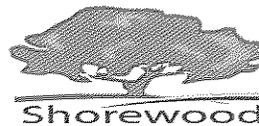


**VILLAGE OF SHOREWOOD,
WISCONSIN**

***Territory & Project Plan Amendment to
Tax Incremental District No. 1***



October 20, 2009

<i>Joint Review Board Organizational Meeting Held:</i>	<i>October 12, 2009</i>
<i>Public Hearing Held:</i>	<i>October 12, 2009</i>
<i>Adopted by Community Development Authority:</i>	<i>October 12, 2009</i>
<i>Adoption by Village Board:</i>	<i>October 19, 2009</i>
<i>Approval by Joint Review Board:</i>	<i>October 20, 2009</i>

Tax Incremental District No. 1 Territory & Project Plan Amendment

Village of Shorewood Officials

Village Board

Guy Johnson	Village President
Dawn Anderson	Village Trustee
Sean Cummings	Village Trustee
Ellen Eckman	Village Trustee
Jeff Hanewall	Village Trustee
Margaret Hickey	Village Trustee
Michael Maher	Village Trustee

Village Staff

M. Chris Swartz	Village Administrator
Sherry Grant	Village Clerk - Treasurer
Raymond J. Pollen	Village Attorney

Community Development Authority

Pete Petrie, Chair	Michael Paulson
Karen Dean	Andrea Roschke
Richard Eschner	Jeff Hanewall, Trustee
	Margaret Hickey, Trustee

Joint Review Board

Guy Johnson, Chair	Village Representative
Tracy Balata	Milwaukee County
Michael Townsend	Milwaukee Area Technical College District
Shawn Yde	Whitefish Bay School District
Michael Schulte	Public Member

TABLE OF CONTENTS

EXECUTIVE SUMMARY 4

TYPE & GENERAL DESCRIPTION OF DISTRICT 7

MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED 8

MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE TERRITORY TO BE ADDED 9

PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO THE EXISTING DISTRICT & ANALYSIS 10

EQUALIZED VALUE TEST 11

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS 12

MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED 15

DETAILED LIST OF ADDITIONAL AND/OR UPDATED PROJECT COSTS 16

ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED 18

ANNEXED PROPERTY 30

ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS 30

PROPOSED CHANGES IN ZONING ORDINANCES 30

PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF SHOREWOOD ORDINANCES 30

RELOCATION 31

ORDERLY REDEVELOPMENT OF THE VILLAGE OF SHOREWOOD 31

A LIST OF ESTIMATED NON-PROJECT COSTS 31

OPINION OF ATTORNEY FOR THE VILLAGE OF SHOREWOOD ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105 32

EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO THE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS 33

1

EXECUTIVE SUMMARY

DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT

- Original District Purpose. Tax Incremental District (“TID”) No. 1 (“District”) is an existing blighted area district which was created by a resolution of the Village Board adopted on January 16, 1995.
- Additional Amendments. The District was previously amended in 2005 to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.
- Purpose of this Amendment. To further facilitate redevelopment within areas adjacent to the District, the Village desires to amend its boundaries to add territory. A map, located in Section 3 of this plan, identifies the Territory to be added and its geographic relationship to the existing District’s boundaries.
- Estimated Total Project Expenditures. The Village anticipates making project expenditures of approximately \$1,580,000 to undertake projects in the amendment areas as listed in this Project Plan. It is anticipated that the remaining and additional projects will be completed in one phase. The Expenditure Period of this District terminates on January 16, 2017. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with G.O. Debt issued in 2009, however, the Village may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, or provide other advantages as determined by the Village Board. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.
- Economic Development. As a result of the amendment of this District, the Village projects that additional land and improvements value of approximately \$5,800,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the amendment area and within the original District boundaries. A table detailing assumptions as to the timing of new redevelopment, and associated values is located in Section 10 of this plan. In addition, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.
- Expected Termination of District. TID No. 1 has a maximum statutory life of 27 years, and must close not later than January 16, 2022, resulting in a final collection of increment in budget year 2022.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas as detailed in this Project 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 making this determination, the Village has considered the following information:
 - The Village has conducted an independent review of the intended developer’s sources and uses proforma for the proposed development. This review has concluded that a public investment of approximately \$1,580,000 is required to enable the development to occur in the manner desired by the Village, while providing the developer a fair and reasonable return on their investment.
 - The site proposed for redevelopment was formerly occupied by a Mobil gas station which had become economically unviable.
 - In order to make the amendment area suitable for redevelopment, the Village will need to make a substantial investment to pay for the costs of: development incentive payments; and other associated costs. Due to the extensive initial public investment that is required in order to allow redevelopment to occur, the Village has determined that redevelopment of the amendment area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, redevelopment of the amendment area is unlikely to occur.
 - Due to former use and market conditions, the Village has seen no new investment. Absent the use of Tax Increment Financing (TIF), this trend is likely to continue. Use of TIF will provide the Village with the means to stimulate new development in the amendment area.
2. **The economic benefits of amending the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the Village has considered the following information:
 - As demonstrated in the Economic Feasibility Section of this Project Plan, the total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amendment areas. On this basis alone, the finding is supported.
 - The additional development expected to occur in the amendment area is likely to generate between 20 and 30 jobs over the life of the District.
 - The development expected to occur within the amendment area(s) would create approximately 24 residential units, providing housing opportunities.

-
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
 - If approved, the boundary amendment would become effective for valuation purposes as of January 1, 2010. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2010 would be collected by the Tax Increment District and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Given that additional development is not likely to occur without the use of tax incremental financing (see finding # 1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the Village reasonably concludes that the overall additional benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not amended. As required by Section 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 made and is found in Appendix A of the Project Plan.
 4. Not less than 50% by area of the real property within the District, as amended, is a blighted area within the meaning of Section 66.1105(2)(a)1. of the Wisconsin Statutes. Furthermore, any property standing vacant for the entire seven years preceding adoption of this Resolution does not comprise more than 25% of the total of the territory of the District, as amended, is in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes.
 5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a blighted area district based on the identification and classification of the property included within the district.
 6. The Project Costs of the District relate directly to promoting the elimination of blight of the area consistent with the purpose for which the District was created.
 7. The improvements to be made within the Territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
 8. The equalized value of the taxable property within the Territory to be added to the District by this amendment, plus the value increment of all other 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 estimates that approximately 50% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) of the Wisconsin Statutes.
 10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.
-

2

TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District No. 1 (the "District") was created under the authority provided by Wisconsin Statutes Section 66.1105 on January 16, 1995 by resolution of the Village Board. The District's valuation date, for purposes of establishing base value, was January 1, 1995.

The existing District is a "Blighted Area District," created on a finding that at least 50%, by area, of the real property within the District was blighted. The District will remain in compliance with this finding after the addition of the Territory identified in this Amendment. In addition, the District will remain in compliance with the "vacant land test," which requires that property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 25% test.

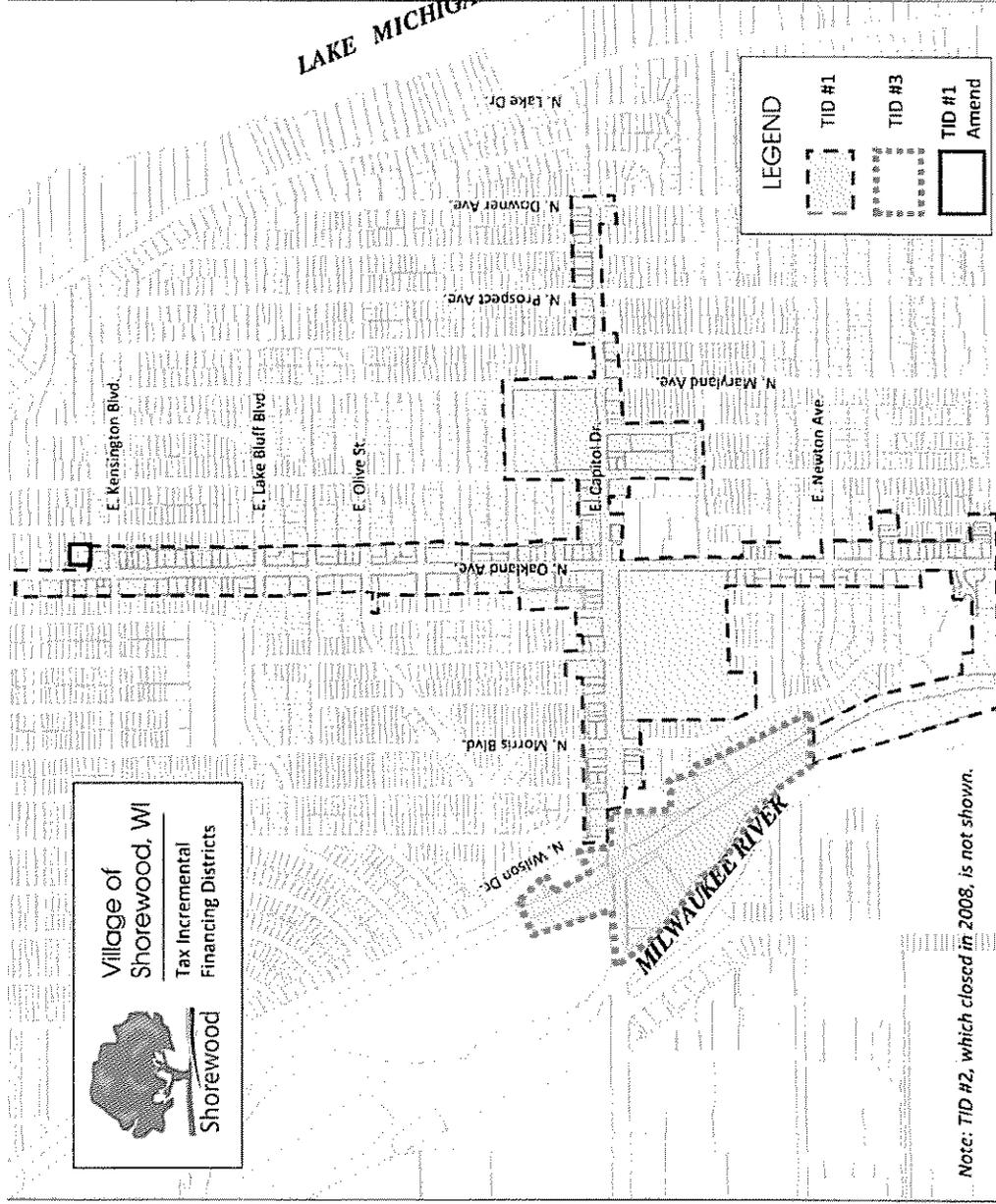
Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Increment District for purposes of adding territory up to a total of four times during the life of the District. The boundaries of TID No. 1 have been amended once prior to this Amendment. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

The purpose of the Territory Amendment is to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the Village to install additional public improvements, and to make additional necessary related expenditures that will create redevelopment opportunities consistent with the original purposes for which the District was created.

A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains a blighted area district based on the identification and classification of the property included within the district.

3

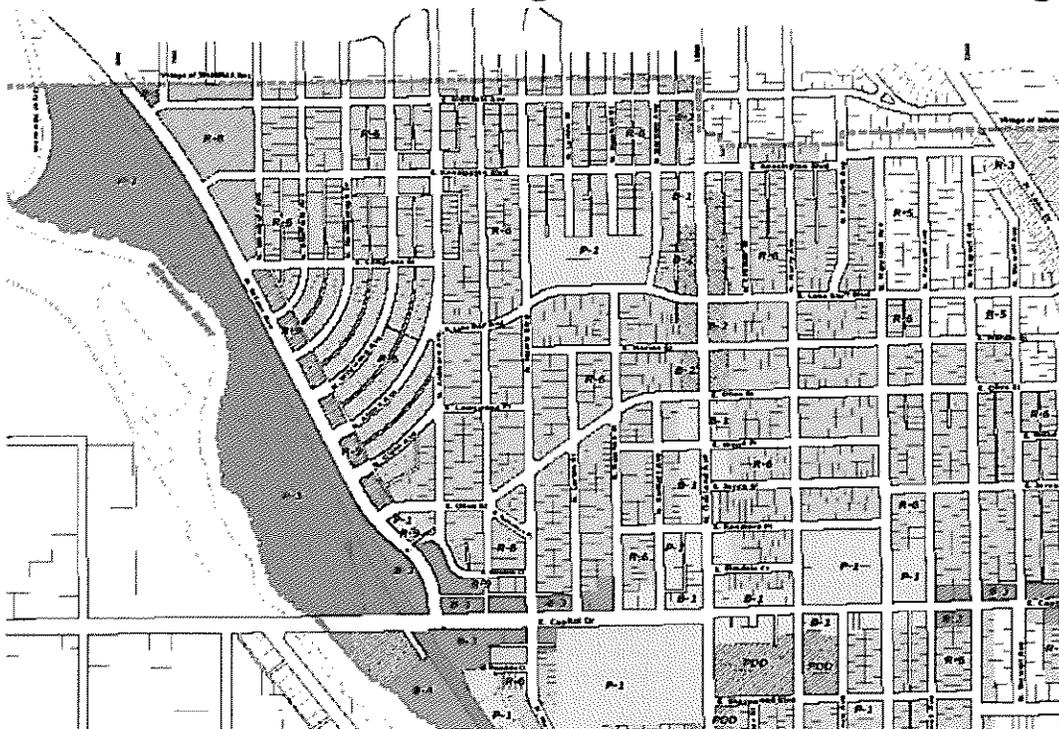
MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED



4

MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE
TERRITORY TO BE ADDED

Village of Shorewood Zoning



5

PRELIMINARY LIST OF PARCELS WITHIN THE TERRITORY TO BE ADDED TO THE EXISTING DISTRICT & ANALYSIS

Village of Shorewood, WI
Tax Increment District No. 1
Preliminary Parcel List

PARCEL NO.	STREET ADDRESS	OWNER	ASSESSED VALUE - PERS PROP	ASSESSED VALUE - LAND	ASSESSED VALUE - IMP	TOTAL ASSESSED VALUE (LAND & IMP)	ASSESSMENT CLASSIFICATION	LAND RATIO (BY CLASS)	IMPROVEMENTS RATIO (BY CLASS)	EQUALIZED VALUE	PARCEL ACREAGE
237-1039-000	4512 N Oakland Avenue			340,200	8,800	349,000	2 - Commercial	105.27%	105.27%	331,528	
237-1040-000	4518 N Oakland Avenue			113,400	2,100	115,500	2 - Commercial	105.27%	105.27%	109,718	
SUBTOTAL PERSONAL PROPERTY >											
										441,246	0.000
										ESTIMATED BASE VALUE	TOTAL DISTRICT ACREAGE

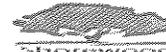


6 EQUALIZED VALUE TEST

The following calculations demonstrate that the Village is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing Tax Incremental Districts ("TIDs"), does not exceed 12% of the total equalized value of taxable property within the Village.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 1, plus the value of all other existing Tax Incremental Districts within the Village, totals \$45,652,546. This value is less than the maximum of \$183,034,752 in equalized value that is permitted for the Village of Shorewood. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

<i>Village of Shorewood, WI</i>				
Tax Increment District No. 1				
Valuation Test Compliance Calculation				
Creation Date:	1/16/1995	Valuation Data Establishing 12% Limit Based on Anticipated Creation Date		Estimated Valuation Data Establishing Base Value
Property Appreciation Factor:	5.00%	Valuation Data Currently Available	ESTIMATED	ESTIMATED
As of January 1,		ACTUAL	2010	2011
Total Equalized value (TID IN)		1,525,269,600	1,601,554,000	
Limit for 12% Test		183,034,752	192,186,490	
Increment Value of Existing TID's				
TID No. 1 Increment		45,073,400	48,167,070	Percentage Increase in Base Value at Which EV Test will Fail 31135.04%
TID No. 3 Increment		-662,100	-695,205	
Total Existing Increment		45,211,300	47,471,865	
Projected Base Value of New District		441,246	463,309	486,474
Existing TID New Construction Factor				
TOTAL VALUE SUBJECT TO TEST/LIMIT		45,652,546	47,935,174	47,958,339
COMPLIANCE		PASS	PASS	PASS



7

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

The following is a list of public works and other projects that the Village has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

PROPERTY, RIGHT-OF-WAY AND EASEMENT ACQUISITION

- **RELOCATION COSTS.** If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.
- **PROPERTY ACQUISITION.**

SITE PREPARATION ACTIVITIES

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** The property being added to the District with this amendment was the site of a former filling station and as such there is likely to be costs associated with fuel tax removal and soil remediation. Any costs 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.** In order to make sites suitable for redevelopment, 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 redevelopment, 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.

STREETS AND STREETScape

- **STREET IMPROVEMENTS.** There are inadequate street improvements serving the District. To allow redevelopment to occur, the Village may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are

not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

- **STREETSCAPING AND LANDSCAPING.** In order to attract redevelopment consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

CDA TYPE ACTIVITES

- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the Village may provide funds to its CDA to be used for administration, planning and operations related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.
- **REVOLVING LOAN/GRANT PROGRAM.** To encourage private redevelopment consistent with the objectives of this Plan, the Village, through its CDA, will provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds will be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

MISCELLANEOUS

- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The Village may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.
- **PROPERTY TAX PAYMENTS TO ABUTTING COMMUNITY AND SCHOOL DISTRICT.** In order to compensate for the detachment of the amended area from the Village of Whitefish

Bay and Whitefish Bay School District, a payment in-lieu of taxes may be made up front as a project expense.

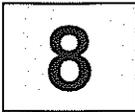
- **PROFESSIONAL SERVICE AND ORGANIZATIONAL COSTS.** The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional 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 in connection with 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.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, site preparation, legal and other consultant fees, testing, environmental studies, permits, updating Village of Shorewood ordinances and plans, judgments or claims for damages, and other expenses are included as Project Costs.

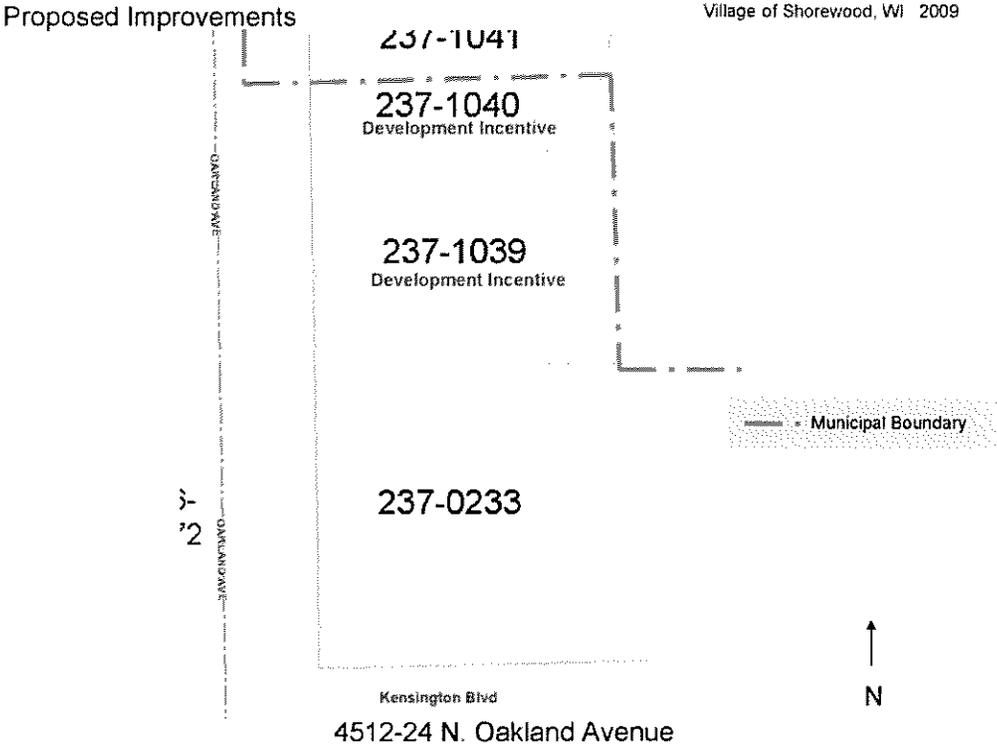
In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the Village of Shorewood for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment (this "Plan").

The Village of Shorewood reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and as outlined in this Plan or the original Project Plan. To the extent the costs benefit the Village of Shorewood 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 is completed. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. 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 by the Village in connection with the implementation of this Plan.



MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE TERRITORY TO BE ADDED



9

DETAILED LIST OF ADDITIONAL AND/OR UPDATED PROJECT COSTS

This Section contains information relative to the specific projects and expenditures that the Village anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2009 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2009 and the time of construction. The Village also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented, without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The Village retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without further amending this Plan.

PROPOSED TIF PROJECT COST ESTIMATES

<i>Village of Shorewood, WI</i>	
Tax Increment District No. 1	
Project List	
	Phase I
	2009
Projects	
Development Incentive (Developer/Tenants)	1,322,000
Intermunicipal contributions	105,000
Remediation Cost	5,000
Consultant and Administration	50,000
Tenant build-out incentives including; furnishings, move, and/or other miscellaneous contingencies	100,000
Subtotal Needed for Projects	1,582,000

10

ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition of Territory, will remain economically feasible insofar as:

- The Village has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The Village expects to complete the remaining projects in one or more phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to incur is included.
- The development anticipated to occur as a result of the continued implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) an updated projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

AVAILABLE FINANCING METHODS

Implementation of this Plan will require that the Village issue obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the Village may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The Village may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values). The tables on page 20 provide a calculation of the Village’s current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the Village’s equalized value, and the full faith and credit borrowing capacity of the Village. Equalized valuation projections were made using two methods. The first projects future valuation of the Village using the average annual percentage of valuation growth experienced between 2005 and 2009. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2005 and 2009. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the Village utilizing the straight-line valuation projection and considering the existing debt of the Village, demonstrating that the Village will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

Bonds Issued to Developers (“Pay as You Go” Financing)

The Village may issue a bond to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the Village’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds issued to developers in this fashion are not general obligations of the Village and therefore do not count against the Village’s borrowing capacity.

Tax Increment Revenue Bonds

The Village has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the Village, or as a Lease Revenue Bond by its Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the Village and therefore do not count against the Village’s borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the Village may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The Village can issue revenue bonds to be repaid from revenues of the sewer and/or water systems, including revenues paid by the Village that represent service of the system to the Village. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the Village must demonstrate to bond underwriters its ability to repay revenue debt with the assigned rates. To the extent the Village utilizes utility revenues other than tax increments to repay a portion of the bonds, the Village must reduce the total eligible Project Costs in an equal amount.

Special Assessment “B” Bonds

The Village has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the Village determines that special assessments are appropriate, the Village can issue special assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the Village’s G.O. debt limit. If special assessments are levied, the Village must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

EQUALIZED VALUATION PROJECTION

		<i>Village of Shorewood, WI</i>			
Projection of General Obligation Debt Borrowing Capacity					
Table 1 - Projection of Growth in Equalized Value (TID IN)					
----PERCENTAGE METHOD----			--STRAIGHT LINE METHOD--		
HISTORICAL DATA					
2005	1,386,844,700		2005	1,386,844,700	
2006	1,458,604,600		2006	1,458,604,600	
2007	1,497,125,900		2007	1,497,125,900	
2008	1,492,579,200		2008	1,492,579,200	
2009	1,525,289,600	2.50%	2009	1,525,289,600	34,611,225
PROJECTED VALUATIONS					
2010	1,563,355,969	2.50%	2010	1,559,900,825	2.27%
2011	1,602,372,352	2.50%	2011	1,594,512,050	2.22%
2012	1,642,362,461	2.50%	2012	1,629,123,275	2.17%
2013	1,683,350,595	2.50%	2013	1,663,734,500	2.12%
2014	1,725,361,663	2.50%	2014	1,698,345,725	2.08%
2015	1,768,421,192	2.50%	2015	1,732,956,950	2.04%
2016	1,812,555,351	2.50%	2016	1,767,568,175	2.00%
2017	1,857,790,957	2.50%	2017	1,802,179,400	1.96%
2018	1,904,155,500	2.50%	2018	1,836,790,625	1.92%
Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)					
BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY	
2010	1,525,289,600	76,264,480	17,658,488	58,605,992	
2011	1,559,900,825	77,995,041	16,318,812	61,676,229	
2012	1,594,512,050	79,725,603	14,876,023	64,849,579	
2013	1,629,123,275	81,456,164	13,364,969	68,091,195	
2014	1,663,734,500	83,186,725	11,739,708	71,447,017	
2015	1,698,345,725	84,917,286	10,180,031	74,737,255	
2016	1,732,956,950	86,647,848	8,511,594	78,136,253	
2017	1,767,568,175	88,378,409	6,763,566	81,614,842	
2018	1,802,179,400	90,108,970	5,110,044	84,998,926	
2019	1,836,790,625	91,839,531	3,370,688	88,468,843	
2020	1,871,401,850	93,570,093	2,622,142	90,947,950	
2021	1,906,013,075	95,300,654	1,861,473	93,439,181	
2022	1,940,624,300	97,031,215	1,061,280	95,969,935	

PLAN IMPLEMENTATION

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the additional Territory. It is anticipated these expenditures will be made during 2009 and 2010. However, expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The Village reserves the right to alter the implementation of this Plan to accomplish this objective. In any event, all additional Project Costs are to be incurred within the period specified in Section 66.1105(6)(am) of the Wisconsin Statutes.

It is anticipated developer agreements between the Village and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

If financing as outlined in this Plan proves unworkable, the Village of Shorewood reserves the right to use alternate financing solutions for the projects as they are implemented.

IMPLEMENTATION & FINANCING TIMELINE

		G.O. Bond	Total Project Costs
		2009	All Phases
Projects			
Development Incentive (Developer/Tenants)		1,322,000	1,322,000
Intermunicipal contributions		105,000	105,000
Remediation Cost		5,000	
Consultant and Administration		50,000	50,000
Tenant Move or Other Miscellaneous contingencies		100,000	100,000
		0	
Subtotal Needed for Projects		1,582,000	1,577,000
Finance Related Expenses			
Financial Advisor		12,943	
Bond Counsel (Estimate)		7,500	
Rating Agency Fee		5,900	
Paying Agent (if Term Bonds)		675	
Max. Underwriter's Discount	512.50	20,375	
Capitalized Interest			
Total Financing Required		1,629,393	
Estimated Interest Earnings	1.00%	(659)	
Assumed Spend Down (Months)	2		
Rounding		1,267	
NET ISSUE SIZE		1,630,000	

DEVELOPMENT ASSUMPTIONS

		Village of Shorewood, WI Tax Increment District No. 1 Development Assumptions						
Construction Year	Actual	Mobil Site Loss due to Demolition	Mobil Site	Development Area or Name	Development Area or Name	Development Area or Name	Annual Total	
1995							0	
1996	4,464,300						4,464,300	
1997	2,531,200						2,531,200	
1998	256,700						256,700	
1999	4,237,500						4,237,500	
2000	4,452,300						4,452,300	
2001	2,020,200						2,020,200	
2002	3,389,100						3,389,100	
2003	5,787,400						5,787,400	
2004	14,175,800						14,175,800	
2005	4,374,600						4,374,600	
2006	7,301,500						7,301,500	
2007	(652,200)						(652,200)	
2008	(6,485,000)						(6,485,000)	
2009		(687,231)					(687,231)	
2010			6,514,054				6,514,054	
2011							0	
2012							0	
2013							0	
2014							0	
2015							0	
2016							0	
2017							0	
2018							0	
2019							0	
2020							0	
2021							0	
TOTALS	45,673,400	(687,231) **	6,514,054 *	0	0	0	51,700,222	

NOTES: * \$6,521,577 is Gross Project Assessment of \$7,500,000 LESS Land values on WFB parcels of \$468,000 and Shorewood Parcel of \$544,700
** Represents Value of Demolished Mobil Station

INCREMENT REVENUE PROJECTIONS

SEE NEXT 2 PAGES

Tax Increment District No. 1
Tax Increment Projection Worksheet Proposed Development Only

Apply Inflation
Factor to Base?

Type of District	Blighted Area
Actual Creation Date	3/16/1995
Valuation Date	Jan. 1, 1995
Maximum life (in Years)	27
Expenditure Period (in Years)	22
Revenue Periods/Final Rev Year	25 / 2022
End of Expenditure Period	1/16/2017
Latest Termination Date	1/16/2022
Eligible for Extension/No. of Years	16 / 0
Eligible Recipient District	Yes

Projected Base Value	139,135,846
Pre-Amendment Base Value (for Utah)	138,694,600
Property Appreciation Factor	3.00%
Current Tax Rate (Per \$1,000 EV)	5.2356
Tax Rate Adjustment Factor (Next 2 Years)	-1.50%
Tax Rate Adjustment Factor (Following 2 Years)	-0.50%
Tax Rate Adjustment Factor (Thereafter)	0.00%
Discount Rate 1 for NPV Calculation	5.00%
Discount Rate 2 for NPV Calculation	7.00%

Net Present Value Calculation

Construction Year	Volume Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @ 5.00%	Cumulative @ 7.00%
1	1995	0	0	0	1997	0.00	0	0	0
2	1996	0	0	0	1998	36.11	0	0	0
3	1997	0	0	0	1999	34.49	0	0	0
4	1998	0	0	0	2000	32.51	0	0	0
5	1999	0	0	0	2001	31.05	0	0	0
6	2000	0	0	0	2002	29.50	0	0	0
7	2001	0	0	0	2003	28.82	0	0	0
8	2002	0	0	0	2004	28.53	0	0	0
9	2003	0	0	0	2005	27.60	0	0	0
10	2004	0	0	0	2006	24.81	0	0	0
11	2005	0	0	0	2007	24.42	0	0	0
12	2006	0	0	0	2008	25.04	0	0	0
13	2007	0	0	0	2009	25.56	0	0	0
14	2008	0	0	0	2010	25.18	0	0	0
15	2009	682,231	0	682,231	2011	24.80	0	0	0
16	2010	5,314,054	0	5,326,222	2012	24.67	133,776	118,285	42,538
17	2011	0	174,805	6,001,627	2013	24.55	147,349	233,737	83,282
18	2012	0	180,649	6,181,676	2014	24.55	151,770	346,890	122,502
19	2013	0	185,450	6,367,126	2015	24.55	156,323	458,086	160,256
20	2014	0	191,014	6,558,140	2016	24.55	161,012	567,085	196,598
21	2015	2816	196,734	6,754,884	2017	24.55	165,843	673,869	231,582
22	2016	0	202,647	6,957,530	2018	24.55	170,818	778,836	265,259
23	2017	0	208,726	7,166,356	2019	24.55	175,943	881,706	297,676
24	2018	0	214,898	7,381,244	2020	24.55	181,221	982,617	328,881
25	2019	0	221,437	7,602,681	2021	24.55	186,658	1,081,606	358,940
26	2020	0	228,080	7,830,762	2022	24.55	192,357	1,178,709	387,836
27	2021	0	234,923	8,065,685	2023	24.55			
							5,826,822	2,238,862	1,892,970

Future Value of Increment

EHLERS
PLANNING CONSULTANTS



CASH FLOW

SEE NEXT 2 PAGES

Village of Shorewood, WI
Tax Increment District No. 1
Cash Flow Pro Forma Overall District



Year	Revenue			Expenditures			Balances			Project Cost Principal Outstanding	Year			
	Tax Increment	Investment Earnings	Computer Replicator/ Misc Income	Capitalized Interest	Total Revenues	2005 Taxable GO Bonding Bonds 2,035,000	2005 GO Bonding Bonds 2,100,000	2005 GO Centennial Bonds 2,520,000	GO Bond 3,100,000 1/1/2009			Other Exp. #2	Total Expenditures	Annual
1995														
1996														
1997														
1998														
1999	161,948	0	0	0	161,948									
2000	241,976	0	5,800	0	247,776									
2001	357,132	0	16,043	0	373,175									
2002	470,995	0	13,087	0	484,082									
2003	518,232	0	43,079	239,205	800,516									
2004	609,722	0	48,113	0	711,895									
2005	733,372	0	78,025	0	811,397									
2006	1,035,396	0	37,719	0	1,073,115									
2007	1,118,155	0	67,837	0	1,185,992									
2008	1,339,275	12,397	107,617	0	1,459,289									
2009	1,454,944	20,233	0	0	1,475,177									
2010	1,459,269	25,456	0	0	1,484,725									
2011	1,553,264	31,467	0	0	1,584,731									
2012	1,694,231	39,456	0	0	1,733,687									
2013	1,897,599	45,641	0	0	1,943,240									
2014	2,095,497	59,227	0	0	2,154,724									
2015	2,169,142	71,245	0	0	2,240,387									
2016	2,185,692	85,246	0	0	2,270,938									
2017	2,260,216	109,772	0	0	2,370,000									
2018	2,345,942	117,079	0	0	2,463,021									
2019	2,469,001	137,219	0	0	2,606,220									
2020	2,657,551	150,310	0	0	2,807,861									
2021	2,851,757	163,057	0	0	3,014,814									
2022														
Total	36,327,265	1,083,736	488,488	219,205	38,341,554	2,035,000	2,100,000	2,520,000	3,100,000	1,038,160	1,510,000	726,680	5,235,682	20,798,342

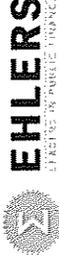
Projected 302 Closure

NOTE:



Village of Shorewood, WI

**Tax Increment District No. 1
Cash Flow Pro Forma Proposed Development Only**



Year	Revenues			Expenditures			Balances		Project Cost Principal Outstanding	Year
	Tax Increments	Investment Earnings	Total Revenues	G.O. Bond 51,630,000 11/1/2009	Prin (11/1) Est. Rate	Interest	Total Expenditures	Annual		
1995										
1996										
1997										
1998										
1999										
2000										
2001										
2002										
2003										
2004										
2005										
2006										
2007										
2008										
2009										
2010										
2011										
2012										
2013										
2014										
2015										
2016										
2017										
2018										
2019										
2020										
2021										
2022										
Total	1,832,970	0	1,832,970	1,630,000	726,580	2,356,580	1,630,000	1,630,000	0	2022

Projected TID Closure

NOTES:



11 ANNEXED PROPERTY

Property within the territory proposed to be included within the District by Amendment is being accomplished by jurisdictional transfer through annexation and detachment. The Village of Shorewood is in the process of negotiating an agreement with the Village of Whitefish Bay for jurisdictional transfer of this property. This action will be completed prior to the adoption of this plan amendment.

12 ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS

The Village estimates that approximately 50% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

13 PROPOSED CHANGES IN ZONING ORDINANCES

The Village of Shorewood will complete a re-zoning of the property to be incorporated into the District by this amendment to be in compliance with the Village's existing commercial zoning code prior to development.

14 PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF SHOREWOOD ORDINANCES

It is expected that this Plan will be complementary to the Village's Master Plan. There are no proposed changes to the master plan, map, building codes or other Village of Shorewood ordinances for the implementation of this Plan.

15 RELOCATION

It is not anticipated there will be a need to relocate any persons or businesses in conjunction with this Plan amendment.

In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the Village will follow applicable state statutes as required in Wisconsin Statutes chapter 32.

16 ORDERLY REDEVELOPMENT OF THE VILLAGE OF SHOREWOOD

Incorporation of the Additional Territory to the District contributes to the orderly redevelopment of the Village by providing the opportunity for continued growth in tax base and job opportunities.

17 A LIST OF ESTIMATED NON-PROJECT COSTS

Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds. Examples would include:

- 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 Village does not expect to incur any non-Project Costs in the implementation of this Project Plan.

18

**OPINION OF ATTORNEY FOR THE VILLAGE OF SHOREWOOD
ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH
WISCONSIN STATUTES, SECTION 66.1105**



Village Attorney's Office

Raymond J. Pollen
William P. Dineen

September 23, 2009

VIA US MAIL & EMAIL
Mr. Guy Johnson
Village of Shorewood
3930 N. Murray Avenue
Shorewood, WI 53211

Re: Village of Shorewood, Wisconsin Tax Incremental District No. 1 Amendment

Dear Mr. Johnson:

As Village Attorney for the Village of Shorewood, I have reviewed the Project Plan Amendment document and various resolutions passed by the Village Board, Community Development Authority and Joint Review Board regarding the amendment of Tax Incremental District No. 1 located in the Village of Shorewood. In my opinion, the Project Plan is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Respectfully,

A handwritten signature in black ink, appearing to read "Raymond J. Pollen". The signature is fluid and cursive, written over a white background.

RAYMOND J. POLLEN
RJP/kaf

cc: Mr. Chris Swartz
Mr. Michael C. Harrigan

**EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX
INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY
IN THE OVERLYING TAXING JURISDICTIONS**

SEE NEXT 2 PAGES

Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

OVERALL DISTRICT

Revenue Year	Village	County	School District	Tech College	Total
	27.48%	16.32%	48.64%	7.56%	
1997	0	0	0	0	0
1998	44,497	26,429	78,774	12,247	161,948
1999	66,486	39,490	117,701	18,300	241,976
2000	64,964	38,586	115,008	17,881	236,439
2001	98,126	58,283	173,715	27,008	357,132
2002	129,386	76,850	229,056	35,613	470,905
2003	142,390	84,574	252,077	39,192	518,232
2004	167,544	99,514	296,608	46,115	609,782
2005	201,502	119,684	356,724	55,462	733,372
2006	281,722	167,331	498,740	77,542	1,025,336
2007	306,676	182,152	542,916	84,410	1,116,155
2008	364,751	216,647	645,729	100,395	1,327,521
2009	367,707	218,402	650,961	101,208	1,338,279
2010	317,331	188,481	561,779	87,343	1,154,934
2011	345,707	205,335	612,014	95,153	1,258,209
2012	426,760	253,477	755,504	117,462	1,553,204
2013	465,523	276,500	824,126	128,131	1,694,281
2014	507,646	301,520	898,698	139,725	1,847,589
2015	551,033	327,290	975,507	151,667	2,005,497
2016	595,721	353,833	1,054,620	163,967	2,168,142
2017	641,750	381,172	1,136,107	176,637	2,335,666
2018	689,160	409,332	1,220,038	189,686	2,508,216
2019	737,993	438,336	1,306,487	203,126	2,685,942
2020	788,290	468,210	1,395,530	216,970	2,869,001
2021	840,096	498,981	1,487,244	231,230	3,057,551
2022	893,457	530,675	1,581,709	245,917	3,251,757
	10,036,220	5,961,083	17,767,374	2,762,387	36,527,065

NOTE: The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.

Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

DEVEL ONLY

Revenue Year	Village	County	School District	Tech College	Total
	27.48%	16.32%	48.64%	7.56%	
1997	0	0	0	0	0
1998	0	0	0	0	0
1999	0	0	0	0	0
2000	0	0	0	0	0
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	39,504	23,464	69,935	10,873	143,776
2013	40,486	24,047	71,673	11,143	147,349
2014	41,700	24,768	73,823	11,478	151,770
2015	42,951	25,511	76,038	11,822	156,323
2016	44,240	26,277	78,319	12,177	161,012
2017	45,567	27,065	80,669	12,542	165,843
2018	46,934	27,877	83,089	12,918	170,818
2019	48,342	28,713	85,581	13,306	175,943
2020	49,792	29,575	88,149	13,705	181,221
2021	51,286	30,462	90,793	14,116	186,658
2022	52,825	31,376	93,517	14,540	192,257
2023	0	0	0	0	0
	503,629	299,134	891,587	138,620	1,832,970

NOTE: The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.