



Village of Lannon, WI

Tax Incremental Finance Districts Update Discussion

June 9, 2025 Village Board

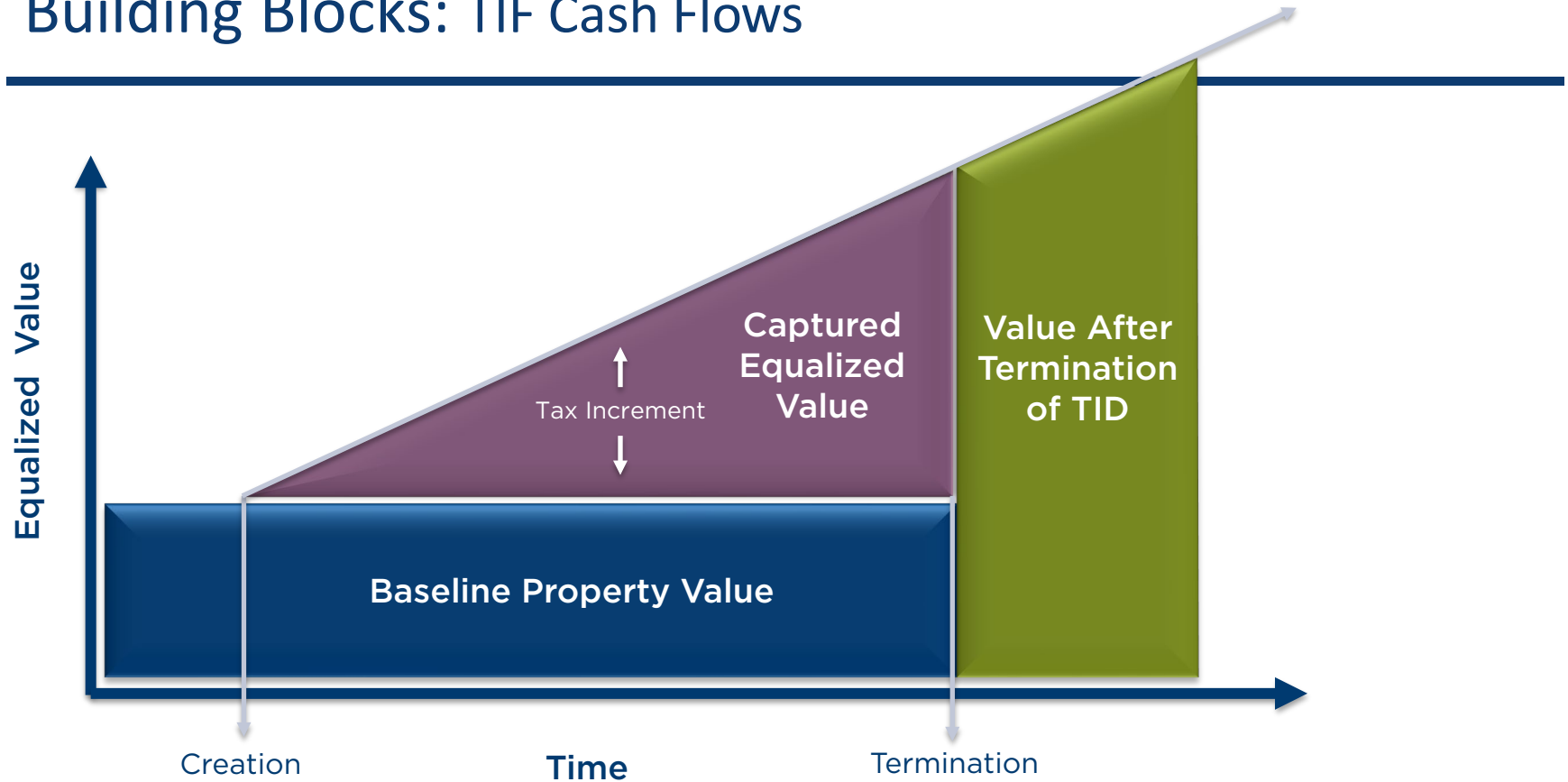
Why are we here?

- Background on TID and how it works
- Background and cash flows for TIDs 1 and 2
- How the TIDs assist with the Village Capital Improvement Plan & Updated TID Cash Flows
- What happens when the TIDs close and Levy Limit Overview
 - ✓ What is the benefit to the Village?
- How do TIDs impact the water utility?
- TID 1 Assisted Living Facility Analysis

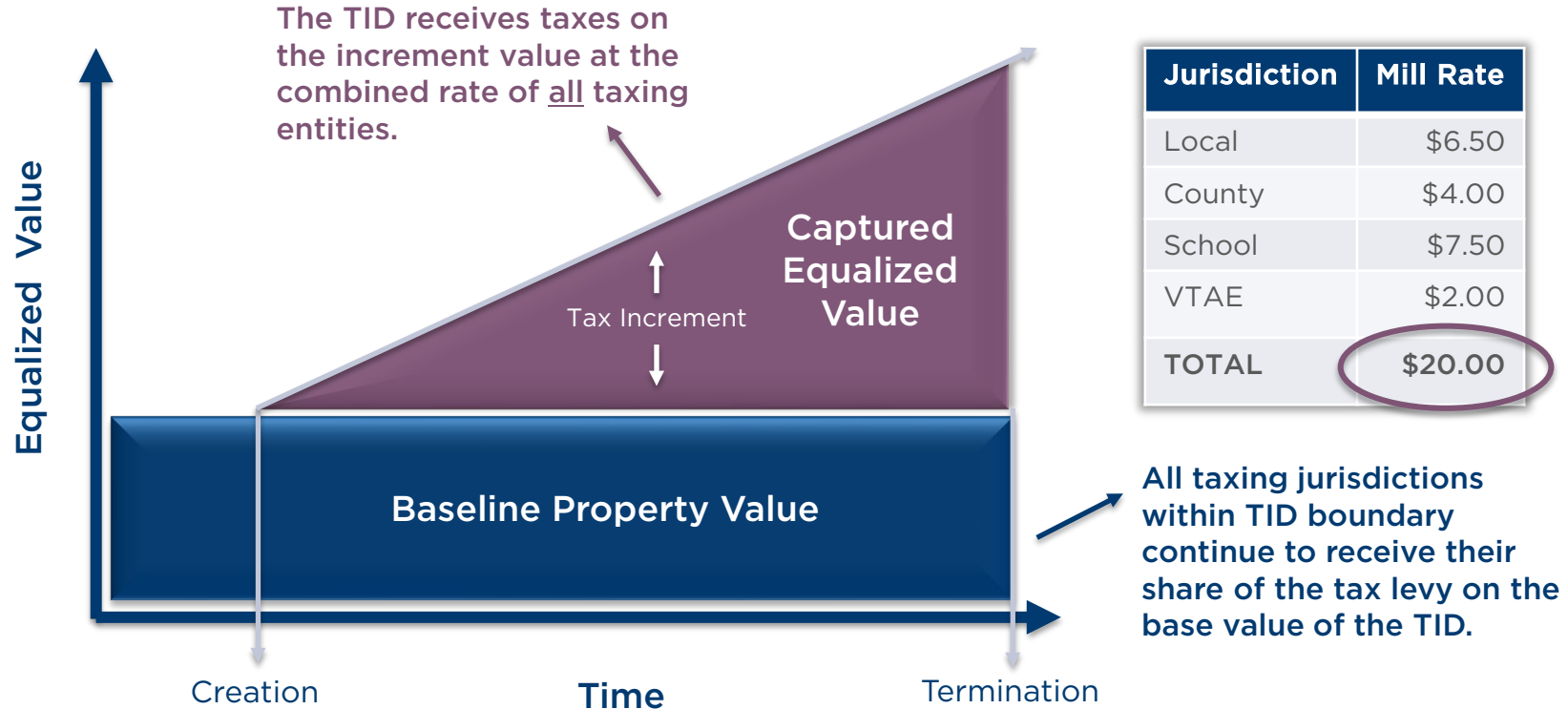
What is Tax Increment Financing?

- Key acronyms:
 - ✓ TIF = Tax Increment Financing (*the tool*)
 - ✓ TID = Tax Increment District (*where the tool is used - boundary*)
- Powerful economic development tool
- Allows municipalities to capture incremental **property tax revenue** from ***growth*** in defined area & use it to **benefit** that area

Building Blocks: TIF Cash Flows



Building Blocks: TID Tax Levies



Why use TIF?

THE INTENT

- | | |
|--|--|
| ✓ Require cost participation amongst all taxing jurisdictions that ultimately benefit from increased property values | ✓ Promote economic development and redevelopment |
| ✓ Address lack of other incentives and financial resources | ✓ Promote cooperation between public and private sectors |
| ✓ Counteract economic downturn (mid-70's recession) | |

The “But For” Test

- Standard applied by Joint Review Board
 - ✓ key underpinning of TIF program
- “But for” the use of TIF assistance, the proposed development could not occur:
 - ✓ as proposed
 - ✓ within same time frame
 - ✓ with same level of value



The “But For” Test, Continued...

How do you prove it?

- Independent third-party review of developer’s sources, uses & cashflows (with/without TIF assistance)
- Challenged site
- Extensive public infrastructure costs
- Lack of economic development in community

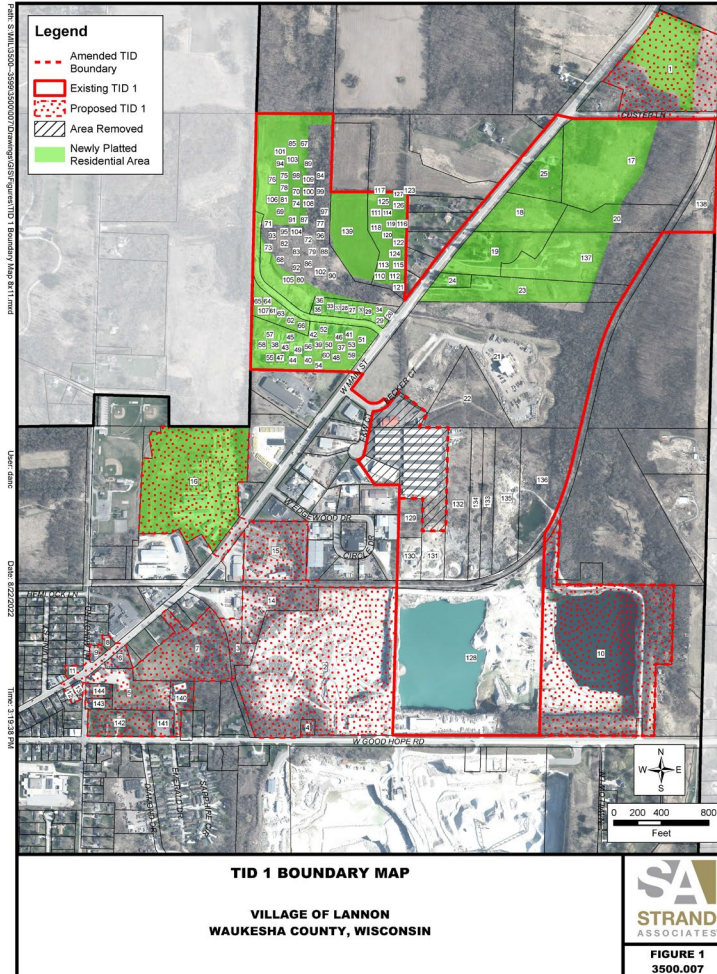


Ultimately the Joint Review Boards’ judgment call

TID 1 Overview

- Created July 9, 2018 as mixed-use district
- Amended in 2022
- Expenditure period ends in 2033 and mandatory termination date of July 9, 2038
- Currently has \$113.3 million in incremental value

TID 1 Overview



TID 1 Est Cashflow Analysis No New Projects

Village of Lannon, Wisconsin

Tax Increment District #1

Cash Flow Projection

Year	Projected Revenues			Projected Expenditures																Year
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	G.O. Notes Series 2020B \$1,440,000			G.O. Notes Series 2020C \$485,000			State Trust Fund Loan Series 2022 \$1,215,000			State Trust Fund Loan \$2,080,000			Overstone MRO 50% of Increment				
				Dated Date: 10/01/20			Dated Date: 10/01/20			Dated Date: 03/30/22			Dated Date: 07/01/23			Phase 1: ³ \$300,000	Phase 2: ⁴ \$500,000	Phase 3 MRO-A: ⁵ \$2,000,000	Phase 3 MRO-B: ⁶ \$2,500,000	
				Principal (4/1)	Rate	Interest	Principal (4/1)	Rate	Interest	Principal (3/15)	Rate	Interest	Principal (3/15)	Est. Rate	Interest					
2024	1,000,560	0	1,000,560	40,000	0.60%	15,098	40,000	0.75%	4,455	69,035	4.00%	46,107	180,000	5.25%	109,200			52,870		2024
2025	1,424,588	(32,917)	1,391,671	55,000	0.60%	14,813	40,000	0.75%	4,155	71,923	4.00%	43,220	195,000	5.25%	99,750			258,250		2025
2026	1,610,228	(22,456)	1,587,772	65,000	0.80%	14,388	50,000	0.90%	3,780	74,799	4.00%	40,343	210,000	5.25%	89,513			337,260		2026
2027	1,626,330	(9,304)	1,617,026	70,000	0.80%	13,848	60,000	1.05%	3,240	77,791	4.00%	37,351	220,000	5.25%	78,488			340,630		2027
2028	1,642,594	4,133	1,646,727	75,000	1.05%	13,174	65,000	1.20%	2,535	80,809	4.00%	34,333	235,000	5.25%	66,938			344,040		2028
2029	1,659,020	17,892	1,676,912	80,000	1.05%	12,360	70,000	1.35%	1,673	84,135	4.00%	31,007	245,000	5.25%	54,600			347,480		2029
2030	1,675,610	32,165	1,707,775	995,000	1.20%	5,970	80,000	1.50%	600	87,501	4.00%	27,641	255,000	5.25%	41,738			317,060		2030
2031	1,692,366	20,727	1,713,093							91,001	4.00%	24,141	265,000	5.25%	28,350				295,390	2031
2032	1,709,290	42,536	1,751,826							94,585	4.00%	20,557	275,000	5.25%	14,438				298,340	2032
2033	1,726,383	65,423	1,791,806							98,424	4.00%	16,718							301,320	2033
2034	1,743,646	97,988	1,841,634							102,361	4.00%	12,781							304,340	2034
2035	1,761,083	133,463	1,894,546							106,456	4.00%	8,686							307,380	2035
2036	1,778,694	171,368	1,950,062							110,702	4.00%	4,440							310,450	2036
2037	1,796,481	210,751	2,007,232																313,560	2037
2038	1,814,445	255,114	2,069,559																316,690	2038
2039	1,832,590	303,091	2,135,681																52,530	2039
Total	27,349,776	1,267,316	31,806,507	1,440,000		135,781	485,000		35,053	1,215,000		396,989	2,080,000		583,013	0	0	2,000,000	2,500,000	Total

Notes:

³Per the Original Development Agreement dated August 20, 2018 50% of annual net tax increment from Phase 1 of the project will be reimbursed to the developer up to \$300,000.

⁴Per the Original Development Agreement dated August 20, 2018 50% of annual net tax increment from Phase 2 of the project will be reimbursed to the developer up to \$500,000.

⁵Per the Amendment to Development Agreement dated April 21, 2021 90% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$2,000,000.

⁶Per the Amendment to Development Agreement dated April 21, 2021 75% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$2,500,000. Payments on MRO-B will begin only after MRO-A is fully repaid.

⁷Per the Development Agreement dated August 11, 2020 \$100,000 will be reimbursed to the developer per occupancy permit of each of the 5 Phase 1 workforce housing component buildings up to \$500,000.

⁸Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 1 of the project will be reimbursed to the developer up to \$950,000.

⁹Per the Development Agreement dated August 11, 2020 \$90,000 will be reimbursed to the developer per occupancy permit of each of the 5 Phase 2 workforce housing component buildings up to \$450,000.

¹⁰Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 2 of the project will be reimbursed to the developer up to \$950,000.

¹¹Per the Development Agreement dated August 11, 2020 \$90,000 will be reimbursed to the developer per occupancy permit of each of the 6 Phase 3 workforce housing component buildings up to \$540,000. Per addendum an additional two buildings were added which results in an up-front reimbursement of

¹²Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$1,140,000.

TID 1 Est Cashflow Analysis No New Projects

Village of Lannon, Wisconsin

Tax Increment District #1

Cash Flow Projection

Year	Projected Expenditures									Balances			Year		
	Rock Pointe MRO 50% of Increment						Conservation and Development	Capital Outlay	Estimated Future Debt Service	Admin + 3%	Total Expenditures	Principal/ Incentive/ Outstanding			
	Phase 1:		Phase 2:		Phase 3:										
	A-1 ⁷	A-2 ⁸	B-1 ⁹	B-2 ¹⁰	C-1 ¹¹	C-2 ¹²									
2024		79,970		60,170	2023 STF		41,275	772,576		35,000	1,545,756	(545,196)	(1,097,218)	11,950,888	2024
2025		80,770		60,770		79,350				40,000	1,043,000	348,672	(748,546)	11,109,825	2025
2026		81,570		61,380		80,140				41,200	1,149,372	438,400	(310,146)	10,149,676	2026
2027		82,390		61,990		80,940				42,436	1,169,103	447,923	137,777	9,155,935	2027
2028		83,210		62,610		81,750				43,709	1,188,107	458,620	596,397	8,128,515	2028
2029		84,050		63,240		82,570				45,020	1,201,135	475,777	1,072,174	7,072,040	2029
2030		84,890		63,870		83,400				46,371	2,089,041	(381,265)	690,908	5,105,319	2030
2031		85,740		64,510		84,230				47,762	986,124	726,969	1,417,877	4,219,448	2031
2032		86,590		65,160		85,070				49,195	988,935	762,891	2,180,769	3,314,703	2032
2033		87,460		65,810		85,920				50,671	706,323	1,085,483	3,266,252	2,675,769	2033
2034		34,180		66,470		86,780				52,191	659,103	1,182,531	4,448,783	2,081,638	2034
2035				67,130		87,650				53,757	631,059	1,263,488	5,712,270	1,513,022	2035
2036				67,800		88,530				55,369	637,291	1,312,770	7,025,041	935,540	2036
2037				68,480		89,410				57,030	528,480	1,478,751	8,503,792	464,090	2037
2038				50,610		44,260				58,741	470,301	1,599,258	10,103,050	52,530	2038
2039										60,504	113,034	2,022,648	12,125,698	0	2039
Total		0 950,000		950,000	0 1,140,000		1,378,956 1,248,262		0	788,757 20,057,001					Total

Notes:

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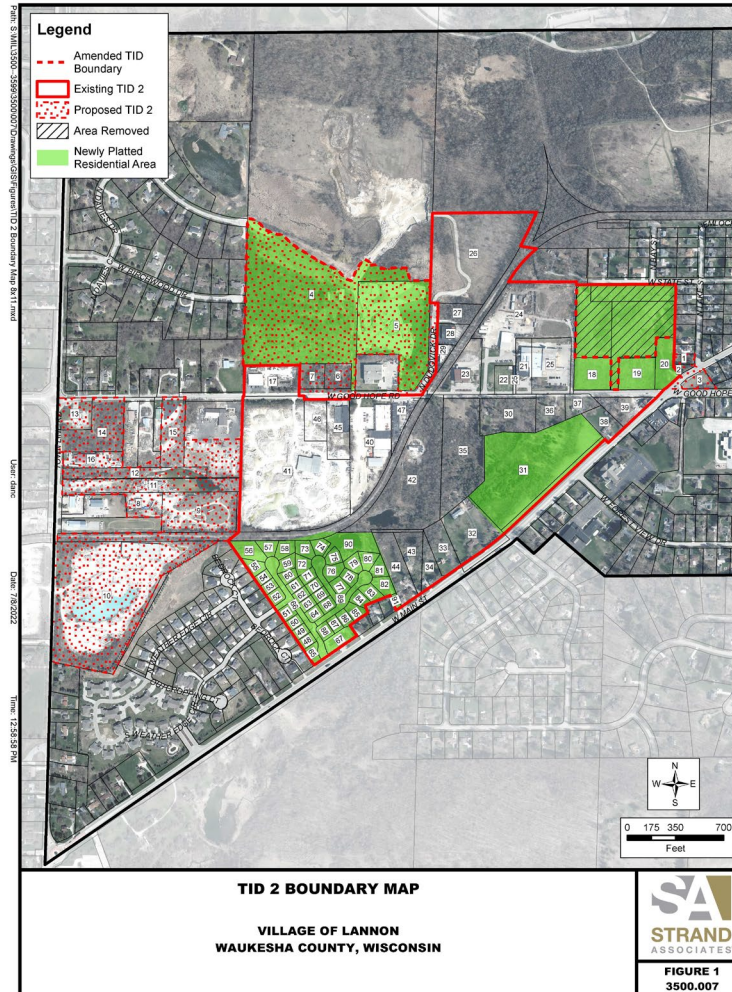
¹⁵Per the Development Agreement dated August 11, 2020 \$90,000 will be reimbursed to the developer per occupancy permit of each of the 6 Phase 3 workforce housing component buildings up to \$540,000. Per addendum an additional two

¹⁶Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$1,140,000.

TID 2 Overview

- Created July 9, 2018 as a rehabilitation district
- Amended in August, 2022
- Expenditure period that ends, July, 2040
- Mandatory termination date July 9, 2045
- Currently has \$22.29 million in incremental value

TID 2 Overview



TID 2 Estimated Cashflow Analysis – No New Projects

Village of Lannon, Wisconsin

Tax Increment District #2

Cash Flow Projection

Year	Projected Revenues ¹			Projected Expenditures ²							Balances			Year				
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	Taxable Issue - Phase 1 515,000		MRO - WREN ¹ 1,135,000 50% of Increment Attributed to WREN	Future Debt Service	Capital Outlay	Conservation & Development	Admin + 3%	Total Expenditures	Annual	Cumulative		Principal/ Incentive Outstanding			
				Principal	Interest													
2024	238,066	0	238,066	35,000	5,486	106,512		15,276	32,487	15,000	209,761	28,305	(118,589)	1,386,938	2024			
2025	279,535	(5,929)	273,606	55,000	5,149	111,155						20,000	191,304	82,302	(36,287)	1,220,783	2025	
2026	273,659	(1,814)	271,845	65,000	4,650	112,822						25,000	207,472	64,373	28,085	1,042,961	2026	
2027	277,764	1,404	279,168	80,000	3,938	114,514						25,750	224,202	54,966	83,051	848,446	2027	
2028	281,930	4,153	286,083	85,000	3,008	116,232						26,523	230,763	55,320	138,372	647,214	2028	
2029	286,159	6,919	293,078	85,000	1,924	117,976						27,318	232,218	60,860	199,232	444,239	2029	
2030	290,452	9,962	300,413	90,000	675	119,745						28,138	238,558	61,855	261,087	234,494	2030	
2031	294,808	13,054	307,863			121,541						28,982	150,523		157,340	418,427	112,952	2031
2032	299,231	20,921	320,152			112,952						29,851	142,804		177,348	595,775	(0)	2032
2033	303,719	29,789	333,508									30,747	30,747		302,761	898,536		2033
2034	308,275	44,927	353,202									31,669	31,669		321,532	1,220,068		2034
2035	312,899	61,003	373,902									32,619	32,619		341,283	1,561,351		2035
2036	317,592	78,068	395,660									33,598	33,598		362,062	1,923,413		2036
2037	322,356	96,171	418,527									34,606	34,606		383,921	2,307,334		2037
2038	327,192	115,367	442,558									35,644	35,644		406,914	2,714,248		2038
2039	332,099	135,712	467,812									36,713	36,713		431,099	3,145,347		2039
2040	337,081	157,267	494,348									37,815	37,815		456,534	3,601,880		2040
2041	342,137	180,094	522,231									38,949	38,949		483,282	4,085,162		2041
2042	347,269	204,258	551,527									40,118	40,118		511,410	4,596,572		2042
2043	352,478	229,829	582,307									41,321	41,321		540,986	5,137,558		2043
2044	357,765	256,878	614,643				42,561	42,561		572,083	5,709,640		2044					
2045	363,132	285,482	648,614				43,838	43,838		604,776	6,314,417		2045					
2046	368,579	315,721	684,300				44,714	44,714		639,585	6,954,002		2046					
Total	7,396,321	2,239,283	10,212,810	515,000	41,884	1,135,000	0	15,276	97,137	761,474	3,165,931				Total			

Notes:

¹ Per the Development Agreement dated August 8, 2019 50% of annual net tax increment will be reimbursed to the developer. The incentive is broken into two phases. The Phase 1 incentive is \$567,500 and is dated November 25, 2019. The Phase 2 incentive is \$567,500 and is dated November 25, 2019.

2025-2032 Estimated Capital Imp. Plan - CIP

Projects	Purpose/Dept.	Funding	2025	2026	2027	2028	2029	2030	2031	2032	Totals
Lift Station Upgrades to Good Hope Rd & Main St.	Sewer/TIDs 1&2	Cash		150,000	300,000						450,000
Good Hope Reconstruction	Roads/TIDs 1&2	G.O. Debt			200,000	1,300,000					1,500,000
Public Art/Village Signage	General	G.O. Debt			250,000						250,000
Streetscaping	Roads/TIDs 1&2	G.O. Debt			500,000						500,000
Water Facility Electrical Upgrades	Water	Cash	100,000	200,000	300,000						600,000
Good Hope Rd. Water Main (Phase I- about 2,000 FT)	Water/TIDs 1 & 2	Grants/Aids		750,000							750,000
Good Hope Rd. Water Main (Phase 2 - about 2,700 FT)	Water/TIDs 1 & 2	G.O. Debt			1,000,000						1,000,000
New Water Tower	Water/TIDs 1 & 2	Revenue Debt				200,000	2,500,000	1,000,000			3,700,000
Lift Station Facility & Pump Upgrades	Sewer	Cash							200,000	1,400,000	1,600,000
Sussex WWTP Capacity Payment	Sewer	Cash	220,000								220,000
Lannon Interceptor I/I Reduction Projects	Sewer	Cash	30,000	80,000							110,000
Capacity Purchase from Sussex (Cost Share of Well)	TID 1&2	G.O. Debt		1,000,000							1,000,000
Interconnect Watermain Extension	Water/TIDs 1 & 2	G.O. Debt		350,000	350,000		1,300,000				2,000,000
Joeck's Park Bikepath Extension	General	G.O. Debt				120,000					120,000
Pocket Park	TID 1&2	G.O. Debt		100,000	400,000						500,000
Bonnie Lane Reconstruction	General/TID2	G.O. Debt		500,000	500,000						1,000,000
Actual CIP Costs			350,000	3,130,000	3,800,000	1,620,000	3,800,000	1,000,000	200,000	1,400,000	15,300,000

Percent Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Inflated Project Costs	350,000	3,130,000	3,800,000	1,620,000	3,800,000	1,000,000	200,000	1,400,000			15,300,000

Sources of Funding											
G.O. Debt		0	1,950,000	3,200,000	1,420,000	1,300,000	0	0	0	0	7,870,000
Revenue Debt		0	0	0	200,000	2,500,000	1,000,000	0	0	0	3,700,000
Grants/Aids		0	750,000	0	0	0	0	0	0	0	750,000
Cash		350,000	430,000	600,000	0	0	0	200,000	1,400,000		2,980,000
Total		350,000	3,130,000	3,800,000	1,620,000	3,800,000	1,000,000	200,000	1,400,000		15,300,000

What Else are the TIDs Paying for Annually

- TIDs 1 and 2 are paying for \$57,500 of annual administrative operating expenses
 - ✓ \$37,500 for TID 1
 - ✓ \$20,000 for TID 2

Estimated TID 1 & 2 Related Debt Payments

Summary of Water Utility Related TID Debt

Year	Principal	Interest	Total P&I
2024			0
2025			0
2026	0	0	0
2027			0
2028			0
2029	70,000	69,206	139,206
2030	190,000	310,473	500,473
2031	395,000	199,456	594,456
2032	620,000	270,369	890,369
2033	650,000	239,956	889,956
2034	690,000	207,875	897,875
2035	720,000	174,125	894,125
2036	760,000	138,688	898,688
2037	800,000	101,331	901,331
2038	840,000	62,056	902,056
2039	875,000	20,969	895,969
Totals	6,610,000	1,794,504	8,404,504

Summary of Roads/General TID Debt

Principal	Interest	Total P&I	Total P&I	80% Total TID 1 Debt	20% Total TID 2 Debt
		0	0	0	0
		0	0	0	0
0	0	0	0	0	0
		0	0	0	0
		0	0	0	0
55,000	32,781	87,781	226,988	181,590	45,398
55,000	28,244	83,244	583,717	466,973	116,743
60,000	48,600	108,600	703,056	562,445	140,611
115,000	43,744	158,744	1,049,113	839,290	209,823
120,000	38,669	158,669	1,048,625	838,900	209,725
125,000	33,375	158,375	1,056,250	845,000	211,250
130,000	27,869	157,869	1,051,994	841,595	210,399
140,000	22,038	162,038	1,060,725	848,580	212,145
140,000	15,988	155,988	1,057,319	845,855	211,464
145,000	9,831	154,831	1,056,888	845,510	211,378
155,000	3,350	158,350	1,054,319	843,455	210,864
1,240,000	304,488	1,544,488	9,948,992	7,959,193	1,989,798

- Total of \$7,850,000 in total principal expense

TID 1 Estimated Cashflow Analysis

Village of Lannon, Wisconsin

Tax Increment District #1

Cash Flow Projection

Year	Projected Revenues			Projected Expenditures												Year
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	G.O. Notes Series 2020B \$1,440,000			G.O. Notes Series 2020C \$485,000			State Trust Fund Loan Series 2022 \$1,215,000			State Trust Fund Loan \$2,080,000			
				Dated Date: 10/01/20			Dated Date: 10/01/20			Dated Date: 03/30/22			Dated Date: 07/01/23			
				Principal (4/1)	Rate	Interest	Principal (4/1)	Rate	Interest	Principal (3/15)	Rate	Interest	Principal (3/15)	Est. Rate	Interest	
2024	1,000,560	0	1,000,560	40,000	0.60%	15,098	40,000	0.75%	4,455	69,035	4.00%	46,107	180,000	5.25%	109,200	2024
2025	1,424,588	(32,917)	1,391,671	55,000	0.60%	14,813	40,000	0.75%	4,155	71,923	4.00%	43,220	195,000	5.25%	99,750	2025
2026	1,610,228	(22,456)	1,587,772	65,000	0.80%	14,388	50,000	0.90%	3,780	74,799	4.00%	40,343	210,000	5.25%	89,513	2026
2027	1,626,330	(9,304)	1,617,026	70,000	0.80%	13,848	60,000	1.05%	3,240	77,791	4.00%	37,351	220,000	5.25%	78,488	2027
2028	1,642,594	4,133	1,646,727	75,000	1.05%	13,174	65,000	1.20%	2,535	80,809	4.00%	34,333	235,000	5.25%	66,938	2028
2029	1,659,020	17,892	1,676,912	80,000	1.05%	12,360	70,000	1.35%	1,673	84,135	4.00%	31,007	245,000	5.25%	54,600	2029
2030	1,675,610	26,718	1,702,327	995,000	1.20%	5,970	80,000	1.50%	600	87,501	4.00%	27,641	255,000	5.25%	41,738	2030
2031	1,692,366	1,107	1,693,473							91,001	4.00%	24,141	265,000	5.25%	28,350	2031
2032	1,709,290	5,454	1,714,744							94,585	4.00%	20,557	275,000	5.25%	14,438	2032
2033	1,726,383	2,050	1,728,432							98,424	4.00%	16,718				2033
2034	1,743,646	7,546	1,751,192							102,361	4.00%	12,781				2034
2035	1,761,083	14,959	1,776,041							106,456	4.00%	8,686				2035
2036	1,778,694	24,060	1,802,754							110,702	4.00%	4,440				2036
2037	1,796,481	33,567	1,830,047													2037
2038	1,814,445	47,238	1,861,683													2038
2039	1,832,590	63,614	1,896,204													2039
Total	27,349,776	161,001	30,700,191	1,440,000		135,781	485,000		35,053	1,215,000		396,989	2,080,000		583,013	Total

Notes:

³Per the Original Development Agreement dated August 20, 2018 50% of annual net tax increment from Phase 1 of the project will be reimbursed to the developer up to \$300,000.

⁴Per the Original Development Agreement dated August 20, 2018 50% of annual net tax increment from Phase 2 of the project will be reimbursed to the developer up to \$500,000.

⁵Per the Amendment to Development Agreement dated April 21, 2021 90% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$2,000,000.

⁶Per the Amendment to Development Agreement dated April 21, 2021 75% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$2,500,000. Payments on MRO-B will begin only after MRO-A is fully

⁷Per the Development Agreement dated August 11, 2020 \$100,000 will be reimbursed to the developer per occupancy permit of each of the 5 Phase 1 workforce housing component buildings up to \$500,000.

⁸Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 1 of the project will be reimbursed to the developer up to \$950,000.

⁹Per the Development Agreement dated August 11, 2020 \$90,000 will be reimbursed to the developer per occupancy permit of each of the 5 Phase 2 workforce housing component buildings up to \$450,000.

¹⁰Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 2 of the project will be reimbursed to the developer up to \$950,000.

¹¹Per the Development Agreement dated August 11, 2020 \$90,000 will be reimbursed to the developer per occupancy permit of each of the 6 Phase 3 workforce housing component buildings up to \$540,000. Per addendum an additional two

¹²Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$1,140,000.

TID 1 Estimated Cashflow Analysis

Village of Lannon, Wisconsin

Tax Increment District #1

Cash Flow Projection

Year	Projected Expenditures													Balances		Year		
	Overstone MRO 50% of Increment				Rock Pointe MRO 50% of Increment						Conservation and Development	Capital Outlay	Estimated Future Debt Service	Admin + 3%	Total Expenditures		Annual	Cumulative
	Phase 1: ³	Phase 2: ⁴	Phase 3 MRO-A: ⁵	Phase 3 MRO-B: ⁶	Phase 1:		Phase 2:		Phase 3:									
	\$300,000	\$500,000	\$2,000,000	\$2,500,000	A-1 ⁷	A-2 ⁸	B-1 ⁹	B-2 ¹⁰	C-1 ¹¹	C-2 ¹²								
2024			52,870			79,970		60,170	2023 STF		41,275	772,576		35,000	1,545,756	(545,196)	(1,097,218)	2024
2025			258,250			80,770		60,770		79,350				40,000	1,043,000	348,672	(748,546)	2025
2026			337,260			81,570		61,380		80,140				41,200	1,149,372	438,400	(310,146)	2026
2027			340,630			82,390		61,990		80,940				42,436	1,169,103	447,923	137,777	2027
2028			344,040			83,210		62,610		81,750				43,709	1,188,107	458,620	596,397	2028
2029			347,480			84,050		63,240		82,570			181,590	45,020	1,382,725	294,187	890,584	2029
2030			317,060			84,890		63,870		83,400			466,973	46,371	2,556,014	(853,686)	36,897	2030
2031				295,390		85,740		64,510		84,230			562,445	47,762	1,548,569	144,904	181,801	2031
2032				298,340		86,590		65,160		85,070			839,290	49,195	1,828,225	(113,481)	68,320	2032
2033				301,320		87,460		65,810		85,920			838,900	50,671	1,545,223	183,209	251,529	2033
2034				304,340		34,180		66,470		86,780			845,000	52,191	1,504,103	247,089	498,619	2034
2035				307,380				67,130		87,650			841,595	53,757	1,472,654	303,388	802,006	2035
2036				310,450				67,800		88,530			848,580	55,369	1,485,871	316,882	1,118,889	2036
2037				313,560				68,480		89,410			845,855	57,030	1,374,335	455,712	1,574,601	2037
2038				316,690				50,610		44,260			845,510	58,741	1,315,811	545,872	2,120,473	2038
2039				52,530									843,455	60,504	956,489	939,716	3,060,188	2039
Total	0	0	2,000,000	2,500,000	0	950,000		950,000	0	1,140,000	1,378,956	1,248,262	7,959,193	788,757	28,016,195			Total

Notes:

³Per the Original Development Agreement dated August 20, 2018 50% of annual net tax increment from Phase 1 of the project will be reimbursed to the developer up to \$300,000.

⁴Per the Original Development Agreement dated August 20, 2018 50% of annual net tax increment from Phase 2 of the project will be reimbursed to the developer up to \$500,000.

⁵Per the Amendment to Development Agreement dated April 21, 2021 90% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$2,000,000.

⁶Per the Amendment to Development Agreement dated April 21, 2021 75% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$2,500,000. Payments on MRO-B will begin only after MRO-A is fully repaid.

⁷Per the Development Agreement dated August 11, 2020 \$100,000 will be reimbursed to the developer per occupancy permit of each of the 5 Phase 1 workforce housing component buildings up to \$500,000.

⁸Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 1 of the project will be reimbursed to the developer up to \$950,000.

⁹Per the Development Agreement dated August 11, 2020 \$90,000 will be reimbursed to the developer per occupancy permit of each of the 5 Phase 2 workforce housing component buildings up to \$450,000.

¹⁰Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 2 of the project will be reimbursed to the developer up to \$950,000.

¹¹Per the Development Agreement dated August 11, 2020 \$90,000 will be reimbursed to the developer per occupancy permit of each of the 6 Phase 3 workforce housing component buildings up to \$540,000. Per addendum an additional two buildings were added which results in an up-front

¹²Per the Development Agreement dated August 11, 2020 50% of annual net tax increment from Phase 3 of the project will be reimbursed to the developer up to \$1,140,000.

TID 2 Estimated Cashflow Analysis

Village of Lannon, Wisconsin

Tax Increment District #2

Cash Flow Projection

Year	Projected Revenues ¹				Projected Expenditures ²								Balances		Year	
	Tax Increments	Interest Earnings/ (Cost)	Debt Proceeds	Total Revenues	Taxable Issue - Phase 1 515,000		MRO - WREN ¹ 1,135,000 50% of Inrement Attributed to WREN	Future Debt Service	Capital Outlay	Conservation & Development	Admin + 3%	Total Expenditures	Annual	Cumulative		
					Principal	Interest										
2024	238,066	0		238,066	35,000	5,486	106,512	45,398	15,276	32,487	15,000	209,761	28,305	(118,589)	2024	
2025	279,535	(5,929)		273,606	55,000	5,149	111,155		20,000			20,000	191,304	82,302	(36,287)	2025
2026	273,659	(1,814)		271,845	65,000	4,650	112,822		25,000			25,000	207,472	64,373	28,085	2026
2027	277,764	1,404		279,168	80,000	3,938	114,514		25,750			25,750	224,202	54,966	83,051	2027
2028	281,930	4,153		286,083	85,000	3,008	116,232		26,523			26,523	230,763	55,320	138,372	2028
2029	286,159	6,919		293,078	85,000	1,924	117,976		27,318			27,318	277,615	15,463	153,834	2029
2030	290,452	7,692		298,143	90,000	675	119,745		28,138			28,138	355,301	(57,158)	96,676	2030
2031	294,808	4,834		299,642			121,541		140,611			28,982	291,134	8,508	105,184	2031
2032	299,231	5,259		304,490			112,952		209,823			29,851	352,626	(48,137)	57,048	2032
2033	303,719	2,852		306,571					209,725			30,747	240,472	66,100	123,147	2033
2034	308,275	6,157		314,432					211,250			31,669	242,919	71,513	194,660	2034
2035	312,899	9,733		322,632					210,399			32,619	243,018	79,614	274,274	2035
2036	317,592	13,714		331,306					212,145			33,598	245,743	85,563	359,837	2036
2037	322,356	17,992		340,348				211,464			34,606	246,070	94,279	454,116	2037	
2038	327,192	22,706		349,897				211,378			35,644	247,022	102,876	556,991	2038	
2039	332,099	27,850		359,949				210,864			36,713	247,577	112,372	669,363	2039	
2040	337,081	33,468		370,549							37,815	37,815	332,734	1,002,098	2040	
2041	342,137	50,105		392,242							38,949	38,949	353,293	1,355,391	2041	
2042	347,269	67,770		415,039							40,118	40,118	374,921	1,730,312	2042	
2043	352,478	86,516		438,994							41,321	41,321	397,673	2,127,984	2043	
2044	357,765	106,399		464,165							42,561	42,561	421,604	2,549,588	2044	
2045	363,132	127,479		490,611							43,838	43,838	446,774	2,996,362	2045	
2046	368,579	149,818		518,397							44,714	44,714	473,683	3,470,045	2046	
Total	7,396,321	745,124	515,000	8,718,651	515,000	41,884	1,135,000	1,989,798	15,276	97,137	761,474	5,155,729			Total	

Notes:

¹Per the Development Agreement dated August 8, 2019 50% of annual net tax increment will be reimbursed to the developer. The incentive is broken into two phases. The Phase 1 incentive is \$567,500 and is dated November 25, 2019. The Phase 2 incentive is \$567,500 and is dated November 25, 2019.

What Happens When TIDs Close – Levy Limit Impact Example

Final TID Incremental Value	15,000,000
TID OUT Equalized Value (EV)	500,000,000
Final Value as Percent of TID OUT EV	3.00%
Multiplied by 50%	1.50%

- Adjustment made in year following last year an incremental value is certified – e.g., if last incremental value is 1-1-2024, adjustment reflected on 2025 worksheet for 2026 budget
- Adjustment also made on subtraction of territory from TID using incremental value of removed parcels

TID 1 Closure Levy Limit Impact Analysis

Levy Year	2024
Calendar/Budget Year	2025
Line	Actual
1 Prior Year's Actual Levy plus Personal Property Aid	700,903
2 Exclude Prior Year Levy for Unreimbursed Emergency Expenses	
3 Exclude Prior Year Levy for G.O. Debt Authorized After July 1, 2005	(52,218)
4 Adjusted Actual Levy	648,685
TID Closure Calculations	
I Will Close a TID Before April 15 in This Calendar Year	Yes
Enter Projected TID Increment Value in Shaded Cell	113,603,200
Enter Projected Total TID OUT EV in Closure Year in Shaded Cell	201,126,800
Terminated TID % (50% of increment value as a percentage of TID OUT EV)	28.24%
Applied to Prior Year Adjusted Actual Levy	183,200

TID 2 Closure Levy Limit Impact Analysis

Levy Year	2024
Calendar/Budget Year	2025
<u>Line</u>	<u>Actual</u>
1 Prior Year's Actual Levy plus Personal Property Aid	700,903
2 Exclude Prior Year Levy for Unreimbursed Emergency Expenses	
3 Exclude Prior Year Levy for G.O. Debt Authorized After July 1, 2005	(52,218)
4 Adjusted Actual Levy	648,685
TID Closure Calculations	
I Will Close a TID Before April 15 in This Calendar Year	Yes
Enter Projected TID Increment Value in Shaded Cell	22,291,400
Enter Projected Total TID OUT EV in Closure Year in Shaded Cell	201,126,800
Terminated TID % (50% of increment value as a percentage of TID OUT EV)	5.54%
Applied to Prior Year Adjusted Actual Levy	35,948

Building Utility Rates: Revenue Requirement with TID Contributions

How much revenue should we generate from user rates?

Utility Basis

- + Op. and Maint. Expenses
- + Taxes/Transfer Payments
- + Depreciation
- + Rate of Return on Rate Base
- Less Non-Rate Revenue
- = Total Revenue Requirements

With tax increment revenues, petition the PSC to reduce the rate of return on rate base equal to the amount of annual TID increment revenue

TID 1 Senior Center Analysis

Village of Lannon, Wisconsin

Tax Increment District #1

Tax Increment Projection Worksheet - Assisted Living Facility Project

Type of District	Mixed Use	Base Value	10,681,500
District Creation Date	July 9, 2018	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2018	Base Tax Rate	\$13.96
Max Life (Years)	20	Rate Adjustment Factor	0.00%
Expenditure Period/Termination	15		
Revenue Periods/Final Year	20		
Extension Eligibility/Years	Yes		
Eligible Recipient District	No		

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
6 2023		2024		0	2025	\$13.01	
7 2024		2025	0	0	2026	\$13.01	
8 2025	8,000,000	2026	0	8,000,000	2027	\$13.01	104,055
9 2026	0	2027	0	8,000,000	2028	\$13.01	104,055
10 2027	0	2028	0	8,000,000	2029	\$13.01	104,055
11 2028	0	2029	0	8,000,000	2030	\$13.01	104,055
12 2029	0	2030	0	8,000,000	2031	\$13.01	104,055
13 2030	0	2031	0	8,000,000	2032	\$13.01	104,055
14 2031	0	2032	0	8,000,000	2033	\$13.01	104,055
15 2032	0	2033	0	8,000,000	2034	\$13.01	104,055
16 2033	0	2034	0	8,000,000	2035	\$13.01	104,055
17 2034	0	2035	0	8,000,000	2036	\$13.01	104,055
18 2035	0	2036	0	8,000,000	2037	\$13.01	104,055
19 2036	0	2037	0	8,000,000	2038	\$13.01	104,055
20 2037	0	2038	0	8,000,000	2039	\$13.01	104,055
Totals	8,000,000		0		Future Value of Increment		3,209,150

Notes:

TID 1 Senior Center Analysis – Levy Limit Impact

Levy Year	2024
Calendar/Budget Year	2025
Line	Actual
1 Prior Year's Actual Levy plus Personal Property Aid	700,903
2 Exclude Prior Year Levy for Unreimbursed Emergency Expenses	
3 Exclude Prior Year Levy for G.O. Debt Authorized After July 1, 2005	(52,218)
4 Adjusted Actual Levy	648,685
TID Closure Calculations	
I Will Close a TID Before April 15 in This Calendar Year	Yes
Enter Projected TID Increment Value in Shaded Cell	8,000,000
Enter Projected Total TID OUT EV in Closure Year in Shaded Cell	201,126,800
Terminated TID % (50% of increment value as a percentage of TID OUT EV)	1.99%
Applied to Prior Year Adjusted Actual Levy	12,901

Questions?
