

May 29, 2014 **DRAFT**

Project Plan for the Project Plan Amendment of Tax Incremental District No. 3



Organizational Joint Review Board Meeting Held:	Scheduled for: June 2, 2014
Public Hearing Held:	Scheduled for: June 2, 2014
Adoption by CDA:	Scheduled for: June 2, 2014
Consideration for Adoption by Village Board:	Scheduled for: June 16, 2014
Approval by the Joint Review Board:	Scheduled for: TBD



Tax Incremental District No. 3 Project Plan Amendment

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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 3 (The “TID” or “ District” or “District”) is an existing rehabilitation - conservation district, created by a resolution of the Village of Shorewood (“Village”) Village Board adopted on July 14, 2008 (the “Creation Resolution”).

Amendments

The District has not had any previous amendments.

Purposes of This Amendment

Base Value Reset

The purpose of the amendment is to authorize a re-determination of the base value of the District in accordance with Wisconsin Statute Section 66.1105(5)(h). This provision of the Statute, which was adopted as 2013 Wisconsin Act 183 amended the TIF law to allow a District that has experienced a 10% or greater drop in equalized value for a period of two or more of the past consecutive years to request the Department of Revenue (DOR) to reset the base value of the District to its current value, thereby eliminating the decrement.

As set forth in Table 1 below, the original base value of TID # 3 established in 2009 was \$12,812,800. The most recent DOR certified value of TID # 3 as of 1/1/13 was \$7,748,400 which represents a decrease of (\$5,064,400) or a drop of 39.53% from the original base. In the immediately preceding year (as of 1/1/12), the DOR certified value was \$8,625,900 or a drop of 32.68% vs the original base value. The decrease in value for two consecutive years significantly exceeds the 10% minimum required for qualification for base value reset under the Statute.

Without this amendment, any new development must first generate new taxable value in an amount of at least \$5,064,400 before a single dollar of tax increment can be generated. This has served as a significant obstacle to attracting new development to the site. With this law change the Village now has two potential developments that it is considering but to maximize the TID cash flow from the development thereby mitigating risk to the Village and have an opportunity to close the district sooner, this amendment would need to be approved.

Table 1

	2012	2013
Base Value 2008	\$12,812,800	\$12,812,800
Current Value as of 1/1	\$8,625,800	\$7,748,400
Increment / (Decrement)	(\$4,187,000)	(\$5,064,400)
% Increase / (Decrease)	(32.68%)	(39.53%)

- A provision adopted as part of Act 183 requires, as a condition of being able to take advantage of the base reset described above, that the Village agree to making the impacted TIF District subject to ONE of the three provisions outlined as follows per Sec. 66.1105(5)(i), Wis. Stats. (3, 4 & 5):
 1. Expenditures will be made only within the first half of the remaining life of the District, which is 10 years and 6 months, ending July 14, 2025. Expenditures may be made after this period if approved by a unanimous vote of the joint review board., OR
 2. The Village expects all project costs to be paid within 25 years of its creation date, (by July 14, 2033) which is 90 percent of the District's remaining maximum life. OR
 3. At least 51% of the total value of additional public infrastructure improvements to be constructed in the District will be financed by a private developer, or other private entity, pursuant to a development agreement, in return for the Village's agreement to repay the developer or other entity for those costs solely through the payment of cash grants.

Based upon the projections contained herein, the Village selects option # 2 above and is invoking the expectation that the district will require only 90% of the remaining TID life to pay it's project costs.

Projects Within a ½ Mile of the District

In addition to the Base Value reset purpose, the Village is also seeking to amend the district to allow expenditures within ½ mile radius of the district to enable the expenditure of funds for infrastructure improvements particularly roadway improvements to serve the district.

Estimated Total Project Expenditures

The current Project Plan adopted in 2008 provides for estimated total project cost expenditures of \$16,055,000. To date, actual project costs have totaled approximately \$1,039,758. There have been no direct tax increments collected to date. Income consists of bond proceeds as well as exempt computer aid and charges for Service. Total income to date has equaled \$1,076,926 resulting in a net deficit in TID # 3 of \$232,831 as of 1/1/14 based upon data from the Village Finance Director.

The Village is in current negotiations with the developers for two separate projects within the district. Based upon current plans, the Village's TID participation between the two projects would total approximately \$7,700,000. This sum combined with the expenditures to date would bring total TID principal outlay to \$5,749,758 leaving \$7,315,242 of budgeted principal TID expenditure capacity available for future projects as set forth in the original project plan that could be undertaken without further plan amendments provided the costs can all be projected to be recovered by year 2032 as stipulated above.

A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing for the currently pending projects, is located in Section 10 of this plan. This plan does not replace or eliminate any of the original projects as set forth in the original project plan. Those projects will be considered for implementation as the opportunities present themselves within the time line permitted under the Statutes.

Economic Development

The Village currently projects that additional land and improvements value of approximately \$44,813,851 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 additional improvements made and projects undertaken as detailed in this amendment. 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, amendment of the District's Project Plan is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

Pre-amendment cash flow projections indicated that the entire available life of the District would be required to retire current and projected District liabilities. Without the amendment allowing for the reset of the TID Base value, the negative impact to the TID Cash flows may result in the two pending projects not moving forward. This would represent a loss of over \$30,000,000 in tax base and would assure that the district would remain open for its 27 year life. With the amendment, the Village would anticipate being able to recover its costs for the two pending projects as well as outstanding existing liabilities by the year 2025. The Village may implement some or all of the other projects set forth in the original project plan but based upon this amendment it would do so only in the event it were able to fully recover all costs within 90% of the original permitted life of the district or by the year 2032 Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from 2027 to 2025 assuming only the outstanding costs and costs associated with the two pending projects . [Based on this study, the Village expects all project costs to be paid within 90 percent of the District's remaining maximum life.]

Summary of Findings

As required by Wisconsin Statutes Section.66.1105, 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 the District’s Project Plan, the remaining 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 two projects pending, although they both have significant values, the first one to proceed would experience a reduction in the net increment in an amount over \$5,000,000. This would result in the Village having to absorb more risk and exposure for the project. If the Village is unable to absorb this risk the first project would not occur making the next project subject to the same situation and potentially causing no development to happen.
 - The Village’s original plan for development of the site was impaired when a previous developer backed out of the deal at the point of the national recession but after the Village had acquired the property.
- 2. The economic benefits of amending the 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 amendment, the tax increments projected to be collected are more than sufficient to pay for the remaining proposed project costs. On this basis alone, the finding is supported.
 - The additional development expected to occur is likely to generate approximately 100 temporary construction jobs over the life of the District, with an average wage of between \$20.00 and \$75.00 / hr. And 100 permanent jobs with average wages of between \$14 and \$50/ hr. (*source: Placeholders to be confirmed by developers*).
 - The additional development expected to occur within the District would create approximately 100 senior residential units and 90 assisted living residential units, providing housing opportunities area residents. This has been determined to be a significant need and priority for the Village.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- Given that it is not likely that the District will achieve all of the objectives of its Project Plan or in the same manner without the continued use of tax incremental financing (see finding # 1), and since the District is expected to 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 Project Plan is not amended.
4. The boundaries of the District are not being amended. At the time of creation, and any subsequent additions of territory, not less than 50%, by area, of the real property within the District, as amended, is in need of rehabilitation - conservation work within the meaning of Wisconsin Statutes Section 66.1337(2m)(b). At the time of adoption of the Creation Resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Wisconsin Statutes Section 66.1105(4)(gm)1.
5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the boundaries of the District, the District remains declared a rehabilitation - conservation 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 rehabilitation of the area consistent with the purpose for which the District was created.
7. The improvements of such area are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The amount of retail business will not change as a result of this amendment. The original project plan estimated that the district would contain 10-15% retail usage.
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.

SECTION 2: Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on July 14, 2008 by resolution of the Village Board. The District's valuation date, for purposes of establishing base value, was January 1, 2008.

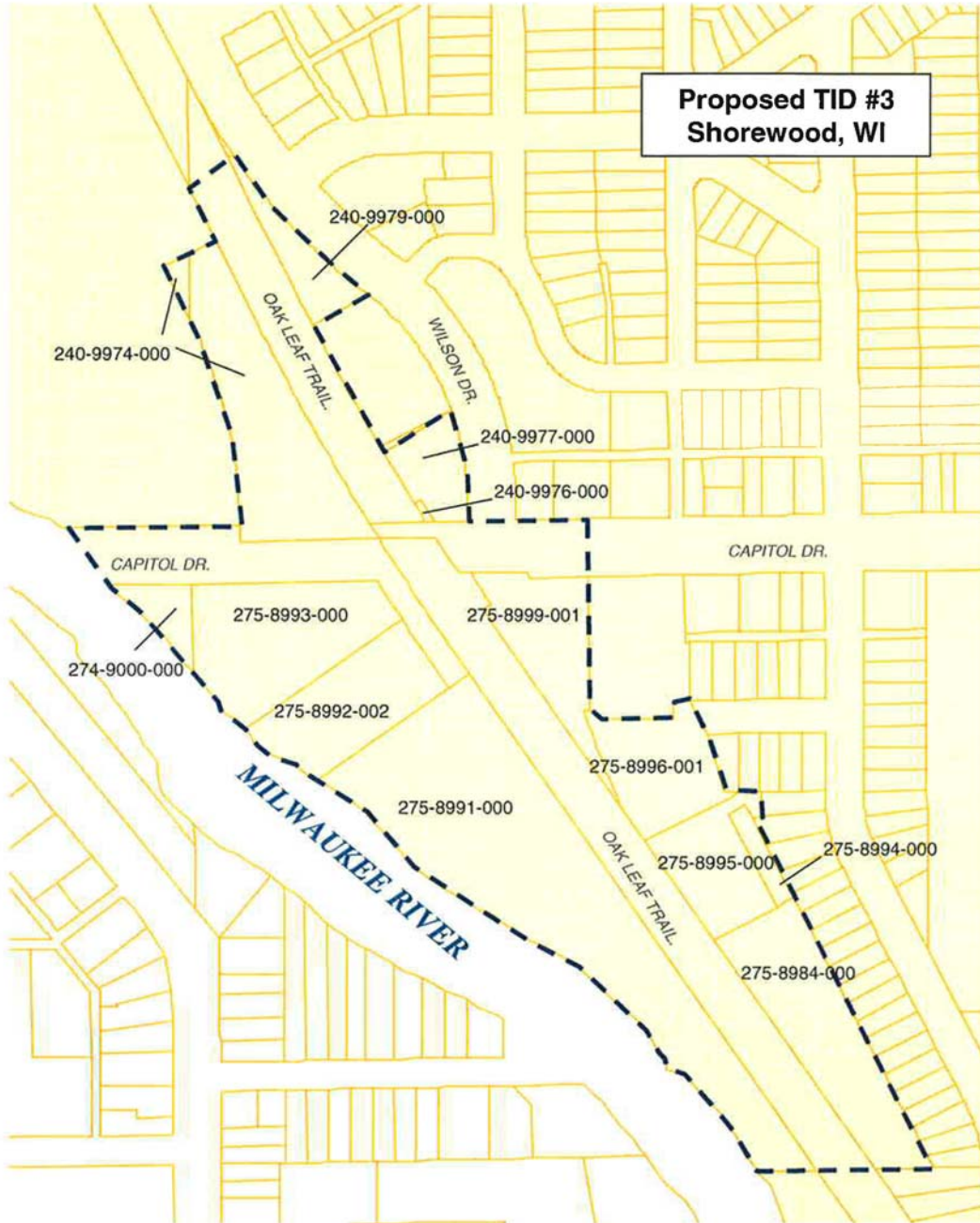
The existing District is a "Rehabilitation - conservation District" created on a finding that at least 50%, by area, of the real property within the District was in need of rehabilitation - conservation work, as defined in Wisconsin Statutes Section 66.1337(2m)(a). At the time of adoption of the Creation Resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District required by Wisconsin Statutes Section 66.1105(4)(gm)1. Since this amendment does not add any territory to the District, the District remains in compliance with these provisions.

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 and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available boundary amendments.

This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, unless specifically stated. All components of the original Project Plan remain in effect.

A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in any subsequent resolution adding territory to the District, the District remains a rehabilitation - conservation district based on the identification and classification of the property included within the District.

SECTION 3: Map of Current District Boundary



SECTION 4: Map Showing Existing Uses and Conditions

Since the approval of the original project plan the buildings on parcels 275-983-000 and 275-8992-002 have been or will be razed and it is anticipated that the pending projects consisting of a 90 unit assisted living facility and a 100 unit senior apartment facility would be built thereon pending negotiations of agreements with developers.

Other than as mentioned in the preceding paragraph, there will be no change to District boundaries, nor any changes to the existing uses and conditions within the District beyond those identified in the original plan as a result of this amendment. A copy of this map can be found in the Original Project Plan Document.

SECTION 5: Equalized Value Test

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

SECTION 6: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The two pending projects will receive development incentives to cover project costs. Development incentives were identified as eligible costs within the original project plan (page 16). Specific costs were not detailed but the expectation is that all costs will be undertaken within the scope of the original project budget. The location of the proposed projects receiving incentives is located on the map in the original project plan on page 18. The areas that will receive incentives are areas 1 & 4 as designated on said map.

As set forth above, the current Project Plan adopted in 2008 provides for estimated total project cost expenditures of \$16,055,000. To date, actual project costs have totaled approximately \$1,039,758. There have been no direct tax increments collected to date. Income consists of bond proceeds as well as exempt computer aid and charges for Service. Total income to date has equaled \$1,076,926 resulting in a net deficit in TID # 3 of \$232,831 as of 1/1/14 based upon data from the Village Finance Director.

The Village is in current negotiations with the developers for two separate projects within the district. Based upon current plans, the Village's TID participation between the two projects would total approximately \$4,710,000. This sum combined with the expenditures to date would bring total TID principal outlay to \$5,749,758 leaving \$10,305,242 of budgeted principal TID expenditure capacity

available for future projects as set forth in the original project plan that could be undertaken without further plan amendments provided the costs can all be projected to be recovered by year 2032 as stipulated above.

No other additional project costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the Original Project Plan Document(s) remains in effect.

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.

SECTION 7: Map Showing Proposed Improvements and Uses

There will be no change to District boundaries, nor any changes to the proposed improvements or uses within the District as a result of this amendment. A copy of this map can be found in the Original Project Plan document page 18.

SECTION 8: Detailed List of Updated Project Costs

The statement of kind, number and location of proposed public works and other projects as documented in the Original Project Plan document(s) remains in effect.

This plan details the nature and amount of development incentives to be provided to the two projects under consideration by the Village (See page 10)

SECTION 9: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related 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 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.
- The Village expects all project costs to be paid within 25 years of the creation date, which is 90 percent of the District's remaining maximum life or year 2033.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the district. It is anticipated these expenditures will be made during the remaining expenditure period. However, public debt and expenditures should be made at the pace private development and/or redevelopment 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 Wisconsin Statutes Section 66.1105(6)(am).

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 or other obligations are 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 and Financing Timeline

Village of Shorewood, Wisconsin					
Tax Increment District # 3 Historic Performance with 2 Pending Projects					
Estimated Financing Plan					
	Taxable G.O. Bond 2010 A	Taxable G.O. Bond 2013 A	Taxable G.O. Bond 2114	Municipal Revenue Obligation (MRO) 2114	Totals
Projects					
Harbor Project Development Incentive			1,700,000		1,700,000
Harbor Project Utilities			280,000		280,000
Harbor Project Set Up Admin Costs			50,000		50,000
Sherman Senior Housing PAYGO				5,500,000	5,500,000
Sherman Set Up Admin Costs			50,000		50,000
Prior Issues	34,130	440,000			440,000
Total Project Funds	34,130	440,000	2,080,000	5,500,000	8,020,000
Estimated Finance Related Expenses					
Financial Advisor			19,500		
Bond Counsel			11,000		
Rating Agency Fee			10,500		
Paying Agent			675		
Underwriter Discount	10.00	10.00	22,600	10.00	10.00
Debt Service Reserve					
Capitalized Interest			116,025		
Total Financing Required	34,130	440,000	2,260,300	5,500,000	
Estimated Interest	0.25%	0.25%	(2,600)	0.25%	0.25%
Assumed spend down (months)	6	6	6	6	6
Rounding	0	0	2,300	0	
Net Issue Size	34,130	440,000	2,260,000	5,500,000	8,234,130
Notes:					

Development Assumptions – With Base Value Reset

Village of Shorewood, Wisconsin Tax Increment District # 3 Historic Performance with 2 Pending Projects Development Assumptions											
Construction Year	Actual	Existing Base Value Reset	Harbor Assisted Living Project	Sherman Senior Housing Project	Area D	Area E	Area F	Annual Total	Construction Year		
1 2008	(662,100)							(662,100)	2008 1		
2 2009	269,400							269,400	2009 2		
3 2010	(4,249,400)							(4,249,400)	2010 3		
4 2011	455,200							455,200	2011 4		
5 2012	(877,500)							(877,500)	2012 5		
6 2013								0	2013 6		
7 2014		5,064,400	18,980,000	16,348,702				40,393,102	2014 7		
8 2015								0	2015 8		
9 2016								0	2016 9		
10 2017								0	2017 10		
11 2018								0	2018 11		
12 2019								0	2019 12		
13 2020								0	2020 13		
14 2021								0	2021 14		
15 2022								0	2022 15		
16 2023								0	2023 16		
17 2024								0	2024 17		
18 2025								0	2025 18		
19 2026								0	2026 19		
20 2027								0	2027 20		
21 2028								0	2028 21		
22 2029								0	2029 22		
23 2030								0	2030 23		
24 2031								0	2031 24		
25 2032								0	2032 25		
26 2033								0	2033 26		
27 2034								0	2034 27		
Totals	(5,064,400)	5,064,400	18,980,000	16,348,702	0	0	0	35,328,702			

Notes: Estimates of value are net of base value and are as provided by developers. Subject to review by Village Assessor.

Development Assumptions – Without Base Value Reset

Village of Shorewood, Wisconsin Tax Increment District # 3 Historic Performance with 2 Pending Projects Development Assumptions Assuming NO Base Value Reset											
Construction Year	Actual	Existing Base Value Reset	Harbor Assisted Living Project	Sherman Senior Housing Project	Area D	Area E	Area F	Annual Total	Construction Year		
1 2008	(662,100)							(662,100)	2008		
2 2009	269,400							269,400	2009		
3 2010	(4,249,400)							(4,249,400)	2010		
4 2011	455,200							455,200	2011		
5 2012	(877,500)							(877,500)	2012		
6 2013								0	2013		
7 2014		0	18,980,000	16,348,702				35,328,702	2014		
8 2015								0	2015		
9 2016								0	2016		
10 2017								0	2017		
11 2018								0	2018		
12 2019								0	2019		
13 2020								0	2020		
14 2021								0	2021		
15 2022								0	2022		
16 2023								0	2023		
17 2024								0	2024		
18 2025								0	2025		
19 2026								0	2026		
20 2027								0	2027		
21 2028								0	2028		
22 2029								0	2029		
23 2030								0	2030		
24 2031								0	2031		
25 2032								0	2032		
26 2033								0	2033		
27 2034								0	2034		
Totals	(5,064,400)	0	18,980,000	16,348,702	0	0	0	30,264,302			

Notes: Estimates of value are net of base value and are as provided by developers. Subject to review by Village Assessor.

Increment Revenue Projections

Village of Shorewood, Wisconsin

Tax Increment District # 3 Historic Performance with 2 Pending Projects

Tax Increment Projection Worksheet

Type of District	Rehabilitation	Base Value	7,748,400	* Apply to Base Value
Creation Date	July 14, 2008	Appreciation Factor	1.00%	
Valuation Date	Jan 1, 2008	Base Tax Rate	\$32.06	
Max Life (Years)	27	Rate Adjustment Factor	-0.50%	
Expenditure Periods/Termination	22 7/14/2030	Tax Exempt Discount Rate	3.00%	
Revenue Periods/Final Year	27 2036	Taxable Discount Rate	4.50%	
Extension Eligibility/Years	Yes 3			
Recipient District	Yes			

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
1	2008	(662,100)	2009	(662,100)	2010		0	0	0	
2	2009	269,400	2010	(392,700)	2011		0	0	0	
3	2010	(4,249,400)	2011	(4,642,100)	2012		0	0	0	
4	2011	455,200	2012	(4,186,900)	2013		0	0	0	
5	2012	(877,500)	2013	(5,064,400)	2014		0	0	0	
6	2013	0	2014	(5,064,400)	2015	\$32.06	0	0	0	
7	2014	40,393,102	2015	0	35,328,702	2016	\$31.90	1,126,975	916,334	828,133
8	2015	0	2016	430,771	35,759,473	2017	\$31.74	1,135,013	1,812,323	1,626,257
9	2016	0	2017	435,079	36,194,552	2018	\$31.58	1,143,078	2,688,398	2,395,440
10	2017	0	2018	439,430	36,633,981	2019	\$31.42	1,151,171	3,544,977	3,136,711
11	2018	0	2019	443,824	37,077,805	2020	\$31.27	1,159,292	4,382,475	3,851,065
12	2019	0	2020	448,262	37,526,067	2021	\$31.11	1,167,441	5,201,295	4,539,463
13	2020	0	2021	452,745	37,978,812	2022	\$30.95	1,175,619	6,001,834	5,202,832
14	2021	0	2022	457,272	38,436,084	2023	\$30.80	1,183,824	6,784,481	5,842,065
15	2022	0	2023	461,845	38,897,929	2024	\$30.65	1,192,059	7,549,618	6,458,026
16	2023	0	2024	466,463	39,364,392	2025	\$30.49	1,200,322	8,297,619	7,051,548
17	2024	0	2025	471,128	39,835,520	2026	\$30.34	1,208,615	9,028,851	7,623,436
18	2025	0	2026	475,839	40,311,359	2027	\$30.19	1,216,937	9,743,673	8,174,466
19	2026	0	2027	480,598	40,791,957	2028	\$30.04	1,225,288	10,442,438	8,705,385
20	2027	0	2028	485,404	41,277,360	2029	\$29.89	1,233,669	11,125,490	9,216,917
21	2028	0	2029	490,258	41,767,618	2030	\$29.74	1,242,080	11,793,169	9,709,759
22	2029	0	2030	495,160	42,262,778	2031	\$29.59	1,250,521	12,445,807	10,184,582
23	2030	0	2031	500,112	42,762,890	2032	\$29.44	1,258,992	13,083,727	10,642,037
24	2031	0	2032	505,113	43,268,003	2033	\$29.29	1,267,494	13,707,250	11,082,749
25	2032	0	2033	510,164	43,778,167	2034	\$29.15	1,276,026	14,316,688	11,507,322
26	2033	0	2034	515,266	44,293,432	2035	\$29.00	1,284,590	14,912,345	11,916,339
27	2034	0	2035	520,418	44,813,851	2036	\$28.86	1,293,184	15,494,523	12,310,361
Totals		35,328,702		9,485,149			Future Value of Increment	25,392,190		

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Cash Flow – With Base Value Reset

Village of Shorewood, Wisconsin																										
Tax Increment District # 3 Historic Performance with 2 Pending Projects																										
Cash Flow Projection																										
Year	Projected Revenues						Expenditures												Balances			Year				
	Tax	0.25% Interest Earnings/ (Cost)	Capitalized Interest	BAB Rebate	Computer Aid	Total Revenues	GO Taxable BAB 34,130 Dated Date: 2010 A			Taxable GO Refunding Bonds 440,000 Dated Date: 2013 A			Taxable G.O. Bond /Harbor 2,260,000 Dated Date: 08/01/14			Municipal Revenue Obligation (MRO) 5,500,000 Dated Date:			Reconcile to Village 12/31/13				Total Expenditures	Annual	Cumulative	Principal Outstanding
2008						0															0	0	0	2008		
2009						0															0	0	0	2009		
2010				3,162		3,162															9,035	(5,873)	(5,873)	34,130	2010	
2011				6,697		6,697															19,134	(12,437)	(18,310)	34,130	2011	
2012				6,660		6,660	15,514	1.35%	19,029												34,543	(27,883)	(46,193)	18,616	2012	
2013				6,555		6,555	18,616	2.10%	18,729											155,841	193,186	(186,631)	(232,824)	440,000	2013	
2014			116,025		13,200	129,225				25,000	3.00%	9,272									20,000	54,272	74,953	(157,871)	415,000	2014
2015					13,200	13,200				30,000	3.00%	10,338				3.50%	79,100				20,500	139,938	(126,738)	(284,609)	8,145,000	2015
2016	1,126,975				13,200	1,140,175				35,000	3.00%	9,363	150,000	3.50%	79,100			170,492	5.25%	288,750	21,013	753,718	386,457	101,848	7,789,508	2016
2017	1,135,013				13,200	1,148,213				50,000	3.00%	8,088	200,000	3.50%	73,850			179,443	5.25%	279,799	21,538	812,718	335,495	437,343	7,360,065	2017
2018	1,143,078	1,093			13,200	1,157,372				50,000	3.00%	6,588	290,000	3.50%	66,850			188,864	5.25%	270,378	22,076	894,757	262,615	699,958	6,831,201	2018
2019	1,151,171	1,750			13,200	1,166,121				50,000	3.00%	5,088	300,000	3.50%	56,700			198,779	5.25%	260,463	22,628	893,658	272,463	972,421	6,282,422	2019
2020	1,159,292	2,431			13,200	1,174,923				55,000	2.00%	3,788	310,000	3.50%	46,200			209,215	5.25%	250,027	23,194	897,424	277,499	1,249,921	5,708,207	2020
2021	1,167,441	3,125			13,200	1,183,766				65,000	2.15%	2,539	320,000	3.50%	35,350			220,199	5.25%	239,043	23,774	905,905	277,861	1,527,782	5,103,008	2021
2022	1,175,619	3,819			13,200	1,192,638				80,000	2.30%	920	335,000	3.50%	24,150			231,759	5.25%	227,483	24,368	923,680	268,958	1,796,740	4,456,249	2022
2023	1,183,824	4,492			13,200	1,201,516							355,000	3.50%	12,425			243,927	5.25%	215,316	24,977	851,645	349,871	2,146,611	3,857,322	2023
2024	1,192,059	5,367			13,200	1,210,625												256,733	5.25%	202,509	25,602	484,844	725,781	2,872,393	3,600,589	2024
2025	1,200,322	7,181			13,200	1,220,703												270,211	5.25%	189,031	26,242	485,484	735,220	3,607,612	3,330,378	2025
2026	1,208,615	9,019			13,200	1,230,834												284,398	5.25%	174,845	26,898	486,141	744,693	4,352,305	3,045,980	2026
2027	1,216,937	10,881			13,200	1,241,017												299,328	5.25%	159,914	27,570	486,812	754,205	5,106,510	2,746,652	2027
2028	1,225,288	12,766			13,200	1,251,254												315,043	5.25%	144,199	28,259	487,502	763,752	5,870,263	2,431,609	2028
2029	1,233,669	14,676			13,200	1,261,544												331,583	5.25%	127,659	28,966	488,208	773,336	6,643,599	2,100,026	2029
2030	1,242,080	16,609			13,200	1,271,889												348,991	5.25%	110,251	29,690	488,932	782,956	7,426,555	1,751,035	2030
2031	1,250,521	18,566			13,200	1,282,287												367,313	5.25%	91,929	30,432	489,675	792,612	8,219,167	1,383,722	2031
2032	1,258,992	20,548			13,200	1,292,740												386,597	5.25%	72,645	31,193	490,436	802,304	9,021,471	997,125	2032
2033	1,267,494	22,554				1,290,047												406,893	5.25%	52,349	31,973	491,215	798,832	9,820,304	590,232	2033
2034	1,276,026	24,551				1,300,577												590,232	5.25%	30,987	32,772	653,992	646,586	10,466,889	0	2034
2035	1,284,590	26,167				1,310,757															33,592	33,592	1,277,165	11,744,055		2035
2036	1,293,184	29,360				1,322,545															34,431	34,431	1,288,113	13,032,168		2036
Total	25,392,190	234,955	116,025	23,074	250,800	26,017,043	34,130		65,927	440,000		55,984	2,260,000		473,725			5,500,000		3,387,580	155,841	0	611,689	12,984,875		Total
Notes:																					Projected TID Closure					

Cash Flow – Without Base Value Reset

Village of Shorewood, Wisconsin																								
Tax Increment District # 3 Historic Performance with 2 Pending Projects																								
ASSUMES NO BASE VALUE RESET																								
Cash Flow Projection																								
Year	Projected Revenues						Expenditures												Balances			Year		
	Tax Increments	0.25% Interest Earnings/ (Cost)	Capitalized Interest	BAB Rebate	Computer Aid	Total Revenues	GO Taxable BAB 34,130			Taxable GO Refunding Bonds 440,000			Taxable G.O. Bond /Harbor 2,260,000			Municipal Revenue Obligation (MRO) 5,500,000			Reconcile to Village 12/31/13				Total Expenditures	Annual
						Dated Date: 2010 A	Dated Date: 2013 A	Dated Date: 08/01/14	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:	Dated Date:			
2008																						2008		
2009																						2009		
2010	0			3,162		3,162		9,035														2010		
2011	0			6,697		6,697		19,134														2011		
2012	0			6,660		6,660	15,514	1.35%	19,029													2012		
2013	0			6,555		6,555	18,616	2.10%	18,729										155,841			2013		
2014	0		116,025		13,200	129,225			25,000	3.00%	9,272									20,000		2014		
2015	0				13,200	13,200			30,000	3.00%	10,338			3.50%	79,100					20,500		2015		
2016	965,422				13,200	978,622			35,000	3.00%	9,363		150,000	3.50%	79,100		170,492	5.25%	288,750		21,013	2016		
2017	972,660				13,200	985,860			50,000	3.00%	8,088		200,000	3.50%	73,850		179,443	5.25%	279,799		21,538	2017		
2018	979,922	284			13,200	993,406			50,000	3.00%	6,588		290,000	3.50%	66,850		188,864	5.25%	270,378		22,076	2018		
2019	987,208	530			13,200	1,000,938			50,000	3.00%	5,088		300,000	3.50%	56,700		198,779	5.25%	260,463		22,628	2019		
2020	994,517	798			13,200	1,008,515			55,000	2.00%	3,788		310,000	3.50%	46,200		209,215	5.25%	250,027		23,194	2020		
2021	1,001,850	1,076			13,200	1,016,126			65,000	2.15%	2,539		320,000	3.50%	35,350		220,199	5.25%	239,043		23,774	2021		
2022	1,009,208	1,352			13,200	1,023,760			80,000	2.30%	920		335,000	3.50%	24,150		231,759	5.25%	227,483		24,368	2022		
2023	1,016,590	1,602			13,200	1,031,392							355,000	3.50%	12,425		243,927	5.25%	215,316		24,977	2023		
2024	1,023,997	2,051			13,200	1,039,248											256,733	5.25%	202,509		25,602	2024		
2025	1,031,428	3,437			13,200	1,048,065											270,211	5.25%	189,031		26,242	2025		
2026	1,038,885	4,844			13,200	1,056,928											284,398	5.25%	174,845		26,898	2026		
2027	1,046,366	6,271			13,200	1,065,837											299,328	5.25%	159,914		27,570	2027		
2028	1,053,873	7,718			13,200	1,074,791											315,043	5.25%	144,199		28,259	2028		
2029	1,061,406	9,186			13,200	1,083,792											331,583	5.25%	127,659		28,966	2029		
2030	1,068,964	10,675			13,200	1,092,839											348,991	5.25%	110,251		29,690	2030		
2031	1,076,548	12,185			13,200	1,101,933											367,313	5.25%	91,929		30,432	2031		
2032	1,084,158	13,716			13,200	1,111,074											386,597	5.25%	72,645		31,193	2032		
2033	1,091,794	15,267				1,107,062											406,893	5.25%	52,349		31,973	2033		
2034	1,099,457	16,807				1,116,264											590,232	5.25%	30,987		32,772	2034		
2035	1,107,147	17,963				1,125,109															33,592	2035		
2036	1,114,863	20,692				1,135,555															34,431	2036		
Total	21,826,262	146,455	116,025	23,074	250,800	22,362,616	34,130	65,927	440,000	55,984	2,260,000	473,725	5,500,000	3,387,580	155,841	0	611,689	12,984,875				Total		
Notes:																		Projected TID Closure						

SECTION 10: Annexed Property

No territory will be added or subtracted from the District as a result of this amendment.

SECTION 11: Proposed Zoning Ordinance Changes

The Village does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment.

SECTION 12: 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 ordinances for the implementation of this Plan.

SECTION 13: Relocation

It is not anticipated there will be a need to relocate 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 Wisconsin Statutes chapter 32.

SECTION 14: Orderly Development and/or Redevelopment of the Village of Shorewood

This Project Plan Amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and/or redevelopment of the Village.

SECTION 15: 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 tax incremental finance 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.

SECTION 16:
Opinion of Attorney for the Village of Shorewood Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

May 29, 2014

SAMPLE

Guy Johnson, Village President
Village of Shorewood
3930 N. Murray Avenue
Shorewood, Wisconsin 53211

RE: Village of Shorewood, Wisconsin Tax Incremental District No. 3 Amendment

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 Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Raymond Pollen
Village of Shorewood

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 portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.							
2013/2014 Tax Incremental Worksheet							
						Percentage	
Milwaukee County				0.005130497		16.62%	
Metro Sewer District				0.001702931		5.52%	
Village of Shorewood				0.008017692		25.98%	
Shorewood School District				0.013883030		44.98%	
Milwaukee Area Technical College				0.002127350		6.89%	
Total				0.030861500			
Revenue Year	Milwaukee County	Metro Sewer District	Village of Shorewood	Shorewood School District	Milwaukee Area Technical College	Total	Revenue Year
2010	0	0	0	0	0	0	2010
2011	0	0	0	0	0	0	2011
2012	0	0	0	0	0	0	2012
2013	0	0	0	0	0	0	2013
2014	0	0	0	0	0	0	2014
2015	0	0	0	0	0	0	2015
2016	187,351	62,186	292,784	506,969	77,685	1,126,975	2016
2017	188,688	62,630	294,872	510,585	78,239	1,135,013	2017
2018	190,028	63,075	296,967	514,213	78,795	1,143,078	2018
2019	191,374	63,521	299,070	517,854	79,353	1,151,171	2019
2020	192,724	63,970	301,179	521,507	79,913	1,159,292	2020
2021	194,079	64,419	303,296	525,173	80,474	1,167,441	2021
2022	195,438	64,870	305,421	528,851	81,038	1,175,619	2022
2023	196,802	65,323	307,553	532,543	81,604	1,183,824	2023
2024	198,171	65,778	309,692	536,247	82,171	1,192,059	2024
2025	199,545	66,234	311,839	539,964	82,741	1,200,322	2025
2026	200,923	66,691	313,993	543,695	83,312	1,208,615	2026
2027	202,307	67,150	316,155	547,438	83,886	1,216,937	2027
2028	203,695	67,611	318,325	551,195	84,462	1,225,288	2028
2029	205,088	68,074	320,502	554,965	85,039	1,233,669	2029
2030	206,487	68,538	322,687	558,749	85,619	1,242,080	2030
2031	207,890	69,003	324,880	562,546	86,201	1,250,521	2031
2032	209,298	69,471	327,081	566,357	86,785	1,258,992	2032
2033	210,711	69,940	329,290	570,181	87,371	1,267,494	2033
2034	212,130	70,411	331,506	574,020	87,959	1,276,026	2034
2035	213,554	70,883	333,731	577,872	88,550	1,284,590	2035
2036	214,982	71,358	335,964	581,738	89,142	1,293,184	2036
	4,221,264	1,401,136	6,596,787	11,422,663	1,750,339	25,392,190	

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