

August 11, 2021

Project Plan

Tax Incremental District No. 11

City of Whitewater, Wisconsin

Organizational Joint Review Board Meeting Held:	July 15, 2021
Public Hearing Held:	July 15, 2021
Approval by CDA:	July 15, 2021
Approval by Common Council:	August 3, 2021
Consideration by the Joint Review Board:	August 11, 2021

Table of Contents

Executive Summary.....	3
Preliminary Map of Proposed District Boundary	6
Map Showing Existing Uses and Conditions	11
Preliminary Parcel List and Analysis.....	13
Equalized Value Test	15
Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District.....	16
Map Showing Proposed Improvements and Uses	23
Detailed List of Estimated Project Costs	25
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	27
Annexed Property	31
Estimate of Property to Be Devoted to Retail Business.....	32
Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances	33
Statement of the Proposed Method for the Relocation of any Persons to be Displaced	34
How Creation of the Tax Incremental District Promotes the Orderly Development of the City.....	35
List of Estimated Non-Project Costs.....	36
Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f)	37
Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions.....	39

SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 11 (“District”) is a proposed Mixed-Use District comprising approximately 280 acres. The District will be created to pay the costs of public infrastructure and development incentives as needed to promote commercial and residential development.

Authority

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

CDA Involvement

The Community Development Authority will be responsible for economic development programs and promoting the objectives for the District as outlined in this Project Plan.

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$8.1 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Based on the initial incremental valuation projections for developments occurring in the near term, approximately \$1.4 million of the total project costs can be supported. The Plan includes other TID eligible costs if actual incremental valuation exceeds these initial projections and additional costs to achieve the objectives of the Plan can be funded by the District.

Incremental Valuation

The City projects that new land and improvements value of approximately \$3,215,000 will result from developments occurring in the near term. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay Project Costs within 20 years.

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:

1. 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 City. In reaching this determination, the City has considered:

The investment needed to provide the public infrastructure necessary to allow for development within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements.

2. 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. In making this determination, the City has considered the following information:

Increased business development within the District will lead to the purchase of more goods and services from local suppliers, and induced effects of employee households spending locally for goods and services from retailers, restaurants and service companies

3. 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 City 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.
4. Not less than 50% by area of the real property within the District is suitable for mixed use development as defined by Wis. Stat. § 66.1105(2)(cm). Lands proposed for newly-platted residential development comprise no more than 35% of the real property area within the District. Costs related to newly-platted residential development may be incurred based on the anticipated development having a density of at least three (3) units per acre as defined in Wis. Stat. § 66.1105(2)(f)3.a.
5. Based on the foregoing finding, the District is designated as a mixed-use district.
6. The Project Costs relate directly to promoting mixed use development in the District, consistent with the purpose for which the District is created.

7. 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.
8. The equalized value of taxable property in the District does not exceed 12% of the total equalized value of taxable property within the City.
9. The City 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).
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

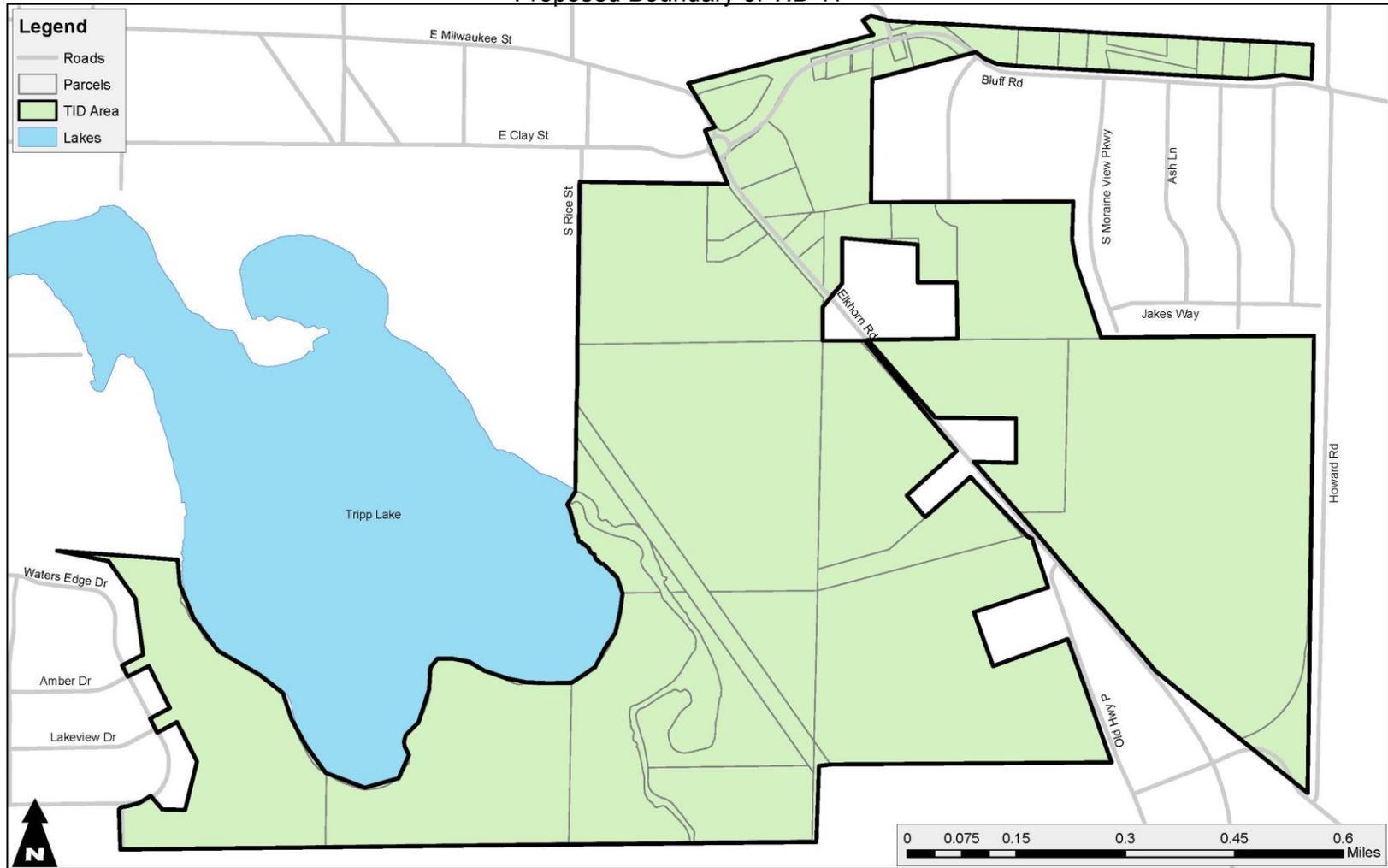
SECTION 2:

Preliminary Map of Proposed District Boundary

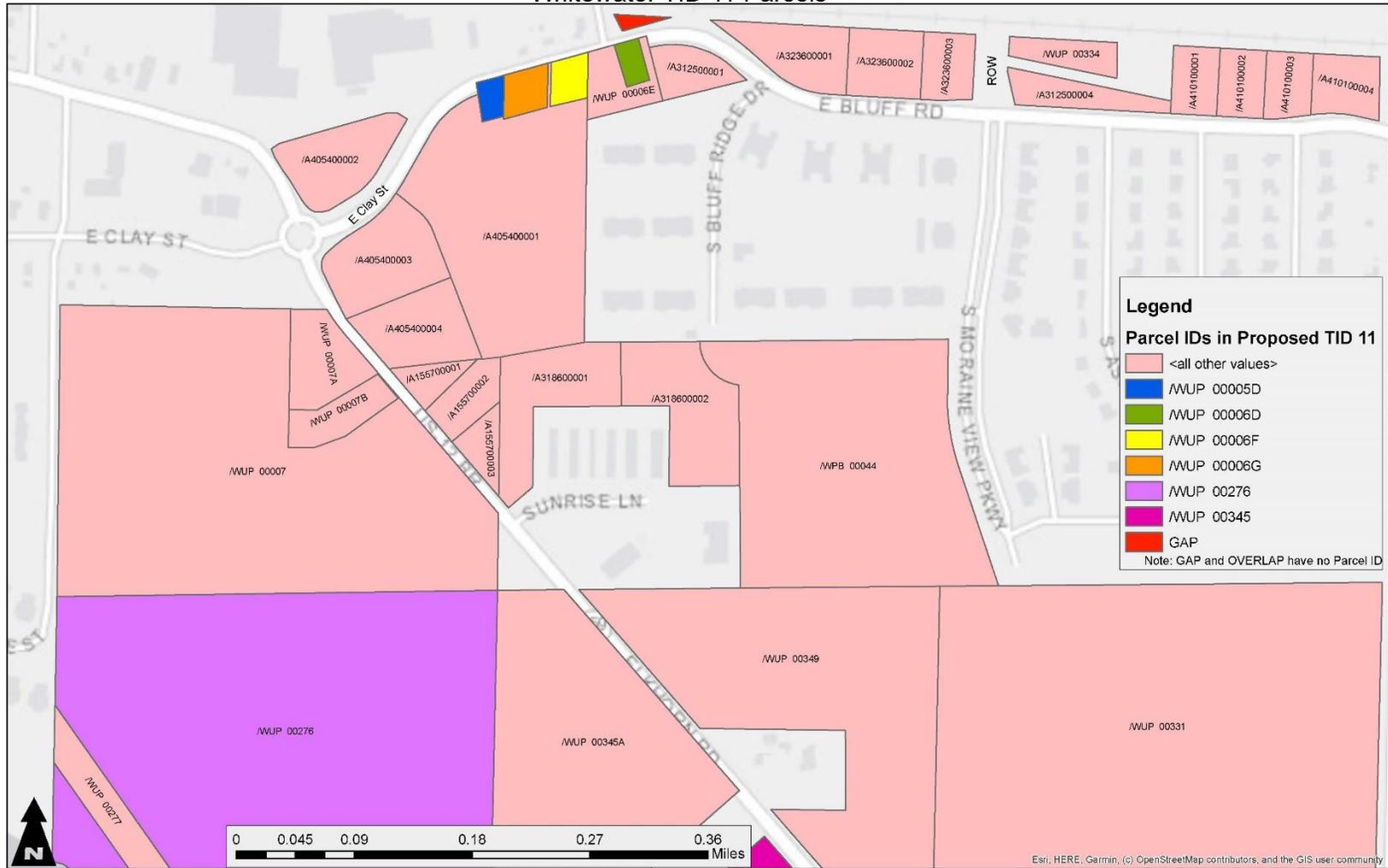
Map Found on Following Page.

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

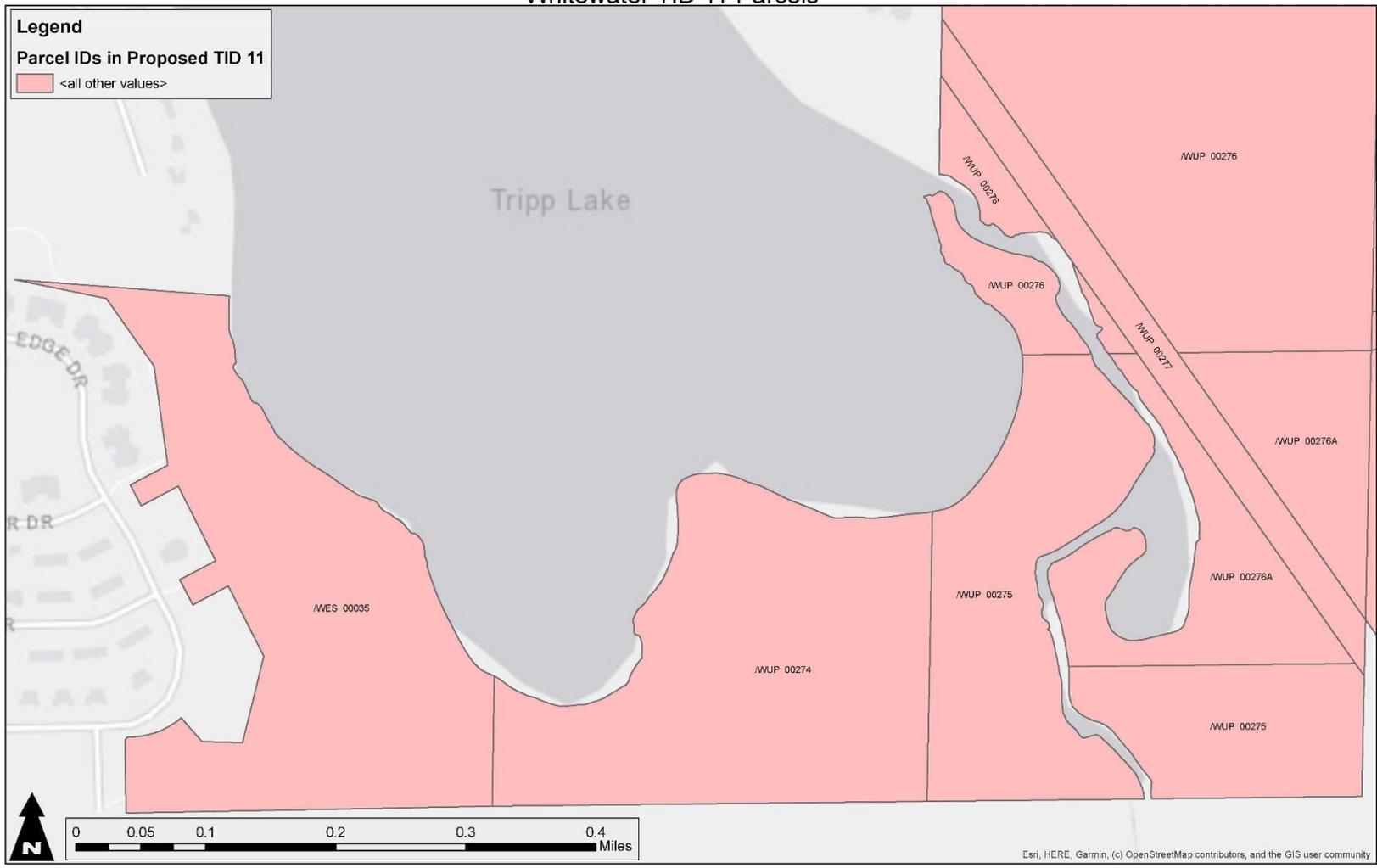
Proposed Boundary of TID 11



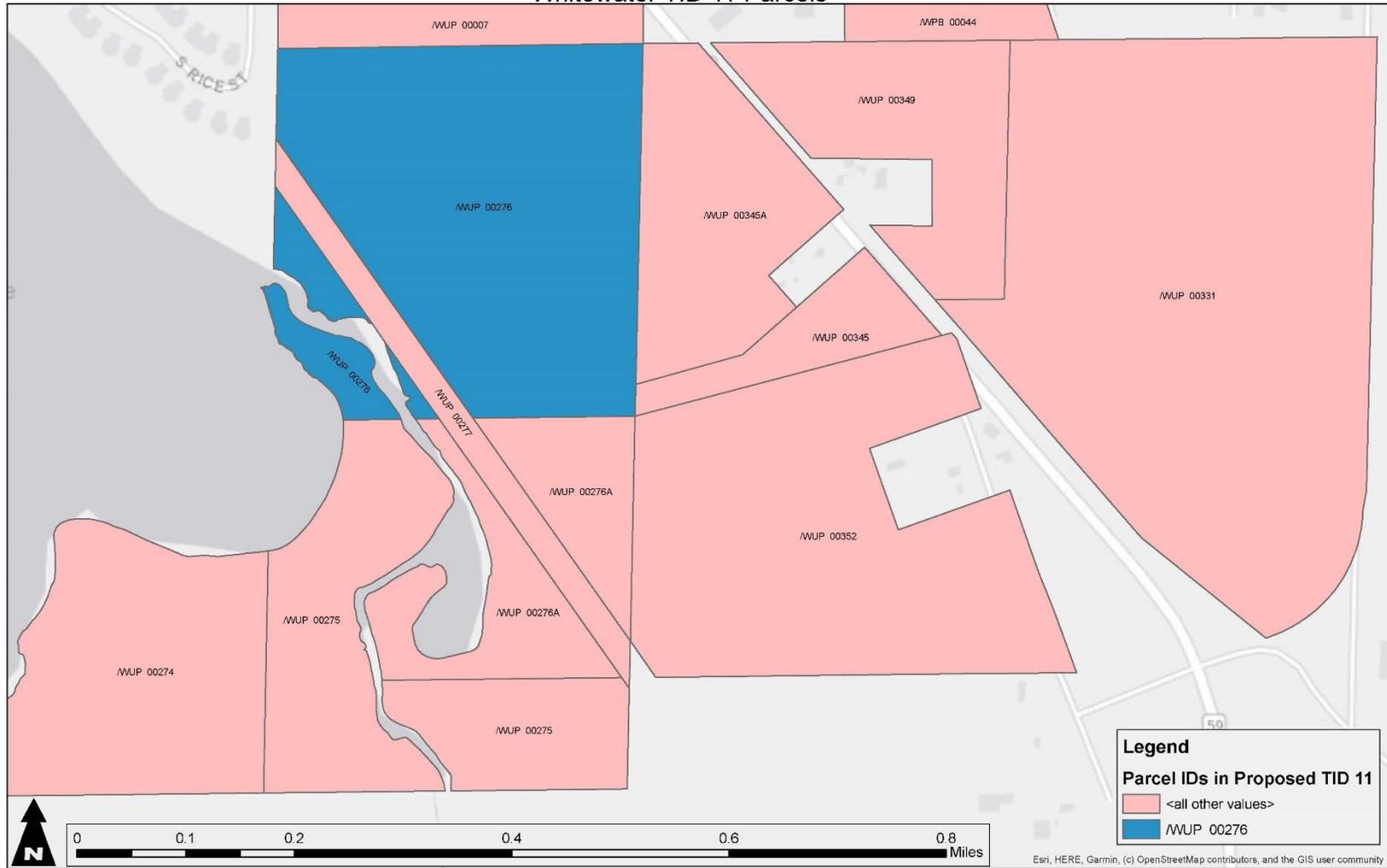
Whitewater TID 11 Parcels



Whitewater TID 11 Parcels



Whitewater TID 11 Parcels

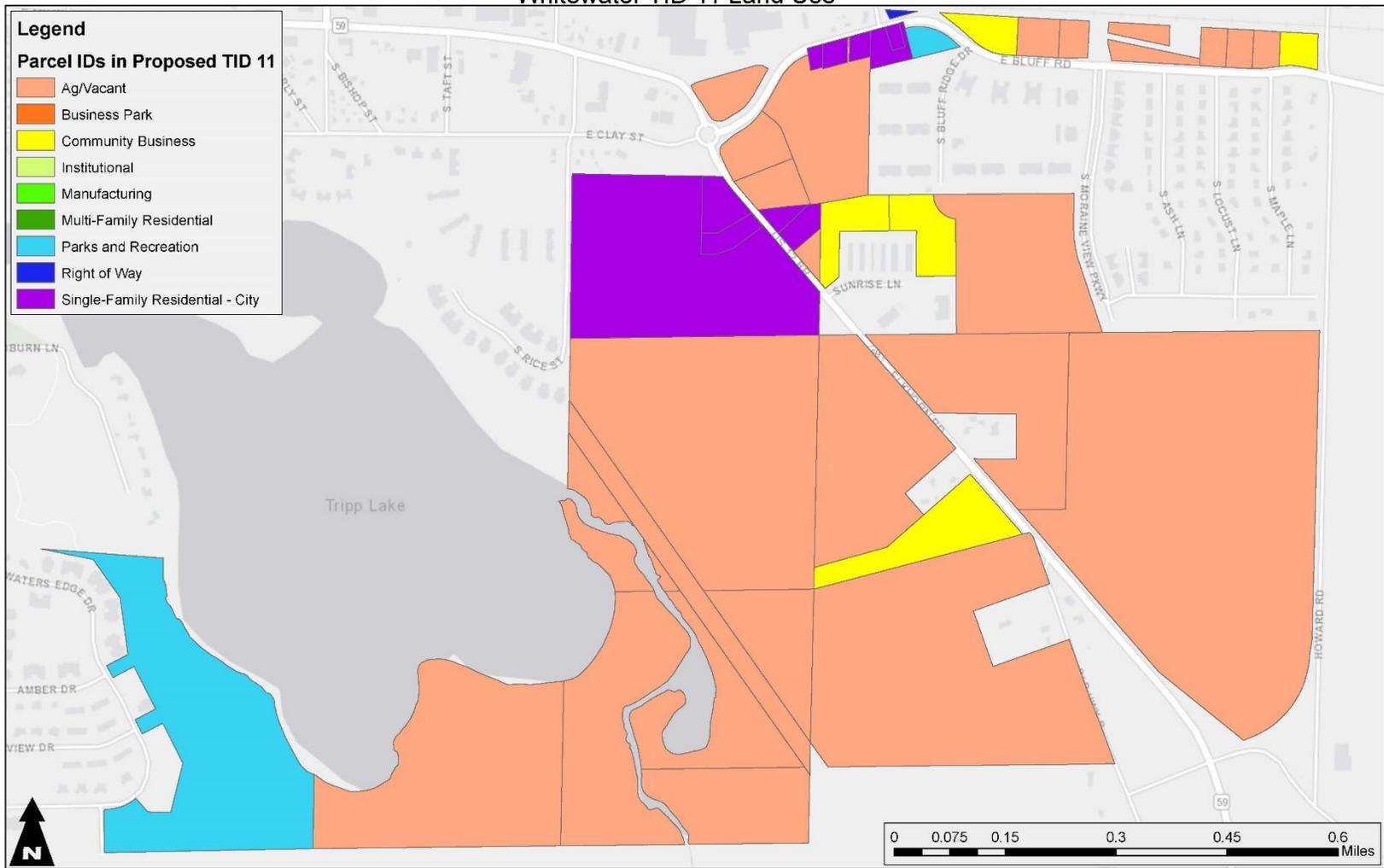


SECTION 3:

Map Showing Existing Uses and Conditions

Map Found on Following Page.

Whitewater TID 11 Land Use



SECTION 4:

Preliminary Parcel List and Analysis

See list found on following page.

City of Whitewater

Tax Incremental District No. 11

Base Property Information

Property Information				Assessment Information			Equalized Value			Future Land Use		District Classification				
Parcel Number	Street Address	Owner	Acreage (Assessor)	Land	Imp	Total	Equalized Value Ratio	Land	Imp	Total	ClassDescr	Future Land use	Commercial/Business	Other	Newly Platted Residential	Suitable for Mixed Use
/A155700001	361 ELKHORN RD	RR WALTON & COMPANY LTD	0.54	78,600	125,600	204,200	96.00%	81,875	130,833	212,708	Residential	Commercial	0.54			0.54
/A155700002	363 ELKHORN RD	RR WALTON & COMPANY LTD	0.75	78,300	59,100	137,400	96.00%	81,563	61,563	143,125	Residential	Commercial	0.75			0.75
/A155700003		RR WALTON & COMPANY LTD	1.03	34,600	0	34,600	96.00%	36,042	0	36,042	Residential	Commercial	1.03			1.03
/A312500001		CITY OF WHITEWATER 'PUMP HOUSE'	0.68	0	0	0	96.00%	0	0	0	Exempt Local				0.68	0.68
/A312500004		CITY OF WHITEWATER 'PUMP HOUSE'	0.79	0	0	0	96.00%	0	0	0	Exempt Local	Residential			0.79	0.79
/A318600001	N9320/N9324 SUNRISE LN	RR WALTON & COMPANY LTD	2.03	137,300	37,100	174,400	96.00%	143,021	38,646	181,667	Commercial	Commercial	2.03			2.03
/A318600002		WHITEWATER SELF-STORAGE LLP	2.38	37,000	249,600	286,600	96.00%	38,542	260,000	298,542	Commercial	Residential			2.38	2.38
/A323600001	1202-1208 BLUFF RIDGE	BLUFF RIDGE MARKET PLACE LLC	1.24	119,300	370,700	490,000	96.00%	124,271	386,146	510,417	Commercial	Residential			1.24	1.24
/A323600002		COMMUNITY DEVELOPMENT AUTHORITY OF WHITI	1.01	0	0	0	96.00%	0	0	0	Exempt Local	Residential			1.01	1.01
/A323600003		COMMUNITY DEVELOPMENT AUTHORITY OF WHITI	0.70	0	0	0	96.00%	0	0	0	Exempt Local	Residential			0.7	0.70
/A405400001	E BLUFF RD	CITY OF WHITEWATER	7.21	0	0	0	96.00%	0	0	0	Exempt Local	Residential			7.21	7.21
/A405400002		CITY OF WHITEWATER	1.92	0	0	0	96.00%	0	0	0	Exempt Local	Commercial	1.92			1.92
/A405400003	0 ELKHORN RD	KT Real Estate Holdings LLC, a Delaware limited li	1.85	500,000	0	500,000	96.00%	520,833	0	520,833	Commercial	Commercial	1.85			1.85
/A405400004	ELKHORN RD	KT Real Estate Holdings LLC	1.50	103,500	0	103,500	96.00%	107,813	0	107,813	Residential	Commercial	1.50			1.50
/A410100001		ROZELLE INVESTMENTS LLC	0.63	48,500	0	48,500	96.00%	50,521	0	50,521	Commercial	Residential			0.63	0.63
/A410100002		ROZELLE INVESTMENTS LLC	0.64	48,500	0	48,500	96.00%	50,521	0	50,521	Commercial	Residential			0.638	0.64
/A410100003		ROZELLE INVESTMENTS LLC	0.62	46,800	0	46,800	96.00%	48,750	0	48,750	Commercial	Residential			0.618	0.62
/A410100004	1360 E BLUFF RD	ECC RENTALS LLC	0.81	61,800	338,100	399,900	96.00%	64,375	352,188	416,563	Commercial	Residential			0.81	0.81
/WES 00035		CITY OF WHITEWATER	21.28	0	0	0	96.00%	0	0	0	Exempt Local	Parkland/Wetland		21.28		0.00
/WBP 00044		EDWIN L KOWALSKI TRUST	11.00	3,000	0	3,000	96.00%	3,125	0	3,125	Agricultural	Residential			11.00	11.00
/WBP 00044		EDWIN L KOWALSKI TRUST		500	0	500	96.00%	521	0	521	Undeveloped	Residential				0.00
/WUP 00005D	1137 BLUFF RD	GARY KEHDE	0.21	41,200	73,700	114,900	96.00%	42,917	76,771	119,688	Residential	Residential			0.21	0.21
/WUP 00006D	1169 BLUFF RD	GALE M BEHRENS	0.22	43,600	67,200	110,800	96.00%	45,417	70,000	115,417	Residential	Residential			0.22	0.22
/WUP 00006E	1161 BLUFF RD	DAVID C TRAXLER	0.70	47,900	141,900	189,800	96.00%	49,896	147,813	197,708	Residential	Residential			0.7	0.70
/WUP 00006F	1153 BLUFF RD	JEREMY C JACOBS	0.33	51,600	93,300	144,900	96.00%	53,750	97,188	150,938	Residential	Residential			0.33	0.33
/WUP 00006G	1149 BLUFF RD	RAYMOND MILES	0.38	52,400	84,100	136,500	96.00%	54,583	87,604	142,188	Residential	Residential			0.38	0.38
/WUP 00007		BECKY S HAHN	19.57	5,400	0	5,400	96.00%	5,625	0	5,625	Agricultural	Commercial	19.57			19.57
/WUP 00007		BECKY S HAHN		800	0	800	96.00%	833	0	833	Undeveloped	Commercial	0.00			0.00
/WUP 00007A	340 ELKHORN RD	TIM A GERMUNDSON	1.22	60,100	100,400	160,500	96.00%	62,604	104,583	167,188	Residential	Commercial	1.22			1.22
/WUP 00007B	354 ELKHORN RD	D&P Snyder Joint Revocable Trust	0.77	53,000	145,400	198,400	96.00%	55,208	151,458	206,667	Residential	Commercial	0.77			0.77
/WUP 00274		DOUGLAS RIDGE	20.74	3,800	0	3,800	96.00%	3,958	0	3,958	Agricultural	Residential & Wetlands		10.64	10.10	10.10
/WUP 00274		DOUGLAS RIDGE		4,000	0	4,000	96.00%	4,167	0	4,167	Undeveloped	Residential			0	0.00
/WUP 00275		C&R HUNT TRUST	18.00	2,500	0	2,500	96.00%	2,604	0	2,604	Undeveloped	Residential			18	18.00
/WUP 00276		BECKY S HAHN	31.00	5,400	0	5,400	96.00%	5,625	0	5,625	Agricultural	Residential & Wetlands		12.20	18.8	18.80
/WUP 00276		BECKY S HAHN		6,500	0	6,500	96.00%	6,771	0	6,771	Undeveloped	Residential			0	0.00
/WUP 00276A	0 HIGHWAY 12	JOAN DEMPSEY TRUST	13.50	900	0	900	96.00%	938	0	938	Agricultural	Residential & Wetlands		8.30	5.2	5.20
/WUP 00276A		JOAN DEMPSEY TRUST		29,400	0	29,400	96.00%	30,625	0	30,625	Undeveloped	Residential			0	0.00
/WUP 00331	0 HIGHWAY 12	JOAN DEMPSEY TRUST	52.92	14,500	0	14,500	96.00%	15,104	0	15,104	Agricultural	Commercial	52.92			52.92
/WUP 00331		JOAN DEMPSEY TRUST		2,500	0	2,500	96.00%	2,604	0	2,604	Undeveloped	Commercial	0.00			0.00
/WUP 00334		ROZELLE INVESTMENTS LLC	0.60	0	0	0	96.00%	0	0	0	Exempt Local	Residential			0.60	0.60
/WUP 00345	560 S ELKHORN RD	RONALD B WALENTON	4.94	153,800	434,700	588,500	96.00%	160,208	452,813	613,021	Commercial	Commercial	4.94			4.94
/WUP 00345A		MND LLC	12.47	3,800	0	3,800	96.00%	3,958	0	3,958	Agricultural	Commercial	12.473			12.47
/WUP 00349	0 HWY 12	RILEY VENTURES LLC	12.99	3,900	0	3,900	96.00%	4,063	0	4,063	Agricultural	Commercial	12.99			12.99
/WUP 00352	0 HIGHWAY 12	JOAN DEMPSEY TRUST	31.13	9,100	0	9,100	96.00%	9,479	0	9,479	Agricultural	Commercial	31.134			31.13
				3,200	0	3,200	96.00%	3,333	0	3,333	Agricultural Forest	Commercial	0			0.00
Total Acreage				280.30												
				1,897,000	2,320,900	4,217,900		1,976,042	2,417,604				145.633	52.42	82.251	227.884
													51.96%	18.70%	29.34%	81.30%
										4,393,646						

SECTION 5: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District does not exceed 12% of the total equalized value of taxable property within the City.

The estimated equalized value base value of the proposed District totals \$4,396,646. This value is less than the maximum of \$88,896,288 in equalized value that is permitted for the City.

City of Whitewater, WI	
Tax Increment District No. 11	
Valuation Test Compliance Calculation	
District Creation Date	8/3/2021
	Valuation Data Currently Available 2020
Total EV (TID In)	740,802,400
12% Test	88,896,288
Increment of Existing TIDs	
Total Existing Increment	0
Projected Base of New or Amended District	4,393,646
Less Value of Any Underlying TID Parcels	0
Total Value Subject to 12% Test	4,393,646
Compliance	PASS

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory 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, design and construction is completed.

With all Project Costs, 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 City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City 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; pumping stations; lift stations; 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 City 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 City 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 Wis. Stat. § 66.1105(2)(f)1 k.

Water System Improvements

To allow development to occur, the City 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; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City 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 City 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. To manage this stormwater runoff, the City 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 City 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 City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the City 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 City to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development, the City 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 City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development consistent with the objectives of this Plan, the City 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 City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for 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 City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Contribution to Community Development Authority

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs within the District, including but not limited to real

property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs. The Community Development Authority (CDA) promotes economic development throughout the community. The CDA offers financial assistance such as grants for qualifying startups, industrial development loans for manufacturing businesses, commercial enterprise loans for retail and service businesses, etc.

Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan, the City, through its CDA, may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA. These funds may be placed into a revolving fund and will continue to be used for the program purposes stated above within the District. Any funds remaining at the time of District closure or received following District closure shall be proportionally distributed to all taxing jurisdictions based on the final allocations identified in the District's final audit. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Rail Spur

To allow for development, the City may incur costs for installation of a rail spur or other railway improvements to serve development sites located within the District.

Projects Outside the Tax Incremental District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City 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 City'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 City intends to make the following project cost expenditures outside the District:

- Buff Road Repaving (Main to Howard): \$230,000

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The City 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 City employees relating to 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.

SECTION 7:

Map Showing Proposed Improvements and Uses

Map Found on Following Page.

SECTION 8: Detailed List of Estimated Project Costs

The list on the following page identifies the Project Costs that the City currently expects to incur in implementing the District's Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended unless Total Project Costs exceed the estimates plus an annual 2% increase plus a 25% contingency. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

Based on the initial incremental valuation projections for developments in the near term, approximately \$1.4 million of the total project costs can be supported. The Plan includes other TID eligible costs if actual incremental valuation exceeds these initial projections and additional costs to achieve the objectives of the Plan can be funded by the District.

City of Whitewater, WI

Tax Increment District No. 11

Estimated Project List

Project ID	Project Name/Type	Project year	1/2 mile or utilities outside boundary	TID Amount	Non TID Amount
1	Water Main Looping	2022	No	90,000	
2	Water Tower	2022	Utilities extension	215,250	1,730,000
3	Bluff Road improvements -Elkhorn to Main	2026	No	105,000	
4	Property Acquisition	2029	No	250,000	
5	Sanitary Sewer and Watermain Extension	2030	No	900,000	
6	Multi Use Trail Expansion	2033	No	650,000	
7	Sewer/Water/Street Infrastructure	2035	No	1,500,000	
8	Bluff Road improvements -Main to Howard	2035	1/2 Mile	230,000	
9	Sewer/Water/Street Infrastructure	2037	No	1,500,000	
10	E. Main S, Improvements -Bluff around the bend	2037	No	45,000	
11	Developer incentives	TBD as needed	No	1,883,325	
12	CDA Contribution	Throughout District	No	730,000	
13	Administrative Costs	Throughout District	No	62,500	
Total Projects				<u>8,161,075</u>	<u>1,730,000</u>

Notes:

Note 1 Project costs are estimates and are subject to modification

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

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

Key Assumptions

The City projects that new land and improvements value of approximately \$3,215,000 million will result from developments in the near term and anticipated development upon city owned lots. Estimated valuations and timing for construction are included in Table 1. Assuming economic appreciation of 1%, the District would generate \$1,314,356 in incremental tax revenue over the 20-year term of the District as shown in Table 2.

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 3), the District is projected to accumulate sufficient funds by the year 2042 to pay off Project cost liabilities and obligations. 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 1 - Development Assumptions

<div style="background-color: #003366; color: white; padding: 10px; text-align: center;"> City of Whitewater, WI Tax Increment District No. 11 Development Assumptions </div>							
Construction Year		Kwik Trip	Dollar General	Annual Total	Construction Year		
1	2021	2,600,000	615,000	3,215,000	2021	1	
2	2022			0	2022	2	
3	2023			0	2023	3	
4	2024			0	2024	4	
5	2025			0	2025	5	
6	2026			0	2026	6	
7	2027			0	2027	7	
8	2028			0	2028	8	
9	2029			0	2029	9	
10	2030			0	2030	10	
11	2031			0	2031	11	
12	2032			0	2032	12	
13	2033			0	2033	13	
14	2034			0	2034	14	
15	2035			0	2035	15	
16	2036			0	2036	16	
17	2037			0	2037	17	
18	2038			0	2038	18	
19	2039			0	2039	19	
20	2040			0	2040	20	
Totals		<u>2,600,000</u>	<u>615,000</u>	<u>3,215,000</u>			

Notes:

Table 2 – Tax Increment Projection Worksheet

City of Whitewater, WI Tax Increment District No. 11 Tax Increment Projection Worksheet - Walworth County										
Type of District	Mixed Use			Base Value	4,393,646					
District Creation Date	August 3, 2021			Appreciation Factor	0.50%		Apply to Base Value			
Valuation Date	Jan 1, 2021			Base Tax Rate	\$20.03					
Max Life (Years)	20			Rate Adjustment Factor (3 years)	-1.00%					
Expenditure Period/Termination	15		8/3/2036							
Revenue Periods/Final Year	20		2042							
Extension Eligibility/Years	Yes		3		Tax Exempt Discount Rate	3.00%				
Eligible Recipient District	No			Taxable Discount Rate	4.00%					

	Construction		Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt	
	Year	Value Added							NPV Calculation	Taxable NPV Calculation
1	2021	3,215,000	2022	0	3,215,000	2023	\$20.03	64,381	58,917	57,234
2	2022	0	2023	16,075	3,231,075	2024	\$19.82	64,055	115,830	111,989
3	2023	0	2024	16,155	3,247,230	2025	\$19.63	63,732	170,806	164,372
4	2024	0	2025	16,236	3,263,467	2026	\$19.43	63,410	223,910	214,486
5	2025	0	2026	16,317	3,279,784	2027	\$19.43	63,727	275,727	262,913
6	2026	0	2027	16,399	3,296,183	2028	\$19.43	64,046	326,285	309,711
7	2027	0	2028	16,481	3,312,664	2029	\$19.43	64,366	375,616	354,934
8	2028	0	2029	16,563	3,329,227	2030	\$19.43	64,688	423,750	398,634
9	2029	0	2030	16,646	3,345,873	2031	\$19.43	65,011	470,715	440,865
10	2030	0	2031	16,729	3,362,603	2032	\$19.43	65,336	516,541	481,673
11	2031	0	2032	16,813	3,379,416	2033	\$19.43	65,663	561,254	521,109
12	2032	0	2033	16,897	3,396,313	2034	\$19.43	65,991	604,882	559,217
13	2033	0	2034	16,982	3,413,294	2035	\$19.43	66,321	647,452	596,043
14	2034	0	2035	17,066	3,430,361	2036	\$19.43	66,653	688,987	631,630
15	2035	0	2036	17,152	3,447,512	2037	\$19.43	66,986	729,515	666,019
16	2036	0	2037	17,238	3,464,750	2038	\$19.43	67,321	769,059	699,250
17	2037	0	2038	17,324	3,482,074	2039	\$19.43	67,658	807,644	731,364
18	2038	0	2039	17,410	3,499,484	2040	\$19.43	67,996	845,291	762,396
19	2039	0	2040	17,497	3,516,982	2041	\$19.43	68,336	882,025	792,384
20	2040	0	2041	17,585	3,534,566	2042	\$19.43	68,678	917,868	821,363
Totals		3,215,000	319,566		Future Value of Increment		1,314,356			

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).

Table 3 - Cash Flow

City of Whitewater, WI														
Tax Increment District No. 11														
Cash Flow Projection														
Year	Projected Revenues		Expenditures							Balances			Year	
	Tax Increments	Total Revenues	G.O. Financing 425,000 Dated Date: 06/01/36			Capital Outlay	Planning & Creation	CDA Contribution	Admin.	Total Expenditures	Annual	Cumulative		Principal Outstanding
2021		0					10,000			10,000	(10,000)	(10,000)		2021
2022		0				90,000			2,500	92,500	(92,500)	(102,500)		2022
2023	64,381	64,381						5,000	2,500	7,500	56,881	(45,619)		2023
2024	64,055	64,055						5,000	2,500	7,500	56,555	10,936		2024
2025	63,732	63,732						5,000	2,500	7,500	56,232	67,168		2025
2026	63,410	63,410				105,000		5,000	2,500	112,500	(49,090)	18,078		2026
2027	63,727	63,727						50,000	2,500	52,500	11,227	29,305		2027
2028	64,046	64,046						50,000	2,500	52,500	11,546	40,851		2028
2029	64,366	64,366						50,000	2,500	52,500	11,866	52,717		2029
2030	64,688	64,688						50,000	2,500	52,500	12,188	64,905		2030
2031	65,011	65,011						50,000	2,500	52,500	12,511	77,416		2031
2032	65,336	65,336						50,000	2,500	52,500	12,836	90,253		2032
2033	65,663	65,663						50,000	2,500	52,500	13,163	103,416		2033
2034	65,991	65,991						50,000	2,500	52,500	13,491	116,907		2034
2035	66,321	66,321						50,000	2,500	52,500	13,821	130,728		2035
2036	66,653	66,653						50,000	2,500	52,500	14,153	144,881	425,000	2036
2037	66,986	66,986	50,000	4.00%	34,250				2,500	86,750	(19,764)	125,117	375,000	2037
2038	67,321	67,321	50,000	4.00%	20,500				2,500	73,000	(5,679)	119,439	325,000	2038
2039	67,658	67,658	50,000	4.00%	17,500				2,500	70,000	(2,342)	117,096	275,000	2039
2040	67,996	67,996	75,000	4.00%	13,500				2,500	91,000	(23,004)	94,092	200,000	2040
2041	68,336	68,336	100,000	4.00%	8,000				2,500	110,500	(42,164)	51,928	100,000	2041
2042	68,678	68,678	100,000	4.00%	2,000				2,500	104,500	(35,822)	16,106	0	2042
Total	1,314,356	1,314,356	425,000		95,750	195,000	10,000	730,000	52,500	1,298,250				Total

Notes: Projected TID Closure

SECTION 10:

Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11: Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City 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 City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for commercial and residential development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan 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**

Should 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 Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in this Plan will promote the orderly development of the City by creating opportunities for commercial development, providing opportunities for more workforce housing, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the development will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment opportunities.

SECTION 15:

List of Estimated Non-Project Costs

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.

The Plan includes the following non-costs:

- Water tower \$1,730,000

SECTION 16:
Legal Opinion Advising Whether the Plan is
Complete and Complies with Wis. Stat. §
66.1105(4)(f)

Legal Opinion Found on Following Page.

Harrison, Williams & McDonell, LLP
Attorneys at Law

Wallace K. McDonell
wkm@hmattys.com

452 W. Main Street
P.O. Box 59
Whitewater, WI 53190
(262) 473-7900; Fax: (262) 473-7906

Jonathan K. McDonell
jm@hmattys.com

July 23, 2021

Cameron Clapper
City Manager of the City of Whitewater
312 W Whitewater Street
Whitewater, WI 53190

Re: Project Plan for Tax Incremental District No. 11

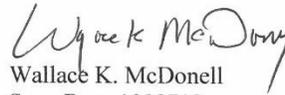
Dear Cameron:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the city attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As city attorney for the City of Whitewater, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of Whitewater Tax Incremental District No. 11 is complete and complies with the provisions of the Wisconsin Statute 66.1105(4)(f).

Sincerely,

HARRISON, WILLIAMS & MCDONELL, LLP



Wallace K. McDonell
State Bar: 1008713

WKM:scr



WISCONSIN LAWYERS
EXPERT ADVISERS
SERVING YOU.

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 overlying district would pay by jurisdiction.						
Statement of Taxes Data Year:			2020		Percentage	
Walworth County			2,104,301		16.49%	
Municipality			3,700,383		29.00%	
School District			6,486,513		50.84%	
Technical College			466,742		3.66%	
Total			12,757,939			
Revenue Year	Walworth County	Municipality	School District	Technical College	Total	Revenue Year
2023	10,619	18,673	32,733	2,355	64,381	2023
2024	10,565	18,579	32,568	2,343	64,055	2024
2025	10,512	18,485	32,403	2,332	63,732	2025
2026	10,459	18,392	32,240	2,320	63,410	2026
2027	10,511	18,484	32,401	2,331	63,727	2027
2028	10,564	18,576	32,563	2,343	64,046	2028
2029	10,617	18,669	32,726	2,355	64,366	2029
2030	10,670	18,762	32,889	2,367	64,688	2030
2031	10,723	18,856	33,054	2,378	65,011	2031
2032	10,777	18,951	33,219	2,390	65,336	2032
2033	10,830	19,045	33,385	2,402	65,663	2033
2034	10,885	19,140	33,552	2,414	65,991	2034
2035	10,939	19,236	33,720	2,426	66,321	2035
2036	10,994	19,332	33,888	2,438	66,653	2036
2037	11,049	19,429	34,058	2,451	66,986	2037
2038	11,104	19,526	34,228	2,463	67,321	2038
2039	11,159	19,624	34,399	2,475	67,658	2039
2040	11,215	19,722	34,571	2,488	67,996	2040
2041	11,271	19,821	34,744	2,500	68,336	2041
2042	11,328	19,920	34,918	2,513	68,678	2042
	<u>216,791</u>	<u>381,223</u>	<u>668,257</u>	<u>48,085</u>	<u>1,314,356</u>	
Notes:						
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.						