

August 2, 2022

PROJECT PLAN AMENDMENT

Village of Lannon, Wisconsin

Tax Incremental District No. 1



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	July 28, 2022
Public Hearing Held:	July 28, 2022
Approval by Plan Commission:	July 28, 2022
Adoption by Village Board:	August 8, 2022
Approval by the Joint Review Board:	August 24, 2022

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 1 (“District”) is a Mixed-Use District created on the Village’s northeast side. The District was originally 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. In addition, the TID was created to allow for the payment of development incentives to redevelop blighted and vacant properties that otherwise would not develop or redevelop.
- Provide new housing opportunities both rental and condos, along with the improvement of existing commercial development.

The TID was amended on February 25, 2021, to add additional costs and modify costs originally approved when the TID was created. The project cost changes were needed to assist with additional development proposals and to better serve the existing development.

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”).
- Subtract territory from the District as permitted under Wis. Stat. § 66.1105(4)(h)2. This is the first of four permitted territory amendments available to the District.
- Add territory to the District as permitted under Wis. Stat. § 66.1105(4)(h)2. This is the second of four permitted territory amendments available to the District.
- Subtracting territory, will enable the Village to add territory and remain under the 12% test. It will also allow for the inclusion of additional territory that will be identified as newly platted residential.

Estimated Total Project Cost Expenditures

The Village anticipates making total expenditures of approximately \$17,600,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”) along costs previously approved in the original TID creation and first amendment. The additional costs associated with this amendment is \$3,800,000.

Incremental Valuation

The Village projects that new land and improvements value of approximately \$6M will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumption 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 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 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 retailers, restaurants and service companies.

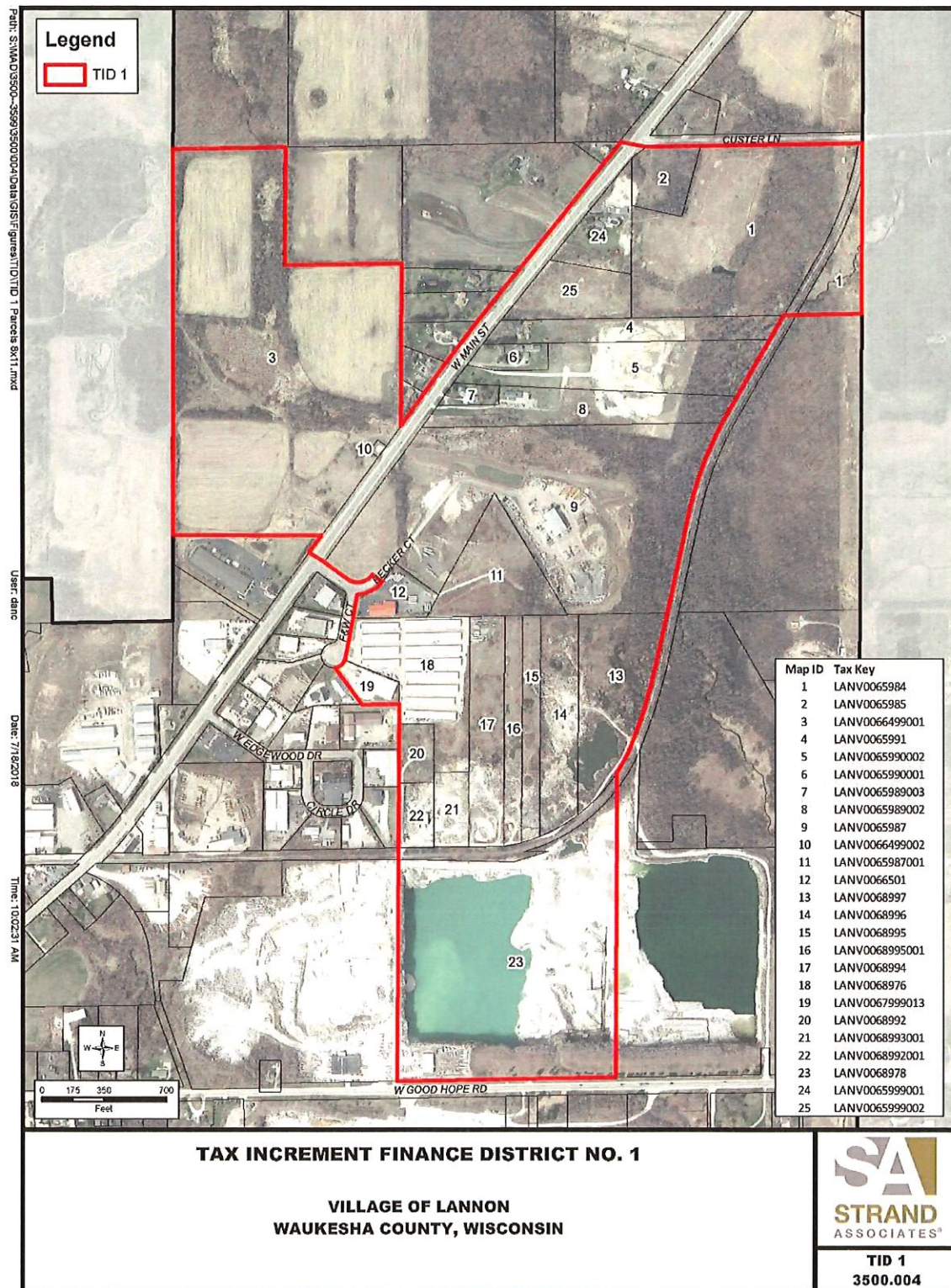
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in 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, as amended, is suitable for mixed use development as defined by Wis. Stat. § 66.1105(2)(cm).
5. Based on the foregoing finding, the District remains 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. 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.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all the other real property in the District.
8. The limitation as the percentage of equalized taxable property value that can be located within tax incremental districts does not apply to this Plan Amendment as no territory will be added to the District.
9. The Plan for the District is feasible and is in conformity with the Master Plan of the Village.
10. The Village estimates that less than 20% 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:

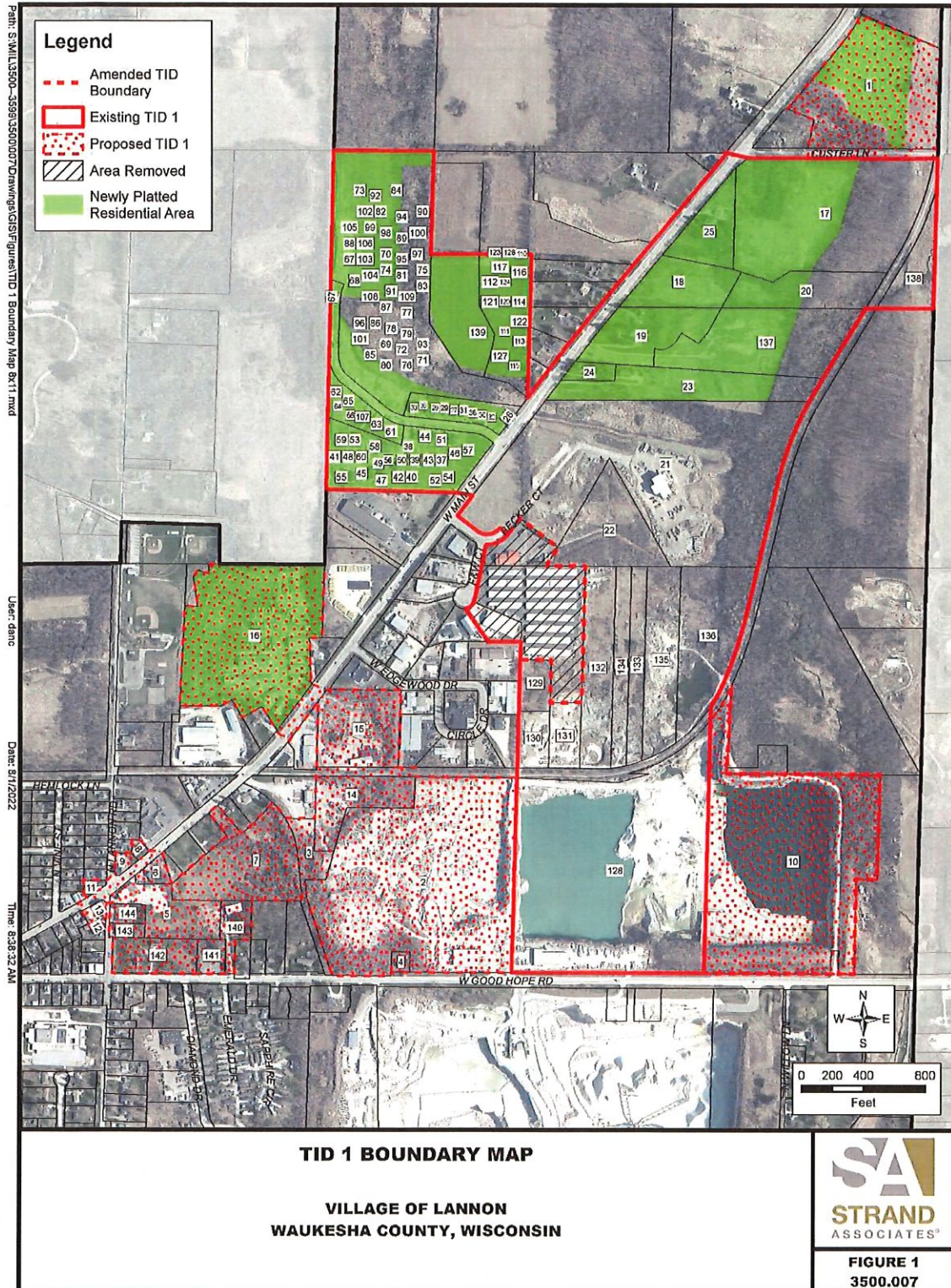
Preliminary Map of Original District Boundary and Territory to be Added & Subtracted

Maps Found on Following Page.

Original TID No. 1 District



Added & Subtracted Parcels



Subtracted Parcels



SECTION 3:

Map Showing Existing Uses and Conditions Within the Territory to be Added & Subtracted

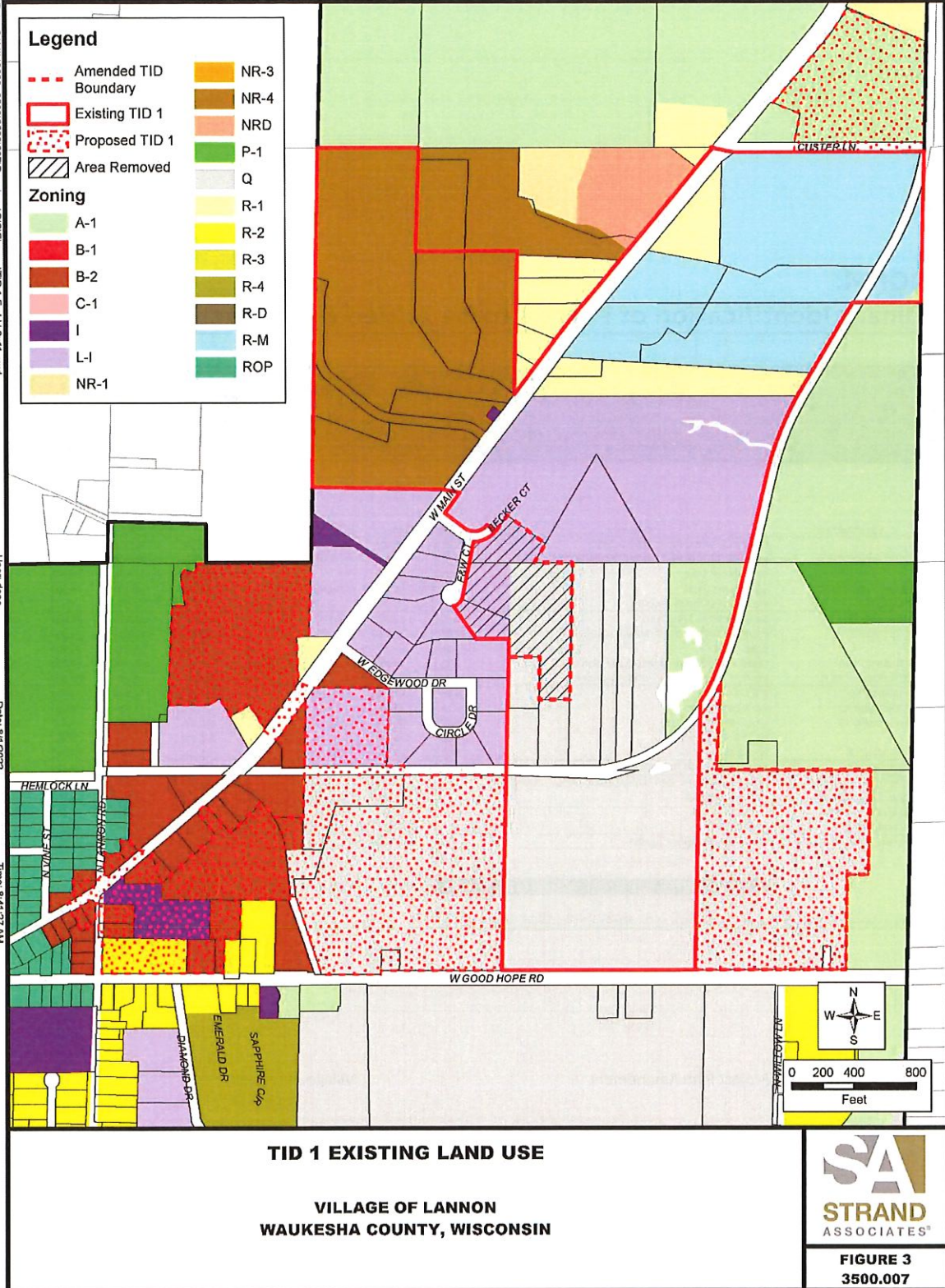
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SECTION 4:

Preliminary Identification of Parcels to be Added & Subtracted

Village of Lannon, Wisconsin

Tax Increment District #1

Base Property Information - Added Parcels

Property Information					Assessment Information				Equalized Value				
Map Ref #	Parcel Number	Street Address	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total
1	LANV0032495		HERBERT K GROSS AND PETER J GROSS	13.81	16,300	0	0	16,300	92.50%	17,600	0	0	17,600
2	LANV0067963	19628 W GOOD HOPE RD	HALQUIST STONE COMPANY INC - MANUFACTURING	32.35	380,800	371,800	65,900	818,500	92.50%	411,700	401,900	71,243	884,843
3	LANV0067965002		DAILY EXPRESS INC	1.61	85,400	0	0	85,400	92.50%	92,300	0	0	92,300
4	LANV0067968	19822 W GOOD HOPE RD	BEVERLY M FELTEN	0.36	41,300	151,600	0	192,900	92.50%	44,600	163,900	0	208,500
5	LANV0067975	NOT ASSIGNED	VILLAGE OF LANNON - EXEMPT	3.79	0	0	0	0	92.50%	0	0	0	0
6	LANV0067976	20365 W MAIN ST	GARRY F JOECKS SERVICE LLC	0.66	73,900	54,000	4,950	132,850	92.50%	79,900	58,400	5,351	143,651
7	LANV0067979	20261 W MAIN ST	HALQUIST STONE CO INC - MANUFACTURING	7.77	119,600	0	0	119,600	92.50%	129,300	0	0	129,300
8	LANV0067982		BARISAS TRUST	0.22	31,200	0	0	31,200	92.50%	33,700	0	0	33,700
9	LANV0067983	7300 N LANNON RD	MICHAEL J MONACELLI AND GINA M MONACELLI	0.33	54,300	154,500	17,984	226,784	92.50%	58,700	167,000	19,442	245,142
10	LANV0068977	18900 W GOOD HOPE RD	HALQUIST STONE CO INC - MANUFACTURING	31.38	369,500	0	0	369,500	92.50%	399,400	0	0	399,400
11	LANV0072009001	7291 LANNON RD	ELIZABETH A PHILLIPS	0.26	47,500	100,300	0	147,800	92.50%	51,400	108,400	0	159,800
12	LANV0072075	7249 N LANNON RD	DAILY ENTERPRISES LLC	0.24	43,400	3,900	0	47,300	92.50%	46,900	4,200	0	51,100
13	LANV0072076	7273 N LANNON RD	DAILY ENTERPRISES LLC	0.22	54,700	401,100	0	455,800	92.50%	59,100	433,600	0	492,700
14	LANV0067965001		DAILY EXPRESS INC	4.00	138,100	0	0	138,100	92.50%	149,300	0	0	149,300
15	LANV0067998	19995 W MAIN ST	PAYNE & DOLAN INC	5.97	175,500	280,000	0	455,500	92.50%	189,700	302,700	0	492,400
16	LANV0067997002	20040 W MAIN ST	NELS H ANDERSON LAND AND CATTLE REVOCABLE	17.79	516,800	722,500	0	1,239,300	92.50%	558,700	781,000	0	1,339,700
140	LANV0067969	20172 W GOOD HOPE RD	CYNTHIA TRINASTIC SCOTT GISSAL ET AL		77,100	52,400	0	129,500	92.50%	83,400	56,600	0	140,000
141	LANV0067971	20202 W GOOD HOPE RD	SCOTT K BIRKHOLZ		70,800	229,700	0	300,500	92.50%	76,500	248,300	0	324,800
142	LANV0067972	20350 W GOOD HOPE RD	THOMAS GISSAL		90,200	82,100	0	172,300	92.50%	97,500	88,800	0	186,300
143	LANV0067973	7244 LANNON RD	DINA BOWEN		43,500	181,400	0	224,900	92.50%	47,000	196,100	0	243,100
144	LANV0067974	7266 LANNON RD	MARK HERBST SANDRA HERBST		57,300	207,000	0	264,300	92.50%	61,900	223,800	0	285,700
				Total Acreage	120.75								
					2,487,200	2,992,300	88,834	5,568,334		2,688,600	3,234,700	96,037	
The above values are as of January 1, 2021. Actual base value certification of the territory will be based on January 1, 2022 assessed values.										Estimated Base Value		6,019,337	

Village of Lannon, Wisconsin

Tax Increment District #1

Base Property Information - Subtracted Parcels

Property Information						Assessment Information				Equalized Value				
					Part of Existing TID? ...Indicate TID #									
Map Ref #	Parcel Number	Street Address	Owner	Acreage		Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total
121	LANV0066501	N76W196S1 BECKER CT	MOSS ENTERPRISES LLC	2.07	TID 1 Existing	128,000	268,900	52,849	449,749	92.50%	138,400	290,700	57,100	486,200
122	LANV0067999013	7552 F AND W CT	WHITT DIVERSIFIED INTERESTS LLC	1.24	TID 1 Existing	98,600	537,600	0	636,200	92.50%	106,600	581,200	0	687,800
123	LANV0068976	7580 F AND W CT	GREEN STAR PROPERTIES LLC	8.70	TID 1 Existing	264,500	1,989,700	0	2,254,200	92.50%	285,900	2,151,000	0	2,436,900
				Total Acreage	12.01	491,100	2,796,200	52,849	3,340,149		530,900	3,022,900	57,100	3,610,900
The above values are as of January 1, 2021.														

The above values are as of January 1, 2021.

SECTION 5: 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.

Village of Lannon, Wisconsin	
Tax Increment District #1	
Valuation Test Compliance Calculation	
District Creation Date	7/9/2018
	Valuation Data Currently Available 2021
Total EV (TID In)	180,513,900
12% Test	21,661,668
Increment of Existing TIDs	
TID #1	14,328,400
TID #2	3,902,300
Total Existing Increment	18,230,700
Projected Base of New or Amended District	4,839,437
Less Value of Any Underlying TID Parcels	0
Less Base Value of Removed TID #1 Parcels:	
LANV0066501	402,500
LANV0067999013	657,200
LANV0068976	2,284,500
Total Value Subject to 12% Test	19,725,937
Compliance	PASS

SECTION 6:

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 and the subsequent amendment 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

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.

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.

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.

Miscellaneous

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:

- 1) Streetscaping down Main Street & Pedestrian Paths - \$325,000

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.

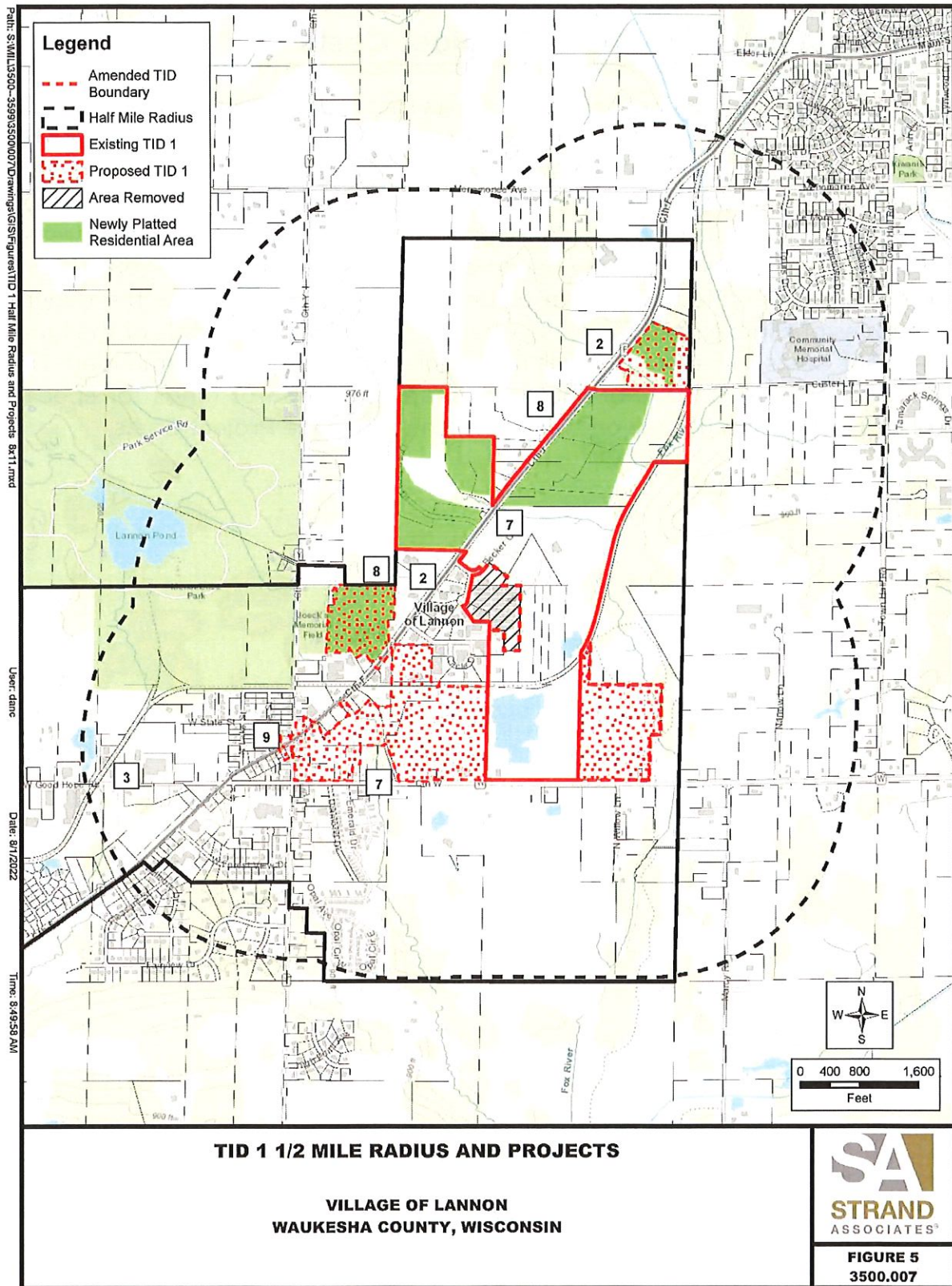
Financing Costs

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 7:

Map Showing Proposed Improvements and Uses Within the Territory to be Added & Subtracted

Maps Found on Following Page.



SECTION 8:

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	2022 Amendment (Timing TBD) (Note 4)	Total (Note 1)
1	Development Incentives (Infrastructure)	500,000	500,000	500,000	4,500,000		1,500,000	7,500,000
2	Water Main Extensions and 3rd or Future Source (Tower & Well) (Note 2)		500,000	1,000,000		1,000,000	1,500,000	4,000,000
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			150,000	450,000
7	Lift Station Downstream of TID No. 1				1,000,000			1,000,000
8	Pedestrian Paths (Main Street from Custer Lane to Overstone Drive and from Overstone to Village Park)				500,000		250,000	750,000
9	Streetscaping						400,000	400,000
Total Projects		600,000	1,600,000	3,600,000	6,000,000	2,000,000	3,800,000	17,600,000

Notes:

Note 1 Project costs are estimates and are subject to modification

Note 2 Water utility third or future source is estimated to cost \$3.5 million for the well and elevated tower. The cost is shared between TID #1 and TID #2.

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

Note 4 Incentives for potential senior housing, Circle 5 and other infill redevelopment areas. Streetscaping and pathways along Main Street and additional funds for the 3rd or future source.

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

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

The Project Costs the Village plans to make are expected to create \$118,000,000 million in incremental value by 2027. 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 \$14.61 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$26,565,758 in incremental tax revenue over the 20-year term of the District as shown in **Table 2**.

Table 1 - Development Assumptions (Prior to Amendment)

Village of Lannon, Wisconsin Tax Increment District # 1 Development Assumptions - PRE 2022 AMENDMENT									
Construction Year		Actual Increment	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	492,200	492,200				492,200	2019	2
3	2020	13,836,200	13,836,200				13,836,200	2020	3
4	2021		291,600	11,000,000	1,200,000	3,120,000	15,611,600	2021	4
5	2022			7,000,000	11,450,000	14,880,000	33,330,000	2022	5
6	2023			5,850,000	9,925,000	9,960,000	25,735,000	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		14,328,400	14,620,000	23,850,000	22,575,000	50,980,000	112,025,000		

Table 1 – Development Assumptions (After Amendment)

Village of Lannon, Wisconsin Tax Increment District # 1 Development Assumptions									
Construction Year		Actual Increment	Berg Development - Phase 1	Berg Development - Phase 2a & 2b	Phase 3 Berg Development (Amendment)	Sawall Development	Future Senior Housing (2nd Amendment)	Annual Total	Construction Year
1	2018							0	2018 1
2	2019	492,200	492,200					492,200	2019 2
3	2020	13,836,200	13,836,200					13,836,200	2020 3
4	2021		291,600	11,000,000	1,200,000	3,120,000	0	15,611,600	2021 4
5	2022			7,000,000	11,450,000	14,880,000	0	33,330,000	2022 5
6	2023			5,850,000	9,925,000	9,960,000	1,500,000	27,235,000	2023 6
7	2024					11,020,000	4,500,000	15,520,000	2024 7
9	2026					500,000	0	500,000	2026 9
10	2027					2,400,000	0	2,400,000	2027 10
11	2028					9,100,000	0	9,100,000	
12	2029								
Totals		14,328,400	14,620,000	23,850,000	22,575,000	50,980,000	6,000,000	118,025,000	

Table 2 – Tax Increment Projection Worksheet (Prior to Amendment)

Village of Lannon, Wisconsin

Tax Increment District # 1

Tax Increment Projection Worksheet - PRE 2022 AMENDMENT

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		
Revenue Periods/Final Year	20 2039		
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	0.00%
Recipient District	No	Taxable Discount Rate	0.00%

	Construction		Valuation	Inflation	Total	Revenue		Tax
	Year	Value Added	Year	Increment	Increment	Year	Tax Rate	Increment
1	2018	0	2019	0	0	2020	\$15.34	0
2	2019	492,200	2020	0	492,200	2021	\$14.61	7,796
3	2020	13,836,200	2021	0	14,328,400	2022	\$14.61	209,338
4	2021	15,611,600	2022	0	29,940,000	2023	\$14.61	437,423
5	2022	33,330,000	2023	0	63,270,000	2024	\$14.61	924,375
6	2023	25,735,000	2024	0	89,005,000	2025	\$14.61	1,300,363
7	2024	11,020,000	2025	0	100,025,000	2026	\$14.61	1,461,365
8	2025	500,000	2026	0	100,525,000	2027	\$14.61	1,468,670
9	2026	2,400,000	2027	0	102,925,000	2028	\$14.61	1,503,734
10	2027	9,100,000	2028	0	112,025,000	2029	\$14.61	1,636,685
11	2028		2029	0	112,025,000	2030	\$14.61	1,636,685
12	2029		2030	0	112,025,000	2031	\$14.61	1,636,685
13	2030		2031	0	112,025,000	2032	\$14.61	1,636,685
14	2031		2032	0	112,025,000	2033	\$14.61	1,636,685
15	2032		2033	0	112,025,000	2034	\$14.61	1,636,685
16	2033		2034	0	112,025,000	2035	\$14.61	1,636,685
17	2034		2035	0	112,025,000	2036	\$14.61	1,636,685
18	2035		2036	0	112,025,000	2037	\$14.61	1,636,685
19	2036		2037	0	112,025,000	2038	\$14.61	1,636,685
20	2037		2038	0	112,025,000	2039	\$14.61	1,636,685
Totals		112,025,000		0		Future Value of Increment		25,316,603

Notes:

Table 2 – Tax Increment Projection Worksheet (After Amendment)

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		
Revenue Periods/Final Year	20 2039		
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	0.00%
Recipient District	No	Taxable Discount Rate	0.00%

	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	492,200	2020	0	492,200	2021	\$14.61	7,796
3	2020	13,836,200	2021	0	14,328,400	2022	\$14.61	209,338
4	2021	15,611,600	2022	0	29,940,000	2023	\$14.61	437,423
5	2022	33,330,000	2023	0	63,270,000	2024	\$14.61	924,375
6	2023	27,235,000	2024	0	90,505,000	2025	\$14.61	1,322,278
7	2024	15,520,000	2025	0	106,025,000	2026	\$14.61	1,549,025
8	2025	500,000	2026	0	106,525,000	2027	\$14.61	1,556,330
9	2026	2,400,000	2027	0	108,925,000	2028	\$14.61	1,591,394
10	2027	9,100,000	2028	0	118,025,000	2029	\$14.61	1,724,345
11	2028		2029	0	118,025,000	2030	\$14.61	1,724,345
12	2029		2030	0	118,025,000	2031	\$14.61	1,724,345
13	2030		2031	0	118,025,000	2032	\$14.61	1,724,345
14	2031		2032	0	118,025,000	2033	\$14.61	1,724,345
15	2032		2033	0	118,025,000	2034	\$14.61	1,724,345
16	2033		2034	0	118,025,000	2035	\$14.61	1,724,345
17	2034		2035	0	118,025,000	2036	\$14.61	1,724,345
18	2035		2036	0	118,025,000	2037	\$14.61	1,724,345
19	2036		2037	0	118,025,000	2038	\$14.61	1,724,345
20	2037		2038	0	118,025,000	2039	\$14.61	1,724,345
Totals		118,025,000		0		Future Value of Increment		26,565,758

Notes:

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 2039 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

Village of Lannon, Wisconsin		
Tax Increment District #2		
Estimated Financing Plan (2nd Amendment)		
	G.O. Bond 2024	Totals
Projects		
2nd Water Source	350,000	350,000
Good Hope Road Improvements	300,000	300,000
Water Main Extensions	1,500,000	1,500,000
Future Incentives	250,000	250,000
Professional Services	100,000	100,000
Total Project Funds	2,500,000	2,500,000
Estimated Finance Related Expenses		
Municipal Advisor	36,500	
Bond Counsel	17,500	
Paying Agent	850	
Underwriter Discount	11.00	32,835
Capitalized Interest	402,975	
Total Financing Required	2,990,660	
Estimated Interest	1.00%	(6,250)
Assumed spend down (months)	3	
Rounding	590	
Net Issue Size	2,985,000	
Notes:		

Table 4 – Cash Flow TID 1 Before Amendment

Village of Lannon, Wisconsin																	
Tax Increment District # 1																	
Cash Flow Projection - PRE 2022 AMENDMENT																	
Year	Projected Revenues				Expenditures										Balances		
	Tax Increments	Interest Earnings/ (Cost)	Cap. Interest	Total Revenues	Phase 1 MRO \$350,000 9/1/2018 50% of Increment	GO Bonds, 2020A TID 1 Portion Dated Date: 06/01/20 Principal Interest	Phase 2 MRO \$550,000 9/1/2020 50% of Increment	Taxable TID 1 Portion Dated Date: 07/01/21 Principal Interest	2022 State Trust Fund Loan - Sawall Dev.	Phase 3 Berg	Remaining Sawall Incentives & Infrastructure	Admin Costs + 2% Annually	Total Expenditures	Annual	Cumulative	Remaining Available Annual Increment	Year
2020																	2019
2021	7,796		20,463	28,259									27,963	296	(211,908)	(211,908)	2020
2022	209,338			209,338	101,073	30,000 15,458		40,000 4,905				15,000	206,376	2,962	(208,650)	2,562	2021
2023	437,423	0		437,423	106,799	30,000 15,278	80,355	40,000 4,705	45,563	15,782	78,528	17,500	434,509	2,914	(206,736)	7,914	2022
2024	924,375	0		924,375	106,799	40,000 15,098	131,490	40,000 4,455	70,563	140,225	224,246	40,000	812,875	111,500	(94,239)	111,500	2023
2025	1,300,363	0		1,300,363	35,328	55,000 14,813	174,224	40,000 4,155	104,625	259,007	390,756	45,000	1,122,907	177,456	83,220	177,456	2024
2026	1,461,365	0		1,461,365		65,000 14,388	163,930	50,000 3,780	107,375	261,597	402,190	55,000	1,123,260	338,106	421,325	338,106	2025
2027	1,468,670	4,213		1,472,884		70,000 13,848		60,000 3,240	104,938	264,213	427,795	56,100	1,000,133	472,751	894,076	472,751	2026
2028	1,503,734	8,941		1,512,675		75,000 13,174		65,000 2,535	107,500	266,855	504,381	57,222	1,091,666	421,009	1,315,084	421,009	2027
2029	1,636,685	13,151		1,649,836		80,000 12,360		70,000 1,673	104,875	269,524	510,781	58,366	1,107,578	542,258	1,857,342	542,258	2028
2030	1,636,685	18,573		1,655,259		995,000 5,970		80,000 600	107,250	275,820	506,781	59,534	2,030,954	(375,695)	1,481,647	(375,695)	2029
2031	1,636,685	14,816		1,651,502					109,438	229,118	512,781	60,724	912,060	739,442	2,221,089	739,442	2030
2032	1,636,685	22,211		1,658,896					106,438	231,409	518,381	61,939	918,166	740,730	2,961,819	740,730	2031
2033	1,636,685	29,618		1,666,303					103,438	233,723	523,581	63,178	923,919	742,385	3,704,204	742,385	2032
2034	1,636,685	37,042		1,673,727					105,438	236,060	533,381	64,441	939,319	734,408	4,438,612	734,408	2033
2035	1,636,685	44,386		1,681,071					107,250	238,421	537,581	65,730	948,981	732,090	5,170,702	732,090	2034
2036	1,636,685	51,707		1,688,392					103,875	240,805	541,381	67,045	953,105	735,287	5,905,989	735,287	2035
2037	1,636,685	59,060		1,695,745					100,500	243,213	487,102	68,386	899,200	796,545	6,702,534	796,545	2036
2038	1,636,685	67,025		1,703,711					102,125	245,645	381,253	69,753	796,876	904,834	7,607,369	904,834	2037
2039	1,636,685	76,074		1,712,759					98,563	184,590	313,578	71,148	667,879	1,044,880	8,652,249	1,044,880	2038
Total	25,316,603	446,818	20,463	25,783,883	350,000	1,440,000 135,781	550,000	485,000 35,053	1,689,750	3,836,005	7,394,572	996,067	16,919,726			8,652,249	Total
Notes:															Projected TID Closure		

Table 4 – Cash Flow TID 1 After Amendment

Village of Lannon, Wisconsin																				
Tax Increment District # 1																				
Cash Flow Projection - With Amendment																				
Year	Projected Revenues				Expenditures												Balances			Year
	Tax Increments	Interest Earnings/ (Cost)	Cap. Interest	Total Revenues	Phase 1 MRO \$350,000 9/1/2018 50% of Increment	GO Bonds, 2020A TID 1 Portion Dated Date: Principal Interest	Phase 2 MRO \$550,000 9/1/2020 50% of Increment	Taxable TID 1 Portion Dated Date: Principal Interest	2022 State Trust Fund Loan - Sawall Dev. 07/01/21		Remaining Sawall Incentives & Infrastructure	Costs Related to 2nd Amendment (P & I @4%) 2025 Issue	Admin Costs + 2% Annually	Total Expenditures	Annual	Cumulative	Remaining Available Annual Increment			
2020																			2019	
2021	7,796		20,463	28,259			15,458		5,005				7,500	27,963	296	(211,908)	(211,908)	2020		
2022	209,338			209,338	101,073	30,000	15,398		4,905				15,000	206,376	2,962	(208,650)	2,962	2021		
2023	437,423	0		437,423	106,799	30,000	15,278	80,355	40,000	4,705	45,563	15,782	78,528	17,500	434,509	2,914	(205,736)	2,914	2022	
2024	924,375	0		924,375	106,799	40,000	15,098	131,490	40,000	4,455	70,563	140,225	224,246	40,000	812,875	111,500	(94,236)	111,500	2023	
2025	1,322,278	0		1,322,278	35,328	55,000	14,813	174,224	40,000	4,155	104,625	259,007	390,756	76,000	45,000	1,198,907	123,371	29,135	123,371	2024
2026	1,549,025	0		1,549,025		65,000	14,388	163,930	50,000	3,780	107,375	261,597	402,190	202,000	55,000	1,325,260	223,766	252,900	223,766	2025
2027	1,556,330	2,529		1,558,859		70,000	13,848		60,000	3,240	104,938	264,213	427,795	250,000	56,100	1,250,133	308,726	561,627	308,726	2026
2028	1,591,394	5,616		1,597,011		75,000	13,174		65,000	2,535	107,500	266,855	504,381	246,000	57,222	1,337,666	259,344	820,971	259,344	2027
2029	1,724,345	8,210		1,732,555		80,000	12,360		70,000	1,673	104,875	269,524	510,781	317,000	58,366	1,424,578	307,977	1,128,947	307,977	2028
2030	1,724,345	11,289		1,735,635		995,000	5,970		80,000	600	107,250	275,820	506,781	335,000	59,534	2,365,954	(6,81,319)	498,628	(6,81,319)	2029
2031	1,724,345	4,986		1,729,332							109,438	229,118	512,781	352,000	60,724	1,264,060	465,271	963,900	465,271	2030
2032	1,724,345	9,639		1,733,984							106,438	231,409	518,381	368,000	61,939	1,286,166	447,819	1,411,718	447,819	2031
2033	1,724,345	14,117		1,738,462							103,438	233,723	523,581	383,000	63,178	1,306,919	431,544	1,843,262	431,544	2032
2034	1,724,345	18,433		1,742,778							105,438	236,060	533,381	397,000	64,441	1,336,319	406,459	2,249,721	406,459	2033
2035	1,724,345	22,497		1,746,842							107,250	238,421	537,581	410,000	65,730	1,358,981	387,861	2,637,582	387,861	2034
2036	1,724,345	26,376		1,750,721							103,875	240,805	541,381	427,000	67,045	1,425,105	325,616	2,963,198	325,616	2035
2037	1,724,345	29,632		1,753,977							100,500	243,213	487,102	456,000	68,386	1,355,200	398,777	3,361,975	398,777	2036
2038	1,724,345	33,620		1,757,965							102,125	245,645	381,353	540,000	69,753	1,338,876	419,089	3,781,064	419,089	2037
2039	1,724,345	37,811		1,762,156							98,563	184,590	313,578	520,000	71,148	1,187,879	574,277	4,355,341	574,277	2038
Total	26,565,758	224,755	20,463	26,810,975	350,000	1,440,000	135,781	550,000	485,000	35,053	1,689,750	3,836,005	7,394,572	5,324,000	996,067	22,243,726		4,355,341	0	Total
Notes:																	Projected TID Closure			

SECTION 10:

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 11:

Estimate of Property to be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the Village estimates that less than 20% 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

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 a mix of 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 13:

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 14:

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

This Plan Amendment promotes the orderly development of the Village by creating opportunities for mixed use development, rehabilitating and conserving property, 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 15:

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.

The Plan includes the following non-project costs:

1. A portion of the 2nd water source and tower: Estimated to be 50%.
2. A portion of Good Hope Road reconstruction: Estimated to be 50%.

SECTION 16:
**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

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 following projection 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.					
Statement of Taxes Data Year:		2021			
				Percentage	
Waukesha County		310,558		13.06%	
Village of Lannon		744,192		31.31%	
School District of Hamilton		1,242,431		52.27%	
Menomonee Falls School District		31,370		1.32%	
Waukesha County Area Technical College		48,509		2.04%	
Total		2,377,060			
County Area					
Revenue Year	Waukesha County	School District of Hamilton	Technical College	Total	Revenue Year
2020	0	0	0	0	2020
2021	1,019	4,075	159	5,252	2021
2022	27,350	109,416	4,272	141,037	2022
2023	57,148	228,630	8,927	294,706	2023
2024	120,768	483,148	18,864	622,779	2024
2025	172,753	691,122	26,984	890,859	2025
2026	202,377	809,638	31,611	1,043,626	2026
2027	203,331	813,456	31,760	1,048,547	2027
2028	207,912	831,783	32,476	1,072,171	2028
2029	225,282	901,273	35,189	1,161,744	2029
2030	225,282	901,273	35,189	1,161,744	2030
2031	225,282	901,273	35,189	1,161,744	2031
2032	225,282	901,273	35,189	1,161,744	2032
2033	225,282	901,273	35,189	1,161,744	2033
2034	225,282	901,273	35,189	1,161,744	2034
2035	225,282	901,273	35,189	1,161,744	2035
2036	225,282	901,273	35,189	1,161,744	2036
2037	225,282	901,273	35,189	1,161,744	2037
2038	225,282	901,273	35,189	1,161,744	2038
2039	225,282	901,273	35,189	1,161,744	2039
		3,470,762	13,885,270	542,131	17,898,163
Notes:					
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.					

