

March 11, 2021

# PROJECT PLAN AMENDMENT

## Tax Incremental District No. 2

### Village of Kewaskum, Wisconsin

|   |                |
|---|----------------|
| Organizational Joint Review Board Meeting Held: | March 2, 2021  |
| Public Hearing Held:                            | March 2, 2021  |
| Approval by Plan Commission:                    | March 2, 2021  |
| Adoption by Village Board:                      | March 16, 2021 |
| Approval by the Joint Review Board:             | April 8, 2021  |

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## **SECTION 1:**

# Executive Summary

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### Description of District

Tax Incremental District (“TID”) No. 2 (“District”) is a 98.88 acre Industrial District created on February 7, 2005. The District was created to:

- Promote industrial, commercial, and residential development in the Village.

The Project Plan for the District was amended on March 27, 2012 to designate the District as “distressed” pursuant to State Statute 66.1105(4e). The designation extended the maximum life of the District by 10 years, to February 7, 2035 to allow for additional time to generate development and increment.

The proposed amendment would subtract 21 parcels, totaling 36.83 acres from the District. Three of the parcels are zoned industrial totaling 19.54 acres and the remaining 18 parcels are zoned residential totaling 17.29 acres. The land being subtracted will be incorporated into a new TID 3 being created simultaneously.

Subtracting the parcels, the remaining District (62.05 acres) will have 31.06 acres (50.1%) for industrial development, 7.91 acres (12.7%) for commercial development and 23.08 acres (37.2%) for residential development. The effective date of the subtraction for valuation purposes will be January 1, 2021, first impacting the 2022 levy for the 2023 budget year.

### Purpose of Amendment

The purpose of this amendment, referred to hereafter as the Plan, the Amendment, or the Plan Amendment, is to:

- Subtract territory from the District as permitted under Wis. Stat. § 66.1105(4)(h)2. This is the first of four permitted territory amendments available to the District. However, as a Distressed District, the District can only have land subtracted and not added.

### Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the Village anticipates that the District will generate sufficient tax increment to pay all Project Costs within 28 years (2033) of its allowable 30 years (2035).

## Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

- ✓ **That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the Village.** In evaluating the appropriateness of this Plan Amendment, the Village and Joint Review Board must consider “whether the development is expected in the tax increment district would occur without the use of tax incremental financing” customarily referred to as the “but for test.” Since the purpose of this Plan Amendment is solely to subtract territory, this cannot be applied in the conventional way. The Village and Joint Review Board has concluded that the “but for test” was met with respect to the District. Accordingly, the Village finds that it is reasonable to conclude that the “but for test” continues to be satisfied.
- ✓ The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. As a result of the Project Costs made within the District approximately \$26.5 million in incremental property value has been created to-date. While not quantified, increased employment, business and personal income, and other economic benefits have resulted from the development that has occurred in the District.
- ✓ The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the Village finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
- ✓ Not less than 50% by area of the real property within the District, as amended, is suitable for industrial sites as defined by Wis. Stat. § 66.1101 and has been zoned for industrial use. Any real property within the District that was found suitable for industrial sites and was zoned for industrial use at the time of creation of the District or at the time of this Plan Amendment will remain zoned for industrial use for the life of the District.

- ✓ Based on the foregoing finding, the District remains designated as an industrial district.
- ✓ That Project Costs, which remain unchanged, relate directly to promoting industrial development in the District, consistent with the purpose for which the District was created.
- ✓ Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
- ✓ The limitation as the percentage of equalized taxable property value that can be located within tax incremental districts does not apply to this Plan Amendment as no territory will be added to the District.
- ✓ The Plan for the District is feasible and is in conformity with the Master Plan of the Village.
- ✓ The Village estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).

## **SECTION 2:**

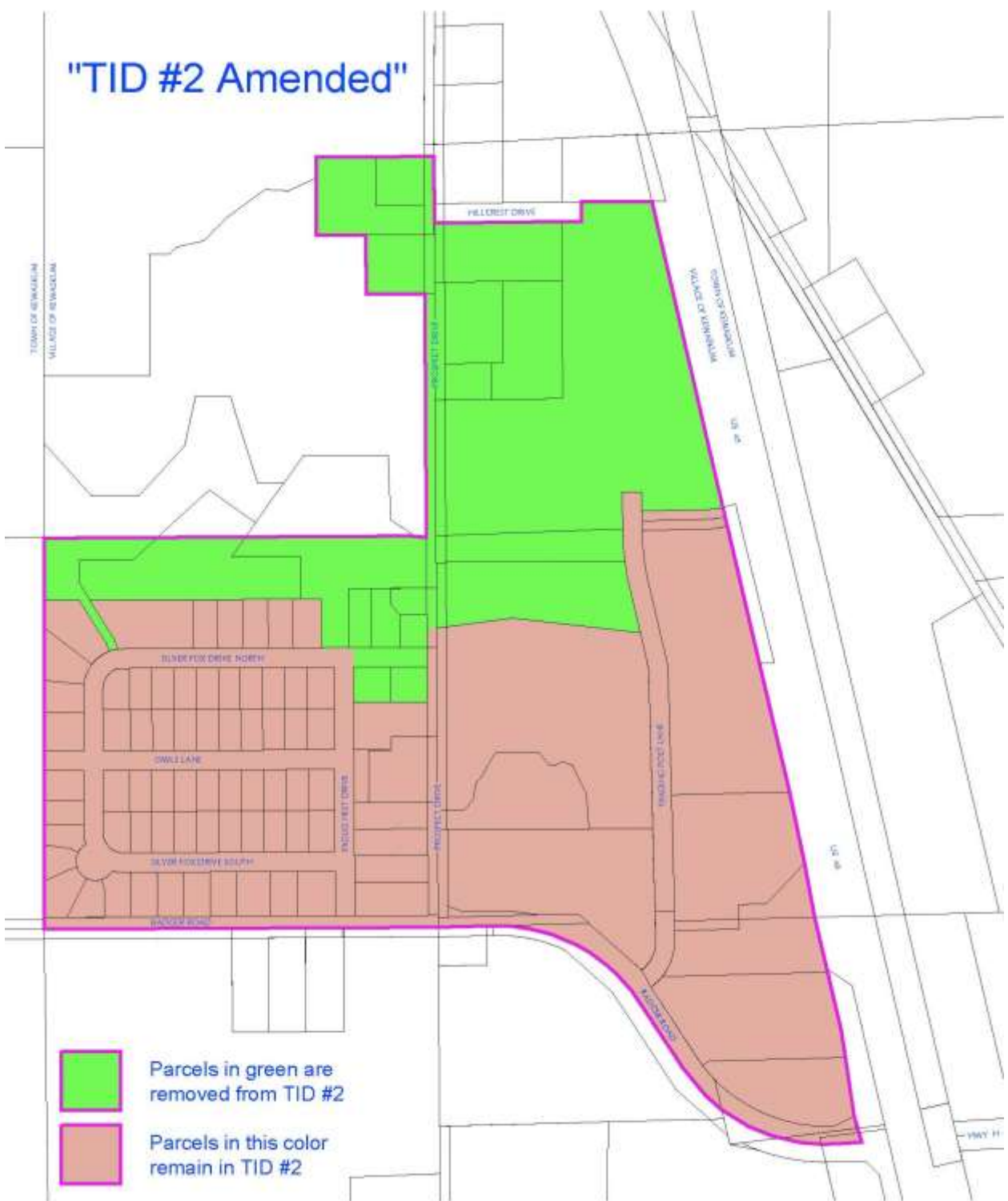
# Preliminary Map of Original District Boundary and Territory to be Subtracted

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Map Found on Following Page.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.

# "TID #2 Amended"



### **SECTION 3:**

## Map Showing Existing Uses and Conditions Within the Territory to be Subtracted

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Except for subtraction of property, this Plan Amendment makes no changes to the map depicting uses and conditions of real property within the District as included in the Original Project Plan adopted February 7, 2005 and as approved in the subsequent Project Plan Amendment to declare the District Distressed on March 27, 2012. Those maps, by reference, are hereby incorporated herein.



## SECTION 4:

# Preliminary Identification of Parcels to be Subtracted

The purpose of this Plan Amendment is to remove the 21 parcels listed in the table below from the District effective January 1, 2021. The parcel subtraction will reduce the District's value by a projected \$3,004,700.

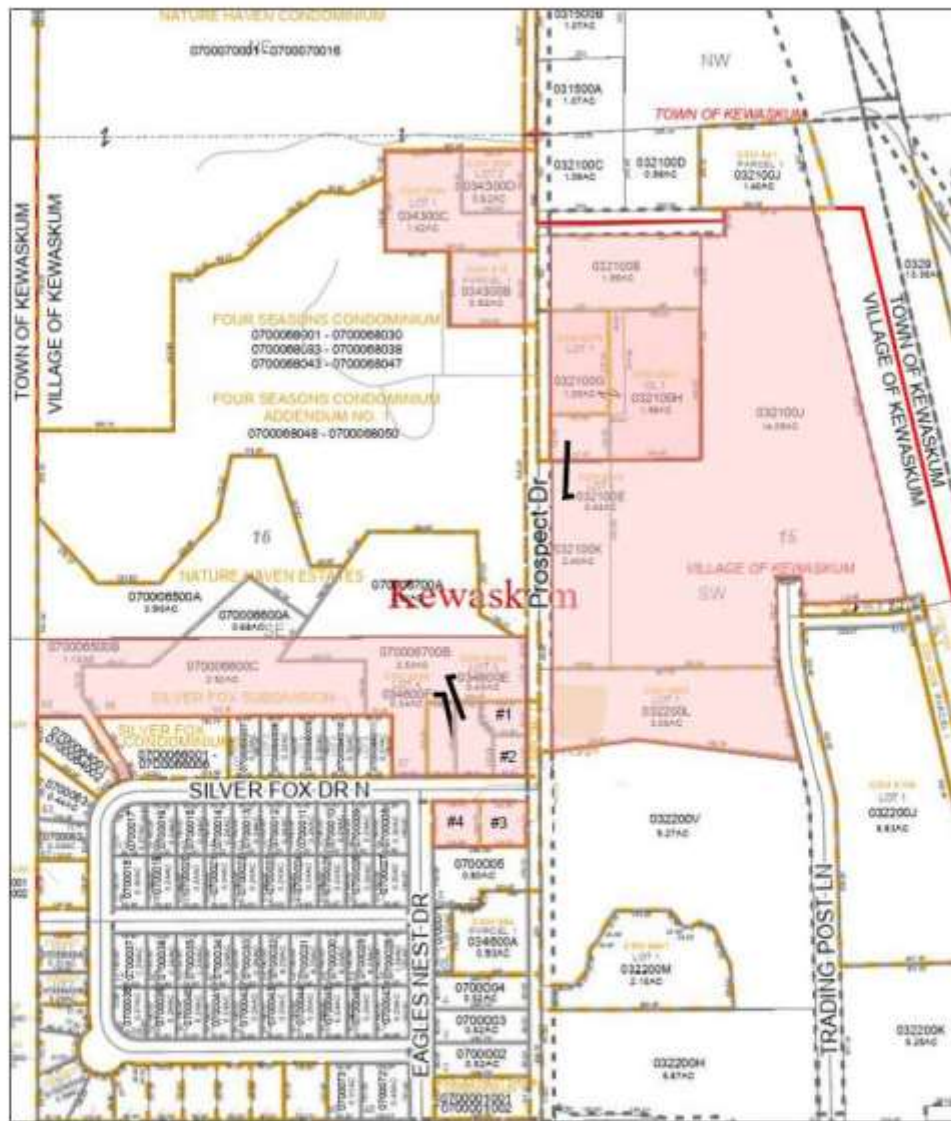
The District's base value will also decrease by a projected \$2,274,297 to \$594,403.

| Kewaskum TID 2 2005 Base Value Allocations |  |              |              |            |                     |                     |                     |
|--|--|--------------|--------------|------------|---------------------|---------------------|---------------------|
| 2005                                       | 2021   | 2005         | 2021         | 2021       | 2005                | 2005                | 2021                |
| Parcel #                                   | Parcel #s  | Acreage      | Acreage      | Percentage | Full Value          | Allocated Value     | Full Value          |
| V34300A                                    | V34300C &<br>V34300D   | 2.24         | 2.24         | 100%       | \$ 239,059          | \$ 239,059          | \$ 310,600          |
| V34300B                                    | V34300B  | 0.92         | 0.92         | 100%       | \$ 169,412          | \$ 169,412          | \$ 176,100          |
| V32100B                                    | V32100B  | 1.99         | 1.99         | 100%       | \$ 202,000          | \$ 202,000          | \$ 249,300          |
| V32100A                                    | V32100E,<br>V32100G &<br>V32100H   | 3.67         | 3.67         | 100%       | \$ 1,420,429        | \$ 1,420,429        | \$ 273,700          |
| V32100Z                                    | V32100J &<br>V32100K   | 16.49        | 16.49        | 100%       | \$ 8,824            | \$ 8,824            | \$ 199,600          |
| V32200Z                                    | V32200L &<br>V34600C   | 14.47        | 3.05         | 21%        | \$ 54,824           | \$ 11,556           | \$ 670,200          |
| V34600B                                    | V34600C,<br>V34600D,<br>V34006E &<br>V34600F   | 1.21         | 1.21         | 100%       | \$ 216,471          | \$ 216,471          | \$ 297,600          |
| V740B                                      | V70006500B,<br>V70006600C,<br>070006700B,<br>V700006001<br>& 6002, and<br>V700007001<br>& 7002 | 38           | 7.26         | 19%        | \$ 34,270           | \$ 6,547            | \$ 827,600          |
| <b>TOTALS</b>                              |  | <b>78.99</b> | <b>36.83</b> |            | <b>\$ 2,345,287</b> | <b>\$ 2,274,297</b> | <b>\$ 3,004,700</b> |

Full Value adjusts Assessed Values by Fair Market Ratio - Town of Kewaskum 85%, Village of Kewaskum 89%

| 2021 Parcels Being Subtracted |              |                                |                     |                     |                             |
|-------------------------------|--------------|--------------------------------|---------------------|---------------------|-----------------------------|
| Property Information          |              | Assessed Value January 1, 2020 |                     |                     |                             |
| 2021 Parcel Number            | Acreage      | Land                           | Improvements        | Total               |                             |
| V4-032100J                    | 14.09        | \$170,550                      | \$0                 | \$170,550           |                             |
| V4-032100K                    | 2.40         | \$29,050                       | \$0                 | \$29,050            |                             |
| V4-032200L                    | 3.05         | \$104,900                      | \$565,300           | \$670,200           |                             |
| <b>Total Industrial Land</b>  | <b>19.54</b> | <b>\$304,500</b>               | <b>\$565,300</b>    | <b>\$869,800</b>    |                             |
| V4-032100B                    | 1.99         | \$72,700                       | \$176,600           | \$249,300           |                             |
| V4-032100E                    | 0.44         | \$30,800                       | \$0                 | \$30,800            |                             |
| V4-032100G                    | 1.25         | \$55,000                       | \$146,100           | \$201,100           |                             |
| V4-032100H                    | 1.98         | \$41,800                       | \$0                 | \$41,800            |                             |
| V4-034300D                    | 0.62         | \$49,800                       | \$131,600           | \$181,400           |                             |
| V4-034300C                    | 1.62         | \$95,400                       | \$33,800            | \$129,200           |                             |
| V4-034300B                    | 0.92         | \$61,800                       | \$114,300           | \$176,100           |                             |
| V4-034600C                    | 0.24         | \$24,500                       | \$0                 | \$24,500            |                             |
| V4-034600D                    | 0.23         | \$23,500                       | \$0                 | \$23,500            |                             |
| V4-034600E                    | 0.4          | \$36,100                       | \$165,100           | \$201,200           |                             |
| V4-034600F                    | 0.34         | \$30,700                       | \$17,700            | \$48,400            |                             |
| V4-0700006001                 | 0.34         | \$32,500                       | \$149,700           | \$182,200           | Recorded as entire lot      |
| V4-0700006002                 |              | \$32,500                       | \$149,700           | \$182,200           | Recorded as fraction of lot |
| V4-0700007001                 | 0.17         | \$32,500                       | \$149,700           | \$182,200           | Recorded as fraction of lot |
| V4-0700007002                 | 0.17         | \$32,500                       | \$149,700           | \$182,200           | Recorded as fraction of lot |
| V4-070006500B                 | 1.13         | \$22,300                       | \$0                 | \$22,300            |                             |
| V4-070006600C                 | 2.92         | \$21,900                       | \$0                 | \$21,900            |                             |
| V4-070006700B                 | 2.53         | \$54,600                       | \$0                 | \$54,600            |                             |
| <b>Total Residential Land</b> | <b>17.29</b> | <b>\$750,900</b>               | <b>\$1,384,000</b>  | <b>\$2,134,900</b>  |                             |
| <b>Total Subtraction</b>      | <b>36.83</b> | <b>\$ 1,055,400</b>            | <b>\$ 1,949,300</b> | <b>\$ 3,004,700</b> |                             |

## Village of Kewaskum: TID #2 - Subtractions



**Key:**

Parcels being subtracted from TID #2: Pink

Map Area #1: Tax Key Number 034600C

Map Area #2: Tax Key Number 034600D

Map Area #3: Condominiums, Tax Keys 070006001 and 070006002

Map Area #4: Condominiums, Tax Keys 070007001 and 070007002

2021 Parcels remaining in TID 2

| Parcel Information            |              | Assessment Information |                      |                      |
|-------------------------------|--------------|------------------------|----------------------|----------------------|
| 2021 Parcel Number            | Acreage      | Land                   | Imp                  | Total                |
| V4-032200H                    | 5.87         | \$149,800              | \$143,600            | \$293,400            |
| V4-032200J                    | 6.83         | \$162,900              | \$1,528,200          | \$1,691,100          |
| V4-032200K                    | 5.41         | \$356,200              | \$477,600            | \$833,800            |
| V4-032200M                    | 2.15         | \$71,600               | \$0                  | \$71,600             |
| V4-032200W                    | 10.8         | \$73,800               | \$0                  | \$73,800             |
| <b>Total Industrial Land</b>  | <b>31.06</b> | <b>\$ 814,300</b>      | <b>\$ 2,149,400</b>  | <b>\$ 2,963,700</b>  |
| V4-044900L                    | 2.18         | \$180,800              | \$358,300            | \$539,100            |
| V4-044900M                    | 3.72         | \$1,100                | \$0                  | \$1,100              |
| V4-044900N001                 | 0.67         | \$221,400              | \$158,400            | \$379,800            |
| V4-044900N002                 | 0.67         | \$221,400              | \$336,200            | \$557,600            |
| V4-044900N003                 | 0.67         | \$221,400              | \$776,300            | \$997,700            |
| <b>Total Commercial Land</b>  | <b>7.91</b>  | <b>\$ 846,100</b>      | <b>\$ 1,629,200</b>  | <b>\$ 2,475,300</b>  |
| V4-034600A                    | 0.93         | \$57,400               | \$148,000            | \$ 205,400           |
| V4-0700005                    | 0.8          | \$68,800               | \$241,500            | \$ 310,300           |
| V4-07000001001                | 0.33         | \$38,000               | \$128,700            | \$ 166,700           |
| V4-07000001002                | 0.33         | \$38,000               | \$127,900            | \$ 165,900           |
| V4-0700002                    | 0.52         | \$62,400               | \$129,200            | \$ 191,600           |
| V4-0700003                    | 0.52         | \$66,000               | \$151,900            | \$ 217,900           |
| V4-0700004                    | 0.52         | \$62,400               | \$129,800            | \$ 192,200           |
| V4-0700009                    | 0.24         | \$52,000               | \$153,400            | \$ 205,400           |
| V4-0700010                    | 0.24         | \$52,000               | \$153,600            | \$ 205,600           |
| V4-0700011                    | 0.24         | \$52,000               | \$161,100            | \$ 213,100           |
| V4-0700012                    | 0.24         | \$52,000               | \$203,100            | \$ 255,100           |
| V4-0700013                    | 0.24         | \$52,000               | \$159,200            | \$ 211,200           |
| V4-0700014                    | 0.24         | \$52,000               | \$181,300            | \$ 233,300           |
| V4-0700015                    | 0.24         | \$52,000               | \$153,700            | \$ 205,700           |
| V4-0700016                    | 0.24         | \$52,000               | \$154,600            | \$ 206,600           |
| V4-0700017                    | 0.27         | \$46,800               | \$173,300            | \$ 220,100           |
| V4-0700018                    | 0.3          | \$46,800               | \$159,400            | \$ 206,200           |
| V4-0700019                    | 0.24         | \$52,000               | \$223,200            | \$ 275,200           |
| V4-0700020                    | 0.24         | \$52,000               | \$218,200            | \$ 270,200           |
| V4-0700021                    | 0.24         | \$52,000               | \$153,600            | \$ 205,600           |
| V4-0700022                    | 0.24         | \$52,000               | \$195,000            | \$ 247,000           |
| V4-0700023                    | 0.24         | \$52,000               | \$177,300            | \$ 229,300           |
| V4-0700024                    | 0.24         | \$52,000               | \$159,000            | \$ 211,000           |
| V4-0700025                    | 0.24         | \$52,000               | \$159,400            | \$ 211,400           |
| V4-0700026                    | 0.24         | \$52,000               | \$147,900            | \$ 199,900           |
| V4-0700027                    | 0.3          | \$46,800               | \$158,300            | \$ 205,100           |
| V4-0700028                    | 0.29         | \$46,800               | \$151,400            | \$ 198,200           |
| V4-0700029                    | 0.24         | \$52,000               | \$147,700            | \$ 199,700           |
| V4-0700030                    | 0.24         | \$52,000               | \$120,700            | \$ 172,700           |
| V4-0700031                    | 0.25         | \$46,800               | \$163,900            | \$ 210,700           |
| V4-0700032                    | 0.25         | \$52,000               | \$155,200            | \$ 207,200           |
| V4-0700033                    | 0.24         | \$52,000               | \$160,300            | \$ 212,300           |
| V4-0700034                    | 0.24         | \$52,000               | \$270,700            | \$ 322,700           |
| V4-0700035                    | 0.24         | \$52,000               | \$156,400            | \$ 208,400           |
| V4-0700036                    | 0.24         | \$52,000               | \$90,900             | \$ 142,900           |
| V4-0700037                    | 0.29         | \$46,800               | \$146,500            | \$ 193,300           |
| V4-0700038                    | 0.27         | \$46,800               | \$189,400            | \$ 236,200           |
| V4-0700039                    | 0.24         | \$52,000               | \$132,900            | \$ 184,900           |
| V4-0700040                    | 0.24         | \$52,000               | \$228,800            | \$ 280,800           |
| V4-0700041                    | 0.24         | \$52,000               | \$206,800            | \$ 258,800           |
| V4-0700042                    | 0.24         | \$52,000               | \$154,000            | \$ 206,000           |
| V4-0700043                    | 0.25         | \$52,000               | \$142,800            | \$ 194,800           |
| V4-0700044                    | 0.25         | \$31,200               | \$0                  | \$ 31,200            |
| V4-0700045                    | 0.24         | \$52,000               | \$172,400            | \$ 224,400           |
| V4-0700046                    | 0.24         | \$52,000               | \$151,800            | \$ 203,800           |
| V4-0700047                    | 0.29         | \$46,800               | \$154,500            | \$ 201,300           |
| V4-0700053001                 | 0.31         | \$35,000               | \$164,100            | \$ 199,100           |
| V4-0700053002                 |              | \$35,000               | \$196,300            | \$ 231,300           |
| V4-0700054001                 | 0.31         | \$35,000               | \$175,600            | \$ 210,600           |
| V4-0700054002                 |              | \$35,000               | \$191,100            | \$ 226,100           |
| V4-0700055001                 | 0.31         | \$35,000               | \$189,900            | \$ 224,900           |
| V4-0700055002                 |              | \$35,000               | \$175,500            | \$ 210,500           |
| V4-070006000C                 | 0.23         | \$55,000               | \$172,700            | \$ 227,700           |
| V4-0700060A                   | 0.31         | \$52,000               | \$172,700            | \$ 224,700           |
| V4-0700060B                   | 0.26         | \$55,000               | \$191,900            | \$ 246,900           |
| V4-0700060D                   | 0.23         | \$34,700               | \$0                  | \$ 34,700            |
| V4-0700060E                   | 0.39         | \$59,400               | \$205,900            | \$ 265,300           |
| V4-0700060F                   | 0.27         | \$55,000               | \$202,600            | \$ 257,600           |
| V4-0700061001                 | 0.4          | \$32,500               | \$121,700            | \$ 154,200           |
| V4-0700061002                 |              | \$32,500               | \$122,300            | \$ 154,800           |
| V4-0700062                    | 0.32         | \$52,000               | \$149,600            | \$ 201,600           |
| V4-0700063                    | 0.44         | \$55,000               | \$156,700            | \$ 211,700           |
| V4-0700064001                 | 0.6          | \$32,500               | \$125,100            | \$ 157,600           |
| V4-0700064002                 |              | \$32,500               | \$125,100            | \$ 157,600           |
| V4-0700066007                 | 0.32         | \$52,000               | \$179,300            | \$ 231,300           |
| V4-0700066008                 | 0.32         | \$52,000               | \$187,000            | \$ 239,000           |
| V4-0700066009                 | 0.32         | \$52,000               | \$198,300            | \$ 250,300           |
| V4-070006601                  | 0.18         | \$32,500               | \$131,100            | \$ 163,600           |
| V4-0700066010                 | 0.32         | \$52,000               | \$170,000            | \$ 222,000           |
| V4-0700066011                 | 0.37         | \$52,000               | \$175,700            | \$ 227,700           |
| V4-070006602                  | 0.18         | \$32,500               | \$130,800            | \$ 163,300           |
| V4-070006603                  | 0.18         | \$32,500               | \$146,900            | \$ 179,400           |
| V4-070006604                  | 0.18         | \$32,500               | \$156,300            | \$ 188,800           |
| V4-070006605                  | 0.18         | \$32,500               | \$131,100            | \$ 163,600           |
| V4-070006606                  | 0.18         | \$32,500               | \$131,100            | \$ 163,600           |
| V4-0700071                    | 0.21         | \$2,600                | \$0                  | \$ 2,600             |
| V4-0700072                    | 0.45         | \$42,000               | \$0                  | \$ 42,000            |
| V4-0700073                    | 0.31         | \$42,000               | \$0                  | \$ 42,000            |
| V4-0700074001                 | 0.4          | \$0                    | \$0                  | \$ -                 |
| V4-0700075001                 | 0.31         | \$35,000               | \$164,500            | \$ 199,500           |
| V4-0700075002                 |              | \$35,000               | \$172,700            | \$ 207,700           |
| V4-0700076001                 | 0.31         | \$35,000               | \$197,200            | \$ 232,200           |
| V4-0700076002                 |              | \$35,000               | \$172,100            | \$ 207,100           |
| V4-0700008                    | 0.3          | \$46,800               | \$151,400            | \$ 198,200           |
| V4-0700074002                 |              | \$0                    | \$0                  | \$ -                 |
| <b>Total Residential Land</b> | <b>23.08</b> | <b>\$ 3,845,100</b>    | <b>\$ 12,833,000</b> | <b>\$ 16,678,100</b> |
| <b>Total Land Remaining</b>   | <b>62.05</b> | <b>5,505,500</b>       | <b>16,611,600</b>    | <b>22,117,100</b>    |

Highlighted Parcels reflect parcels with shared acreage.

## **SECTION 5:**

### Equalized Value Test

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

## **SECTION 6:**

### Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

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No changes to Project Costs are planned. The “Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District” included in the District’s original Project Plan dated February 7, 2005 remains unchanged and is incorporated by reference as part of this Plan Amendment.

## **SECTION 7:**

### Map Showing Proposed Improvements and Uses

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Except for subtraction of territory, this Plan Amendment makes no changes to the maps depicting proposed improvements and uses within the District as included in the original Project Plan dated February 7, 2005. That map is hereby incorporated by reference herein.

## **SECTION 8:**

### **Detailed List of Estimated Project Costs**

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No changes to Project Costs are planned. The “Detailed List of Estimated Project Costs” included in the District’s original Project Plan dated February 7, 2005 remains unchanged and is incorporated by reference as part of this Plan Amendment.

## **SECTION 9:**

### **Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred**

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This Section includes an updated forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how remaining Project Costs would be financed, and a projected cash flow demonstrating that the District remains economically feasible.

#### **Key Assumptions**

Previous investment in Project Costs within the District have generated approximately \$26.5 million in incremental value as of January 1, 2020 as shown in Table 1. Assuming the Village’s current equalized TID-In tax rate of \$17.33 per \$1,000 of Equalized Value and a modest 1% annual economic incremental growth adjustment, the District is projected to generate approximately \$7.3 million in incremental revenue collections between 2020 and closure in 2033. Increment projections can be found in Table 2.

Table 1 - Development Assumption

| Village of Kewaskum, Wisconsin<br>Tax Increment District #2<br>Development Assumptions       |      |            |                     |              |                   |    |
|--|------|------------|---------------------|--------------|-------------------|----|
| Construction Year  |      | Actual     | 2021<br>Subtraction | Annual Total | Construction Year |    |
| 14   | 2018 | 26,502,700 |                     | 26,502,700   | 2018              | 14 |
| 15   | 2019 |            |                     | 0            | 2019              | 15 |
| 16   | 2020 |            |                     | 0            | 2020              | 16 |
| 17   | 2021 |            | (3,004,700)         | (3,004,700)  | 2021              | 17 |
| 18   | 2022 |            |                     | 0            | 2022              | 18 |
| 19   | 2023 |            |                     | 0            | 2023              | 19 |
| 20   | 2024 |            |                     | 0            | 2024              | 20 |
| 21   | 2025 |            |                     | 0            | 2025              | 21 |
| 22   | 2026 |            |                     | 0            | 2026              | 22 |
| 23   | 2027 |            |                     | 0            | 2027              | 23 |
| 24   | 2028 |            |                     | 0            | 2028              | 24 |
| 25   | 2029 |            |                     | 0            | 2029              | 25 |
| 26   | 2030 |            |                     | 0            | 2030              | 26 |
| 27   | 2031 |            |                     | 0            | 2031              | 27 |
| 28   | 2032 |            |                     | 0            | 2032              | 28 |
| 29   | 2033 |            |                     | 0            | 2033              | 29 |
| Totals   |      | 26,502,700 | (3,004,700)         | 23,498,000   |                   |    |
| Notes:   |      |            |                     |              |                   |    |
| As a Distressed TID (2012 Amendment), the life of the District was extended 10 years to 2035 |      |            |                     |              |                   |    |

Table 2 – Tax Increment Projection Worksheet

| Village of Kewaskum, Wisconsin   |                   |                   |                |                     |                                 |                                  |          |                  |  |
|--|-------------------|-------------------|----------------|---------------------|---------------------------------|----------------------------------|----------|------------------|--|
| Tax Increment District #2  |                   |                   |                |                     |                                 |                                  |          |                  |  |
| Tax Increment Projection Worksheet   |                   |                   |                |                     |                                 |                                  |          |                  |  |
| Type of District   | Industrial        |                   |                |                     | Base Value                      | 2,868,700                        |          |                  |  |
| District Creation Date   | February 7, 2005  |                   |                |                     | Adjusted Base after Subtraction | 594,403                          |          |                  |  |
| Valuation Date   | Jan 1,            | 2005              |                |                     | Appreciation Factor             | 1.00%                            |          |                  |  |
| Max Life (Years)   | 20                |                   |                |                     | Base Tax Rate                   | \$17.33                          |          |                  |  |
| Expenditure Period/Termination   | 15                | 2/7/2020          |                |                     | Rate Adjustment Factor          |                                  |          |                  |  |
| Revenue Periods/Final Year   | 19                | 2025              |                |                     |                                 |                                  |          |                  |  |
| Extension Eligibility/Years  | Yes               | 6                 |                |                     |                                 |                                  |          |                  |  |
| Eligible Recipient District  | No                |                   |                |                     | Tax Exempt Discount Rate        |                                  |          |                  |  |
| Distressed Extension   | 10 Years          | 2/7/2035          |                |                     | Taxable Discount Rate           | 1.50%                            |          |                  |  |
|  | Construction Year | Value Added       | Valuation Year | Inflation Increment | Total Increment                 | Revenue Year                     | Tax Rate | Tax Increment    |  |
| 14   | 2018              | 26,502,700        | 2019           | 0                   | 26,502,700                      | 2020                             | \$17.33  | 459,386          |  |
| 15   | 2019              | 0                 | 2020           | 265,027             | 26,767,727                      | 2021                             | \$17.33  | 463,980          |  |
| 16   | 2020              | 0                 | 2021           | 267,677             | 27,035,404                      | 2022                             | \$17.33  | 468,620          |  |
| 17   | 2021              | (3,004,700)       | 2022           | 270,354             | 24,301,058                      | 2023                             | \$17.33  | 421,224          |  |
| 18   | 2022              | 0                 | 2023           | 243,011             | 24,544,069                      | 2024                             | \$17.33  | 425,436          |  |
| 19   | 2023              | 0                 | 2024           | 245,441             | 24,789,510                      | 2025                             | \$17.33  | 429,691          |  |
| 20   | 2024              | 0                 | 2025           | 247,895             | 25,037,405                      | 2026                             | \$17.33  | 433,987          |  |
| 21   | 2025              | 0                 | 2026           | 250,374             | 25,287,779                      | 2027                             | \$17.33  | 438,327          |  |
| 22   | 2026              | 0                 | 2027           | 252,878             | 25,540,657                      | 2028                             | \$17.33  | 442,711          |  |
| 23   | 2027              | 0                 | 2028           | 255,407             | 25,796,063                      | 2029                             | \$17.33  | 447,138          |  |
| 24   | 2028              | 0                 | 2029           | 257,961             | 26,054,024                      | 2030                             | \$17.33  | 451,609          |  |
| 25   | 2029              | 0                 | 2030           | 260,540             | 26,314,564                      | 2031                             | \$17.33  | 456,125          |  |
| 26   | 2030              | 0                 | 2031           | 263,146             | 26,577,710                      | 2032                             | \$17.33  | 460,686          |  |
| 27   | 2031              | 0                 | 2032           | 265,777             | 26,843,487                      | 2033                             | \$17.33  | 465,293          |  |
| 28   | 2032              | 0                 | 2033           | 268,435             | 27,111,922                      | 2034                             | \$17.33  | 469,946          |  |
| 29   | 2033              | 0                 | 2034           | 271,119             | 27,383,041                      | 2035                             | \$17.33  | 474,646          |  |
|  | <b>Totals</b>     | <b>23,498,000</b> |                | <b>3,885,041</b>    |                                 | <b>Future Value of Increment</b> |          | <b>7,208,806</b> |  |
| Notes:   |                   |                   |                |                     |                                 |                                  |          |                  |  |
| Actual results will vary depending on development, inflation of overall tax rates. |                   |                   |                |                     |                                 |                                  |          |                  |  |



## Financing and Implementation

The District's expenditure period terminated on February 7, 2020 so no additional project costs can be incurred. The District currently is not generating sufficient increment to cover its existing Series 2009 General Obligations (GO) Refunding Bonds and Series 2015 GO Refunding Bonds annual debt service. Current projections do not foresee the District generating the necessary annual increment throughout the term of the existing debt - which finally matures in 2028. To make the necessary debt service payments the Village's General Fund and Debt Service Fund are making up for any annual shortfall. Between now and 2019 and 2028 the Village will provide the District a projected \$4,044,190 in generally collected property tax revenue.

Upon the final debt service payment, any annual surplus incremental revenue (after expenses) will be used to repay the Village for the additional funds provided. At the present time, the District is projected to close in 2033, two-years prior to its mandatory closure date in 2035. Additional development or increase in tax rate or inflationary appreciation would improve the forecasted revenues and repayment to the Village.

The Village is also planning on creating a new TID 3, a Mixed-Use District in 2021. The hope is that TID 3 will generate surplus incremental revenue to serve as a Donor TID to TID 2.

Table 3 reflects the District's Cash Flow projections. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Table 3 - Cash Flow

| Village of Kewaskum, Wisconsin  |                    |                     |               |                    |   |                   |  |       |               |  |       |                |                       |                     |                     |                    |                       |             |                       |              |
|---|--------------------|---------------------|---------------|--------------------|---|-------------------|--|-------|---------------|--|-------|----------------|-----------------------|---------------------|---------------------|--------------------|-----------------------|-------------|-----------------------|--------------|
| Tax Increment District #2   |                    |                     |               |                    |   |                   |  |       |               |  |       |                |                       |                     |                     |                    |                       |             |                       |              |
| Cash Flow Projection  |                    |                     |               |                    |   |                   |  |       |               |  |       |                |                       |                     |                     |                    |                       |             |                       |              |
| Year  | Projected Revenues |                     |               |                    |   |                   | Expenditures   |       |               |  |       |                |                       |                     |                     |                    | Balances              |             |                       | Year         |
|   | Tax Increments     | Special Assessments | Computer Aids | Sewer Contribution | Cash Payments from General Fund and Debt Service Fund to cover cashflow shortfall | Total Revenues    | 2009 GO Refunding Bonds<br>8,060,000<br>Dated Date: 04/02/09 |       |               | 2015 GO Refunding Bonds<br>7,015,000<br>Dated Date: 05/14/15 |       |                | Adjust for 2019 PE303 | Interest on Advance | Prof. Fees & Admin. | Total Expenditures | Annual                | Cumulative  | Principal Outstanding |              |
| 2019  | 309,473            | 4,482               | 676           | 141,061            | 244,897   | 700,589           | 500,000  | 4.20% | 21,000        | 110,000  | 1.30% | 147,053        | (57,104)              | 58,155              | 4,836               | 783,940            | (83,351)              | (1,871,188) | 6,575,000             | 2019         |
| 2020  | 459,386            |                     |               | 146,191            | 200,773   | 806,350           |  |       |               | 665,000  | 1.50% | 141,350        |                       |                     | 5,000               | 811,350            | (5,000)               | (1,876,188) | 5,910,000             | 2020         |
| 2021  | 463,980            |                     |               | 151,485            | 220,082   | 835,546           |  |       |               | 705,000  | 1.65% | 130,546        |                       |                     | 5,000               | 840,546            | (5,000)               | (1,881,188) | 5,205,000             | 2021         |
| 2022  | 468,620            |                     |               | 155,568            | 233,882   | 858,070           |  |       |               | 740,000  | 1.80% | 118,070        |                       |                     | 5,000               | 863,070            | (5,000)               | (1,886,188) | 4,465,000             | 2022         |
| 2023  | 421,224            |                     |               | 154,814            | 277,872   | 853,910           |  |       |               | 750,000  | 2.00% | 103,910        |                       |                     | 5,000               | 858,910            | (5,000)               | (1,891,188) | 3,715,000             | 2023         |
| 2024  | 425,436            |                     |               | 153,751            | 268,862   | 848,050           |  |       |               | 760,000  | 2.20% | 88,050         |                       |                     | 5,000               | 853,050            | (5,000)               | (1,896,188) | 2,955,000             | 2024         |
| 2025  | 429,691            |                     |               | 147,895            | 238,164   | 815,750           |  |       |               | 745,000  | 2.40% | 70,750         |                       |                     | 5,000               | 820,750            | (5,000)               | (1,901,188) | 2,210,000             | 2025         |
| 2026  | 433,987            |                     |               | 146,308            | 226,699   | 806,995           |  |       |               | 755,000  | 2.60% | 51,995         |                       |                     | 5,000               | 811,995            | (5,000)               | (1,906,188) | 1,455,000             | 2026         |
| 2027  | 438,327            |                     |               | 139,037            | 189,526   | 766,890           |  |       |               | 735,000  | 2.80% | 31,890         |                       |                     | 5,000               | 771,890            | (5,000)               | (1,911,188) | 720,000               | 2027         |
| 2028  | 442,711            |                     |               | 132,494            | 155,595   | 730,800           |  |       |               | 720,000  | 3.00% | 10,800         |                       |                     | 5,000               | 735,800            | (5,000)               | (1,916,188) | 0                     | 2028         |
| 2029  | 447,138            |                     |               |                    |   | 447,138           |  |       |               |  |       |                |                       |                     | 5,000               | 5,000              | 442,138               | (1,474,050) | 0                     | 2029         |
| 2030  | 451,609            |                     |               |                    |   | 451,609           |  |       |               |  |       |                |                       |                     | 5,000               | 5,000              | 446,609               | (1,027,441) | 0                     | 2030         |
| 2031  | 456,125            |                     |               |                    |   | 456,125           |  |       |               |  |       |                |                       |                     | 5,000               | 5,000              | 451,125               | (576,316)   | 0                     | 2031         |
| 2032  | 460,686            |                     |               |                    |   | 460,686           |  |       |               |  |       |                |                       |                     | 5,000               | 5,000              | 455,686               | (120,629)   | 0                     | 2032         |
| 2033  | 465,293            |                     |               |                    |   | 465,293           |  |       |               |  |       |                |                       | 10,000              | 10,000              | 455,293            | 334,664               | 0           | 2033                  |              |
| 2034  | 469,946            |                     |               |                    |   | 469,946           |  |       |               |  |       |                |                       |                     | 0                   | 469,946            | 804,610               | 0           | 2034                  |              |
| 2035  | 474,646            |                     |               |                    |   | 474,646           |  |       |               |  |       |                |                       |                     | 0                   | 474,646            | 1,279,256             | 0           | 2035                  |              |
| <b>Total</b>  | <b>7,518,279</b>   | <b>4,482</b>        | <b>676</b>    | <b>1,468,605</b>   | <b>4,044,190</b>  | <b>13,036,232</b> | <b>500,000</b>   |       | <b>21,000</b> | <b>6,685,000</b>   |       | <b>894,414</b> | <b>(57,104)</b>       | <b>58,155</b>       | <b>79,836</b>       | <b>9,739,603</b>   |                       |             |                       | <b>Total</b> |
| Notes:  |                    |                     |               |                    |   |                   |  |       |               |  |       |                |                       |                     |                     |                    | Projected TID Closure |             |                       |              |
| One time adjustment in 2019 to match Village's filed PE 303 form.   |                    |                     |               |                    |   |                   |  |       |               |  |       |                |                       |                     |                     |                    |                       |             |                       |              |
| Principal outstanding does not reflect current or future advances provided by the General Fund and Debt Service Fund. |                    |                     |               |                    |   |                   |  |       |               |  |       |                |                       |                     |                     |                    |                       |             |                       |              |
| Cash flow does not yet reflect potential donations from TID 3 to be created in 2021.                                  |                    |                     |               |                    |   |                   |  |       |               |  |       |                |                       |                     |                     |                    |                       |             |                       |              |

## **SECTION 10:**

### **Annexed Property**

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A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. No territory is being added to the District as part of this Plan Amendment.

## **SECTION 11:**

### **Estimate of Property to be Devoted to Retail Business**

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Pursuant to Wis. Stat. § 66.1105(5)(b), the Village estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## **SECTION 12:**

### **Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and Village Ordinances**

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#### Zoning Ordinances

The proposed Plan Amendment is in general conformance with the Village's current zoning ordinances. Individual properties may require rezoning at the time of development. Land within the District zoned industrial at the time of District creation will remain in a zoning classification suitable for industrial sites for the life of the District.

#### Master (Comprehensive) Plan and Map

The proposed Plan Amendment is in general conformance with the Village's Comprehensive Plan identifying the area as appropriate for industrial development.

## **Building Codes and Ordinances**

Development within the District will be required to conform to State Building Codes and will be subject to the Village's permitting and inspection procedures. The proposed Plan Amendment conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

### **SECTION 13:**

## **Statement of the Proposed Method for the Relocation of any Persons to be Displaced**

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Should the continued implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

### **SECTION 14:**

## **How Amendment of the Tax Incremental District Promotes the Orderly Development of the Village**

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The original Project Plan contributed to the orderly development of the Village by creating new industrial sites, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects.

Through use of tax increment financing, the Village was able to attract new investment that resulted in increased tax base. Development occurred in an orderly fashion in accordance with approved plans so that the Projects were compatible with adjacent land uses. Development in the District added to the tax base and has generated positive secondary impacts in the community such as increased employment opportunities, personal income, and business income.

## **SECTION 15:**

### **List of Estimated Non-Project Costs**

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Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

## SECTION 16:

# Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f)

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April 1, 2021

Mr. Kevin Scheunemann  
Village President  
Village of Kewaskum  
204 First Street  
Kewaskum, WI 53040

RE: Project Plan Amendment for Tax Incremental District No. 2

Dear President Scheunemann:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the Village Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105. As Village Attorney for the Village of Kewaskum, I have been asked to review the above-referenced project plan amendment for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the amended Project Plan for the Village of Kewaskum Tax Incremental District No. 2 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Danaher", is written over a printed name and title.

James R. Danaher  
Village Attorney

### Schloemer Law Firm, S.C. - Attorneys At Law

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## SECTION 17:

# Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4

| Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction. |                   |                     |                             |                                |           |              |
|---|-------------------|---------------------|-----------------------------|--------------------------------|-----------|--------------|
| Revenue Year  | Washington County | Village of Kewaskum | School District of Kewaskum | Moraine Park Technical College | Total     | Revenue Year |
| 2020  | 57,823            | 173,292             | 212,713                     | 15,558                         | 459,386   | 2020         |
| 2021  | 58,401            | 175,025             | 214,840                     | 15,714                         | 463,980   | 2021         |
| 2022  | 58,986            | 176,775             | 216,988                     | 15,871                         | 468,620   | 2022         |
| 2023  | 53,020            | 158,896             | 195,042                     | 14,266                         | 421,224   | 2023         |
| 2024  | 53,550            | 160,485             | 196,993                     | 14,408                         | 425,436   | 2024         |
| 2025  | 54,085            | 162,090             | 198,963                     | 14,552                         | 429,691   | 2025         |
| 2026  | 54,626            | 163,711             | 200,952                     | 14,698                         | 433,987   | 2026         |
| 2027  | 55,173            | 165,348             | 202,962                     | 14,845                         | 438,327   | 2027         |
| 2028  | 55,724            | 167,002             | 204,991                     | 14,993                         | 442,711   | 2028         |
| 2029  | 56,282            | 168,672             | 207,041                     | 15,143                         | 447,138   | 2029         |
| 2030  | 56,844            | 170,358             | 209,112                     | 15,295                         | 451,609   | 2030         |
| 2031  | 57,413            | 172,062             | 211,203                     | 15,448                         | 456,125   | 2031         |
| 2032  | 57,987            | 173,783             | 213,315                     | 15,602                         | 460,686   | 2032         |
| 2033  | 58,567            | 175,520             | 215,448                     | 15,758                         | 465,293   | 2033         |
| 2034  | 59,152            | 177,276             | 217,603                     | 15,916                         | 469,946   | 2034         |
| 2035  | 59,744            | 179,048             | 219,779                     | 16,075                         | 474,646   | 2035         |
|   | 907,377           | 2,719,344           | 3,337,945                   | 244,140                        | 7,208,806 |              |
| Notes:  |                   |                     |                             |                                |           |              |
| The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.                                  |                   |                     |                             |                                |           |              |
|   |                   |                     |                             |                                |           |              |
|   |                   |                     |                             |                                |           |              |
|   |                   |                     |                             |                                |           |              |