

November 14, 2023

PROJECT PLAN AMENDMENT

City of Sheboygan, Wisconsin

Tax Incremental District No. 17



Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	Scheduled for Nov. 14, 2023
Public Hearing Held:	Scheduled for Nov. 14, 2023
Approval by Plan Commission:	Scheduled for Nov. 14, 2023
Adoption by Common Council:	Scheduled for Dec. 4, 2023
Approval by the Joint Review Board:	Scheduled for TBD

TABLE OF CONTENTS

Executive Summary	3
Map of Original District Boundary.....	6
Map Showing Existing Uses and Conditions Within the Territory to be Added	7
Preliminary Identification of Parcels to be Added	10
Equalized Value Test.....	11
Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District.....	12
Map Showing Proposed Improvements and Uses Within the Territory to be Added ..	19
Detailed List of Estimated Project Costs.....	21
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.....	22
Annexed Property	27
Estimate of Property to be Devoted to Retail Business	27
Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances.....	27
Statement of the Proposed Method for the Relocation of any Persons to be Displaced	28
How Amendment of the Tax Incremental District Promotes the Orderly Development of the City	28
List of Estimated Non-Project Costs	29
Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f).....	30
Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions.....	31

SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 17 (“District”) is a 108.72-acre area in Need of Rehabilitation or Conservation District, created on August 20, 2018. The District was created with the anticipation of making total project expenditures of approximately \$32.9 million to undertake the projects listed in this Project Plan. The City anticipated completing the projects in multiple phases. The Expenditure Period of this District is 22 years from the date of adoption of the authorizing Resolution of the Common Council (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with general obligation debt issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council.

Purpose of Amendment

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

- Add territory to 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.
- Amend the categories, locations or costs of project costs to be made as permitted under Wis. Stat. § 66.1105(4)(h)1. (“Project”). Specifically, the City anticipates a number of project to improve public infrastructure in district boundaries and within a ½ mile of district boundaries. This includes; construction of a pedestrian bridge within ½ mile of district boundaries, the reconstruction of Commerce Street, the Indiana Avenue Trail Project and gateway signage, and reimbursements to the Redevelopment Authority (RDA) for certain land purchase.

Estimated Total Project Cost Expenditures

The City anticipates making total additional expenditures of approximately \$10,150,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$3,250,000 for the Commerce Street Reconstruction, \$2,250,000 for the Indiana Avenue Trail Project, \$250,000 for the Indiana Avenue Gateway Signage, \$1,200,000 to reimburse the Redevelopment Authority (RDA) for land purchases, and \$3,200,000 to construct a pedestrian bridge within ½ mile of district boundaries.

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 all Project Costs within 23 of its allowable 27 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 substantial 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:**

That the City is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and services from retailers, restaurants and service companies.

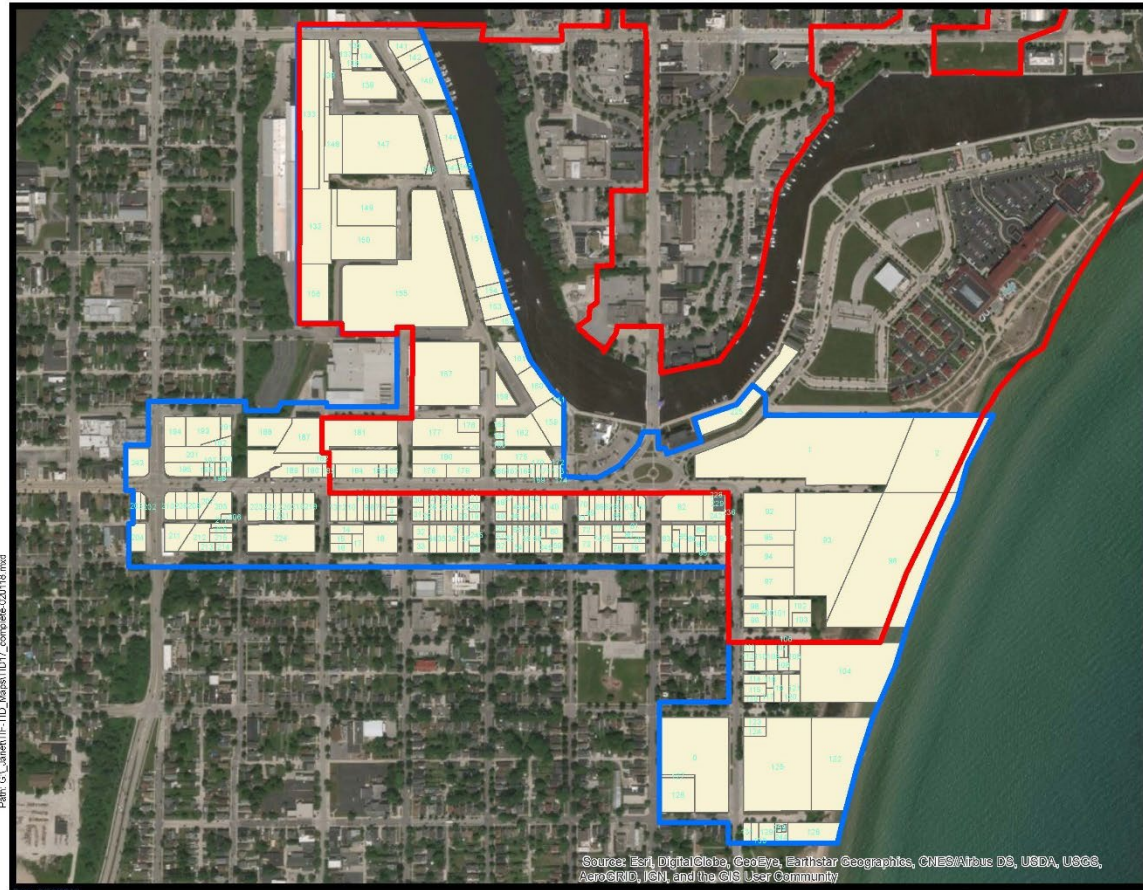
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in 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, as amended, is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a), or was in need of rehabilitation or conservation work as the time the District was created.

5. Based on the foregoing finding, the District remains designated as rehabilitation and conservation district.
6. The Project Costs relate directly to the rehabilitation and conservation of property and improvements 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 within the territory to be added to the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The Plan for the District is feasible and is in conformity with the Master Plan of the City.
10. 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).

SECTION 2:

Map of Original District Boundary

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

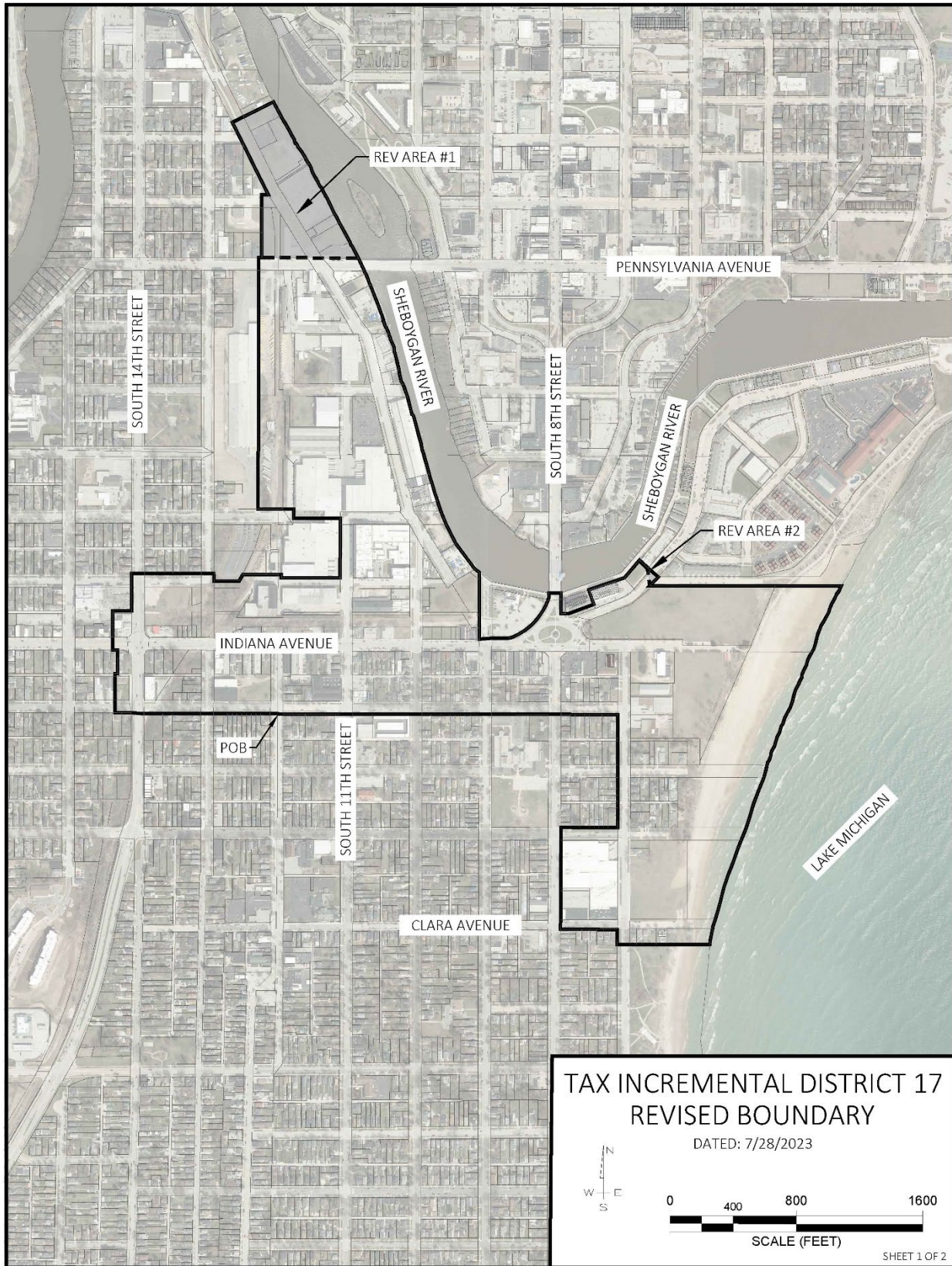


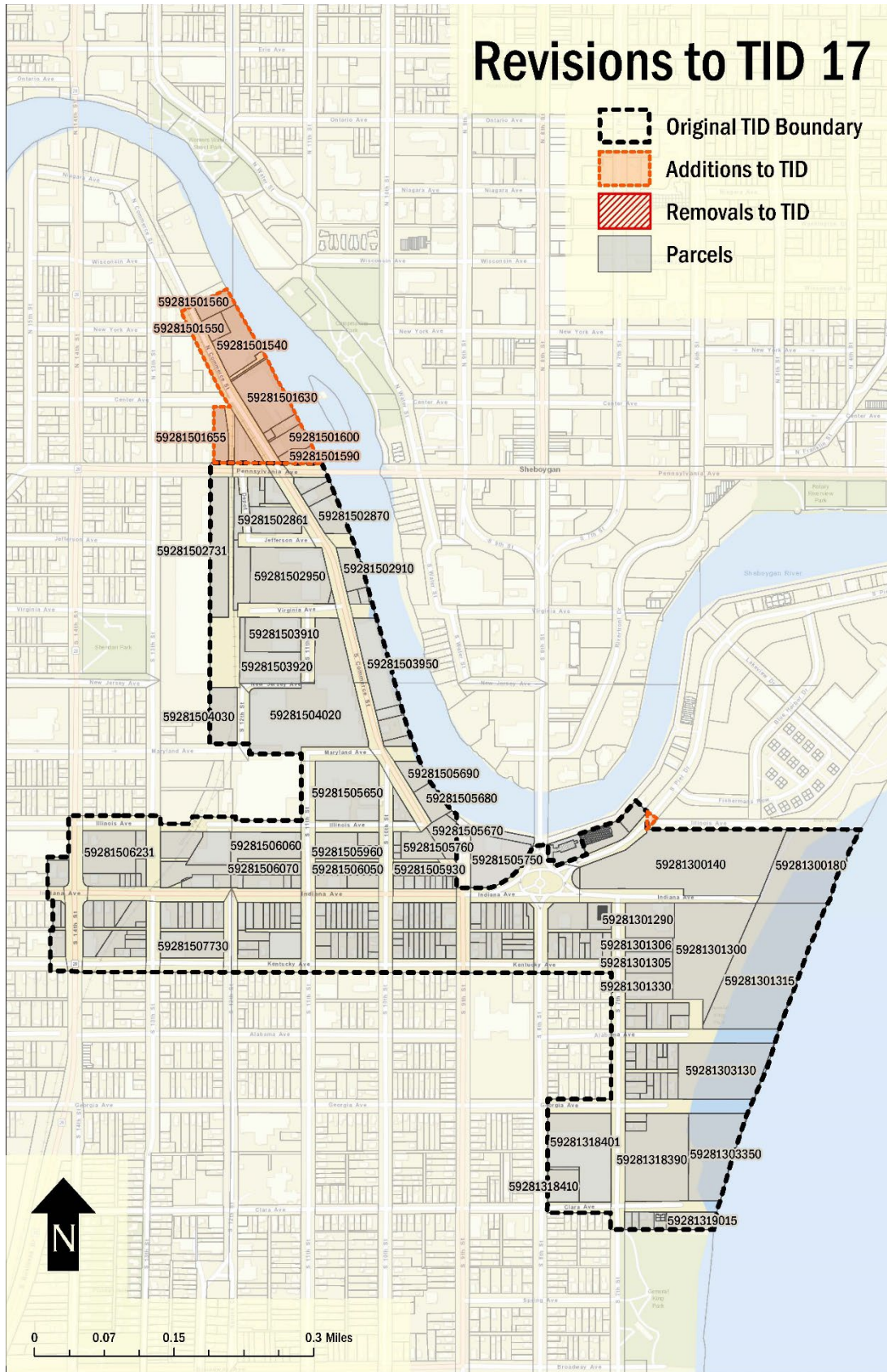
The shaded parcels outlined in **Blue** denote the TID 17 boundaries
The shaded parcels outlined in **Red** denote the existing TID 6 boundaries

SECTION 3:

Map Showing Existing Uses and Conditions Within the Territory to be Added

Maps Found on Following Page.





SECTION 4:

Preliminary Identification of Parcels to be Added

City of Sheboygan

Tax Incremental District No. 17

Base Property Information

Property Information							Assessment Information 1				Equalized Value				
				Wetland	Annexed Post 1/1/04? ...Indicate date	Part of Existing TID? ...Indicate TID #									
Parcel Number	Street Address	Owner	Acreage	Acreage			Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total
ROW Areas															
59281501560	N Commerce St	575 RIVERWOODS PART	0.46		N		91,500	0		91,500	100.00%	91,500	0	0	91,500
59281501550	639 N Commerce St	LBJ SQUARED PROPERTI	0.36		N		26,700	61,800		88,500	100.00%	26,700	61,800	0	88,500
59281501540	N Commerce St	575 RIVERWOODS PART	1.39		N		238,900	0		238,900	100.00%	238,900	0	0	238,900
59281501630	605 N Commerce St	575 RIVERWOODS PART	1.79		N		299,000	0		299,000	100.00%	299,000	0	0	299,000
59281501620	N Commerce St	REDEVELOPMENT AUTH	0.27		N		0	0		0	100.00%	0	0	0	0
59281501610	N Commerce St	REDEVELOPMENT AUTH	0.06		N		0	0		0	100.00%	0	0	0	0
59281501600	N Commerce St	REDEVELOPMENT AUTH	0.54		N		0	0		0	100.00%	0	0	0	0
59281501590	1054 Pennsylvania Avenue	LEHMANN LLC	0.39		N		7,200	199,400		206,600	100.00%	7,200	199,400	0	206,600
59281501640	1134 Pennsylvania Avenue	REDEVELOPMENT AUTH	0.57		N		38,700	27,000		65,700					
59281501650	Shoreline 400 Trail	SHEBOYGAN COUNTY PI	0.00		N		0	0		0					
59281501655		PBRK LLP	0.56		N		3,600	5,500		9,100	100.00%	3,600	5,500	0	9,100
Total Acreage			6.38	0.00			705,600	293,700	0	999,300		666,900	266,700	0	
													Estimated Base Value		933,600

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 proposed to be added to the District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the value of the territory proposed to be added to the District, totals \$109,005,600. This value is less than the maximum of \$504,527,280 in equalized value that is permitted for the City.

City of Sheboygan, Wisconsin	
Tax Increment District #17	
Valuation Test Compliance Calculation	
District Creation Date	9/17/2018
	Valuation Data Currently Available 2023
Total EV (TID In)	4,204,394,000
12% Test	504,527,280
Increment of Existing TIDs	
TID #16	25,672,800
TID #17	21,033,000
TID #18	20,452,500
TID #19	6,509,300
TID #20	34,404,400
Total Existing Increment	108,072,000
Projected Base of New or Amended District	933,600
Total Value Subject to 12% Test	109,005,600
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 ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs. 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.

The “Statement of Kind, Number and Location of Proposed Public Works and Other Projects” set forth in the original District Project Plan approved on August 28, 2018 is amended to add the following Project Costs that the City has made, expects to make, or may need to make, in conjunction with the implementation of the District’s Plan or this Plan Amendment.

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.

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 Redevelopment Authority (RDA)

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 RDA to be used for administration, planning operations, and capital costs, 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 (RDA) for this purpose are eligible Project Costs.

Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan, the City, through its CDA (RDA), 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 (RDA) in the program manual. Any funds returned to the CDA (RDA) from the repayment of loans made are not considered revenues to the District and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA (RDA) 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:

1. Project costs related to the construction of a pedestrian bridge in the among of \$3,200,000.

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

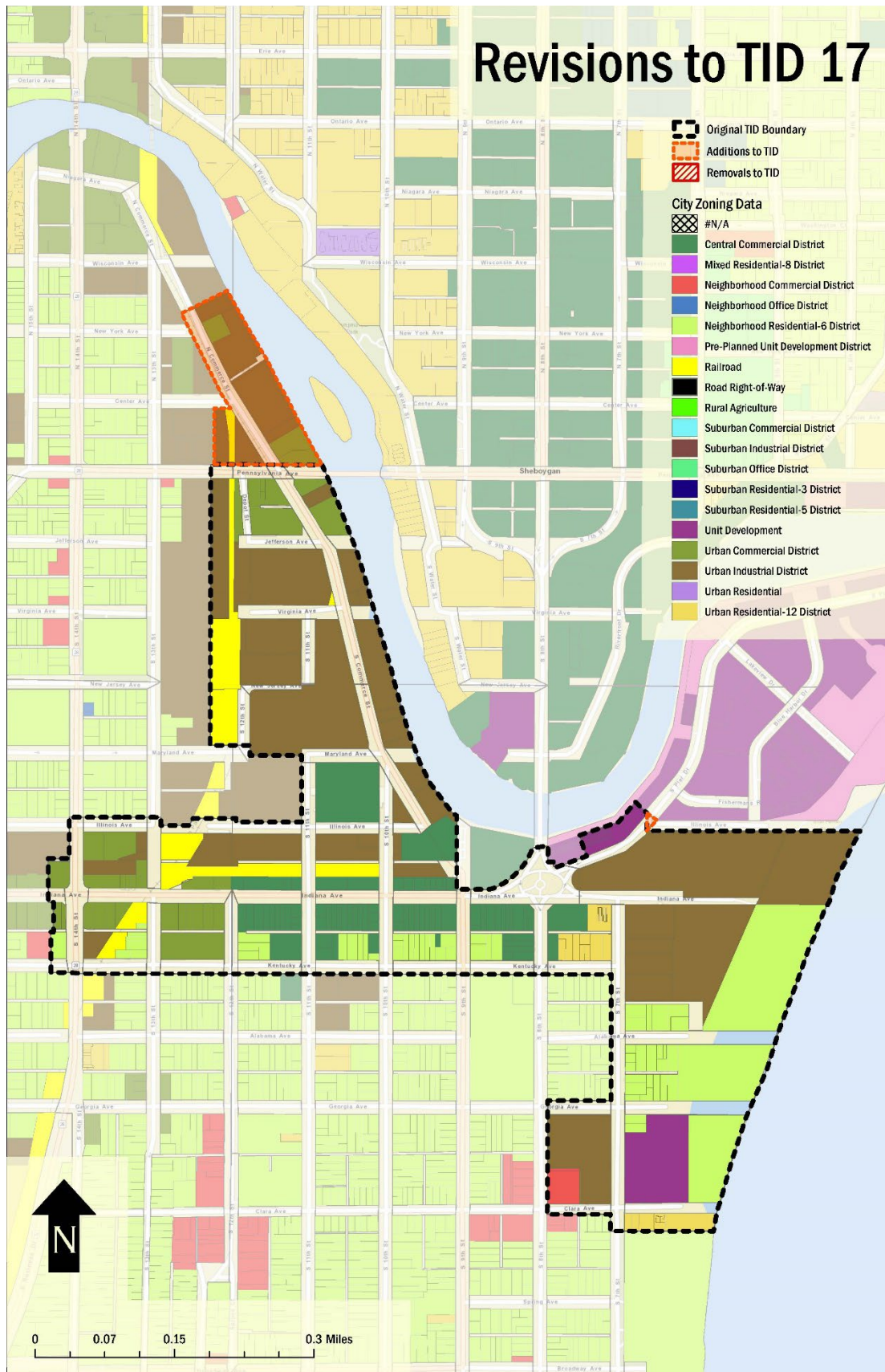
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7:

Map Showing Proposed Improvements and Uses Within the Territory to be Added

Map Found on Following Page.

Revisions to TID 17



SECTION 8:

Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City has made, expects to make, or may need to make in conjunction with the implementation of the District's Plan or this Plan Amendment. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan Amendment. 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. 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.

City of Sheboygan, Wisconsin									
Tax Increment District # 17									
Estimated Project List									
Project ID	Project Name/Type	Phase I 2019	Phase II 2020	Phase III 2021	Phase IV 2022	Phase V 2023	TID Cashflow	2023 Amendment	Total (Note 1)
1	Planning & Engineering	250,000							250,000
2	Acquisition of railroad right-of-way	1,500,000							1,500,000
3	Environmental Audits & Remediation				200,000				200,000
4	Façade renovations			100,000	100,000	100,000			300,000
5	Landscaping & right-of-Way Improvements			750,000					750,000
6	Economic Development Marketing & RFP's	100,000							100,000
7	Land Acquisition & Demolition				250,000	250,000			500,000
8	Development of Pedestrian pathway		1,000,000						1,000,000
9	Infrastructure Improvements	2,500,000		1,000,000					3,500,000
10	Revolving Loan/Low Interest Loan Program								0
11	Development Incentives	100,000	1,000,000	1,000,000	1,000,000				3,100,000
12	Parking Structure (2019 design)	500,000	5,000,000						5,500,000
13	Half mile land acquisition	1,500,000							1,500,000
14	Half mile trail pedestrian pathway		1,500,000						1,500,000
15	Creation	30,000							30,000
16	Admistration with cashflow						246,896		246,896
17	Int. and financing costs through cash flow						5,172,204		5,172,204
18	Commerce Street Reconstruction							3,250,000	
19	Indiana Ave. Trail Project							2,250,000	
20	Indiana Ave. Gateway Signage							250,000	
21	Reimburse Redevelopment Authority Land Purchase							1,200,000	
22	Pedestrian Bridge (1/2 Mile Radius)							3,200,000	
Total Projects		6,480,000	8,500,000	2,850,000	1,550,000	350,000	5,419,100	10,150,000	25,149,100
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 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

The Project Costs the City plans to make are expected to create \$61 million in incremental value by 2027. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$21.86 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate nearly \$30M in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

Table 1 – Development Assumptions

City of Sheboygan, Wisconsin

Tax Increment District # 17

Development Assumptions

Construction Year		Actual	Koepsell	Proposed New Dev.	Annual Total	Construction Year	
1	2018	1,999,300			1,999,300	2018	1
2	2019	5,178,200			5,178,200	2019	2
3	2020	21,540,500			21,540,500	2020	3
4	2021	(8,076,900)			(8,076,900)	2021	4
5	2022				0	2022	5
6	2023		4,000,000		4,000,000	2023	6
7	2024		6,000,000	10,000,000	16,000,000	2024	7
8	2025			20,000,000	20,000,000	2025	8
9	2026				0	2026	9
10	2027				0	2027	10
11	2028				0	2028	11
12	2029				0	2029	12
13	2030				0	2030	13
14	2031				0	2031	14
15	2032				0	2032	15
16	2033				0	2033	16
17	2034				0	2034	17
18	2035				0	2035	18
19	2036				0	2036	19
20	2037				0	2037	20
21	2038				0	2038	21
22	2039				0	2039	22
23	2040				0	2040	23
24	2041				0	2041	24
25	2042				0	2042	25
26	2043				0	2043	26
27	2044				0	2044	27
Totals		<u>20,641,100</u>	<u>10,000,000</u>	<u>30,000,000</u>	<u>60,641,100</u>		

Notes: Development assumptions provided by City staff
 Development assumptions are represented by construction year.

Table 2 – Tax Increment Projection Worksheet

City of Sheboygan, Wisconsin

Tax Increment District # 17

Indiana Avenue

Tax Increment Projection Worksheet

Type of District	Rehabilitation	Base Value	34,020,700
District Creation Date	September 17, 2018	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2018	Base Tax Rate	\$19.19
Max Life (Years)	27	Rate Adjustment Factor	
Expenditure Period/Termination	22 9/17/2040		
Revenue Periods/Final Year	27 2046		
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	3.50%
Recipient District	Yes	Taxable Discount Rate	5.00%

	Construction Year	Est. Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
								0
3	2020	21,540,500	2021	0	28,718,000	2022	\$21.86	627,800
4	2021	-8,076,900	2022	0	20,641,100	2023	\$19.19	396,010
5	2022	391,900	2023	0	21,033,000	2024	\$19.19	403,529
6	2023	4,000,000	2024	0	25,033,000	2025	\$19.19	480,271
7	2024	16,000,000	2025	0	41,033,000	2026	\$19.19	787,239
8	2025	20,000,000	2026	0	61,033,000	2027	\$19.19	1,170,949
9	2026	0	2027	0	61,033,000	2028	\$19.19	1,170,949
10	2027	0	2028	0	61,033,000	2029	\$19.19	1,170,949
11	2028	0	2029	0	61,033,000	2030	\$19.19	1,170,949
12	2029	0	2030	0	61,033,000	2031	\$19.19	1,170,949
13	2030	0	2031	0	61,033,000	2032	\$19.19	1,170,949
14	2031	0	2032	0	61,033,000	2033	\$19.19	1,170,949
15	2032	0	2033	0	61,033,000	2034	\$19.19	1,170,949
16	2033	0	2034	0	61,033,000	2035	\$19.19	1,170,949
17	2034	0	2035	0	61,033,000	2036	\$19.19	1,170,949
18	2035	0	2036	0	61,033,000	2037	\$19.19	1,170,949
19	2036	0	2037	0	61,033,000	2038	\$19.19	1,170,949
20	2037	0	2038	0	61,033,000	2039	\$19.19	1,170,949
21	2038	0	2039	0	61,033,000	2040	\$19.19	1,170,949
22	2039	0	2040	0	61,033,000	2041	\$19.19	1,170,949
23	2040	0	2041	0	61,033,000	2042	\$19.19	1,170,949
24	2041	0	2042	0	61,033,000	2043	\$19.19	1,170,949
25	2042	0	2043	0	61,033,000	2044	\$19.19	1,170,949
26	2043	0	2044	0	61,033,000	2045	\$19.19	1,170,949
27	2044	0	2045	0	61,033,000	2046	\$19.19	1,170,949
Totals		61,033,000		0		Future Value of Increment		26,326,873

Notes:

Financing and Implementation

Table 3 provides a summary of the District's financing plan.

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2042 to pay off all 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 3 – Financing Plan

City of Sheboygan, Wisconsin			
Tax Increment District # 17			
Estimated Financing Plan - 2023 Amendment			
	G.O. Bond 2024	G.O. Bond 2026	Totals
Projects			
Commerce Street Reconstruction	3,250,000		3,250,000
Indiana Ave. Trail Project		2,250,000	2,250,000
Indiana Ave. Gateway Signage		250,000	250,000
Reimburse Redevelopment Authority Land Purchase	1,200,000		1,200,000
Pedestrian Bridge (1/2 Mile Radius)	250,000	2,950,000	3,200,000
Total Project Funds	4,700,000	5,450,000	10,150,000
Estimated Finance Related Expenses			
Municipal Advisor	44,500	48,500	
Bond Counsel	20,000	22,500	
Disclosure Counsel (if engaged)	12,000	13,500	
Rating Agency Fee	17,500	20,000	
Paying Agent	850	850	
Underwriter Discount	12.00 57,900	12.00 67,200	
Total Financing Required	4,852,750	5,622,550	
Estimated Interest	4.00% (31,333)	3.00% (27,250)	
Assumed spend down (months)	2	2	
Rounding	3,583	4,700	
Net Issue Size	4,825,000	5,600,000	
Notes: The City reserves the right to use alternate financing solutions for the projects as they are implemented.			

Table 4 – Cash Flow

City of Sheboygan, Wisconsin																		
Tax Increment District # 17																		
Cash Flow Projection																		
Year	Projected Revenues			Expenditures											Balances		Year	
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	Existing Debt Payments	Badger State Lofts	Koepsell Upfront Incentive	Koepsell PAYGO Incentive	2024 GO Bonds Dated Date: 4/1/24 \$ 4,825,000			2026 GO Bonds Dated Date: 8/1/26 \$ 5,600,000			Audit & Admin.	Total Expenditures	Annual		Cumulative
								Prin.	Est. Rate	Interest	Prin.	Est. Rate	Interest					
		4.50%																
2023	396,010	135,825	531,835	339,490	57,860	2,000,000							40,000	2,437,350	(1,905,515)	1,112,812	2023	
2024	403,529	50,077	453,605	358,920	57,860			4.50%	108,563				40,000	565,343	(111,737)	1,001,074	2024	
2025	480,271	45,048	525,319	362,765	57,860		69,068	4.50%	217,125				40,000	746,818	(221,499)	779,575	2025	
2026	787,239	35,081	822,320	361,325	57,860		172,670	4.50%	217,125				40,000	848,980	(26,660)	752,915	2026	
2027	1,170,949	33,881	1,204,830	364,700	57,860		172,670	4.50%	217,125		0	5.00%	280,000	40,000	1,232,355	(27,525)	725,390	2027
2028	1,170,949	32,643	1,203,591	367,825	57,860		172,670	4.50%	212,625		50,000	5.00%	280,000	1,000	1,241,980	(38,388)	687,002	2028
2029	1,170,949	30,915	1,201,864	365,125	57,860		172,670	4.50%	208,125		50,000	5.00%	277,500	1,000	1,232,280	(30,416)	656,586	2029
2030	1,170,949	29,546	1,200,495	287,525	57,860		172,670	4.50%	203,625		50,000	5.00%	275,000	1,000	1,247,680	(47,185)	609,401	2030
2031	1,170,949	27,423	1,198,372	266,250	57,860		172,670	4.50%	194,625		50,000	5.00%	272,500	1,000	1,214,905	(16,533)	592,869	2031
2032	1,170,949	26,679	1,197,628	264,950	39,355		172,670	4.50%	185,625		100,000	5.00%	270,000	1,000	1,258,600	(60,972)	531,897	2032
2033	1,170,949	23,935	1,194,884	268,500			172,670	4.50%	175,500		100,000	5.00%	265,000	1,000	1,232,670	(37,786)	494,111	2033
2034	1,170,949	22,235	1,193,184	266,750			68,654	4.50%	164,250		150,000	5.00%	260,000	1,000	1,210,654	(17,470)	476,641	2034
2035	1,170,949	21,449	1,192,397	269,850				4.50%	150,750		200,000	5.00%	252,500	1,000	1,224,100	(31,703)	444,938	2035
2036	1,170,949	20,022	1,190,971	267,650				4.50%	135,000		250,000	5.00%	242,500	1,000	1,246,150	(55,179)	389,759	2036
2037	1,170,949	17,539	1,188,488	265,300				4.50%	119,250		300,000	5.00%	230,000	1,000	1,265,550	(77,062)	312,697	2037
2038	1,170,949	14,071	1,185,020	267,800				4.50%	103,500		325,000	5.00%	215,000	1,000	1,262,300	(77,280)	235,417	2038
2039	1,170,949	10,594	1,181,542					4.50%	87,750		350,000	5.00%	198,750	1,000	1,212,500	(30,958)	204,459	2039
2040	1,170,949	9,201	1,180,149					4.50%	72,000		400,000	5.00%	170,000	1,000	1,218,000	(37,851)	166,608	2040
2041	1,170,949	7,497	1,178,446					4.50%	54,000		400,000	5.00%	141,250	1,000	1,196,250	(17,804)	148,804	2041
2042	1,170,949	6,696	1,177,645					4.50%	36,000		400,000	5.00%	111,250	1,000	1,173,250	4,395	153,199	2042
2043	1,170,949	6,894	1,177,843					4.50%	18,000		400,000	5.00%	80,000	1,000	1,149,000	28,842	182,041	2043
2044	1,170,949	8,192	1,179,140								950,000	5.00%	47,500	15,000	1,012,500	166,640	348,682	2044
2045	1,170,949	15,691	1,186,639												0	1,186,639	1,535,321	2045
2046	1,170,949	69,089	1,240,038												0	1,240,038	2,775,359	2046
Total	26,162,724	745,141	28,778,193	5,172,204	750,000	2,000,000	1,519,077	4,825,000	2,772,000		5,600,000		3,868,750	246,896	32,364,579			Total
Notes: ¹ Assumes the financing of capital projects related to the future TID Amendment.																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 territory proposed to be added to the District 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 none 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 Amendment 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 Amendment is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for mixed use.

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 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

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 City

This Plan Amendment promotes the orderly development of the City by providing necessary public infrastructure improvements. 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 Projects 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 and housing 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.

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)

NEED WET SIGNATURE & DATED LEGAL OPINION ON ATTORNEY LETTERHEAD

SAMPLE

Mayor
City of Sheboygan
828 Center Ave
Sheboygan, Wisconsin 53081

RE: Project Plan Amendment for Tax Incremental District No. 17

Dear Mayor:

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 Sheboygan, 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 City of Sheboygan Tax Incremental District No. 17 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

City Attorney

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:		2022		Percentage		
Sheboygan County		15,129,924		21.12%		
City of Sheboygan		31,920,100		44.56%		
School District of Sheboygan Area		22,283,436		31.11%		
Lakeshore Technical College		2,303,112		3.21%		
Total		71,636,572				
Revenue Year	Sheboygan County	City of Sheboygan	School District of Sheboygan Area	Lakeshore Technical College	Total	Revenue Year
2022	132,594	279,738	195,285	20,184	627,800	2022
2023	83,639	176,456	123,184	12,732	396,010	2023
2024	85,227	179,806	125,523	12,973	403,529	2024
2025	101,435	214,001	149,394	15,441	480,271	2025
2026	166,268	350,781	244,880	25,310	787,239	2026
2027	247,309	521,756	364,238	37,646	1,170,949	2027
2028	247,309	521,756	364,238	37,646	1,170,949	2028
2029	247,309	521,756	364,238	37,646	1,170,949	2029
2030	247,309	521,756	364,238	37,646	1,170,949	2030
2031	247,309	521,756	364,238	37,646	1,170,949	2031
2032	247,309	521,756	364,238	37,646	1,170,949	2032
2033	247,309	521,756	364,238	37,646	1,170,949	2033
2034	247,309	521,756	364,238	37,646	1,170,949	2034
2035	247,309	521,756	364,238	37,646	1,170,949	2035
2036	247,309	521,756	364,238	37,646	1,170,949	2036
2037	247,309	521,756	364,238	37,646	1,170,949	2037
2038	247,309	521,756	364,238	37,646	1,170,949	2038
2039	247,309	521,756	364,238	37,646	1,170,949	2039
2040	247,309	521,756	364,238	37,646	1,170,949	2040
2041	247,309	521,756	364,238	37,646	1,170,949	2041
2042	247,309	521,756	364,238	37,646	1,170,949	2042
2043	247,309	521,756	364,238	37,646	1,170,949	2043
2044	247,309	521,756	364,238	37,646	1,170,949	2044
2045	247,309	521,756	364,238	37,646	1,170,949	2045
2046	247,309	521,756	364,238	37,646	1,170,949	2046
		5,525,669	11,657,687	8,138,237	841,130	26,162,723