

April 20, 2026

DRAFT PROJECT PLAN

City of Sheboygan, Wisconsin

Tax Incremental District No. 26



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	Scheduled for March 17, 2026
Public Hearing Held:	Scheduled for March 24, 2026
Consideration by Plan Commission:	Scheduled for March 24, 2026
Consideration by Common Council:	Scheduled for April 20, 2026
Consideration by the Joint Review Board:	TBD

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 26 (“District”) is a proposed Mixed-Use District comprising approximately 62 acres encompassing property housing the Vollrath Company, extending east to include the property housing the Old World Creamery and other areas that could be suited for mixed-use development. When created, the District will pay the costs of a variety of public infrastructure improvements, development incentives (including, without limitation, for the expansion of the Vollrath Company, LLC (“Vollrath Development”) and other project costs to support future mixed-use development within the District (collectively, the “Project”). Further, Old World Creamery has had recent economic growth with the addition of the cream cheese line. This growth can be seen in their increase in employees and the addition to the factory. The City would like to support the economic momentum of Old World Creamery as they explore further expansion. In addition to the incremental property value that will be created, the City expects the Project will result in the retention of existing jobs and creation of new employment opportunities.

AUTHORITY

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

ESTIMATED TOTAL PROJECT COST EXPENDITURES

The City anticipates making total expenditures of approximately \$3,000,000 (“Project Costs”). Project Costs within the District include an estimated \$1,600,000 in development incentives, and \$65,000 for the creation of the TID and ongoing administrative costs. Project costs within a ½ mile radius of the District include \$258,000 for sanitary sewer relay relocation, \$1,075,000 for repairs to N. 23rd Street and sidewalk improvements.

INCREMENTAL VALUATION

The City projects that new land and improvements value of approximately \$8,000,000 will result from the initial phase of development within the District. 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 all 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 City has received representations from developers that the extraordinary costs associated with demolition of structures, site clean-up and assembly and redevelopment of existing sites makes the proposed redevelopment projects not economically viable without public involvement and incentives. The public infrastructure necessary to allow for development and redevelopment within the District requires substantial investment. Absent the use of tax increment financing, the City is unable to fully-fund the necessary 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:

The expectation that the Project will provide new employment opportunities and benefits to local businesses as the developers will likely purchase goods and services from local suppliers, retailers, restaurants and service companies during the construction of the projects.

Vollrath’s proposed multi-million-dollar manufacturing facility in Sheboygan represents a significant investment to replace aging infrastructure and strengthen the company’s long-standing manufacturing presence in the community. The new facility will update key production areas and create a modern environment that supports the long-term sustainability of manufacturing operations in Sheboygan, helping retain existing manufacturing jobs while positioning the company for future growth.

This investment reflects Vollrath’s continued commitment to the local community and to maintaining a strong domestic manufacturing footprint. By enhancing its facilities and creating a modern space for core manufacturing processes, the project helps ensure that Sheboygan remains

a central hub for Vollrath's operations, supports job retention, and creates opportunities for future growth. Through this project and its partnership with the City of Sheboygan through TID financing, Vollrath is reinforcing its commitment to local manufacturing, supporting the community's economic stability, and maintaining its legacy of manufacturing in Sheboygan.

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 at all or not at the scope or timeline proposed 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). No area within the District is proposed for newly platted residential development.
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, 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 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.

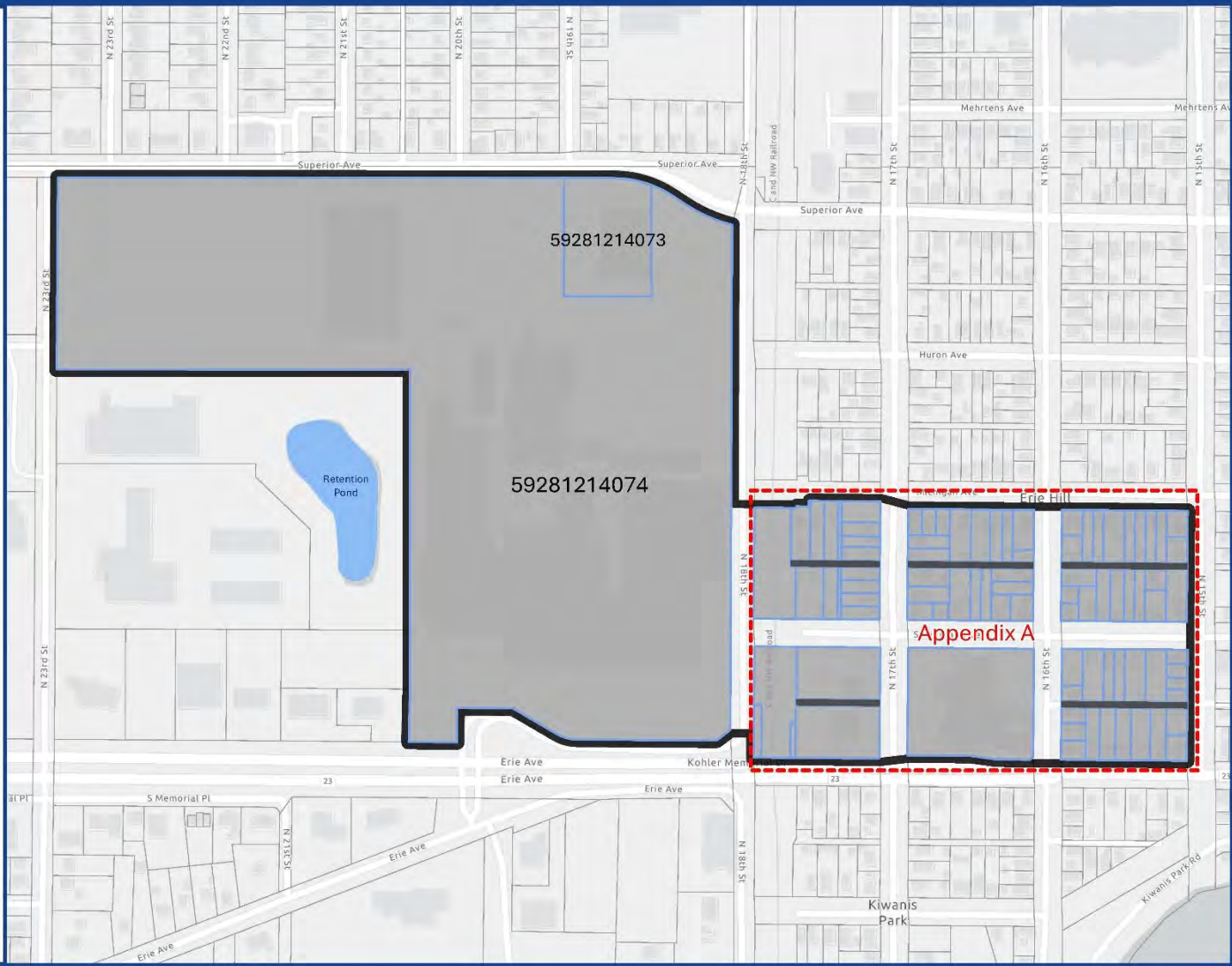
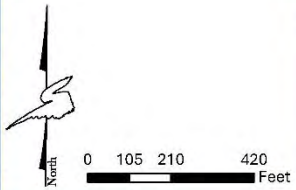
TID 26 Preliminary Map

City of Sheboygan

Sheboygan County, WI



-  TID 26 Parcels
-  Right-of-way
-  TID Boundary
-  Parcel Lines as of 1-1-26



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SECTION 3: Map Showing Existing Uses and Conditions

Map Found on Following Page.

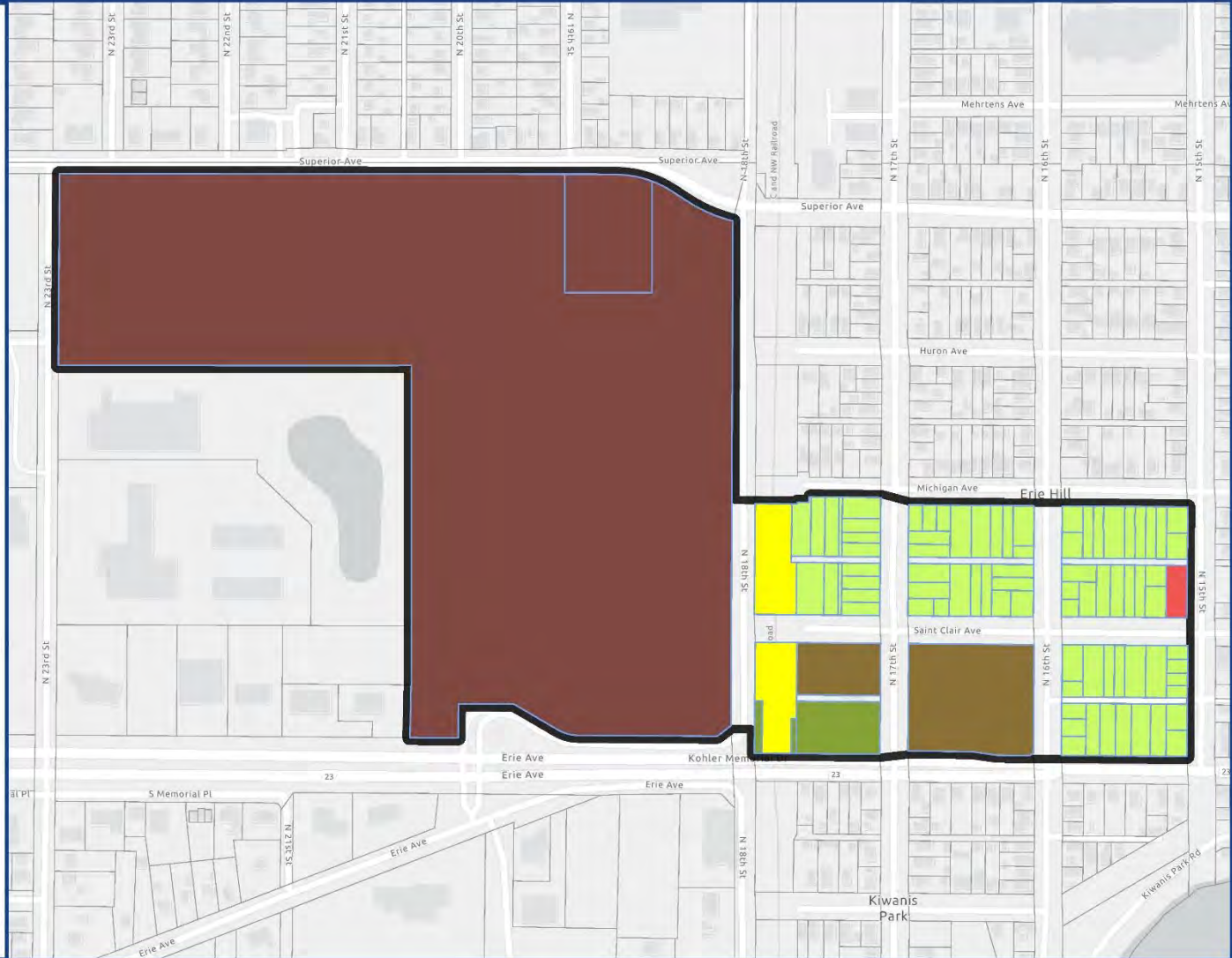
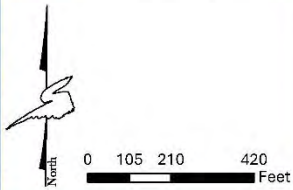
TID 26 Existing Use

City of Sheboygan

Sheboygan County, WI



- TID 26 Parcels
 - TID Boundary
 - Parcel Lines as of 1-1-26
- Zoning**
- Neighborhood Commercial District
 - Neighborhood Residential- 6 District
 - Railroad
 - Suburban Industrial District
 - Urban Commercial District
 - Urban Industrial District



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SECTION 4: Preliminary Parcel List and Analysis

Found on Following Pages.

Calculation of Estimated Base Value¹

Parcel	Assessed Value			Equalized Value ²		
	Land	Improvement	Total	Land	Improvement	Total
59281214074	1,722,700	8,568,000	10,290,700	1,775,300	8,829,700	10,605,000
59281205300	39,000	195,500	234,500	40,200	201,500	241,700
59281205320	2,300	0	2,300	2,400	0	2,400
59281205325	1,100	0	1,100	1,100	0	1,100
59281205310	0	0	0	0	0	0
59281205330	200,400	471,200	671,600	206,500	485,600	692,100
59281205100	9,400	149,100	158,500	9,700	153,700	163,400
59281205170	10,500	167,400	177,900	10,800	172,500	183,300
59281205090	10,900	175,800	186,700	11,200	181,200	192,400
59281205180	13,900	133,200	147,100	14,300	137,300	151,600
59281205110	10,500	145,000	155,500	10,800	149,400	160,200
59281205080	10,000	152,700	162,700	10,300	157,400	167,700
59281204970	7,400	106,600	114,000	7,600	109,900	117,500
59281205070	9,200	99,500	108,700	9,500	102,500	112,000
59281204980	7,400	119,500	126,900	7,600	123,200	130,800
59281204990	8,300	102,200	110,500	8,600	105,300	113,900
59281205000	8,300	101,200	109,500	8,600	104,300	112,900
59281205010	18,500	127,800	146,300	19,100	131,700	150,800
59281205020	18,500	95,400	113,900	19,100	98,300	117,400
59281205030	10,200	97,200	107,400	10,500	100,200	110,700
59281205040	10,200	114,700	124,900	10,500	118,200	128,700
59281205050	18,500	115,100	133,600	19,100	118,600	137,700
59281205060	25,800	14,600	40,400	26,600	15,000	41,600
59281202360	10,800	125,600	136,400	11,100	129,400	140,500
59281202750	9,200	116,100	125,300	9,500	119,600	129,100
59281202540	8,300	0	8,300	8,600	0	8,600
59281202530	11,200	144,700	155,900	11,500	149,100	160,600
59281202590	13,900	152,300	166,200	14,300	157,000	171,300
59281202580	12,200	0	12,200	12,600	0	12,600
59281202370	10,800	158,000	168,800	11,100	162,800	173,900
59281202810	14,300	95,200	109,500	14,700	98,100	112,800
59281202520	13,300	108,500	121,800	13,700	111,800	125,500
59281202760	13,000	148,900	161,900	13,400	153,400	166,800
59281202740	9,200	153,400	162,600	9,500	158,100	167,600
59281202600	11,300	150,000	161,300	11,600	154,600	166,200
59281202380	10,800	0	10,800	11,100	0	11,100
59281202830	0	0	0	0	0	0
59281202820	8,200	141,800	150,000	8,500	146,100	154,600
59281202800	10,200	100,100	110,300	10,500	103,200	113,700
59281202790	10,200	133,100	143,300	10,500	137,200	147,700
59281202780	13,200	120,200	133,400	13,600	123,900	137,500
59281202770	13,200	107,600	120,800	13,600	110,900	124,500
59281202730	13,000	152,400	165,400	13,400	157,100	170,500
59281202610	11,300	130,000	141,300	11,600	134,000	145,600

Calculation of Estimated Base Value¹

Parcel	Assessed Value			Equalized Value ²		
	Land	Improvement	Total	Land	Improvement	Total
59281202570	10,200	0	10,200	10,500	0	10,500
59281202560	10,200	0	10,200	10,500	0	10,500
59281202550	18,800	139,300	158,100	19,400	143,600	163,000
59281202510	15,200	238,800	254,000	15,700	246,100	261,800
59281202390	10,800	142,600	153,400	11,100	147,000	158,100
59281202350	0	0	0	0	0	0
59281202340	13,500	0	13,500	13,900	0	13,900
59281202330	22,700	0	22,700	23,400	0	23,400
59281202400	7,400	93,500	100,900	7,600	96,400	104,000
59281202500	11,300	0	11,300	11,600	0	11,600
59281202240	11,300	152,200	163,500	11,600	156,800	168,400
59281202620	13,900	130,100	144,000	14,300	134,100	148,400
59281202250	8,700	91,600	100,300	9,000	94,400	103,400
59281202720	13,900	148,100	162,000	14,300	152,600	166,900
59281202490	11,300	0	11,300	11,600	0	11,600
59281202260	11,300	138,500	149,800	11,600	142,700	154,300
59281202630	13,100	185,800	198,900	13,500	191,500	205,000
59281202640	15,700	193,500	209,200	16,200	199,400	215,600
59281202650	10,200	107,600	117,800	10,500	110,900	121,400
59281202660	10,200	167,700	177,900	10,500	172,800	183,300
59281202670	10,200	93,300	103,500	10,500	96,100	106,600
59281202680	18,500	129,200	147,700	19,100	133,100	152,200
59281202690	10,100	166,800	176,900	10,400	171,900	182,300
59281202700	10,200	111,200	121,400	10,500	114,600	125,100
59281202710	13,100	119,500	132,600	13,500	123,200	136,700
59281202410	16,200	152,500	168,700	16,700	157,200	173,900
59281202420	10,200	150,700	160,900	10,500	155,300	165,800
59281202430	10,200	141,800	152,000	10,500	146,100	156,600
59281202440	17,200	107,500	124,700	17,700	110,800	128,500
59281202450	18,500	75,900	94,400	19,100	78,200	97,300
59281202460	9,300	154,500	163,800	9,600	159,200	168,800
59281202470	9,300	133,500	142,800	9,600	137,600	147,200
59281202480	12,300	231,200	243,500	12,700	238,300	251,000
59281202320	0	0	0	0	0	0
59281202270	6,000	0	6,000	6,200	0	6,200
59281202280	0	0	0	0	0	0
59281202290	14,000	129,400	143,400	14,400	133,400	147,800
59281202300	14,000	73,100	87,100	14,400	75,300	89,700
59281202310	17,500	162,800	180,300	18,000	167,800	185,800
59281205130	11,700	165,400	177,100	12,100	170,500	182,600
59281205120	11,700	133,800	145,500	12,100	137,900	150,000
59281205141	13,800	134,000	147,800	14,200	138,100	152,300
59281205161	11,700	143,900	155,600	12,100	148,300	160,400
59281205260	546,300	550,100	1,096,400	563,000	566,900	1,129,900
59281214073	0	0	0	0	0	0
TOTALS	3,452,300	18,679,000	22,131,300	3,557,500	19,249,900	22,807,400

1) Estimated based on values as of January 1, 2025. Actual base value will be as of January 1, 2026.

2) Calculation based on aggregate assessment ratio of 97.04%.

Parcel Number	Address	Acres	Suitable Acres			
			Commercial/ Business	Previously- Platted Residential	Newly-Platted Residential	Industrial
59281214074	1236 N 18TH ST	44.48				44.48
59281205300	1118 N 17TH ST	0.83				0.83
59281205320		0.08				0.08
59281205325		0.03				0.03
59281205310		0.70				
59281205330	1704 ERIE AVE	0.83	0.83			
59281205100	1103 N 16TH ST	0.09		0.09		
59281205170	1504 ERIE AVE	0.10		0.10		
59281205090	1111 N 16TH ST	0.08		0.08		
59281205180	1116 N 15TH ST	0.10		0.10		
59281205110	1530 ERIE AVE	0.14		0.14		
59281205080	1115 N 16TH ST	0.07		0.07		
59281204970	1120 N 15TH ST	0.05		0.05		
59281205070	1117 N 16TH ST	0.06		0.06		
59281204980	1122 N 15TH ST	0.05		0.05		
59281204990	1126 N 15TH ST	0.06		0.06		
59281205000	1503 ST CLAIR AVE	0.06		0.06		
59281205010	1511 ST CLAIR AVE	0.21		0.21		
59281205020	1515 ST CLAIR AVE	0.21		0.21		
59281205030	1519 ST CLAIR AVE	0.10		0.10		
59281205040	1523 ST CLAIR AVE	0.10		0.10		
59281205050	1529 ST CLAIR AVE	0.21		0.21		
59281205060	ST CLAIR AVE	0.15		0.15		
59281202360	1202 N 17TH ST	0.10				0.10
59281202750	1534 ST CLAIR AVE	0.06		0.06		
59281202540	ST CLAIR AVE	0.05				0.05
59281202530	1634 ST CLAIR AVE	0.09				0.09
59281202590	1202 N 16TH ST	0.11				0.11
59281202580	ST CLAIR AVE	0.10				0.10
59281202370	1206 N 17TH ST	0.10				0.10
59281202810	1510 ST CLAIR AVE	0.12		0.12		
59281202520	1207 N 17TH ST	0.13				0.13
59281202760	1530 ST CLAIR AVE	0.12		0.12		
59281202740	1209 N 16TH ST	0.06		0.06		
59281202600	1212 N 16TH ST	0.11				0.11
59281202380	N 17TH ST	0.10				0.10
59281202830	1504 ST CLAIR AVE	0.21				
59281202820	1510A ST CLAIR AVE	0.08		0.08		
59281202800	1514 ST CLAIR AVE	0.10		0.10		
59281202790	1518 ST CLAIR AVE	0.10		0.10		
59281202780	1520 ST CLAIR AVE	0.14		0.14		
59281202770	1526 ST CLAIR AVE	0.14		0.14		
59281202730	1213 N 16TH ST	0.12		0.12		
59281202610	1214 N 16TH ST	0.11				0.11

Parcel Number	Address	Acres	Suitable Acres			
			Commercial/ Business	Previously- Platted Residential	Newly-Platted Residential	Industrial
59281202570	ST CLAIR AVE	0.10				0.10
59281202560	ST CLAIR AVE	0.10				0.10
59281202550	1624 ST CLAIR AVE	0.21				0.21
59281202510	1213 N 17TH ST	0.15				0.15
59281202390	1214 N 17TH ST	0.10				0.10
59281202350		0.03				0.03
59281202340	ST CLAIR AVE	0.14				0.14
59281202330	ST CLAIR AVE	0.27				0.27
59281202400	1220 N 16TH ST	0.05				0.05
59281202500	N 17TH ST	0.11				0.11
59281202240	1220 N 17TH ST	0.10				0.10
59281202620	1220 N 15TH ST	0.10		0.10		
59281202250	1224 N 17TH ST	0.08				0.08
59281202720	1219 N 16TH ST	0.10		0.10		
59281202490	N 17TH ST	0.11				0.11
59281202260	1228 N 17TH ST	0.10				0.10
59281202630	1503 MICHIGAN AVE	0.10		0.10		
59281202640	1507 MICHIGAN AVE	0.10		0.10		
59281202650	1509 MICHIGAN AVE	0.10		0.10		
59281202660	1513 MICHIGAN AVE	0.10		0.10		
59281202670	1517 MICHIGAN AVE	0.10		0.10		
59281202680	1521 MICHIGAN AVE	0.21		0.21		
59281202690	1525 MICHIGAN AVE	0.10		0.10		
59281202700	1529 MICHIGAN AVE	0.10		0.10		
59281202710	1531 MICHIGAN AVE	0.10		0.10		
59281202410	1601 MICHIGAN AVE	0.16				0.16
59281202420	1607 MICHIGAN AVE	0.10				0.10
59281202430	1611 MICHIGAN AVE	0.12				0.12
59281202440	1613 MICHIGAN AVE	0.19				0.19
59281202450	1621 MICHIGAN AVE	0.21				0.21
59281202460	1627 MICHIGAN AVE	0.07				0.07
59281202470	1629 MICHIGAN AVE	0.07				0.07
59281202480	1635 MICHIGAN AVE	0.07				0.07
59281202320		0.83				
59281202270	N 17TH ST	0.15				0.15
59281202280		0.03				0.03
59281202290	1715 MICHIGAN AVE	0.16		0.16		
59281202300	1719 MICHIGAN AVE	0.16		0.16		
59281202310	1723 MICHIGAN AVE	0.20		0.20		
59281205130	1520 ERIE AVE	0.16		0.16		
59281205120	1524 ERIE AVE	0.16		0.16		
59281205141	1516 ERIE AVE	0.19		0.19		
59281205161	1508 ERIE AVE	0.16		0.16		
59281205260	1606 ERIE AVE	2.63				2.63
59281214073	1837 SUPERIOR AVE	1.93				1.93
		61.58	0.83	5.26	0.00	53.76

Area Suitable for Mixed Use Development

97%

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, 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 base value of the proposed District, totals \$211,602,300. This value is less than the maximum of \$619,273,176 in equalized value that is permitted for the City.

Valuation Test Compliance Calculation		
<u>Calculation of City Equalized Value Limit</u>		
City TID IN Equalized Value (Jan. 1, 2025)	\$	5,160,609,800
TID Valuation Limit @ 12% of Above Value	\$	619,273,176
<u>Calculation of Value Subject to Limit</u>		
Estimated Base Value of Territory to be Included in District	\$	22,807,400
Incremental Value of Existing Districts (Jan. 1, 2025)	\$	188,794,900
Total Value Subject to 12% Valuation Limit	\$	211,602,300
Total Percentage of TID IN Equalized Value		4.10%
Residual Value Capacity of TID IN Equalized Value	\$	407,670,876

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.

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 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 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 RDA in the program manual. Any funds returned to the 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 RDA for purposes of implementing this program are considered eligible Project Costs.

Municipal Revenue Obligations (MRO's) (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 a guaranteed increment value through a Municipal Revenue Obligation (MRO). Terms of an MRO may be negotiated specifically with each developer and approved by the City's Common Council. No MRO payments will be provided until the City executes a developer agreement with the recipient and the agreed upon increment is generated. Any payments related to an MRO executed by the City are eligible Project Costs.

Miscellaneous

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:

- N. 23rd Street repairs/relocation and sidewalk improvements adjacent to the District: \$1,075,000
- Relocation of sanitary sewer relay: \$258,845

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

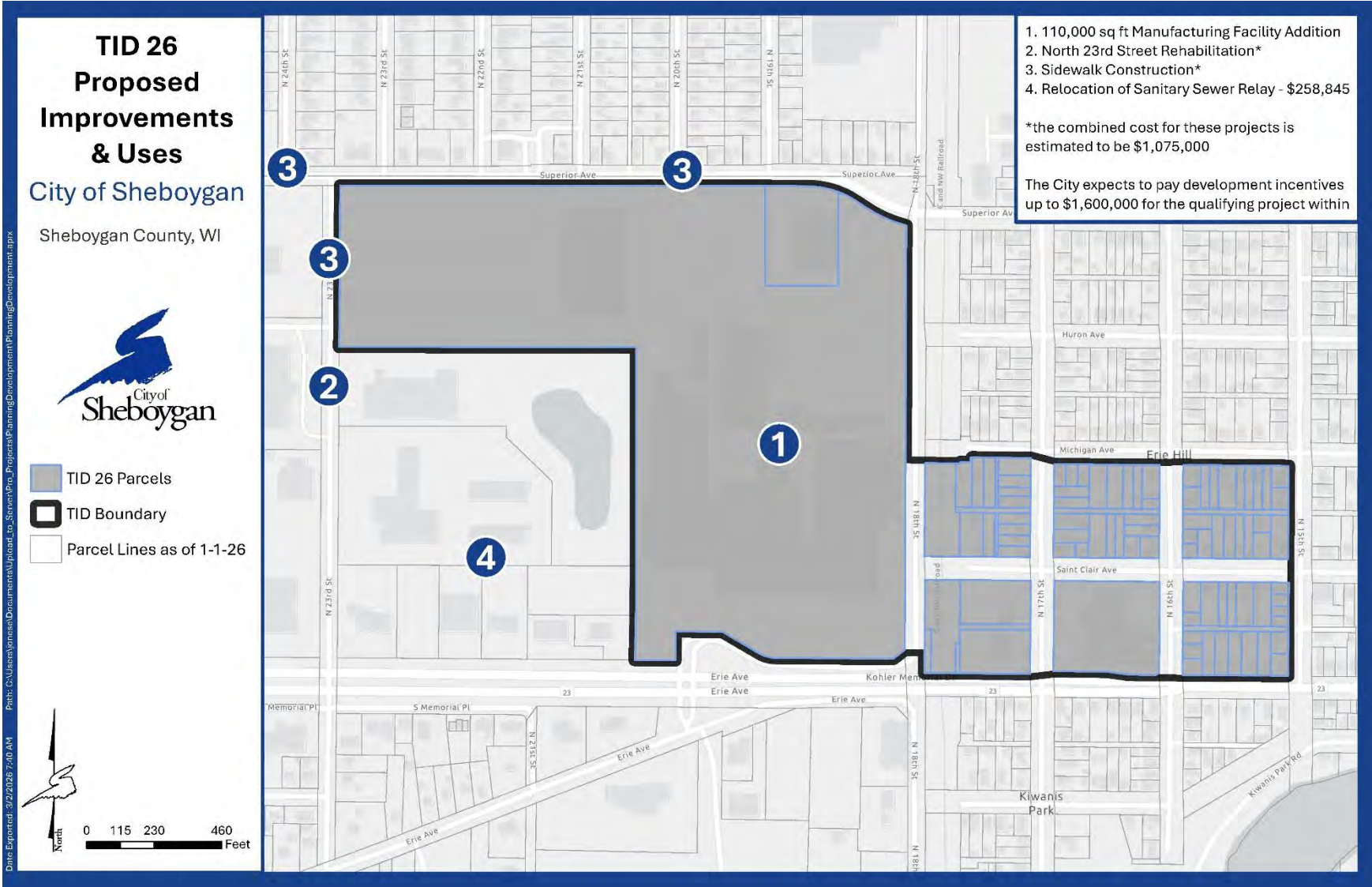
The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

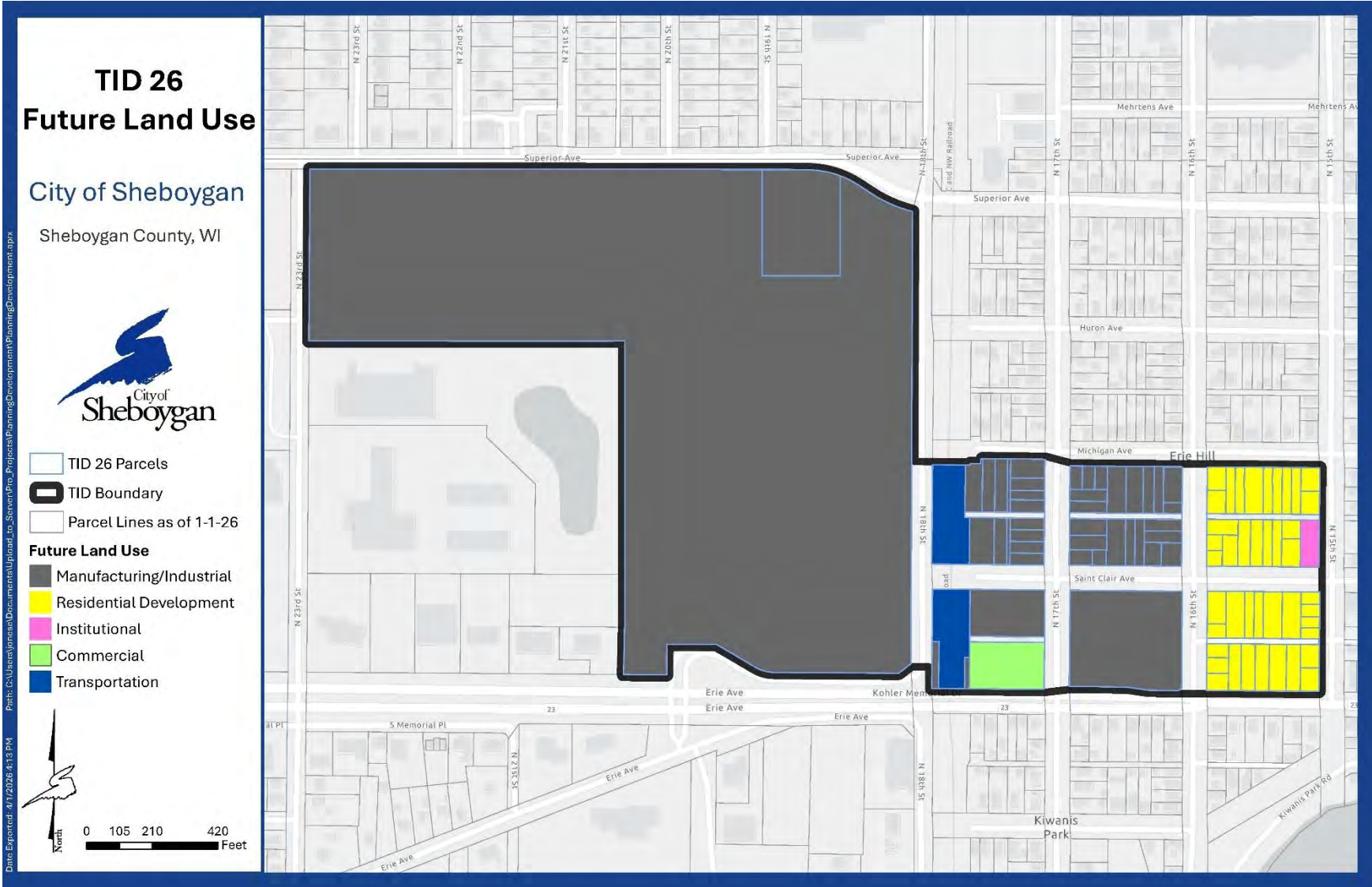
Financing Costs

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 Future Land
Use**

Maps Found on Following Pages.





SECTION 8: Detailed List of Estimated Project Costs

The following list 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. 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.

While the City can reallocate costs between projects as necessary, all expenditures will require separate approval by the City’s Common Council. The City expects to review planned TID expenditures and projected increment within the District prior to approving capital expenditures or developer incentives to determine if it is feasible for the District to support the proposed costs.

Tax Increment District No. 26

Detailed List of Estimated Project Costs

Project Map ID	Project Name/Type	Est. Cost			Totals	1/2 Mile	Est. Timing
		Phase I	Phase II	Ongoing			
1	Development Incentive	1,600,000			1,600,000		2026
4	Sanitary Sewer Relay Relocation		258,845		258,845	258,845	2026
2,3	N. 23rd Street Repairs/Relocation/ and Sidewalks ¹		1,075,000		1,075,000	1,075,000	2027
N/A	TID Setup	25,000			25,000		2026
N/A	Ongoing Planning & Administrative Costs			40,000	40,000		
Total Projects		1,625,000	1,333,845	40,000	2,998,845	1,333,845	

Notes:
¹The amount shown for the N. 23rd Street Repair/Relocation is TID eligible. In the cashflow it only represents the amount of the project supported over the TID life using the current tax rate and projected development value. If the TID incremental value is greater than the \$8M required, it will allow for more of the project to be paid from TID funds.

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 initial phase of development within the District is anticipated to generate \$8,000,000 of incremental value (Table 1). Assuming the City's current equalized TID Interim tax rate of \$15.41 per thousand of equalized value, and no economic appreciation or depreciation, the initial phase of development would generate \$2,465,600 in incremental tax revenue over the 20-year term of the District as shown in Table 2.

The cash flow exhibit (Table 3) illustrates potential project costs that can be supported by the initial phases of development within the District. Additional Project Costs can be funded if tax increment is sufficient to support the costs. The District is projected to accumulate sufficient funds by the year 2047 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. The cash flow exhibit is an illustration of how Project Costs could be funded and does not represent a commitment by the City to proceed with a specific project or fund it in a particular manner.

Table 1 - Development Assumptions

Development Assumptions							
Construction Year		Vollrath Co. Expansion		Annual Total		Construction Year	
1	2026	8,000,000		8,000,000		2026	1
2	2027			0		2027	2
3	2028			0		2028	3
4	2029			0		2029	4
5	2030			0		2030	5
<hr/>							
6	2031			0		2031	6
7	2032			0		2032	7
8	2033			0		2033	8
9	2034			0		2034	9
10	2035			0		2035	10
<hr/>							
11	2036			0		2036	11
12	2037			0		2037	12
13	2038			0		2038	13
14	2039			0		2039	14
15	2040			0		2040	15
<hr/>							
16	2041			0		2041	16
17	2042			0		2042	17
18	2043			0		2043	18
19	2044			0		2044	19
20	2045			0		2045	20
<hr/>							
Totals		<u><u>8,000,000</u></u>		<u><u>8,000,000</u></u>			
Notes:							

Table 2 – Tax Increment Projection Worksheet

Tax Increment Projection Worksheet									
Type of District	Mixed Use		Base Value	22,807,400					
District Creation Date	April 20, 2026		Economic Change Factor	0.00%					
Valuation Date	Jan 1,	2026	Apply to Base Value						
Max Life (Years)	20		Base Tax Rate	\$15.41					
End of Expenditure Period	15	4/20/2041	Rate Adjustment Factor	0.00%					
Revenue Periods/Final Year	20	2047							
Extension Eligibility/Years	Yes	3							
Eligible Recipient District	No								

Construction	Valuation	Economic	Total	Revenue Year	Tax Rate ¹	Tax Increment		
Year	Value Added	Change	Increment					
1	2026	8,000,000	2027	0	8,000,000	2028	\$15.41	123,280
2	2027	0	2028	0	8,000,000	2029	\$15.41	123,280
3	2028	0	2029	0	8,000,000	2030	\$15.41	123,280
4	2029	0	2030	0	8,000,000	2031	\$15.41	123,280
5	2030	0	2031	0	8,000,000	2032	\$15.41	123,280
6	2031	0	2032	0	8,000,000	2033	\$15.41	123,280
7	2032	0	2033	0	8,000,000	2034	\$15.41	123,280
8	2033	0	2034	0	8,000,000	2035	\$15.41	123,280
9	2034	0	2035	0	8,000,000	2036	\$15.41	123,280
10	2035	0	2036	0	8,000,000	2037	\$15.41	123,280
11	2036	0	2037	0	8,000,000	2038	\$15.41	123,280
12	2037	0	2038	0	8,000,000	2039	\$15.41	123,280
13	2038	0	2039	0	8,000,000	2040	\$15.41	123,280
14	2039	0	2040	0	8,000,000	2041	\$15.41	123,280
15	2040	0	2041	0	8,000,000	2042	\$15.41	123,280
16	2041	0	2042	0	8,000,000	2043	\$15.41	123,280
17	2042	0	2043	0	8,000,000	2044	\$15.41	123,280
18	2043	0	2044	0	8,000,000	2045	\$15.41	123,280
19	2044	0	2045	0	8,000,000	2046	\$15.41	123,280
20	2045	0	2046	0	8,000,000	2047	\$15.41	123,280
Totals	8,000,000	0			Future Value of Increment	2,465,600		

Notes:
 1) Tax rates shown through the 2026 revenue year are actual per DOR Form PC-202 (Tax Increment Collection Worksheet).

Table 3 - Cash Flow

Cash Flow Projection											
Year	Projected Revenues		Projected Expenditures					Balances			Year
	Tax Increments	Total Revenues	MRO #1 2026 Vollrath \$1,600,000	Capital Projects	TID Setup	Ongoing Planning & Administration	Total Expenditures	Annual	Cumulative	Liabilities Outstanding	
2026		0		258,845	25,000	0	283,845	(283,845)	(283,845)	1,600,000	2026
2027		0		540,000		500	540,500	(540,500)	(824,345)	1,600,000	2027
2028	123,280	123,280	98,624			1,000	99,624	23,656	(800,689)	1,501,376	2028
2029	123,280	123,280	98,624			1,500	100,124	23,156	(777,533)	1,402,752	2029
2030	123,280	123,280	98,624			1,500	100,124	23,156	(754,377)	1,304,128	2030
2031	123,280	123,280	98,624			1,500	100,124	23,156	(731,221)	1,205,504	2031
2032	123,280	123,280	98,624			1,500	100,124	23,156	(708,065)	1,106,880	2032
2033	123,280	123,280	98,624			1,500	100,124	23,156	(684,909)	1,008,256	2033
2034	123,280	123,280	98,624			1,500	100,124	23,156	(661,753)	909,632	2034
2035	123,280	123,280	98,624			1,500	100,124	23,156	(638,597)	811,008	2035
2036	123,280	123,280	98,624			1,500	100,124	23,156	(615,441)	712,384	2036
2037	123,280	123,280	98,624			1,500	100,124	23,156	(592,285)	613,760	2037
2038	123,280	123,280	98,624			1,500	100,124	23,156	(569,129)	515,136	2038
2039	123,280	123,280	98,624			1,500	100,124	23,156	(545,973)	416,512	2039
2040	123,280	123,280	98,624			1,500	100,124	23,156	(522,817)	317,888	2040
2041	123,280	123,280	98,624			1,500	100,124	23,156	(499,661)	219,264	2041
2042	123,280	123,280	98,624			1,500	100,124	23,156	(476,505)	120,640	2042
2043	123,280	123,280	98,624			1,500	100,124	23,156	(453,349)	22,016	2043
2044	123,280	123,280	22,016			1,500	23,516	99,764	(353,585)	0	2044
2045	123,280	123,280				1,500	1,500	121,780	(231,805)	0	2045
2046	123,280	123,280				1,500	1,500	121,780	(110,025)	0	2046
2047	123,280	123,280				11,500	11,500	111,780	1,755	0	2047
Totals	2,465,600	2,465,600	1,600,000	798,845	25,000	40,000	2,463,845				

Notes:

PROJECTED CLOSURE YEAR
LEGEND:
----- END OF EXP. PERIOD

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 mixed-use development (including, industrial, commercial, or 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 its Plan will promote the orderly mixed-use development of the City through public infrastructure improvements 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 Projects will be compatible with adjacent land uses.

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.

There are no non-project costs currently contemplated with regard to any Projects in the District.

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.



TAGLaw International Lawyers

Brion T. Winters
Direct Telephone
414-287-1561

brion.winters@vonbriesen.com

As of April 20, 2026

Mayor
City of Sheboygan
828 Center Avenue
Sheboygan, Wisconsin 53081

RE: Project Plan for City of Sheboygan Tax Incremental District No. 26

Dear Mayor:

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

We have acted as counsel for the City of Sheboygan in connection with the proposed creation of Tax Incremental District No. 26 of the City of Sheboygan (the “**District**”) and the review of the project plan for the District dated April 20, 2026 (the “**Project Plan**”) for compliance with applicable statutory requirements.

Based upon our review, relying upon the accuracy of the statements set forth in the Project Plan, it is our opinion that the Project Plan is complete and complies with the provisions of Wisconsin Statute §66.1105.

Very truly yours,

von BRIESEN & ROPER, s.c.

Brion T. Winters

#44029007v3

411 East Wisconsin Avenue, Suite 1000 Milwaukee, WI 53202 Phone 414-376-1122 Fax 414-276-6281

**SECTION 17:
Calculation of the Share of Projected Tax Increments
Estimated to be Paid by the Owners of Property in the
Overlying Taxing Jurisdictions**

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

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Revenue Year	Sheboygan County	City of Sheboygan	Sheboygan Area School District	Lakeshore College	Total	Revenue Year
2028	26,523	53,587	38,980	4,190	123,280	2028
2029	26,523	53,587	38,980	4,190	123,280	2029
2030	26,523	53,587	38,980	4,190	123,280	2030
2031	26,523	53,587	38,980	4,190	123,280	2031
2032	26,523	53,587	38,980	4,190	123,280	2032
2033	26,523	53,587	38,980	4,190	123,280	2033
2034	26,523	53,587	38,980	4,190	123,280	2034
2035	26,523	53,587	38,980	4,190	123,280	2035
2036	26,523	53,587	38,980	4,190	123,280	2036
2037	26,523	53,587	38,980	4,190	123,280	2037
2038	26,523	53,587	38,980	4,190	123,280	2038
2039	26,523	53,587	38,980	4,190	123,280	2039
2040	26,523	53,587	38,980	4,190	123,280	2040
2041	26,523	53,587	38,980	4,190	123,280	2041
2042	26,523	53,587	38,980	4,190	123,280	2042
2043	26,523	53,587	38,980	4,190	123,280	2043
2044	26,523	53,587	38,980	4,190	123,280	2044
2045	26,523	53,587	38,980	4,190	123,280	2045
2046	26,523	53,587	38,980	4,190	123,280	2046
2047	26,523	53,587	38,980	4,190	123,280	2047
Totals	530,464	1,071,748	779,593	83,795	2,465,600	