



March 27, 2014

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

**Village of**



**Germantown**

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



# Tax Incremental District No. 6 Creation Project Plan

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# SECTION 1: Executive Summary

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## Description of District

### Type of District, Size and Location

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

### Estimated Total Project Expenditures.

The Village anticipates making total project expenditures of approximately \$9.965M to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in phases as development warrants. The Expenditure Period of this District is 15 years from the date of adoption of the authorizing Resolution of the Village Board (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with general obligation debt issued by the Village, however, the Village may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, or provide other advantages as determined by the Village Board. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, is located in Section 10 of this plan.

### Economic Development

As a result of the creation of this District, the Village projects that additional land and improvements value of approximately \$37.8M will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment and associated values is located in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

### Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2034; one year earlier than the 20 year maximum life of this District.

## Summary of Findings

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

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the Village.** In making this determination, the Village has considered the following information:

- The Village has conducted an independent review of the intended developer’s sources and uses proforma for the initial proposed development and/or redevelopment project. This review has concluded that a public investment of approximately \$9.65M is required to enable the development to occur in the manner desired by the Village, while providing the developer a fair and reasonable return on their investment.
- Some of the sites proposed for development have remained vacant due to lack of adequate infrastructure, obsolete platting and ownership by multiple parties. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the Village that the use of Tax Incremental Financing (“TIF”) will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the Village.
- In order to make the areas included within the District suitable for development, the Village will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. Due to the extensive initial investment in public infrastructure that is required in order to allow development to occur, the Village has determined that development of the area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, development of the area is unlikely to occur.
- The development of the area included within the proposed TID #6 Boundary in the manner prescribed herein, is in accordance with the Village’s overall Master Plan.

2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the Village has considered the following information:

- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs.
- The development expected to occur is likely to generate approximately \_\_\_ jobs over the life of the District, with an average wage of between \$\_\_\_\_\_ and \$\_\_\_\_\_ (source: \_\_\_\_\_).

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**

- If approved, the District’s creation would become effective for valuation purposes as of January 1, 2014. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing

entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2014 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.

- Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the Village reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.
4. Not less than 50% by area of the real property within the District is suitable for a combination of industrial, commercial and residential uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).
  5. Based upon the findings, as stated above, the District is declared to be a mixed-use District based on the identification and classification of the property included within the District.
  6. The project costs relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.
  7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
  8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the Village, does not exceed 12% of the total equalized value of taxable property within the Village.
  9. The Village estimates that approximately less than 35% of the territory within the District will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
  10. The Project Plan for the District in the Village is feasible, and is in conformity with the master plan of the Village.

## SECTION 2: Type and General Description of District

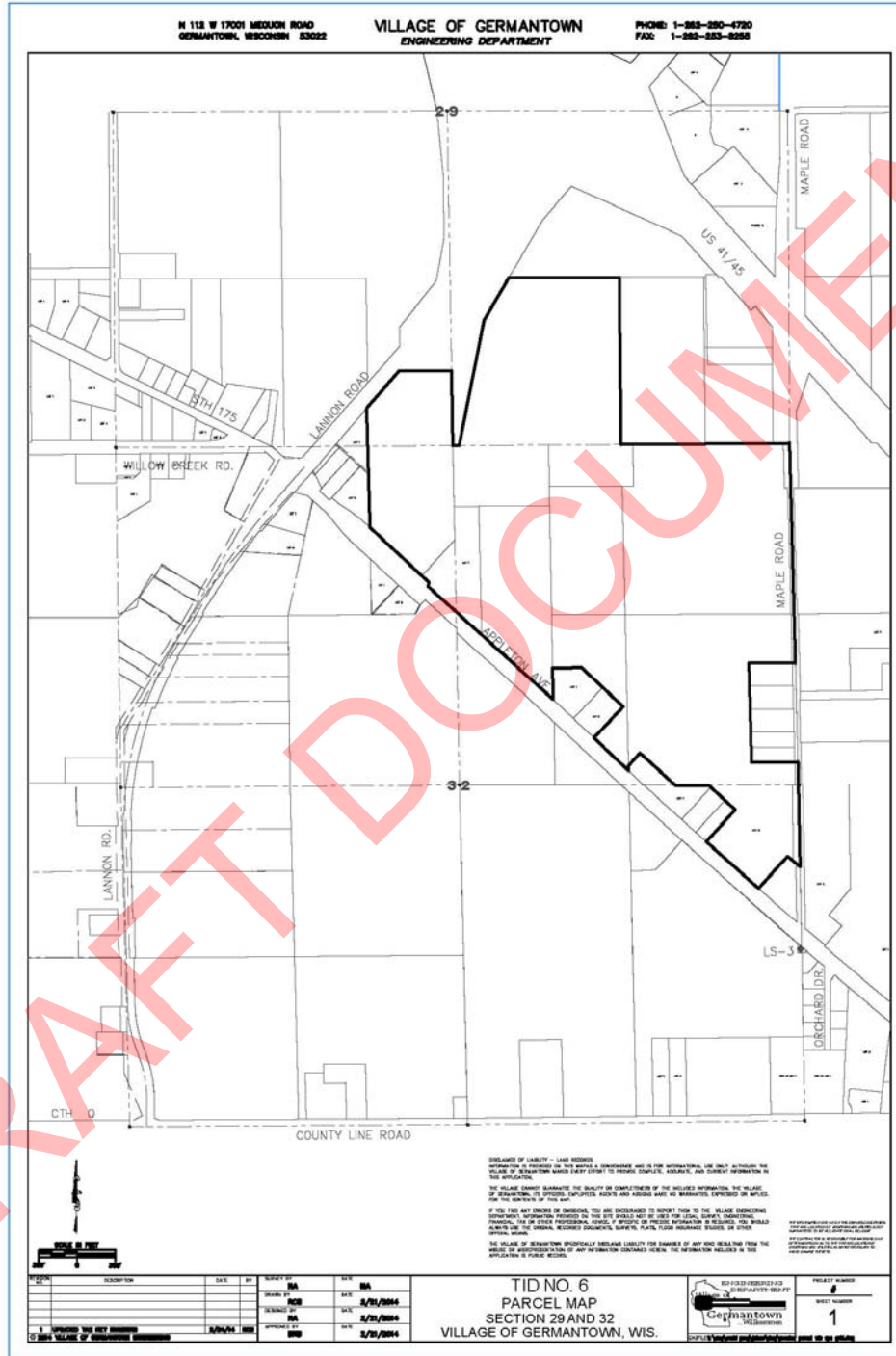
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The District is being created by the Village under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District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

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

Based upon the findings, as stated within this Plan, the District is declared to be a mixed-use District based on the identification and classification of the property included within the district.

# SECTION 3: Map of Proposed District Boundary





SECTION 4:  
Map Showing Existing Uses and Conditions

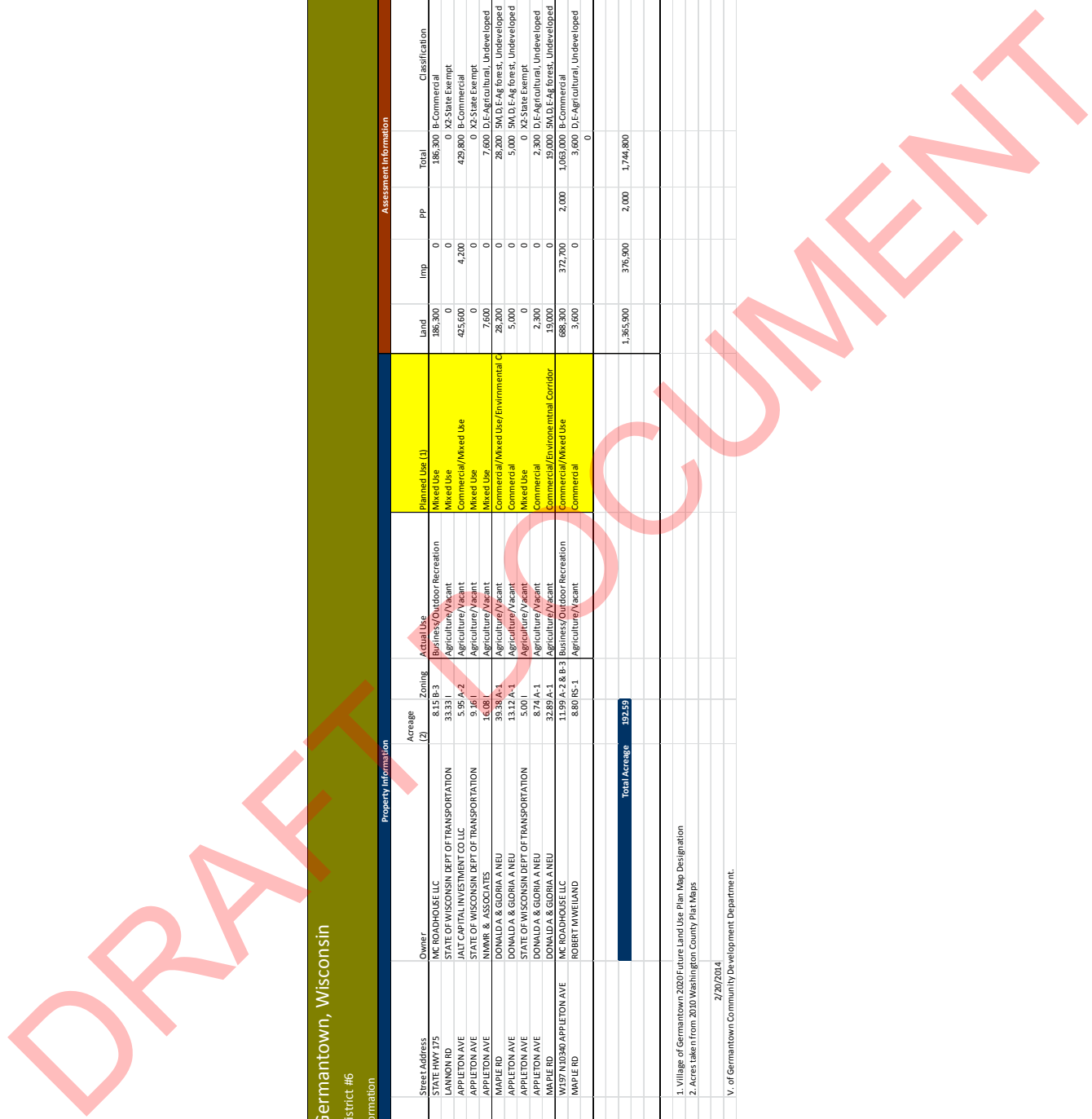
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To be inserted at a later date.

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# SECTION 5: Preliminary Parcel List and Analysis

Village of Germantown, Wisconsin Tax Increment District #6 Base Property Information											
Property Information					Assessment Information						
Map Ref #	Parcel Number	Street Address	Owner	Zoning	Actual Use	Planned Use (1)	Land	Imp	PP	Total	Classification
				Acreage (2)							
2	GTNV 29586	STATE HWY 175	MC ROADHOUSE LLC	8.15 B-3	Business/Outdoor Recreation	Mixed Use	186,300	0	0	186,300	B-Commercial
3	GTNV 29494	LANNON RD	STATE OF WISCONSIN DEPT OF TRANSPORTATION	33.33 I	Agriculture/Vacant	Mixed Use	0	0	0	0	X2-State Exempt
8	GTNV 21579	APPLETON AVE	JALT CAPITAL INVESTMENT CO LLC	5.95 A-2	Agriculture/Vacant	Commercial/Mixed Use	425,600	4,200	0	429,800	B-Commercial
9	GTNV 32180	APPLETON AVE	STATE OF WISCONSIN DEPT OF TRANSPORTATION	9.16 I	Agriculture/Vacant	Mixed Use	0	0	0	0	X2-State Exempt
10	GTNV 32181	APPLETON AVE	MMMR & ASSOCIATES	16.08 I	Agriculture/Vacant	Mixed Use	7,600	0	0	7,600	D-E-Agricultural, Undeveloped
13	GTNV 32184	MAPLE RD	DONALDA & GLORIA A NEU	39.38 A-1	Agriculture/Vacant	Commercial/Mixed Use/Environmental C	28,200	0	0	28,200	5M D-E-Ag forest, Undeveloped
14	GTNV 32185	APPLETON AVE	DONALDA & GLORIA A NEU	13.12 A-1	Agriculture/Vacant	Commercial	5,000	0	0	5,000	5M D-E-Ag forest, Undeveloped
15	GTNV 32186	APPLETON AVE	STATE OF WISCONSIN DEPT OF TRANSPORTATION	5.00 I	Agriculture/Vacant	Mixed Use	0	0	0	0	X2-State Exempt
17	GTNV 32191	APPLETON AVE	DONALDA & GLORIA A NEU	874 A-1	Agriculture/Vacant	Commercial	2,300	0	0	2,300	D-E-Agricultural, Undeveloped
24	GTNV 32199	MAPLE RD	DONALDA & GLORIA A NEU	32.89 A-1	Agriculture/Vacant	Commercial/Environmental Corridor	19,000	0	0	19,000	5M D-E-Ag forest, Undeveloped
25	GTNV 32270	W197N 0030J APPLETON AVE	MC ROADHOUSE LLC	11.99 A-2 & B-3	Business/Outdoor Recreation	Commercial/Mixed Use	688,300	372,700	2,000	1,063,000	B-Commercial
48	GTNV 24988	MAPLE RD	ROBERT MWEIUND	8.80 RS-1	Agriculture/Vacant	Commercial	3,600	0	0	3,600	D-E-Agricultural, Undeveloped
<b>Total Acreage</b>							1,365,900	376,900	2,000	1,744,800	
NOTES:											
1. Village of Germantown 2020 Future Land Use Plan Map Designation											
2. Acres taken from 2010 Washington County Plat Maps											
DRAFT DATE: 2/20/2014											
Prepared By: V. of Germantown Community Development Department.											



## SECTION 6: Equalized Value Test

The following calculations demonstrate that the Village is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village.

The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$72M. This value is less than the maximum of \$265M in equalized value that is permitted for the Village of Germantown. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

Village of Germantown, Wisconsin			
Tax Increment District #6			
Valuation Test Compliance Calculation			
Anticipated Creation/Boundary Amendment	5/19/2014		
Property Appreciation Factor		Valuation Data Currently Available	Valuation Data Est. Creation Date
As of January 1,		Actual	Estimated
		2014	
Total EV (TID In)		2,202,155,500	
12% Test		264,258,660	264,258,660
Increment of Existing TIDs			
	TID #4	70,222,800	70,222,800
Total Existing Increment		70,222,800	70,222,800
Projected Base of New or Amended District (see Prelim Parcel List)		1,744,800	1,744,800
Existing TID New Construction - Percentage Based			0
Existing TID New Construction - Dollar Based			
Total Value Subject to 12% Test		71,967,600	71,967,600
Compliance		PASS	PASS
			Version 1

## SECTION 7:

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

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

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

### Property Acquisition for Development

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

### Acquisition of Rights-of-Way

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

### Acquisition of Easements

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

### Relocation Costs

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

## Site Preparation Activities

### Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the

Village related to environmental audits, testing, and remediations are eligible Project Costs.

## Demolition

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

## Site Grading

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

## Utilities

### Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow to occur, the Village may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

### Water System Improvements

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

### Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration,

rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Electric Service**

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

### **Gas Service**

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

### **Communications Infrastructure**

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

## **Streets and Streetscape**

### **Street Improvements**

There are inadequate street improvements serving areas of the District. To allow development to occur, the Village may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

### **Streetscaping and Landscaping**

In order to attract development and/or redevelopment consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

# Miscellaneous

## Cash Grants (Development Incentives)

The Village may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.

## Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the Village's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The Village intends to make the following project cost expenditures outside the District: Water Main Looping, roadway improvements along Appleton Avenue and Lannon Road.

## Professional Service and Organizational Costs

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

## Administrative Costs

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

## Financing Costs

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

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

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

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

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

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# SECTION 8: Map Showing Proposed Improvements and Uses



## SECTION 9: Detailed List of Project Costs

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All costs are based on 2014 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2014 and the time of construction. The Village also reserves the right to increase certain project costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

**This Plan is neither meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The Village retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without amending the Plan.**

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

# Proposed TIF Project Cost Estimates

Village of Germantown, Wisconsin Tax Increment District #6 Estimated Project List							
Project ID	Project Name/Type	Phase I 2014	Phase II 2014	Phase III TBD	Phase IV Year	Phase V Year	Total (Note 1)
1	Survey	40,000					40,000
2	Roadways	1,920,000					1,920,000
3	Sanitary Sewer	1,880,000					1,880,000
4	Water System	555,000					555,000
5	Water Main Looping	1,800,000					1,800,000
6	Storm Sewer	1,265,000					1,265,000
7	Storm Water Ponds	70,000					70,000
8	Grading	1,160,000					1,160,000
9	Street Lighting	135,000					135,000
10	Signage	140,000					140,000
11	Legal & Planning						0
12	Land Bank		500,000				500,000
13	Development Incentives			500,000			500,000
14							0
15							0
Total Projects		8,965,000	500,000	500,000	0	0	9,965,000
Notes:							Version 1
Note 1 Project costs are estimates and are subject to modification							

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

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

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

## Available Financing Methods

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

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

The Village may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN).

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

The Village may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the Village’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the Village and, therefore, do not count against the Village’s statutory borrowing capacity.

### Tax Increment Revenue Bonds

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

### Utility Revenue Bonds

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

### Special Assessment “B” Bonds

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

## Plan Implementation

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

It is anticipated developer agreements between the Village and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

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

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

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

# Implementation and Financing Timeline

Village of Germantown, Wisconsin						
Tax Increment District #6						
Estimated Financing Plan						
		G.O. Bond 2014	Taxable Taxable BAN 2014	Municipal Revenue Obligation (MRO) (TBD)		Totals
Projects						
Phase I		8,965,000				8,965,000
Phase II			500,000			500,000
Phase III				500,000		500,000
Phase IV						0
Phase V						0
Less Non Project Costs		(1,280,000)				
<b>Total Project Funds</b>		<b>7,685,000</b>	<b>500,000</b>	<b>500,000</b>		<b>9,965,000</b>
Finance Related Expenses						
Financial Advisor		15,000	15,000	10,000		
Bond Counsel		12,000	6,000	10,000		
Rating Agency Fee		10,000	2,000			
Paying Agent		675	0			
Underwriter Discount	12.50	106,250	5.00	2,625	0.00	0
Debt Service Reserve		0	0			
Capitalized Interest		680,000				
<b>Total Financing Required</b>		<b>8,508,925</b>	<b>525,625</b>	<b>520,000</b>		
Estimated Interest	0.25%	(9,606)	0.25%	(625)	0.00%	0
Assumed spend down (months)	6		6		6	
Rounding		681	0	(20,000)		
<b>Net Issue Size</b>		<b>8,500,000</b>	<b>525,000</b>	<b>500,000</b>		<b>9,525,000</b>
Notes:						

Version 2

# Development Assumptions

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

Notes:  
Corporate Park estimates provided by MLG.

**Version 1**



# Increment Revenue Projections

Village of Germantown, Wisconsin											
Tax Increment District #6											
Tax Increment Projection Worksheet											
Type of District	Mixed Use			Base Value	1,744,800						
Creation Date	May 19, 2014			Appreciation Factor	0.50%		Apply to Base Value				
Valuation Date	Jan 1, 2014			Base Tax Rate	\$20.03						
Max Life (Years)	20			Rate Adjustment Factor							
Expenditure Periods/Termination	15 5/19/2029										
Revenue Periods/Final Year	20 2035										
Extension Eligibility/Years	Yes 3			Tax Exempt Discount Rate	4.25%						
Recipient District	No			Taxable Discount Rate	6.25%						
Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation		
1	2014	10,000,000	2015	0	10,000,000	2016	\$20.03	200,287	192,122	188,506	
2	2015	4,500,000	2016	50,000	14,550,000	2017	\$20.03	291,418	460,264	446,648	
3	2016	4,500,000	2017	72,750	19,122,750	2018	\$20.03	383,005	798,310	765,962	
4	2017	4,500,000	2018	95,614	23,718,364	2019	\$20.03	475,049	1,200,503	1,138,716	
5	2018	4,500,000	2019	118,592	28,336,956	2020	\$20.03	567,554	1,661,424	1,557,859	
6	2019	4,500,000	2020	141,685	32,978,640	2021	\$20.03	660,521	2,175,977	2,016,965	
7	2020	4,500,000	2021	164,893	37,643,534	2022	\$20.03	753,953	2,739,371	2,510,186	
8	2021	765,000	2022	188,218	38,596,751	2023	\$20.03	773,045	3,293,481	2,986,149	
9	2022	0	2023	192,984	38,789,735	2024	\$20.03	776,910	3,827,659	3,436,354	
10	2023	0	2024	193,949	38,983,684	2025	\$20.03	780,794	4,342,622	3,862,194	
11	2024	0	2025	194,918	39,178,602	2026	\$20.03	784,698	4,839,061	4,264,990	
12	2025	0	2026	195,893	39,374,495	2027	\$20.03	788,622	5,317,642	4,645,987	
13	2026	0	2027	196,872	39,571,368	2028	\$20.03	792,565	5,779,009	5,006,365	
14	2027	0	2028	197,857	39,769,224	2029	\$20.03	796,528	6,223,779	5,347,240	
15	2028	0	2029	198,846	39,968,071	2030	\$20.03	800,510	6,652,551	5,669,669	
16	2029	0	2030	199,840	40,167,911	2031	\$20.03	804,513	7,065,899	5,974,648	
17	2030	0	2031	200,840	40,368,750	2032	\$20.03	808,536	7,464,379	6,263,122	
18	2031	0	2032	201,844	40,570,594	2033	\$20.03	812,578	7,848,525	6,535,985	
19	2032	0	2033	202,853	40,773,447	2034	\$20.03	816,641	8,218,852	6,794,081	
20	2033	0	2034	203,867	40,977,314	2035	\$20.03	820,724	8,575,858	7,038,209	
<b>Totals</b>		<b>37,765,000</b>		<b>3,212,314</b>		<b>Future Value of Increment</b>		<b>13,688,451</b>			
Notes:											
Actual results will vary depending on development, inflation of overall tax rates.											
NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).											
<b>Version 1</b>											

Cash Flow

Village of Germantown, Wisconsin

Tax Increment District #6

Cash Flow Projection

Year	Projected Revenues					Expenditures										Balances			Year	
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest	Land Sale Revenue	Total Revenues	G.O. Bond 8,500,000			Taxable BAN 525,000			Municipal Revenue Obligation (MRO) 500,000			Admin.	Total Expenditures	Annual	Cumulative		Principal Outstanding
						Dated Date: Principal	Rate	Interest	Dated Date: Principal	Rate	Interest	Dated Date: Principal	Rate	Interest						
		0.50%					06/01/14													
2014			680,000		680,000		4.00%	170,000		3.50%	9,188			25,000	204,188	475,813	475,813	(9,025,000)	2014	
2015		2,379			2,379		4.00%	340,000		3.50%	18,375			25,000	383,375	(380,996)	94,817	(9,025,000)	2015	
2016	200,287	474			200,762		4.00%	340,000		3.50%	18,375			25,000	383,375	(182,613)	(87,797)	(9,025,000)	2016	
2017	291,418	(439)			290,979		4.00%	340,000		3.50%	18,375			25,000	383,375	(92,396)	(180,193)	(9,025,000)	2017	
2018	383,005	(901)		598,500	980,604		4.00%	340,000	525,000	3.50%	9,188			25,000	899,188	81,416	(98,776)	(8,500,000)	2018	
2019	475,049	(494)			474,555	100,000	4.00%	338,000						10,000	448,000	26,555	(72,221)	(8,400,000)	2019	
2020	567,554	(361)			567,193	150,000	4.00%	333,000						10,000	493,000	74,193	1,972	(8,250,000)	2020	
2021	660,521	10			660,531	275,000	4.00%	324,500						10,000	609,500	51,031	53,002	(7,975,000)	2021	
2022	753,953	265			754,218	400,000	4.00%	311,000						10,000	721,000	33,218	86,220	(7,575,000)	2022	
2023	773,045	431			773,476	425,000	4.00%	294,500						10,000	729,500	43,976	130,196	(7,150,000)	2023	
2024	776,910	651			777,561	450,000	4.00%	277,000						10,000	737,000	40,561	170,757	(6,700,000)	2024	
2025	780,794	854			781,648	450,000	4.00%	259,000						10,000	719,000	62,648	233,405	(6,250,000)	2025	
2026	784,698	1,167			785,865	500,000	4.00%	240,000						10,000	750,000	35,865	269,270	(5,750,000)	2026	
2027	788,622	1,346			789,968	500,000	4.00%	220,000						10,000	730,000	59,968	329,238	(5,250,000)	2027	
2028	792,565	1,646			794,211	550,000	4.00%	199,000						10,000	759,000	35,211	364,449	(4,700,000)	2028	
2029	796,528	1,822			798,350	575,000	4.00%	176,500						10,000	761,500	36,850	401,299	(4,125,000)	2029	
2030	800,510	2,006			802,517	625,000	4.00%	152,500						10,000	787,500	15,017	416,316	(3,500,000)	2030	
2031	804,513	2,082			806,595	625,000	4.00%	127,500						10,000	762,500	44,095	460,411	(2,875,000)	2031	
2032	808,536	2,302			810,838	650,000	4.00%	102,000						10,000	762,000	48,838	509,248	(2,225,000)	2032	
2033	812,578	2,546			815,124	700,000	4.00%	75,000						10,000	785,000	30,124	539,373	(1,525,000)	2033	
2034	816,641	2,697			819,338	750,000	4.00%	46,000						10,000	806,000	13,338	552,711	(775,000)	2034	
2035	820,724	2,764			823,488	775,000	4.00%	15,500						10,000	800,500	22,988	575,698		2035	
Total	13,688,451	23,248	680,000	598,500	14,990,198	8,500,000		5,021,000	525,000		73,500		0	0	295,000	14,414,500			Total	
Notes:																				

Version 2

## SECTION 11: Annexed Property

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

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

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Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the Village estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## SECTION 13: Proposed Zoning Ordinance Changes

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The Village anticipates that a portion of the District will be rezoned prior to development.

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

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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

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

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

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

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

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Non-Project costs are public works projects that 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.

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

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March 27, 2014

**SAMPLE**

Dean Wolter, Village President  
Village of Germantown  
N112 W17001 Mequon Road  
Germantown, Wisconsin 53022

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

Dear Village President:

As Village Attorney for the Village of Germantown, 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  
Village of Germantown

Exhibit A:  
**Calculation of the Share of Projected Tax Increments  
 Estimated to be Paid by the Owners of Property in the  
 Overlying Taxing Jurisdictions**

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Statement of Taxes Data Year		2012				
				Percentage		
Washington County		6,059,920		13.26%		
Village of Germantown		13,481,410		29.50%		
Germantown School District		21,696,071		47.48%		
Waukesha Area Technical College		4,458,484		9.76%		
Total		45,695,885				
Revenue Year	Washington County	Village of Germantown	Germantown School District	Waukesha Area Technical College	Total	Revenue Year
2016	26,561	59,090	95,095	19,542	200,287	2016
2017	38,646	85,976	138,363	28,433	291,418	2017
2018	50,792	112,996	181,848	37,369	383,005	2018
2019	62,998	140,151	225,550	46,350	475,049	2019
2020	75,266	167,442	269,470	55,375	567,554	2020
2021	87,594	194,870	313,610	64,446	660,521	2021
2022	99,985	222,435	357,971	73,562	753,953	2022
2023	102,517	228,067	367,036	75,425	773,045	2023
2024	103,029	229,208	368,871	75,802	776,910	2024
2025	103,544	230,354	370,715	76,181	780,794	2025
2026	104,062	231,505	372,569	76,562	784,698	2026
2027	104,582	232,663	374,432	76,945	788,622	2027
2028	105,105	233,826	376,304	77,329	792,565	2028
2029	105,631	234,995	378,186	77,716	796,528	2029
2030	106,159	236,170	380,076	78,105	800,510	2030
2031	106,690	237,351	381,977	78,495	804,513	2031
2032	107,223	238,538	383,887	78,888	808,536	2032
2033	107,759	239,731	385,806	79,282	812,578	2033
2034	108,298	240,929	387,735	79,679	816,641	2034
2035	108,840	242,134	389,674	80,077	820,724	2035
	1,815,282	4,038,430	6,499,176	1,335,563	13,688,451	
Notes:						
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.						