

March 11, 2021

# Project Plan - Creation Tax Incremental District No. 3

## Village of Kewaskum, Wisconsin

Organizational Joint Review Board Meeting Held: March 2, 2021

Public Hearing Held: March 2, 2021

Approval by Plan Commission: March 2, 2021

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# **SECTION 1:**

## **Executive Summary**

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### Description of District

Tax Incremental District (“TID”) No. 3 (“District”) is a proposed Mixed-Use District comprising 21 parcels and approximately 36.83 acres located in the southeast section of the Village. The District will be created to pay the costs of site development work needed and developer grant incentives for the McMahon and Company relocation and expansion project (“Project”) to be developed by MAC Leasing Properties, LLC (“Developer”). In addition to the incremental property value that will be created, the Village expects the Project will result in promoting industrial and residential property development in the Village, and secondary positive impacts to the community such as increased employment opportunities, personal income and business income.

### Authority

The Village is creating the District under the provisions of Wis. Stat. § 66.1105.

### Estimated Total Project Cost Expenditures

The Village anticipates making total expenditures of approximately \$583,145 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$250,000 in site preparation/improvements, \$278,145 for developer grant incentives and \$55,000 in professional/administrative costs (2021-2030).

### Incremental Valuation

The Village projects that new land and improvements value of approximately \$6.7 million in development will result from the Project. This includes \$4.0 million in industrial development in 2021 and \$2.7 million in residential duplexes in 2022. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption’s as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

### Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the Village anticipates that the District will generate sufficient tax increment to pay all Project Costs within 9 years of its allowable 20 years, closing in 2030.

### Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this 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 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 reaching this determination, the Village has considered:

The Developer’s representation that the Project is not economically viable without public participation based on extraordinary costs associated with preparing the sites for development.

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

That the Developer is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and services from retailers, restaurants, and service companies.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 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 prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the Village finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is suitable for mixed use development as defined by Wis. Stat. § 66.1105(2)(cm). Lands proposed for newly-platted residential development comprise no more than 35% of the real property area within the District. Costs related to newly-platted residential development may be incurred based on the proposed development having a density of at least three (3) units per acre as defined in Wis. Stat. § 66.1105(2)(f)3.a. OR being located in a conservation subdivision as defined in Wisconsin Statutes Section 66.1027(1)(a). OR being in a traditional neighborhood development as defined in Wis. Stat. § 66.1027(1)(c).
5. Based on the foregoing finding, the District is designated as a mixed-use 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. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value 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 none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the Village within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the Village.

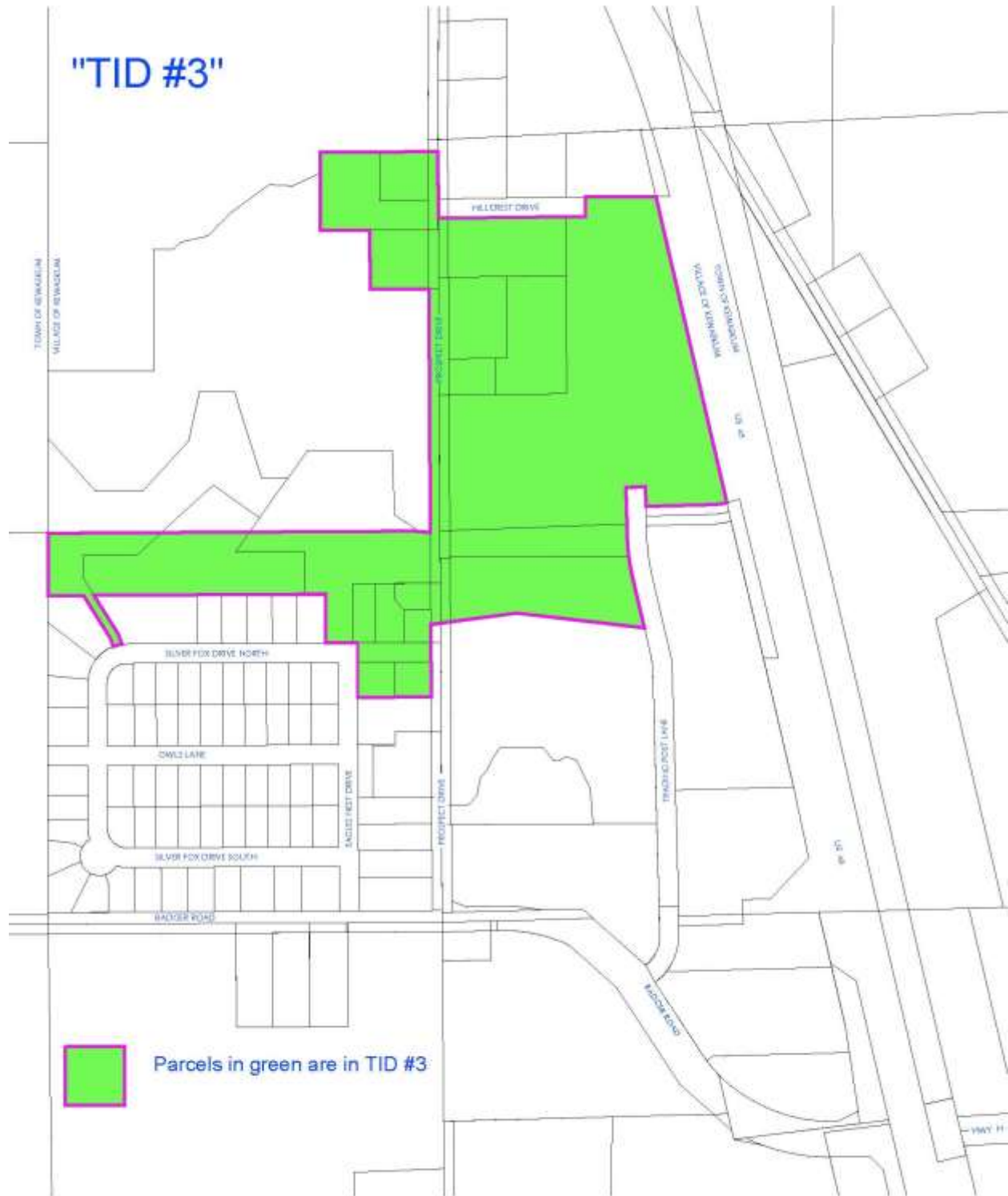
## **SECTION 2:**

# **Preliminary Map of Proposed District Boundary**

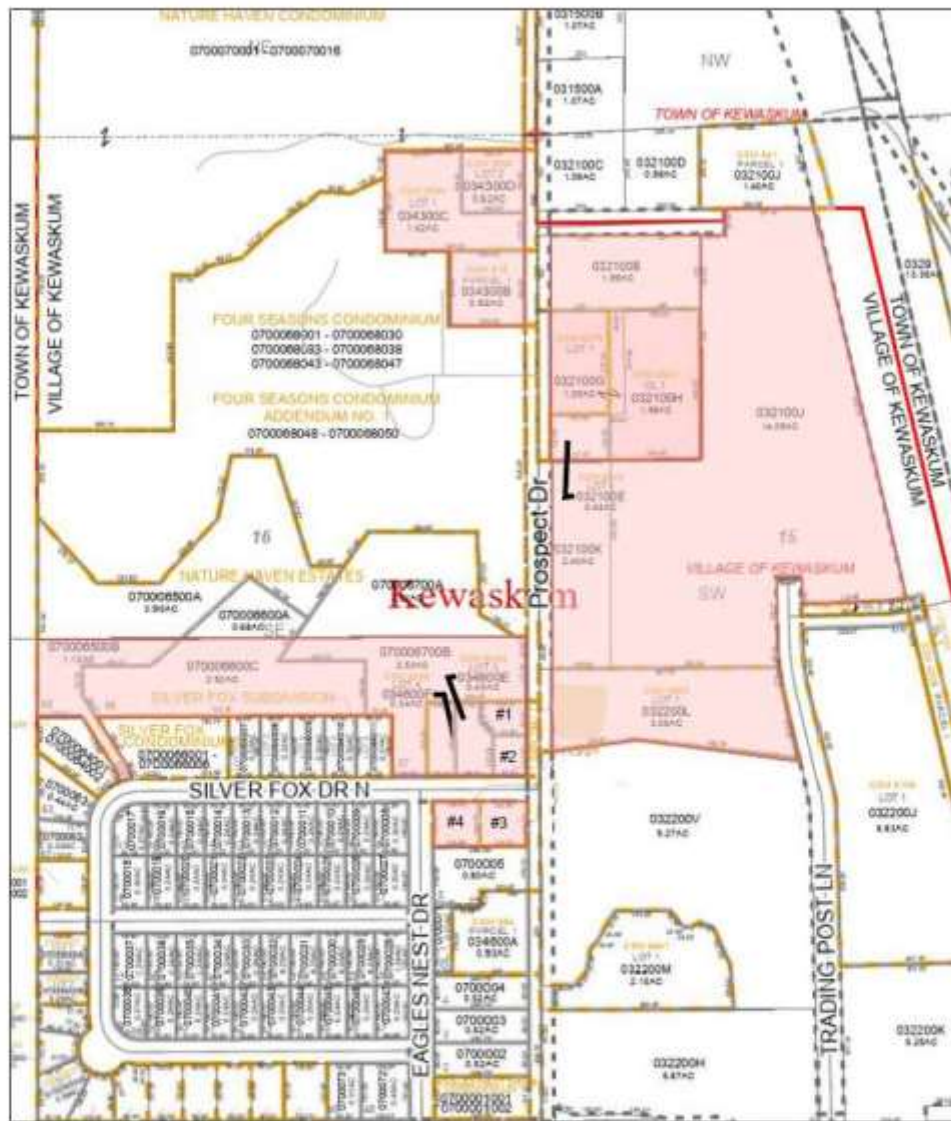
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Maps Found on Following Pages.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.



## Village of Kewaskum: TID #3



**Key:**

Parcels in TID #3: Pink

Map Area #1: Tax Key Number 034600C

Map Area #2: Tax Key Number 034600D

Map Area #3: Condominiums, Tax Keys 0700006001 and 0700006002

Map Area #4: Condominiums, Tax Keys 0700007001 and 0700007002

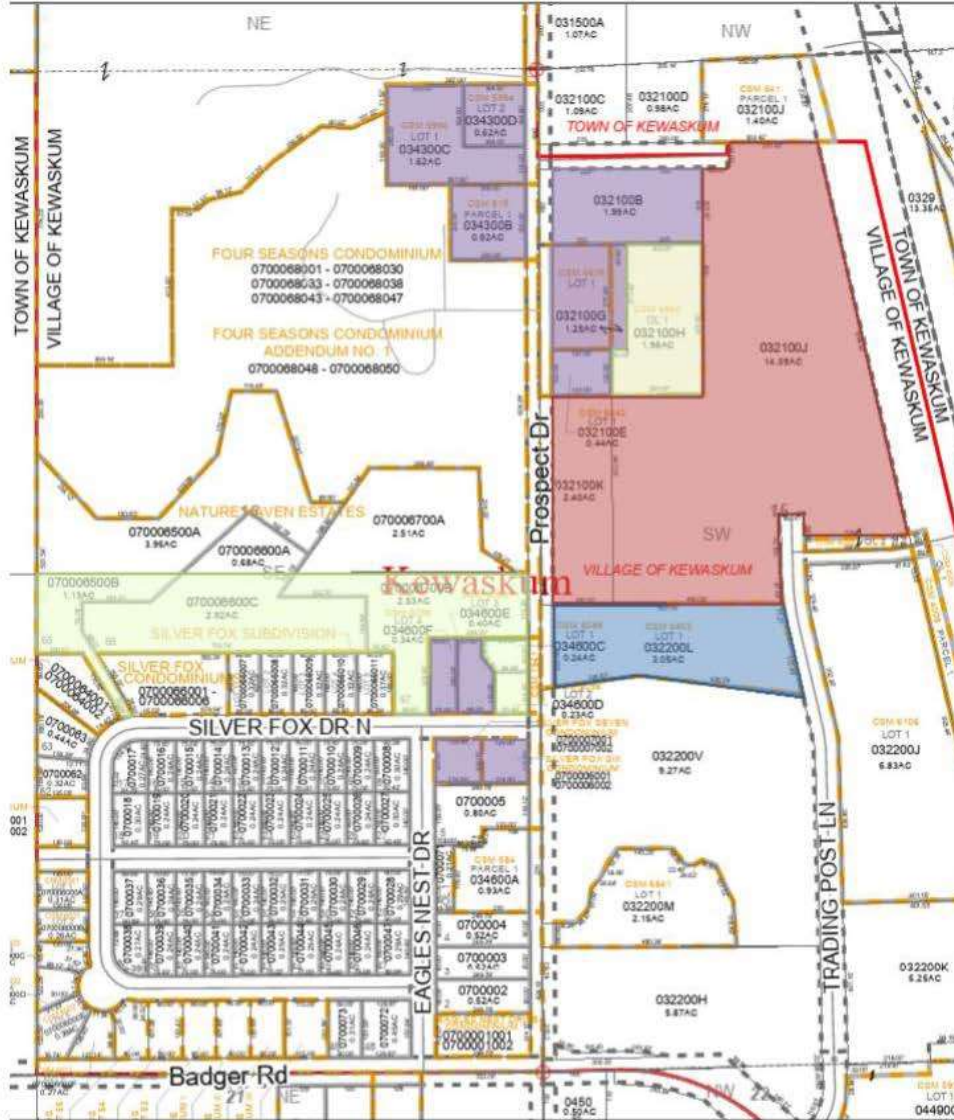
### **SECTION 3:**

## Map Showing Existing Uses and Conditions

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Map Found on Following Page.

**Map: TID #3 Existing Uses and Conditions**



**Key**

Green = Residential zoning undeveloped  
 Purple = Residential zoning developed

Red = Industrial zoning undeveloped  
 Blue = Industrial zoning developed

## **SECTION 4:** **Preliminary Parcel List and Analysis**

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The table on the following page identifies the parcels to be included in the District and their current or proposed use. The total District is proposed to consist of 53.1% either existing or proposed industrial use and 46.9% either existing or proposed residential. The total undeveloped or newly-platted residential will be approximately 9 acres or 24.5% of the District. The residential development is expected to be developed as duplexes and/or condominiums to exceed the 1/3 unit per acre density requirement.

Property Information		Assessment Information	District Classification
Parcel Number	Acreage	2020 Value	Use
V4-032100J	14.09	\$170,550	Industrial - Undeveloped
V4-032100K	2.4	\$29,050	Industrial - Undeveloped
<u>V4-032200L</u>	<u>3.05</u>	<u>\$670,200</u>	<u>Industrial - Developed</u>
<b>Total Industrial Land</b>	<b>19.54</b>	<b>\$869,800</b>	<b>53.1%</b>
V4-032100B	1.99	\$249,300	Residential - Developed
V4-032100E	0.44	\$30,800	Residential - Developed
V4-032100G	1.25	\$201,100	Residential - Developed
V4-032100H	1.98	\$41,800	Residential - Undeveloped
V4-034300D	0.62	\$181,400	Residential - Developed
V4-034300C	1.62	\$129,200	Residential - Developed
V4-034300B	0.92	\$176,100	Residential - Developed
V4-034600C	0.24	\$24,500	Residential - Undeveloped
V4-034600D	0.23	\$23,500	Residential - Undeveloped
V4-034600E	0.4	\$201,200	Residential - Developed
V4-034600F	0.34	\$48,400	Residential - Developed
V4-0700006001	0.34	\$182,200	Residential - Developed
V4-0700006002		\$182,200	Residential - Developed
V4-0700007001	0.17	\$182,200	Residential - Developed
V4-0700007002	0.17	\$182,200	Residential - Developed
V4-070006500B	1.13	\$22,300	Residential - Undeveloped
V4-070006600C	2.92	\$21,900	Residential - Undeveloped
<u>V4-070006700B</u>	<u>2.53</u>	<u>\$54,600</u>	<u>Residential - Undeveloped</u>
<b>Total Residential Land</b>	<b>17.29</b>	<b>\$2,134,900</b>	<b>46.9%</b>
<b>Total Acreage</b>	<b>36.83</b>	<b>\$3,004,700</b>	
<b>Newly Platted Residential</b>	<b>9.03</b>	<b>\$188,600</b>	<b>24.5%</b>
<b>Highlighted Parcels have shared acreage</b>			

## **SECTION 5:** Equalized Value Test

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The following calculations demonstrate that the Village expects to be in compliance with Wis. Stat. § 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 2020 equalized value of the increment of existing Tax Incremental District #2 within the Village is \$26,507,700. This is prior to the subtraction simultaneously being considered by the Village which exactly matches the area to become TID #3. The TID #2 subtraction will remove \$3,004,700 while TID #3's projected base will be \$3,004,700. Together the full value of TID #2 (prior to subtraction) and the base for TID #3 will total \$29,507,400, or 8.1% of the Village's 2020 equalized value. The Village has approximately \$14 million in capacity prior to reaching the 12% maximum limit.

Calculation can be found on following page.

Tax Increment District # 3							
Valuation Test Compliance Calculation							
District Creation Date					1/1/2021		
					Valuation Data		Valuation Data
					Currently Available		Est. Creation Date
					2020		
Total EV (TID In)					362,629,300		362,629,300
12% Test					43,515,516		43,515,516
Increment of Existing TIDs							
	TID #2				26,502,700		26,502,700
Total Existing Increment					26,502,700		26,502,700
Projected Base of New or Amended District					3,004,700		3,004,700
Total Value Subject to 12% Test					29,507,400		29,507,400
Compliance					PASS		PASS

## **SECTION 6:**

# Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

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Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory 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, design and construction is completed.

With all Project Costs, 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.

The following is a list of public works and other tax incremental financing eligible Project Costs that the Village expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number, and location of potential Project Costs.

Property, Right-of-Way, and Easement Acquisition

### *Property Acquisition for Development*

To promote and facilitate development 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 to make the property suitable for development. 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 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 Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

#### Property Acquisition for Conservancy

To promote the objectives of this Plan, the Village may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

#### Acquisition of Rights-of-Way

The 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 Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

#### Site Preparation Activities

#### Environmental Audits and Remediation

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

### Demolition

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, 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. The Village anticipates \$250,000 in site preparation costs.

### Utilities

#### Sanitary Sewer System Improvements

To allow development 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 Wis. Stat. § 66.1105(2)(f)1 k.

#### Water System Improvements

To allow development 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. 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

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

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

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

To allow development to occur, the Village may need to construct 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

To attract development 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.

### Community Development

#### Cash Grants (Development Incentives)

The Village may enter into agreements with property owners, lessees, or developers of land located within the District for 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.

The Village anticipates providing 35% of the annual increment for up to a 10-year period in an amount that shall not exceed \$278,145. This will be done on

a Pay-As-You-Go (PAYGO) basis with a Municipal Revenue Obligation (MRO) between the Village and the Developer.

Miscellaneous

Rail Spur

To allow for development, the Village may incur costs for installation of a rail spur or other railway improvements to serve development sites located within the District.

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 relating to the implementation of the Plan.

The Village anticipates incurring \$55,000 in professional/administrative costs in 2021-2030.

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.

## **SECTION 7:**

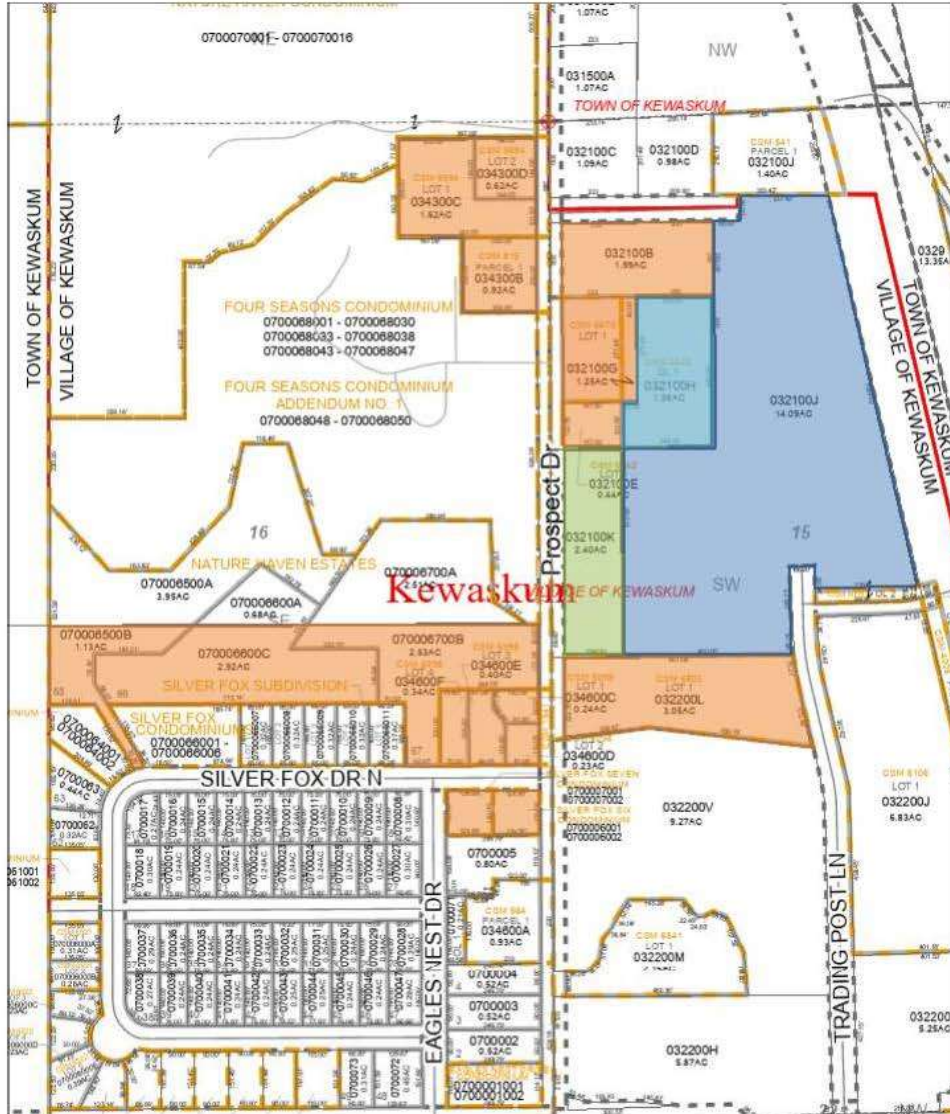
### **Map Showing Proposed Improvements and Uses**

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Map Found on Following Page.

The only proposed improvements at this time is for the Village to assist with site preparation/improvement on parcels V04-032100H, V04-032100J, and V04-032100K.

**Map TID #3 Proposed Developments**



**Key**

- Dark blue = remain industrial zoning and be part of McMahon development
- Light blue = rezone to industrial and be part of McMahon development
- Green = rezone to residential and contain 5 duplexes
- Orange = balance of TID
- No planned infrastructure changes at this time

## SECTION 8:

### Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the Village currently expects to incur in implementing the District’s Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

Village of Kewaskum, Wisconsin				
Tax Increment District # 3				
Estimated Project List				
Project ID	Project Name/Type		Phase I Year	Total (Note 1)
1	Site Preparation/Development		250,000	250,000
2	PAYGO Municipal Revenue Obligation - Developer Grants (Note 2)		278,145	278,145
3	Professional/Administrative Fees 2021-2030		55,000	55,000
Total Projects			<u>583,145</u>	<u>583,145</u>
Notes:				
Note 1	Project costs are estimates and are subject to modification			
Note 2	PAYGO MRO 35% of the annual increment for 10-years, up to \$278,145			

## **SECTION 9:**

# Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

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This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

### Key Assumptions

The Project Costs the Village plans to make are expected to create approximately \$6.7 million in incremental value by 2022. \$4.0 million in industrial development is projected to be built in 2021 and \$2.7 million in residential duplexes (5) in 2022. Estimated valuations and timing for construction of the Project are included in Table 1. Assuming the Village's current equalized TID Interim tax rate of \$17.33 per thousand of equalized value, and a 1.0% annual economic appreciation, the Project would generate approximately \$2.5 million in incremental tax revenue over the 20-year term of the District as shown in Table 2.

# Village of Kewaskum, Wisconsin

## Tax Increment District # 3

### Development Assumptions

Construction Year		Actual	Area A	Annual Total	Construction Year	
1	2021		4,000,000	4,000,000	2021	1
2	2022		2,700,000	2,700,000	2022	2
3	2023			0	2023	3
4	2024			0	2024	4
5	2025			0	2025	5
6	2026			0	2026	6
7	2027			0	2027	7
8	2028			0	2028	8
9	2029			0	2029	9
10	2030			0	2030	10
11	2031			0	2031	11
12	2032			0	2032	12
13	2033			0	2033	13
14	2034			0	2034	14
15	2035			0	2035	15
16	2036			0	2036	16
17	2037			0	2037	17
18	2038			0	2038	18
19	2039			0	2039	19
20	2040			0	2040	20
Totals		0	6,700,000	6,700,000		

**Notes:**

\$4.0M in Industrial development expected in 2021

\$2.7M in residential duplex development expected in 2022

Table 1 - Development Assumptions

# Village of Kewaskum, Wisconsin

## Tax Increment District # 3

### Tax Increment Projection Worksheet

	Type of District	Mixed Use				Base Value	3,004,700	
	District Creation Date	January 1, 2021				Appreciation Factor	1.00%	
	Valuation Date	Jan 1,	2021			Base Tax Rate	\$17.33	
	Max Life (Years)	20				Rate Adjustment Factor		
	Expenditure Period/Termination	15	1/1/2036					
	Revenue Periods/Final Year	20	2042					
	Extension Eligibility/Years	Yes	3			Tax Exempt Discount Rate		
	Eligible Recipient District	No				Taxable Discount Rate	1.50%	
	Construction		Valuation	Inflation	Total			
	Year	Value Added	Year	Increment	Increment	Revenue Year	Tax Rate	Tax Increment
1	2021	4,000,000	2022	0	4,000,000	2023	\$17.33	69,334
2	2022	2,700,000	2023	40,000	6,740,000	2024	\$17.33	116,828
3	2023	0	2024	67,400	6,807,400	2025	\$17.33	117,997
4	2024	0	2025	68,074	6,875,474	2026	\$17.33	119,176
5	2025	0	2026	68,755	6,944,229	2027	\$17.33	120,368
6	2026	0	2027	69,442	7,013,671	2028	\$17.33	121,572
7	2027	0	2028	70,137	7,083,808	2029	\$17.33	122,788
8	2028	0	2029	70,838	7,154,646	2030	\$17.33	124,016
9	2029	0	2030	71,546	7,226,192	2031	\$17.33	125,256
10	2030	0	2031	72,262	7,298,454	2032	\$17.33	126,508
11	2031	0	2032	72,985	7,371,439	2033	\$17.33	127,773
12	2032	0	2033	73,714	7,445,153	2034	\$17.33	129,051
13	2033	0	2034	74,452	7,519,605	2035	\$17.33	130,342
14	2034	0	2035	75,196	7,594,801	2036	\$17.33	131,645
15	2035	0	2036	75,948	7,670,749	2037	\$17.33	132,961
16	2036	0	2037	76,707	7,747,456	2038	\$17.33	134,291
17	2037	0	2038	77,475	7,824,931	2039	\$17.33	135,634
18	2038	0	2039	78,249	7,903,180	2040	\$17.33	136,990
19	2039	0	2040	79,032	7,982,212	2041	\$17.33	138,360
20	2040	0	2041	79,822	8,062,034	2042	\$17.33	139,744
		<b>Totals</b>	<b>6,700,000</b>	<b>1,362,034</b>	<b>Future Value of Increment</b>		<b>2,500,634</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).								

Table 2 - Tax Increment Projection Worksheet

## Financing and Implementation

The Village expects to finance the limited Project Costs of \$250,000 for site preparation with an internal transfer from the Village's General Fund. The Village will replenish the transfer to the General Fund from the District as incremental revenues are generated.

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 3), the District is projected to accumulate sufficient funds by the year 2025 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

# Village of Kewaskum, Wisconsin

## Tax Increment District # 3

### Cash Flow Projection

Year	Projected Revenues		Expenditures				Balances		Year
	Tax Increments	Total Revenues	Village Cash on Hand for Site Prep	PAYGO MRO - 35% for 10 Years	Admin.	Total Expenditures	Annual	Cumulative	
2021		0	250,000		5,000	255,000	(255,000)	(255,000)	2021
2022		0			5,000	5,000	(5,000)	(260,000)	2022
2023	69,334	69,334		24,267	5,000	29,267	40,067	(219,933)	2023
2024	116,828	116,828		40,890	5,000	45,890	70,938	(148,994)	2024
2025	117,997	117,997		41,299	5,000	46,299	71,698	(77,297)	2025
2026	119,176	119,176		41,712	5,000	46,712	72,465	(4,832)	2026
2027	120,368	120,368		42,129	5,000	47,129	73,239	68,407	2027
2028	121,572	121,572		42,550	5,000	47,550	74,022	142,429	2028
2029	122,788	122,788		42,976	5,000	47,976	74,812	217,241	2029
2030	124,016	124,016		2,323	10,000	12,323	111,693	328,934	2030
2031	125,256	125,256				0	125,256	454,189	2031
2032	126,508	126,508				0	126,508	580,697	2032
2033	127,773	127,773				0	127,773	708,471	2033
2034	129,051	129,051				0	129,051	837,522	2034
2035	130,342	130,342				0	130,342	967,863	2035
2036	131,645	131,645				0	131,645	1,099,508	2036
2037	132,961	132,961				0	132,961	1,232,470	2037
2038	134,291	134,291				0	134,291	1,366,761	2038
2039	135,634	135,634				0	135,634	1,502,395	2039
2040	136,990	136,990				0	136,990	1,639,385	2040
2041	138,360	138,360				0	138,360	1,777,745	2041
2042	139,744	139,744				0	139,744	1,917,489	2042
<b>Total</b>	<b>2,500,634</b>	<b>2,500,634</b>	<b>250,000</b>	<b>278,145</b>	<b>55,000</b>	<b>583,145</b>			<b>Total</b>
Notes:							Projected TID Closure		
Village cash on hand pays for site preparation/improvements									
PAYGO MRO 35% of annual increment for 10-year period up to \$278,145									

Table 3 - Cash Flow

## **SECTION 10:** Annexed Property

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A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

## **SECTION 11:**

# Estimate of Property to Be Devoted to Retail Business

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Pursuant to Wis. Stat. § 66.1105(5)(b), the Village estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## **SECTION 12:**

# Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and Village Ordinances

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### Zoning Ordinances

The proposed Plan is in general conformance with the Village's current zoning ordinances. Individual properties may require rezoning at the time of development.

### Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the Village's Comprehensive Plan identifying the area as appropriate for industrial and commercial development.

### Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the Village's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

### **SECTION 13:**

## Statement of the Proposed Method for the Relocation of any Persons to be Displaced

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Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

## **SECTION 14:**

### **How Creation of the Tax Incremental District Promotes the Orderly Development of the Village**

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Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the Village creating opportunities for mixed use development and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the Village can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment opportunities, business, and personal income.

## **SECTION 15:**

### List of Estimated Non-Project Costs

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Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

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

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

**SECTION 16:**

Legal Opinion Advising Whether the Plan is  
Complete and Complies with Wis. Stat. §  
66.1105(4)(f)

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Legal Opinion Found on Following Page.



April 1, 2021

Mr. Kevin Scheunemann  
Village President  
Village of Kewaskum  
204 First Street  
Kewaskum, WI53040

RE: Project Plan for Tax Incremental District No. 3

Dear President Scheunemann:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the Village Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As Village Attorney for the Village of Kewaskum, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the Village of Kewaskum Tax Incremental District No. 3 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Danaher", is written over a circular blue stamp or seal.

James R. Danaher  
Village Attorney

**Schloemer Law Firm, S.C. - Attorneys At Law**

James A. Spella • James R. Danaher • Charles H. Williams • Laura E. O'Gorman • Andrew J. Niebler • Amanda N. Follett • Isaiah M. Richie

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**SECTION 17:**

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

The projection on the following page is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Revenue Year	Washington County	Village of Kewaskum	School District of Kewaskum	Moraine Park Technical College	Total	Revenue Year
2023	8,727	26,155	32,104	2,348	69,334	2023
2024	14,705	44,071	54,096	3,957	116,828	2024
2025	14,852	44,511	54,637	3,996	117,997	2025
2026	15,001	44,956	55,183	4,036	119,176	2026
2027	15,151	45,406	55,735	4,076	120,368	2027
2028	15,302	45,860	56,292	4,117	121,572	2028
2029	15,455	46,319	56,855	4,158	122,788	2029
2030	15,610	46,782	57,424	4,200	124,016	2030
2031	15,766	47,250	57,998	4,242	125,256	2031
2032	15,924	47,722	58,578	4,284	126,508	2032
2033	16,083	48,199	59,164	4,327	127,773	2033
2034	16,244	48,681	59,755	4,371	129,051	2034
2035	16,406	49,168	60,353	4,414	130,342	2035
2036	16,570	49,660	60,957	4,458	131,645	2036
2037	16,736	50,156	61,566	4,503	132,961	2037
2038	16,903	50,658	62,182	4,548	134,291	2038
2039	17,072	51,165	62,804	4,593	135,634	2039
2040	17,243	51,676	63,432	4,639	136,990	2040
2041	17,415	52,193	64,066	4,686	138,360	2041
2042	17,590	52,715	64,707	4,733	139,744	2042
	314,756	943,302	1,157,887	84,689	2,500,634	
Notes:						
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.						