



September 9, 2020

Revised October 2, 2020 for Meeting Dates

Revised October 14, 2020 to include Legal Opinion

# 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 <del>14</del> <u>21</u> , 2020
Consideration by the Joint Review Board:	<del>TBD</del> <u>October 28, 2020</u>

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# **SECTION 1:**

## **Executive Summary**

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### **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.

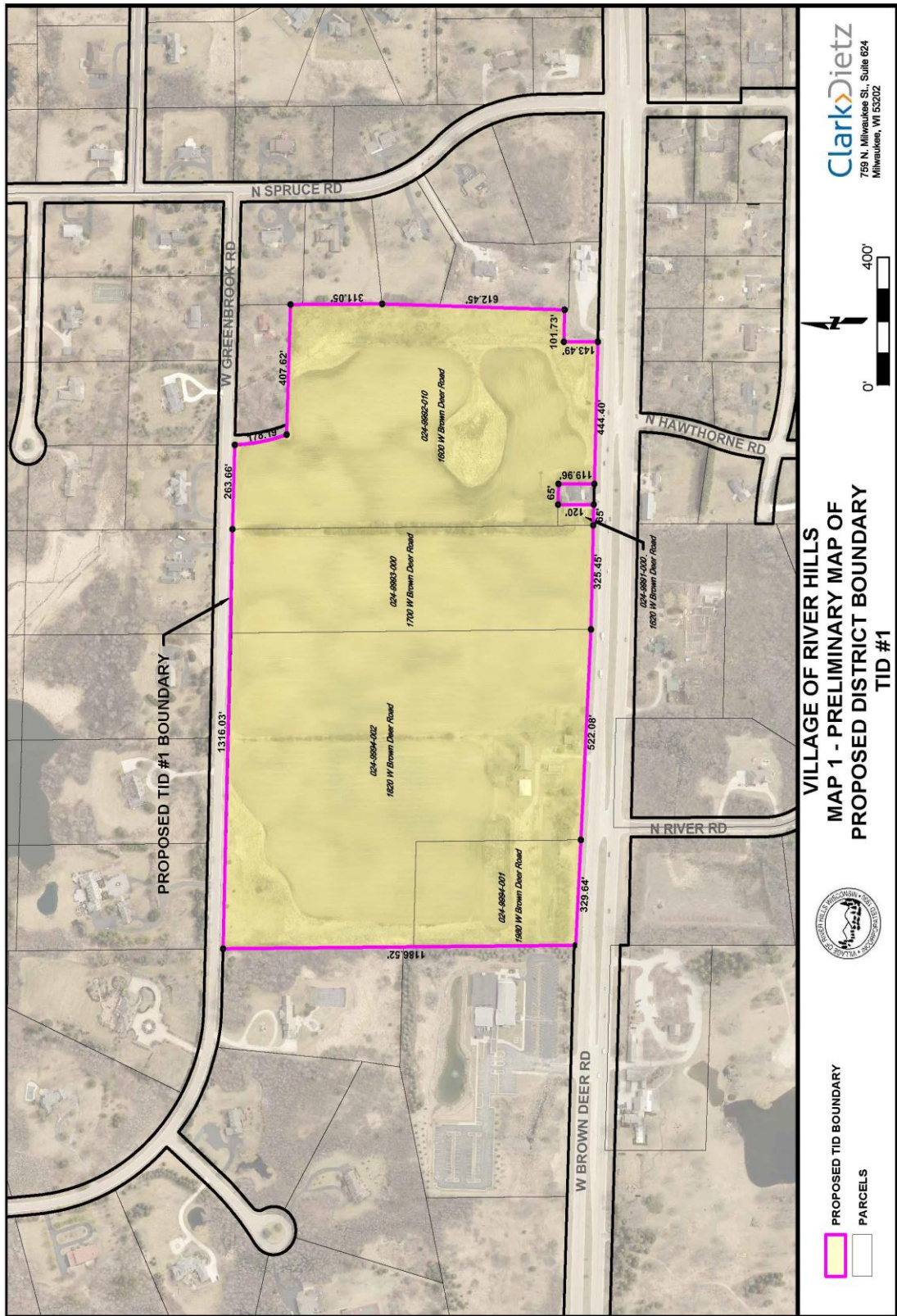
## **SECTION 2:**

### **Preliminary Map of Proposed District Boundary**

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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.



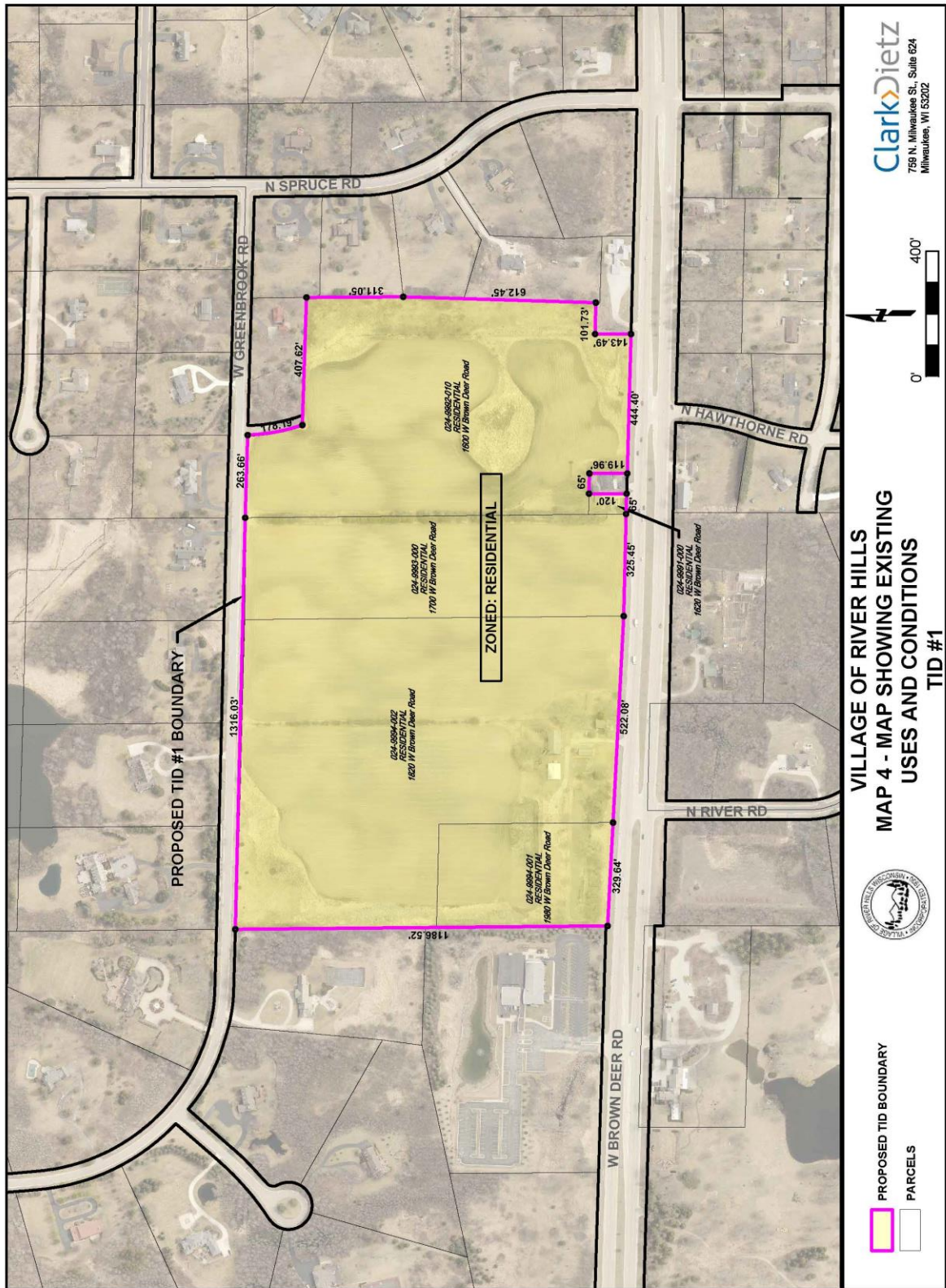
## **SECTION 3:**

# **Map Showing Existing Uses and Conditions**

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## SECTION 4:

### Preliminary Parcel List and Analysis

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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
<b>Total</b>		<b>53.296</b>		<b>\$ 1,200,000</b>	<b>53.296</b>
					<b>100%</b>

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**

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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**

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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**

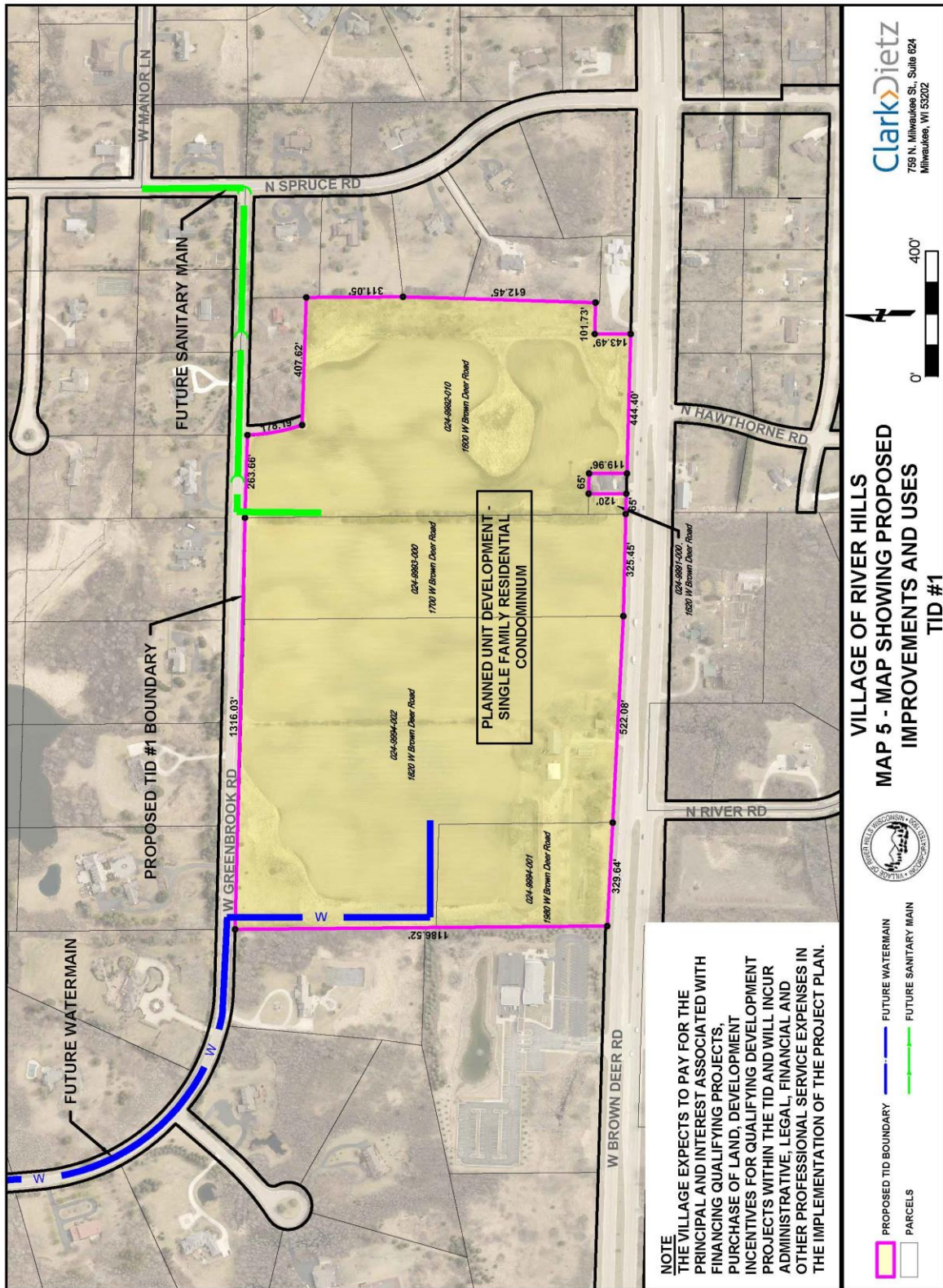
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

## **SECTION 7:**

# **Map Showing Proposed Improvements and Uses**

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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**

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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		<sup>1</sup> 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:

<sup>1</sup> 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	<sup>1</sup>
District Creation Date	January 1, 2021	Appreciation Factor	0.00%	Apply to Base Value
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			
Public ImproveEligibility/Years	Yes 3	Tax Exempt Discount Rate	2.50%	
Eligible Recipient District	Yes	Taxable Discount Rate	3.00%	

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	<sup>1</sup>	2022	0	2023	\$25.34	0	0
2	2022	0		2023	0	2024	\$25.34	0	0
3	2023	9,000,000		2024	0	2025	\$25.34	228,060	201,572
4	2024	0		2025	0	2026	\$25.34	228,060	398,227
5	2025	9,000,000		2026	0	2027	\$25.34	456,120	781,945
6	2026	0		2027	0	2028	\$25.34	456,120	1,156,304
7	2027	9,000,000		2028	0	2029	\$25.34	684,180	1,704,146
8	2028	0		2029	0	2030	\$25.34	684,180	2,238,627
9	2029	9,000,000		2030	0	2031	\$25.34	912,240	2,933,886
10	2030	0		2031	0	2032	\$25.34	912,240	3,612,187
11	2031	0		2032	0	2033	\$25.34	912,240	4,273,945
12	2032	0		2033	0	2034	\$25.34	912,240	4,919,562
13	2033	0		2034	0	2035	\$25.34	912,240	5,549,432
14	2034	0		2035	0	2036	\$25.34	912,240	6,163,940
15	2035	0		2036	0	2037	\$25.34	912,240	6,763,459
16	2036	0		2037	0	2038	\$25.34	912,240	7,348,356
17	2037	0		2038	0	2039	\$25.34	912,240	7,918,988
18	2038	0		2039	0	2040	\$25.34	912,240	8,475,701
19	2039	0		2040	0	2041	\$25.34	912,240	9,018,836
20	2040	0		2041	0	2042	\$25.34	912,240	9,548,724
21	2041	0		2042	0	2043	\$25.34	912,240	10,317,331
22	2042	0		2043	0	2044	\$25.34	912,240	10,834,294
23	2043	0		2044	0	2045	\$25.34	912,240	11,338,649
24	2044	0		2045	0	2046	\$25.34	912,240	11,830,703
25	2045	0		2046	0	2047	\$25.34	912,240	12,310,756
26	2046	0		2047	0	2048	\$25.34	912,240	12,779,099
27	2047	0		2048	0	2049	\$25.34	912,240	13,236,020
<b>Totals</b>		<b>36,000,000</b>		<b>0</b>		<b>Future Value of Increment</b>	<b>20,069,280</b>		

#### Notes:

- <sup>1</sup> 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
<b>Projects</b>				
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
<b>Total Project Funds</b>	<b>2,675,000</b>	<b>2,500,000</b>	<b>2,215,000</b>	<b>7,390,000</b>
<b>Estimated Finance Related Expenses</b>				
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 <sup>1</sup>	245,211	205,917	0	
Less Funds on Hand <sup>2</sup>			(1,000,000)	
<b>Total Financing Required</b>	<b>3,010,911</b>	<b>2,799,967</b>	<b>1,292,450</b>	
Estimated Interest	0.25% 0	0.25% (3,125)	0.25% 0	
Assumed spend down (months)	0	6	0	
<b>Rounding</b>	<b>4,089</b>	<b>3,158</b>	<b>2,550</b>	
<b>Net Issue Size</b>	<b>3,015,000</b>	<b>2,800,000</b>	<b>1,295,000</b>	<b>7,110,000</b>

**Notes:**

<sup>1</sup> Capitalizing interest until 2025, first year of incremental revenue

<sup>2</sup> 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.

Village of River Hills, Wisconsin																							
Tax Increment District #1																							
Cash Flow Projection																							
Year	Projected Revenues					Expenditures										Balances			Year				
						Series 2020B - TAXABLE GO Bonds 3,015,000 Dated Date: 10/22/20			Series 2021A - GO Bonds 2,800,000 Dated Date: 10/22/21			Series 2030 TAXABLE GO Refunding Bonds 1,295,000 Dated Date: 03/01/30											
	Tax Increments	Long-Term Debt Proceeds	Interest Earnings	Land Sales	Total Revenues	Principal	Est. Rate	Interest	Principal	Est. Rate	Interest	Principal	Est. Rate	Interest	Purchase Land	Developer Grants/Incentives	Public Improvements	Admin./Prof. Svcs/COI		Total Expenditures	Annual	Cumulative	Principal Outstanding
						1-Apr			1-Apr			1-Apr											
2020	0	3,015,000			3,015,000										2,500,000			265,700	2,765,700	249,300	249,300	3,015,000	2020
2021	0	2,800,000	3,125		2,803,125	0	0.00%	58,581									2,500,000	95,925	2,654,506	148,619	397,919	5,815,000	2021
2022	0			625,000	625,000	0	0.00%	62,210	0	2.50%	65,917							5,000	133,127	491,873	889,792	5,815,000	2022
2023	0				0	0	0.00%	62,210	0	2.50%	70,000							5,000	137,210	(137,210)	752,582	5,815,000	2023
2024	0			625,000	625,000	0	0.00%	62,210	0	2.50%	70,000							5,000	137,210	487,790	1,240,372	5,815,000	2024
2025	228,060				228,060	200,000	1.50%	60,710	150,000	2.50%	70,000					22,806		5,000	508,516	(280,456)	959,916	5,465,000	2025
2026	228,060			625,000	853,060	205,000	1.65%	57,519	150,000	2.50%	66,250					22,806		5,000	506,575	346,485	1,306,402	5,110,000	2026
2027	456,120				456,120	210,000	1.80%	53,938	150,000	2.50%	62,500					45,612		5,000	527,050	(70,930)	1,235,472	4,750,000	2027
2028	456,120			625,000	1,081,120	215,000	1.95%	49,951	150,000	2.50%	58,750					45,612		5,000	524,313	556,807	1,792,279	4,385,000	2028
2029	684,180				684,180	215,000	2.10%	45,598	150,000	2.50%	55,000					68,418	450,000	5,000	989,016	(304,836)	1,487,443	4,020,000	2029
2030	684,180	1,295,000			1,979,180	1,970,000	2.20%	21,670	150,000	2.50%	51,250					68,418		82,450	2,343,788	(364,608)	1,122,835	3,195,000	2030
2031	912,240				912,240				150,000	2.50%	47,500	100,000	5.00%	53,021		91,224		5,000	446,745	465,495	1,588,330	2,945,000	2031
2032	912,240				912,240				150,000	2.50%	43,750	100,000	5.00%	43,750		91,224		5,000	433,724	478,516	2,066,846	2,695,000	2032
2033	912,240				912,240				155,000	2.50%	40,000	100,000	5.00%	38,750		91,224		10,000	434,974	477,266	2,544,112	2,440,000	2033
2034	912,240				912,240				170,000	2.50%	36,125	100,000	5.00%	33,750		91,224			431,099	481,141	3,025,253	2,170,000	2034
2035	912,240				912,240				175,000	2.50%	31,875	100,000	5.00%	28,750		91,224			426,849	485,391	3,510,644	1,895,000	2035
2036	912,240				912,240				180,000	2.50%	27,500	105,000	5.00%	23,625		91,224			427,349	484,891	3,995,535	1,610,000	2036
2037	912,240				912,240				180,000	2.50%	23,000	105,000	5.00%	18,375		91,224			417,599	494,641	4,490,176	1,325,000	2037
2038	912,240				912,240				180,000	2.50%	18,500	105,000	5.00%	13,125		91,224			407,849	504,391	4,994,567	1,040,000	2038
2039	912,240				912,240				180,000	2.50%	14,000	105,000	5.00%	7,875		91,224			398,099	514,141	5,508,708	755,000	2039
2040	912,240				912,240				190,000	2.50%	9,500	105,000	5.00%	2,625		91,224			398,349	513,891	6,022,599	460,000	2040
2041	912,240				912,240				190,000	2.50%	4,750					91,224			285,974	626,266	6,648,865		2041
2042	912,240				912,240											91,224			91,224	821,016	7,469,881		2042
2043	912,240				912,240											91,224			91,224	821,016	8,290,897		2043
2044	912,240				912,240											91,224			91,224	821,016	9,111,913		2044
2045	912,240				912,240											91,224			91,224	821,016	9,932,929		2045
2046	912,240				912,240											91,224			91,224	821,016	10,753,945		2046
2047	912,240				912,240											91,224			91,224	821,016	11,574,961		2047
2048	912,240				912,240											91,224			91,224	821,016	12,395,977		2048
2049	912,240				912,240											91,224			91,224	821,016	13,216,993		2049
Total	20,069,280	7,110,000	3,125	2,500,000	29,682,405	3,015,000		534,596	2,800,000		866,167	1,025,000		263,646	2,500,000	2,006,928	2,950,000	504,075	16,465,412				Total
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.																							

## **SECTION 10:**

### **Annexed Property**

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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**

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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**

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### **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**

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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**

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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 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**

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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)**

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Legal Opinion Found on Following Page.

Village President  
Village of River Hills  
7650 N. Pheasant Lane  
River Hills, WI 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 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.

Very truly yours,

von BRIESEN & ROPER, s.c.

*Alan Marcuvitz*

Alan H. Marcuvitz, 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**

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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**