



VILLAGE OF SHOREWOOD, WISCONSIN

Project Plan for the Creation of Tax Incremental District No. 4



May 23, 2011

<i>Organizational Joint Review Board Meeting Held:</i>	<i>April 28, 2011</i>
<i>Public Hearing Held:</i>	<i>April 28, 2011</i>
<i>Adopted by Community Development Authority:</i>	<i>April 28, 2011</i>
<i>Adopted by Village Board:</i>	<i>June 9, 2011</i>
<i>Consideration for Approval by the Joint Review Board:</i>	<i>June 23, 2011</i>

Tax Incremental District No. 4 Creation Project Plan

Village of Shorewood Officials

Village Board

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Patrick Linnane	Village Trustee
Ellen Eckman	Village Trustee
Jeff Hanewall	Village Trustee
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Ericka Lang	Planning Director
Raymond J. Pollen	Village Attorney

Community Development Authority

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Michael Paulson	Chris Swartz, Village Manager

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Guy Johnson, Chair	Village Representative
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Mike Schulte	Public Member

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EXECUTIVE SUMMARY

DESCRIPTION OF DISTRICT

- Type of District, Size and Location. TID No. 4 is proposed to be created as a rehabilitation district. It will overlay lands currently in TID # 1. A map of the proposed District boundaries is located in Section 3 of this plan.
- Estimated Total Project Expenditures. The Village of Shorewood was presented a redevelopment proposal for the 4000 block of Oakland Avenue. The proposal entails a first floor commercial space and 84 apartment units above, as well as a separate parking structure. The project would redevelop two existing surface parking lots. The Village anticipates making total project expenditures in a principal amount of up to \$8,725,000 plus interest to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in one phase. The Expenditure Period of this District is 22 years from the date of adoption of the Creation Resolution by the Village Board. However, as noted below, it is contemplated that the District will close several years prior to the expenditure period. The projects to be undertaken pursuant to this Project Plan are expected to be financed with G.O. Bonds issued by the Village, 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.

Shorewood TID #4
Project Plan Overview

	Planned District Project Support			Other Potential Liabilities	Total District Authority
	Direct Contribution	Repayable Loan	Total		
Project Summary					
Grant to develop- principal	3,925,000		3,925,000		3,925,000
Loan to developer - principal		3,485,000	3,485,000		3,485,000
Total Project Capital	3,925,000	3,485,000	7,410,000	0	7,410,000
Village administrative costs	250,000		250,000		250,000
Infrastructure & Contingencies TBD			0	500,000	500,000
Total project cost	4,175,000	3,485,000	7,660,000	500,000	8,160,000
Finance related expenses	490,000	75,000	565,000		565,000
Total expenditures	4,665,000	3,560,000	8,225,000	500,000	8,725,000
Bond Issuance					
	GO Bonds	GO Bonds			
TID financing of grant	4,665,000			To be paid by TID Revenues.	
TID financing of loan		3,560,000		To be paid by Project Revenues w TID backup (if needed).	

- Economic Development. As a result of the creation of this District, the Village projects that additional land and improvements value of approximately \$22,088,000 by valuation year 2038 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. \$14,657,922 of this additional value will be a result of the immediate new construction expected to occur in 2011 and 2012 within the District. A table detailing assumptions as to the timing of new development and redevelopment, and associated values is located in Section 10 of this plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.
- Expected Termination of District. Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2029; 9 years earlier than the 27 year maximum life of this District.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project 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 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 up to \$8,725,000 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 its investment. Of the \$8.75 Million total, \$7,410,00 will be provided directly to the development project in a combination of Grant and Loan financing. The balance will be for financing costs , infrastructure and contingency.
 - The sites proposed for redevelopment are under utilized vs the Village’s master plan for this area due lack of adequate parking infrastructure, obsolete platting and ownership by multiple parties. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the Village that the use of TIF will be required to provide the necessary infrastructure inducements to encourage development on the sites consistent with that desired by the Village.
 - In order to make the area included within the District suitable for development and/or redevelopment, the Village will need to make a substantial contribution to assist in paying for the costs of: property, and easement acquisition, site preparation, installation of utilities; installation of street access and related streetscape items; development incentive payments, grants and loans, and other associated costs. Due to the extensive initial public investment in infrastructure that is required in order to allow to occur, the Village has determined that development and/or redevelopment of the area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, development and/or redevelopment of the area is unlikely to occur.

- This plan envisioned within this Tax Increment District is compatible with the Village's master plan and redevelopment plan for this area.
2. **The economic benefits of 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 tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
 - The development expected to occur within the District would create approximately 84 residential rental units, a portion of these units will be available for below market rents providing housing opportunities for the community.
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 District creation would become effective for valuation purposes as of January 1, 2011. As of this date, the values of all existing development would be frozen within TID 1, the increment unique to TID 1 will continue to be deposited into the TID 1 fund, and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2011 would be collected by Tax Increment District 4 and used to repay the costs of TIF-eligible projects undertaken within this District.
 - Since the development expected to occur is unlikely to take place without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the Village reasonably concludes that the overall 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 created. 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 can found in Appendix A of this plan.
4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work within the meaning of Section 66.1337(2m)(b) of the Wisconsin Statutes. Furthermore, any property standing vacant for the entire seven years preceding adoption of the Creation Resolution does 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.

5. Based upon the findings, as stated above, the District is declared to be a rehabilitation district based on the identification and classification of the property included within the district.
6. The project costs relate directly to promoting the rehabilitation of the area consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property abutting the District.
8. The equalized value of taxable property of the District plus the value increment 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 estimates that approximately 20% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.
10. The Project Plan for the District in the Village is feasible, and is in conformity with the master plan of the Village.

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TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District No. 4 (the “District”) is being created by the Village of Shorewood under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a “Rehabilitation or Conservation District” based upon a finding that at least 50%, by area, of the real property within the District is in need of rehabilitation or conservation work. In Section 5 of this Plan, the Village has identified those properties within the District that meet the criteria of “rehabilitation or conservation areas” as defined in State Statutes Section 66.1337(2m)(a) and relies on these characterizations as the basis for making the above finding.

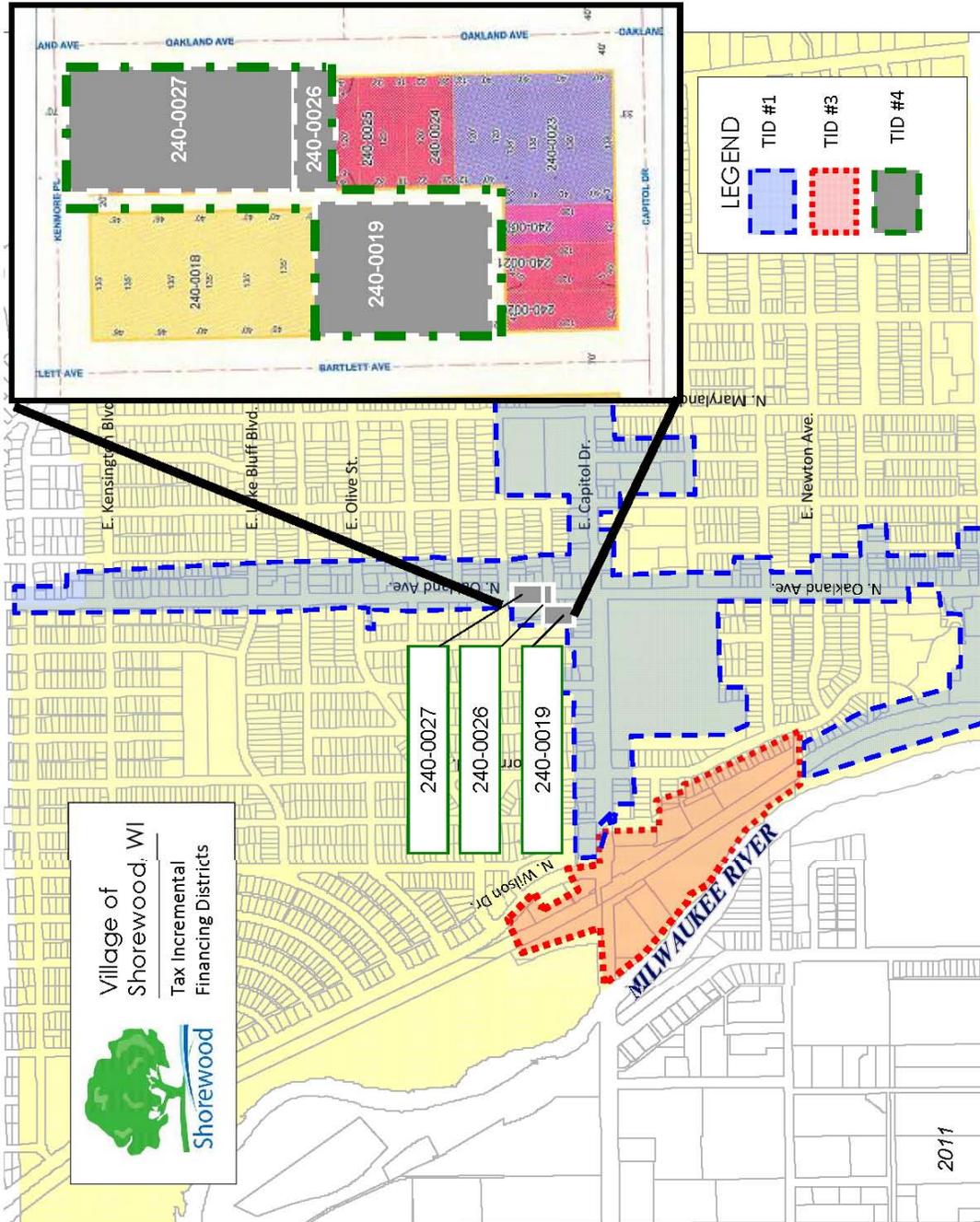
Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes. A calculation demonstrating compliance with this test is found as part of the Preliminary Parcel List in Section 5 of this plan.

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The Village of Shorewood intends that tax increment financing (TIF) will be used to assure that private development occurs within the District consistent with the Village’s development and redevelopment objectives. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote development and redevelopment within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities and commercial services within the Village. The project costs included in this Plan relate directly to the rehabilitation or conservation of areas in the District consistent with the purpose for which the District is created.

Based upon the findings, as stated within this Plan the District is declared to be a rehabilitation district based on the identification and classification of the property included within the district.

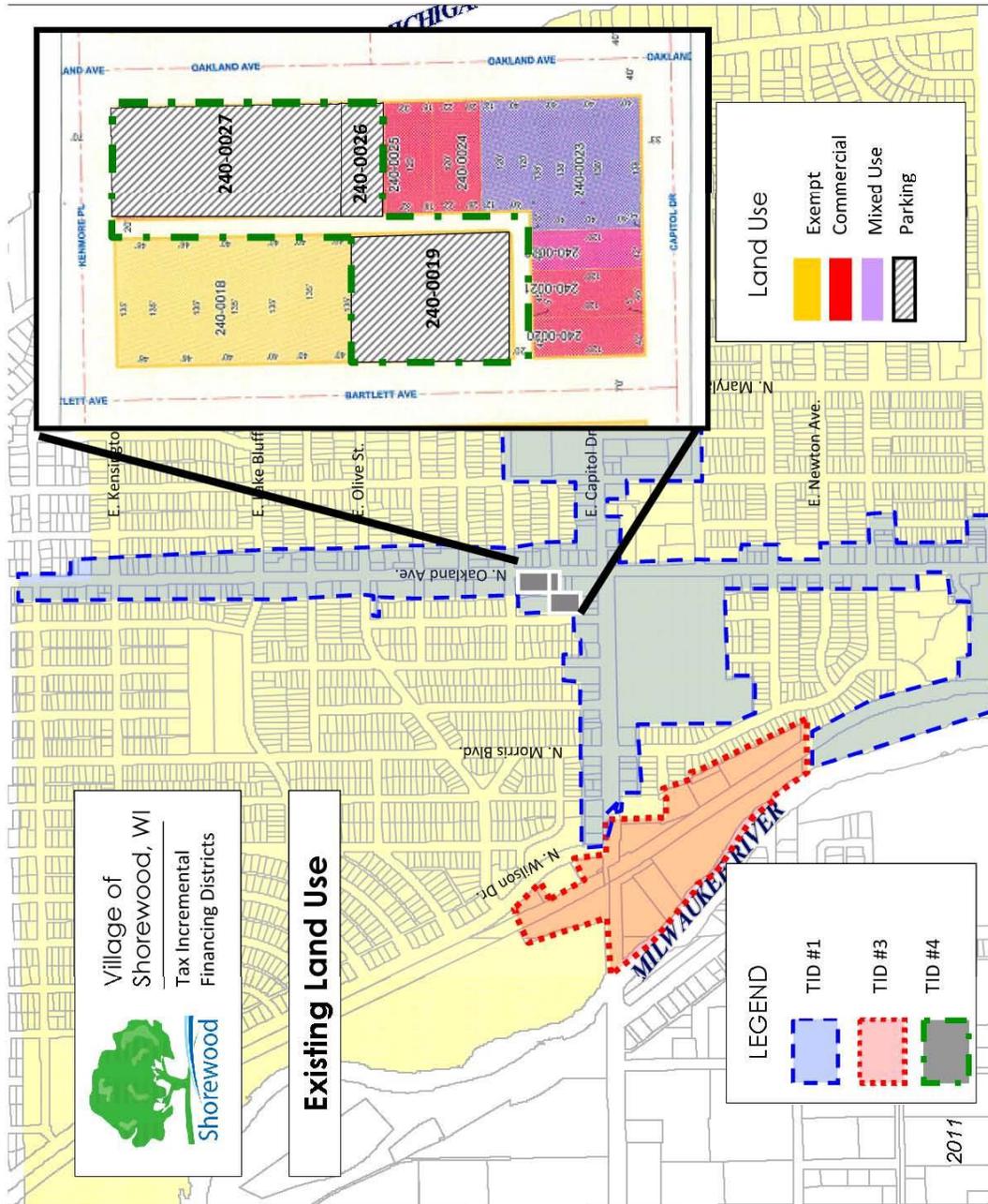
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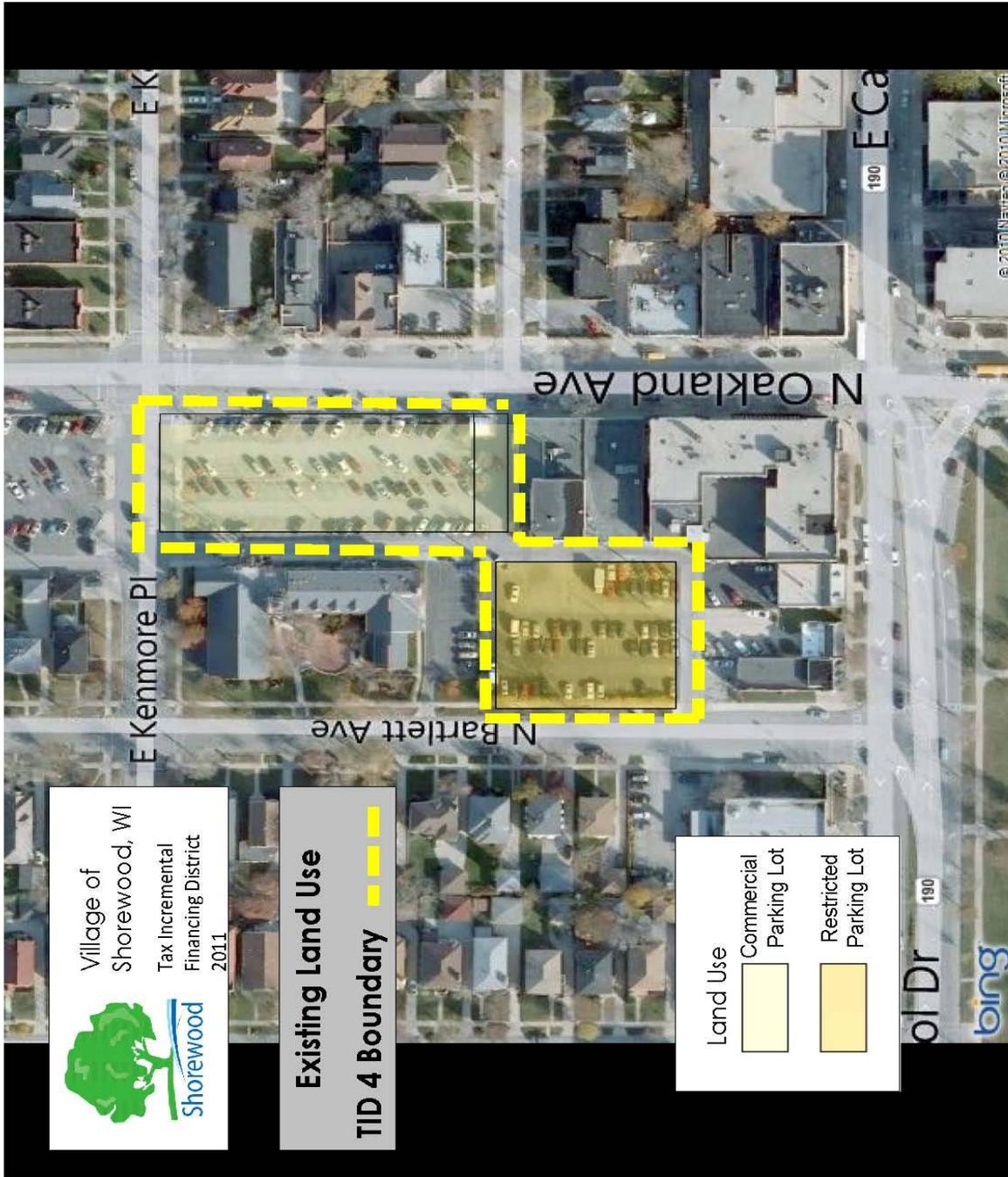
MAP OF PROPOSED DISTRICT BOUNDARY



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MAPS SHOWING EXISTING USES AND CONDITIONS





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PRELIMINARY PARCEL LIST & ANALYSIS

TAX KEY	2010 ASSESSED VALUES			2010 EQUALIZED VALUES	ACRES	Owner Name	Business	Landuse
	LAND IMPROVEMENTS		TOTAL					
240-0019-000	\$379,900	\$11,000	\$390,900	\$377,400	0.52	North Shore Apts. LLC c/o Katz	Parking Lot - Bartlett Ave	Commercial
240-0026-000	\$210,000	\$68,700	\$278,700	\$269,100	0.14	Sendiks II LLC	Pakring	Commercial
240-0027-000	\$548,400	\$32,100	\$580,500	\$560,500	0.66	North Shore Apts. LLC c/o Katz	Pakring	Commercial
			\$1,250,100	\$1,207,000	1.32			

The proposed boundaries of the District consist of the following tax key parcels, currently used for parking, which are located within the block bounded by Oakland Avenue on the east, E. Kenmore Place on the north, N. Bartlett Avenue on the west, and E. Capitol Drive on the south: Tax Key #'s 249.0019.000, 240.0026.000, & 240.0027.000.

The land is not deemed vacant under 66.1105(4)(gm)1 as it is occupied by parking. The replacement value of the parking improvements as provided for within the plan will exceed the value of the land.

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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 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 equalized value of the increment of existing Tax Incremental Districts within the Village, plus the base value of the proposed District, totals \$49,452,078. This value is less than the maximum of \$172,522,428 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 creation of this District.

<i>Village of Shorewood, WI</i>				
Tax Increment District No. 4				
Valuation Test Compliance Calculation				
Anticipated Creation Date:	5/16/2011	Valuation Data Currently Available	Valuation Data Establishing 12% Limit Based on Anticipated Creation Date	Estimated Valuation Data Establishing Base Value
Property Appreciation Factor:	5.00%	ACTUAL	ESTIMATED	ESTIMATED
As of January 1,		2010	2011	2012
Total Equalized Value (TID IN)		1,437,686,900	1,509,571,245	
Limit for 12% Test		172,522,428	181,148,549	
Increment Value of Existing TID's				
TID No. 1 Increment		48,210,900	50,621,445	
TID No. 3 Increment		0	0	
Total Existing Increment		48,210,900	50,621,445	
Projected Base Value of New District		1,242,078	1,304,182	1,369,391
Existing TID New Construction Factor				
TOTAL VALUE SUBJECT TO TEST/LIMIT		49,452,978	51,925,627	51,990,836
COMPLIANCE		PASS	PASS	PASS
				Percentage Increase in Base Value at Which EV Test will Fail 9908.35%



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

Within TID 4 the Village expects to provide direct assistance to a developer in the form of a grant and a loan to fund the costs that would otherwise make the project economically unfeasible. Under the Statute, any costs necessary or convenient to the creation of the district or 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. Following is a description of the types of costs that the grant or loan would be used for within this district.

PROPERTY, RIGHT-OF-WAY AND EASEMENT ACQUISITION

- **PROPERTY ACQUISITION FOR DEVELOPMENT AND/OR REDEVELOPMENT.** In order to promote and facilitate development and/or redevelopment the Village may contribute to the acquisition of 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 in order to make the property suitable for development and/or redevelopment. If total Project Costs incurred by the Village to acquire property and make it suitable for development and/or redevelopment 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 State Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible project cost.
- **ACQUISITION OF RIGHTS-OF-WAY.** There may be a need to acquire property to allow for installation of street access, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire rights-of-way are eligible project costs.
- **ACQUISITION OF EASEMENTS.** The Village may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire easement rights are eligible project costs.

SITE PREPARATION ACTIVITIES

- **PARKING or PARKING ENHANCEMENTS.** The existing parking facilities on the site are inadequate and in order to achieve greater residential and commercial density while preserving parking opportunity, it will be necessary to create structured parking on the site within the district to accommodate both existing and future demands of the site and area. Parking costs and participation in parking costs of the developer are considered eligible project costs.
- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There have been no known environmental studies performed within the proposed District. If, however, 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.** In order to make sites suitable for development and/or redevelopment, the costs related to demolition and removal of parking structures or facilities are considered project costs.
- **SITE GRADING.** Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The developer or Village may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred for site grading are eligible project costs.

UTILITIES

- **SANITARY SEWER SYSTEM IMPROVEMENTS.** To allow development and/or redevelopment to occur, the Village or developer may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.
- **WATER SYSTEM IMPROVEMENTS.** To allow development and/or redevelopment to occur, the Village or developer may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; 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.
- **STORMWATER MANAGEMENT SYSTEM IMPROVEMENTS.** Development and/or redevelopment within the District will cause stormwater runoff. To manage this stormwater runoff, the Village or developer 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; 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.** In order to assure the site is suitable for development and/or redevelopment, the Village or developer 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 or developer to undertake this work are eligible project costs.
- **GAS SERVICE.** In order to create sites suitable for development and/or redevelopment, the Village may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the Village or developer to undertake this work are eligible project costs.
- **COMMUNICATIONS INFRASTRUCTURE.** In order to create sites suitable for development and/or redevelopment, 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 or developer to undertake this work are eligible project costs.

STREETS AND STREETScape

- **STREET IMPROVEMENTS.** To allow development and/or redevelopment to occur, the Village or developer may need to construct and/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; 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.

CDA TYPE ACTIVITIES

- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the Village, through this Tax Increment District, may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, 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.

MISCELLANEOUS

- **CASH GRANTS (DEVELOPMENT INCENTIVES).** To participate in any of the costs outlined above as well as costs associated with the private development on the site, the

Village expects to 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.

- **MARKETING & DEVELOPMENT.** In order to assure the success of the Tax Increment District, the CDA and Village expect to make expenditures for consultants and time for market studies, direct marketing, development analysis and promotion.
- **DEVELOPER PROJECT LOANS.** In order to provide capital at an acceptable cost to assure a reasonable return on investment, the Village expects to provide a loan to the developer which is expected to be fully repaid from rental income and project revenues. If, however there is a shortfall in such revenue, the Village will consider making up such shortfall with TID revenues to the extent they are available after paying other costs of the district.
- **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 and benefits. 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, apparatus necessary for the 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.

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the Village 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 (the "Plan").

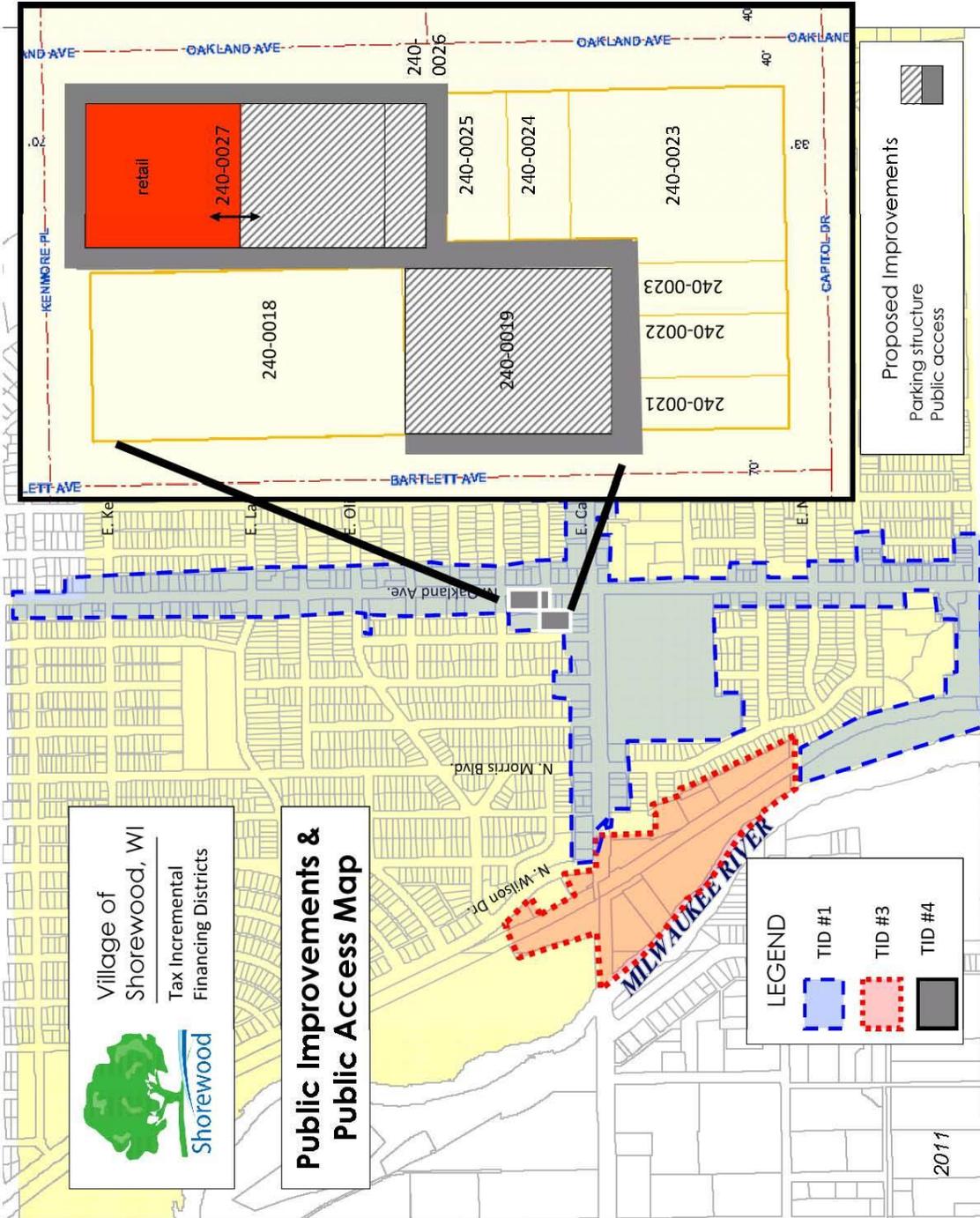
The Village reserves the right to implement only those projects that remain viable as the Plan period proceeds.

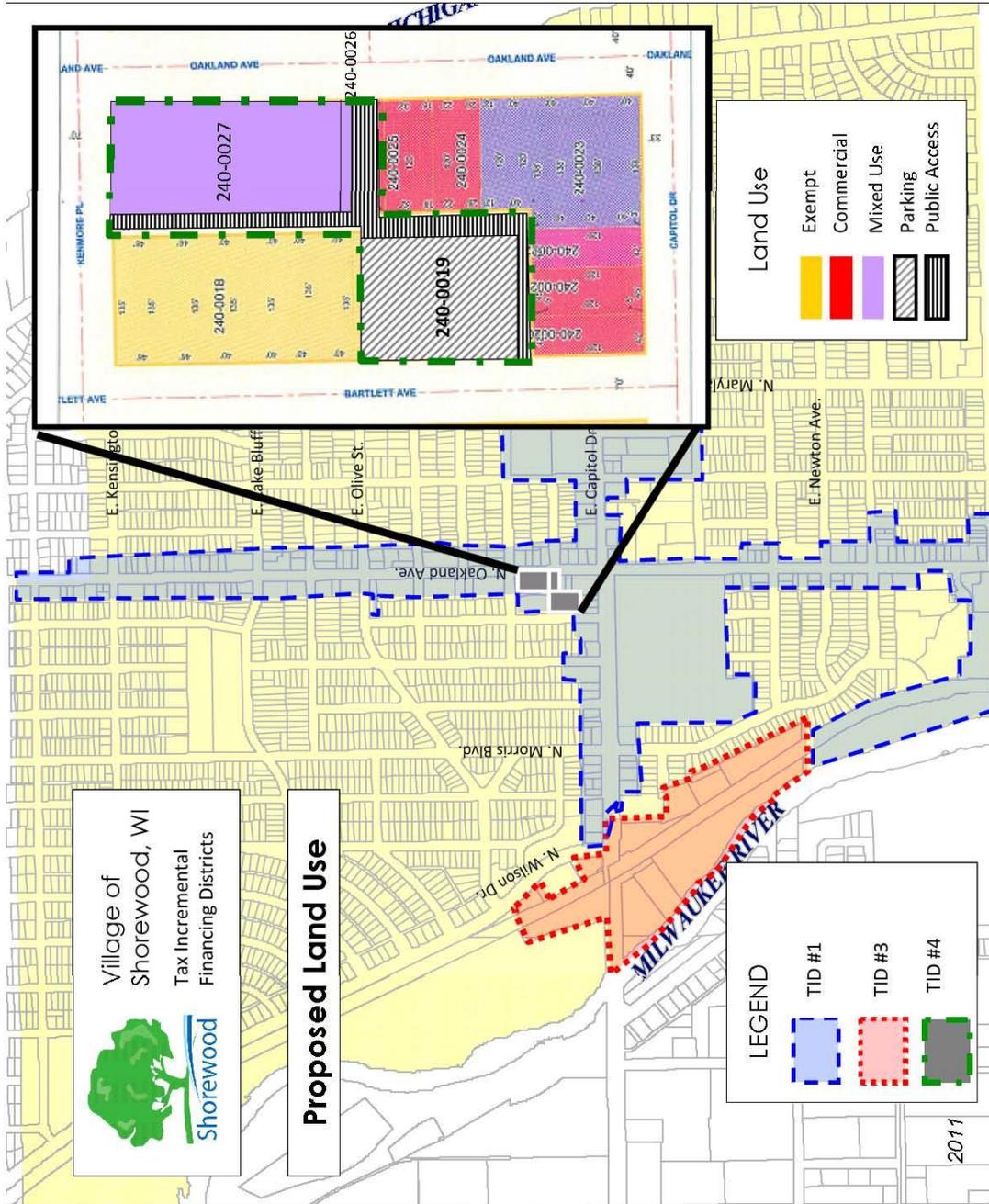
Project costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and as outlined in this Plan. Project costs

will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality 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.

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MAPS SHOWING PROPOSED IMPROVEMENTS AND USES





9

DETAILED LIST OF PROJECT COSTS

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 amending the Plan.

All costs are based on 2011 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2011 and the time of construction. However, for increases in excess of 25% over the cost of inflation of total project costs, the Village would pursue an amendment to the Plan in accordance with the amendment procedures specified in Section 66.1105(4)(h) of the Wisconsin Statutes, which include review by the Joint Review Board. 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.

PROPOSED TIF PROJECT COST ESTIMATES

		<i>Village of Shorewood</i> Tax Increment District # 4 - "Kenmore" Project Project List			
	Direct TID Contribution ¹	Repayable Loan ²	Direct TID or Other Contributions ³	TOTALS	
	2011	2011	2011		
Projects					
Costs Related to Gap Financing for Mixed Use Building with Parking					
Developer Grant	3,925,000				3,925,000
Developer Loan		3,485,000			3,485,000
Village Legal Financial & Consulting	250,000				250,000
Capitalized Interest	390,405				390,405
Underwriting Discount Fee	58,313	35,600			93,913
Financing Costs	46,164	45,145			91,309
Less Interest Earnings & Rounding	(4,881)	(5,745)			(10,626)
Infrastructure Costs or Contingencies if Required			500,000		500,000
Subtotal Needed for Projects	4,665,000	3,560,000	500,000		8,725,000

¹ All costs in this column are expected to be a direct TID expense with no participation from the developer.
² This loan is expected to be repaid with project revenues, ie rents. To the extent there is a shortfall, there are developer guarantees. if developer guarantees are uncollectable, it then becomes a TID expense.
³ The source of payment, (Developer vs TID) is subject to negotiation & net available cash flows.

The costs detailed in the table above are projected to be the gross principal costs of the district, however in addition to these costs it is anticipated that an annual administrative expense of approximately \$15,000 would be incurred. If adjusted for inflation and if the district extended its full legal life, a total of approximately \$581,000 would be expended for this purpose over the 27 year period.

The Village expects to issue GO Bonds in the amount of approximately \$3,560,000 to provide funds for the repayable loan to the developer which is to be repaid by project revenues, primarily rents.

This expense of any shortfall on the developer loan would be paid only after the annual debt payments on the costs above plus any Village administrative costs were paid.

Total principal potential cost to the district would be \$8,725,000 plus interest ONLY if ALL of the cost enumerated above are incurred and cannot be paid by the project revenues or developer guarantees.

The \$500,000 of "Infrastructure Costs or Contingences", if deemed to be warranted by the Village, would be funded either through available cash flow after the other obligations of the district are satisfied or, if necessary by adding to one of the Village's borrowings for the district and structuring to meet the available cash flow. As noted in the above table, this item is subject to further review and negotiation with the developer.

The actual district liability is expected to be limited to the \$4,665,000 Bonds for the Grant amount and Village Costs.

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 proposed District is economically feasible insofar as:

- The Village has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The Village currently expects to complete the projects in one phase, but reserves the right to 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 methods and the time at which that financing is expected to incur is included.
- The development anticipated to occur as a result of the 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) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a 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 24 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 2006 and 2010. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2006 and 2010. 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 a 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

		Village of Shorewood, WI Projection of General Obligation Debt Borrowing Capacity			
Table 1 - Projection of Growth in Equalized Value (TID IN)					
----PERCENTAGE METHOD----			--STRAIGHT LINE METHOD--		
HISTORICAL DATA					
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		2009	1,525,289,600	
2010	1,437,686,900	-0.36%	2010	1,437,686,900	-5,229,425
PROJECTED VALUATIONS					
2011	1,432,532,470	-0.36%	2011	1,432,457,475	-0.36%
2012	1,427,396,519	-0.36%	2012	1,432,457,475	0.00%
2013	1,422,278,982	-0.36%	2013	1,436,038,619	0.25%
2014	1,417,179,793	-0.36%	2014	1,443,218,812	0.50%
2015	1,412,098,885	-0.36%	2015	1,450,434,906	0.50%
2016	1,407,036,193	-0.36%	2016	1,457,687,080	0.50%
2017	1,401,991,653	-0.36%	2017	1,464,975,516	0.50%
2018	1,396,965,198	-0.36%	2018	1,472,300,393	0.50%
2019	1,391,956,764	-0.36%	2019	1,479,661,895	0.50%
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	
2011	1,437,686,900	71,884,345	23,154,176	48,730,169	
2012	1,432,457,475	71,622,874	21,698,322	49,924,552	
2013	1,436,038,619	71,801,931	19,949,497	51,852,433	
2014	1,443,218,812	72,160,941	18,062,579	54,098,362	
2015	1,450,434,906	72,521,745	16,192,486	56,329,259	
2016	1,457,687,080	72,884,354	14,070,255	58,814,099	
2017	1,464,975,516	73,248,776	11,765,259	61,483,517	
2018	1,472,300,393	73,615,020	9,432,405	64,182,615	
2019	1,479,661,895	73,983,095	6,991,612	66,991,483	
2020	1,487,060,205	74,353,010	5,470,000	68,883,010	
2021	1,494,495,506	74,724,775	3,860,000	70,864,775	
2022	1,501,967,983	75,098,399	2,125,000	72,973,399	
2023	1,509,477,823	75,473,891	505,000	74,968,891	
2024	1,517,025,212	75,851,261	345,000	75,506,261	
2025	1,524,610,338	76,230,517	175,000	76,055,517	
2026	1,532,233,390	76,611,670		76,611,670	
2027	1,539,894,557	76,994,728		76,994,728	
2028	1,547,594,030	77,379,701		77,379,701	
2029	1,555,332,000	77,766,600		77,766,600	
2030	1,563,108,660	78,155,433		78,155,433	
2031	1,570,924,203	78,546,210		78,546,210	
2032	1,578,778,824	78,938,941		78,938,941	

PLAN IMPLEMENTATION

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

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 public improvements 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 reserves the right to use alternate financing solutions for the projects as they are implemented.

IMPLEMENTATION & FINANCING TIMELINE

		<i>Village of Shorewood</i>		
		Tax Increment District # 4 - "Kenmore" Project		
		Estimated Project Costs & Financing Plan		
		TID Funded	Developer / Project Funded with TID Backup	Total Project Financing
		G.O. Bond	G.O. Bond	All Phases
		2011	2012	
Projects				
Developer Grant		3,925,000		3,925,000
Developer Loan			3,535,000	3,535,000
Less amount included for Financing by Dev.			(50,000)	(50,000)
Net Loan Amount			3,485,000	
Village Legal, Financial & Consulting		250,000		250,000
				0
Subtotal Needed for Projects		4,175,000	3,485,000	7,660,000
Finance Related Expenses				
Financial Advisor		19,164	20,145	39,309
Bond Counsel (Estimate)		15,000	13,000	28,000
Rating Agency Fee		12,000	12,000	24,000
Reserve Fund				
Max. Underwriter's Discount	\$12.50	58,313	\$10.00	35,600
Capitalized Interest		390,405		390,405
Total Financing Required		4,669,881	3,565,745	8,235,626
<i>Estimated Interest Earnings</i>	1.50%	(7,819)	1.00%	(2,899)
<i>Assumed Spend Down (Months)</i>	4		3	(10,718)
Rounding		2,938	(2,846)	92
NET ISSUE SIZE		4,665,000	3,560,000	8,225,000

Costs per Developer Pro-Forma dated 4/5/11

DEVELOPMENT ASSUMPTIONS

  					
<i>Village of Shorewood</i> Tax Increment District # 4 - "Kenmore" Project Development Assumptions Net Increment					
Construction Year	Existing Base Value	Walgeens	Apartments	Future Development	Annual Total
2011	(1,242,078)	5,500,000	5,200,000		9,457,922
2012			5,200,000		5,200,000
2013					0
2014					0
2015					0
2016					0
2017					0
2018					0
2019					0
2020					0
2021					0
2022					0
2023					0
2024					0
2025					0
2026					0
2027					0
2028					0
2029					0
2030					0
2031					0
2032					0
2033					0
2034					0
2035					0
2036					0
2037					0
TOTALS	(1,242,078)	5,500,000	10,400,000	0	14,657,922

NOTES: Base Value & Future Taxable values are as provided by Village Assessor in report of 11/19/10. This report was then further modified by Developer reducing residential value by approx \$2M in their analysis of 1/25/11. Final Values from Developer received 2/1/11.

INCREMENT REVENUE PROJECTIONS

Village of Shorewood

Tax Increment District # 4 - "Kenmore" Project Tax Increment Projection Worksheet

Type of District	Rehabilitation
Anticipated Creation Date	5/16/2011
Valuation Date	Jan. 1, 2011
Maximum Life (In Years)	27
Expenditure Period (In Years)	22
Revenue Periods/Final Rev Year	27 2039
End of Expenditure Period	5/16/2033
Latest Termination Date	5/16/2038
Eligible for Extension/No. of Years	Yes 3
Eligible Recipient District	Yes

Projected Base Value	1,242,078
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor	1.50%
Current Tax Rate (Per \$1,000 EV)	\$28.24
Tax Rate Adjustment Factor (Next 2 Years)	-1.00%
Tax Rate Adjustment Factor (Following 2 Years)	-0.50%
Tax Rate Adjustment Factor (Thereafter)	0.00%
Discount Rate 1 for NPV Calculation	3.25%
Discount Rate 2 for NPV Calculation	5.50%

Apply Inflation Factor to Base?



From 10-11 TI Cal Worksheet

Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @				
								3.25%	5.50%			
1	2011	9,457,922	2012	18,631	9,476,554	2013	27.67	262,224	238,233	223,313		
2	2012	5,200,000	2013	160,779	14,837,333	2014	27.39	406,455	595,879	551,411		
3	2013	0	2014	241,191	15,078,524	2015	27.26	410,997	946,137	865,879		
4	2014	0	2015	244,809	15,323,333	2016	27.12	415,582	1,289,155	1,167,278		
5	2015	0	2016	248,481	15,571,814	2017	27.12	422,321	1,626,762	1,457,597		
6	2016	0	2017	252,208	15,824,023	2018	27.12	429,161	1,959,039	1,737,238		
7	2017	0	2018	255,992	16,080,014	2019	27.12	436,104	2,286,062	2,006,588		
8	2018	0	2019	259,831	16,339,846	2020	27.12	443,150	2,607,910	2,266,022		
9	2019	0	2020	263,729	16,603,575	2021	27.12	450,303	2,924,658	2,515,900		
10	2020	0	2021	267,685	16,871,259	2022	27.12	457,563	3,236,382	2,756,570		
11	2021	0	2022	271,700	17,142,959	2023	27.12	464,932	3,543,156	2,988,366		
12	2022	0	2023	275,776	17,418,735	2024	27.12	472,411	3,845,053	3,211,613		
13	2023	0	2024	279,912	17,698,647	2025	27.12	480,002	4,142,146	3,426,622		
14	2024	0	2025	284,111	17,982,758	2026	27.12	487,708	4,434,507	3,633,693		
15	2025	0	2026	288,373	18,271,131	2027	27.12	495,529	4,722,205	3,833,117		
16	2026	0	2027	292,698	18,563,829	2028	27.12	503,467	5,005,312	4,025,173		
17	2027	0	2028	297,089	18,860,917	2029	27.12	511,524	5,283,895	4,210,129		
18	2028	0	2029	301,545	19,162,462	2030	27.12	519,702	5,558,023	4,388,246		
19	2029	0	2030	306,068	19,468,530	2031	27.12	528,003	5,827,763	4,559,774		
20	2030	0	2031	310,659	19,779,189	2032	27.12	536,428	6,093,181	4,724,954		
21	2031	0	2032	315,319	20,094,508	2033	27.12	544,980	6,354,342	4,884,019		
22	2032	0	2033	320,049	20,414,557	2034	27.12	553,660	6,611,312	5,037,193		
23	2033	0	2034	324,850	20,739,407	2035	27.12	562,470	6,864,153	5,184,691		
24	2034	0	2035	329,722	21,069,129	2036	27.12	571,413	7,112,929	5,326,723		
25	2035	0	2036	334,668	21,403,797	2037	27.12	580,489	7,357,701	5,463,489		
26	2036	0	2037	339,688	21,743,485	2038	27.12	589,702	7,598,532	5,595,182		
27	2037	0	2038	344,783	22,088,269	2039	27.12		7,598,532	5,595,182		
		14,657,922			7,430,346				(4,665,000)	(4,665,000)	Used	
						Future Value of Increment	12,536,280			2,933,532	930,182	Net



CASH FLOW

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: left;"> <p><i>Village of Shorewood</i></p> <p>Tax Increment District # 4 - "Kenmore" Project</p> <p>Cash Flow Pro Forma</p> </div> <div style="text-align: center;">  </div> <div style="text-align: right;">  </div> </div>															
Year	Revenues					Expenditures				Coverage	Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Investment Earnings	Reserve Fund	Capitalized Interest & Reserves	Total Revenues	G.O. Bond \$4,665,000 Dated 6/1/11			Village Admin Exp		Total Expenditures	Annual			Cumulative
		1.00%				Prin (6/1)	Baird Scale	Interest							
2011		0		390,405	390,405			97,601	15,000	112,601		277,804	277,804	4,665,000	2011
2012		2,778	0		2,778		0.800%	195,203	15,300	210,503		(207,724)	70,079	4,665,000	2012
2013	262,224	701	0		262,925		1.250%	195,203	15,606	210,809		52,116	122,196	4,665,000	2013
2014	406,455	1,222	0		407,677	140,000	1.700%	194,013	15,918	349,931	1.17	57,747	179,942	4,525,000	2014
2015	410,997	1,799	0		412,797	150,000	2.000%	191,323	16,236	357,559	1.15	55,238	235,180	4,375,000	2015
2016	415,582	2,352	0		417,934	160,000	2.350%	187,943	16,561	364,504	1.15	53,430	288,610	4,215,000	2016
2017	422,321	2,886	0		425,207	170,000	2.750%	183,725	16,892	370,617	1.15	54,589	343,199	4,045,000	2017
2018	429,161	3,432	0		432,593	180,000	3.100%	178,598	17,230	375,828	1.15	56,765	399,965	3,865,000	2018
2019	436,104	4,000	0		440,103	190,000	3.400%	172,578	17,575	380,152	1.16	59,951	459,915	3,675,000	2019
2020	443,150	4,599	0		447,750	205,000	3.650%	165,606	17,926	388,533	1.15	59,217	519,132	3,470,000	2020
2021	450,303	5,191	0		455,494	220,000	3.900%	157,575	18,285	395,860	1.15	59,634	578,767	3,250,000	2021
2022	457,563	5,788	0		463,351	235,000	4.100%	148,468	18,651	402,118	1.15	61,232	639,999	3,015,000	2022
2023	464,932	6,400	0		471,332	250,000	4.250%	138,338	19,024	407,361	1.16	63,970	703,970	2,765,000	2023
2024	472,411	7,040	0		479,451	265,000	4.400%	127,195	19,404	411,599	1.16	67,851	771,821	2,500,000	2024
2025	480,002	7,718	0		487,721	285,000	4.500%	114,953	19,792	419,745	1.16	67,976	839,797	2,215,000	2025
2026	487,708	8,398	0		496,106	305,000	4.600%	101,525	20,188	426,713	1.16	69,393	909,190	1,910,000	2026
2027	495,529	9,092	0		504,620	330,000	4.700%	86,755	20,592	437,347	1.15	67,274	976,463	1,580,000	2027
2028	503,467	9,765	0		513,231	350,000	5.000%	70,250	21,004	441,254	1.16	71,978	1,048,441	1,230,000	2028
2029	511,524	10,484	0		522,008	375,000	5.000%	52,125	21,424	448,549	1.16	73,460	1,121,901	855,000	2029
2030	519,702	11,219	0		530,921	405,000	5.000%	32,625	21,852	459,477	1.16	71,444	1,193,345	450,000	2030
2031	528,003	11,933	0		539,937	450,000	5.000%	11,250	22,289	483,539	1.12	56,397	1,249,742	0	2031
2032	536,428				536,428			0	22,735	22,735		513,693	1,763,436	0	2032
2033	544,980				544,980			0	23,190	23,190		521,790	2,285,226	0	2033
2034	553,660				553,660			0	23,653	23,653		530,007	2,815,233	0	2034
2035	562,470				562,470			0	24,127	24,127		538,344	3,353,576	0	2035
2036	571,413				571,413			0	24,609	24,609		546,804	3,900,380	0	2036
2037	580,489				580,489	0	0.000%	0	25,101	25,101		555,388	4,455,768	0	2037
2038	589,702				589,702				25,603	25,603		564,098	5,019,866	0	2038
2039	0				0				26,115	26,115		(26,115)	4,993,751	0	2039
Total	12,536,280	116,797	0	390,405	13,043,482	4,665,000		2,802,848	581,884	8,049,731		4,993,751			

NOTES:

Assumes A-1 Interest rate scale from RW Baird 4/14/11

Projected TID Closure

DEVELOPER LOAN AMORTIZATION SCHEDULE

Developer Loan Amortization: Assumes Tax Exempt GO rates. W MDA Bonds
(Levy to be abated with project revenue from Developer, ie rental income)

		3,560,000				
		Principal	Est. Rate*	Interest	Total	Balance
1	2012		0.800%	77,294	77,294	3,560,000
2	2013	75,000	1.250%	154,119	229,119	3,485,000
3	2014	100,000	1.700%	152,800	252,800	3,385,000
4	2015	100,000	2.000%	150,950	250,950	3,285,000
5	2016	100,000	2.350%	148,775	248,775	3,185,000
6	2017	100,000	2.750%	146,225	246,225	3,085,000
7	2018	100,000	3.100%	143,300	243,300	2,985,000
8	2019	100,000	3.400%	140,050	240,050	2,885,000
9	2020	100,000	3.650%	136,525	236,525	2,785,000
10	2021	100,000	3.900%	132,750	232,750	2,685,000
11	2022	100,000	4.100%	128,750	228,750	2,585,000
12	2023	100,000	4.250%	124,575	224,575	2,485,000
13	2024	100,000	4.400%	120,250	220,250	2,385,000
14	2025	100,000	4.500%	115,800	215,800	2,285,000
15	2026	100,000	4.600%	111,250	211,250	2,185,000
16	2027	100,000	4.700%	106,600	206,600	2,085,000
17	2028	2,085,000	5.000%	52,125	2,137,125	0
18	2029					
19	2030					
		3,560,000		2,142,138	5,702,138	

* Baird A-1 Non-amt 2x exempt scale of 4/14/11 for Shorewood

It is anticipated that the development agreement will provide for the mandatory payment of the full loan balance by the developer via either sale of the project or private refinancing not later than 2028 to allow the Village to retire the bonds without further impact to the TID or the General Fund.

11

ANNEXED PROPERTY

There are no lands proposed for inclusion within the District that were annexed by the Village on or after January 1, 2004.

12

ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin State Statutes the Village estimates that 20% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

13

PROPOSED CHANGES IN ZONING ORDINANCES

The Village of Shorewood anticipates that a portion of the District will be rezoned prior to development.

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

The proposed project is consistent with Shorewood’s Central District Master Plan, Community Comprehensive Plan, and Design Guidelines. One of Shorewood’s Vision Statements is “In 2015, Shorewood will be a thriving community with a mix of attractive stores and services in a robust and profitable commercial center.” The Village will “promote vibrant urban housing, supporting multi-family redevelopment.”

The project location, scale, design and use enhances the vibrancy of the business district and community as a whole. The location is identified in the Central District Master Plan for a high-density mixed-use development to fill in the “missing teeth” along Oakland Avenue and provide off-street parking to accommodate the businesses and tenants.

15 RELOCATION

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

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 DEVELOPMENT AND/OR REDEVELOPMENT OF THE VILLAGE OF SHOREWOOD

The District contributes to the orderly development and/or redevelopment of the Village by providing the opportunity for continued growth in tax base and job opportunities. The land use will be more dense in keeping with the plan of the Village to enhance housing and retail opportunities for area residents. In addition the creation of additional parking on this site will not only provide for existing needs but also for the needs of new development and take pressure off of the very high demand for parking in the heart of the Village. Finally, this plan will also help enhance the stability of the value of surrounding property in this mature community.

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

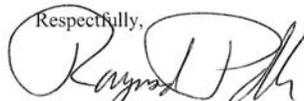
April 27, 2011

Guy Johnson, Village President
Village of Shorewood
3630 N. Murray Avenue
Shorewood, WI 53211

Re: Village of Shorewood, Wisconsin Tax Incremental District No. 4

Dear Village President:

As Village Attorney for the Village of Shorewood, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Section 66.1105(4)(f), Wis. Stat.

Respectfully,

Attorney Raymond J. Pollen
Village of Shorewood

Crivello Carlson S.C., 710 N. Plankinton Ave., Milwaukee, WI 53203
Phone: (414) 271-7722 • Fax: (414) 271-4438

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

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

Revenue Year	Village	County	School District	Special District	Tech College	Total
	25.91%	15.77%	46.41%	5.11%	6.80%	
2013	67,953	41,361	121,685	13,401	17,824	262,224
2014	105,330	64,111	188,616	20,771	27,627	406,455
2015	106,507	64,828	190,724	21,003	27,936	410,997
2016	107,695	65,551	192,851	21,238	28,248	415,582
2017	109,441	66,614	195,978	21,582	28,706	422,321
2018	111,213	67,693	199,152	21,932	29,171	429,161
2019	113,013	68,788	202,374	22,286	29,643	436,104
2020	114,839	69,899	205,644	22,646	30,122	443,150
2021	116,692	71,028	208,963	23,012	30,608	450,303
2022	118,574	72,173	212,332	23,383	31,101	457,563
2023	120,483	73,335	215,752	23,760	31,602	464,932
2024	122,421	74,515	219,223	24,142	32,110	472,411
2025	124,389	75,712	222,745	24,530	32,626	480,002
2026	126,385	76,927	226,321	24,924	33,150	487,708
2027	128,412	78,161	229,950	25,323	33,682	495,529
2028	130,469	79,413	233,634	25,729	34,221	503,467
2029	132,557	80,684	237,373	26,141	34,769	511,524
2030	134,676	81,974	241,168	26,559	35,325	519,702
2031	136,828	83,283	245,020	26,983	35,889	528,003
2032	139,011	84,612	248,930	27,413	36,462	536,428
2033	141,227	85,961	252,898	27,850	37,043	544,980
2034	143,476	87,330	256,926	28,294	37,633	553,660
2035	145,759	88,720	261,015	28,744	38,232	562,470
2036	148,077	90,130	265,164	29,201	38,840	571,413
2037	150,429	91,562	269,376	29,665	39,457	580,489
2038	152,816	93,015	273,652	30,136	40,083	589,702
2039	0	0	0	0	0	0
	3,248,672	1,977,381	5,817,470	640,647	852,110	12,536,280

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