

February 15, 2021

Project Plan Amendment Tax Incremental District No. 1

Village of Lannon, Wisconsin

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| Organizational Joint Review Board Meeting Held: | February 25, 2021 |
| Public Hearing Held: | February 25, 2021 |
| Approval by Plan Commission: | February 25, 2021 |
| Adoption by Village Board: | February 25, 2021 |
| Approval by the Joint Review Board: | TBD |

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 1 (“District”) is a 231 - acre Mixed Use District created in the northeastern portion of the Village. The District was created to:

- Promote both development and redevelopment in the Village by improving the Village’s infrastructure including but not limited to the expansion of the Village’s water system. y purposes for creating the TID, such as to pay development incentives to redevelop blighted properties, to promote industrial development, etc.
- Provide development incentives needed to encourage and support new development in the Village, by helping to offset the cost of developing in the Village.
- Finally, to provide new and varied housing opportunities along with the establishment of potential retail space.

Purpose of Amendment

The purpose of this amendment, referred to hereafter as the Plan, the Amendment, or the Plan Amendment, is to:

- Amend the categories, locations, or costs of project costs to be made as permitted under Wis. Stat. § 66.1105(4)(h)1. (“Project”), needed to assist with additional development proposals.

Estimated Total Project Cost Expenditures

The Village anticipates making new expenditures of approximately \$6M (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). All project costs previously approved on the July 9, 2018 are still TID eligible.

Incremental Valuation

The Village projects that new land and improvements value of approximately \$23M will result from this Project Plan Amendment. Creation of this additional value will be made possible by the Project Costs made within the TID amendment. 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 15 of its allowable 20 years.

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 construction of a second street access, related utilities, and other costs, required by the Village for Phase 3 of the proposed development.

The substantial investment needed to provide the public infrastructure necessary to allow for development within the District. Absent the use of tax incremental financing, the Village is unable to fully fund this program of infrastructure improvements.

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 service companies.

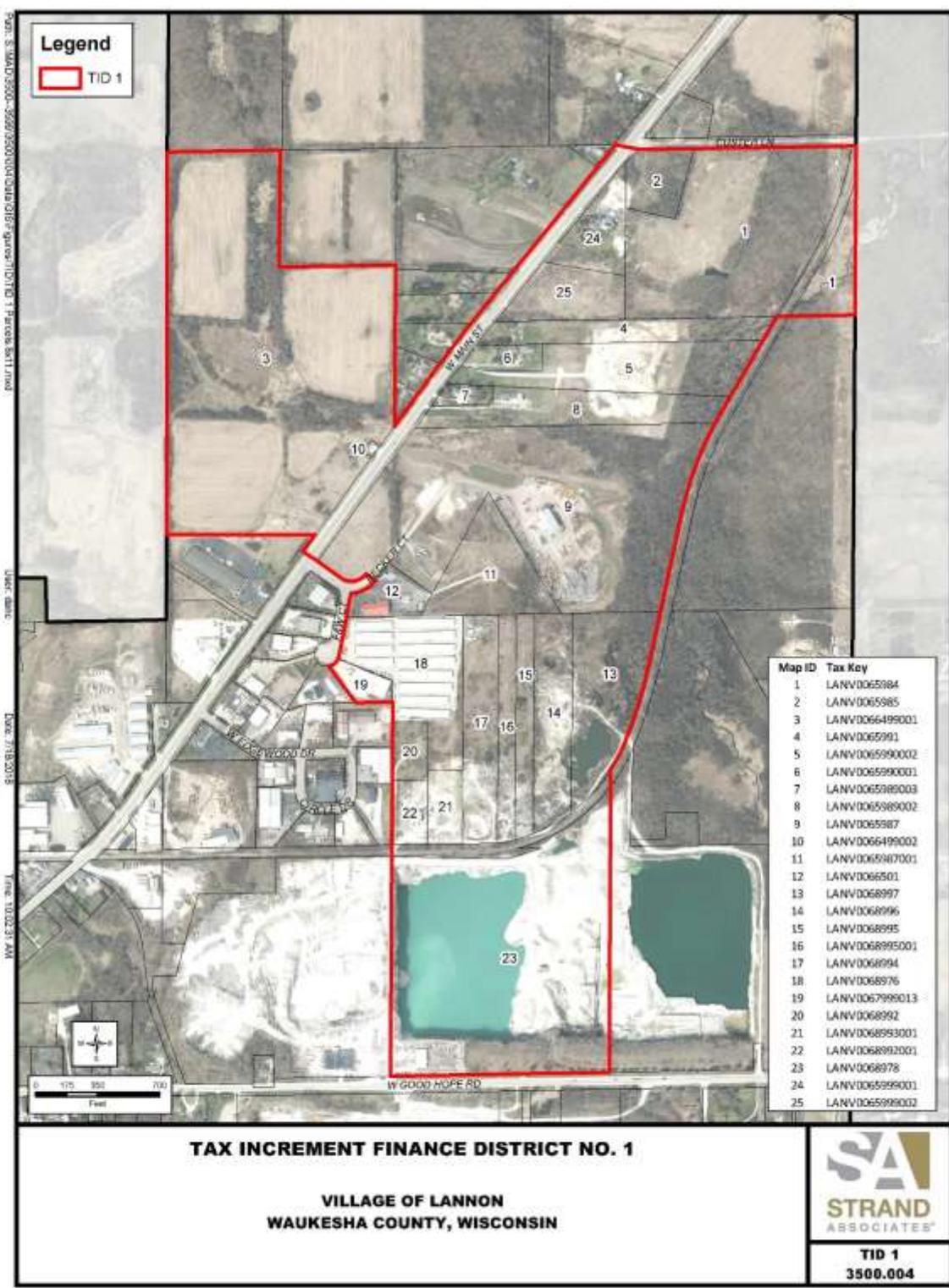
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the 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. The boundaries of the District are not being amended.
5. The Project Costs relate directly to promoting mixed use development in the District, consistent with the purpose for which the District is created. Lands proposed for newly platted residential development comprise no more than 35% of the real property area within the amended 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.]
6. Improvements to be made in the District are likely to significantly enhance the value of substantially all the other real property in the District.
7. The Plan for the District is feasible and is in conformity with the Master Plan of the Village.
8. The Village estimates that less than 10% 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).

SECTION 2:

Map of Current District Boundary

The District's boundaries are not being amended. A map identifying the current boundaries of the District is found on the following page.



SECTION 3:

Map Showing Existing Uses and Conditions

The District's boundaries are not being amended. The "Map Showing Existing Uses and Conditions" included within the District's original Project Plan dated July 9, 2018 remains unchanged and is incorporated by reference as part of this Plan Amendment.

SECTION 4:

Equalized Value Test

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

SECTION 5:

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

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 ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs. 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.

The “Statement of Kind, Number and Location of Proposed Public Works and Other Projects” set forth in the original District Project Plan approved on July 9, 2018 is amended to add the following Project Costs that the Village has made, expects to make, or may need to make, in conjunction with the implementation of the District’s Plan or this Plan Amendment.

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

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.

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.

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the Village may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the Village's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs and may include any project cost that would otherwise be eligible if undertaken within the District. The Village intends to make the following project cost expenditures outside the District:

Access roadway north of the Overstone development & TID boundaries = \$900K.

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.

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 6:

Map Showing Proposed Improvements and Uses

The District's boundaries are not being amended. The "Map Showing Proposed Improvements and Uses" included within the original Project Plan has not changed.

SECTION 7:

Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the Village has made, expects to make, or may need to make in conjunction with the implementation of the District's Plan or this Plan Amendment. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan Amendment. 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 Lannon, Wisconsin

Tax Increment District # 1

Estimated Project List

| Project ID | Project Name/Type | Phase I 2018 | Phase II 2019 | Phase III 2020 | 2021 Amendment (Timing TBD) | Phase IV 2028 | Total (Note 1) |
|-----------------------|---|-----------------|------------------|-------------------|--------------------------------|------------------|------------------|
| 1 | Development Incentives (Infrastructure) | 500,000 | 500,000 | 500,000 | 4,500,000 | | 1,500,000 |
| 2 | Water Main - 2nd Source (Tower & Well) (Note 2) | | 500,000 | 1,000,000 | | 1,000,000 | 2,500,000 |
| 3 | Good Hope Road (Note 3) | | | | | 1,000,000 | 1,000,000 |
| 4 | Property Acquisition/Demolition/Cleanup | | | 500,000 | | | 500,000 |
| 5 | Sawall Development (Incentive Infrastructure) | | 500,000 | 1,500,000 | | | 2,000,000 |
| 6 | Professional Services Costs | 100,000 | 100,000 | 100,000 | | | 300,000 |
| 7 | Lift Station Downstream of TID No. 1 | | | | 1,000,000 | | |
| 8 | Pedestrian Paths (Main Street from Custer Lane to Overstone Drive and from Overstone to Village Park) | | | | 500,000 | | 500,000 |
| Total Projects | | <u>600,000</u> | <u>1,600,000</u> | <u>3,600,000</u> | <u>6,000,000</u> | <u>2,000,000</u> | <u>8,300,000</u> |

Notes:

Note 1 Project costs are estimates and are subject to modification

Note 2 Water utility second source is estimated to cost \$3.5 million for the well and elevated tower. The cost is shared between TID #1 and TID #2. The Village is currently in discussions with the Village of Menomonee Falls for access to a second source of water supply that could reduce the cost for this project item over what is shown above.

Note 3 Good Hope Road project is pro-rated to the share applicable to TID #1.

SECTION 8:

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

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

Key Assumptions

Amended Project Costs the Village plans to make because of this amendment are expected to create \$23M in incremental value by 2024. 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 \$15.34 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$5.6M in incremental tax revenue over the 20-year term of the District as shown in Table 2.

Village of Lannon, Wisconsin
Tax Increment District # 1
Development Assumptions

| Construction Year | | Berg Development - Phase 1 | Berg Development - Phase 2 | Phase 3 Berg Development | Sawall Development | Annual Total | Construction Year | |
|-------------------|------|----------------------------|----------------------------|--------------------------|--------------------|--------------|-------------------|----|
| 1 | 2018 | | | | | 0 | 2018 | 1 |
| 2 | 2019 | | | | | 0 | 2019 | 2 |
| 3 | 2020 | | | | 0 | 0 | 2020 | 3 |
| 4 | 2021 | | | 4,200,000 | 0 | 4,200,000 | 2021 | 4 |
| 5 | 2022 | | | 9,450,000 | 0 | 9,450,000 | 2022 | 5 |
| 6 | 2023 | | | 9,450,000 | 0 | 9,450,000 | 2023 | 6 |
| 7 | 2024 | | | | 0 | 0 | 2024 | 7 |
| 9 | 2026 | | | | | 0 | 2026 | 9 |
| 10 | 2027 | | | | | 0 | 2027 | 10 |
| 11 | 2028 | | | | | | | |
| 12 | 2029 | | | | | | | |
| Totals | | 0 | 0 | 23,100,000 | 0 | 23,100,000 | | |

Notes: 44 Units @\$525K built over 3 years.

Table 1 - Development Assumptions (Phase 3 Only)

Village of Lannon, Wisconsin
Tax Increment District # 1
Development Assumptions

| Construction Year | | Berg Development - Phase 1 | Berg Development - Phase 2a & 2b | Phase 3 Berg Development (Amendment) | Sawall Development | Annual Total | Construction Year | |
|-------------------|------|----------------------------|----------------------------------|--------------------------------------|--------------------|--------------------|-------------------|----|
| 1 | 2018 | | | | | 0 | 2018 | 1 |
| 2 | 2019 | 430,000 | | | | 430,000 | 2019 | 2 |
| 3 | 2020 | 13,760,000 | 4,275,000 | | | 18,035,000 | 2020 | 3 |
| 4 | 2021 | 430,000 | 4,275,000 | 4,200,000 | 3,120,000 | 12,025,000 | 2021 | 4 |
| 5 | 2022 | | 7,650,000 | 9,450,000 | 14,880,000 | 31,980,000 | 2022 | 5 |
| 6 | 2023 | | 7,650,000 | 9,450,000 | 9,960,000 | 27,060,000 | 2023 | 6 |
| 7 | 2024 | | | | 11,020,000 | 11,020,000 | 2024 | 7 |
| 9 | 2026 | | | | 500,000 | 500,000 | 2026 | 9 |
| 10 | 2027 | | | | 2,400,000 | 2,400,000 | 2027 | 10 |
| 11 | 2028 | | | | 9,100,000 | 9,100,000 | | |
| 12 | 2029 | | | | | | | |
| Totals | | <u>14,620,000</u> | <u>23,850,000</u> | <u>23,100,000</u> | <u>50,980,000</u> | <u>112,550,000</u> | | |

Notes: 44 Units @\$525K built over 3 years.

Table 1 - Development Assumptions (Total TID)

Village of Lannon, Wisconsin
Tax Increment District # 1
Development Assumptions

| Construction Year | | Berg Development - Phase 1 | Berg Development - Phase 2a & 2b | Phase 3 Berg Development (Amendment) | Sawall Development | Annual Total | Construction Year | |
|-------------------|------|----------------------------|----------------------------------|--------------------------------------|--------------------|-------------------|-------------------|----|
| 1 | 2018 | | | | | 0 | 2018 | 1 |
| 2 | 2019 | 430,000 | | | | 430,000 | 2019 | 2 |
| 3 | 2020 | 13,760,000 | 4,275,000 | | | 18,035,000 | 2020 | 3 |
| 4 | 2021 | 430,000 | 4,275,000 | | 3,120,000 | 7,825,000 | 2021 | 4 |
| 5 | 2022 | | 7,650,000 | | 14,880,000 | 22,530,000 | 2022 | 5 |
| 6 | 2023 | | 7,650,000 | | 9,960,000 | 17,610,000 | 2023 | 6 |
| 7 | 2024 | | | | 11,020,000 | 11,020,000 | 2024 | 7 |
| 9 | 2026 | | | | 500,000 | 500,000 | 2026 | 9 |
| 10 | 2027 | | | | 2,400,000 | 2,400,000 | 2027 | 10 |
| 11 | 2028 | | | | 9,100,000 | 9,100,000 | | |
| 12 | 2029 | | | | | | | |
| Totals | | <u>14,620,000</u> | <u>23,850,000</u> | <u>0</u> | <u>50,980,000</u> | <u>89,450,000</u> | | |

Notes: 44 Units @\$525K built over 3 years.

Table 1 - Development Assumptions (Original TID)

Village of Lannon, Wisconsin

Tax Increment District # 1

Tax Increment Projection Worksheet

| | | |
|--------------------------------|--------------|----------|
| Type of District | Mixed Use | |
| District Creation Date | July 9, 2018 | |
| Valuation Date | Jan 1, | 2018 |
| Max Life (Years) | 20 | |
| Expenditure Period/Termination | 15 | 7/9/2033 |
| Revenue Periods/Final Year | 20 | 2039 |
| Extension Eligibility/Years | Yes | 3 |
| Recipient District | No | |

| | |
|------------------------|-----------|
| Base Value | 7,032,625 |
| Appreciation Factor | 0.00% |
| Base Tax Rate | \$15.34 |
| Rate Adjustment Factor | 0.00% |

| | |
|--------------------------|-------|
| Tax Exempt Discount Rate | 0.00% |
| Taxable Discount Rate | 0.00% |

Phase 3 Incentive Package

| Construction Year | Value Added | Valuation Year | Inflation Increment | Total Increment | Revenue Year | Tax Rate | Tax Increment | 1st MRO (75%-25%) \$1.5M | 2st MRO (55%-45%) \$2M | Overperformance (50% over \$350K) ¹ | Village Share | |
|-------------------|-------------------|----------------|---------------------|-----------------|----------------------------------|----------|------------------|--------------------------|------------------------|--|------------------|---------|
| 1 | 2018 | 0 | 2019 | 0 | 0 | 2020 | \$15.34 | 0 | | | | |
| 2 | 2019 | 0 | 2020 | 0 | 0 | 2021 | \$15.34 | 0 | | | | |
| 3 | 2020 | 0 | 2021 | 0 | 0 | 2022 | \$15.34 | 0 | | | | |
| 4 | 2021 | 4,200,000 | 2022 | 0 | 4,200,000 | 2023 | \$15.34 | 64,417 | 48,313 | 10,736 | 5,368 | |
| 5 | 2022 | 9,450,000 | 2023 | 0 | 13,650,000 | 2024 | \$15.34 | 209,357 | 157,018 | 34,893 | 17,446 | |
| 6 | 2023 | 9,450,000 | 2024 | 0 | 23,100,000 | 2025 | \$15.34 | 354,296 | 265,722 | 59,049 | 29,525 | |
| 7 | 2024 | | 2025 | 0 | 23,100,000 | 2026 | \$15.34 | 354,296 | 265,722 | 59,049 | 29,525 | |
| 8 | 2025 | | 2026 | 0 | 23,100,000 | 2027 | \$15.34 | 354,296 | 265,722 | 59,049 | 29,525 | |
| 9 | 2026 | | 2027 | 0 | 23,100,000 | 2028 | \$15.34 | 354,296 | 265,722 | 59,049 | 29,525 | |
| 10 | 2027 | | 2028 | 0 | 23,100,000 | 2029 | \$15.34 | 354,296 | 231,782 | 33,940 | 59,049 | 29,525 |
| 11 | 2028 | | 2029 | 0 | 23,100,000 | 2030 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 12 | 2029 | | 2030 | 0 | 23,100,000 | 2031 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 13 | 2030 | | 2031 | 0 | 23,100,000 | 2032 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 14 | 2031 | | 2032 | 0 | 23,100,000 | 2033 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 15 | 2032 | | 2033 | 0 | 23,100,000 | 2034 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 16 | 2033 | | 2034 | 0 | 23,100,000 | 2035 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 17 | 2034 | | 2035 | 0 | 23,100,000 | 2036 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 18 | 2035 | | 2036 | 0 | 23,100,000 | 2037 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 19 | 2036 | | 2037 | 0 | 23,100,000 | 2038 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| 20 | 2037 | | 2038 | 0 | 23,100,000 | 2039 | \$15.34 | 354,296 | | 194,863 | 59,049 | 100,384 |
| Totals | 23,100,000 | | 0 | | Future Value of Increment | | 5,588,213 | 1,500,000 | 1,982,568 | 931,369 | 1,174,276 | |

Notes:

¹Assumes a condo value of \$525K.

Table 2 – Tax Increment Projection Worksheet (Phase 3 Only)

Village of Lannon, Wisconsin

Tax Increment District # 1

Tax Increment Projection Worksheet

| | | | |
|--------------------------------|--------------|--------------------------|-----------|
| Type of District | Mixed Use | Base Value | 7,032,625 |
| District Creation Date | July 9, 2018 | Appreciation Factor | 0.00% |
| Valuation Date | Jan 1, 2018 | Base Tax Rate | \$15.34 |
| Max Life (Years) | 20 | Rate Adjustment Factor | 0.00% |
| Expenditure Period/Termination | 15 7/9/2033 | Tax Exempt Discount Rate | 0.00% |
| Revenue Periods/Final Year | 20 2039 | Taxable Discount Rate | 0.00% |
| Extension Eligibility/Years | Yes 3 | | |
| Recipient District | No | | |

| Construction Year | Value Added | Valuation Year | Inflation Increment | Total Increment | Revenue Year | Tax Rate | Tax Increment | |
|-------------------|--------------------|----------------|---------------------|-----------------|----------------------------------|----------|-------------------|-----------|
| 1 | 2018 | 0 | 2019 | 0 | 0 | 2020 | \$15.34 | 0 |
| 2 | 2019 | 430,000 | 2020 | 0 | 430,000 | 2021 | \$15.34 | 6,595 |
| 3 | 2020 | 18,035,000 | 2021 | 0 | 18,465,000 | 2022 | \$15.34 | 283,207 |
| 4 | 2021 | 12,025,000 | 2022 | 0 | 30,490,000 | 2023 | \$15.34 | 467,640 |
| 5 | 2022 | 31,980,000 | 2023 | 0 | 62,470,000 | 2024 | \$15.34 | 958,133 |
| 6 | 2023 | 27,060,000 | 2024 | 0 | 89,530,000 | 2025 | \$15.34 | 1,373,165 |
| 7 | 2024 | 11,020,000 | 2025 | 0 | 100,550,000 | 2026 | \$15.34 | 1,542,184 |
| 8 | 2025 | 500,000 | 2026 | 0 | 101,050,000 | 2027 | \$15.34 | 1,549,853 |
| 9 | 2026 | 2,400,000 | 2027 | 0 | 103,450,000 | 2028 | \$15.34 | 1,586,663 |
| 10 | 2027 | 9,100,000 | 2028 | 0 | 112,550,000 | 2029 | \$15.34 | 1,726,234 |
| 11 | 2028 | | 2029 | 0 | 112,550,000 | 2030 | \$15.34 | 1,726,234 |
| 12 | 2029 | | 2030 | 0 | 112,550,000 | 2031 | \$15.34 | 1,726,234 |
| 13 | 2030 | | 2031 | 0 | 112,550,000 | 2032 | \$15.34 | 1,726,234 |
| 14 | 2031 | | 2032 | 0 | 112,550,000 | 2033 | \$15.34 | 1,726,234 |
| 15 | 2032 | | 2033 | 0 | 112,550,000 | 2034 | \$15.34 | 1,726,234 |
| 16 | 2033 | | 2034 | 0 | 112,550,000 | 2035 | \$15.34 | 1,726,234 |
| 17 | 2034 | | 2035 | 0 | 112,550,000 | 2036 | \$15.34 | 1,726,234 |
| 18 | 2035 | | 2036 | 0 | 112,550,000 | 2037 | \$15.34 | 1,726,234 |
| 19 | 2036 | | 2037 | 0 | 112,550,000 | 2038 | \$15.34 | 1,726,234 |
| 20 | 2037 | | 2038 | 0 | 112,550,000 | 2039 | \$15.34 | 1,726,234 |
| Totals | 112,550,000 | | 0 | | Future Value of Increment | | 26,756,015 | |

Notes:

¹Assumes a condo value of \$525K.

Table 2 - Tax Increment Projection Worksheet (Entire TID Including Amendment)

Financing and Implementation

Table 3. provides a summary of the District’s financing plan. Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2034 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.

Table 3 - Financing Plan

| | |
|-----------------------|---|
| Existing TID Area: | (Financed and/or to be financed with a combination of borrowed funds & MRO Developer Incentives) |
| Amended TID Area: | (Financed 100% with MRO Developer Incentives) |
| Future Project Costs: | (Page 16 of this plan, will only be completed if sufficient increment is available to offset those costs) |

Village of Lannon, Wisconsin

Tax Increment District # 1

Cash Flow Projection - With Amendment

| Year | Projected Revenues | | | | Expenditures | | | | | | | | | Balances | | | Year | |
|-------|--------------------|---------------------------------|--------------------------------------|-------------------|--|----------------------------------|----------------------|--|--------------------------|----------------------|--------------|----------------------|------------------------------|-----------------------|------------|------------|-------|--|
| | Tax Increments | Interest Earnings/ (Cost) | GO Note Proceeds Cap. Interest | Total Revenues | Phase 1 MRO \$350,000 9/1/2018 50% of Increment | GO Bonds, 2020A TID 1 Portion | | Phase 2 MRO \$550,000 9/1/2020 50% of Increment | Taxable TID 1 Portion | | Phase 3 Berg | Sawall Incentives | Admin Costs + 2% Annually | Total Expenditures | Annual | Cumulative | | Remaining Available Annual Increment |
| | | | | | | Dated Date: Principal | 06/01/20 Interest | | Dated Date: Principal | 07/01/21 Interest | | | | | | | | |
| 2020 | | | 300,000 | 300,000 | | | | | | | | | | 300,000 | | (274,471) | 2019 | |
| 2021 | 6,595 | | | 27,058 | 0 | 0 | 15,458 | 0 | 5,005 | | | 3,000 | 23,463 | 3,595 | 25,529 | 25,529 | 2020 | |
| 2022 | 283,207 | | | 283,207 | 72,738 | 30,000 | 15,398 | 32,784 | 4,905 | | 30,750 | 20,000 | 246,574 | 36,632 | 65,756 | 36,632 | 2021 | |
| 2023 | 467,640 | | | 467,640 | 112,117 | 30,000 | 15,278 | 65,568 | 4,705 | 59,049 | 109,278 | 25,000 | 460,995 | 6,645 | 72,402 | 6,645 | 2022 | |
| 2024 | 958,133 | 724 | | 958,857 | 112,117 | 40,000 | 15,098 | 124,234 | 4,455 | 191,910 | 276,621 | 40,000 | 844,435 | 114,422 | 186,824 | 114,422 | 2023 | |
| 2025 | 1,373,165 | 1,868 | | 1,375,033 | 53,028 | 55,000 | 14,813 | 182,900 | 4,155 | 324,771 | 443,506 | 50,000 | 1,168,172 | 206,861 | 393,685 | 206,861 | 2024 | |
| 2026 | 1,542,184 | 3,937 | | 1,546,121 | | 65,000 | 14,388 | 144,516 | 3,780 | 324,771 | 454,278 | 60,000 | 1,116,732 | 429,389 | 823,075 | 429,389 | 2025 | |
| 2027 | 1,549,853 | 8,231 | | 1,558,084 | | 70,000 | 13,848 | | 3,240 | 324,771 | 504,233 | 61,200 | 1,037,291 | 520,792 | 1,343,867 | 520,792 | 2026 | |
| 2028 | 1,586,663 | 13,439 | | 1,600,102 | | 75,000 | 13,174 | | 2,535 | 324,771 | 579,431 | 62,424 | 1,122,335 | 477,767 | 1,821,634 | 477,767 | 2027 | |
| 2029 | 1,726,234 | 18,216 | | 1,744,450 | | 80,000 | 12,360 | | 1,673 | 324,771 | 584,456 | 63,672 | 1,136,932 | 607,519 | 2,429,153 | 607,519 | 2028 | |
| 2030 | 1,726,234 | 24,292 | | 1,750,526 | | 995,000 | 5,970 | | 600 | 253,912 | 579,093 | 64,946 | 1,979,521 | (228,995) | 2,200,157 | (228,995) | 2029 | |
| 2031 | 1,726,234 | 22,002 | | 1,748,236 | | | | | | 253,912 | 583,718 | 66,245 | 903,875 | 844,361 | 3,044,518 | 844,361 | 2030 | |
| 2032 | 1,726,234 | 30,445 | | 1,756,679 | | | | | | 253,912 | 587,943 | 67,570 | 909,425 | 847,254 | 3,891,773 | 847,254 | 2031 | |
| 2033 | 1,726,234 | 38,918 | | 1,765,152 | | | | | | 253,912 | 616,781 | 68,921 | 939,614 | 825,538 | 4,717,311 | 825,538 | 2032 | |
| 2034 | 1,726,234 | 47,173 | | 1,773,407 | | | | | | 253,912 | 624,481 | 70,300 | 948,692 | 824,715 | 5,542,026 | 824,715 | 2033 | |
| 2035 | 1,726,234 | 55,420 | | 1,781,654 | | | | | | 253,912 | 651,593 | 71,706 | 977,211 | 804,444 | 6,346,469 | 804,444 | 2034 | |
| 2036 | 1,726,234 | 63,465 | | 1,789,699 | | | | | | 253,912 | 652,568 | 73,140 | 979,620 | 810,079 | 7,156,548 | 810,079 | 2035 | |
| 2037 | 1,726,234 | 71,565 | | 1,797,800 | | | | | | 253,912 | 595,477 | 74,602 | 923,991 | 873,808 | 8,030,357 | 873,808 | 2036 | |
| 2038 | 1,726,234 | 80,304 | | 1,806,538 | | | | | | 253,912 | 486,928 | 76,095 | 816,934 | 989,603 | 9,019,960 | 989,603 | 2037 | |
| 2039 | 1,726,234 | 90,200 | | 1,816,434 | | | | | | 253,912 | 416,365 | 77,616 | 747,894 | 1,068,540 | 10,088,500 | 1,068,540 | 2038 | |
| Total | 26,756,015 | 570,198 | 20,463 | 27,646,675 | 350,000 | 1,440,000 | 135,781 | 550,000 | 35,053 | 4,413,937 | 8,777,497 | 1,093,436 | 17,283,704 | | | 10,088,500 | Total | |

Notes:

Projected TID Closure

Table 4 - Cash Flow (With Amendment)

Village of Lannon, Wisconsin

Tax Increment District # 1

Cash Flow Projection - Prior to Amendment

| Year | Projected Revenues | | | | Expenditures | | | | | | | | | | Balances | | | Year |
|-------|--------------------|---------------------------------|--------------------------------------|-------------------|--------------------------------------|----------------------------------|----------------------|--------------------------------------|--------------------------|----------------------|--------------|----------------------|------------------------------|-----------------------|-----------|------------|--|------|
| | Tax Increments | Interest Earnings/ (Cost) | GO Note Proceeds Cap. Interest | Total Revenues | Phase 1 MRO \$350,000 9/1/2018 | GO Bonds, 2020A TID 1 Portion | | Phase 2 MRO \$550,000 9/1/2020 | Taxable TID 1 Portion | | Phase 3 Berg | Sawall Incentives | Admin Costs + 2% Annually | Total Expenditures | Annual | Cumulative | Remaining Available Annual Increment | |
| | | | | | 50% of Increment | Dated Date: Principal | 06/01/20 Interest | 50% of Increment | Dated Date: Principal | 07/01/21 Interest | | | | | | | | |
| 2020 | | | 300,000 | 300,000 | | | | | | | | | | 300,000 | (274,471) | 25,529 | 2020 | |
| 2021 | 6,595 | | 20,463 | 27,058 | 0 | 0 | 15,458 | | 0 | 5,005 | | | 3,000 | 3,595 | 29,124 | 3,595 | 2021 | |
| 2022 | 283,207 | | | 283,207 | 72,738 | 30,000 | 15,398 | 32,784 | 40,000 | 4,905 | | 30,750 | 20,000 | 36,632 | 65,756 | 36,632 | 2022 | |
| 2023 | 403,223 | | | 403,223 | 112,117 | 30,000 | 15,278 | 65,568 | 40,000 | 4,705 | | 109,278 | 25,000 | 1,277 | 67,034 | 1,277 | 2023 | |
| 2024 | 748,776 | 670 | | 749,446 | 112,117 | 40,000 | 15,098 | 124,234 | 40,000 | 4,455 | | 276,621 | 40,000 | 96,922 | 163,956 | 96,922 | 2024 | |
| 2025 | 1,018,869 | 1,640 | | 1,020,509 | 53,028 | 55,000 | 14,813 | 182,900 | 40,000 | 4,155 | | 443,506 | 50,000 | 177,108 | 341,064 | 177,108 | 2025 | |
| 2026 | 1,187,888 | 3,411 | | 1,191,299 | | 65,000 | 14,388 | 144,516 | 50,000 | 3,780 | | 454,278 | 60,000 | 399,338 | 740,402 | 399,338 | 2026 | |
| 2027 | 1,195,557 | 7,404 | | 1,202,961 | | 70,000 | 13,848 | | 60,000 | 3,240 | | 504,233 | 61,200 | 712,520 | 1,230,843 | 490,441 | 2027 | |
| 2028 | 1,232,367 | 12,308 | | 1,244,675 | | 75,000 | 13,174 | | 65,000 | 2,535 | | 579,431 | 62,424 | 797,563 | 1,677,956 | 447,112 | 2028 | |
| 2029 | 1,371,938 | 16,780 | | 1,388,718 | | 80,000 | 12,360 | | 70,000 | 1,673 | | 584,456 | 63,672 | 812,161 | 2,254,513 | 576,557 | 2029 | |
| 2030 | 1,371,938 | 22,545 | | 1,394,483 | | 995,000 | 5,970 | | 80,000 | 600 | | 579,093 | 64,946 | 1,725,609 | (331,126) | 1,923,387 | (331,126) | 2030 |
| 2031 | 1,371,938 | 19,234 | | 1,391,172 | | | | | | | | 583,718 | 66,245 | 649,963 | 741,209 | 2,664,596 | 741,209 | 2031 |
| 2032 | 1,371,938 | 26,646 | | 1,398,584 | | | | | | | | 587,943 | 67,570 | 655,513 | 743,071 | 3,407,668 | 743,071 | 2032 |
| 2033 | 1,371,938 | 34,077 | | 1,406,015 | | | | | | | | 616,781 | 68,921 | 685,702 | 720,313 | 4,127,981 | 720,313 | 2033 |
| 2034 | 1,371,938 | 41,280 | | 1,413,218 | | | | | | | | 624,481 | 70,300 | 694,780 | 718,438 | 4,846,418 | 718,438 | 2034 |
| 2035 | 1,371,938 | 48,464 | | 1,420,402 | | | | | | | | 651,593 | 71,706 | 723,299 | 697,104 | 5,543,522 | 697,104 | 2035 |
| 2036 | 1,371,938 | 55,435 | | 1,427,373 | | | | | | | | 652,568 | 73,140 | 725,708 | 701,666 | 6,245,188 | 701,666 | 2036 |
| 2037 | 1,371,938 | 62,452 | | 1,434,390 | | | | | | | | 595,477 | 74,602 | 670,079 | 764,311 | 7,009,499 | 764,311 | 2037 |
| 2038 | 1,371,938 | 70,095 | | 1,442,033 | | | | | | | | 486,928 | 76,095 | 563,022 | 879,011 | 7,888,510 | 879,011 | 2038 |
| 2039 | 1,371,938 | 78,885 | | 1,450,823 | | | | | | | | 416,365 | 77,616 | 493,982 | 956,842 | 8,845,351 | 956,842 | 2039 |
| Total | 21,167,802 | 501,325 | 20,463 | 21,989,590 | 350,000 | 1,440,000 | 135,781 | 550,000 | 485,000 | 35,053 | 0 | 8,777,497 | 1,093,436 | 12,869,768 | | 8,845,351 | Total | |

Notes:

Projected TID Closure

Table 4 - Cash Flow (Prior to Amendment)

SECTION 9:

Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. No territory is being added to the District as part of this Plan Amendment.

SECTION 10:

Estimate of Property to be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the Village estimates that less than 10% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 11:

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

Zoning Ordinances

The proposed Plan Amendment 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 Amendment is in general conformance with the Village's Comprehensive Plan identifying the area as appropriate for multi-family 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 Amendment conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 12:

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

Should the continued 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 13:

How Amendment of the Tax Incremental District Promotes the Orderly Development of the Village

Plan Amendment promotes the orderly development of the Village by creating opportunities for mixed use development, providing necessary public infrastructure improvements, 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 and housing opportunities.

SECTION 14:

List of Estimated Non-Project Costs

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 15:

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

INSERT SIGNED LEGAL OPINION

SAMPLE

Village President
Village of Lannon
20399 W Main St
Lannon, Wisconsin 53046

RE: Project Plan Amendment for Tax Incremental District No. 1

Dear Village President :

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 Lannon, I have been asked to review the above-referenced project plan amendment for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the amended Project Plan for the Village of Lannon Tax Incremental District No. 1 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

Village Attorney