

September 16th, 2019

Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 2



Organizational Joint Review Board Meeting Held:	Scheduled for: August 26, 2019
Public Hearing Held:	Scheduled for: August 26, 2019
Consideration for Approval by CDA:	Scheduled for: August 26, 2019
Consideration for Adoption by Village Board:	Scheduled for: September 16, 2019
Consideration for Approval by the Joint Review Board:	Scheduled for: TBD

Tax Incremental District No. 2 Territory & Project Plan Amendment

Village of West Milwaukee Officials

Village Board

John Stalewski

Richard Lewein

John Ragonese

Craig Schaefer

Jane Edgar

Steven Schuettke

Mariel Hildenbrand

Village President

Village Trustee

Village Trustee

Village Trustee

Village Trustee

Village Trustee

Village Trustee

Village Staff

Susan M. Schupp

Kim Egan

Brian Lanser

Village Clerk

Village Administrator

Attorney

CDA

Chair Craig Schaefer

Joseph Van DerLinden

Donald Michna

William Elliott

Jennifer Andreas

Jane Edgar

Gerald Sormrude

Joint Review Board

Village Representative

Milwaukee County

Milwaukee Area Technical College District

West Allis – West Milwaukee School District

Public Member

Table of Contents

EXECUTIVE SUMMARY	4
TYPE AND GENERAL DESCRIPTION OF DISTRICT	6
PRELIMINARY MAP OF ORIGINAL DISTRICT BOUNDARY AND TERRITORY AMENDMENT AREA IDENTIFIED	7
MAP SHOWING EXISTING USES AND CONDITIONS WITHIN THE TERRITORY REMAINING	8
PRELIMINARY PARCEL LIST AND ANALYSIS WITHIN THE TERRITORY REMAINING	9
EQUALIZED VALUE TEST	10
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS	10
MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY REMAINING	15
DETAILED LIST OF ADDITIONAL AND UPDATED PROJECT COSTS	16
ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED	18
ANNEXED PROPERTY	27
ESTIMATE OF REMAINING PROPERTY TO BE DEVOTED TO RETAIL BUSINESS	27
PROPOSED ZONING ORDINANCE CHANGES	27
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF WEST MILWAUKEE ORDINANCES	27
RELOCATION	27
ORDERLY DEVELOPMENT AND REDEVELOPMENT OF THE VILLAGE OF WEST MILWAUKEE	28
LIST OF ESTIMATED NON-PROJECT COSTS	28
OPINION OF ATTORNEY FOR THE VILLAGE OF WEST MILWAUKEE ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105	29
CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS	30

SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 2 (the “TID” or “District”) is an existing blighted area district, which was created by a resolution of the Village of West Milwaukee (“Village”) Village Board adopted on September 17, 2001 (the “Creation Resolution”).

Amendments

The District was previously amended on June 6, 2005, April 21, 2008 and June 3, 2013, whereby resolutions were adopted to add additional territory to the District, and to amend the list of projects to be undertaken. These were the first, second and third amendments of four territory amendments permitted for this District.

The District was previously amended on April 3, 2006 and October 16, 2017, whereby resolutions were adopted to amend the list of projects to be undertaken.

Purpose(s) of this Amendment

This amendment will cause territory to be subtracted from the District, adding to the tax base of the Village and all overlapping taxing jurisdictions. This will enable the Village and other overlying taxing jurisdictions to benefit from the release of the associated incremental value into the general tax base beginning in 2020. The subtraction will also bring the Village under the 12% Equalized Value Test which will enable them to create new districts or add area to the boundaries of existing ones. A map, located in Section 3 of this plan, identifies the Territory to be removed and its geographic relationship to the existing District’s boundaries.

This amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Wisconsin Statutes Section 66.1105(2)(f)1.n.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas 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:

- That “but for” amendment of the District’s Project Plan, the economic development objectives will not be achieved. In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing,” customarily referred to as the “but for” test. Since the purpose of this amendment is solely to subtract property, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded that the “but for” test was met. Accordingly, the Village finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes Section*

2. **The economic benefits of amending 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:
 - Tax increment collections continue to be expected to be sufficient to pay for the cost of all improvements made in the District. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.b.*
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
 - Given that it is likely that the District is expected to generate additional economic benefits that are more than sufficient to compensate for the cost of the improvements, as previously determined by the Joint Review Board, 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 Project Plan is not amended. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.c.*
4. Not less than 50% by area of the real property within the District, as amended, is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1.
5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a blighted area District based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting the elimination of blight consistent with the purpose for which the District was created.
7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The Village estimates that all of the territory within the District, as amended, 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.
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.

SECTION 2: Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on September 17, 2001 by resolution of the Village Board. The District's valuation date, for purposes of establishing base value, was January 1, 2001.

The existing District is a "Blighted Area District," created on a finding that at least 50%, by area, of the real property within the District was blighted. The District will remain in compliance with this finding after the subtraction of the Territory identified in this Amendment.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have been amended three times prior to this Amendment.

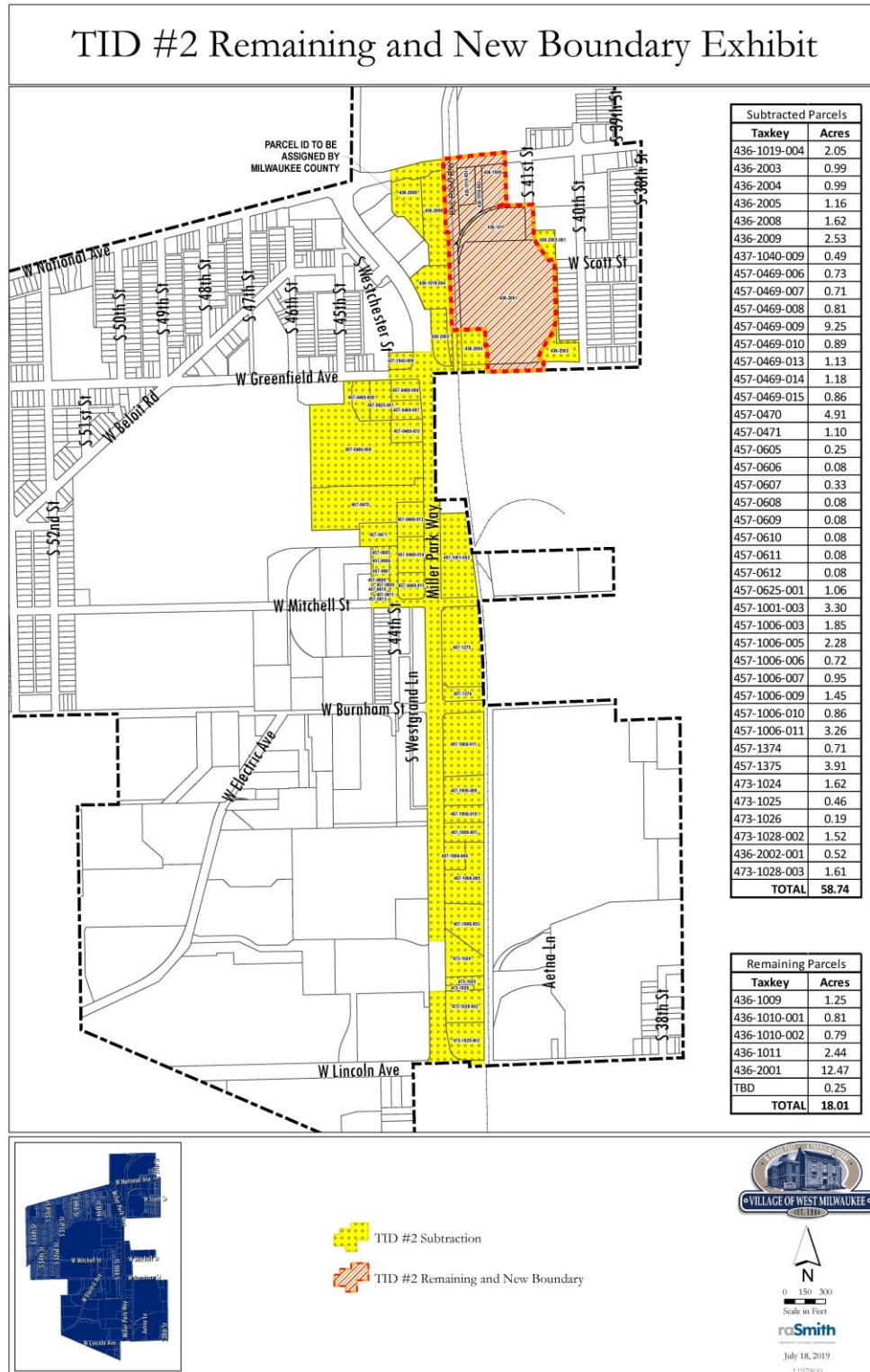
This Project Plan Amendment supplements and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

This amendment will cause territory to be subtracted from the District, adding to the tax base of the Village and all overlapping taxing jurisdictions. This will enable the Village and other overlying taxing jurisdictions to benefit from the release of the associated incremental value into the general tax base beginning in 2020. The subtraction will also bring the Village under the 12% Equalized Value Test which will enable them to create new districts or add area to the boundaries of existing ones. A map, located in Section 3 of this plan, identifies the Territory to be removed and its geographic relationship to the existing District's boundaries.

This amendment will allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as permitted under Wisconsin Statutes Section 66.1105(2)(f)1.n.

A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains a blighted area District based on the identification and classification of the property included within the District.

SECTION 3: Preliminary Map of Original District Boundary and Territory Amendment Area Identified



SECTION 4:

Map Showing Existing Uses and Conditions Within The Territory Remaining

There will be no change to the existing uses and conditions of the remaining parcels in the District as a result of this amendment. A copy of this map can be found in the Original and/or Amended Project Plan Documents.

SECTION 5: Preliminary Parcel List and Analysis Within The Territory Remaining

Base Property Information- Remaining																	
Property Information					Assessment Information				Equalized Value				District Classification			District Classification	
Parcel Number	Street Address	Owner	Acreage	Part of Existing TID? ...Indicate TID #	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/ Business	Existing Residential	Blighted
436-1010-001	4219 W National	CHI LLC & ASTRAHOE LLC	0.808	2	77,700		17,700	95,400	79.64%	97,564	0	18,608	116,172		0.808		0.808
436-1010-002	4213 W National	AMERICAN TOWERS LLC	0.792	2	59,600			59,600	79.64%	74,837	0	0	74,837	0.792			0.792
436-1009-000	4129 W National	Miller Park Milwaukee	1.25	2	87,900			87,900	79.64%	110,372	0	0	110,372		1.25		1.25
436-1011-000	1101 S 41 St	MACRO HOSPITALITY LLC	2.44	2	394,200		3,100	397,300	100.00%	394,200	0	3,100	397,300		2.44		2.44
436-2001-000	4140 W Greenfield Ave	WALMART REAL ESTATE BUSINESS`	12.47	2	3,941,728		176,198	4,117,926	100.00%	3,941,728	0	176,198	4,117,926		12.47		12.47
TBD	TBD	TBD- Railspur	0.25	2	0		0	0	0		0	0	0	0	0.00	0.00	0.00
Total Acreage					17.76	4,561,128		196,998	4,758,126		4,618,700		197,906		0.79	16.96	17.756
														4%	96%		100%
Estimated Base Value													4,816,607				

SECTION 6: Equalized Value Test

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The following is a list of public works and other TIF-eligible projects that the Village has implemented, or expects to implement, within the remaining parcels within the District as a result of this amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development and Redevelopment

In order to promote and facilitate development and 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 and redevelopment, 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 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

To allow development and redevelopment to occur, the Village may 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, are an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

To allow development and redevelopment to occur, the Village may 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 and redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may 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 and redevelopment, 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 and redevelopment, 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 and redevelopment, 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 and redevelopment to occur, the Village may need to construct and 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 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.

CDA Type Activities

Contribution to Community Development

As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the Village may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program

To encourage private redevelopment consistent with the objectives of this Plan, the Village, through its CDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Rail Spur

To allow for development and redevelopment, the Village may incur costs for installation of a rail spur to serve development sites located within the District.

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:

- W. Greenfield Avenue Railroad Crossing Improvement.
- W. Greenfield Avenue Roadway and Utility Improvements.
- W. National Avenue Signal System Improvements.
- W. National Avenue Roadway Capacity, Bicycle, Pedestrian, and Parking Improvements.

Professional Service and Organizational Costs

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

Administrative Costs

The 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.

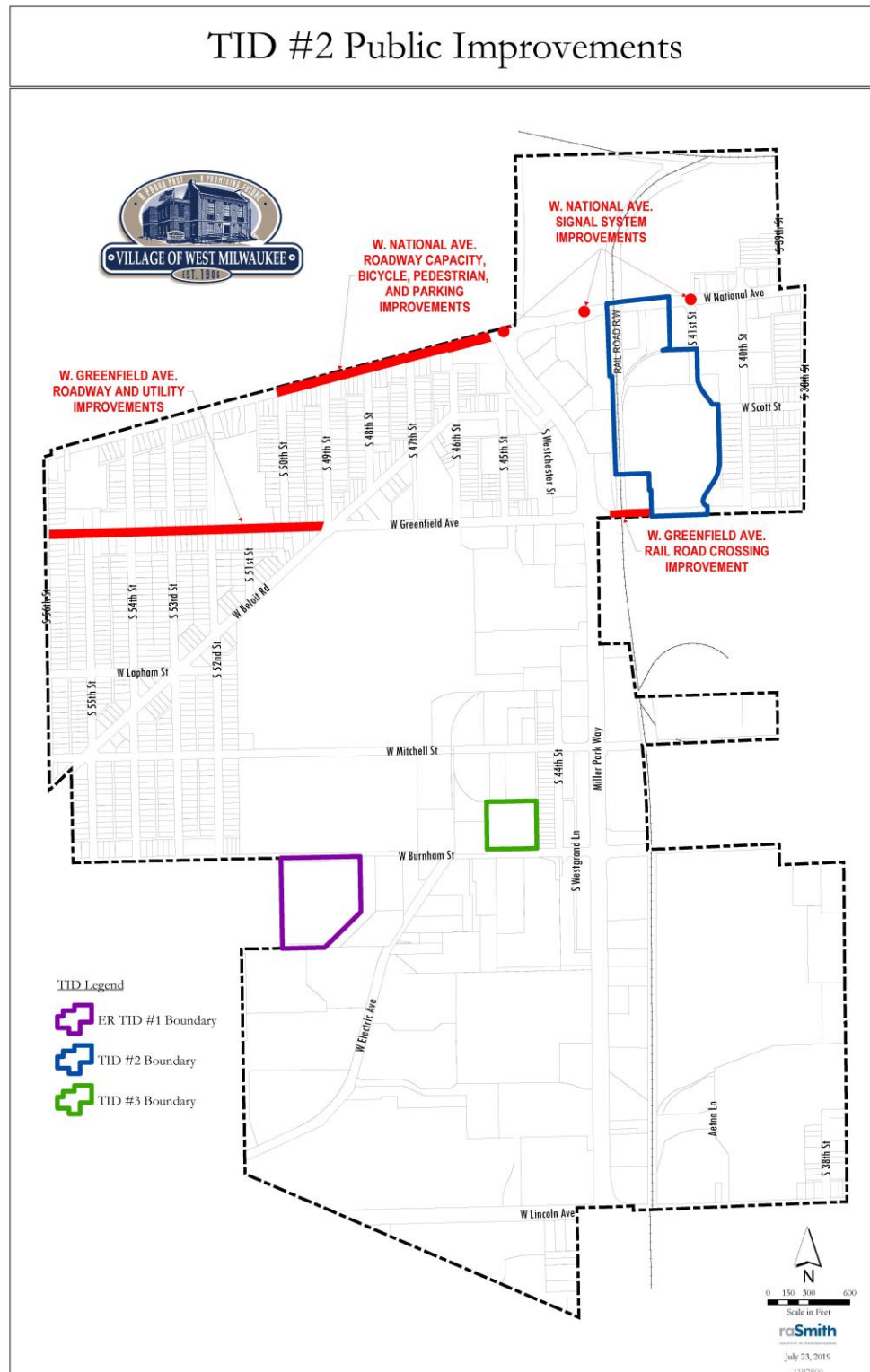
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, site preparation, legal and other consultant fees, testing, environmental studies, permits, updating Village ordinances and plans, judgments or claims for damages, 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 tax increment finance 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 Amendment.

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 or the original Project Plan. To the extent the costs benefit the Village 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. 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 by the Village in connection with the implementation of this Plan.

SECTION 8: Map Showing Proposed Improvements and Uses Within The Territory Remaining



SECTION 9: Detailed List of Additional and Updated Project Costs

This Section contains information relative to the specific projects and expenditures that the Village anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2019 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2019 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 not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The 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 further amending this Plan.

Proposed TIF Project Cost Estimates

Village of West Milwaukee, Wisconsin

Tax Increment District # 2

Estimated Project List

Project ID	1/2 Mile Radius Projects	Phase I 2020	Phase II 2021	Phase III ¹ 2022	Total (Note 2 & 3)
1	W. Greenfield Ave. Rail Road Crossing Improvements	150,000			150,000
2	W. Greenfield Ave. Roadway & Utility Improvements		500,000		500,000
3	W. National Avenue Signal System Improvements		50,000		50,000
4	W. National Ave. Roadway Capacity, Bicycle, Pedestrian, & Parking		150,000	150,000	300,000
Total Projects		<u>150,000</u>	<u>700,000</u>	<u>150,000</u>	<u>1,000,000</u>

Notes:

¹ Project costs are estimates and are subject to modification.

² Expenditure Period ends on 9/17/2023.

³ The Project expenditures will only be undertaken in the amount of available revenue to support them.

SECTION 10:

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

The information and exhibits contained within this Section demonstrate that the District, as amended by the subtraction of Territory, will remain economically feasible insofar as:

- While the Village does not anticipate borrowings will be needed to accomplish the additional projects being added to the Plan with this amendment. However, if necessary the Village does have available the means to secure financing. A listing of “Available Financing Methods” follows.
- The Village expects to complete the remaining projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with available revenue and prior to the end of the expenditure period. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. Within this Section are tables identifying: 1) the development assumptions after the subtraction of value increment 2) an updated projection of tax increments to be collected and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay for a portion of the new projects.

Available Financing Methods

Implementation of this Plan may require that the Village issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. 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). As of the date of this plan, the Village has a G.O. debt limit of \$18,799,045, of which \$10,961,230 is currently unused and could be made available to finance Project Costs.

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 its Community Development Authority (CDA). 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 its various utility 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

As stated in the original project plan, projects identified will provide the necessary anticipated governmental services and/or development incentives to the remaining district. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements, if any. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.

Projects identified will provide the necessary anticipated governmental services and development incentives to the additional territory. It is anticipated these expenditures will be made during the remaining expenditure period. However, public debt and expenditures should be made at the pace private development and redevelopment occurs to assure increment is sufficient to cover expenses. The order in which expenditures 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. In any event, all additional Project Costs are to be incurred within the period specified in Wisconsin Statutes Section 66.1105(6)(am).

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 expenditures 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

There are no additional financing plans needed outside of those identified in the Original and/or Amended Project Plan Documents.

Development Assumptions

Village of West Milwaukee, Wisconsin

Tax Increment District # 2

Development Assumptions

Construction Year		Parcel Subtraction	Construction Year	
17	2017	(61,297,391)	2017	17
18	2018		2018	18
19	2019		2019	19
20	2020		2020	20
21	2021		2021	21
22	2022		2022	22
23	2023		2023	23
24	2024		2024	24
25	2025		2025	25
26	2026		2026	26
27	2027		2027	27
Totals		<u>(61,297,391)</u>		

Notes:

Increment Revenue Projections- Prior to Amendment

<h3>Village of West Milwaukee, Wisconsin</h3> <h4>Tax Increment District # 2</h4> <h4>Tax Increment Projection Worksheet</h4>									
Type of District	Blighted Area				Base Value	17,674,700			
District Creation Date	September 17, 2001				Appreciation Factor				
Valuation Date	Jan 1,		2001		Base Tax Rate	\$31.76			
Max Life (Years)	27				Rate Adjustment Factor				
Expenditure Period/Termination	22	9/17/2023							
Revenue Periods/Final Year	27		2029						
Extension Eligibility/Years	Yes		7		Tax Exempt Discount Rate				
Eligible Recipient District	Yes				Taxable Discount Rate				

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
17	2017		2018		78,095,700	2019	\$31.76	2,480,492
18	2018		2019		76,460,600	2020	\$31.76	2,428,558
19	2019	0	2020	0	76,460,600	2021	\$31.76	2,428,558
20	2020	0	2021	0	76,460,600	2022	\$31.76	2,428,558
21	2021	0	2022	0	76,460,600	2023	\$31.76	2,428,558
22	2022	0	2023	0	76,460,600	2024	\$31.76	2,428,558
23	2023	0	2024	0	76,460,600	2025	\$31.76	2,428,558
24	2024	0	2025	0	76,460,600	2026	\$31.76	2,428,558
25	2025	0	2026	0	76,460,600	2027	\$31.76	2,428,558
26	2026	0	2027	0	76,460,600	2028	\$31.76	2,428,558
27	2027	0	2028	0	76,460,600	2029	\$31.76	2,428,558
Totals		0		0		Future Value of Increment		26,766,068

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Cash Flow- Prior to Amendment

Village of West Milwaukee, Wisconsin

Tax Increment District #2

Cash Flow Projection

Year ¹	Projected Revenues				Expenditures								Balances			Year
	Tax Increments	Interest Earnings @1%	Exempt Computer Aid	Total Revenues	2012A Issue	2012B Issue	2016 STF Loan	1/2 mile radius costs for Greenfield Ave.	Developer Incentive ²	Admin. & Accounting	Existing Improvement Projects, Previously Approved	Total Expenditures	Annual	Cumulative ³	Principal Outstanding	
					1,575,000 02/23/12	5,460,000 07/10/12	Sendiks Incentive 1,010,000 07/19/16									
2017 2018													683,608			
													(162,536)	521,072	4,771,604	2017
													(510,787)	10,285	4,771,604	2018
2019	2,480,492	6,000	40,000	2,526,492	155,850	565,250	353,646			106,000	700,000	1,880,746	645,746	656,031	3,814,998	2019
2020	2,428,558	6,560	40,000	2,475,118	152,950	575,625	353,646	500,000	225,000	106,000		1,913,221	561,897	1,217,927	2,825,000	2020
2021	2,428,558	12,179		2,440,737	110,450	560,625				106,000		777,075	1,663,662	2,881,589	2,220,000	2021
2022	2,428,558	28,816		2,457,373	113,300	547,500				106,000		766,800	1,690,573	4,572,163	1,610,000	2022
2023	2,428,558	45,722		2,474,279	111,100	535,938				106,000		753,038	1,721,242	6,293,404	1,000,000	2023
2024	2,428,558	62,934		2,491,492		522,500				106,000		628,500	1,862,992	8,156,396	500,000	2024
2025	2,428,558	81,564		2,510,122		507,500				106,000		613,500	1,896,622	10,053,017	0	2025
2026	2,428,558	100,530		2,529,088						106,000		106,000	2,423,088	12,476,105	0	2026
2027	2,428,558	124,761		2,553,319						106,000		106,000	2,447,319	14,923,424	0	2027
2028	2,428,558	149,234		2,577,792						106,000		106,000	2,471,792	17,395,216	0	2028
2029	2,428,558	173,952		2,602,510						106,000		106,000	2,496,510	19,891,725	0	2029
Total	26,766,068	792,253	80,000	27,638,320	643,650	3,814,938	707,292	500,000	225,000	1,166,000	700,000	7,756,880	19,891,725			Total

Projected TID Closure

Notes:

¹ Expenditure Period ends on 9/17/2023, which is during Budget/Collection year 2024.

² Total Incentive Payment owed for Hotel/ Restaurant Development is \$800k.

\$575k Paid for Hotel in 2018.

\$225k Remains to be Paid. (\$125k for the Restaurant & \$100k to Cross Access.)

³ Cumulative Balance as of 2017 & 2018 Audit.

Village of West Milwaukee, Wisconsin

Tax Increment District # 2

{Boundary Subtraction Only}

Tax Increment Projection Worksheet

Type of District

District Creation Date

Valuation Date

Max Life (Years)

Expenditure Period/Termination

Revenue Periods/Final Year

Extension Eligibility/Years

Eligible Recipient District

Blighted Area

September 17, 2001

Jan 1,2001

27

229/17/2023

272029

Yes7

Yes

New Base Value²

Appreciation Factor

Base Tax Rate

Rate Adjustment Factor

4,816,608

\$31.76

Tax Exempt Discount Rate

Taxable Discount Rate

	Construction Year	Value Added ¹	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate ³	Tax Increment
17	2017		2018		78,095,700	2019	\$31.76	2,480,492
18	2018	(1,635,100)	2019		76,460,600	2020	\$31.76	2,428,558
19	2019	(61,297,391)	2020	0	15,163,209	2021	\$27.00	409,407
20	2020	0	2021	0	15,163,209	2022	\$27.00	409,407
21	2021	0	2022	0	15,163,209	2023	\$27.00	409,407
22	2022	0	2023	0	15,163,209	2024	\$27.00	409,407
23	2023	0	2024	0	15,163,209	2025	\$27.00	409,407
24	2024	0	2025	0	15,163,209	2026	\$27.00	409,407
25	2025	0	2026	0	15,163,209	2027	\$27.00	409,407
26	2026	0	2027	0	15,163,209	2028	\$27.00	409,407
27	2027	0	2028	0	15,163,209	2029	\$27.00	409,407
Totals		-62,932,491		0		Future Value of Increment		8,593,709

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).

¹ Assumes subtraction of 41 parcels which is about 58 acres from district's original boundaries resulting in 6 remaining parcels .

² Estimated New Base Value is the Sum of the existing parcels at \$4,816,608, after territory subtraction.

³ A reduction in the tax rate is assumed after the subtraction of territory.

Village of West Milwaukee, Wisconsin

Tax Increment District #2

Cash Flow Projection- Boundary Subtraction Only

Additional 1/2 mile Radius Projects	
\$	1,000,000

¹ Expenditure Period ends on 9/17/2023, which is during Budget/Collection year 2024.

² Total Incentive Payment owed for Hotel/ Restaurant Development is \$800k.
\$575k Paid for Hotel in 2018.
\$225k Remains to be Paid. (\$125k for the Restaurant & \$100k to Cross Access.)

³ Cumulative Balance as of 2017 & 2018 Audits.

Projected TID Closure

SECTION 11: Annexed Property

No territory will be added to the District.

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

The Village estimates that all of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

SECTION 13: Proposed Zoning Ordinance Changes

The Village does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan.

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

It is expected that this Plan will be complementary to the Village's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other Village ordinances for the implementation of this Plan.

SECTION 15: Relocation

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

SECTION 16: Orderly Development and Redevelopment of the Village of West Milwaukee

This amendment contributes to the orderly development and redevelopment of the Village by providing the opportunity for continued growth in tax base, job opportunities and general economic activity.

SECTION 17: List of Estimated Non-Project Costs

Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The Village does not expect to incur any non-project costs in the implementation of this Project Plan.

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

August 12, 2019

SAMPLE

John Stalewski, Village President
Village of West Milwaukee
4755 W. Beloit Road
West Milwaukee, Wisconsin 53214

RE: Village of West Milwaukee, Wisconsin Tax Incremental District No. 2 Amendment

Dear Village President:

As Village Attorney for the Village of West Milwaukee, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Brian Lanser
Village of West Milwaukee

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:

2017

Percentage

County	1,418,317	11.65%
Special District	484,379	3.98%
Municipality	6,834,818	56.14%
School District	3,084,384	25.33%
Technical College	352,951	2.90%

Total

12,174,849

Revenue Year	County	Special District	Municipality	School District	Technical College	Total	Revenue Year
2019	288,967	98,687	1,392,519	628,409	71,910	2,480,492	2019
2020	282,916	96,621	1,363,364	615,252	70,404	2,428,558	2020
2021	47,694	16,288	229,836	103,719	11,869	409,407	2021
2022	47,694	16,288	229,836	103,719	11,869	409,407	2022
2023	47,694	16,288	229,836	103,719	11,869	409,407	2023
2024	47,694	16,288	229,836	103,719	11,869	409,407	2024
2025	47,694	16,288	229,836	103,719	11,869	409,407	2025
2026	47,694	16,288	229,836	103,719	11,869	409,407	2026
2027	47,694	16,288	229,836	103,719	11,869	409,407	2027
2028	47,694	16,288	229,836	103,719	11,869	409,407	2028
2029	47,694	16,288	229,836	103,719	11,869	409,407	2029
	1,001,130	341,903	4,824,408	2,177,136	249,133	8,593,709	

Notes:

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