



September 9, 2020

Project Plan

Tax Incremental District No. 1

Village of River Hills, Wisconsin

| | |
|--|--------------------|
| Organizational Joint Review Board Meeting: | September 28, 2020 |
| Plan Commission Public Hearing: | September 29, 2020 |
| Consideration by Plan Commission: | September 29, 2020 |
| Consideration by Village Board: | October 14, 2020 |
| Consideration by the Joint Review Board: | TBD |

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 1 (“District”) is a proposed Rehabilitation/Conservation District comprising approximately 53.4 acres located generally on the north side of West Brown Deer Road (State Highway 100) and running north to West Green Brook Road (addresses 1600 W. Brown Deer Road, 1620 W. Brown Deer Road, 1700 W. Brown Deer Road, 1820 W. Brown Deer Road and 1980 W. Brown Deer Road). The District will be created to pay the costs of land acquisition, public improvements, developer incentives, financing, including capitalized interest, and other costs needed to facilitate redevelopment (“Project”) in the future. In addition to the incremental property value and revenues that will be created, the Village expects the Project will result in the Village recouping some costs through other means.

Authority

The Village is creating the District under the provisions of Chapter 66 of the Wisconsin Statutes, in particular § 66.1105.

Estimated Total Project Cost Expenditures

The Village anticipates making total expenditures of approximately \$9.625million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include \$2,500,000 to acquire the land, and an estimated \$2,950,000 of public improvements, in particular a water main and sanitary sewer main extension to the District and potential improvements to W. Brown Deer Road. Acquisition of the property by the Village is expected in the fall of 2020, with infrastructure improvements expected to begin construction in 2021.

Incremental Valuation

The Village projects that new land and improvements value of approximately \$36,000,000 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 assumptions as to 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 13 years from date of creation (2033) 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 that despite its prime location the site has not redeveloped in an otherwise active real estate development market. Subject to approval of specific redevelopment plans, the Village recognizes that it will likely be necessary to make a public investment in the Project in the form of development incentives and costs of construction or rehabilitation of public infrastructure. The Village therefore finds it to be reasonable and necessary to use tax incremental financing to pay development incentives or to fund the costs of public infrastructure construction and rehabilitation. Any provision of tax incremental financing assistance will be subject to additional due diligence undertaken by the Village at the time specific redevelopment plans are submitted and reviewed.

In reaching this determination, the Village has also considered the substantial investment needed to provide the water and sanitary sewer 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 property value, are sufficient to compensate for the cost of the improvements. Implementation of the District’s Plan will add to the tax base and provide new housing units which are needed to meet local demand. Construction of the Project will provide construction employment opportunities will also result in the developers’ purchase of materials and services which will support the local and regional economy. The Village has concluded that in addition to the estimated \$36,000,000 in increased property values that are projected, that other economic benefits that will be derived from the Project are more than sufficient to compensate for the related Project Costs.
3. The benefits of the Plan outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found

in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the Village finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.

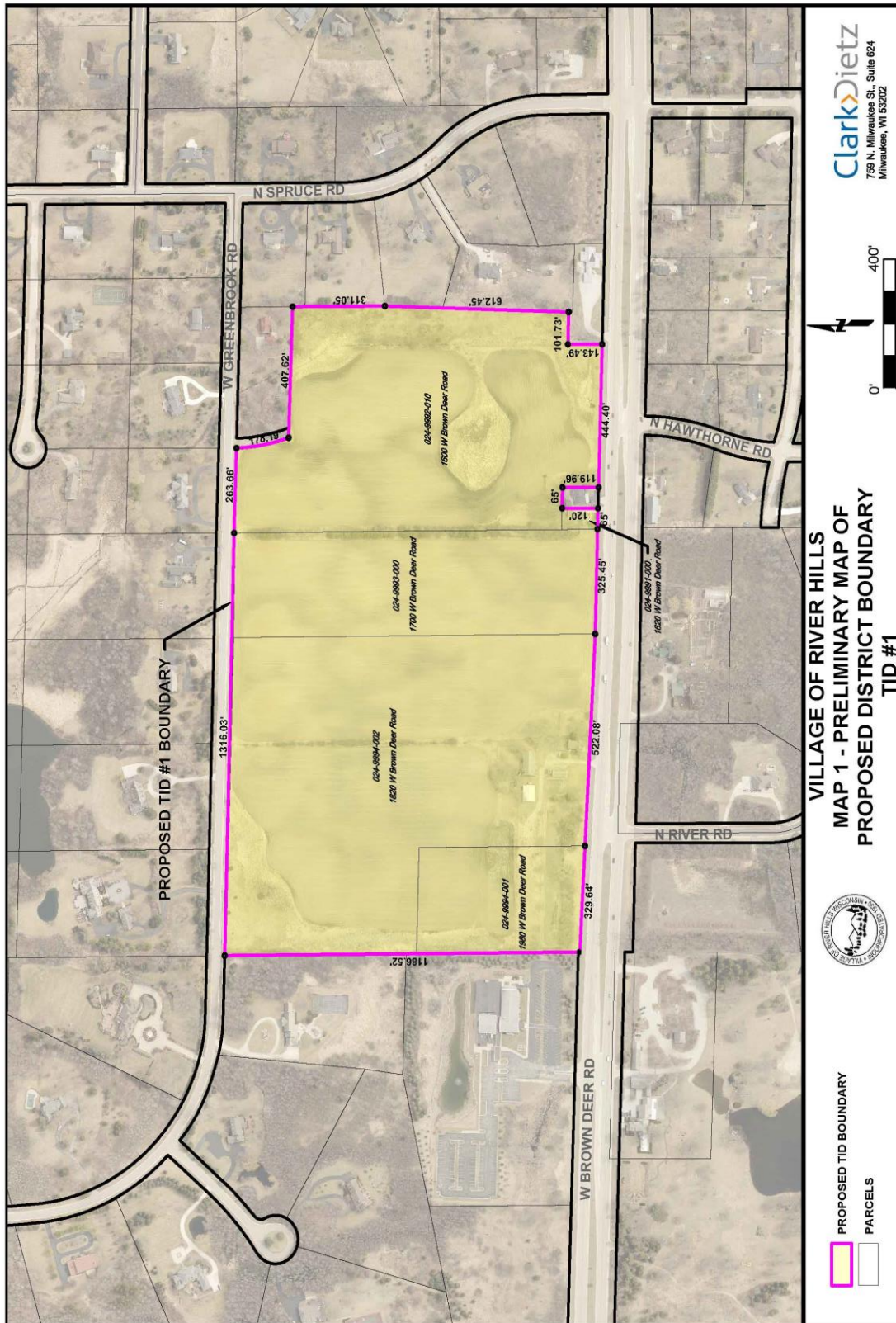
4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a).
5. Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.
6. The Project Costs relate directly to the rehabilitation or conservation of property and improvements in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the Village does not exceed 12% of the total equalized value of taxable property within the Village.
9. The Village intends that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the Village within the preceding three-year period.
11. The Plan for the District is feasible and in conformity with the Village's Master Plan, and Zoning Ordinance, subject to the required changes detailed in this Plan.

SECTION 2:

Preliminary Map of Proposed District Boundary

Map Found on Following Page.

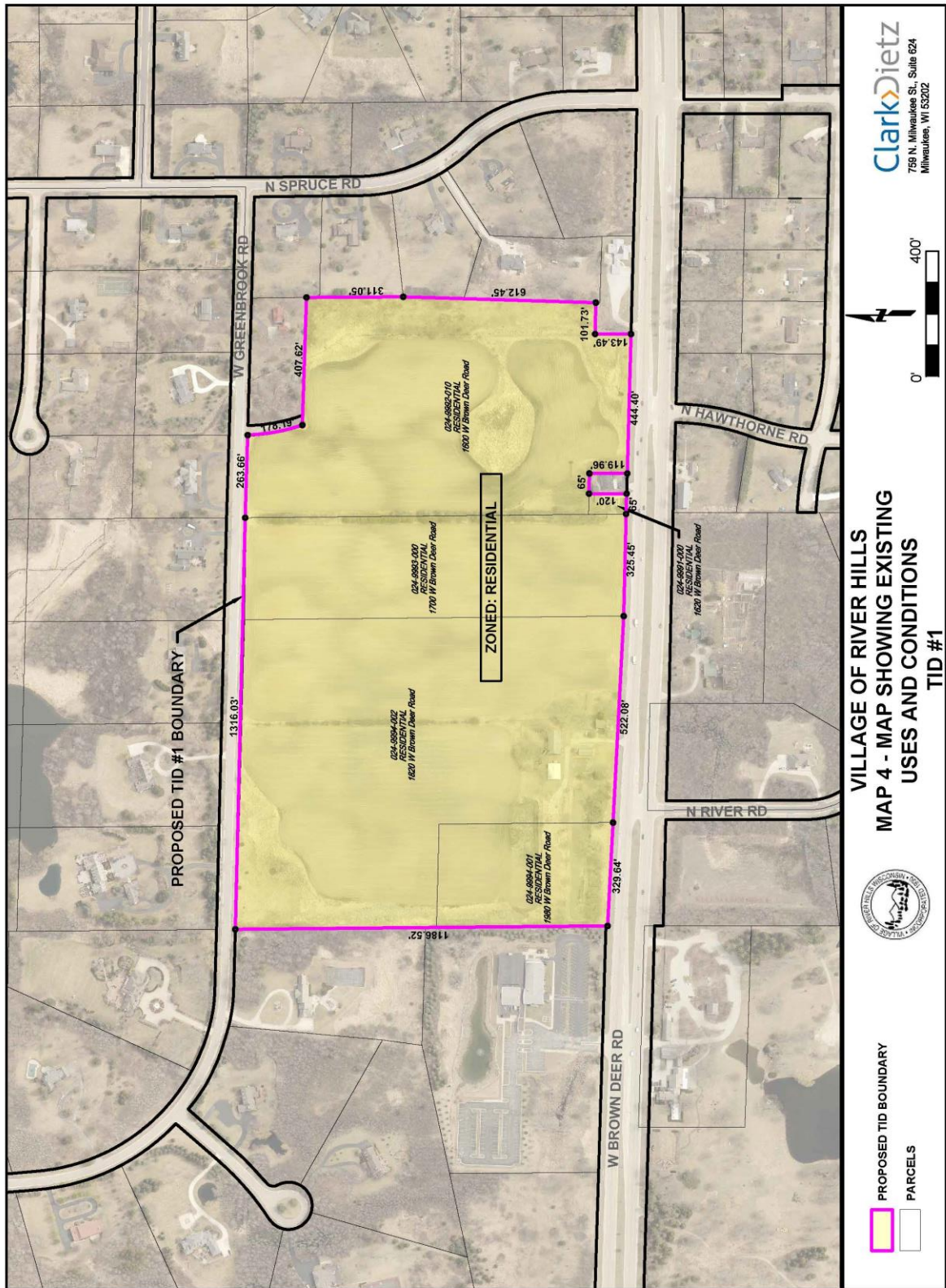
If District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District. The Village intends to preserve the wetlands.



SECTION 3:

Map Showing Existing Uses and Conditions

Map Found on Following Page.



SECTION 4:

Preliminary Parcel List and Analysis

The following table identifies the parcels to be included in the District. The entirety of the District is in an area in need of rehabilitation or conservation as referenced in Wis. Stat. § 66.1337(2m)(a). Specifically, the District consists of land where:

1. Plans for a program of improvements and wetland conservation will be carried out.
2. Installation, construction or reconstruction of utilities and other improvements is necessary for carrying out the objectives of a rehabilitation project. As part of the Project, public infrastructure and private site improvements, which have presented an impediment to development, will be provided.

| Parcel # | Address | Acreage | Owner (Note 1) | Equalized Value (Note 1) | Acreage in Need of Rehabilitation/ Conservation |
|--------------|-------------------------|---------------|--|--------------------------|---|
| 024-9991-000 | 1620 W. Brown Deer Road | 0.18 | Randle River Hills Limited Partnership | \$ 169,500 | 0.18 |
| 024-9992-010 | 1600 W. Brown Deer Road | 16.909 | Randle River Hills Limited Partnership | \$ 289,500 | 16.909 |
| 024-9993-000 | 1700 W. Brown Deer Road | 9.047 | Randle River Hills Limited Partnership | \$ 154,900 | 9.047 |
| 024-9994-001 | 1980 W. Brown Deer Road | 4.152 | Randle River Hills Limited Partnership | \$ 71,000 | 4.152 |
| 024-9994-002 | 1820 W. Brown Deer Road | 23.008 | Randle River Hills Limited Partnership | \$ 515,100 | 23.008 |
| Total | | 53.296 | | \$ 1,200,000 | 53.296 |
| | | | | | 100% |

Note 1 - The Village of River Hills will acquire the property prior to December 31, 2020, and presumes the property will be assigned a value of \$0 entering the District.

SECTION 5:

Equalized Value Test

The following calculations demonstrate that the Village expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village. The Village's 2020 equalized value is \$487,792,400.

The Village does not have any other tax incremental districts. As the Village will be acquiring all land within the District prior to its January 1, 2021 valuation date, the Village anticipates that the base value of the District will be zero. This value is less than the maximum \$58,535,088 ($\$487,792,400 \times 12\%$) in equalized value that is permitted for the Village.

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

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

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the Village is acquiring 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 is acquiring property within the District that it will conserve. These conservancy objectives may 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 Easements

The Village may need to acquire temporary or permanent easements to allow for installation and maintenance of utilities and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

There will be no displacements required by the Plan. Thus, there will be no relocation expenses incurred.

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 will need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Wis. Stat. § 66.1105(2)(f)1 k.

Water System Improvements

To allow development to occur, the Village will 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 may 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

Street Improvements

To allow development to occur, the Village may need to construct, improve or reconstruct a portion of W. Brown Deer Road. The costs of such improvements are eligible Project Costs.

Community Development

Development Incentives

The Village may enter into agreements with landowners 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 assistance will be provided until the Village executes a developer agreement with the recipient of the assistance. Any payments of assistance 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 (1/2) 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.

Implementation of the Plan may require the Village to make the following project cost expenditures outside the District:

- Street improvements to West Brown Deer Road (State Highway 100) including pavement improvements, potential turning lanes, median improvements, sidewalks, street lighting, traffic control, and other related expenditures.
- Water Improvements include the extension of a water main from the City of Mequon (or some other municipal source). This may also require construction and improvements to manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances, acquisition of right-of-way or easements, and other related expenditures.
- Sanitary Sewer improvements include the extension of a main from inside the Village. This may also require 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, acquisition of right-of-way or easements, and other related expenditures.

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

Map Found on Following Page.

SECTION 8:

Detailed List of Estimated Project Costs

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

Project Cost Estimates

| Village of River Hills, Wisconsin | | | |
|-----------------------------------|--|-----------|----------------|
| Tax Increment District #1 | | | |
| Estimated Project List | | | |
| Project ID | Project Name/Type | Phase I | Total (Note 1) |
| 1 | Land Acquisition (2020) | 2,500,000 | 2,500,000 |
| 2 | Administrative/Professional Services (2020) | 175,000 | 175,000 |
| | Public Improvements (2021-2022) - Water | | |
| 3 | Main and Sewer Main Extensions | 2,500,000 | 2,500,000 |
| 4 | Capitalized Interest - Series 2020B and 2021A (Note 2) | 451,128 | 451,128 |
| 5 | Developer Grants/Incentives (Note 3) | 2,006,928 | 2,006,928 |
| 6 | Public Improvements within 1/2 Mile of District (Note 4) | 450,000 | 450,000 |
| 7 | Administrative Costs (2021-2034) | 75,000 | 75,000 |
| 8 | Interest Expense | 1,213,281 | 1,213,281 |
| 9 | Cost of Issuance (Note 5) | 254,075 | 254,075 |
| Total Projects | | 9,625,412 | 9,625,412 |
| Notes: | | | |
| Note 1 | Project costs are estimates and are subject to modification. | | |
| Note 2 | Capitalized interest is for interest only payments in 2021-2024. First year of projected increment is 2025. | | |
| Note 3 | Developer Grants/Incentives are calculated at 10% of the annual increment, but the amount and if they will be provided will be determine by the Village on a case-by-case basis. | | |
| Note 4 | Offsite improvements could include improvements to W. Brown Deer Road, a water main extension, and a sanitary sewer main extension, but project cost estimates or need have not yet been determined. | | |
| Note 5 | Series 2020B, 2021A and 2030A. | | |
| | | | Preliminary |

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

Key Assumptions

Project Costs the Village plans to make are expected to create \$36 million in incremental value by 2029. 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 \$25.34 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$20,069,280 in incremental tax revenue over the 27-year term of the District as shown in Table 2.

In addition, the Village also anticipates selling the land to developer(s) in four phases between 2022 and 2028 to facilitate development. The land sale revenues are projected to total \$2,500,000 or more to exceed the Village's acquisition cost.

Village of River Hills, Wisconsin

Tax Increment District #1

Development Assumptions

| Construction Year | | Area A | Annual Total | Construction Year | |
|-------------------|------|------------|----------------|-------------------|----|
| 1 | 2021 | | ¹ 0 | 2021 | 1 |
| 2 | 2022 | | 0 | 2022 | 2 |
| 3 | 2023 | 9,000,000 | 9,000,000 | 2023 | 3 |
| 4 | 2024 | | 0 | 2024 | 4 |
| 5 | 2025 | 9,000,000 | 9,000,000 | 2025 | 5 |
| 6 | 2026 | | 0 | 2026 | 6 |
| 7 | 2027 | 9,000,000 | 9,000,000 | 2027 | 7 |
| 8 | 2028 | | 0 | 2028 | 8 |
| 9 | 2029 | 9,000,000 | 9,000,000 | 2029 | 9 |
| 10 | 2030 | | 0 | 2030 | 10 |
| 11 | 2031 | | 0 | 2031 | 11 |
| 12 | 2032 | | 0 | 2032 | 12 |
| 13 | 2033 | | 0 | 2033 | 13 |
| 14 | 2034 | | 0 | 2034 | 14 |
| 15 | 2035 | | 0 | 2035 | 15 |
| 16 | 2036 | | 0 | 2036 | 16 |
| 17 | 2037 | | 0 | 2037 | 17 |
| 18 | 2038 | | 0 | 2038 | 18 |
| 19 | 2039 | | 0 | 2039 | 19 |
| 20 | 2040 | | 0 | 2040 | 20 |
| 21 | 2041 | | 0 | 2041 | 21 |
| 22 | 2042 | | 0 | 2042 | 22 |
| 23 | 2043 | | 0 | 2043 | 23 |
| 24 | 2044 | | 0 | 2044 | 24 |
| 25 | 2045 | | 0 | 2045 | 25 |
| 26 | 2046 | | 0 | 2046 | 26 |
| 27 | 2047 | | 0 | 2047 | 27 |
| Totals | | 36,000,000 | 36,000,000 | | |

Notes:

¹ Assumes land goes in the District with \$0 value as the purchase is in conjunction with a legal settlement between the Village and the property owner, and not strictly for development.

Preliminary

Table 1 – Development Assumptions

Village of River Hills, Wisconsin

Tax Increment District #1

Tax Increment Projection Worksheet

| | | | | |
|---------------------------------|-----------------|--------------------------|----------------|---------------------|
| Type of District | Rehabilitation | Base Value | 0 ¹ | Apply to Base Value |
| District Creation Date | January 1, 2021 | Appreciation Factor | 0.00% | |
| Valuation Date | Jan 1, 2021 | Base Tax Rate | \$25.34 | |
| Max Life (Years) | 27 | Rate Adjustment Factor | | |
| Expenditure Period/Termination | 22 1/1/2043 | | | |
| Revenue Periods/Final Year | 27 2049 | Tax Exempt Discount Rate | 2.50% | |
| Public ImproveEligibility/Years | Yes 3 | Taxable Discount Rate | 3.00% | |
| Eligible Recipient District | Yes | | | |

| Construction Year | Value Added | Valuation Year | Inflation Increment | Total Increment | Revenue Year | Tax Rate | Tax Increment | Tax Exempt NPV Calculation | Taxable NPV Calculation |
|-------------------|-------------------|----------------|---------------------|-----------------|----------------------------------|-------------------|---------------|----------------------------|-------------------------|
| 1 | 2021 | 0 | 2022 | 0 | 2023 | \$25.34 | 0 | 0 | 0 |
| 2 | 2022 | 0 | 2023 | 0 | 2024 | \$25.34 | 0 | 0 | 0 |
| 3 | 2023 | 9,000,000 | 2024 | 0 | 2025 | \$25.34 | 228,060 | 201,572 | 196,727 |
| 4 | 2024 | 0 | 2025 | 0 | 2026 | \$25.34 | 228,060 | 398,227 | 387,723 |
| 5 | 2025 | 9,000,000 | 2026 | 0 | 2027 | \$25.34 | 456,120 | 781,945 | 758,591 |
| 6 | 2026 | 0 | 2027 | 0 | 2028 | \$25.34 | 456,120 | 1,156,304 | 1,118,656 |
| 7 | 2027 | 9,000,000 | 2028 | 0 | 2029 | \$25.34 | 684,180 | 1,704,146 | 1,643,023 |
| 8 | 2028 | 0 | 2029 | 0 | 2030 | \$25.34 | 684,180 | 2,238,627 | 2,152,117 |
| 9 | 2029 | 9,000,000 | 2030 | 0 | 2031 | \$25.34 | 912,240 | 2,933,886 | 2,811,139 |
| 10 | 2030 | 0 | 2031 | 0 | 2032 | \$25.34 | 912,240 | 3,612,187 | 3,450,965 |
| 11 | 2031 | 0 | 2032 | 0 | 2033 | \$25.34 | 912,240 | 4,273,945 | 4,072,156 |
| 12 | 2032 | 0 | 2033 | 0 | 2034 | \$25.34 | 912,240 | 4,919,562 | 4,675,255 |
| 13 | 2033 | 0 | 2034 | 0 | 2035 | \$25.34 | 912,240 | 5,549,432 | 5,260,787 |
| 14 | 2034 | 0 | 2035 | 0 | 2036 | \$25.34 | 912,240 | 6,163,940 | 5,829,265 |
| 15 | 2035 | 0 | 2036 | 0 | 2037 | \$25.34 | 912,240 | 6,763,459 | 6,381,185 |
| 16 | 2036 | 0 | 2037 | 0 | 2038 | \$25.34 | 912,240 | 7,348,356 | 6,917,030 |
| 17 | 2037 | 0 | 2038 | 0 | 2039 | \$25.34 | 912,240 | 7,918,988 | 7,437,267 |
| 18 | 2038 | 0 | 2039 | 0 | 2040 | \$25.34 | 912,240 | 8,475,701 | 7,942,352 |
| 19 | 2039 | 0 | 2040 | 0 | 2041 | \$25.34 | 912,240 | 9,018,836 | 8,432,726 |
| 20 | 2040 | 0 | 2041 | 0 | 2042 | \$25.34 | 912,240 | 9,548,724 | 8,908,818 |
| 21 | 2041 | 0 | 2042 | 0 | 2043 | \$25.34 | 912,240 | 10,317,331 | 9,652,173 |
| 22 | 2042 | 0 | 2043 | 0 | 2044 | \$25.34 | 912,240 | 10,834,294 | 10,114,398 |
| 23 | 2043 | 0 | 2044 | 0 | 2045 | \$25.34 | 912,240 | 11,338,649 | 10,563,159 |
| 24 | 2044 | 0 | 2045 | 0 | 2046 | \$25.34 | 912,240 | 11,830,703 | 10,998,850 |
| 25 | 2045 | 0 | 2046 | 0 | 2047 | \$25.34 | 912,240 | 12,310,756 | 11,421,851 |
| 26 | 2046 | 0 | 2047 | 0 | 2048 | \$25.34 | 912,240 | 12,779,099 | 11,832,532 |
| 27 | 2047 | 0 | 2048 | 0 | 2049 | \$25.34 | 912,240 | 13,236,020 | 12,231,251 |
| Totals | 36,000,000 | 0 | 0 | 0 | Future Value of Increment | 20,069,280 | | | |

Notes:

- ¹ Assumes land goes in with \$0 value as purchase is in conjunction with a legal settlement between the Village and the property owner, and not strictly for development.
 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).

Preliminary

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

The Village anticipates making total expenditures of approximately \$9.55 million (“Project Costs” to undertake the projects listed in this Project Plan (“Plan”). Project costs are estimated to include \$2.5 million for land acquisition cost, as well as \$2.95 million for public infrastructure improvements, including extending a water main and sanitary sewer main to the District and potential improvements to W. Brown Deer Road. Land acquisition by the Village is expected in 2020, with public infrastructure being designed and constructed in 2021-2022.

The Plan also includes Project Costs to capitalize approximately \$451,000 interest in 2020 and 2021 to cover interest only debt service payments in 2021 until 2025 when the first development increment is expected to be collected.

Developer Grants/Incentives of approximately \$2.0 million are included at 10% of annual increment collections. Developer Grants/Incentives have not been requested, nor has the Village agreed to provide such incentives. Amounts included are intended as a place holder only, and any developer assistance requests will be evaluated by the Village on a case-by-case basis. Any incentives provided will only be provided based on demonstrated economic necessity.

The Plan also provides for \$250,000 in Administrative and Professional services costs associated with developing and implementing the Plan through its projected life, project engineering, associated attorney fees, etc.

Interest and cost of issuance for approximately \$1.66 million (excluding the capitalized interest) is also included in the Plan. All Project Costs except potential incentives, administrative/professional services and public improvements to W. Brown Deer Road will be debt financed. Table 3. provides a summary of the District’s financing plan.

Village of River Hills, Wisconsin

Tax Increment District #1

Estimated Financing Plan

| | Taxable G.O. Note 2020B | G.O. Bond 2021A | Taxable G.O. Bond 2030A | Totals |
|---|-------------------------------|--------------------|-------------------------------|-----------|
| Projects | | | | |
| Land Acquisition (2020) | 2,500,000 | | | 2,500,000 |
| Public Improvements (2021-2022) | | 2,500,000 | | 2,500,000 |
| Administrative/Professional Services | 175,000 | | | 175,000 |
| Refunding - Series 2020 "Bullet Maturity" | | | 2,215,000 | 2,215,000 |
| Total Project Funds | 2,675,000 | 2,500,000 | 2,215,000 | 7,390,000 |
| Estimated Finance Related Expenses | | | | |
| Municipal Advisor | 26,500 | 25,000 | 25,000 | |
| Bond Counsel | 13,000 | 13,000 | 15,000 | |
| Rating Agency Fee | 13,000 | 13,000 | 15,000 | |
| Paying Agent | 850 | 850 | 1,000 | |
| Underwriter Discount | 10.00 30,150 | 12.50 35,000 | 10.00 12,950 | |
| Disclosure Counsel | 7,200 | 7,200 | 8,500 | |
| Capitalized Interest ¹ | 245,211 | 205,917 | 0 | |
| Less Funds on Hand ² | | | (1,000,000) | |
| Total Financing Required | 3,010,911 | 2,799,967 | 1,292,450 | |
| Estimated Interest | 0.25% 0 | 0.25% (3,125) | 0.25% 0 | |
| Assumed spend down (months) | 0 | 6 | 0 | |
| Rounding | 4,089 | 3,158 | 2,550 | |
| Net Issue Size | 3,015,000 | 2,800,000 | 1,295,000 | 7,110,000 |
| Notes: | | | | |
| ¹ Capitalizing interest until 2025, first year of incremental revenue | | | | |
| ² Assumes land sale proceeds are available to reduce the size of the refunding bonds | | | | |

Preliminary

Table 3 – 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 2033 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.

Cash Flow Projection

| | |
|--|-----------------------|
| Notes: | Projected TID Closure |
| Developer Grants/Incentives calculated at 10% of the annual increment. Actual Developer Grants/Incentives will be determined on a case-by-case basis and only if the Village determines the Grants/Incentives are warranted. | |
| | Preliminary |

Village of River Hills
Page | 27

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. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11:

Estimate of Property to Be Devoted to Retail Business

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

SECTION 12:

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

Zoning Ordinances

The proposed Plan will require the Village's Zoning Ordinance and Map to be modified from R-1 and R-2 Residential to provide for single family residential condominium development.

Master (Comprehensive) Plan and Map

The proposed Plan will require the Village's Comprehensive Plan to be modified from R-1 and R-2 Residential to provide for single family residential condominium development.

Building Codes and Ordinances

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

SECTION 13:

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

There will be no relocations as part of the Plan.

SECTION 14:

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

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the Village by 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.

Implementation of the District's Plan will add to the tax base and provide new housing units which are needed to meet local demand. Construction of the Project will provide construction employment opportunities which will also result in the developers' purchase of materials and services which will support the local and regional economy. The Village has concluded that in addition to the estimated \$36,000,000 in increased property values that are projected, that other economic benefits that will be derived from the Project are more than sufficient to compensate for the related Project Costs.

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. Water Main Improvements – Implementation of the Plan will include extension of a water main to serve the District. The Village anticipates that water service will be provided through a connection to the City of Mequon's water system. If so, the water main extension will pass by other Village properties in the area that are served by private wells. It is uncertain if any of the abutting properties will elect to connect to the new water main once made available. If so, any connection fees, special assessments or other payments made for connection to the water main will be considered District revenue and used to reduce Project Costs.
2. Sanitary Sewer Main Improvements – The Plan requires the extension of an existing sanitary sewer main from roughly the corner of West Manor Lane and North Spruce Road to the District. Current Village properties in the area are already served by sanitary sewer mains. It is uncertain if any of the abutting properties will elect to connect to the new sanitary sewer main once made available. If so, any connection fees, special assessments or other payments made for connection to the sanitary sewer main will be considered District revenue and used to reduce Project Costs.

3. W. Brown Deer Road Improvements – The plan envisions the need for possible improvements to W. Brown Deer Road to improve access, safety, visibility to the District. The potential improvements are within a ½ mile of the District’s boundaries. It is uncertain at this time if the improvements will be necessary or paid for by the District or the developer(s). If paid by the developer(s) with cash, special assessments or other payments will be considered District revenue used to reduce Project Costs.

SECTION 16:
Legal Opinion Advising Whether the Plan is
Complete and Complies with Wis. Stat. §
66.1105(4)(f)

Legal Opinion Found on Following Page.

Insert Signed Legal Opinion From Village Counsel

SAMPLE

Village President
Village of River Hills
7650 N Pheasant Lane
River Hills, Wisconsin 53217

RE: Project Plan 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 Village Counsel advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

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

Sincerely,

Village Counsel

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 in Table 5 is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Table on the following page.

| Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction. | | | | | | | | |
|---|------------------|---|------------------------|------------------------------|---------------------|---|---------|--------------|
| Statement of Taxes Data Year: | | 2019/2020 | | | | | | |
| | | | | Percentage | | | | |
| Milwaukee County | | 0.006024629 | | 20.88% | | | | |
| Milwaukee Metropolitan Sewerage District (MMSD) | | 0.001658943 | | 5.75% | | | | |
| Village of River Hills | | 0.007353199 | | 25.48% | | | | |
| Mapledale School District #8 | | 0.008164065 | | 28.29% | | | | |
| Nicolet High School | | 0.004464147 | | 15.47% | | | | |
| Milwaukee Area Technical College (MATC) | | 0.001192702 | | 4.13% | | | | |
| TOTAL | | 0.028857685 | | 100.00% | | | | |
| Revenue Year | Milwaukee County | Milwaukee Metropolitan Sewerage District (MMSD) | Village of River Hills | Mapledale School District #8 | Nicolet High School | Milwaukee Area Technical College (MATC) | Total | Revenue Year |
| 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2023 |
| 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2024 |
| 2025 | 47,612 | 13,110 | 58,112 | 64,520 | 35,280 | 9,426 | 228,060 | 2025 |
| 2026 | 47,612 | 13,110 | 58,112 | 64,520 | 35,280 | 9,426 | 228,060 | 2026 |
| 2027 | 95,224 | 26,221 | 116,223 | 129,040 | 70,560 | 18,852 | 456,120 | 2027 |
| 2028 | 95,224 | 26,221 | 116,223 | 129,040 | 70,560 | 18,852 | 456,120 | 2028 |
| 2029 | 142,836 | 39,331 | 174,335 | 193,560 | 105,839 | 28,277 | 684,180 | 2029 |
| 2030 | 142,836 | 39,331 | 174,335 | 193,560 | 105,839 | 28,277 | 684,180 | 2030 |
| 2031 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2031 |
| 2032 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2032 |
| 2033 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2033 |
| 2034 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2034 |
| 2035 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2035 |
| 2036 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2036 |
| 2037 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2037 |
| 2038 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2038 |
| 2039 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2039 |
| 2040 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2040 |
| 2041 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2041 |
| 2042 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2042 |
| 2043 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2043 |
| 2044 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2044 |
| 2045 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2045 |
| 2046 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2046 |
| 2047 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2047 |
| 2048 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2048 |
| 2049 | 190,449 | 52,442 | 232,447 | 258,080 | 141,119 | 37,703 | 912,240 | 2049 |
| | | 4,189,871 | 1,153,724 | 5,113,834 | 5,677,756 | 3,104,622 | 829,473 | 20,069,280 |
| Notes: | | | | | | | | |
| The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4. | | | | | | | | |

Table 5 – All Jurisdictional Contributions to the TID