

August 2, 2022

PROJECT PLAN AMENDMENT

Village of Lannon, Wisconsin

Tax Incremental District No. 2



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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

TABLE OF CONTENTS

Executive Summary	3
Preliminary Map of Original District Boundary and Territory to be Added & Subtracted	6
Map Showing Existing Uses and Conditions Within the Territory to be Added & Subtracted	11
Preliminary Identification of Parcels to be Added & Subtracted	13
Equalized Value Test	15
Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District	16
Map Showing Proposed Improvements and Uses Within the Territory to be Added & Subtracted	22
Detailed List of Estimated Project Costs	25
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	26
Annexed Property	34
Estimate of Property to be Devoted to Retail Business	35
Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and Village Ordinances	36
Statement of the Proposed Method for the Relocation of any Persons to be Displaced	37
How Amendment of the Tax Incremental District Promotes the Orderly Development of the Village	38
List of Estimated Non-Project Costs	39
Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f)	40
Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions	41

SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 2 (“District”) is a Blighted Area District created in 2018. The District was created to:

- Promote the redevelopment of blighted, underutilized, or vacant parcels by providing necessary financial support such as incentives.
- Provide the necessary public infrastructure required to achieve the goals established of eliminating blight and redeveloping properties with the TID boundaries.
- Provide housing and other business opportunities.

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.

Estimated Total Project Cost Expenditures

The Village anticipates making total expenditures of approximately \$8M (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”) along costs previously approved in the original TID creation. The additional costs associated with this amendment is \$2,500,000.

Incremental Valuation

The Village projects that new land and improvements value of approximately \$10M 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 22 of its allowable 27 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 the site 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 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.

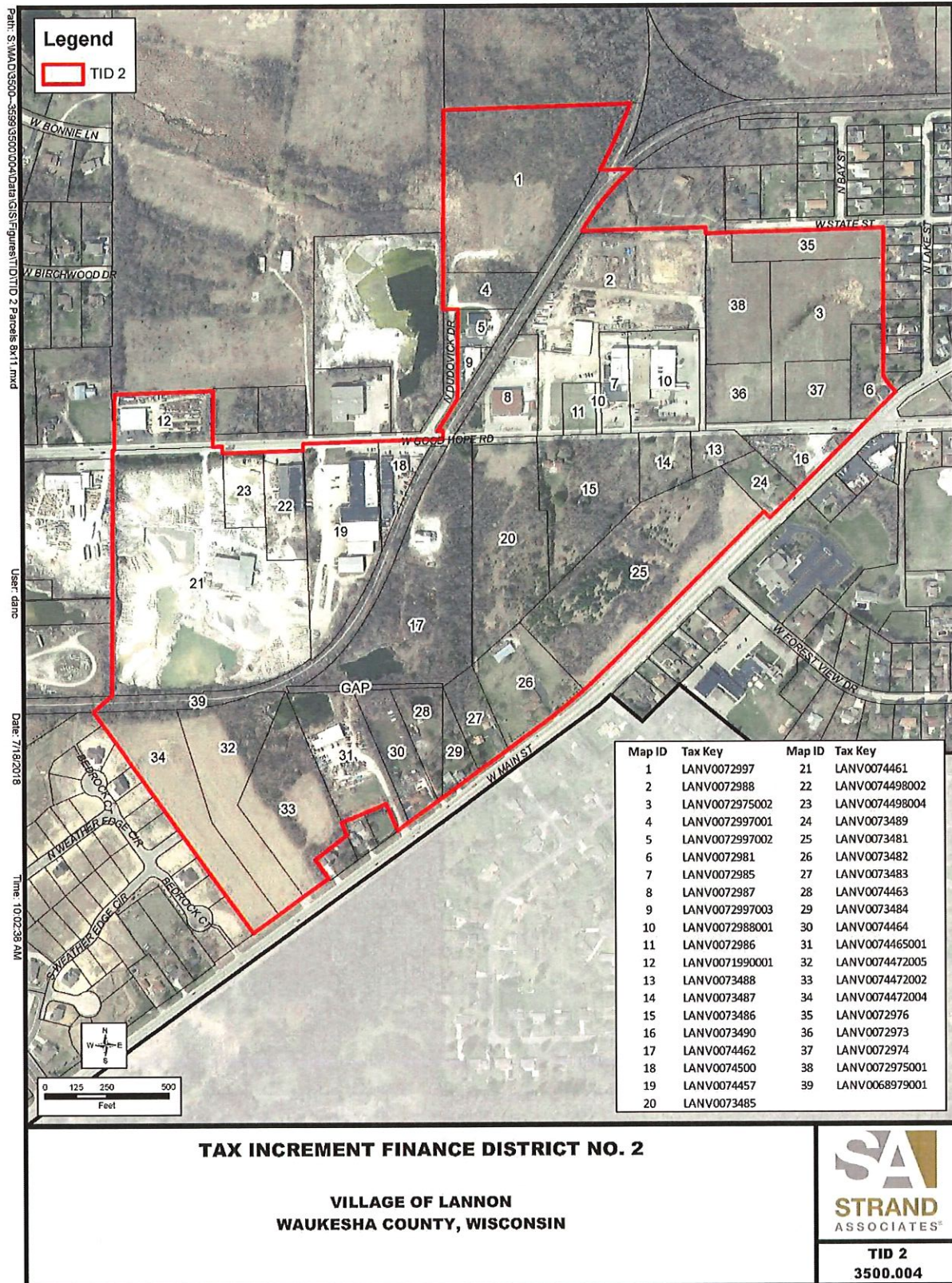
4. Not less than 50% by area of the real property within the District, as amended, is a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1.
5. Based on the foregoing finding, the District remains designated as a blighted area district.
6. The Project Costs relate directly to the elimination of blight in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all 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 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).

SECTION 2:

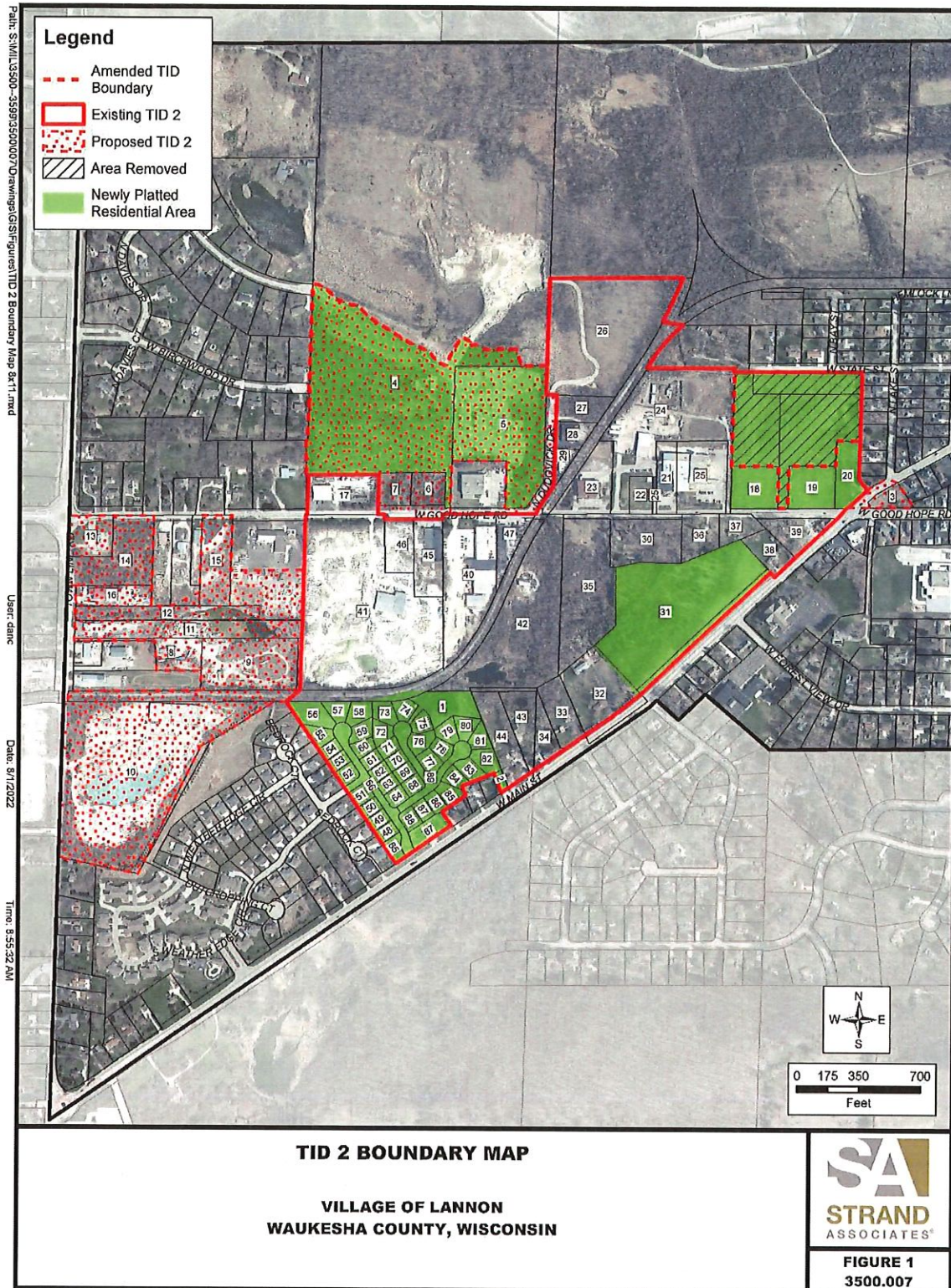
Preliminary Map of Original District Boundary and Territory to be Added & Subtracted

Maps Found on Following Page.

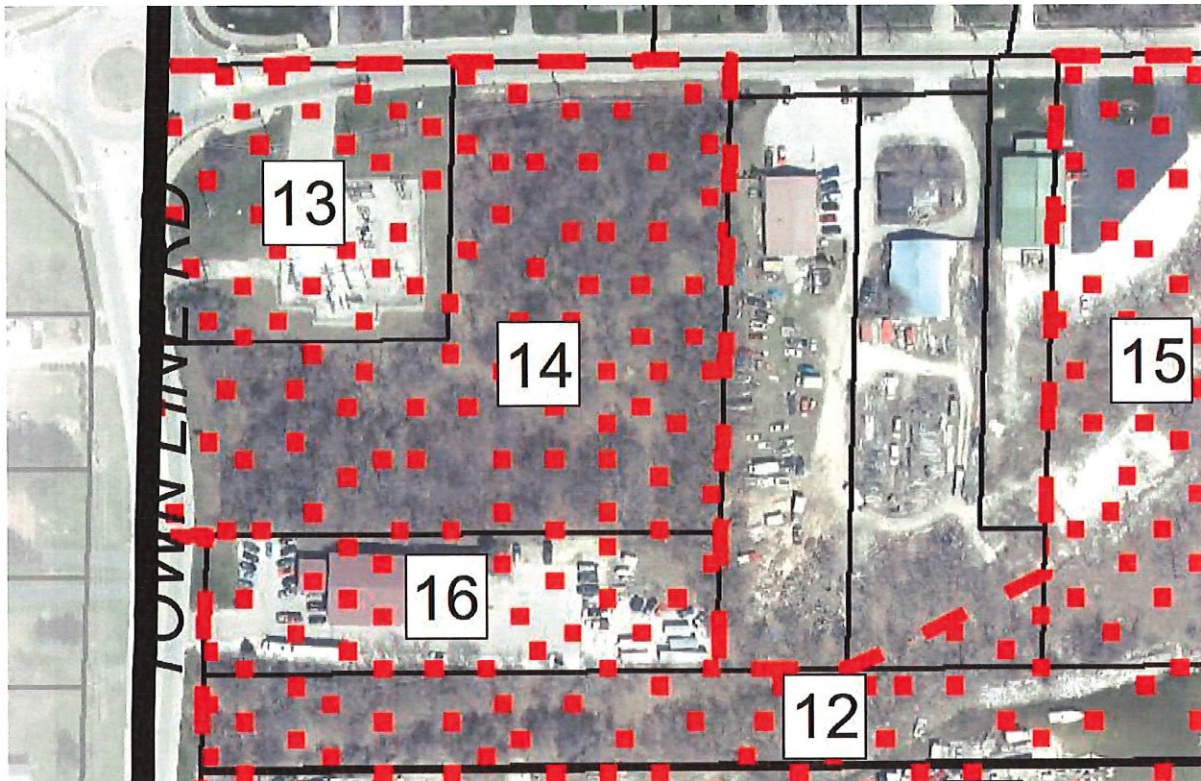
Original TID No. 2 District



Added & Subtracted Parcels

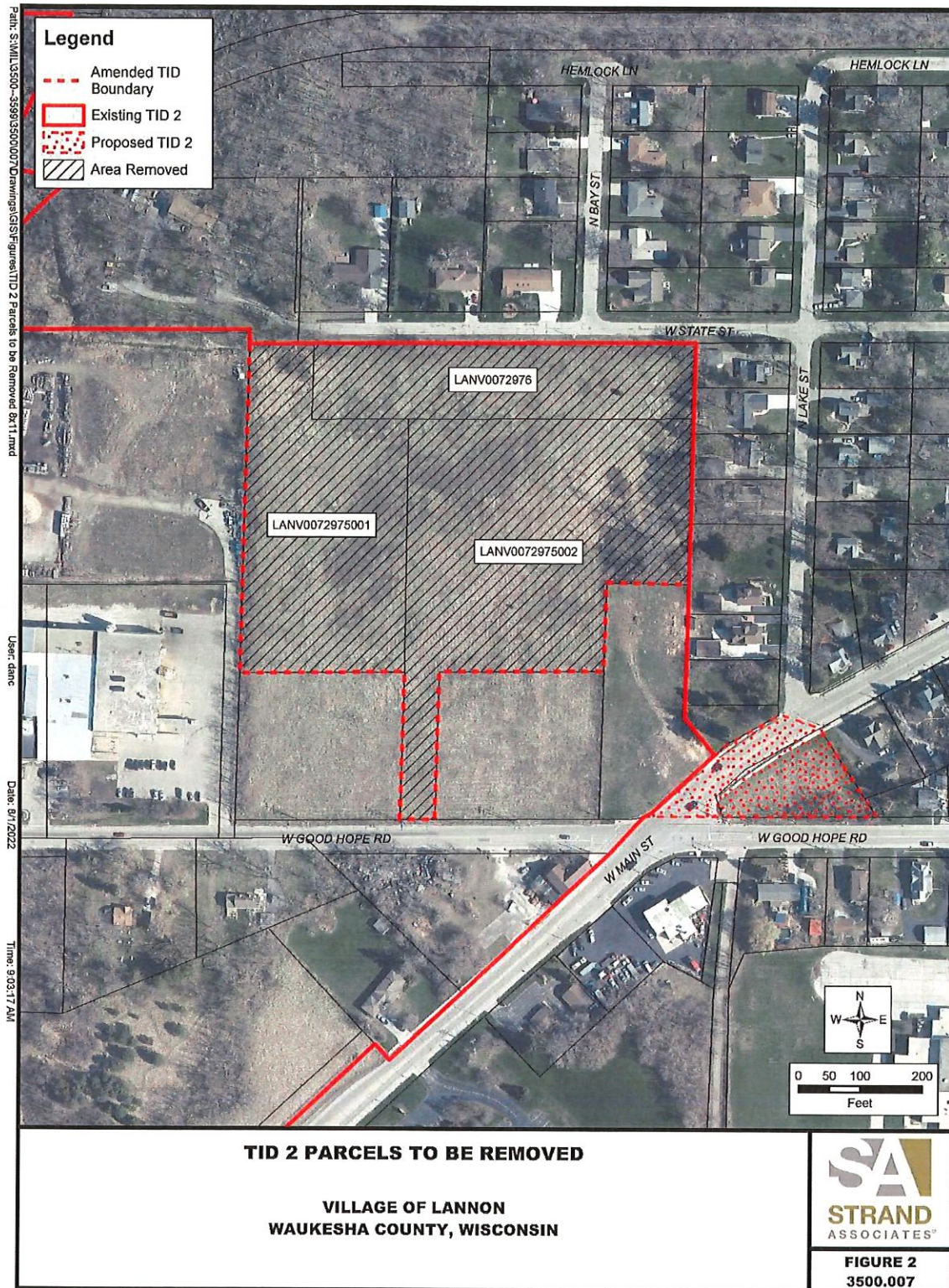


Map Showing Full Boundary Line Between Added Parcel #13 & Added Parcel #14 to Tax Incremental District No. 2



*The parcel east of Parcel #15 is going to be jointed together with Parcel #12 as a new CSM.

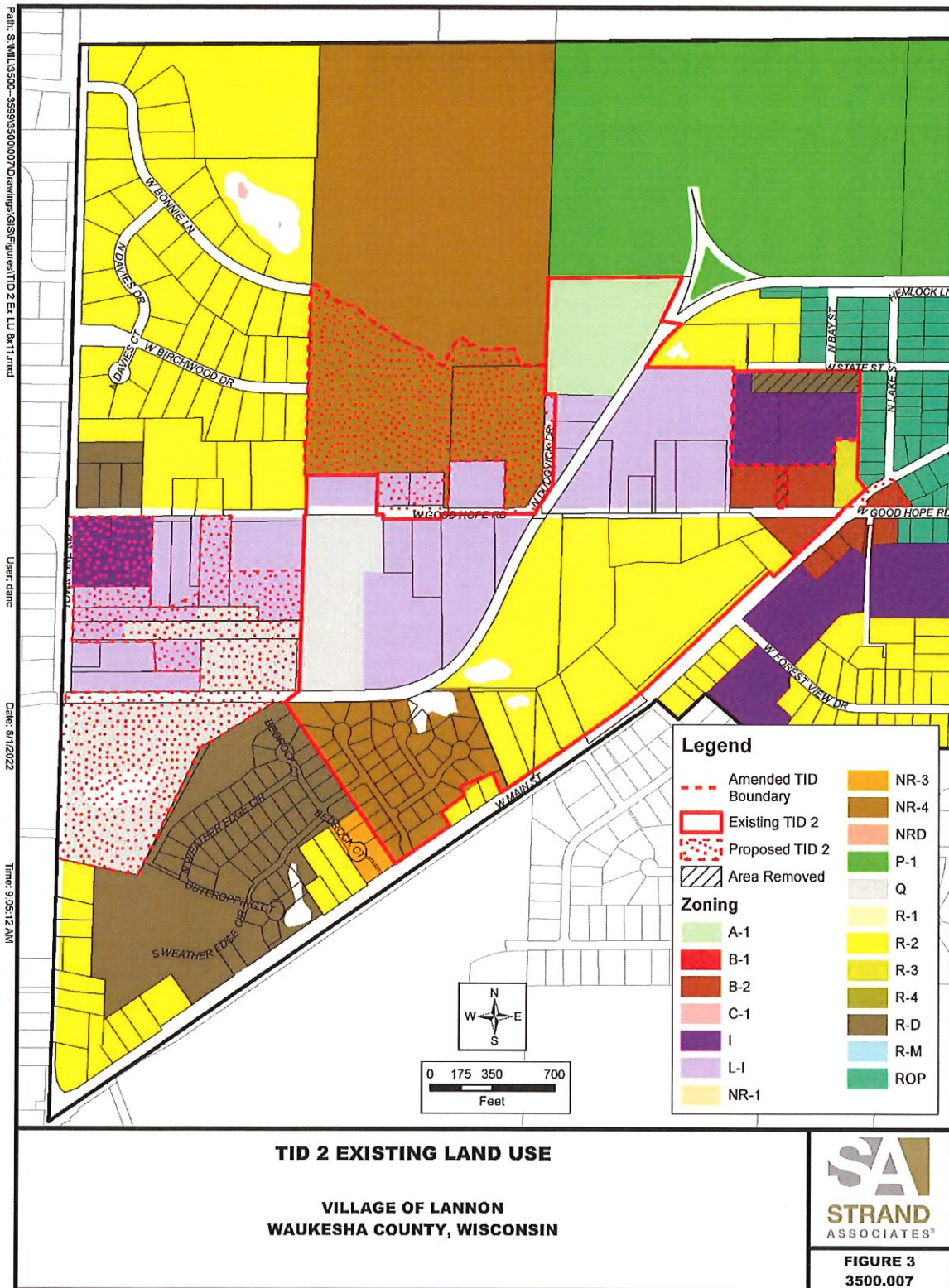
Subtracted Parcels



SECTION 3:

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

Map Found on Following Page.



SECTION 4:

Preliminary Identification of Parcels to be Added & Subtracted

Village of Lannon, Wisconsin														
Tax Increment District #2														
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	
3	LANV0072979	20649 MAIN ST	DOUGLAS D SMILJANIC	0.51	83,500	0	0	83,500	92.50%	90,300	0	0	90,300	
4	LANV0071988	21390 GOOD HOPE RD	HALQUIST STONE COMPANY INC	67.34	461,600	14,000	0	475,600	92.50%	499,000	15,100	0	514,100	
5	LANV0071989001	21276 W GOOD HOPE RD	HALQUIST STONE COMPANY INC STATE MFG	7.54	122,000	0	0	122,000	92.50%	131,900	0	0	131,900	
6	LANV0071990	W GOOD HOPE RD	HALQUIST STONE COMPANY INC	0.82	81,200	0	0	81,200	92.50%	87,800	0	0	87,800	
7	LANV0071990002	21464 W GOOD HOPE RD	HALQUIST STONE COMPANY INC	0.76	56,300	99,700	0	156,000	92.50%	60,900	107,800	0	168,700	
8	LANV0074460003	7086 N TOWN LINE RD	MORK AND HAMMER LLC	1.23	78,600	22,800	0	101,400	92.50%	85,000	24,600	0	109,600	
9	LANV0074460004	N TOWN LINE RD	JASON T LEMKE	3.65	120,900	16,800	0	137,700	92.50%	130,700	18,200	0	148,900	
10	LANV0074479	W220N6980 N TOWN LINE RD	HALQUIST STONE CO INC STATE MFG	15.47	246,200	617,200	71,200	934,600	92.50%	266,200	667,200	76,973	1,010,373	
11	LANV0074486	7090 N TOWNLINE RD	DAVID A NIEBLER AND BECKY M NIEBLER STATE MFG	2.96	168,200	108,100	3,700	280,000	92.50%	181,800	116,900	4,000	302,700	
12	LANV0074487		GREGORY GESSLER AND KATHLEEN GESSLER	1.89	70,800	0	0	70,800	92.50%	76,500	0	0	76,500	
13	LANV0074489		WISCONSIN ELECTRIC POWER CO EXEMPT	1.33	0	0	0	0	92.50%	0	0	0	0	
14	LANV0074490		WISCONSIN ELECTRIC POWER CO	3.03	111,900	0	0	111,900	92.50%	121,000	0	0	121,000	
15	LANV0074493	21833 W GOOD HOPE RD	SILBERNAGEL LLC	2.00	107,000	0	0	107,000	92.50%	115,700	0	0	115,700	
16	LANV0074488	7136 N TOWN LINE RD	TIMM REAL ESTATE INVESTMENTS LLC	1.15	73,700	189,500		263,200	92.50%	79,700	204,900	0	284,600	
Total Acreage					1,781,900	1,068,100	74,900	2,924,900		1,926,500	1,154,700	80,973		
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				
										3,162,173				

Village of Lannon, Wisconsin

Tax Increment District #2

Base Property Information - Subtracted Parcels

Property Information				Assessment Information				Equalized Value				
Parcel Number	Street Address	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total
LANV0072976		JOHN BARNES MARYANN BARNES		71,200	0	0	71,200	92.50%	77,000	0	0	77,000
LANV0072975001		JOHN BARNES MARYANN BARNES		83,900	0	0	83,900	92.50%	90,700	0	0	90,700
LANV0072975002		JOHN BARNES MARYANN BARNES		91,800	0	0	91,800	92.50%	99,200	0	0	99,200

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.

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 #2	
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	3,232,773
Less Value of Any Underlying TID Parcels	0
Less Base Value of Removed TID #2 Parcels:	
LANV0072975002	88,700
LANV0072976	69,200
LANV0072975001	81,400
Total Value Subject to 12% Test	21,224,173
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 approved in 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

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. A portion of Good Hope Road – Estimated to be \$1.5M
2. A portion of the 2nd source water improvements – Estimated to be \$1.25M.

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.

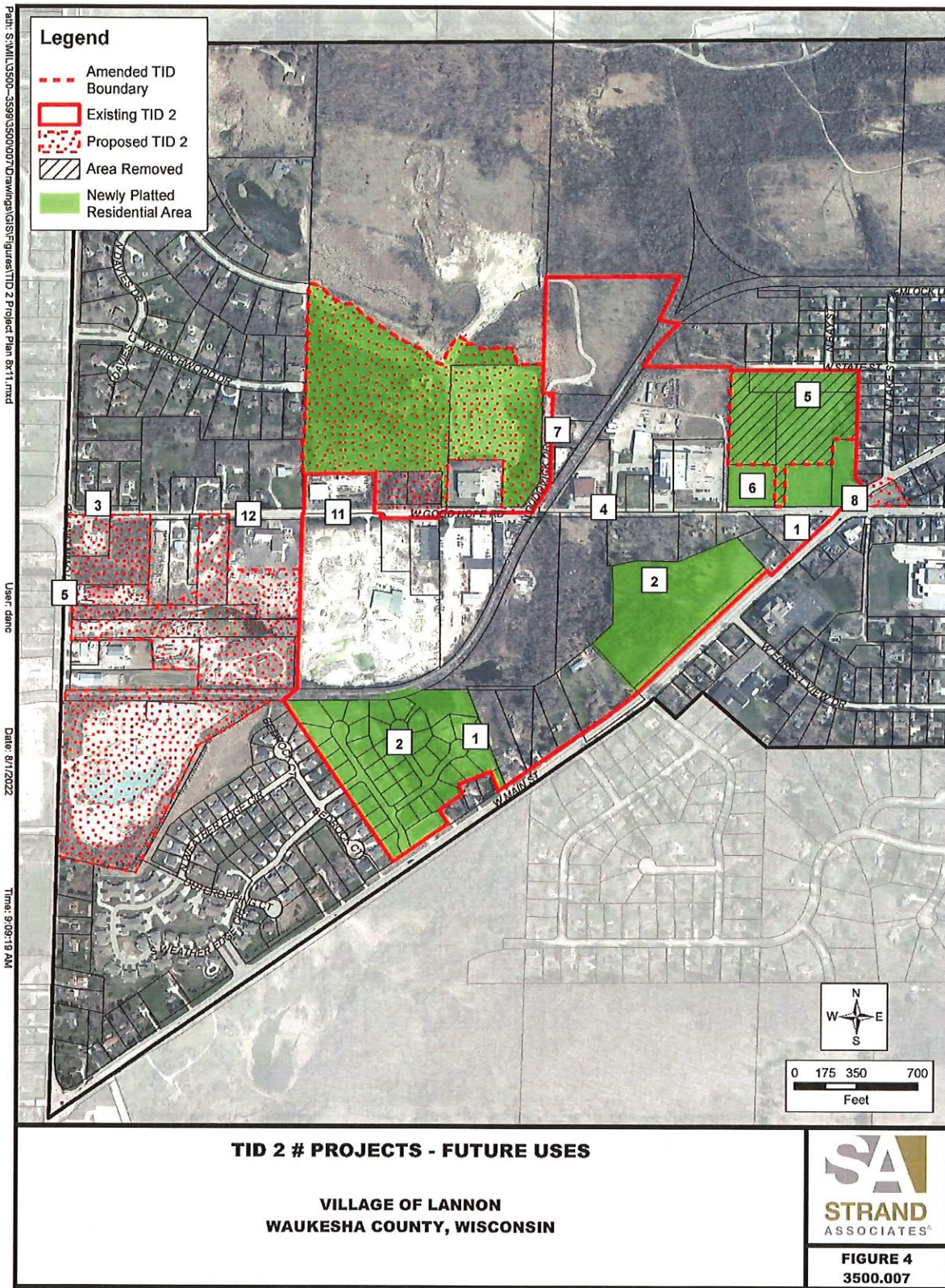
Financing Costs

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 #2

Estimated Project List

Project ID	Project Name/Type	Original TID	1st Amendment	Total (Note 1)
1	Property Acquisition & Cleanup	1,000,000		1,000,000
2	Developer Incentives	500,000		500,000
3	Water - 2nd Source	1,000,000		1,000,000
4	Road Work (Good Hope)	1,000,000	300,000	1,300,000
5	Water Main Looping – Barnes Property	990,000		990,000
6	Water Main onside for Barnes	270,000		0
7	Water Min for Dudovich Extension	480,000		480,000
8	Streetscaping Main St./Lannon Road Intersection	200,000		200,000
9	Professional Services	350,000		350,000
10	Water - 3rd Source or Future		350,000	350,000
12	Water Main Extensions		1,500,000	1,500,000
13	Future Incentives		250,000	250,000
14	Professional Services		100,000	100,000
Total Projects		<u>5,790,000</u>	<u>2,500,000</u>	<u>8,020,000</u>

Notes:

Note 1 Project costs are estimates and are subject to modification

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 \$38,000,000 million in incremental value by 2031. 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 \$12,357,852 in incremental tax revenue over the 27-year term of the District as shown in **TABLE 2**.

Table 1 – Development Assumptions (Prior to Amendment)

Village of Lannon, Wisconsin									
Tax Increment District #2									
Development Assumptions - PRE AMENDMENT									
Construction Year		Actual	Remaining Whispering Ridge	Stonewood Trail	Annual Total	Construction Year			
1	2018				0	2018	1		
2	2019	39,500			39,500	2019	2		
3	2020	3,862,800			3,862,800	2020	3		
4	2021		897,700		897,700	2021	4		
5	2022		2,400,000	780,000	3,180,000	2022	5		
6	2023		2,400,000	3,900,000	6,300,000	2023	6		
7	2024		2,400,000	4,680,000	7,080,000	2024	7		
8	2025		2,400,000	3,120,000	5,520,000	2025	8		
9	2026		800,000		800,000	2026	9		
10	2027				0	2027	10		
11	2028				0	2028	11		
12	2029				0	2029	12		
13	2030				0	2030	13		
14	2031				0	2031	14		
15	2032				0	2032	15		
Totals		3,902,300	11,297,700	12,480,000	27,680,000				
Notes:									

Table 1 – Development Assumptions (After Amendment)

Village of Lannon, Wisconsin Tax Increment District #2 Development Assumptions									
Construction Year		Actual	Remaining Whispering Ridge	Stonewood Trail	Proposed 1st Amendment ¹	Annual Total	Construction Year		
1	2018					0	2018	1	
2	2019	39,500				39,500	2019	2	
3	2020	3,862,800				3,862,800	2020	3	
4	2021		897,700			897,700	2021	4	
5	2022		2,400,000	780,000		3,180,000	2022	5	
6	2023		2,400,000	3,900,000		6,300,000	2023	6	
7	2024		2,400,000	4,680,000		7,080,000	2024	7	
8	2025		2,400,000	3,120,000		5,520,000	2025	8	
9	2026		800,000			800,000	2026	9	
10	2027				2,000,000	2,000,000	2027	10	
11	2028				2,000,000	2,000,000	2028	11	
12	2029				2,000,000	2,000,000	2029	12	
13	2030				2,000,000	2,000,000	2030	13	
14	2031				2,000,000	2,000,000	2031	14	
15	2032					0	2032	15	
Totals		3,902,300	11,297,700	12,480,000	10,000,000	37,680,000			

Notes:
¹Estimated to be 20 single family homes at \$500K - Halquist Site.

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

Village of Lannon, Wisconsin

Tax Increment District #2

Tax Increment Projection Worksheet- PRE AMENDMENT

Type of District	Blighted Area	Base Value	3,232,773	
District Creation Date	July 9, 2018	Appreciation Factor	1.00%	<input type="checkbox"/> Apply to Base Value
Valuation Date	Jan 1, 2018	Base Tax Rate	\$14.61	
Max Life (Years)	27	Rate Adjustment Factor		
Expenditure Period/Termination	22 7/9/2040			
Revenue Periods/Final Year	27 2046			
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate		
Eligible Recipient District	Yes	Taxable Discount Rate	1.50%	

Construction		Valuation	Inflation	Total	Revenue	Tax		Tax Exempt	
Year	Value Added	Year	Increment	Increment	Year	Tax Rate	Increment	NPV	Taxable NPV
								Calculation	Calculation
1	2018	0	2019	0	2020	\$14.61	0	0	0
2	2019	39,500	2020	0	2021	\$14.61	577	577	544
3	2020	3,862,800	2021	395	2022	\$14.61	57,018	57,595	53,472
4	2021	897,700	2022	39,027	2023	\$14.61	70,704	128,299	118,133
5	2022	3,180,000	2023	48,394	2024	\$14.61	117,871	246,170	224,338
6	2023	6,300,000	2024	80,678	2025	\$14.61	211,093	457,263	411,727
7	2024	7,080,000	2025	144,485	2026	\$14.61	316,642	773,905	688,660
8	2025	5,520,000	2026	216,730	2027	\$14.61	400,456	1,174,361	1,033,720
9	2026	800,000	2027	274,097	2028	\$14.61	416,148	1,590,509	1,387,002
10	2027	0	2028	284,838	2029	\$14.61	420,310	2,010,819	1,738,544
11	2028	0	2029	287,686	2030	\$14.61	424,513	2,435,332	2,088,354
12	2029	0	2030	290,563	2031	\$14.61	428,758	2,864,090	2,436,441
13	2030	0	2031	293,469	2032	\$14.61	433,046	3,297,136	2,782,813
14	2031	0	2032	296,404	2033	\$14.61	437,376	3,734,512	3,127,479
15	2032	0	2033	299,368	2034	\$14.61	441,750	4,176,262	3,470,447
16	2033	0	2034	302,361	2035	\$14.61	446,167	4,622,429	3,811,726
17	2034	0	2035	305,385	2036	\$14.61	450,629	5,073,059	4,151,324
18	2035	0	2036	308,439	2037	\$14.61	455,135	5,528,194	4,489,248
19	2036	0	2037	311,523	2038	\$14.61	459,687	5,987,881	4,825,508
20	2037	0	2038	314,638	2039	\$14.61	464,284	6,452,164	5,160,111
21	2038	0	2039	317,785	2040	\$14.61	468,926	6,921,091	5,575,463
22	2039	0	2040	320,963	2041	\$14.61	473,616	7,394,706	5,911,747
23	2040	0	2041	324,172	2042	\$14.61	478,352	7,873,058	6,246,375
24	2041	0	2042	327,414	2043	\$14.61	483,135	8,356,194	6,579,355
25	2042	0	2043	330,688	2044	\$14.61	487,967	8,844,160	6,910,695
26	2043	0	2044	333,995	2045	\$14.61	492,846	9,337,007	7,240,402
27	2044	0	2045	337,335	2046	\$14.61	497,775	9,834,782	7,568,485
Totals		27,680,000		6,390,833	Future Value of Increment		9,834,782		

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Table 2 – Tax Increment Projection Worksheet (After Amendment)

Village of Lannon, Wisconsin

Tax Increment District #2

Tax Increment Projection Worksheet

Type of District	Blighted Area	Base Value	3,232,773	Apply to Base Value
District Creation Date	July 9, 2018	Appreciation Factor	1.00%	
Valuation Date	Jan 1, 2018	Base Tax Rate	\$14.61	
Max Life (Years)	27	Rate Adjustment Factor		
Expenditure Period/Termination	22 7/9/2040			
Revenue Periods/Final Year	27 2046			
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate		
Eligible Recipient District	Yes	Taxable Discount Rate	1.50%	

	Construction		Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt	
	Year	Value Added							NPV Calculation	Taxable NPV Calculation
1	2018	0	2019	0	0	2020	\$14.61	0	0	0
2	2019	39,500	2020	0	39,500	2021	\$14.61	577	577	544
3	2020	3,862,800	2021	395	3,902,695	2022	\$14.61	57,018	57,595	53,472
4	2021	897,700	2022	39,027	4,839,422	2023	\$14.61	70,704	128,299	118,133
5	2022	3,180,000	2023	48,394	8,067,816	2024	\$14.61	117,871	246,170	224,338
6	2023	6,300,000	2024	80,678	14,448,494	2025	\$14.61	211,093	457,263	411,727
7	2024	7,080,000	2025	144,485	21,672,979	2026	\$14.61	316,642	773,905	688,660
8	2025	5,520,000	2026	216,730	27,409,709	2027	\$14.61	400,456	1,174,361	1,033,720
9	2026	800,000	2027	274,097	28,483,806	2028	\$14.61	416,148	1,590,509	1,387,002
10	2027	2,000,000	2028	284,838	30,768,644	2029	\$14.61	449,530	2,040,039	1,762,983
11	2028	2,000,000	2029	307,686	33,076,331	2030	\$14.61	483,245	2,523,284	2,161,190
12	2029	2,000,000	2030	330,763	35,407,094	2031	\$14.61	517,298	3,040,582	2,581,158
13	2030	2,000,000	2031	354,071	37,761,165	2032	\$14.61	551,691	3,592,273	3,022,429
14	2031	2,000,000	2032	377,612	40,138,777	2033	\$14.61	586,428	4,178,700	3,484,552
15	2032	0	2033	401,388	40,540,164	2034	\$14.61	592,292	4,770,992	3,944,398
16	2033	0	2034	405,402	40,945,566	2035	\$14.61	598,215	5,369,207	4,401,980
17	2034	0	2035	409,456	41,355,022	2036	\$14.61	604,197	5,973,403	4,857,307
18	2035	0	2036	413,550	41,768,572	2037	\$14.61	610,239	6,583,642	5,310,391
19	2036	0	2037	417,686	42,186,258	2038	\$14.61	616,341	7,199,984	5,761,244
20	2037	0	2038	421,863	42,608,120	2039	\$14.61	622,505	7,822,488	6,209,875
21	2038	0	2039	426,081	43,034,201	2040	\$14.61	628,730	8,451,218	6,756,141
22	2039	0	2040	430,342	43,464,543	2041	\$14.61	635,017	9,086,235	7,207,026
23	2040	0	2041	434,645	43,899,189	2042	\$14.61	641,367	9,727,602	7,655,691
24	2041	0	2042	438,992	44,338,181	2043	\$14.61	647,781	10,375,383	8,102,145
25	2042	0	2043	443,382	44,781,562	2044	\$14.61	654,259	11,029,641	8,546,400
26	2043	0	2044	447,816	45,229,378	2045	\$14.61	660,801	11,690,443	8,988,467
27	2044	0	2045	452,294	45,681,672	2046	\$14.61	667,409	12,357,852	9,428,356
Totals		37,680,000		8,001,672		Future Value of Increment		12,357,852		

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

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 2042 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 2 Before Amendment

Village of Lannon, Wisconsin												
Tax Increment District #2												
Cash Flow Projection - PRE AMENDMENT												
Year	Projected Revenues			Expenditures						Balances		Year
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	Taxable Issue - Phase 1 515,000		MRO - WREN 1,135,000	MRO - Stonewood 2,700,000	Admin.	Total Expenditures	Annual	Cumulative	
2018			0						0	0	0	2018
2019			0						0	0	0	2019
2020	0		0						0	0	0	2020
2021	577	0	577		5,718			2,500	8,218	(7,641)	(7,641)	2021
2022	57,018	(76)	56,942	10,000	5,693	28,509		5,000	49,202	7,740	99	2022
2023	70,704	1	70,705	10,000	5,643	35,352		10,000	60,995	9,710	9,809	2023
2024	117,871	98	117,969	35,000	5,486	53,237	6,837	15,000	115,561	2,408	12,217	2024
2025	211,093	122	211,215	55,000	5,149	71,302	41,093	20,000	192,544	18,671	30,887	2025
2026	316,642	309	316,951	65,000	4,650	89,547	82,529	25,000	266,726	50,225	81,112	2026
2027	400,456	811	401,267	80,000	3,938	107,974	110,704	30,000	332,617	68,650	149,763	2027
2028	416,148	1,498	417,646	85,000	3,008	114,898	111,811	30,900	345,617	72,029	221,791	2028
2029	420,310	2,218	422,528	85,000	1,924	116,047	112,929	31,827	347,728	74,800	296,592	2029
2030	424,513	2,966	427,479	90,000	675	117,208	114,059	32,782	354,723	72,756	369,347	2030
2031	428,758	3,693	432,452			118,380	115,199	33,765	267,344	165,107	534,455	2031
2032	433,046	5,345	438,390			119,563	116,351	34,778	270,693	167,697	702,152	2032
2033	437,376	7,022	444,398			120,759	117,515	35,822	274,095	170,302	872,454	2033
2034	441,750	8,725	450,474			42,224	118,690	36,896	197,810	252,665	1,125,119	2034
2035	446,167	11,251	457,419				119,877	38,003	157,880	299,539	1,424,658	2035
2036	450,629	14,247	464,876				121,076	39,143	160,219	304,657	1,729,314	2036
2037	455,135	17,293	472,429				122,286	40,317	162,604	309,825	2,039,139	2037
2038	459,687	20,391	480,078				123,509	41,527	165,036	315,042	2,354,181	2038
2039	464,284	23,542	487,825				124,744	42,773	167,517	320,308	2,674,489	2039
2040	468,926	26,745	495,671				125,992	44,056	170,048	325,624	3,000,113	2040
2041	473,616	30,001	503,617				127,252	45,378	172,629	330,987	3,331,100	2041
2042	478,352	33,311	511,663				128,524	46,739	175,263	336,400	3,667,500	2042
2043	483,135	36,675	519,810				129,809	48,141	177,951	341,860	4,009,360	2043
2044	487,967	40,094	528,060				131,108	49,585	180,693	347,367	4,356,727	2044
2045	492,846	43,567	536,414				132,419	51,073	183,492	352,922	4,709,649	2045
2046	497,775	4,710	502,485				133,743	52,605	186,348	316,137	5,025,785	2046
Total	9,834,782	334,557	10,169,339	515,000	41,884	1,135,000	2,568,058	883,611	5,143,553			Total
Notes:										Projected TID Closure		

Table 4 – Cash Flow TID 2 After Amendment

Village of Lannon, Wisconsin																
Tax Increment District #2																
Cash Flow Projection																
Year	Projected Revenues				Expenditures								Balances		Year	
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest	Total Revenues	Taxable Issue - Phase 1 515,000		MRO - WREN 1,135,000	MRO - Stonewood 2,700,000	G.O. Bond 2,985,000 Dated Date: 09/01/24			Admin.	Total Expenditures	Annual		Cumulative
2018				0									0	0	0	2018
2019				0									0	0	0	2019
2020	0			0									0	0	0	2020
2021	577	0		577		5,718						2,500	8,218	(7,641)	(7,641)	2021
2022	57,018	(76)		56,942	10,000	5,693	28,509					5,000	49,202	7,740	99	2022
2023	70,704	1		70,705	10,000	5,643	35,352					10,000	60,995	9,710	9,809	2023
2024	117,871	98		117,969	35,000	5,486	53,237	6,837				15,000	115,561	2,408	12,217	2024
2025	211,093	122	134,325	345,540	55,000	5,149	71,302	41,093	0	4.50%	134,325	20,000	326,869	18,671	30,887	2025
2026	316,642	309	134,325	451,276	65,000	4,650	89,547	82,529	0	4.50%	134,325	25,000	401,051	50,225	81,112	2026
2027	400,456	811	134,325	535,592	80,000	3,938	107,974	110,704	0	4.50%	134,325	30,000	466,942	68,650	149,763	2027
2028	416,148	1,498		417,646	85,000	3,008	114,898	111,811	0	4.50%	134,325	30,900	479,942	(62,296)	87,466	2028
2029	449,530	875		450,405	85,000	1,924	116,047	112,929	0	4.50%	134,325	31,827	482,053	(31,648)	55,818	2029
2030	483,245	558		483,803	90,000	675	117,208	114,059	0	4.50%	134,325	32,782	489,048	(5,245)	50,574	2030
2031	517,298	506		517,803			118,380	115,199	100,000	4.50%	134,325	33,765	501,669	16,134	66,708	2031
2032	551,691	667		552,358			119,563	116,351	130,000	4.50%	129,825	34,778	530,518	21,840	88,548	2032
2033	586,428	885		587,313			120,759	117,515	150,000	4.50%	123,975	35,822	548,070	39,243	127,790	2033
2034	592,292	1,278		593,570			42,224	118,690	165,000	4.50%	117,225	36,896	480,035	113,535	241,325	2034
2035	598,215	2,413		600,628				119,877	170,000	4.50%	109,800	38,003	437,680	162,948	404,273	2035
2036	604,197	4,043		608,240				121,076	180,000	4.50%	102,150	39,143	442,369	165,871	570,144	2036
2037	610,239	5,701		615,940				122,286	190,000	4.50%	94,050	40,317	446,654	169,286	739,430	2037
2038	616,341	7,394		623,736				123,509	200,000	4.50%	85,500	41,527	450,536	173,199	912,629	2038
2039	622,505	9,126		631,631				124,744	240,000	4.50%	76,500	42,773	484,017	147,614	1,060,243	2039
2040	628,730	10,602		639,332				125,992	265,000	4.50%	65,700	44,056	500,748	138,584	1,198,827	2040
2041	635,017	11,988		647,005				127,252	280,000	4.50%	53,775	45,378	506,404	140,601	1,339,428	2041
2042	641,367	13,394		654,761				128,524	290,000	4.50%	41,175	46,739	506,438	148,323	1,487,751	2042
2043	647,781	14,878		662,658				129,809	300,000	4.50%	28,125	48,141	506,076	156,583	1,644,334	2043
2044	654,259	16,443		670,702				131,108	325,000	4.50%	14,625	49,585	520,318	150,384	1,794,718	2044
2045	660,801	17,947		678,748				132,419				51,073	183,492	495,257	2,289,975	2045
2046	667,409	2,290		669,699				133,743				52,605	186,348	483,351	2,773,326	2046
Total	12,357,852	123,753	402,975	12,884,579	515,000	41,884	1,135,000	2,568,058	2,985,000		1,982,700	883,611	10,111,253			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 35% 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 commercial and residential 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 rehabilitating and conserving property, eliminating blighted areas, 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. 2

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. 2 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 overlying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2021	Percentage			
Waukesha County		310,558	13.24%			
Village of Lannon		744,192	31.73%			
School District of Hamilton		1,242,431	52.97%			
Waukesha County Area Technical College		48,509	2.07%			
			0.00%			
Total		2,345,691				
Revenue Year	Waukesha County	Village of Lannon	School District of Hamilton	Waukesha County Area Technical College	Total	Revenue Year
2020	0	0	0	0	0	2020
2021	76	183	306	12	577	2021
2022	7,549	18,090	30,201	1,179	57,018	2022
2023	9,361	22,431	37,449	1,462	70,704	2023
2024	15,606	37,396	62,432	2,438	117,871	2024
2025	27,948	66,971	111,808	4,365	211,093	2025
2026	41,922	100,458	167,714	6,548	316,642	2026
2027	53,018	127,048	212,108	8,282	400,456	2027
2028	55,096	132,027	220,419	8,606	416,148	2028
2029	59,516	142,617	238,100	9,296	449,530	2029
2030	63,979	153,314	255,958	9,994	483,245	2030
2031	68,488	164,117	273,995	10,698	517,298	2031
2032	73,041	175,029	292,211	11,409	551,691	2032
2033	77,640	186,050	310,610	12,127	586,428	2033
2034	78,417	187,910	313,717	12,249	592,292	2034
2035	79,201	189,789	316,854	12,371	598,215	2035
2036	79,993	191,687	320,022	12,495	604,197	2036
2037	80,793	193,604	323,222	12,620	610,239	2037
2038	81,601	195,540	326,455	12,746	616,341	2038
2039	82,417	197,495	329,719	12,874	622,505	2039
2040	83,241	199,470	333,016	13,002	628,730	2040
2041	84,073	201,465	336,347	13,132	635,017	2041
2042	84,914	203,480	339,710	13,264	641,367	2042
2043	85,763	205,514	343,107	13,396	647,781	2043
2044	86,621	207,570	346,538	13,530	654,259	2044
2045	87,487	209,645	350,004	13,666	660,801	2045
2046	88,362	211,742	353,504	13,802	667,409	2046
	1,636,120	3,920,642	6,545,527	255,563	12,357,852	
Notes:						
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.						

