

TID #2 Joint Review Board Meeting Agenda

July 22, 2021

1:00PM

Meeting Available on Zoom.us at the following meeting number:

<https://us02web.zoom.us/j/88698082561> Passcode 194326

In lieu of participating via the Zoom website, the alternative telephone only dial-in is:
Telephone number: 312-626-6799 Meeting ID: 886 9808 2561 Passcode: 194326

1. Call to Order and Roll Call.
2. New Business.
 - a. Review of 2021 TID #2 Annual Report and Audit
3. Adjournment.

Note: Notice is hereby given that a quorum of a Village Board, Committee and/or Commission may be present at this noticed meeting, and if so, this meeting shall be considered an informational meeting of that Committee or Commission and no formal action of that Committee or Commission shall occur. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. To request such assistance, contact the Village Clerk at 262-691-5660.

Posted: July15, 2022



To: Joint Review Board
From: Scott A. Gosse
Village Administrator
Date: July 8, 2022
Re: Review of 2021 TID #2 Annual Report

TID#2 Value Review

The 2021 TID value reported by the WI DOR on the 2021 Statement of Changes in TID Value was \$18,142,000 (copy attached). This represents an increment value of \$9,482,700 over the 2014 base value of \$8,659,300. The increment value decreased \$100,700 from the 2020 TID value of \$18,242,700.

TID#2 2021 Review

2021 Revenues – TID#2 2021 revenues were \$164,724 which is broken down as follows:

Tax Increment:	\$155,180
Investment Income:	\$81
Exempt Computer Aid:	\$2,150
Other (Personal Prop. Tax Aid):	\$7,313

2021 Expenses – TID#2 2021 expenses were \$35,711 and are broken down as follows:

- \$4,134 for 2021 Audit and WEDC Grant Exam for 221 W. Wisconsin Avenue
- \$150 for 2021 WI DOR Annual TID Administrative Fee
- \$15,576 for Principal on Debt (related to Improvement #1 \$200,000 and Improvement #2 \$206,010 Developer Grant)
- \$15,851 for Interest on Debt (related to Improvement #1 \$200,000 and Improvement #2 \$206,010 Developer Grant)

The TID Fund balance as of 12/31/21 is \$163,607. A copy of the TID #2 2021 Audit, WI DOR Annual Report and 2021 Budget to Actual comparison are attached for your review/reference in regard to the above information. Also attached are spreadsheets reviewing the different TID Projects, Project Allocations, Project Expenditures/Allocations, and Project Balances.

2022 and Forward Projects

1. Redevelopment of 221 W. Wisconsin Avenue – vacant gas station property – the Village entered into a developer’s agreement with Jade Reef Properties for the redevelopment of this property as a new location for Chiropractic and Wellness on Pewaukee Lake. The development agreement provides for up to \$140,000 in TIF assistance on a pay-as-you-go (PAYGO) basis. No payments have been made at this time for this project as a minimum value requirement of \$1,100,00 is required and the 2022 assessed value was \$1,026,700 (2021 value was \$821,000).

2. Pedestrian Bridge #2 (Improvement #2) – While this project is listed in the TID Project Plan (\$200,000), it is not anticipated that funds will be allocated for this work as the Pewaukee River Partnership has indicated that they are raising funds to complete the project.
3. Downtown Redevelopment Plan (Improvement #4) – The Plan Commission and Village Board completed the Village Comprehensive Land Use Plan (LUP) this year. One component of the LUP update is a call out for a detailed plan for the downtown area. This focus may result in the Village Board utilizing the \$20,000 allocation for Improvement #4.
4. Public Fishing Pier (Improvement #5) – The Joint Park & Recreation Department is currently evaluating the need for a new/replacement fishing pier for Lakefront Park. The Project Plan includes \$100,000 for this project.

Attachments

2021 Statement of Changes in TID Value
 Wisconsin Department of Revenue
 Equalization Bureau

County 67 Waukesha
 Village 171 Pewaukee
 TID # 002 TID Type - Blight post-95
 School District 4312 Sch D of Pewaukee

Special District - 1 None
 Special District - 2 None
 Special District - 3 None
 Union High None

Current Year Value

	Assessed Value *	Ratio	DOR Full Value	Amended Full Value **	Final Full Value
Non-Manufacturing Real Estate and Personal Property	\$18,169,100	100.00%	\$18,169,100		\$18,169,100
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Prior Year Corrections:					
Non-Manufacturing Real Estate and Personal Property			-\$27,100		-\$27,100
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Frozen Overlap Value					\$0
Current Year TID Value					
					\$18,142,000
2014 TID Base Value					
					\$8,659,300
TID Increment Value					
					\$9,482,700

* Municipal Assessor's estimated values filed on 06/07/2021

** Amended Full Value based on information from Municipal Assessor

Changes in TID Equalized Values

2020 TID Value	2021 TID Value	Dollar Change	% Change
\$18,242,700	\$18,142,000	-\$100,700	-1

Village of Pewaukee Tax Incremental District No. 2

Financial Statements and
Supplementary Information

December 31, 2021

Village of Pewaukee Tax Incremental District No. 2

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December 31, 2021

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Accountants' Compilation Report

To the Village Board of
Village of Pewaukee

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses and Status of Funds of the Village of Pewaukee's Tax Incremental District No.2 (District) as of and for the year ended December 31, 2021 and from the date of creation through December 31, 2021, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to and do not, present fairly the financial position of the Village of Pewaukee as of December 31, 2021, the changes in its financial position or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the District's Village's financial position and changes in financial position. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Baker Tilly US, LLP

Madison, Wisconsin
March 14, 2022

Village of Pewaukee Tax Incremental District No. 2

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash	\$ 163,607
Taxes receivable	147,472
	<hr/>
Total assets	\$ 311,079
	<hr/> <hr/>
Liabilities, Deferred Inflows of Resources and Fund Balances	
Deferred Inflows of Resources	
Unearned revenue	\$ 147,472
	<hr/>
Total deferred inflows of resources	147,472
	<hr/>
Fund Balance	
Restricted	163,607
	<hr/>
Total fund balance	163,607
	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 311,079
	<hr/> <hr/>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 2

Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered
Through Tax Increments

Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ -	\$ 335,906
Professional services	4,284	31,580
Developer grants	-	200,000
Interest and fiscal charges	15,851	56,592
	<hr/>	<hr/>
Total project costs	20,135	624,078
	<hr/>	<hr/>
Project Revenues		
Tax increments	155,180	408,265
Exempt computer aid	2,150	10,885
Investment income	81	2,407
Miscellaneous revenues	7,313	11,886
	<hr/>	<hr/>
Total project revenues	164,724	433,443
	<hr/>	<hr/>
Net costs recoverable (recovered) through tax increments, December 31, 2021	<u>\$ (144,589)</u>	<u>\$ 190,635</u>
Reconciliation of Recoverable Costs		
G.O. debt		\$ 354,242
Less fund balance		<u>(163,607)</u>
		<hr/>
Net costs recoverable through tax increments, December 31, 2021		<u>\$ 190,635</u>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 2

Historical Summary of Sources, Uses and Status of Funds

Through Tax Increments

Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 155,180	\$ 408,265
Exempt computer aid	2,150	10,885
Investment income	81	2,407
Miscellaneous revenues	7,313	11,886
Long-term debt issued	-	406,000
	<hr/>	<hr/>
Total sources of funds	164,724	839,443
	<hr/>	<hr/>
Uses of Funds		
Capital expenditures	-	335,906
Professional services	4,284	31,580
Developer grants	-	200,000
Interest and fiscal charges	15,851	56,592
Principal on long-term debt	15,576	51,758
	<hr/>	<hr/>
Total uses of funds	35,711	675,836
	<hr/>	<hr/>
Excess (deficiency) of sources of funds over uses of funds	129,013	163,607
	<hr/>	<hr/>
Fund Balance, Beginning	34,594	-
	<hr/>	<hr/>
Fund Balance, Ending	<u>\$ 163,607</u>	<u>\$ 163,607</u>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 2

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Pewaukee's Tax Incremental District No. 2 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of Pewaukee (the Village) has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of the District. The accompanying financial statements reflect all the significant operations of the District. The accompanying financial statements do not include the full presentation of the Village.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the District. The summary statements were prepared from data recorded in the following Village funds and the Village's long-term debt:

Tax Incremental District No. 2 - Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements may not directly correlate with amounts shown in the basic financial statements.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the District to collect tax increments until the net project cost has been fully recovered or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village. Project costs may be incurred up to five years before the unextended termination date of the District.

Original Project Plan

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 2	January 1, 2014	July 15, 2036	2041

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable or when the District is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Village of Pewaukee Tax Incremental District No. 2

Notes to Financial Statements
December 31, 2021

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or as nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

Project Plan Budget

The estimated revenues and expenditures of the District are adopted in the project plan. Those estimates are for the entire life of the District and may not be comparable to interim results presented in this report.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The District invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the Village, maintains separate and common cash and investment accounts at the same financial institutions utilized by the Village. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

Village of Pewaukee Tax Incremental District No. 2

Notes to Financial Statements
December 31, 2021

3. Long-Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds borrowed to finance the Districts' expenditures will be retired by tax increments accumulated by the TID No. 2 fund. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12-31-2021
2015 State Trust Fund	09/23/15	03/15/35	3.75 %	\$ 200,000	\$ 37,150	\$ 162,850
2019 State Trust Fund	03/12/19	03/15/38	4.75	68,670	4,690	63,980
2019 State Trust Fund	05/29/19	03/15/39	4.75	137,330	9,918	127,412
Total				<u>\$ 406,000</u>	<u>\$ 51,758</u>	<u>\$ 354,242</u>

Aggregate maturities of all long-term debt relating to the District are as follows:

Calendar Year:	Principal	Interest	Total
2022	\$ 16,229	\$ 15,198	\$ 31,427
2023	16,910	14,518	31,428
2024	17,580	13,846	31,426
2025	18,356	13,071	31,427
2026	19,128	12,300	31,428
2027-2031	108,362	48,773	157,135
3032-3036	118,032	23,937	141,969
2037-2039	39,645	3,569	43,214
Total	<u>\$ 354,242</u>	<u>\$ 145,212</u>	<u>\$ 499,454</u>

4. Developer Agreements

During 2014, the Village entered into an agreement for the redevelopment of a parcel of land and improvements within the District. As part of the agreement, the Village has issued a State Trust Fund Loan in the amount of \$200,000 and contributed the proceeds to the developer for assistance with site development costs of properties within the District. The economic development grant is secured by a promissory note signed by the developer in the same amount. The project improvements when completed are guaranteed by the developer to produce tax revenue equal or greater to the guaranteed tax increment required of \$1,350,000.

During 2019, the Village entered into an agreement for improvements within the District. As part of the agreement, the Village issued State Trust Fund Loans in the amount of \$206,000 and contributed the proceeds to BeachScape, LLC for assistance with site development costs of properties within the District. The economic development grant was secured by a promissory note signed by the developer in the same amount. The project improvements when completed are guaranteed by the developer to produce tax revenue equal or greater to the estimated minimum assessed value of \$3,000,000.

Village of Pewaukee Tax Incremental District No. 2

Detailed Schedule of Sources, Uses and Status of Funds
 From the Date of Creation Through December 31, 2021

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>	<u>Project Plan Estimate</u>
Sources of Funds										
Tax increments	\$ -	\$ -	\$ 11,767	\$ 52,323	\$ 92,665	\$ 42,000	\$ 54,330	\$ 155,180	\$ 408,265	\$ 1,910,158
Exempt computer aid	-	-	267	2,069	2,099	2,150	2,150	2,150	10,885	-
Investment income	-	-	-	-	-	1,640	686	81	2,407	2,919
Miscellaneous revenues	-	-	-	-	-	611	3,962	7,313	11,886	2,919
Proceeds from long-term debt	-	200,000	-	-	-	206,000	-	-	406,000	1,120,000
Total sources of funds	-	200,000	12,034	54,392	94,764	252,401	61,128	164,724	839,443	3,035,996
Uses of Funds										
Capital expenditures	-	10,190	10,228	79,456	2,272	208,760	25,000	-	335,906	720,000
Professional services	12,229	150	3,123	1,892	1,251	1,051	7,600	4,284	31,580	-
Developer grants	-	200,000	-	-	-	-	-	-	200,000	400,000
Interest and fiscal charges	-	-	-	11,075	7,347	7,053	15,266	15,851	56,592	553,058
Principal on long-term debt	-	-	-	4,090	7,819	8,112	16,161	15,576	51,758	1,120,000
Total uses of funds	12,229	210,340	13,351	96,513	18,689	224,976	64,027	35,711	675,836	2,793,058
Fund Balance, December 31, 2021									<u>\$ 163,607</u>	

Village of Pewaukee Tax Incremental District No. 2

Detailed Schedule of Capital Expenditures

From the Date of Creation Through December 31, 2021

	<u>Actual</u>	<u>Project Plan Estimate</u>
Site remediation	\$ 206,010	\$ 200,000
Pedestrian bridges	129,896	400,000
Downtown redevelopment plan	-	20,000
Public fishing pier replacement	-	100,000
	<hr/>	<hr/>
Total capital expenditures	<u>\$ 335,906</u>	<u>\$ 720,000</u>

Form PE-300	TID Annual Report	2021 WI Dept of Revenue
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Section 1 - Municipality and TID					
Co-muni code 67171	Municipality PEWAUKEE		County WAUKESHA	Due date 07/01/2022	Report type ORIGINAL
TID number 002	TID type 2	TID name n/a	Creation date 07/15/2014	Mandatory termination date 07/15/2041	Expected termination date N/A

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	\$34,594

Section 3 - Revenue	Amount
Tax increment	\$155,180
Investment income	\$81
Debt proceeds	\$0
Special assessments	\$0
Shared revenue	\$9,463
Sale of property	\$0
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	\$164,724

Form PE-300	TID Annual Report	2021 WI Dept of Revenue
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Section 4 - Expenditures	Amount
Capital expenditures	
Administration	
Professional services	\$4,134
Interest and fiscal charges	\$15,851
DOR fees	\$150
Discount on long-term debt	
Debt issuance costs	
Principal on long-term debt	\$15,576
Environmental costs	
Real property assembly costs	
Allocation to another TID	
Developer grants	
Developer name n/a	\$0
Transfer to other funds	
Other expenditures	
Total Expenditures	\$35,711

Section 5 - Ending Balance	Amount
TID fund balance at end of year	\$163,607
Future costs	\$985,631
Future revenue	\$3,103,600
Surplus or deficit	\$2,281,576

Section 6 - Preparer/Contact Information	
Preparer name Scott Gosse	Preparer title Village Administrator
Preparer email sgosse@villageofpewaukee.com	Preparer phone (262) 691-5660
Contact name Scott Gosse	Contact title Village Administrator
Contact email sgosse@villageofpewaukee.com	Contact phone (262) 691-5660

Form PE-300	TID Annual Report	2021 WI Dept of Revenue
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Submission Information	
Co-muni code	67171
TID number	002
Submission date	05-19-2022 03:57 PM
Confirmation	TIDAR20211837O1652127954795
Submission type	ORIGINAL

VILLAGE OF PEWAUKEE
REVENUES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2021

TIF 2 FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>TAX AND TAX EQUIVALENTS</u>					
450-00-41110-000-000	GENERAL PROPERTY TAXES	155,179.56	155,179.56	51,000.00	(104,179.56) 304.3
	TOTAL TAX AND TAX EQUIVALENTS	155,179.56	155,179.56	51,000.00	(104,179.56) 304.3
<u>SPECIAL ASSESSMENTS</u>					
450-00-42893-000-000	EXEMPT COMPUTER AID	2,149.93	2,149.93	7,313.36	5,163.43 29.4
	TOTAL SPECIAL ASSESSMENTS	2,149.93	2,149.93	7,313.36	5,163.43 29.4
<u>INTERGOVERNMENTAL AID</u>					
450-00-43690-000-000	OTHER STATE AIDS/MFG PP TAXES	7,313.36	7,313.36	.00	(7,313.36) .0
	TOTAL INTERGOVERNMENTAL AID	7,313.36	7,313.36	.00	(7,313.36) .0
<u>MISCELLANEOUS REVENUES</u>					
450-00-48110-000-000	INTEREST INCOME	81.57	81.57	1,000.00	918.43 8.2
	TOTAL MISCELLANEOUS REVENUES	81.57	81.57	1,000.00	918.43 8.2
	TOTAL FUND REVENUE	164,724.42	164,724.42	59,313.36	(105,411.06) 277.7

VILLAGE OF PEWAUKEE
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 12 MONTHS ENDING DECEMBER 31, 2021

TIF 2 FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>AUDITING EXPENSE</u>						
450-00-51570-000-000	AUDITING EXPENSE	4,134.00	4,134.00	2,000.00	(2,134.00)	206.7
	TOTAL AUDITING EXPENSE	4,134.00	4,134.00	2,000.00	(2,134.00)	206.7
<u>ADMINISTRATIVE/LEGAL</u>						
450-00-51580-000-000	ADMINISTRATIVE/LEGAL	150.00	150.00	150.00	.00	100.0
	TOTAL ADMINISTRATIVE/LEGAL	150.00	150.00	150.00	.00	100.0
<u>DEBT PRINCIPAL</u>						
450-00-58100-000-000	DEBT PRINCIPAL	15,576.27	15,576.27	15,576.27	.00	100.0
	TOTAL DEBT PRINCIPAL	15,576.27	15,576.27	15,576.27	.00	100.0
<u>DEBT INTEREST</u>						
450-00-58290-000-000	DEBT INTEREST	15,850.53	15,850.53	15,850.53	.00	100.0
	TOTAL DEBT INTEREST	15,850.53	15,850.53	15,850.53	.00	100.0
	TOTAL FUND EXPENDITURES	35,710.80	35,710.80	33,576.80	(2,134.00)	106.4
	NET REVENUE OVER EXPENDITURES	129,013.62	129,013.62	25,736.56	(103,277.06)	501.3

TID Project Expense Summary				
Projects	Project Allocation	Total	Balance	
		Expended/Allocated		
Improvement 1 - Site Remediation	\$ 200,000.00	\$ 200,000.00	\$ -	
Improvement 2 - Pedestrian Bridge #1	\$ 200,000.00	\$ 129,896.82	\$ 70,103.18	
Improvement 2 - Pedestrian Bridge #2	\$ 200,000.00	\$ -	\$ 200,000.00	
Improvement 3 - Property Acquisition and/or Assistance	\$ 400,000.00	\$ 346,010.00	\$ 53,990.00	
Improvement 4 - Downtown Redevelopment Plan	\$ 20,000.00	\$ -	\$ 20,000.00	
Improvement 5 - Public Fishing Pier	\$ 100,000.00	\$ -	\$ 100,000.00	
Total TID Plan Project Costs	\$ 1,120,000.00	\$ 675,906.82	\$ 444,093.18	

Administrative/Legal/Audit Expenses \$ 19,348.60

Year Ending 12/31/21

TID #2

Pedestrian Bridge Expenditures (Koepp Park/Pathway)

Project Related Expenses

2015	\$	10,190.25	
2016	\$	10,227.85	
2017	\$	79,456.37	
2018	\$	2,272.35	
2019	\$	2,750.00	(path lighting circuit)
2020	\$	25,000.00	
2021	\$	-	
total	\$	<u>129,896.82</u>	

Year Ending 12/31/2

TID #2
Administrative/Legal/Audit Expenses

est future
expenses

2015	\$	150.00	
2016	\$	3,122.50	
2017	\$	1,892.10	
2018	\$	1,250.00	
2019	\$	1,050.00	
2020	\$	7,600.00	
2021	\$	4,284.00	
2022			\$ 2,000.00
2023			\$ 2,000.00
2024			\$ 2,000.00
2025			\$ 2,000.00
2026			\$ 2,000.00
2027			\$ 2,000.00
2028			\$ 2,000.00
2029			\$ 2,000.00
2030			\$ 2,000.00
2031			\$ 2,000.00
2032			\$ 2,000.00
2033			\$ 2,000.00
2034			\$ 2,000.00
2035			\$ 2,000.00
2036			\$ 2,000.00
2037			\$ 2,000.00
2038			\$ 2,000.00
2039			\$ 2,000.00
2040			\$ 2,000.00
2041			\$ 4,000.00
total		<u>\$ 19,348.60</u>	\$ 42,000.00

Year Ending 12/31/2

TID #2

Improvement 3 - Property Acquisition and/or Assistance

2015	\$	-
2016	\$	-
2017	\$	-
2018	\$	-
2019	\$	206,010.00
2020	\$	-
2021	\$	-

total	<u>\$</u>	<u>206,010.00</u>	
	<u>\$</u>	<u>140,000.00</u>	committed for PAYGO for Jade Reef Properties, LLC
total paid/committed	<u>\$</u>	<u>346,010.00</u>	

Year Ending 12/31/21

TID #2
Future Revenue Estimates

	tax increment rec'd	future est increment
2021	\$ 155,180.00	
2022		\$ 155,180.00
2023		\$ 155,180.00
2024		\$ 155,180.00
2025		\$ 155,180.00
2026		\$ 155,180.00
2027		\$ 155,180.00
2028		\$ 155,180.00
2029		\$ 155,180.00
2030		\$ 155,180.00
2031		\$ 155,180.00
2032		\$ 155,180.00
2033		\$ 155,180.00
2034		\$ 155,180.00
2035		\$ 155,180.00
2036		\$ 155,180.00
2037		\$ 155,180.00
2038		\$ 155,180.00
2039		\$ 155,180.00
2040		\$ 155,180.00
2041		\$ 155,180.00
total	\$ 155,180.00	\$ 3,103,600.00

TID #2
Future Expense Estimates

	Debt principal	Debt Interest	Admin/Audit	221 W Wis Dev Grant (based on increment growth)
2021				
2022	\$ 16,229.00	\$ 15,198.00	\$ 2,000.00	
2023	\$ 16,909.00	\$ 14,518.00	\$ 2,000.00	
2024	\$ 17,580.00	\$ 13,846.00	\$ 2,000.00	
2025	\$ 18,356.00	\$ 13,071.00	\$ 2,000.00	
2026	\$ 19,127.00	\$ 12,300.00	\$ 2,000.00	
2027	\$ 19,930.00	\$ 11,496.00	\$ 2,000.00	
2028	\$ 20,739.00	\$ 10,688.00	\$ 2,000.00	
2029	\$ 21,640.00	\$ 9,876.00	\$ 2,000.00	
2030	\$ 22,551.00	\$ 8,876.00	\$ 2,000.00	
2031	\$ 23,501.00	\$ 7,926.00	\$ 2,000.00	
2032	\$ 24,472.00	\$ 6,955.00	\$ 2,000.00	
2033	\$ 25,522.00	\$ 5,904.00	\$ 2,000.00	
2034	\$ 26,599.00	\$ 4,828.00	\$ 2,000.00	
2035	\$ 27,722.00	\$ 3,705.00	\$ 2,000.00	
2036	\$ 13,719.00	\$ 2,542.00	\$ 2,000.00	
2037	\$ 14,378.00	\$ 1,883.00	\$ 2,000.00	
2038	\$ 15,061.00	\$ 1,200.00	\$ 2,000.00	
2039	\$ 10,206.00	\$ 485.00	\$ 2,000.00	
2040			\$ 2,000.00	
2041			\$ 4,000.00	
				\$ 140,000.00
total	<u>\$ 354,241.00</u>	<u>\$ 145,297.00</u>	<u>\$ 42,000.00</u>	<u>\$ 140,000.00</u>

**Project
Plan**

**Tax Incremental District No. 2
in the
VILLAGE OF PEWAUKEE, WISCONSIN**



June 23, 2014 Final

Organizational Joint Review Board Meeting Held.....	June 23, 2014
Public Hearing Held.....	June 25, 2014
Adopted by Planning Commission.....	June 25, 2014
Adopted by Village Board.....	July 15, 2014
Approved by Joint Review Board.....	July 16, 2014

Prepared by:



Robert W. Baird & Co.
Public Finance
777 E. Wisconsin Ave.
Milwaukee, WI 53202
800.792.2473

**Village of Pewaukee
TID #2 Project Plan**

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Village of Pewaukee Officials

Village Board

Jeff Knutson	Village President
Paul Evert	Village Trustee
Heather Gergen	Village Trustee
Jennifer Murphy	Village Trustee
Pat Nauth	Village Trustee
William Woolley	Village Trustee
Joseph Zompa	Village Trustee

Village Staff

Scott Gosse	Administrator
Nancy Zastrow	Clerk-Treasurer
David White	Director of Public Works/Engineer
Mary Censky	Planner
Mark Blum	Attorney

Planning Commission

Jeff Knutson (Chairperson)	Eric Rogers
Craig Roberts	Shane Leveille
Joseph Zompa	Chris Bernauer
Tom Reilly	

Joint Review Board

Jeff Knutson	Village Representative
Norm Cummings	Waukesha County
Cary Tessmann	Waukesha County Technical College District
John Gahan	Pewaukee School District
Charles Nichols	Public Member

Introduction and Description of District

The Village of Pewaukee (the "Village") is located in Waukesha County, approximately 20 miles west of Milwaukee and 60 miles east of Madison. The Village encompasses an area of approximately four square miles and is bordered by Pewaukee Lake, one of the area's largest lakes. State Highways 16 and 190 provide easy access to the Village. The Village provides police and fire protection, municipal water, sanitary sewer and storm sewer services and maintains two large parks and a public beach on Pewaukee Lake. These amenities allow the Village to flourish as a development area for residential, business, commercial retail, office, and industrial development.

The Village has a history of successful economic development programming using Tax Incremental Financing ("TIF") by providing public improvements to encourage and promote industrial, commercial and residential development and redevelopment. The goal is to increase the tax base, to provide for and preserve employment opportunities within the Village, and to create and enhance tourism opportunities with the area and region. The Village works with developers and property owners to provide infrastructure improvements and/or cash grants as incentives for development and/or redevelopment.

Tax Incremental District No. 2 (the "TID") is being created by the Village under the authority provided by Wisconsin Statute Section 66.1105. The TID is created as a "Blight Elimination District" based on the findings that at least 50 percent of the TID is a blighted area and in need of rehabilitation or conservation work and that 21.55% of the land is vacant which meets the legal requirement that no more than 25% of land within a TID can be vacant at the time of TID creation.

Hexagon Investments and Siepmann Realty (the "developers") have requested TIF assistance for a proposed development project in the downtown area to remove a blighting influence in the TID and promote the continued redevelopment of the area. The principal manner of assistance would be to help in defraying the site development costs for two parcels in the proposed project that have been vacant/underutilized/blighted since the closure of a former BP gas station. One of the two parcels involved in the proposed project has been undergoing site remediation by the current owner under the oversight of the State of Wisconsin. The second parcel is adjacent to the Pewaukee River and within the FEMA delineated floodplain. The assistance will provide the developers with the means to invest in a 2 - 3 story mixed use retail/office building (no residential component is proposed for this project) with a completion value of \$1 million. The developers have requested \$200,000 in TIF assistance (reimbursement of expenses by the Village) to offset the site development of the two properties. These funds would be repaid to the Village by the increment generated from the TID. The Village anticipates various public improvement project cost expenditures

**Village of Pewaukee
TID #2 Project Plan**

identified in the project plan of approximately \$1,120,000 during the TID's expenditure period.

Maps depicting the boundaries and existing uses and conditions of the TID are found in the respective mapping sections of this project plan.

Summary of Findings

As required by s.66.1105 Wis. Stats., 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 TID, the development projected 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:
 - Development and redevelopment within the TID has not occurred at the pace anticipated by the Village. Infrastructure and other redevelopment related expenses are not likely to be borne exclusively by private developers; therefore, the Village has concluded that public investment will be required to fully achieve the Village's objectives for these areas.
 - To achieve its objectives, the Village has determined that it must take an active role in encouraging development and redevelopment by making appropriate public expenditures in the area. Without the availability of tax increment financing, these expenditures are unlikely to be made. Enhancement of these areas will complement existing venues in the area, promote additional tourism, and benefit, not only the Village, but all overlapping taxing jurisdictions, adjacent communities, and the region. Accordingly, the costs to implement the needed projects and programs are appropriately funded through tax increment financing.
 - In order to make certain areas included within the TID suitable for development or redevelopment, significant site remediation subsequent to developer acquisition is required. TID financial support of site remediation costs for two parcels has been requested. Both parcels have been vacant/underutilized/blighted for at least a 12 year period. Further, environmental remediation of the two parcels at the expense of the current owner has taken place prior to TID creation. Due to the public investment that is required, the Village

**Village of Pewaukee
TID #2 Project Plan**

has determined that development and redevelopment of the area will not occur at the pace or levels desired solely as a result of private investment.

2. The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property values, 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 and the debt issuance will be more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
 - Since the development expected to occur is unlikely to take place without the use of Tax Incremental Financing (see Finding #1) and since the TID 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 TID 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 TID is not created.
4. The improvements to be made within the TID are likely to significantly enhance the value of substantially all other real property in the TID.
5. The equalized value of taxable property of the TID does not exceed 12% of the total equalized value of taxable property within the Village.
6. The Project Plan for the TID is feasible and is in conformity with the master plan of the Village.
7. The TID is being created by the Village as a Blight Elimination District. The following table summarizes the criteria for a Blight Elimination District and indicates for each criteria listed that the Village by this project plan has met the requirements.

**Village of Pewaukee
TID #2 Project Plan**

Criteria	Criteria Met
50% or more of TID area considered "blighted area"	✓
50% or more of TID area in need of "rehabilitation or conservation" work	✓
25% or less of land within district vacant for preceding seven years	✓
Maximum Life: 27 Years	✓
Maximum Life Extension: 30 Years with JRB approval	✓
Expenditure Period of 22 Years	✓

**Village of Pewaukee
TID #2 Project Plan**

Map of Proposed District Boundary

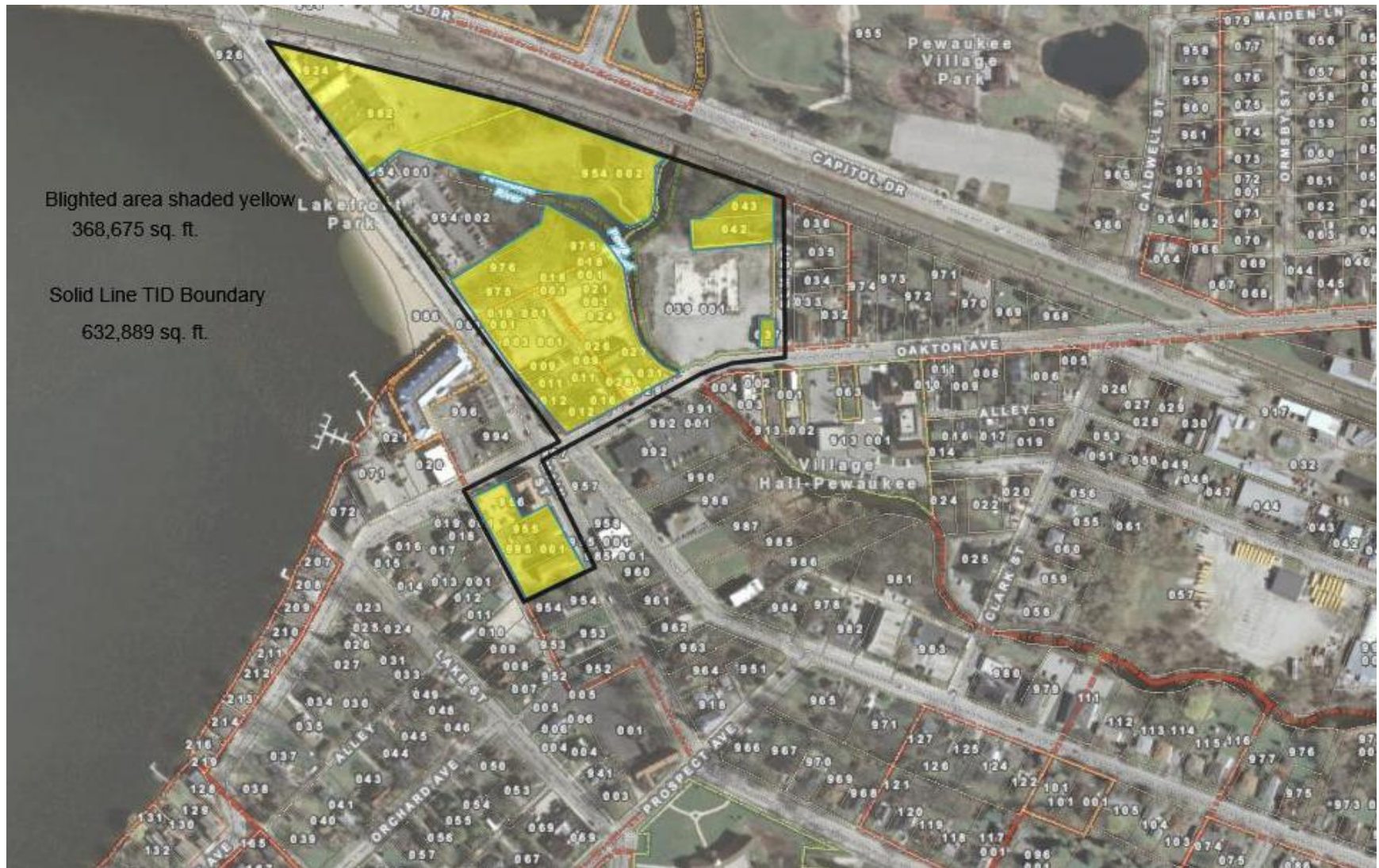
Current Map is reflective of the 01/01/2014 parcel list.



**Village of Pewaukee
TID #2 Project Plan**

Map Showing Existing Uses and Conditions

Current Maps are reflective of the 01/01/2014 parcel list.



**Village of Pewaukee
TID #2 Project Plan**

Preliminary Parcel List and Analysis - Current list is reflective of the 01/01/2014 parcel list.

Tax Key	Street Address	Total Acres	Use
PWV 0898027	119 Savoy Court	0.069	storage building across lot line
PWV 0898018001		0.2	vacant property
PWV 0898025		0.072	vacant property
PWV 0898021001	130 Savoy Court	0.4	vacant property
PWV 0898012	101 West Wisconsin Avenue	0.294	multi-tenant retail/office
PWV 0898042	129 Elm Street	0.3	residential
PWV 0898954001	179 West Wisconsin Avenue	0.181	restaurant
PWV 0898028	115 Oakton Avenue	0.069	retail building across lot lines
PWV 0898029		0.069	retail building across lot lines
PWV 0898011	115 West Wisconsin Avenue	0.162	retail/commercial building
PWV 0898016	111 Oakton Avenue	0.055	retail/commercial building
PWV 0898024		0.082	vacant property
PWV 0898031		0.11	retail building across lot lines
PWV 0898976	143 West Wisconsin Avenue	0.38	vacant property
PWV 0893924	221 West Wisconsin Avenue	0.239	vacant building
PWV 0898019001		0.5	vacant property
PWV 0898039001	201 Oakton Avenue	2.486	park/open space
PWV 0898001001		0.1	vacant property
PWV 0898003001	125 West Wisconsin Avenue	0.5	vacant property
PWV 0898037	215 Oakton Avenue	0.056	mixed use
PWV 0898026	119 Savoy Court	0.07	storage building across lot line
PWV 0898043	135 Elm Street	0.57	residential
PWV 0898009	119 West Wisconsin Avenue	0.103	retail/office building
PWV 0898954002	161 West Wisconsin Avenue	3.369	mixed use retail/commercial/restaurant
PWV 0898982	203 West Wisconsin Avenue	1.986	multi-tenant retail/office/restaurant
PWV 0898975		0.56	vacant property
PWV 0899956	100 Main Street	0.413	multi-family
PWV 0899995001	118 Main Street	0.293	restaurant/institutional
PWV 0899955	112 Main Street	0.153	office
PWV 089991	126 Main Street	0.236	institutional - currently tax exempt

Equalized Valuation Test

The following calculations demonstrate that the Village is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the taxable property in the proposed TID, plus the value increment of any existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the Village.

Valuation Test Compliance Calculation

2013 Equalized Valuation (TID IN)	\$ 901,140,700
Limit for 12% Test	\$ 108,136,884
Increment Value of Existing TIDs	\$ 0
Projected Base Value of New TID	<u>\$ 350,000</u>
Total Value Subject to Test	\$ 350,000
Compliance ($\$350,000 < \$108,136,884$)	Meets Requirement

Statement of Kind, Number and Location of Proposed Projects

The Village expects to implement the following public project improvements in conjunction with this TID. Any costs including eligible administrative 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 TID.

IMPROVEMENT #1
SITE REMEDIATION
LOCATIONS: TID Downtown Area (W. Wisconsin Avenue)

TOTAL *\$200,000*

DESCRIPTION: Site remediation of two parcels that have been vacant/underutilized/blighted since the closure of a former BP gas station. This acquisition will provide the means for developers to invest in a 2 – 3 story mixed use retail/office building (no residential component is proposed for this project) with an estimated end value of \$1 million.

IMPROVEMENT #2

**Village of Pewaukee
TID #2 Project Plan**

PEDESTRIAN BRIDGES (2)

LOCATION: 201 Oakton Avenue

TOTAL: \$200,000 (each)

DESCRIPTION: Construction of a pedestrian bridge to connect the 201 Oakton Avenue green space/parking lot to property on the west side of the Pewaukee River to provide more convenient access to the downtown retail/commercial district.

IMPROVEMENT #3

PROPERTY ACQUISITION and/or ASSISTANCE

LOCATION: TID District Area

TOTAL: \$400,000

DESCRIPTION: Acquisition of property or assistance within the District to encourage and promote development and redevelopment.

IMPROVEMENT #4

DOWNTOWN REDEVELOPMENT PLAN

LOCATION: TID District Area up to one-half mile beyond TID border

TOTAL: \$20,000

DESCRIPTION: With the downtown area nearly built out, it is advantageous for the Village to pursue a redevelopment plan to assist in guiding the future redevelopment of the downtown area in an orderly and planned manner.

IMPROVEMENT #5

PUBLIC FISHING PIER

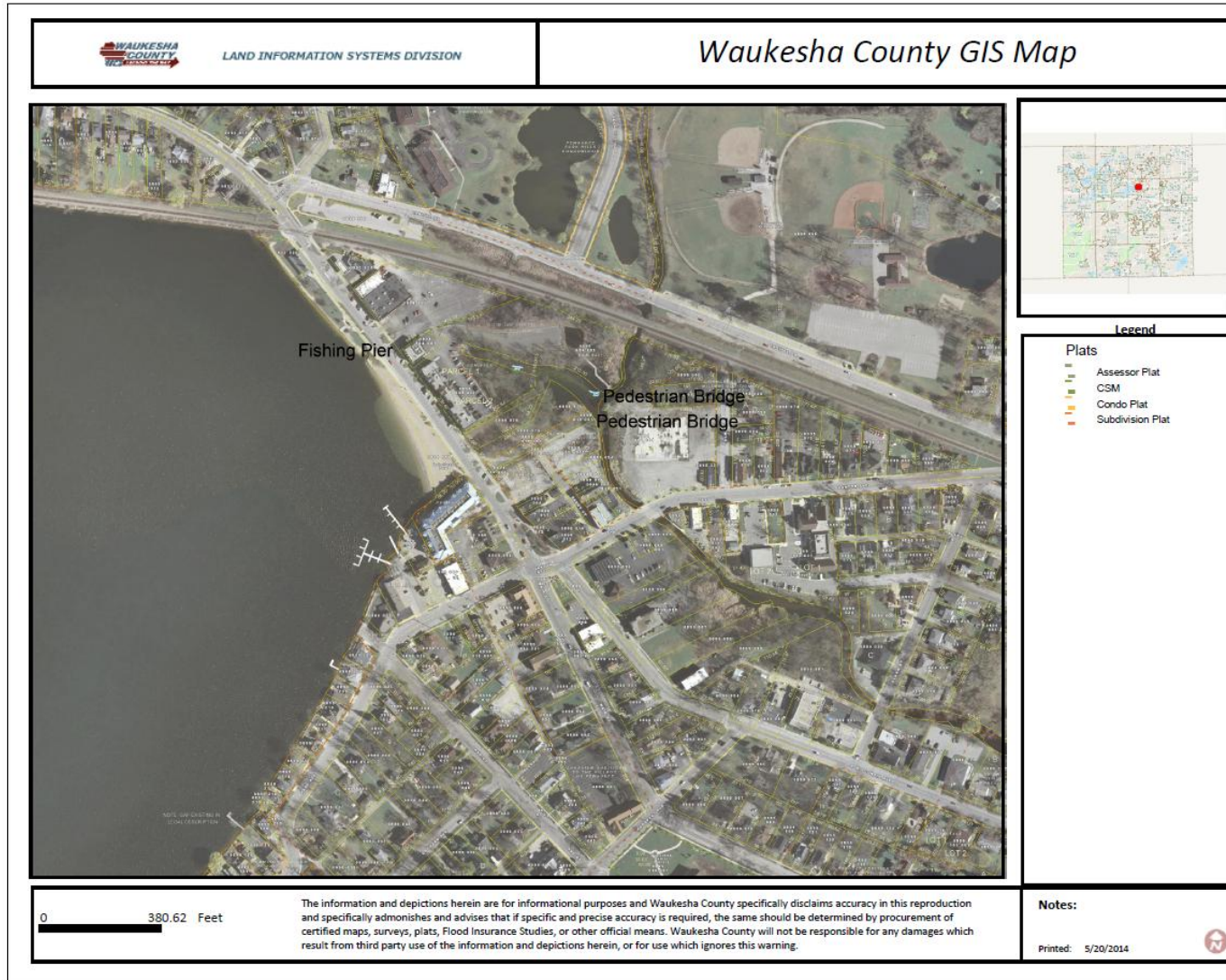
LOCATION: Lakefront Park

TOTAL: \$100,000

DESCRIPTION: Proposed replacement of existing fishing pier at such time that the life of the existing fishing pier comes to an end.

**Village of Pewaukee
TID #2 Project Plan**

Map Showing Proposed Improvements and Uses



**Village of Pewaukee
TID #2 Project Plan**

Detailed List of Project Costs

Site Remediation(2014)	\$200,000
Pedestrian Bridges (2020)	\$400,000
Property Acquisition and/or Assistance within the District (2030)	\$400,000
Downtown Redevelopment Plan (2020)	\$20,000
Public Fishing Pier (replacement) (2025)	\$100,000
Total	\$1,120,000

All costs are based on current prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between creation of the TID 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. Total project costs shall not exceed \$1.4 million. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

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

The Plan authorizes the expenditure of funds for project costs within a 1/2 mile radius of the TID boundary.

Economic Feasibility

The information and exhibits contained within this project plan demonstrate that the proposed TID 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 "Method of Financing and Timing of When Costs are to be Incurred" follows.

**Village of Pewaukee
TID #2 Project Plan**

- The Village expects to complete the 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 within this Plan.
- 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. This Plan identifies the following: 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 TID, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available such as debt issuance to the TID will be sufficient to pay all Project Costs.

In order to evaluate the economic feasibility of TID#2 it is necessary to project the amount of tax revenue that can be reasonably generated over the legal life of the TID. Included in Exhibit A is a proforma analysis of TID#2. The proforma analyzes expenses including debt service based on project plan costs of TID#2 against projected TID revenue. Tax revenue is conservatively estimated. State Trust Fund Loans to finance project costs are estimated to be incurred in 2014 and 2020. In 2041, the final year of revenue collection for the TID, it is projected to have repaid all expenditures and is left with a positive surplus balance.

Method of Financing and Timing of When Costs are to be Incurred

Implementation of this Plan will require that the Village issue obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the Village may choose to utilize. At this time, the Village does not currently have a Community Development Authority in place; however, it is being included as an option that may be considered in the future.

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. Wisconsin Statutes limit the principal amount of G.O. and State Trust Fund Loan debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values).

Board of Commissioners of Public Lands State Trust Fund Loans

The Village may issue State Trust Fund Loans to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal

**Village of Pewaukee
TID #2 Project Plan**

amount of State Trust Fund Loan and GO debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values).

CDA Lease Revenue Bonds

These bonds may be issued by the Community Development Authority (CDA) of the Village for economic development and redevelopment projects included in this plan. Lease Revenue Bonds are not general obligations of the Village and therefore do not count against the Village's 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.

Bonds Issued to Developers ("Pay as You Go" Financing)

The Village may issue a bond 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 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 issued to developers in this fashion are not general obligations of the Village and therefore do not count against the Village's borrowing capacity.

The actual amount of debt issuance will be determined by the Village at its convenience and as dictated by the nature of the projects as they are implemented. It is estimated that debt issuance costs to finance project costs will incur in the year 2014 and 2020.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area, and appropriate inducements to encourage redevelopment of the area. The Village anticipates making total project expenditures of approximately \$1,120,000 to undertake the projects listed in this Project Plan. The Expenditure Period of this District is 22 years from the date of adoption of the Creation Resolution by the Village Board. The projects to be undertaken pursuant to this Project Plan are expected to be financed primarily with cash received in the form of tax increment collections and the issuance of debt. As detailed in Exhibit A, the Village may choose to debt finance projects during the TID expenditure period. Cash flow

**Village of Pewaukee
TID #2 Project Plan**

proforma's assume State Trust Fund Loans issued for the year 2014 and 2020, to finance certain public infrastructure projects.

Developer agreements between the Village and property owners will be in place prior to making any public expenditure in direct support of development or redevelopment projects. 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.

Annexed Property

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

Proposed Changes in Zoning Ordinances

The Village does not anticipate that the TID will require any changes in zoning ordinances to implement this project plan. To the extent current zoning of individual parcels is inconsistent with the future uses of land listed in this plan, the Village may consider rezoning of those parcels.

Proposed Changes in Master Plan, Map, Building Codes and Village Ordinances

The Village does not anticipate that the TID will require any changes in the master plan, map, building codes, and Village ordinances to implement this project plan.

Relocation

The Village does not anticipate the 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 state statutes as required in Wisconsin Statutes chapter 32.

Orderly Development of the Village

Creation of the TID will enable the Village to undertake projects in furtherance of the stated objectives of its Comprehensive Plan and other planning documents. To this extent, creation of the TID promotes the orderly development of the Village.

A List of Estimated Non-Project Costs

Non-Project costs are public works projects that only partly benefit the TID or are not eligible to be paid with tax increment, or costs not eligible to be paid with Tax Incremental Financing funds. Examples would include:

- A public improvement made within the TID that also benefits property outside the TID. That portion of the total project costs allocable to properties outside of the TID would be a non-project cost.
- A public improvement made outside the TID that only partially benefits property within the TID. That portion of the total project costs allocable to properties outside of the TID would be a non-project cost.
- Projects undertaken within the TID as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The Village does not anticipate any non-project costs for the TID.

Village Attorney Opinion

Exhibit B contains a signed opinion from the Village attorney advising whether the project plan amendment is complete and complies with Section 66.1105(4)(f) of the Wisconsin Statutes.

**Village of Pewaukee
TID #2 Project Plan**

**EXHIBIT A
CASH FLOW PROFORMA ANALYSIS – Phase I**

Assumptions	
Annual Inflation During Life of TID.....	0.00%
2013 Gross Tax Rate (per \$1000 Equalized Value).....	\$20.54
Annual Adjustment to tax rate.....	0.00%
Investment rate.....	0.50%
Data above dashed line are actual	

PHASE I -- Example New Issue	
\$200,000	
State Trust Fund Loan	
Dated November 15, 2014	
Amount for Projects.....	\$200,000
Capitalized Interest.....	\$0
Cost of Issuance (est.).....	\$0
Rounding.....	\$0

Year	Background Data					Revenues			Expenditures			TID Status			Year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	
	TIF District Valuation (January 1)	Inflation Increment	Construction Increment (1)	TIF Increment Over Base	Tax Rate (2)	Tax Revenue	Investment Proceeds	Total Revenues	Principal (3/15)	Interest (3/15) RATE= 4.25%	Debt Service	Annual Balance	Year End Cumulative Balance (December 31)	Cost Recovery	
	Base Value \$350,000														
2014	\$350,000			\$0	\$19.65	\$0	\$0	\$0				\$0	\$0		
2015	\$350,000	\$0	\$1,000,000	\$1,000,000	\$19.65	\$0	\$0	\$0				\$0	\$0		
2016	\$1,350,000	\$0		\$1,000,000	\$19.65	\$0	\$0	\$0				(\$11,318)	(\$11,318) (3)		
2017	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$9,807	\$8,500	\$18,307	\$1,345	(\$9,973)		
2018	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$10,224	\$8,083	\$18,307	\$1,345	(\$8,628)		
2019	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$10,658	\$7,649	\$18,307	\$1,345	(\$7,283)		
2020	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$11,091	\$7,215	\$18,306	\$1,345	(\$5,938)		
2021	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$11,583	\$6,724	\$18,307	\$1,344	(\$4,593)		
2022	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$12,075	\$6,232	\$18,307	\$1,345	(\$3,249)		
2023	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$12,588	\$5,719	\$18,307	\$1,345	(\$1,904)		
2024	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$13,109	\$5,198	\$18,307	\$1,345	(\$559)		
2025	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$0	\$19,652	\$13,680	\$4,627	\$18,307	\$1,345	\$786		
2026	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$4	\$19,656	\$14,261	\$4,045	\$18,306	\$1,349	\$2,136		
2027	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$11	\$19,663	\$14,868	\$3,439	\$18,307	\$1,355	\$3,491		
2028	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$17	\$19,669	\$15,492	\$2,815	\$18,307	\$1,362	\$4,853		
2029	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$24	\$19,676	\$16,158	\$2,149	\$18,307	\$1,369	\$6,222		
2030	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$31	\$19,683	\$16,845	\$1,462	\$18,307	\$1,376	\$7,598		
2031	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$38	\$19,690	\$17,561	\$746	\$18,307	\$1,382	\$8,980	Expenditures Recovered	
2032	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$45	\$19,697				\$19,697	\$28,677	Expenditures Recovered	
2033	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$143	\$19,795				\$19,795	\$48,472	Expenditures Recovered	
2034	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$242	\$19,894				\$19,894	\$68,366	Expenditures Recovered	
2035	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$342	\$19,994				\$19,994	\$88,360	Expenditures Recovered	
2036	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$442	\$20,094				\$20,094	\$108,454	Expenditures Recovered	
2037	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$542	\$20,194				\$20,194	\$128,648	Expenditures Recovered	
2038	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$643	\$20,295				\$20,295	\$148,943	Expenditures Recovered	
2039	\$1,350,000	\$0		\$1,000,000	\$19.65	\$19,652	\$745	\$20,397				\$20,397	\$169,339	Expenditures Recovered	
2040	\$1,350,000				\$19.65	\$19,652	\$847	\$20,499				\$20,499	\$189,838	Expenditures Recovered	
2041					\$19.65	\$19,652	\$949	\$20,601				\$20,601	\$210,439	Expenditures Recovered	
		\$0	\$1,000,000			\$491,296	\$5,066	\$496,362	\$200,000	\$85,923	\$285,923				

Type of TID: Blight Elimination

- 2014 TID Inception
- 2036 Final Year to Incur TIF Related Costs
- 2041 Maximum Legal Life of TID (27 Years)

(1) Increment per Village Estimates.

(2) 2014 tax rate reflects an \$0.89 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts and lower levy amounts.

(3) Village will advance funds for 3/15/16 debt service payment.

**Village of Pewaukee
TID #2 Project Plan**

CASH FLOW PROFORMA ANALYSIS – Phase II

Assumptions	
Annual Inflation During Life of TID.....	0.00%
2013 Gross Tax Rate (per \$1000 Equalized Value).....	\$20.54
Annual Adjustment to tax rate.....	0.00%
Investment rate.....	0.50%

Data above dashed line are actual

PHASE I -- Example New Issue	PHASE II -- Example New Issue
\$200,000	\$920,000
State Trust Fund Loan	State Trust Fund Loan
Dated November 15, 2014	Dated November 15, 2020
Amount for Projects.....	\$200,000
Capitalized Interest.....	\$0
Cost of Issuance (est.).....	\$0
Rounding.....	\$0

Year	Background Data					Revenues			Expenditures						TID Status			Year	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)		(r)
	TIF District Valuation (January 1)	Inflation Increment	Construction Increment (1)	TIF Increment Over Base	Tax Rate (2)	Tax Revenue	Investment Proceeds	Total Revenues	Principal (3/15)	Interest (3/15) RATE= 4.25%	Debt Service	Principal (3/15)	Interest (3/15) RATE= 4.25%	Debt Service	Combined Expenditures	Annual Balance	Year End Cumulative Balance (December 31)		Cost Recovery
	Base Value \$350,000																		
2014	\$350,000			\$0	19.65	\$0	\$0	\$0							\$0	\$0	\$0		
2015	\$350,000	\$0	\$1,000,000	\$1,000,000	19.65	\$0	\$0	\$0							\$0	\$0	\$0		
2016	\$1,350,000	\$0		\$1,000,000	19.65	\$0	\$0	\$0	\$9,807	\$11,318	\$11,318				\$11,318	(\$11,318)	(\$11,318)	(3)	
2017	\$1,350,000	\$0		\$1,000,000	19.65	\$19,652	\$0	\$19,652	\$10,224	\$8,083	\$18,307				\$18,307	\$1,345	(\$9,973)		
2018	\$1,350,000	\$0		\$1,000,000	19.65	\$19,652	\$0	\$19,652	\$10,658	\$7,649	\$18,307				\$18,307	\$1,345	(\$8,628)		
2019	\$1,350,000	\$0		\$1,000,000	19.65	\$19,652	\$0	\$19,652	\$11,091	\$7,215	\$18,306				\$18,306	\$1,345	(\$7,283)		
2020	\$1,350,000	\$0		\$1,000,000	19.65	\$19,652	\$0	\$19,652	\$11,583	\$6,724	\$18,307				\$18,307	\$1,344	(\$5,938)		
2021	\$1,350,000	\$0	\$3,800,000	\$4,800,000	19.65	\$19,652	\$0	\$19,652	\$12,075	\$6,232	\$18,307				\$18,307	\$1,344	(\$4,593)		
2022	\$5,150,000	\$0		\$4,800,000	19.65	\$19,652	\$0	\$19,652	\$12,588	\$5,719	\$18,307	\$35,077	\$51,955	\$51,955	\$70,262	(\$50,610)	(\$55,203)		
2023	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$13,109	\$5,198	\$18,307	\$36,464	\$37,712	\$74,176	\$92,483	\$1,845	(\$53,358)		
2024	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$13,680	\$4,627	\$18,307	\$38,117	\$36,060	\$74,177	\$92,483	\$1,846	(\$51,513)		
2025	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$14,261	\$4,045	\$18,306	\$39,737	\$34,440	\$74,177	\$92,483	\$1,846	(\$49,668)		
2026	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$14,868	\$3,439	\$18,307	\$41,426	\$32,751	\$74,177	\$92,483	\$1,846	(\$47,822)		
2027	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$15,492	\$2,815	\$18,307	\$43,102	\$31,075	\$74,177	\$92,484	\$1,845	(\$45,977)		
2028	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$16,158	\$2,149	\$18,307	\$45,018	\$29,158	\$74,176	\$92,483	\$1,846	(\$44,132)		
2029	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$16,845	\$1,462	\$18,307	\$46,932	\$27,245	\$74,177	\$92,484	\$1,846	(\$42,287)		
2030	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329	\$17,561	\$746	\$18,307	\$48,926	\$25,250	\$74,176	\$92,484	\$1,845	(\$40,442)		
2031	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329				\$50,942	\$23,235	\$74,177	\$92,484	\$1,845	(\$38,597)		
2032	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329				\$53,171	\$21,006	\$74,177	\$92,484	\$20,152	(\$18,445)		
2033	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$0	\$94,329				\$55,430	\$18,746	\$74,176	\$92,484	\$20,152	\$1,707		
2034	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$9	\$94,337				\$57,786	\$16,390	\$74,176	\$92,484	\$20,161	\$21,868		
2035	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$109	\$94,438				\$60,204	\$13,973	\$74,176	\$92,483	\$20,262	\$42,130		
2036	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$211	\$94,539				\$62,801	\$11,376	\$74,177	\$92,483	\$20,363	\$62,492		
2037	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$312	\$94,641				\$65,470	\$8,707	\$74,177	\$92,484	\$20,464	\$82,957		
2038	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$415	\$94,744				\$68,252	\$5,924	\$74,176	\$92,484	\$20,567	\$103,524		
2039	\$5,150,000	\$0		\$4,800,000	19.65	\$94,329	\$518	\$94,846				\$71,145	\$3,032	\$74,177	\$92,484	\$20,670	\$124,194	Expenditures Recovered	
2040	\$5,150,000				19.65	\$94,329	\$621	\$94,950							\$74,177	\$20,773	\$144,966	Expenditures Recovered	
2041						\$94,329	\$725	\$95,054							\$0	\$95,054	\$240,020	Expenditures Recovered	
						\$1,910,158	\$2,919	\$1,913,077				\$200,000	\$85,923	\$285,923	\$920,000	\$467,135	\$1,387,135	\$1,673,057	

- Type of TID: Blight Elimination
- 2014 TID Inception
- 2036 Final Year to Incur TIF Related Costs
- 2041 Maximum Legal Life of TID (27 Years)

- (1) Increment per Village Estimates.
- (2) 2014 tax rate reflects an \$0.89 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts and lower levy amounts.
- (3) Village will advance funds for 3/15/16 debt service payment.

EXHIBIT B
VILLAGE ATTORNEY OPINION

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July 16, 2014

Mr. Jeff Knutson, President
Village of Pewaukee
235 Hickory Street
Pewaukee, WI 53072

Re: Tax Incremental District #2 – Village of Pewaukee, Waukesha County, Wisconsin

Dear President Knutson:

Pursuant to Wis. Stats. §66.1105, the Village of Pewaukee must include, as part of the Project Plan for Tax Incremental District #2 an opinion of the Village Attorney advising whether the Plan is complete and complies with §66.1105(4)(f).

Pursuant to Wis. Stat. §66.1105(4)(f) the Project Plan must comply with the following requirements:

1. Village of Pewaukee Plan Commission must adopt a Project Plan for Tax Incremental District #2 and submit a Plan to the Village Board.
2. The Plan must include:
 - A. A statement listing the kind, number and location of all proposed public works or improvements within the District or to the extent provided in Subsection (2)(f)(i)(k) and 1(n) outside the District. Compliance with this requirement is included in the Project Plan. (See Pages 11-13).
 - B. An economic feasibility study, which is included in the Project Plan. (See Pages 14-15.)
 - C. A detailed list of the estimated project costs, which is included in the Project Plan. (See Page 14.)
 - D. A description of the methods of financing, and all estimated project costs, which is included in the Project Plan. (See Pages 15-17; Also Exhibit A.)
 - E. The time when the estimated project costs or monetary obligated related thereto are to be incurred, which is included in the Project Plan. (See Pages 15-17; Also Exhibit A.)

**Village of Pewaukee
TID #2 Project Plan**


Mr. Jeff Knutson, President
Village of Pewaukee
July 17, 2014
Page | 2

- F. A map showing existing uses and conditions of real property in the District, which is also included in the Plan. (See Page 9.)
- G. A map showing proposed improvements and uses of the District, which is included in the Project Plan. (See Page 8 and 13.)
- H. Proposed changes of the zoning ordinances, master plan, if any, map, Building Codes and Village Ordinances, which is included in the Project Plan, where it is stated that no changes in the Zoning Ordinance, Building Codes or other Village Ordinances will be necessary for implementation of the Project Plan. (See Page 17.)
- I. A list of the estimated non-Project costs, which is included in the Project Plan. (See Page 18.)
- J. A statement of the proposed method for the relocation of any persons to be displaced, which is included in the Project Plan; where it is stated that it is not anticipated there will be a need to relocate any persons or businesses in conjunction with the Project Plan. (See Page 18.)
- K. A statement indicating how creation of the District promotes the orderly development of the Village, which subject matter is generally discussed in the Project Plan. (See Page 18.)
- L. The opinion of the Village Attorney advising whether the Plan is complete and complies with §66.1105(4)(b) of the Wisconsin Statutes. This opinion letter complies with this requirement.

Based on the foregoing, I am of the opinion that the Project Plan for Tax Incremental District #2 of the Village of Pewaukee is, as of the date hereof, complete and compliant with Wis. Stats. §66.1105(4)(b).

Sincerely,

HIPPENMEYER, REILLY,
MOODIE & BLUM, S.C.



Mark G. Blum

MGB/jb

Cc: Mr. Scott Gosse
Ms. Nancy Zastrow
Mr. Brad Viegut

**EXHIBIT C
TID #2 BOUNDARY DESCRIPTION**

PART OF THE NW 1/4, PART OF THE SW 1/4 OF SECTION 9, AND PART OF THE NE ¼ OF SECTION 8, TOWNSHIP 7 NORTH, RANGE 19 EAST OF THE FOURTH PRINCIPAL MERIDIAN, WAUKESHA COUNTY, WISCONSIN:

BEGINNING AT THE NORTHWEST CORNER OF LOT 4 IN BLOCK A OF CAIRNCROSS AND WILSON'S ADDITION TO THE VILLAGE OF PEWAUKEE, SAID POINT BEING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF ELM STREET AND THE SOUTH RIGHT-OF-WAY LINE OF THE CANADIAN PACIFIC RAILWAY; THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY LINE OF SAID ELM STREET, 402 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF OAKTON AVENUE; THENCE WEST AND SOUTHWEST ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID OAKTON AVENUE, 625 FEET TO THE EAST RIGHT-OF-WAY LINE OF MAIN STREET; THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY LINE OF SAID MAIN STREET, 251 FEET TO THE EASTERLY EXTENSION OF THE NORTH LINE OF THE ARTHUR COMPTON TRACT FILED FOR RECORD IN BOOK 1097 AT PAGE 277; THENCE WEST ALONG THE NORTH LINE OF SAID TRACT AND ITS EASTERLY EXTENSION, 231 FEET TO THE WEST LINE OF SAID TRACT, BEING THE EAST RIGHT-OF-WAY LINE OF A PUBLIC ALLEY; THENCE NORTH ALONG THE EAST RIGHT-OF-WAY LINE OF SAID PUBLIC ALLEY AND ITS NORTHERLY EXTENSION, 342 FEET TO THE NORTH RIGHT-OF-WAY LINE OF SAID OAKTON AVENUE; THENCE EAST ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID OAKTON AVENUE, 165 FEET TO THE WEST RIGHT-OF-WAY LINE OF WEST WISCONSIN AVENUE; THENCE NORTH ALONG THE WEST RIGHT-OF-WAY LINE OF SAID WEST WISCONSIN AVENUE, 1,215 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF SAID CANADIAN PACIFIC RAILWAY; THENCE EASTERLY ALONG THE SOUTH RIGHT-OF-WAY LINE OF SAID CANADIAN PACIFIC RAILWAY, 1,370 FEET TO THE POINT OF BEGINNING, CONTAINING 17.6 ACRES, MORE OR LESS, ALL SITUATED IN THE VILLAGE OF PEWAUKEE, WAUKESHA COUNTY, WISCONSIN.

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