

August 11, 2021

Project Plan

Tax Incremental District No. 13

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

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 13 (“District”) is a proposed Mixed-Use District comprising approximately 450 acres. The District will be created to pay the costs of public infrastructure and development incentives as needed to promote industrial, 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 \$11.2 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 \$1.0 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 \$2.6 million 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.

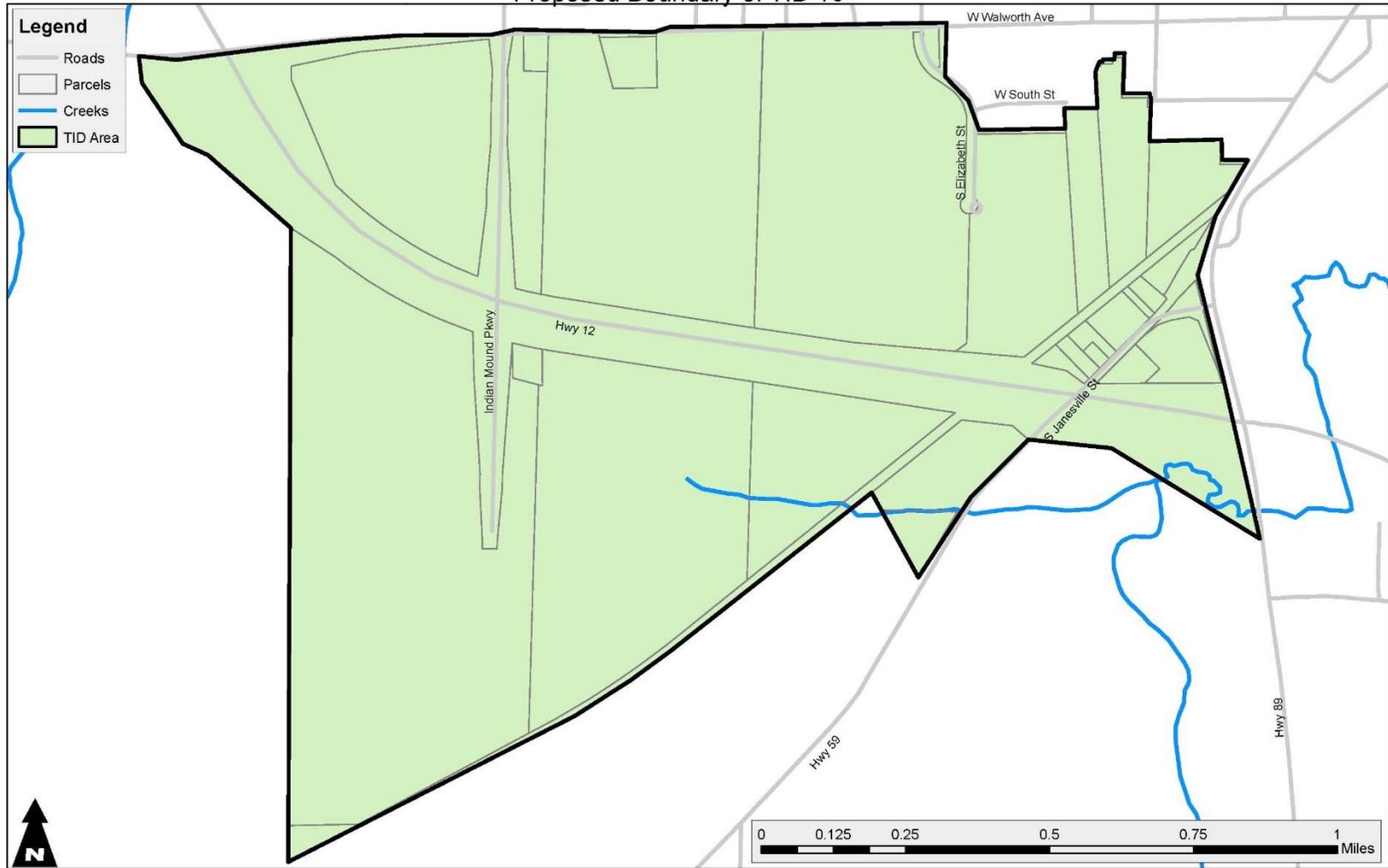
SECTION 2:

Preliminary Map of Proposed District Boundary

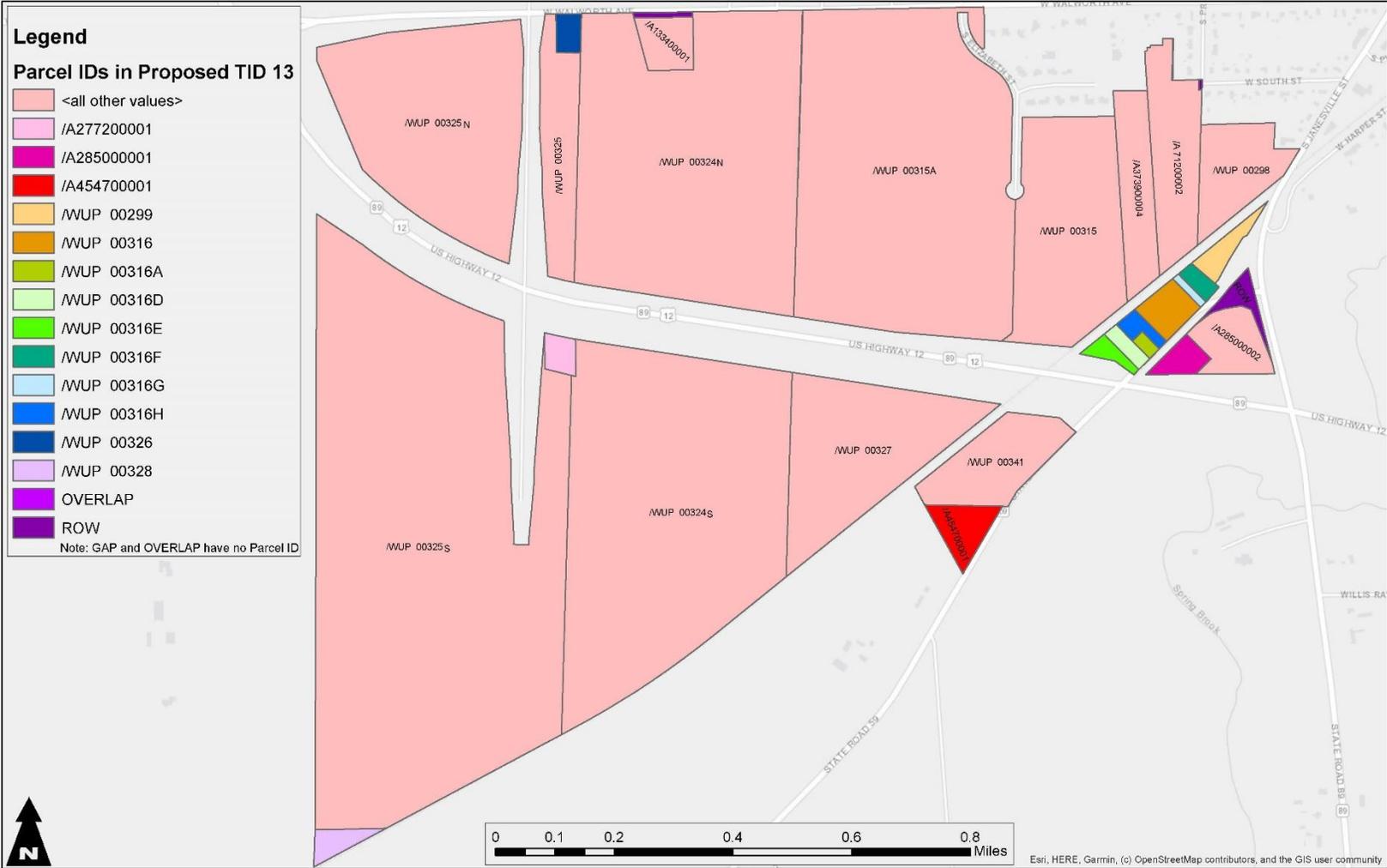
Map Found on Following Page.

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 13



Whitewater TID 13 Parcels

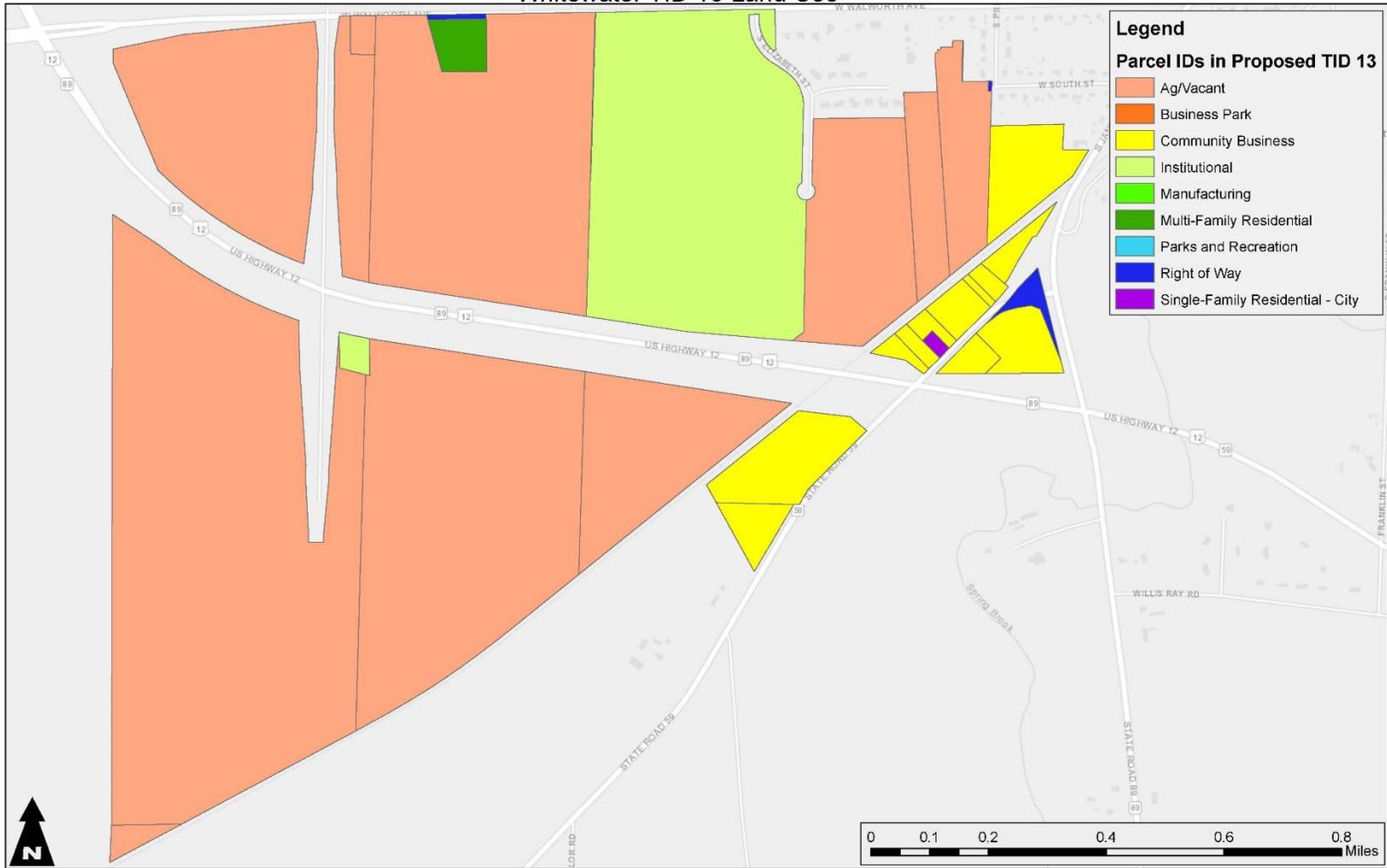


SECTION 3:

Map Showing Existing Uses and Conditions

Map Found on Following Page.

Whitewater TID 13 Land Use



SECTION 4: Preliminary Parcel List and Analysis

See list found on following page.

City of Whitewater

Tax Incremental District No.13

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	Industrial	Commercial/ Business	Newly Platted Residential	Suitable for Mixed Use
/A 71200002		RODERICK O DALEE	9.28	2,700	0	2,700	96.00%	2,813	0	2,813	Agricultural	Residential			9.28	9.28
/A 71200002		RODERICK O DALEE		200	0	200	96.00%	208	0	208	Undeveloped	Residential			0	0.00
/A133400001	1541 WALWORTH AVE	SPRUCE HOLDINGS LLC	2.98	73,700	206,300	280,000	96.00%	76,771	214,896	291,667	Commercial	Residential			2.98	2.98
/A277200001		CITY OF WHITEWATER 'PUMP HOUSE'	1.38	0	0	0	96.00%	0	0	0	Exempt Local	Institutional				0.00
/A285000001	885 JANESVILLE ST	RUSSELL R WALTON	1.36	91,300	1,123,100	1,214,400	96.00%	95,104	1,169,896	1,265,000	Commercial	Commercial		1.36		1.36
/A285000002	837 JANESVILLE ST	Kwik Trip, Inc.	5.20	474,000	0	474,000	96.00%	493,750	0	493,750	Commercial	Commercial		5.20		5.20
/A373900004		ROLLIN B COOPER TRUST	6.63	2,000	0	2,000	96.00%	2,083	0	2,083	Agricultural	Residential			6.63	6.63
/A454700001	HWY 59	PROGRESSING PROPERTIES LLC	2.39	80,000	0	80,000	96.00%	83,333	0	83,333	Commercial	Industrial				0.00
/WUP 00298	656 JANESVILLE ST	NATIONAL PROPANE CORP	7.07	47,300	45,500	92,800	96.00%	49,271	47,396	96,667	Commercial	Commercial		7.07		7.07
/WUP 00299	812 JANESVILLE ST	PAUL KRAHN	1.51	63,600	119,900	183,500	96.00%	66,250	124,896	191,146	Residential	Commercial		1.51		1.51
/WUP 00315	0 S ELIZABETH ST	KACHEL TRUST	21.43	6,500	0	6,500	96.00%	6,771	0	6,771	Agricultural	Residential			21.43	21.43
/WUP 00315A	534 ELIZABETH ST	UNIFIED SCHOOL DIST 1	63.00	0	0	0	96.00%	0	0	0	Exempt Local	Institutional				0.00
/WUP 00316	880 JANESVILLE ST	RUSSELL R WALTON	2.02	75,400	1,360,200	1,435,600	96.00%	78,542	1,416,875	1,495,417	Commercial	Commercial		2.02		2.02
/WUP 00316A	890 S JANESVILLE ST	ENRIQUE RUIZ	0.33	44,900	75,600	120,500	96.00%	46,771	78,750	125,521	Residential	Commercial		0.33		0.33
/WUP 00316D	896 JANESVILLE ST	JORGE ISLAS-MARTINEZ	1.50	167,100	7,900	175,000	96.00%	174,063	8,229	182,292	Commercial	Commercial		1.5		1.50
/WUP 00316E	ASSESSED WITH /WUP-316D	JORGE ISLAS-MARTINEZ	0.00	0	0	0	96.00%	0	0	0	Commercial	Commercial				0.00
/WUP 00316F	848 JANESVILLE ST	QIAN VENTURES LLC	0.67	49,100	1,516,000	1,565,100	96.00%	51,146	1,579,167	1,630,313	Commercial	Commercial		0.67		0.67
/WUP 00316G	850 JANESVILLE ST	QIAN VENTURES LLC	0.30	31,900	640,300	672,200	96.00%	33,229	666,979	700,208	Commercial	Commercial		0.3		0.30
/WUP 00316H	886 JANESVILLE ST	RUSSELL R WALTON	0.77	59,900	142,700	202,600	96.00%	62,396	148,646	211,042	Residential	Commercial		0.77		0.77
/WUP 00324N		HOFFMANN LANDS LTD	59.01	44,800	0	44,800	96.00%	46,667	0	46,667	Agricultural For	Commercial		59.01		59.01
/WUP 00324S		HOFFMANN LANDS LTD	76.99	36,200	0	36,200	96.00%	37,708	0	37,708	Agricultural	Commercial			76.99	76.99
/WUP 00325N		HOFFMANN LANDS LTD	42.00	45,500	0	45,500	96.00%	47,396	0	47,396	Agricultural	Commercial		42		42.00
/WUP 00325S		HOFFMANN LANDS LTD	112.71	1,000	0	1,000	96.00%	1,042	0	1,042	Undeveloped	Commercial		112.71		112.71
/WUP 00326		STATE OF WISCONSIN DEPT OF TRANSPORTATION	0.95	0	0	0	96.00%	0	0	0	Exempt Local	Residential			20.00	20.00
/WUP 00327		HOFFMANN LANDS LTD	20.00	4,500	0	4,500	96.00%	4,688	0	4,688	Agricultural	Commercial		20.00		20.00
/WUP 00327		HOFFMANN LANDS LTD		5,600	0	5,600	96.00%	5,833	0	5,833	Agricultural For	Commercial			0.00	0.00
/WUP 00327		HOFFMANN LANDS LTD		1,500	0	1,500	96.00%	1,563	0	1,563	Undeveloped	Commercial			0	0.00
/WUP 00328		HOFFMANN LANDS LTD	1.28	400	0	400	96.00%	417	0	417	Agricultural	Commercial			1.28	1.28
/WUP 00341	N9144 HWY 59	PROGRESSING PROPERTIES LLC	8.94	128,000	587,200	715,200	96.00%	133,333	611,667	745,000	Commercial	Industrial		8.94		8.94
Total Acreage			449.69	1,537,100	5,824,700	7,361,800		1,601,146	6,067,396				8.944	332.7154	60.317	401.9764
													1.99%	73.99%	13.41%	89.39%
													7,668,542			

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 \$7,668,542 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. 13	
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	7,668,542
Less Value of Any Underlying TID Parcels	0
Total Value Subject to 12% Test	7,668,542
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 Increment 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:

- Walworth repaving (Janesville to Elizabeth) \$88,400
- Janesville Reconstruction (Walworth to Railroad) \$205,000

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

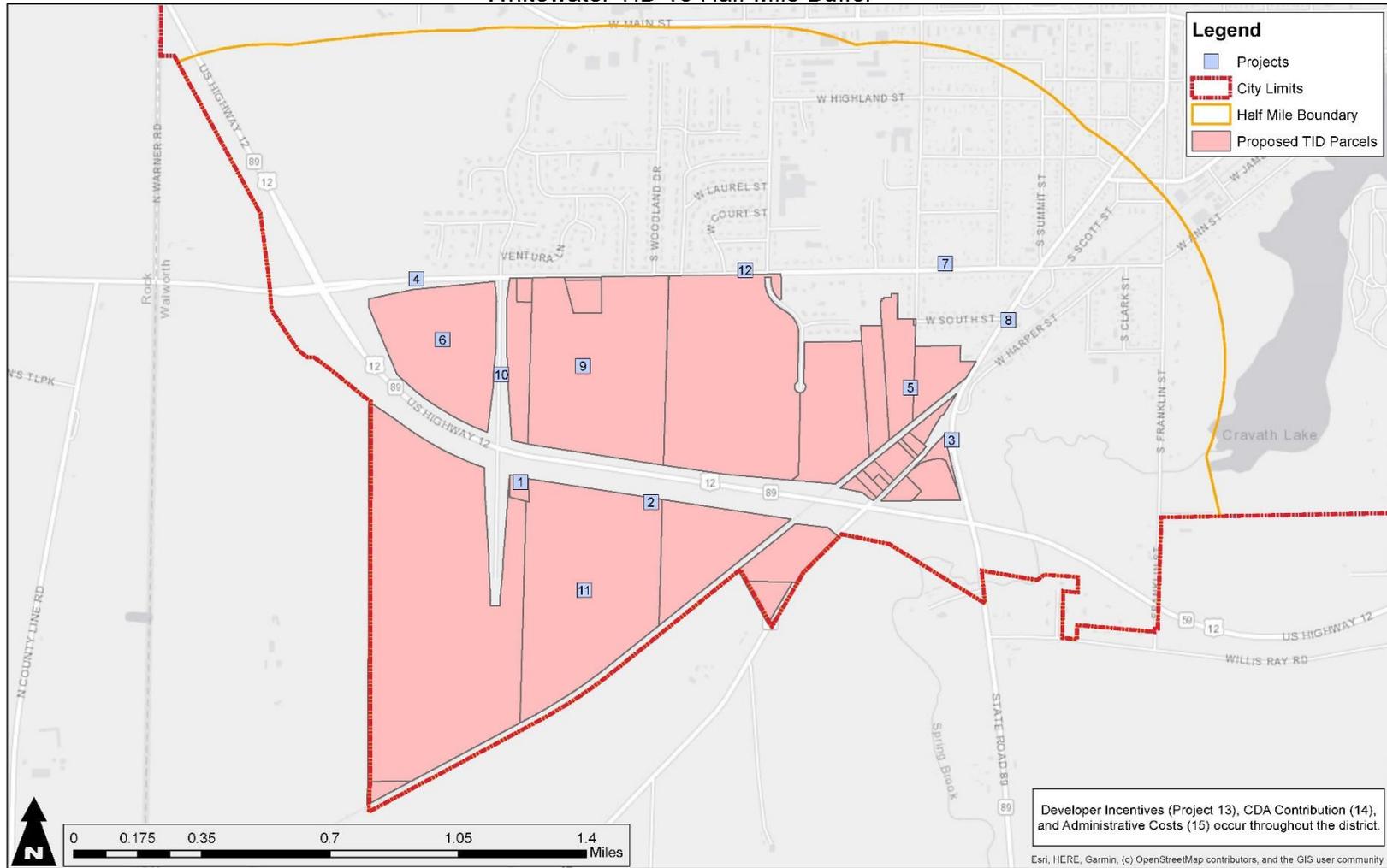
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7:

Map Showing Proposed Improvements and Uses

Map Found on Following Page.

Whitewater TID 13 Half-Mile Buffer



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 \$1.0 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. 13

Estimated Project List

Project ID	Project Name/Type	Project year	1/2 mile or utilities outside boundary	TID Amount	Non TID Amount
1	Water Tower	2022	No	648,750	1,730,000
2	Water main Looping - Well 9 to RR Tracks	2023	No	520,000	
3	Hwy 59 improvements - West Leg, East Leg, Up to RR	2024	No	290,000	
4	Walworth improvements - Buckingham west	2025	No	295,000	
5	Stormwater Management Pond	2026	No	315,000	
6	Sewer/Water/Street Infrastructure South of HWY 12	2027	No	950,000	
7	Walworth improvements - Janesville to Elizabeth	2027	1/2 mile	88,400	176,600
8	Janesville improvements - Walworth to RR	2028	1/2 mile	205,000	205,000
9	Sewer/Water/Street Infrastructure	2030	No	1,750,000	
10	Indian Mound improvements	2032	No	330,000	
11	Sewer/Water/Street Infrastructure South of HWY 12	2035	No	2,500,000	
12	Walworth improvements - Elizabeth to Buckingham	2036	No	51,700	
13	Developer incentives	TBD as needed		2,586,405	
14	CDA Contribution	Throughout district		615,000	
15	Administrative costs	Throughout district		62,500	
Total Projects				<u>11,207,755</u>	<u>2,111,600</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 \$12.6 million will result from developments in the near term. Estimated valuations and timing for construction are included in **Table 1**. Assuming economic appreciation of 1%, the District would generate \$1,062,932 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;"> <h2 style="margin: 0;">City of Whitewater, WI</h2> <h3 style="margin: 0;">Tax Increment District No. 13</h3> <h4 style="margin: 0;">Development Assumptions</h4> </div>					
Construction Year		Kwik Trip	Annual Total	Construction Year	
1	2021	2,600,000	2,600,000	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>2,600,000</u>		

Notes:

Table 2 – Tax Increment Projection Worksheet

City of Whitewater, WI Tax Increment District No. 13 Tax Increment Projection Worksheet - Walworth County										
Type of District	Mixed Use		Base Value	7,668,542						
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									
Eligible Recipient District	No		Tax Exempt Discount Rate	3.00%						
			Taxable Discount Rate	4.00%						

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt		
								NPV Calculation	Taxable NPV Calculation	
1	2021	2,600,000	2022	0	2,600,000	2023	\$20.03	52,065	47,647	46,286
2	2022	0	2023	13,000	2,613,000	2024	\$19.82	51,802	93,673	90,566
3	2023	0	2024	13,065	2,626,065	2025	\$19.63	51,541	138,132	132,929
4	2024	0	2025	13,130	2,639,195	2026	\$19.43	51,280	181,078	173,457
5	2025	0	2026	13,196	2,652,391	2027	\$19.43	51,537	222,983	212,620
6	2026	0	2027	13,262	2,665,653	2028	\$19.43	51,794	263,870	250,466
7	2027	0	2028	13,328	2,678,982	2029	\$19.43	52,053	303,764	287,038
8	2028	0	2029	13,395	2,692,376	2030	\$19.43	52,314	342,690	322,379
9	2029	0	2030	13,462	2,705,838	2031	\$19.43	52,575	380,672	356,531
10	2030	0	2031	13,529	2,719,368	2032	\$19.43	52,838	417,732	389,534
11	2031	0	2032	13,597	2,732,964	2033	\$19.43	53,102	453,892	421,426
12	2032	0	2033	13,665	2,746,629	2034	\$19.43	53,368	489,174	452,244
13	2033	0	2034	13,733	2,760,362	2035	\$19.43	53,635	523,600	482,026
14	2034	0	2035	13,802	2,774,164	2036	\$19.43	53,903	557,191	510,805
15	2035	0	2036	13,871	2,788,035	2037	\$19.43	54,172	589,966	538,615
16	2036	0	2037	13,940	2,801,975	2038	\$19.43	54,443	621,945	565,490
17	2037	0	2038	14,010	2,815,985	2039	\$19.43	54,715	653,149	591,460
18	2038	0	2039	14,080	2,830,065	2040	\$19.43	54,989	683,595	616,557
19	2039	0	2040	14,150	2,844,215	2041	\$19.43	55,264	713,302	640,808
20	2040	0	2041	14,221	2,858,436	2042	\$19.43	55,540	742,288	664,244
Totals		2,600,000		258,436		Future Value of Increment		1,062,932		

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. 13													
Cash Flow Projection													
Year	Projected Revenues		Expenditures						Balances			Year	
	Tax Increments	Total Revenues	G.O. Financing 310,000 Dated Date: 06/01/36			Planning & Creation	CDA Contribution	Admin.	Total Expenditures	Annual	Cumulative		Principal Outstanding
2021		0				10,000			10,000	(10,000)	(10,000)		2021
2022		0						2,500	2,500	(2,500)	(12,500)		2022
2023	52,065	52,065						2,500	37,500	14,565	2,065		2023
2024	51,802	51,802						2,500	47,500	4,302	6,367		2024
2025	51,541	51,541						2,500	47,500	4,041	10,408		2025
2026	51,280	51,280						2,500	47,500	3,780	14,188		2026
2027	51,537	51,537						2,500	47,500	4,037	18,225		2027
2028	51,794	51,794						2,500	47,500	4,294	22,520		2028
2029	52,053	52,053						2,500	47,500	4,553	27,073		2029
2030	52,314	52,314						2,500	47,500	4,814	31,887		2030
2031	52,575	52,575						2,500	47,500	5,075	36,962		2031
2032	52,838	52,838						2,500	47,500	5,338	42,300		2032
2033	53,102	53,102						2,500	47,500	5,602	47,902		2033
2034	53,368	53,368						2,500	47,500	5,868	53,770		2034
2035	53,635	53,635						2,500	47,500	6,135	59,905		2035
2036	53,903	53,903				40,000		2,500	42,500	11,403	71,308	310,000	2036
2037	54,172	54,172	50,000	4.00%	23,750			2,500	76,250	(22,078)	49,230	260,000	2037
2038	54,443	54,443	55,000	4.00%	13,400			2,500	70,900	(16,457)	32,773	205,000	2038
2039	54,715	54,715	55,000	4.00%	10,100			2,500	67,600	(12,885)	19,889	150,000	2039
2040	54,989	54,989	50,000	4.00%	7,000			2,500	59,500	(4,511)	15,377	100,000	2040
2041	55,264	55,264	50,000	4.00%	4,000			2,500	56,500	(1,236)	14,141	50,000	2041
2042	55,540	55,540	50,000	4.00%	1,000			2,500	53,500	2,040	16,182	0	2042
Total	1,062,932	1,062,932	310,000		59,250	10,000	615,000	52,500	1,046,750				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 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, industrial, 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 new industrial sites, 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
- Walworth repaving (Janesville to Elizabeth) \$176,600
- Janesville Reconstruction (Walworth to Railroad) \$205,000

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

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(262) 473-7900; Fax: (262) 473-7906

Jonathan K. McDonell
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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. 13

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. 13 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



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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 overlaying 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	8,588	15,101	26,471	1,905	52,065	2023
2024	8,544	15,025	26,338	1,895	51,802	2024
2025	8,501	14,949	26,205	1,886	51,541	2025
2026	8,458	14,874	26,072	1,876	51,280	2026
2027	8,500	14,948	26,203	1,885	51,537	2027
2028	8,543	15,023	26,334	1,895	51,794	2028
2029	8,586	15,098	26,465	1,904	52,053	2029
2030	8,629	15,173	26,598	1,914	52,314	2030
2031	8,672	15,249	26,731	1,923	52,575	2031
2032	8,715	15,325	26,864	1,933	52,838	2032
2033	8,759	15,402	26,999	1,943	53,102	2033
2034	8,803	15,479	27,134	1,952	53,368	2034
2035	8,847	15,556	27,269	1,962	53,635	2035
2036	8,891	15,634	27,406	1,972	53,903	2036
2037	8,935	15,712	27,543	1,982	54,172	2037
2038	8,980	15,791	27,681	1,992	54,443	2038
2039	9,025	15,870	27,819	2,002	54,715	2039
2040	9,070	15,949	27,958	2,012	54,989	2040
2041	9,115	16,029	28,098	2,022	55,264	2041
2042	9,161	16,109	28,238	2,032	55,540	2042
	<u>175,320</u>	<u>308,299</u>	<u>540,426</u>	<u>38,887</u>	<u>1,062,932</u>	

Notes:

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