

September 9, 2019

Project Plan for the Creation of Tax Incremental District No. 1

VILLAGE OF YORKVILLE, WISCONSIN

Organizational Joint Review Board Meeting Held:	Scheduled for: September 9, 2019
Public Hearing Held:	Scheduled for: September 9, 2019
Consideration for Approval by Plan Commission:	Scheduled for: September 9, 2019
Consideration for Adoption by Village Board:	Scheduled for: September 23, 2019
Consideration for Approval by the Joint Review Board:	Scheduled for: TBD

Tax Incremental District No. 1 Creation Project Plan

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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 1 (the “TID” or “District”) is proposed to be created by the Village of Yorkville (“Village”) as an industrial district. A map of the proposed District boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures.

The Village anticipates making total project expenditures of approximately \$2,600,000 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 15 years from the date of adoption of the authorizing Resolution of the Village Board (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with General Obligation 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 total project financing, is located in Section 10 of this plan.

Economic Development

As a result of the creation of this District, the Village projects that additional land and improvements value of approximately \$14,500,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the 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 2035; 5 years earlier than the 20 year maximum life of this District.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, 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:

- Some of the sites proposed for development have remained vacant for several years due to lack of adequate infrastructure. For example, the Village has had to forego potential developments that would have been constrained by the limited available capacity in the Village’s sewer treatment plant. 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 Tax Incremental Financing (“TIF”) will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the Village.
 - In order to make the areas included within the District suitable for development, the Village will incur substantial costs to add both capacity and expanded treatment capabilities to its Wastewater Treatment Plant. In addition, the Village will need to construct a new back-up well, in order to provide redundant fire protection to the industrial park and allow for continuous water service when well 1 is down for maintenance or repairs. It is also possible that installation of additional utilities, streets and related streetscape items will be required to serve future developments. Due to the extensive initial investment in public infrastructure and/or rehabilitation that is required in order to allow development and/or redevelopment 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.
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.
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’s creation would become effective for valuation purposes as of January 1, 2019. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2019 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner 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. 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 be found in Appendix A of this plan.

4. Not less than 50% by area of the real property within the District is suitable for industrial sites and zoned for industrial use within the meaning of Wisconsin Statutes Section 66.1101. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of the creation of the District will remain zoned for industrial use for the life of the District.
5. Based upon the findings, as stated above, the District is declared to be an industrial District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting industrial development in the District 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 in 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 none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the Village is feasible, and is in conformity with the master plan of the Village.

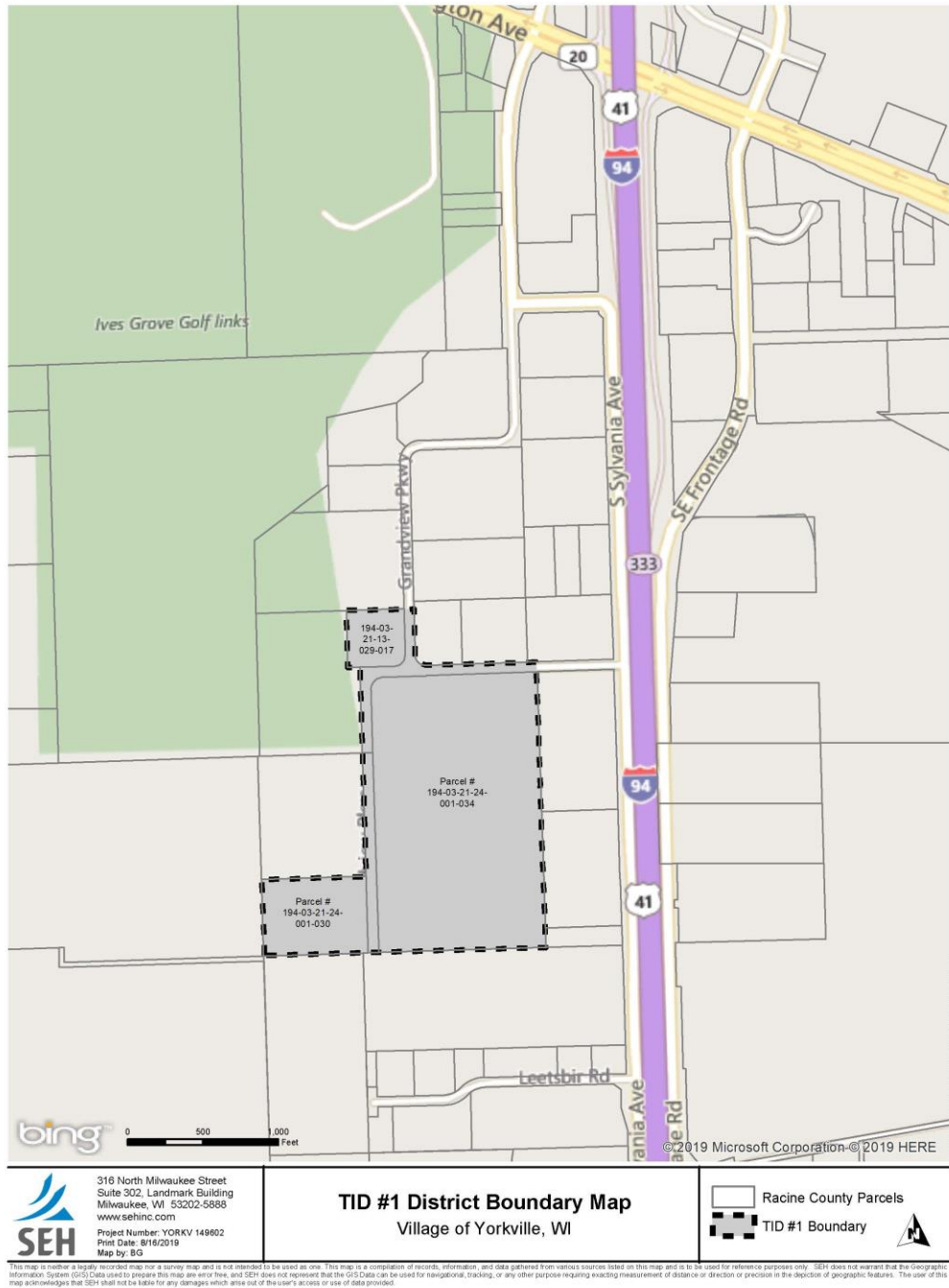
SECTION 2: Type and General Description of District

The District is being created by the Village under the authority provided by Wisconsin Statutes Section 66.1105. This District is created as an "Industrial District" based upon a finding that at least 50%, by area, of the real property within the District is zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101 (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test).

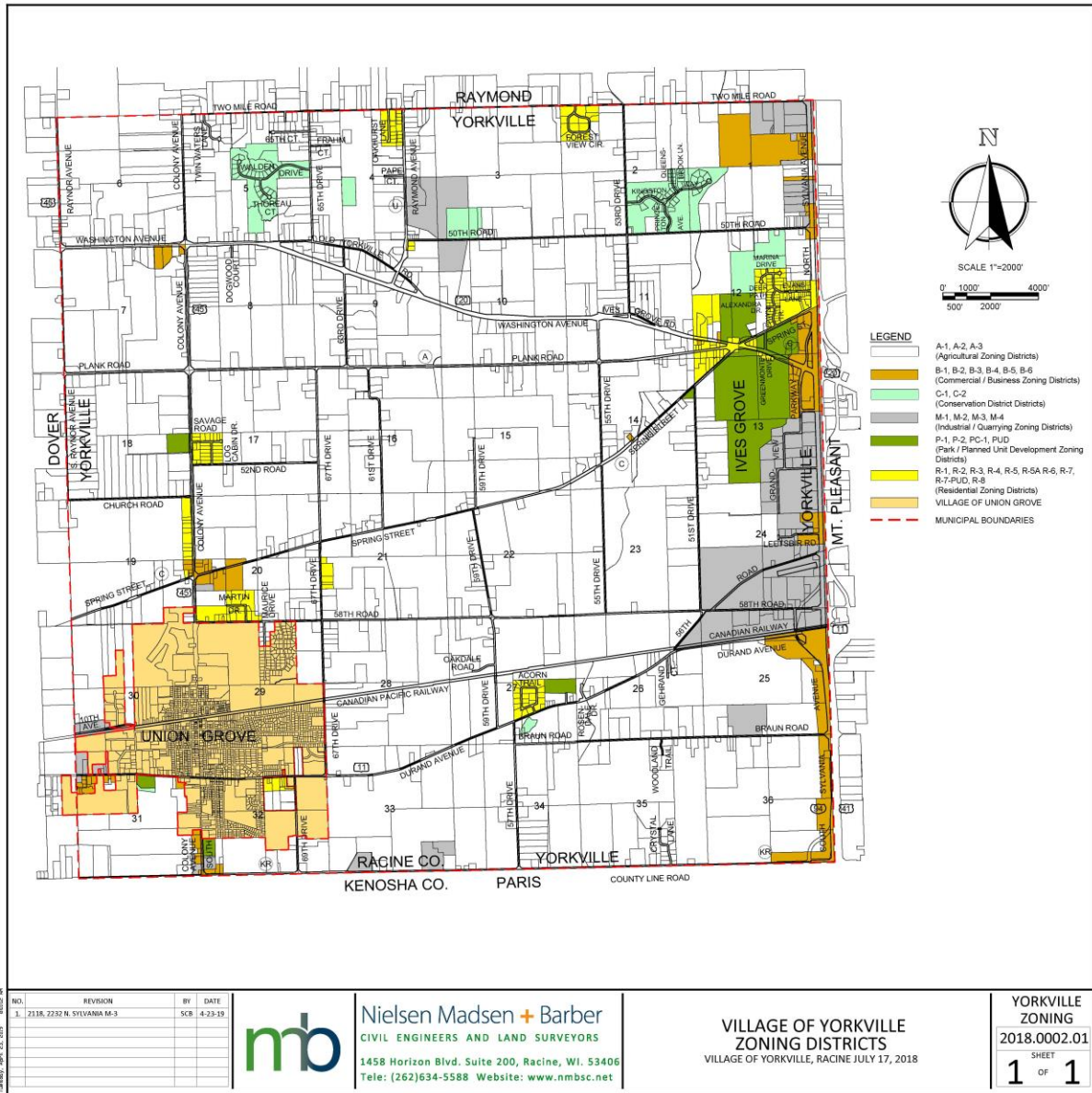
A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The Village intends that TIF will be used to assure that industrial, distributor and related private development locates in this District. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote industrial development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the Village. The project costs included in this Plan relate directly to promoting industrial development 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 an industrial District based on the identification and classification of the property included within the district.

SECTION 3: Preliminary Map of Proposed District Boundary



SECTION 4: Map Showing Existing Uses and Conditions



SECTION 6: Equalized Value Test

The following calculations demonstrate that the Village is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village.

The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$2,201,693. This value is less than the maximum of \$67,014,828 in equalized value that is permitted for the Village of Yorkville. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

Village of Yorkville, Wisconsin		
Tax Increment District # 1		
Valuation Test Compliance Calculation		
District Creation Date	9/23/2019	
	Valuation Data Currently Available 2019	Valuation Data Est. Creation Date
Total EV (TID In)	558,456,900	558,456,900
12% Test	67,014,828	67,014,828
Total Existing Increment	<u>0</u>	<u>0</u>
Projected Base of New or Amended District	6,752,606	6,752,606
Less Value of Any Underlying TID Parcels	0	0
Total Value Subject to 12% Test	<u><u>6,752,606</u></u>	<u><u>6,752,606</u></u>
Compliance	PASS	PASS

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The following is a list of public works and other TIF-eligible projects that the Village expects to implement in conjunction with this District. 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.

Utilities

Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow development to occur, the Village 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; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development to occur, the Village 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; pumping stations; wells; water treatment facilities; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration,

filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs.

Electric Service

In order to create sites suitable for development and/or redevelopment, the Village may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the Village to undertake this work are eligible Project Costs.

Gas Service

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 to undertake this work are eligible Project Costs.

Communications Infrastructure

In order to create sites suitable for development, the Village may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the Village to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development to occur, the Village 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, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

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

Miscellaneous

Cash Grants (Development Incentives)

The Village may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the

Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the Village's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The Village intends to make the following project cost expenditures outside the District: Wastewater Treatment Plant Upgrades, and Well #2 construction.

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; reimbursement of costs incurred by Racine County on behalf of the Village for professional services related to exploring water and sewer service options available to the Village and related comprehensive planning necessary within the I 94 corridor, inclusive of the TID #1 boundaries; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The Village may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by Village employees in connection with the implementation of the Plan.

Financing Costs

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

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

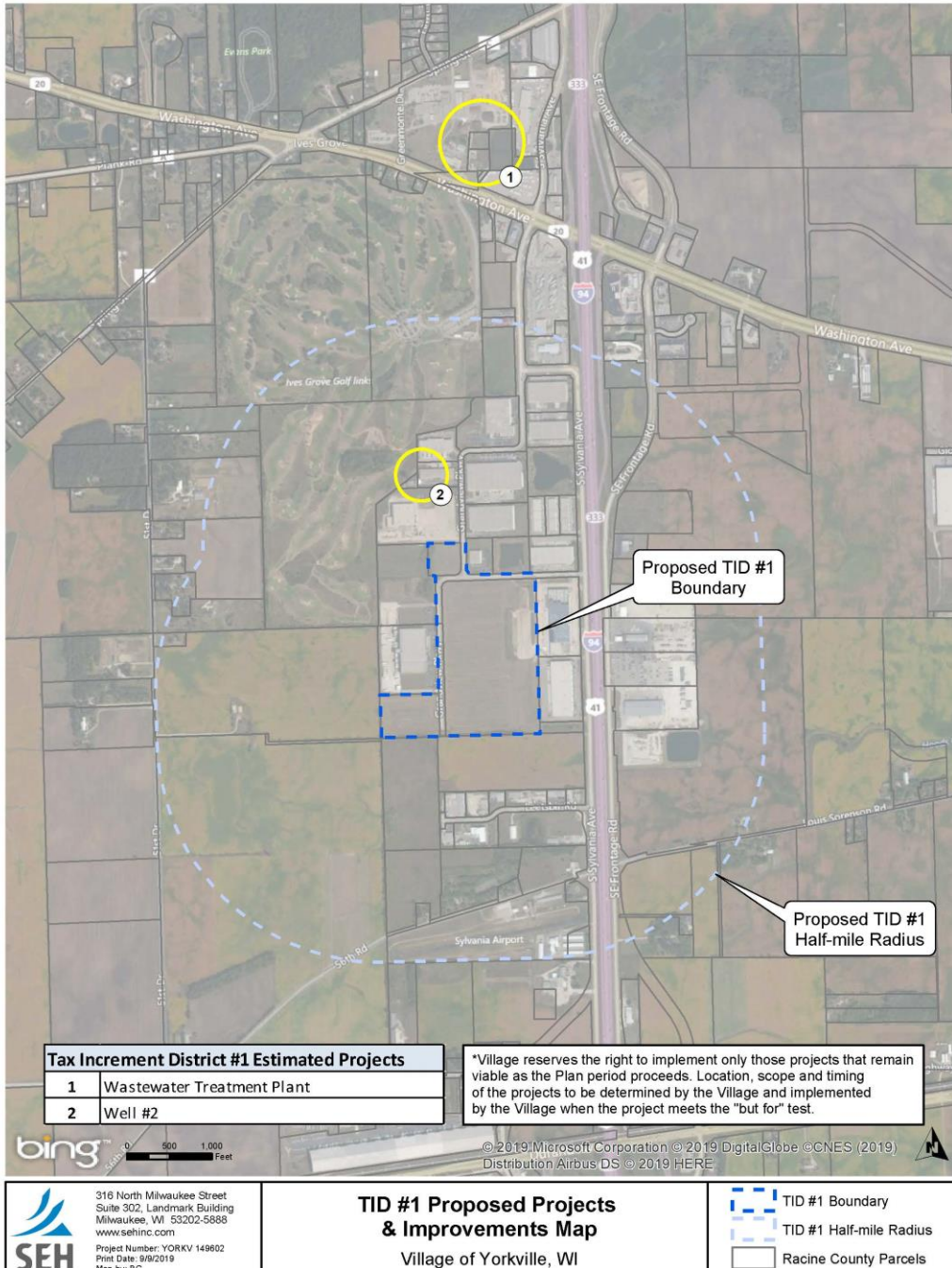
In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the Village for such purpose or a court of record so rules in a final order, then such project or projects 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 Village reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditure 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. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

SECTION 8: Map Showing Proposed Improvements and Uses



SECTION 9: Detailed List of Project Costs

All costs are based on 2019 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2019 and the time of construction. The Village also reserves the right to increase certain project costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

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

Proposed TIF Project Cost Estimates

Village of Yorkville, Wisconsin

Tax Increment District # 1

Estimated Project List

Project ID	Project Name/Type	Phase I 2020	Total (Note 1)
1	Wastewater Treatment Plant	1,602,366	1,602,366
2	Well #2	530,177	530,177
3	TID Creation	30,000	30,000
4	Racine County Repayment	250,000	250,000
5	Water & Sewer Planning Expenses	200,000	200,000
Total Projects		<u><u>2,612,543</u></u>	<u><u>2,612,543</u></u>

Notes:

- Note 1** Project costs are estimates and are subject to modification
- Note 2** Racine Co paid for water and sewer planning expenses for the I94 corridor within the Village including the TID area. The Village is obligated to repay the County for these expenses if a TID is ever established
- Note 3** The Village incurred additional water and sewer planning expenses for this area above and beyond what was incurred by Racine County.

SECTION 10: 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 projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The Village expects to complete the projects in one or multiple 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 be incurred 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

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. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the Village has a G.O. debt limit of \$26,186,350, of which \$26,104,813 is currently unused and could be made available to finance Project Costs.

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

The Village may issue a bond or other obligation 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 or other obligations 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 or other obligations issued to developers in this fashion are not general obligations of the Village and, therefore, do not count against the Village’s statutory 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 form of lease revenue bond by a Community Development Authority (CDA) or by a Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the Village and therefore do not count against the Village's statutory 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 various 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 purchasers 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 statutory borrowing capacity. 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.

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 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 Yorkville, Wisconsin Tax Increment District # 1 Estimated Financing Plan		
	G.O. Bond 2020	Totals
Projects		
Phase I	2,132,543	2,132,543
Total Project Funds	2,132,543	2,132,543
Estimated Finance Related Expenses	63,976	
Total Financing Required	2,196,519	
Estimated Interest	0.25%	(2,666)
Assumed spend down (months)	6	
Rounding	1,146	
Net Issue Size	2,195,000	2,195,000
Notes:		

Development Assumptions

Village of Yorkville, Wisconsin Tax Increment District # 1 Development Assumptions

Construction Year		Area A	Annual Total	Construction Year	
1	2019	10,171,350	10,171,350	2019	1
2	2020	4,359,150	4,359,150	2020	2
3	2021		0	2021	3
4	2022		0	2022	4
5	2023		0	2023	5
6	2024		0	2024	6
7	2025		0	2025	7
8	2026		0	2026	8
9	2027		0	2027	9
10	2028		0	2028	10
11	2029		0	2029	11
12	2030		0	2030	12
13	2031		0	2031	13
14	2032		0	2032	14
15	2033		0	2033	15
16	2034		0	2034	16
17	2035		0	2035	17
18	2036		0	2036	18
19	2037		0	2037	19
20	2038		0	2038	20
Totals		<u>14,530,500</u>	<u>14,530,500</u>		

Notes:

1. Assessor assumes a taxable value of \$37.50 per square foot for development.

Increment Revenue Projections

Village of Yorkville, Wisconsin Tax Increment District # 1 Tax Increment Projection Worksheet										
Type of District	Industrial			Base Value	6,752,606					
District Creation Date	September 23, 2019			Appreciation Factor	0.00%		Apply to Base Value			
Valuation Date	Jan 1, 2019			Base Tax Rate	\$17.75					
Max Life (Years)	20			Rate Adjustment Factor						
Expenditure Period/Termination	15		9/23/2034							
Revenue Periods/Final Year	20		2040							
Extension Eligibility/Years	Yes		3	Tax Exempt Discount Rate	3.50%					
Eligible Recipient District	No			Taxable Discount Rate	5.00%					

	Construction		Valuation Year	Inflation Increment	Total Increment	Revenue		Tax Increment	Tax Exempt	
	Year	Value Added				Year	Tax Rate		NPV Calculation	Taxable NPV Calculation
1	2019	10,171,350	2020	0	10,171,350	2021	\$17.75	180,530	162,828	155,949
2	2020	4,359,150	2021	0	14,530,500	2022	\$17.75	257,900	387,573	368,124
3	2021	0	2022	0	14,530,500	2023	\$17.75	257,900	604,718	570,195
4	2022	0	2023	0	14,530,500	2024	\$17.75	257,900	814,520	762,645
5	2023	0	2024	0	14,530,500	2025	\$17.75	257,900	1,017,227	945,929
6	2024	0	2025	0	14,530,500	2026	\$17.75	257,900	1,213,080	1,120,486
7	2025	0	2026	0	14,530,500	2027	\$17.75	257,900	1,402,309	1,286,731
8	2026	0	2027	0	14,530,500	2028	\$17.75	257,900	1,585,139	1,445,060
9	2027	0	2028	0	14,530,500	2029	\$17.75	257,900	1,761,787	1,595,848
10	2028	0	2029	0	14,530,500	2030	\$17.75	257,900	1,932,461	1,739,457
11	2029	0	2030	0	14,530,500	2031	\$17.75	257,900	2,097,363	1,876,227
12	2030	0	2031	0	14,530,500	2032	\$17.75	257,900	2,256,690	2,006,484
13	2031	0	2032	0	14,530,500	2033	\$17.75	257,900	2,410,628	2,130,538
14	2032	0	2033	0	14,530,500	2034	\$17.75	257,900	2,559,360	2,248,685
15	2033	0	2034	0	14,530,500	2035	\$17.75	257,900	2,703,063	2,361,206
16	2034	0	2035	0	14,530,500	2036	\$17.75	257,900	2,841,907	2,468,369
17	2035	0	2036	0	14,530,500	2037	\$17.75	257,900	2,976,055	2,570,429
18	2036	0	2037	0	14,530,500	2038	\$17.75	257,900	3,105,667	2,667,629
19	2037	0	2038	0	14,530,500	2039	\$17.75	257,900	3,230,896	2,760,200
20	2038	0	2039	0	14,530,500	2040	\$17.75	257,900	3,351,890	2,848,364
Totals		14,530,500		0		Future Value of Increment		5,080,634		

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

Village of Yorkville, Wisconsin														
Tax Increment District # 1														
Cash Flow Projection														
Year	Projected Revenues			Expenditures							Balances			Year
	Tax Increments	Other Revenue	Total Revenues	G.O. Bond 2,195,000 Dated Date: 05/01/20			Racine Co. Repayment	Water and Sewer Planning Costs	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2019			0						30,000	30,000	(30,000)	(30,000)		2019
2020			0					7,500	7,500	(7,500)	(37,500)	2,195,000		2020
2021	180,530		180,530		3.50%	76,825		7,500	84,325	96,205	58,705	2,195,000		2021
2022	257,900		257,900		3.50%	76,825	50,000	50,000	7,500	184,325	73,575	132,280	2,195,000	2022
2023	257,900		257,900	100,000	3.50%	75,075	100,000	50,000	7,500	332,575	(74,675)	57,606	2,095,000	2023
2024	257,900		257,900	100,000	3.50%	71,575	100,000	25,000	7,500	304,075	(46,175)	11,431	1,995,000	2024
2025	257,900		257,900	100,000	3.50%	68,075		50,000	7,500	225,575	32,325	43,756	1,895,000	2025
2026	257,900		257,900	100,000	3.50%	64,575		25,000	7,500	197,075	60,825	104,581	1,795,000	2026
2027	257,900		257,900	100,000	3.50%	61,075			7,500	168,575	89,325	193,906	1,695,000	2027
2028	257,900		257,900	100,000	3.50%	57,575			7,500	165,075	92,825	286,732	1,595,000	2028
2029	257,900		257,900	100,000	3.50%	54,075			7,500	161,575	96,325	383,057	1,495,000	2029
2030	257,900		257,900	100,000	3.50%	50,575			7,500	158,075	99,825	482,882	1,395,000	2030
2031	257,900		257,900	100,000	3.50%	47,075			7,500	154,575	103,325	586,207	1,295,000	2031
2032	257,900		257,900	100,000	3.50%	43,575			7,500	151,075	106,825	693,032	1,195,000	2032
2033	257,900		257,900	145,000	3.50%	39,288			7,500	191,788	66,113	759,145	1,050,000	2033
2034	257,900		257,900	150,000	3.50%	34,125			7,500	191,625	66,275	825,420	900,000	2034
2035	257,900		257,900	150,000	3.50%	28,875			7,500	186,375	71,525	896,946	750,000	2035
2036	257,900		257,900	150,000	3.50%	23,625			7,500	181,125	76,775	973,721	600,000	2036
2037	257,900		257,900	150,000	3.50%	18,375			7,500	175,875	82,025	1,055,746	450,000	2037
2038	257,900		257,900	150,000	3.50%	13,125			7,500	170,625	87,275	1,143,021	300,000	2038
2039	257,900		257,900	150,000	3.50%	7,875			7,500	165,375	92,525	1,235,546	150,000	2039
2040	257,900		257,900	150,000	3.50%	2,625			7,500	160,125	97,775	1,333,322	0	2040
Total	5,080,634	0	5,080,634	2,195,000		914,813	250,000	200,000	187,500	3,747,313				Total
Notes:											Projected TID Closure			

SECTION 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.

SECTION 12: Estimate of Property to be Devoted to Retail Business

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the Village estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13: Proposed Zoning Ordinance Changes

The Village does not anticipate that the District will require any changes in zoning ordinances. And any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.

SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and Village of Yorkville 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 15: 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 Section chapter 32.

SECTION 16: Orderly Development of the Village of Yorkville

The District contributes to the orderly development of the Village by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. The creation of the District will assist in paying for needed upgrades to the wastewater treatment facility and water supply system which are necessary for the development of the District and beneficial for the overall development well being of the service area of both utilities.

SECTION 17: 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.

The following is a list of the estimated non-project costs included within this Project Plan:

Description of Non-Project Costs	Estimated Cost
Wastewater Treatment Plant Upgrade	\$2,991,084
Well #2 Construction	\$989,663
Total	\$3,980,747

SECTION 18:
Opinion of Attorney for the Village of Yorkville Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105



PRUITT, EKES & GEARY, S.C.

Timothy J. Pruitt
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Christopher A. Geary
Tyler M. Helsel

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September 6, 2019

Village Board
c/o Michael McKinney
Village Clerk-Treasurer
Village of Yorkville
925 15th Avenue
Union Grove, WI 53182

RE: Creation of Village of Yorkville Tax Incremental District No. 1

Dear Village Board Members:

As attorneys for the Village of Yorkville, we have reviewed the proposed Project Plan for the creation of Tax Incremental District No. 1 and have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wis. Stat. Section 66.1105(4)(f).

Sincerely,

PRUITT, EKES & GEARY, S.C.

Timothy J. Pruitt
tpruitt@peglawfirm.com

TJP:emz

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.							
Statement of Taxes Data Year:				2019			
						Percentage	
County				1,980,009		20.63%	
Municipality				1,156,713		12.05%	
Yorkville J2 School District				3,892,409		40.56%	
UHS District of Union Grove Union High				2,149,064		22.39%	
Technical College				419,153		4.37%	
Total				9,597,348			
Revenue Year	County	Municipality	Yorkville J2 School District	UHS District of Union Grove Union High	Technical College	Total	Revenue Year
2021	37,245	21,758	73,218	40,425	7,884	180,530	2021
2022	53,207	31,083	104,597	57,750	11,263	257,900	2022
2023	53,207	31,083	104,597	57,750	11,263	257,900	2023
2024	53,207	31,083	104,597	57,750	11,263	257,900	2024
2025	53,207	31,083	104,597	57,750	11,263	257,900	2025
2026	53,207	31,083	104,597	57,750	11,263	257,900	2026
2027	53,207	31,083	104,597	57,750	11,263	257,900	2027
2028	53,207	31,083	104,597	57,750	11,263	257,900	2028
2029	53,207	31,083	104,597	57,750	11,263	257,900	2029
2030	53,207	31,083	104,597	57,750	11,263	257,900	2030
2031	53,207	31,083	104,597	57,750	11,263	257,900	2031
2032	53,207	31,083	104,597	57,750	11,263	257,900	2032
2033	53,207	31,083	104,597	57,750	11,263	257,900	2033
2034	53,207	31,083	104,597	57,750	11,263	257,900	2034
2035	53,207	31,083	104,597	57,750	11,263	257,900	2035
2036	53,207	31,083	104,597	57,750	11,263	257,900	2036
2037	53,207	31,083	104,597	57,750	11,263	257,900	2037
2038	53,207	31,083	104,597	57,750	11,263	257,900	2038
2039	53,207	31,083	104,597	57,750	11,263	257,900	2039
2040	53,207	31,083	104,597	57,750	11,263	257,900	2040
	<u>1,048,175</u>	<u>612,340</u>	<u>2,060,559</u>	<u>1,137,669</u>	<u>221,891</u>	<u>5,080,634</u>	

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