

December 4, 2023

PROJECT PLAN AMENDMENT

# City of Sheboygan, Wisconsin

## Tax Incremental District No. 17



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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

## KEY DATES

Organizational Joint Review Board Meeting Held:	November 14, 2023
Public Hearing Held:	November 14, 2023
Approval by Plan Commission:	November 14, 2023
Adoption by Common Council:	Scheduled for Dec. 4, 2023
Approval by the Joint Review Board:	Scheduled for Dec. 19, 2023

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## **SECTION 1:**

### **Executive Summary**

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#### **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 25 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.

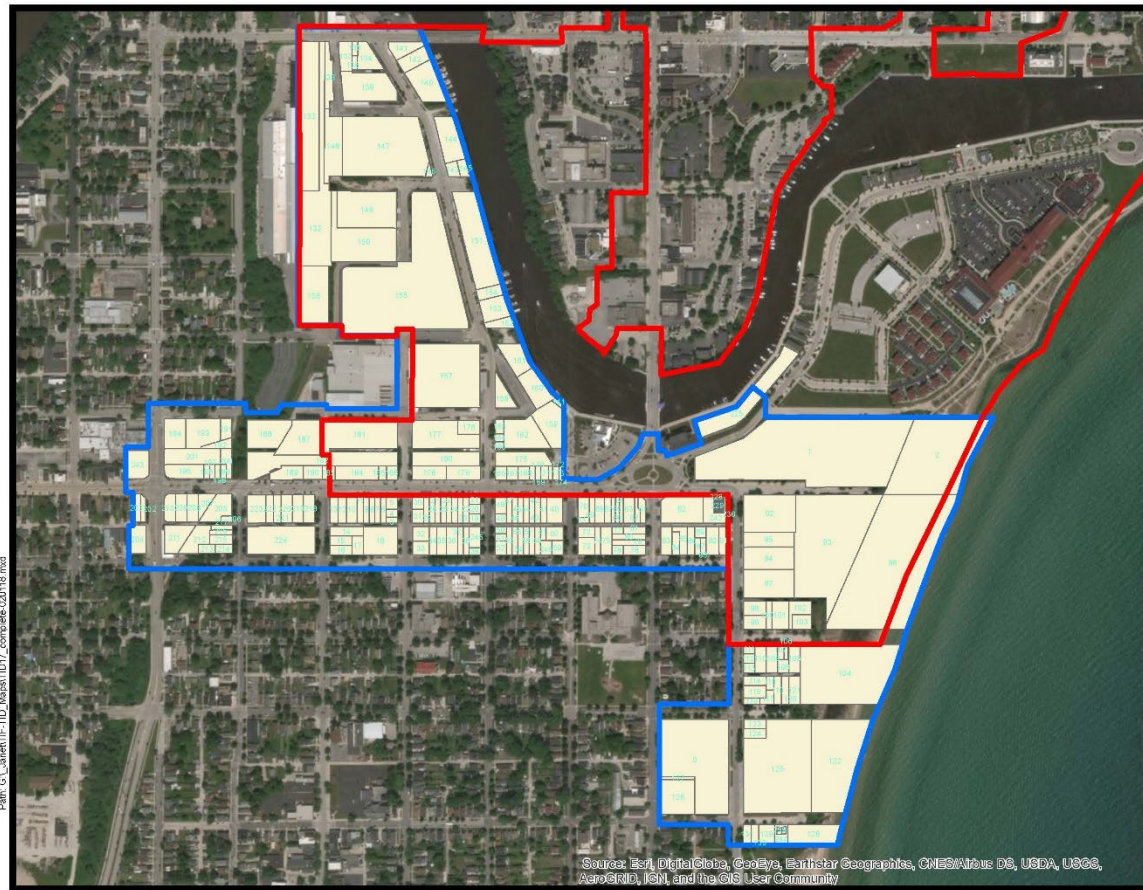
5. Based on the foregoing finding, the District remains designated as rehabilitation and conservation district.
6. The Project Costs relate directly to the rehabilitation and conservation of property and improvements in the District, consistent with the purpose for which the District is created.
7. Improvements 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

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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

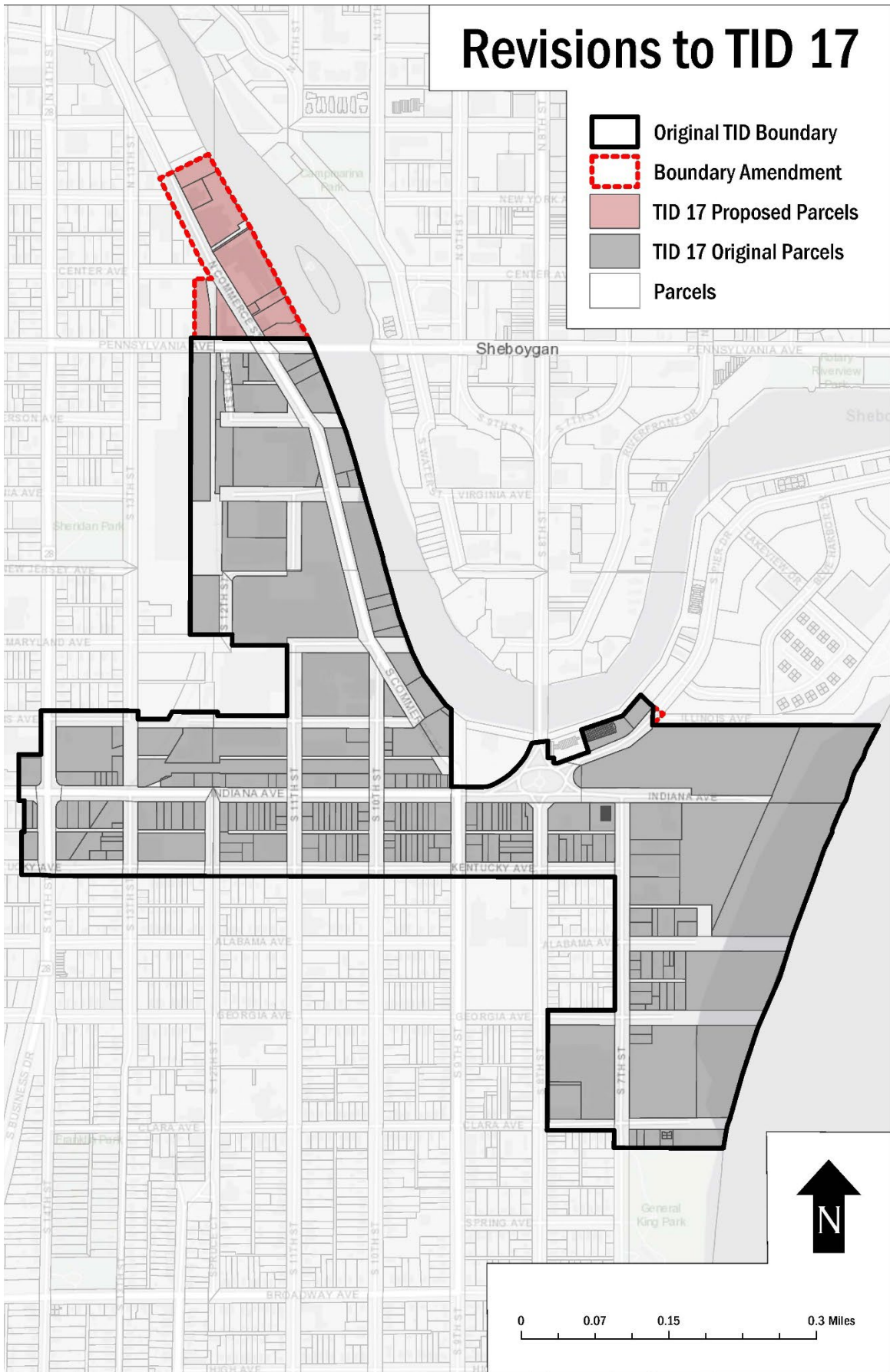
## **SECTION 3:**

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

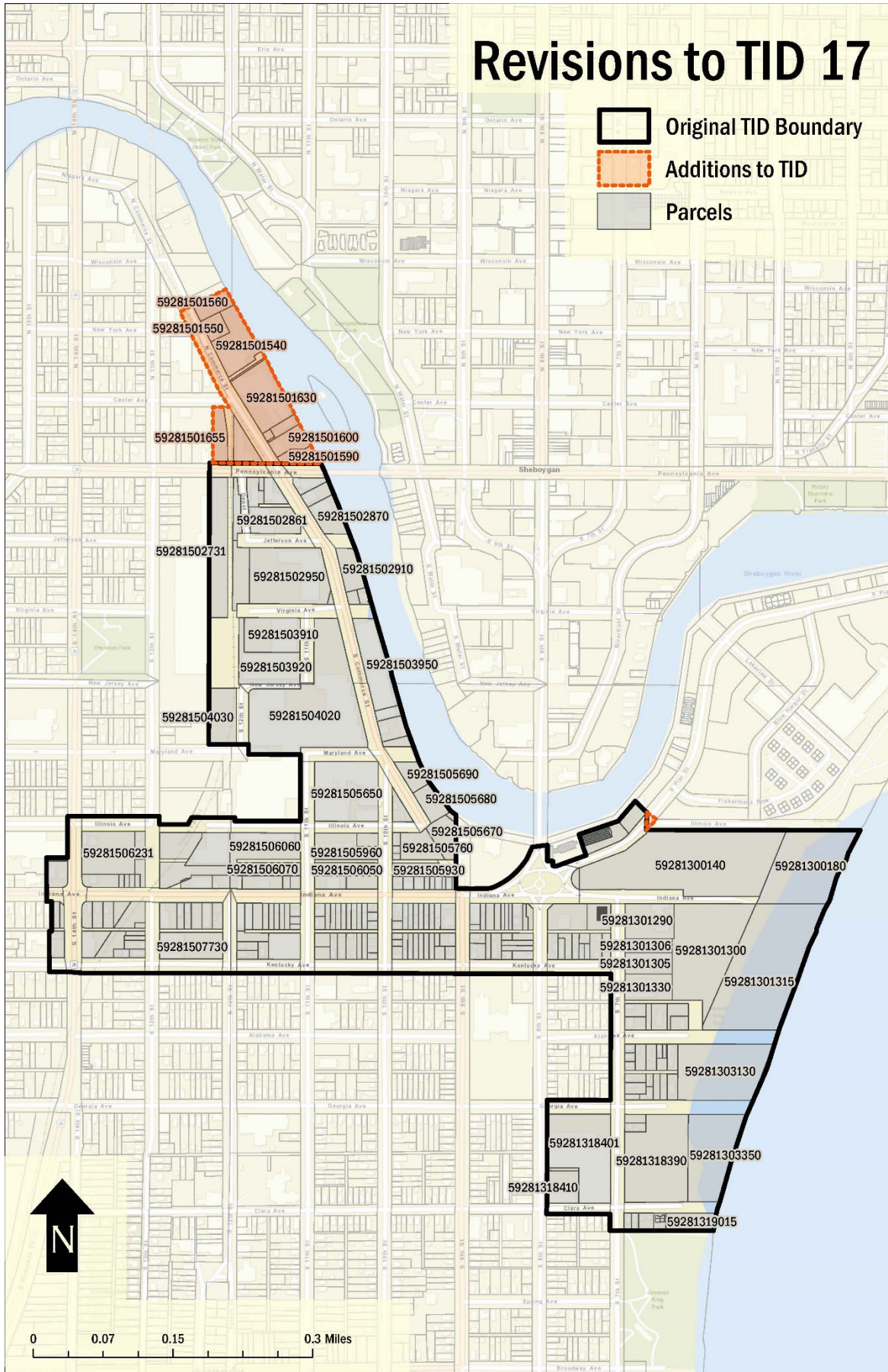
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Maps Found on Following Page.









## 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**

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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 amount 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.

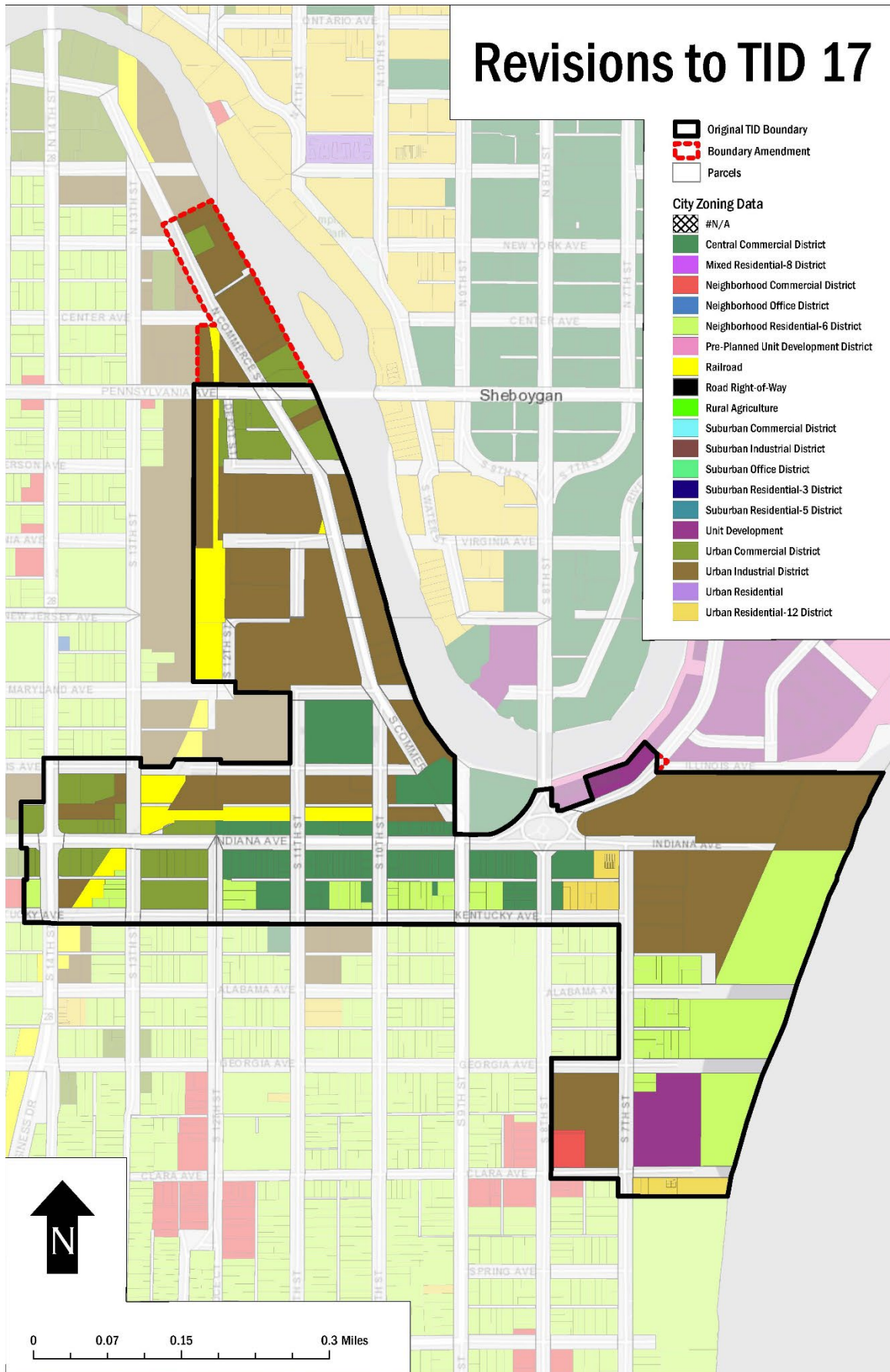
## **SECTION 7:**

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

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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	Administration 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**

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

#### **Key Assumptions**

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 \$17.07 per thousand of equalized value, and a 1.5% economic appreciation, the Project would generate nearly \$27M 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
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	1.50%
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	\$17.07	358,996
6 2023	4,000,000	2024	315,495	25,348,495	2025	\$17.07	432,654
7 2024	16,000,000	2025	380,227	41,728,722	2026	\$17.07	712,236
8 2025	20,000,000	2026	625,931	62,354,653	2027	\$17.07	1,064,284
9 2026	0	2027	935,320	63,289,973	2028	\$17.07	1,080,248
10 2027	0	2028	949,350	64,239,323	2029	\$17.07	1,096,452
11 2028	0	2029	963,590	65,202,912	2030	\$17.07	1,112,899
12 2029	0	2030	978,044	66,180,956	2031	\$17.07	1,129,592
13 2030	0	2031	992,714	67,173,671	2032	\$17.07	1,146,536
14 2031	0	2032	1,007,605	68,181,276	2033	\$17.07	1,163,734
15 2032	0	2033	1,022,719	69,203,995	2034	\$17.07	1,181,190
16 2033	0	2034	1,038,060	70,242,055	2035	\$17.07	1,198,908
17 2034	0	2035	1,053,631	71,295,685	2036	\$17.07	1,216,892
18 2035	0	2036	1,069,435	72,365,121	2037	\$17.07	1,235,145
19 2036	0	2037	1,085,477	73,450,598	2038	\$17.07	1,253,672
20 2037	0	2038	1,101,759	74,552,357	2039	\$17.07	1,272,478
21 2038	0	2039	1,118,285	75,670,642	2040	\$17.07	1,291,565
22 2039	0	2040	1,135,060	76,805,701	2041	\$17.07	1,310,938
23 2040	0	2041	1,152,086	77,957,787	2042	\$17.07	1,330,602
24 2041	0	2042	1,169,367	79,127,154	2043	\$17.07	1,350,561
25 2042	0	2043	1,186,907	80,314,061	2044	\$17.07	1,370,820
26 2043	0	2044	1,204,711	81,518,772	2045	\$17.07	1,391,382
27 2044	0	2045	1,222,782	82,741,554	2046	\$17.07	1,412,253
<b>Totals</b>	<b>61,033,000</b>		<b>21,708,554</b>		<b>Future Value of Increment</b>		<b>27,350,903</b>

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 2044 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	358,996	50,077	409,073	358,920	57,860			4.50%	108,563				40,000	565,343	(156,270)	956,542	2024			
2025	432,654	43,044	475,699	362,765	57,860		69,068	4.50%	217,125				40,000	746,818	(271,119)	685,422	2025			
2026	712,236	30,844	743,080	361,325	57,860		153,614	4.50%	217,125				40,000	829,924	(86,844)	598,578	2026			
2027	1,064,284	26,936	1,091,220	364,700	57,860		153,614	4.50%	217,125	100,000	4.50%	217,125	0	4.75%	266,000	40,000	1,199,299	(108,079)	490,499	2027
2028	1,080,248	22,072	1,102,321	367,825	57,860		153,614	4.50%	212,625	100,000	4.50%	212,625	50,000	4.75%	266,000	1,000	1,208,924	(106,603)	383,896	2028
2029	1,096,452	17,275	1,113,727	365,125	57,860		153,614	4.50%	208,125	100,000	4.50%	208,125	50,000	4.75%	263,625	1,000	1,199,349	(85,622)	298,274	2029
2030	1,112,899	13,422	1,126,321	287,525	57,860		153,614	4.50%	203,625	200,000	4.50%	203,625	50,000	4.75%	261,250	1,000	1,214,874	(88,553)	209,721	2030
2031	1,129,592	9,437	1,139,030	266,250	57,860		153,614	4.50%	194,625	200,000	4.50%	194,625	75,000	4.75%	258,875	1,000	1,207,224	(68,194)	141,527	2031
2032	1,146,536	6,369	1,152,905	264,950	39,355		153,614	4.50%	185,625	225,000	4.50%	185,625	100,000	4.75%	255,313	1,000	1,224,857	(71,952)	69,575	2032
2033	1,163,734	3,131	1,166,865	268,500			153,614	4.50%	175,500	250,000	4.50%	175,500	100,000	4.75%	250,563	1,000	1,199,177	(32,312)	37,263	2033
2034	1,181,190	1,677	1,182,867	266,750			49,598	4.50%	164,250	300,000	4.50%	164,250	150,000	4.75%	245,813	1,000	1,177,411	5,456	42,720	2034
2035	1,198,908	1,922	1,200,831	269,850				4.50%	150,750	350,000	4.50%	150,750	200,000	4.75%	238,688	1,000	1,210,288	(9,457)	33,263	2035
2036	1,216,892	1,497	1,218,389	267,650				4.50%	135,000	350,000	4.50%	135,000	250,000	4.75%	229,188	1,000	1,232,838	(14,449)	18,814	2036
2037	1,235,145	847	1,235,992	265,300				4.50%	119,250	350,000	4.50%	119,250	275,000	4.75%	217,313	1,000	1,227,863	8,129	26,943	2037
2038	1,253,672	1,212	1,254,885	267,800				4.50%	103,500	350,000	4.50%	103,500	325,000	4.75%	204,250	1,000	1,251,550	3,335	30,278	2038
2039	1,272,478	1,363	1,273,840					4.50%	87,750	350,000	4.50%	87,750	575,000	4.75%	188,813	1,000	1,202,563	71,277	101,556	2039
2040	1,291,565	4,570	1,296,135					4.50%	72,000	400,000	4.50%	72,000	575,000	4.75%	161,500	1,000	1,209,500	86,635	188,190	2040
2041	1,310,938	8,469	1,319,407					4.50%	54,000	400,000	4.50%	54,000	600,000	4.75%	134,188	1,000	1,189,188	130,219	318,409	2041
2042	1,330,602	14,328	1,344,931					4.50%	36,000	400,000	4.50%	36,000	625,000	4.75%	105,688	1,000	1,167,688	177,243	495,652	2042
2043	1,350,561	22,304	1,372,866					4.50%	18,000	400,000	4.50%	18,000	650,000	4.75%	76,000	1,000	1,145,000	227,866	723,518	2043
2044	1,370,820	32,558	1,403,378										950,000	4.75%	45,125	15,000	1,010,125	393,253	1,116,771	2044
2045	1,391,382	50,255	1,441,637														0	1,441,637	2,558,407	2045
2046	1,412,253	115,128	1,527,381														0	1,527,381	4,085,788	2046
Total	27,186,753	659,480	29,716,561	5,172,204	750,000	2,000,000	1,347,579	4,825,000		2,772,000	5,600,000		3,668,188	246,896	31,992,518					Total
Notes: <sup>1</sup> Assumes the financing of capital projects related to the future TID Amendment.																	Projected TID Closure			



## **SECTION 10:**

### **Annexed Property**

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A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. 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**

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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**

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#### **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**

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

## **SECTION 14:**

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

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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)

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December 4, 2023

Mayor Ryan Sorenson  
City of Sheboygan  
828 Center Avenue  
Sheboygan, WI 53081

Re: Project Plan Amendment - Tax Incremental District No. 17 of the City of Sheboygan, Wisconsin

Dear Mayor Sorenson:

I have reviewed the Project Plan Amendment to Tax Incremental District No. 17, City of Sheboygan, with respect to the completeness of the amendment and its compliance with Section 66.1105(4), Wis. Stats. My examination of the project plan amendment included and confirmed the following:

1. The Project Plan Amendment includes modification of the district's boundaries, but such modification complies with the limitations provided in Wis. Stat. § 66.1105(4)(h)2.
2. There has been compliance with the public notice and hearing requirements contained in Wis. Stat. § 66.1105(4)(h)1 for modification of boundaries.
3. Subsequent to the public hearing on November 14, 2023, the Plan Commission:
  - (a) Prepared approved, and adopted the amended Project Plan for Tax Incremental District No. 17; and
  - (b) Recommended that the Common Council approve modification of the district's boundaries as provided in the amended Project Plan.
4. The Plan is complete and complies with the requirements provided in Wis. Stat. § 66.1105(4)(f), and promotes the orderly development of the City.

CITY ATTORNEY'S OFFICE

CITY HALL  
828 CENTER AVENUE  
SUITE 210  
SHEBOYGAN, WI 53081

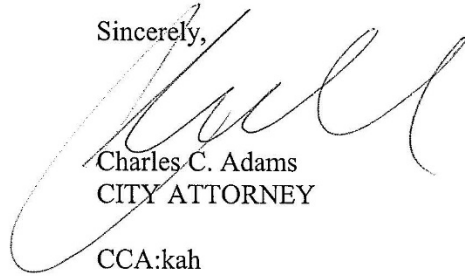
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FAX 920/459-3919

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Mayor Ryan Sorenson  
December 4, 2023  
Page 2

Based upon the above findings, it is the opinion of this office that this amended project plan is complete and in compliance with Section 66.1105(4), Wis. Stats.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles C. Adams', is written over the printed name and title. The signature is fluid and cursive, with a large loop at the end.

Charles C. Adams  
CITY ATTORNEY  
CCA:kah

cc: Meredith DeBruin, City Clerk  
Casey Bradley, City Administrator  
Diane McGinnis-Casey, Director of Planning and Development

## 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	75,821	159,963	111,670	11,542	358,996	2024
2025	91,378	192,784	134,582	13,910	432,654	2025
2026	150,427	317,361	221,550	22,898	712,236	2026
2027	224,781	474,228	331,059	34,217	1,064,284	2027
2028	228,153	481,341	336,024	34,730	1,080,248	2028
2029	231,575	488,561	341,065	35,251	1,096,452	2029
2030	235,049	495,890	346,181	35,780	1,112,899	2030
2031	238,574	503,328	351,373	36,316	1,129,592	2031
2032	242,153	510,878	356,644	36,861	1,146,536	2032
2033	245,785	518,541	361,994	37,414	1,163,734	2033
2034	249,472	526,319	367,424	37,975	1,181,190	2034
2035	253,214	534,214	372,935	38,545	1,198,908	2035
2036	257,012	542,227	378,529	39,123	1,216,892	2036
2037	260,867	550,361	384,207	39,710	1,235,145	2037
2038	264,780	558,616	389,970	40,305	1,253,672	2038
2039	268,752	566,996	395,820	40,910	1,272,478	2039
2040	272,784	575,501	401,757	41,524	1,291,565	2040
2041	276,875	584,133	407,783	42,147	1,310,938	2041
2042	281,028	592,895	413,900	42,779	1,330,602	2042
2043	285,244	601,788	420,109	43,420	1,350,561	2043
2044	289,523	610,815	426,410	44,072	1,370,820	2044
2045	293,865	619,977	432,806	44,733	1,391,382	2045
2046	298,273	629,277	439,299	45,404	1,412,253	2046
5,776,617		12,187,120	8,507,834	879,330	27,350,900	