



11333 N. Cedarburg Road
Mequon, WI 53092
Phone: 262-236-2903
Fax: 262-242-9655
www.ci.mequon.wi.us

JOINT REVIEW BOARD

**TAX INCREMENTAL DISTRICT NO.3
PROJECT PLAN AMENDMENT**

**Tuesday, July 17, 2018
11:00 AM
City of Mequon
North Conference Room
11333 N. Cedarburg Road
Mequon, WI 53092**

AGENDA

- 1. Call to order**
- 2. Consideration and appointment and/or reaffirmation of the Joint Review Board's public member**
- 3. Election and/or reaffirmation of Chairperson**
- 4. Discuss responsibilities of the Joint Review Board**
- 5. Review & discuss project plan amendment**
- 6. Set next meeting date**
- 7. Adjourn**

Dated: July 12, 2018

/s/ Dan Abendroth, Chairman

Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and/or gather information about a subject over which they have decision-making responsibility, although they will not take formal action thereto at this meeting.

Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.

Any questions regarding this agenda may be directed to the Department of Community Development's Office at 262-236-2903, Monday through Friday, 8:00 AM – 4:30 PM

July 12, 2018

Project Plan for the Project Plan Amendment of Tax Incremental District No. 3



Organizational Joint Review Board Meeting Held:	Scheduled for: July 17, 2018
Public Hearing Held:	Scheduled for: July 23, 2018
Consideration for Adoption by Plan Commission:	Scheduled for: July 23, 2018
Consideration for Adoption by Common Council:	Scheduled for: August 15, 2018
Consideration for Approval by the Joint Review Board:	Scheduled for: TBD

Tax Incremental District No. 3 Project Plan Amendment

City of Mequon Officials

Common Council

Dan Abendroth	Mayor
Robert Strzelczyk	Council Member
Glenn Bushee	Council Member
Dale Mayr	Council Member
John Wirth	Council Member
Mark T. Gierl	Council Member
Brian Schneider	Council Member
Kathleen Schneider	Council Member
Andrew Nerbun	Council Member

City Staff

Caroline Fochs	City Clerk
William Jones	City Administrator
Kim Tollefson	Director of Community Development
Tom Watson	Director of Finance
Brian Sajdak	City Attorney

Plan Commission

Mayor Dan Abendroth	John Mason
Rebecca Schaefer	Brian Parrish
Rick Lemke	Stephanie Hawley
Martin Choren	James Schaefer
John Wirth	John Stoker
Robert Strzelczyk	

Joint Review Board

City Representative
Ozaukee County
Milwaukee Area Technical College District
Mequon-Thiensville School District

Table of Contents

EXECUTIVE SUMMARY.....4

TYPE AND GENERAL DESCRIPTION OF DISTRICT7

MAP OF CURRENT DISTRICT BOUNDARY8

MAP SHOWING EXISTING USES AND CONDITIONS.....9

EQUALIZED VALUE TEST10

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS10

MAP SHOWING PROPOSED IMPROVEMENTS AND USES15

DETAILED LIST OF ADDITIONAL, UPDATED AND EXISTING PROJECT COSTS.....16

ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED18

ANNEXED PROPERTY25

PROPOSED ZONING ORDINANCE CHANGES25

PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF MEQUON ORDINANCES25

RELOCATION.....25

ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF MEQUON26

LIST OF ESTIMATED NON-PROJECT COSTS26

OPINION OF ATTORNEY FOR THE CITY OF MEQUON ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105.....27

CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS.....28

SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 3 (The “TID” or “District”) is an existing mixed-use district, created by a resolution of the City of Mequon (“City”) Common Council adopted on April 15, 2008 (the “Creation Resolution”).

Amendments

The District was previously amended on February 12, 2013, whereby a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.

Purposes of this Amendment

The proposed additional and updated projects costs may include, but are not limited to: various public improvements and cash grants to owners, lessees or developers of land located within the District (development incentives), and professional and organizational services, administrative costs, and finance costs.

Estimated Total Project Expenditures.

Specific details as to the types, locations and cost estimates are found in Sections 7, 8 and 9 of this plan. It is anticipated that the remaining and additional projects will be completed in multiple phases. The projects are expected to be financed with tax increment cashflow or general obligation debt, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing is located in Section 10 of this plan. The expenditure period of this Existing District terminates on April 15, 2023.

The additional project costs include costs for sewer & water improvements, road construction. These project areas, are located both in the current boundary & outside of, but within ½ mile of the current boundary of the District and within the City.

Economic Development

The City projects that additional land and improvements value of approximately \$54.8 million 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 additional improvements made and projects undertaken as detailed in this amendment. 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, amendment of the District’s Project Plan is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

The District has a maximum statutory life of 20 years, and must close not later than April 15, 2028, resulting in a final collection of increment in budget year 2028. Considering only existing increment value as well as the projections for development that is underway and assuming no additional projects are undertaken the anticipated total cumulative revenues will exceed total liabilities by the year 2026, 2 years prior to the maximum life of the district. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from 2026 to 2028.

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 the District’s Project Plan, the remaining development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:
 - The additional expenditures contemplated by the plan amendment are necessary to fully achieve the original goals of the District Project Plan, including creation of new tax base and other economic benefits. The City expects that without the amendment, the full development as projected will be less likely to occur.
 - These additional expenditures are associated with projects that were unanticipated at the time of District creation, but have now been determined necessary to enable the District to fully implement its Project Plan.
2. **The economic benefits of amending the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
 - As demonstrated in the Economic Feasibility Section of this Project Plan amendment, the tax increments projected to be collected are more than sufficient to pay for the remaining proposed project costs. On this basis alone, the finding is supported.
 - The additional development expected to occur within the District would create approximately 96 residential units, providing housing opportunities for workers.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
 - Given that it is not likely that the District will achieve all of the objectives of its Project Plan or in the same manner without the continued use of tax incremental financing (see finding # 1), and since the District is expected to generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional 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.
4. The boundaries of the District are not being amended. At the time of creation, and any subsequent

additions of territory, not less than 50%, by area, of the real property within the District is suitable for a combination of commercial and residential uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). Lands proposed or developed for newly platted residential development comprise 30% (and in no event will exceed 35%), by area, of the real property within the District. Any project Costs related to newly platted residential development are eligible expenditures based on the finding that the development has a residential housing density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.

5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the boundaries of the District, the District remains declared a mixed-use 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 mixed-use development in the District consistent with the purpose for which the District was created.
7. The improvements of such area are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The City estimates that the amount of retail business will not change as a result of this amendment.
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

SECTION 2: Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on April 15, 2008 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2008.

The existing District is a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District was suitable for a combination of commercial and residential uses within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). Since this amendment does not add any territory to the District, the District remains in compliance with this provision. The District also remains in compliance with the prohibition that no more than 35% of the area of the District be allocated for newly-platted residential development. To the extent that the City has incurred, or may incur, Project Costs for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.

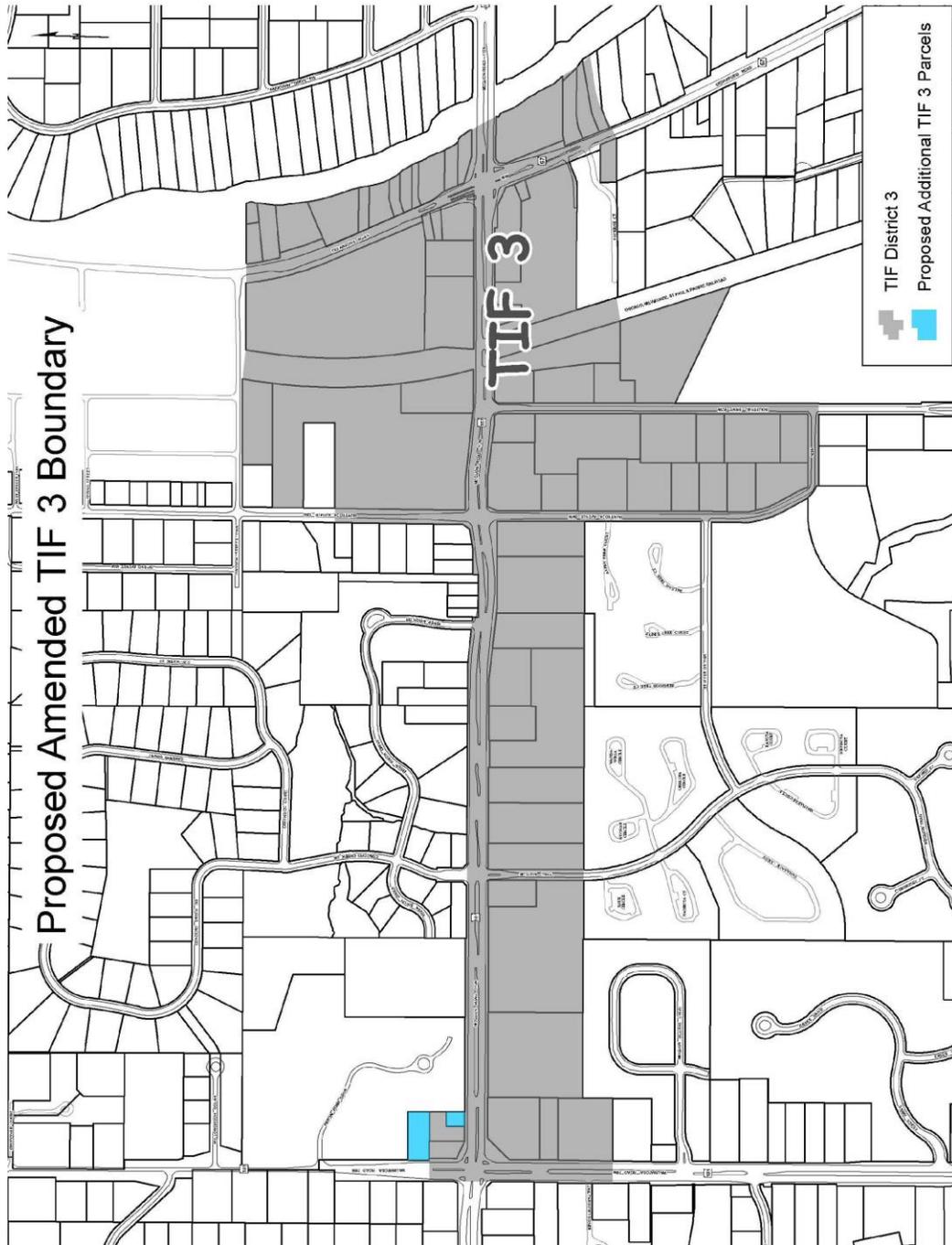
Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have been amended once prior to this Amendment. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available boundary amendments.

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.

A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in any subsequent resolution adding territory to the District, the District remains a mixed-use district based on the identification and classification of the property included within the District.

SECTION 3: Map of Current District Boundary

2008 Creation & 2013 Amendment



SECTION 4: Map Showing Existing Uses and Conditions

There will be no change to District boundaries, nor any changes to the existing uses and conditions within 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: 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 6: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The City proposes modifying the categories, locations and/or costs of the projects to be undertaken within the District through the remainder of its expenditure period as follows:

- Additional Developer Incentives
- Undertaking of projects identified in the original project plan that have not been completed as resources were directed to other initiatives including infrastructure improvements along Mequon Road, Industrial and Buntrock, improvements to the Civic Campus and Riverfront Park.

The following is a summary list of public works and other TIF-eligible projects that the City has implemented, or intended to implement based on the original project Plan, and includes the modifications detailed above. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and are eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development and/or Redevelopment

In order to promote and facilitate development and/or redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

In order to promote the objectives of this Plan, the City intends to acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; maintaining adequate open space; reduction of erosion and sedimentation by

preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

The City 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 City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

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 District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development and/or redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development and/or redevelopment to occur, the City may 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; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That

portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Water System Improvements

To allow development and/or redevelopment to occur, the City 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; storage tanks; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development and/or redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the City may 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; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

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

Communications Infrastructure

In order to create sites suitable for development and/or redevelopment, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development and/or redevelopment to occur, the City may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; 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 City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs. As a basis for determining a development incentive, the City may apply its Fast Track incentive methodology as follows:

The Fast Track Option allows for a developer financed project, to receive financial incentives for redevelopment efforts located within an established TIF district for a single parcel containing improvements so long as the project creates new construction value of 3 million dollars beyond the current improvement value. The payback period and the amount of the financial incentive allowed will be negotiated as part of the developer's agreement.

The Fast Track Options require Economic Development Board review and approval. A Case by Case Basis Option allows the Council to consider exceptions to the minimum standards required and maximum financial incentive allowed under the Fast Track Options. The Case by Case Basis Option requires Economic Development Board and Common Council review and approval.

Projects Outside the Tax Increment District

➤ Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside the District: Street Improvements, including lighting sidewalks, landscaping and other features.

Professional Service and Organizational Costs

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

Administrative Costs

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

Financing Costs

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

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

In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and listed in this Plan or the original Project Plan. To the extent the costs benefit the City 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 City in connection with the implementation of this Plan.

SECTION 7: Map Showing Proposed Improvements and Uses

There will be no change to District boundaries, nor any changes to the proposed improvements or uses within 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 8: Detailed List of Additional, Updated and Existing Project Costs

This Section contains information relative to the specific projects and expenditures that the City anticipates it will undertake within the District during the remainder of the expenditure period.

All costs are based on 2018 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2018 and the time of construction. The City also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without further amending this Plan.

Proposed TIF Project Cost Estimates

City of Mequon, Wisconsin					
Tax Increment District #3					
Estimated Project List					
Project ID	Project Name/Type	Phase I 2018-2020	Phase II 2020-2023	Ongoing Expenses	Total (Note 1)
1	Zone 5 *	150,000			150,000
2	Zone 6 Mequon Road (Cedarburg to Buntrock) *		4,900,000		4,900,000
3	Zone 7 Mequon Road (Buntrock to Wauwatosa) *		530,000		530,000
4	Zone 8 Industrial/Buntrock Loop *		470,000		470,000
5	Civic Campus *	290,000	200,000		490,000
6	Riverfront park *	150,000			150,000
7	Developer Incentives	4,400,000	1,000,000		5,400,000
8	Interest on Long term Debt			3,152,010	3,152,010
9	Administration & Professional Services			110,000	110,000
Total Projects		4,990,000	7,100,000	3,262,010	15,352,010
Notes:					
Note 1 Project costs are estimates and are subject to modification					
*Projects that were identified within the original project plan					

SECTION 9: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

This amendment modifies the specific projects and expenditures that the City anticipates it will undertake within the District during the remainder of the expenditure period.

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended, will remain economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the remaining projects in one or more 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 incur is included.
- The development anticipated to occur as a result of the continued 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) an updated projection of tax increments to be collected resulting from that development and other economic growth within the District, 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 all Project Costs.

Available Financing Methods

Implementation of this Plan may require that the City 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 City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$230,524,665, of which \$200,979,665 is currently unused and could be made available to finance Project Costs.

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

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient

to make annual payments, or to repay the entire obligation over the life of the District, the City's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a Lease Revenue Bond by its Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various utility systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

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 City reserves the right to alter the implementation of this Plan to accomplish this objective.

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the district. 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/or 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 City 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 City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

Implementation and Financing Timeline

City of Mequon, Wisconsin						
Tax Increment District #3						
Estimated Financing Plan						
	Bank Note 2019	Municipal Revenue Obligation (MRO) 2019	G.O. Promissory Note 2020	Municipal Revenue Obligation (MRO) 2020	TID Cash flow 2019-2028	Totals
Projects						
Phase I	590,000	4,400,000				4,990,000
Phase II			6,100,000	1,000,000		7,100,000
Phase III						0
Phase IV						0
Ongoing expenses					3,262,010	3,262,010
Total Project Funds	<u>590,000</u>	<u>4,400,000</u>	<u>6,100,000</u>	<u>1,000,000</u>	<u>3,262,010</u>	<u>15,352,010</u>
Estimated Finance Related Expenses						
Municipal Advisor			31,000			
Bond Counsel			12,000			
Rating Agency Fee			15,000			
Paying Agent			850			
Underwriter Discount	0.00	0	5.00	30,500		
Debt Service Reserve						
Capitalized Interest						
Total Financing Required	590,000		6,189,350			
Estimated Interest	0.25%	(738)	1.00%	(91,500)		
Assumed spend down (months)	6		18			
Rounding	738		2,150			
Net Issue Size	590,000	4,400,000	6,100,000	1,000,000	3,262,010	

Notes: The City reserves the right to use alternate financing solutions for the projects as they are implemented.

Development Assumptions

City of Mequon, Wisconsin
Tax Increment District #3
Development Assumptions

Construction Year	Actual	Dermond	Reserve	RCAC Project	Spur 16	Foxtown Historic Brewery & Tavern	Foxtown Two Story Retail 1/Garden Terrace	Foxtown Apartments	Foxtown Brewery	Foxtown Mixed Use Development (Retail/Office/Res)	Foxtown Single Family	Office Development	Annual Total	Construction Year
6 2013	1,404,600												1,404,600	2013 6
7 2014	7,479,600												7,479,600	2014 7
8 2015	25,849,000												25,849,000	2015 8
9 2016	6,916,600												6,916,600	2016 9
10 2017		4,000,000	10,700,000										14,700,000	2017 10
11 2018		4,000,000		9,700,000	11,160,000	3,650,000	2,450,000	5,000,000				2,000,000	37,960,000	2018 11
12 2019					13,680,000			10,400,000	3,750,000			5,000,000	36,730,000	2019 12
13 2020					5,160,000					4,130,000	3,900,000		13,190,000	2020 13
14 2021										4,130,000	4,850,000		8,980,000	2021 14
15 2022										1,650,000			1,650,000	2022 15
16 2023													0	2023 16
17 2024													0	2024 17
18 2025													0	2025 18
19 2026													0	2026 19
Totals	41,649,800	8,000,000	10,700,000	9,700,000	30,000,000	3,650,000	2,450,000	15,400,000	3,750,000	9,910,000	12,650,000	7,000,000	154,859,800	

Notes:
 Upon completion of the Foxtown development, 80% of the District area would still be available for development between now and the close of the district
 Assumptions have not been made for the value of that potential development at this time.

Increment Revenue Projections

City of Mequon, Wisconsin							
Tax Increment District #3							
Tax Increment Projection Worksheet							
Type of District	Mixed Use			Base Value	41,330,300		
District Creation Date	April 15, 2008			Appreciation Factor	1.10%		
Valuation Date	Jan 1,	2008		Base Tax Rate	\$15.87		
Max Life (Years)	20			Rate Adjustment Factor			
Expenditure Period/Termination	15	4/15/2023					
Revenue Periods/Final Year	19	2028					
Extension Eligibility/Years	Yes	6					
Recipient District	No						

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	
	Tech College Ext.	3					0	
6	2013	1,404,600	2014	3,728,329	2015	\$15.58	58,105	
7	2014	7,479,600	2015	11,207,929	2016	\$16.38	183,571	
8	2015	25,849,000	2016	37,056,929	2017	\$14.38	532,838	
9	2016	6,916,600	2017	43,973,529	2018	\$15.87	697,848	
10	2017	14,700,000	2018	938,342	59,611,871	2019	\$15.87	946,025
11	2018	37,960,000	2019	1,110,364	98,682,235	2020	\$15.87	1,566,061
12	2019	36,730,000	2020	1,540,138	136,952,373	2021	\$15.87	2,173,398
13	2020	13,190,000	2021	1,961,109	152,103,483	2022	\$15.87	2,413,842
14	2021	8,980,000	2022	2,127,772	163,211,254	2023	\$15.87	2,590,120
15	2022	1,650,000	2023	2,249,957	167,111,211	2024	\$15.87	2,652,011
16	2023	0	2024	2,292,857	169,404,068	2025	\$15.87	2,688,398
17	2024	0	2025	2,318,078	171,722,146	2026	\$15.87	2,725,185
18	2025	0	2026	2,343,577	174,065,723	2027	\$15.87	2,762,377
19	2026	0	2027	2,369,356	176,435,079	2028	\$15.87	2,799,978
Totals	154,859,800		21,575,279		Future Value of Increment		24,899,915	

Notes:

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

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

Cash Flow

City of Mequon, Wisconsin																							
Tax Increment District #3																							
Cash Flow Projection																							
Year	Projected Revenues						Expenditures												Balances			Year	
	Tax Increments	Interest Earnings/ (Cost)	Computer Aid	Other Revenue	BAB rebate	Total Revenues	Taxable W/BAB Designation 6,950,000 Dated Date: 08/05/09 Principal (8/1) Interest	Bank Note 590,000 Dated Date: 08/01/19 Principal (8/1) Interest	G.O. Promissory Note 6,100,000 Dated Date: 08/01/20 Principal Interest	Paying Agent & BAB fee	Outpost Development Incentive	Dermond Development Incentive	Reserve Development Incentive	Foxtown Development Incentive	Development Incentives between 2020 and 2023	Capital Expenditures	Admin./ Prof services	Total Expenditures	Annual	Cumulative	Principal Outstanding		Principal & Incenties outstanding
2015		1.00%				0																2015	
2016	183,570	546	4,305	2,000	120,979	311,400	250,000	370,875										685,520	(374,120)	(1,570,021)	6,550,000	12,150,667	2016
2017	532,838		6,906	7,506	117,184	664,434	250,000	359,625		500						848	89,710	725,953	(61,519)	(1,631,540)	6,300,000	11,875,397	2017
2018	697,848		6,561		111,976	816,385	300,000	347,750		500	25,270	49,802	83,333				10,000	816,655	(270)	(1,631,811)	6,000,000	11,416,992	2018
2019	946,025		6,233		107,146	1,059,403	350,000	332,750		500	25,270	49,802	83,333				10,000	851,655	207,748	(1,424,063)	6,240,000	11,498,587	2019
2020	1,566,061		5,921		101,511	1,673,493	400,000	315,250	105,000	19,175			83,334	123,308			10,000	1,131,638	541,854	(882,209)	11,835,000	16,811,874	2020
2021	2,173,398		5,625		95,071	2,274,094	450,000	295,250	110,000	15,763	300,000	179,633		325,178			10,000	1,761,395	512,698	(369,510)	10,975,000	15,551,623	2021
2022	2,413,842		5,344		87,826	2,507,011	550,000	272,750	120,000	12,188	550,000	172,283		417,959	0		10,000	2,180,751	326,260	(43,250)	9,755,000	14,838,592	2022
2023	2,590,120		5,077		78,793	2,673,990	600,000	244,700	125,000	8,288	650,000	157,708		522,314			10,000	2,393,581	280,409	237,159	8,380,000	12,866,207	2023
2024	2,652,011	2,372	4,823		68,554	2,727,759	650,000	212,900	130,000	4,225	750,000	139,833		546,389	100,000		10,000	2,618,918	108,841	346,000	6,850,000	10,614,746	2024
2025	2,688,398	3,460	4,582		56,833	2,753,273	675,000	176,500	800,000	118,083	800,000	118,083		552,399	150,000		10,000	2,557,554	195,719	541,719	5,375,000	8,362,275	2025
2026	2,725,185	5,417	4,353		44,335	2,779,290	725,000	137,688	995,000	94,083	995,000	94,083		558,476	250,000		10,000	2,845,818	(66,527)	475,191	3,655,000	5,758,727	2026
2027	2,762,377	4,752	4,135		30,912	2,802,176	775,000	96,000	1,000,000	64,233	1,000,000	64,233		564,619	250,000		10,000	2,835,423	(33,247)	441,944	1,880,000	3,094,036	2027
2028	2,799,978	4,419	3,928		15,939	2,824,265	825,000	49,500		0	1,055,000	33,233		789,359	250,000		10,000	3,187,268	(363,003)	78,941	0	(0)	2028
Total	24,841,809	20,966	67,790	9,506	1,037,057	25,977,129	6,800,000	3,211,538	590,000	59,638	6,100,000	959,085		6,000	328,510	647,427	250,000	4,400,001	1,000,000	3,073	236,860	24,592,130	Total

Notes: Any additional development not refelct in the development assumptions
The City reserves the right to use alternate financing solutions for the projects as they are implemented.
2020 Estimated interest rates 7/11/18 Bloomberg AAA rates plus 100 basis points (rates subject to change based upon market conditions at time of issuance)

Projected TID Closure

SECTION 10: Annexed Property

No territory will be added or subtracted from the District as a result of this amendment.

SECTION 11: Proposed Zoning Ordinance Changes

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

SECTION 12: Proposed Changes in Master Plan, Map, Building Codes and City of Mequon Ordinances

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

SECTION 13: Relocation

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

SECTION 14: Orderly Development and/or Redevelopment of the City of Mequon

This Project Plan Amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and/or redevelopment of the City.

SECTION 15: 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 tax incremental finance funds.

Examples would include:

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

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

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

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

SECTION 16:
Opinion of Attorney for the City of Mequon Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

July 13, 2018

SAMPLE

Mayor Dan Abendroth
City of Mequon
11333 N. Cedarburg Road
Mequon, Wisconsin 53092

RE: City of Mequon, Wisconsin Tax Incremental District No. 3 Amendment

Dear Mayor:

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

Sincerely,

Attorney Brian Sajdak
City of Mequon

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				8,166,759			11.19%	
Special District				5,711,956			7.82%	
Municipality				22,644,324			31.02%	
School District				36,481,483			49.97%	
School District							0.00%	
Technical College							0.00%	
Total				<u>73,004,522</u>				
Revenue Year	County	Special District	Municipality	School District	School District	Technical College	Total	Revenue Year
2015	6,500	4,546	18,023	29,036	0	0	58,105	2015
2016	20,535	14,363	56,940	91,733	0	0	183,571	2016
2017	59,607	41,690	165,274	266,267	0	0	532,838	2017
2018	78,066	54,600	216,457	348,726	0	0	697,848	2018
2019	105,828	74,018	293,435	472,743	0	0	946,025	2019
2020	175,190	122,530	485,756	782,585	0	0	1,566,061	2020
2021	243,130	170,049	674,138	1,086,080	0	0	2,173,398	2021
2022	270,028	188,862	748,718	1,206,234	0	0	2,413,842	2022
2023	289,748	202,654	803,396	1,294,323	0	0	2,590,120	2023
2024	296,671	207,496	822,593	1,325,251	0	0	2,652,011	2024
2025	300,742	210,343	833,879	1,343,434	0	0	2,688,398	2025
2026	304,857	213,222	845,290	1,361,817	0	0	2,725,185	2026
2027	309,017	216,132	856,826	1,380,402	0	0	2,762,377	2027
2028	313,224	219,073	868,489	1,399,192	0	0	2,799,978	2028
	<u>2,785,466</u>	<u>1,948,197</u>	<u>7,723,381</u>	<u>12,442,871</u>	<u>0</u>	<u>0</u>	<u>24,899,915</u>	

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