,194
Future revenue	\$7,376,209
Surplus or deficit	\$0

Form PE-300	TID Annual Report	2017 WI Dept of Revenue
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Preparer/Contact Information	
Preparer name Kim Rath	Preparer title Finance Director
Preparer email krath@village.germantown.wi.us	Preparer phone (262) 250-4700
Contact name Kim Rath	Contact title Finance Director
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Submission Information	
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Co-muni code	66131
TID number	006
Recording time	04-12-2018 08:59 AM
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