City of Watertown, Wisconsin

TAX INCREMENT DISTRICT #10

Plan Commission Hearing and Approval:	September 28, 2026
Common Council Action:	November 2, 2026
Joint Review Board Approval:	November 9, 2026

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SECTION I. INTRODUCTION

Project Background

The City of Watertown proposes to create Tax Increment District #10 (TID #10), which encompasses land generally located south of the airport, east of High Road, and west of or along Gateway Drive. The district consists of industrial, office, residential, and commercially zoned properties. The industrial and office areas are primarily located in the northeastern portion of the district along Gateway Drive and Air Park Drive. Commercially zoned properties are concentrated in the southern portion of the district along Gateway Drive, Market Way, and High Road. Residentially zoned properties are located along Gateway Drive. As an important node of commercial activity and future industrial development, the City seeks to capture future growth in this area as well as new value from development and renovation activities in order to finance necessary public improvements and offer additional incentives for improving or redeveloping aging, vacant or outmoded parcels within the District.

The proposed boundaries of TID #10 include 29 parcels totaling approximately 141.09 acres, and approximately 19.63 acres of the district are wetlands. Some parcels are vacant and proposed for future development, others are developed lots that are actively used and well maintained, and others exhibit physical and market conditions that position the properties for redevelopment potential. The District is proposed to be designated as a Mixed-Use District, which provides a TID lifespan of up to 20 years and a 15-year spending period, and which may include a combination of industrial, commercial, and residential uses.

Targeted development and redevelopment of parcels in the District may, in the short term, generate increment that may be used to construct new public infrastructure, offset extraordinary redevelopment costs, and provide incentives for business improvements and expansion, in addition to promoting orderly and robust economic development in the coming years. In the immediate future, the City anticipates new multi-family residential development on Map ID parcel 18.

This Project Plan for TID #10 has been prepared in compliance with Wis. Stat. §66.1105. The Project Plan establishes the need for the District, lists proposed public improvements, provides an estimated time schedule for completion of priority projects, and their estimated costs. This Project Plan is to be adopted by resolution by the Common Council on recommendation of the Plan Commission as the official plan and guide for public and private sector development within the boundaries of TID #10.

Implementation of the Project Plan and construction of the listed public improvements will require a case-by-case authorization by the Common Council. Public expenditures for projects listed in the Project Plan should and will be based on market conditions and the status of development at the time a project is scheduled for construction. The Common Council is not mandated to make the public expenditures described in this plan but is limited to the types of expenditures listed herein. Changes to the types of projects will require a formal amendment to the Project Plan with public review (including meetings with the Joint Review Board and Plan Commission public hearing) and Common Council approval. Redistribution of project costs within the budget estimates will not require an amendment to the plan, provided that the projects meet the purpose and intent of the District.

As required by Wis. Stat. §66.1105(4)(f), a copy of this Project Plan will be submitted to the Department of Revenue and used as the basis of their certification of Tax Increment District #10 in the City of Watertown.

Type of District, Size and Location

TID #10 is proposed as a mixed-use district suitable for industrial, commercial/mixed-use, and residential development. It is comprised of 29 parcels totaling approximately 141.09 acres and approximately 19.63 acres of wetlands present in the district. As of January 1, 2025, the total equalized base value of the land and improvements located within the District was $24,689,000. A map of the proposed boundaries is located in Section III of this plan.

Estimated Total Project Expenditures

The purpose of TID #10 is to provide the necessary improvements in public infrastructure to encourage economic development and increase property values. During the 15-year expenditure period permitted under the Tax Increment Law, a total of $12,822,548 in project costs is proposed, excluding estimated finance charges and interest.

The City expects to evaluate and use several alternative financing methods for the projects in order to provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, and provide other advantages as determined by the Common Council. The Common Council is not mandated to make the public expenditures in this plan. The public expenditures are an itemization of eligible project costs that the City may undertake as well as a guide for the Plan Commission and Common Council to assist them in the decision-making process for public expenditures. Redistribution of project costs within the total budget estimate will not require amendments to the plan, provided that the project meets the purpose and intent of TID #10.

Economic Development

As a result of the creation of this District, the City estimates that additional land and improvement value of approximately $61,660,000 (in 2026 dollars) may be created as a result of development and appreciation in the value of the existing properties. Section VII of this Plan provides detailed assumptions as to the timing of new development and associated values. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

Based on the Economic Feasibility Study located in Section VII of this plan, this District is expected to generate sufficient tax increments to recover all project costs by the year 2047, within the 20-year maximum life of this District.

Summary of Findings

As required by Wis. Stat. §66.1105, and as documented in this Project 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 Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.
    - To support development within the District the City will need to make a substantial investment to pay for the costs of necessary public infrastructure and to close financing gaps as needed to make private development economically feasible. Due to the extensive

investment required, the City has determined that development of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, development of the area as described in the Plan is unlikely to occur.

2. The economic benefits of the Tax Increment 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:
    - As demonstrated in the Economic Feasibility Section of this Project Plan (see Section VII), the tax increments projected to be collected are expected to be sufficient to pay for the proposed project costs.
    - Redevelopment and/or expansion projects are expected to occur sporadically throughout the life of the District. Any increment generated by new residential, commercial or industrial construction may provide additional funding for infrastructure and development incentives.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
    - If approved, the District's creation would become effective for valuation purposes as of January 1, 2027. As of this date, the value of all existing developments would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2027, would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
    - Since the development expected to occur is subject to extraordinary site and other costs and requires significant improvements to public infrastructure, it is unlikely to take place or take place in the same manner or timeframe without the use of TIF. Because the District will generate economic benefits that are sufficient to compensate for the cost of the improvements, the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no forgone tax increments to be paid in the event the District is not created. 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 made and can be found in Appendix B of this plan.
4. The improvement of such area is likely to significantly enhance the value of substantially all of the other real property in the District.
5. The equalized value of taxable property of the District, plus the value increment of all existing tax increment districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
6. Lands in the District proposed for newly platted residential use comprise approximately 17% of the total area of the District, which is below the statutory limit of 35%.

7. The City estimates that approximately 42.7% 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) and 66.1105(6)(am)1.
8. The Project Plan for the District is economically feasible and conforms with the Comprehensive Plan of the City.
9. Future residential development is planned at an average density that exceeds 3 dwelling units per acre, therefore complying with Wis. Stats. § 66.1105(2)(f)3 requirement for a minimum of 3 dwelling units per acre in newly platted development.
10. At least 50% of the parcels within TID #10 will be suitable for commercial or residential development in compliance with Wis. Stats. § 66.1105(4)(gm)(4)(a) requirement for at least 50% of the area to be suitable for mixed-use development.

SECTION II. DESCRIPTION OF HOW TAX INCREMENT DISTRICT #10 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE CITY OF WATERTOWN

Tax Increment District #10 has been created for the purpose of promoting the orderly development of this area in the City of Watertown. The District allows the City to purchase, prepare and redevelop available parcels in the area, and provide economic development incentives to retain and expand existing businesses, while also attracting new business, new housing, and incent redevelopment. The District will also help to finance critical road, sewer, water, and stormwater infrastructure easements and improvements needed to service the surrounding area.

The District boundary identified in this project plan has been designed to capture a number of properties with redevelopment, renovation or expansion potential. While not every anticipated project may require some form of TIF assistance, many are likely to generate tax increment that would provide revenue to the District that could be used to help fund some of the public improvements related to those projects as well as elsewhere in and near TID #10. Accordingly, the creation of a TIF district now would further catalyze all of these projects, and likely several others.

SECTION III. TAX INCREMENT DISTRICT BOUNDARY DESCRIPTION AND EQUALIZED VALUES

The boundaries of TID #10 are officially designated on Map 1a and include the parcels listed in Table 2. TID#10 encompasses land located south of the airport and east of High Road. The district consists of industrial, office, and commercially zoned properties. The industrial and office areas are primarily located in the northeastern portion of the district along Gateway Drive and Air Park Drive. Commercially zoned properties are concentrated in the southern portion of the district along Gateway Drive, Market Way, and High Road.

As of January 1, 2025, the real and personal property in TID #10 had an equalized assessed base value of $26,404,306, and the City’s total equalized value was $2,772,814,600. The TID #10 base value, plus $89,020,000 in value increment in the five existing TIF districts, equals $115,424,306 or 4.16% of the City’s total.

Table 1: Valuation Test Compliance

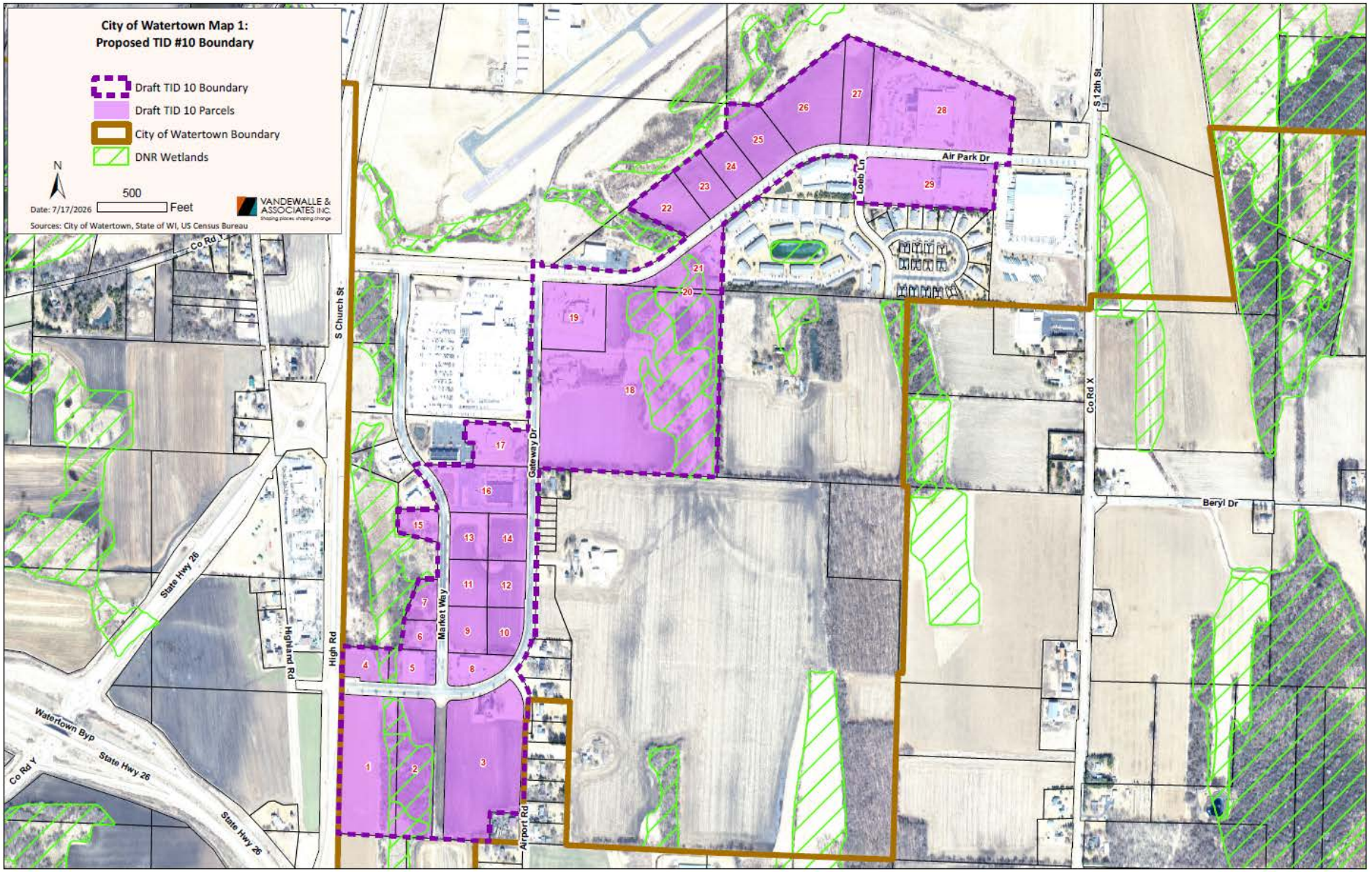
12% Equalized Value Test		
Total City EAV (2026)		$2,772,814,600
12% Test		$332,737,752
Increment of Existing TIDs		
TID #5 Incremental Value	1.14%	$31,576,400
TID #6 Incremental Value	0.16%	$4,306,700
TID #7 Incremental Value	1.31%	$36,371,000
TID #8 Incremental Value	0.32%	$8,899,600
TID #9 Incremental Value	0.28%	$7,866,300
Total Existing Increment	**3.21%**	**$89,020,000**
TID #10 Estimated Base Value		$26,404,306
Projected Base of TID #10	0.95%	$26,404,306
Total Value Subject to 12% Test		**$115,424,306**
Compliance	**4.16%**	**PASS**

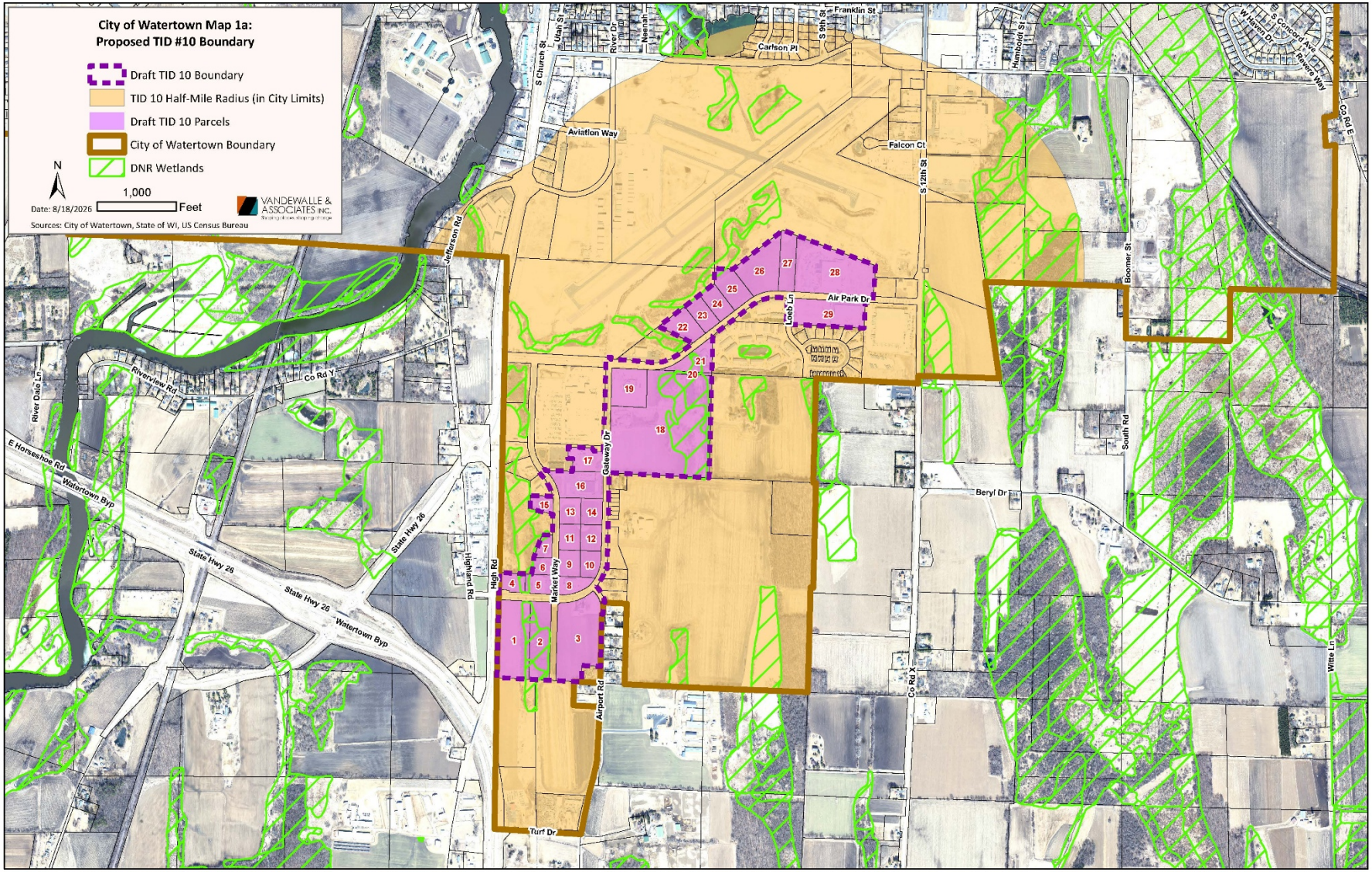
Table 2: Parcel List and Current Values

Map ID	Parcel ID No.	Acres	Wetland Acres	Dev. Acres	Assessed Value			Equalized Value[2]			Suitable Acres for Newly Platted Residential
					Land Value	Improvement Value	Total Value	Land Value	Improvement Value	Total Value	
1	291-0815-1633-001	9.202	1.2	8.0	$3,100	$0	$3,100	$3,315	$0	$3,315	
2	291-0815-1633-008	5.894	3.3	2.7	$11,800	$0	$11,800	$12,620	$0	$12,620	
3	291-0815-1633-007	14.442	0.0	12.0	$80,600	$137,400	$218,000	$86,200	$146,946	$233,146	
4	291-0815-1633-006	1.721	0.4	1.4	$700	$0	$700	$749	$0	$749	
5	291-0815-1633-005	1.842	0.3	1.6	$207,000	$1,770,900	$1,977,900	$221,382	$1,893,936	$2,115,318	
6	291-0815-1632-014	1.222	0.0	1.2	$400	$0	$400	$428	$0	$428	
7	291-0815-1632-013	1.223	0.1	1.1	$400	$0	$400	$428	$0	$428	
8	291-0815-1633-003	1.979	0.0	1.9	$230,000	$756,700	$986,700	$245,980	$809,273	$1,055,252	
9	291-0815-1632-002	2.051	0.0	2.1	$700	$0	$700	$749	$0	$749	
10	291-0815-1632-001	1.931	0.0	1.9	$700	$0	$700	$749	$0	$749	
11	291-0815-1632-003	2.076	0.0	2.1	$700	$0	$700	$749	$0	$749	
12	291-0815-1632-004	2.065	0.0	2.1	$700	$0	$700	$749	$0	$749	
13	291-0815-1632-006	2.078	0.0	2.1	$700	$0	$700	$749	$0	$749	
14	291-0815-1632-005	2.076	0.0	2.1	$700	$0	$700	$749	$0	$749	
15	291-0815-1632-011	1.294	0.0	1.3	$400	$0	$400	$428	$0	$428	
16	291-0815-1632-007	4.675	0.0	4.7	$815,000	$2,060,100	$2,875,100	$871,623	$2,203,229	$3,074,852	
17	291-0815-1623-007	2.763	0.0	2.8	$300,000	$3,320,700	$3,620,700	$320,843	$3,551,411	$3,872,254	
18	291-0815-1624-003	33.32	13.3	20.0	$46,100	$164,200	$210,300	$49,303	$175,608	$224,911	19.98
19	291-0815-1624-001	4.996	0.0	5.0	$500,000	$6,255,700	$6,755,700	$534,738	$6,690,324	$7,225,062	
20	291-0815-1624-007	0.371	0.2	0.1	$500	$0	$500	$535	$0	$535	
21	291-0815-1621-004	3.168	0.6	2.6	$95,000	$695,300	$790,300	$101,600	$743,607	$845,207	
22	291-0815-1621-002	3.04	0.0	3.0	$1,100	$0	$1,100	$1,176	$0	$1,176	
23	291-0815-1621-001	2.33	0.0	2.3	$800	$0	$800	$856	$0	$856	
24	291-0815-1612-004	2.33	0.0	2.3	$800	$0	$800	$856	$0	$856	
25	291-0815-1612-003	3.45	0.2	3.3	$1,200	$0	$1,200	$1,283	$0	$1,283	
26	291-0815-1612-002	6.43	0.0	6.4	$2,200	$0	$2,200	$2,353	$0	$2,353	
27	291-0815-1612-001	3.48	0.0	3.5	$1,200	$0	$1,200	$1,283	$0	$1,283	
28	291-0815-1611-003	12.65	0.0	12.8	$358,300	$4,534,600	$4,892,900	$383,193	$4,849,648	$5,232,842	
29	291-0815-1611-004	6.99	0.0	7.0	$187,800	$2,144,800	$2,332,600	$200,848	$2,293,813	$2,494,661	
Totals		**141.09**	**19.63**	**119.18**	**$2,848,600**	**$21,840,400**	**$24,689,000**	**$3,046,511**	**$23,357,795**	**$26,404,306**	**17%**

Footnotes:

1. Valuations listed reflect January 1, 2025 values. Actual District base value will be certified using January 1, 2027, valuations which are not yet available. Any increase in valuation occurring after January 1, 2027 will generate incremental value.
2. Represents assessed property values converted to equalized values using the City of Watertown's January 1, 2025, aggregate equalization ratio of 0.935036895.
3. Acreages are those listed on the Jefferson County land records database.
4. Wetlands estimated from DNR shapefiles, as shown in Jefferson County GIS Web Mapping Tool.


City of Watertown Map 1:
Proposed TID #10 Boundary
Draft TID 10 Boundary
Draft TID 10 Parcels
City of Watertown Boundary
DNR Wetlands
N
500
Feet
Date: 7/17/2026
VANDEWALLE & ASSOCIATES INC.
Sources: City of Watertown, State of WI, US Census Bureau
Co Rd
S Church St
High Rd
Highland Rd
State Hwy 26
Watertown Byp
Co Rd Y
Gateway Dr
Market Way
Airport Rd
Air Park Dr
Loeb Ln
S 12th St
Co Rd X
Beryl Dr
1
2
3
4
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City of Watertown Map 1a:
Proposed TID #10 Boundary
Draft TID 10 Boundary
TID 10 Half-Mile Radius (in City Limits)
Draft TID 10 Parcels
City of Watertown Boundary
DNR Wetlands
N
1,000
Feet
Date: 8/18/2026
VANDEWALLE & ASSOCIATES INC.
Sources: City of Watertown, State of WI, US Census Bureau
Aviation Way
Falcon Ct
Air Park Dr
Carlson Pl
Franklin St
Jefferson Rd
Riverview Rd
Co Rd Y
River Dale Ln
E Horseshoe Rd
Watertown Byp
State Hwy 26
Highland Rd
High Rd
Market Way
Gateway Dr
Airport Rd
Turf Dr
Beryl Dr
South Rd
Co Rd X
Boomer St
S 12th St
Co Rd E
White Ln
S Church St
Utah St
River Dr
Neenah
S 9th St
Humboldt St
W Heaven Dr
S Concord Ave
Riviera Way
Loeb Ln

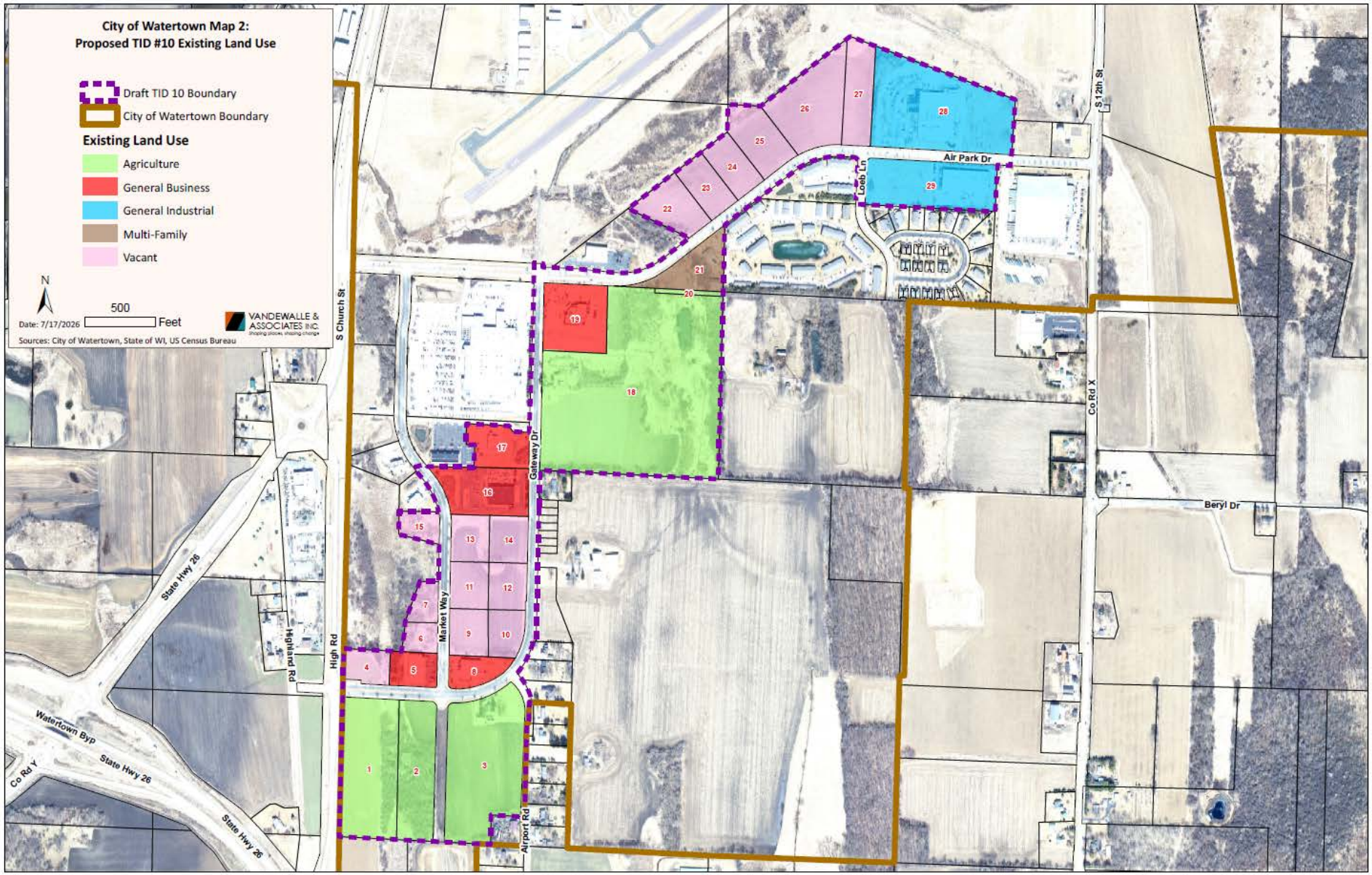
SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY

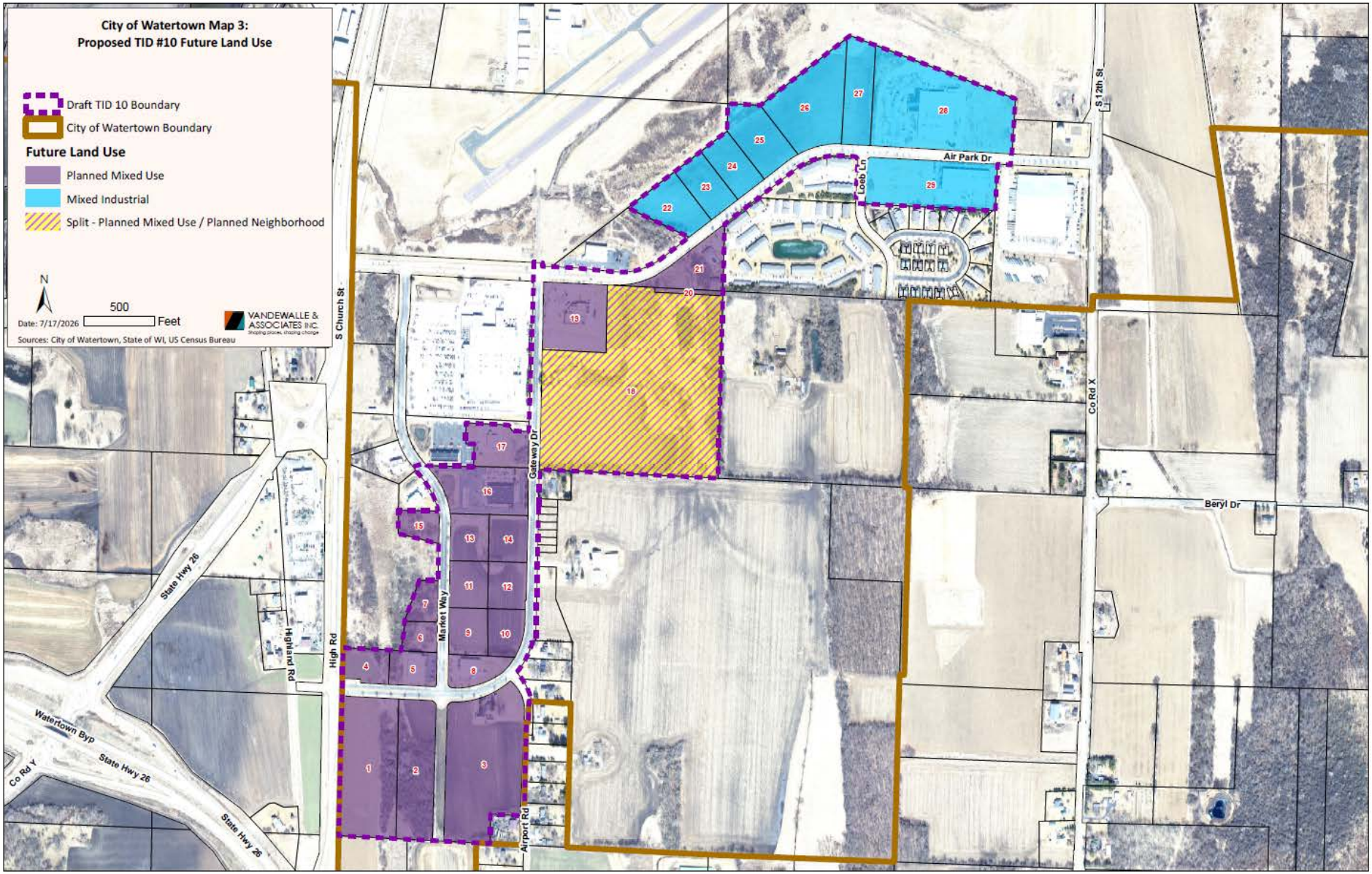
Map 2 depicts the existing land uses within the District. Portions of TID No. 10 consist of existing commercial development, along with vacant and agricultural lands planned for future commercial, office, and industrial development. The District boundary has been established to accommodate future development opportunities, including approximately 288 multifamily residential units across 24 buildings identified on Parcel Map ID 18, as well as additional development potential on vacant parcels and future expansions or improvements within the District.

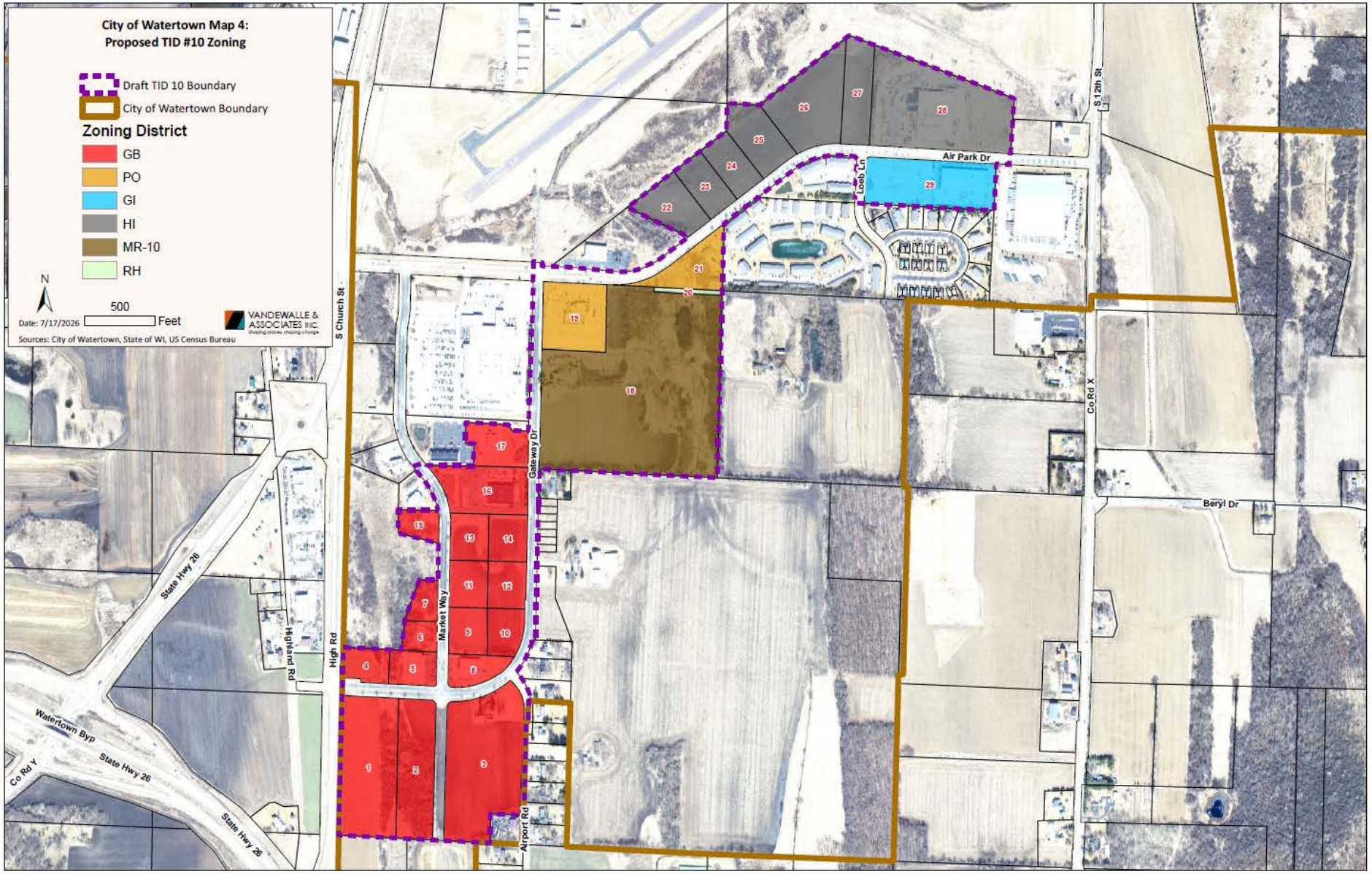
The anticipated uses of all parcels within TID #10 are generally consistent with the future land uses shown in the City of Watertown Comprehensive Plan. Future land uses within TID #10 include Planned Mixed Use, Mixed Industrial, and a combination of both Planned Mixed Use and Mixed Industrial, as shown on Map 3. The City will initiate a process to amend the Future Land Use Map for any parcels that are found to be inconsistent with this Project Plan. Until that change is made, development will be subject to current zoning and the current Future Land Use Map.

Tax Increment Law establishes a statutory limit of 35% of TID land that may be designated for newly platted residential use. “Newly Platted Residential” is defined as residential development on a parcel that has not previously been the site of permanent structures, other than structures used solely for agricultural purposes. Within TID #10, such development is anticipated on Parcel 18, which includes 19.98 developable acres. If developed for residential use, newly platted residential land would comprise approximately 17% of the total TID #10 area, well below the 35% statutory limit. There is no other land within TID #10 that is identified as suitable for residential development.

Map 4 reflects proposed zoning designations within TID #10. The most prevalent zoning types proposed in the District are General Business (41%), Multifamily (24 %), and Heavy Industrial (24%). The Comprehensive Plan allows the City to rezone property when and if demand for rezoning takes place to maintain compatibility with the Future Land Use Map.


City of Watertown Map 2:
Proposed TID #10 Existing Land Use
Draft TID 10 Boundary
City of Watertown Boundary
Existing Land Use
Agriculture
General Business
General Industrial
Multi-Family
Vacant
N
500
Feet
Date: 7/17/2026
VANDEWALLE & ASSOCIATES INC.
Sources: City of Watertown, State of WI, US Census Bureau
S Church St
Air Park Dr
Loeb Ln
S 12th St
Co Rd X
Gateway Dr
Market Way
High Rd
Highland Rd
State Hwy 26
Watertown Byp
Co Rd Y
Airport Rd
Beryl Dr


City of Watertown Map 3:
Proposed TID #10 Future Land Use
Draft TID 10 Boundary
City of Watertown Boundary
Future Land Use
Planned Mixed Use
Mixed Industrial
Split - Planned Mixed Use / Planned Neighborhood
N
500
Feet
Date: 7/17/2026
VANDEWALLE & ASSOCIATES INC.
Sources: City of Watertown, State of WI, US Census Bureau
S Church St
Air Park Dr
Loeb Ln
S 12th St
Co Rd X
Beryl Dr
Gateway Dr
Market Way
High Rd
Highland Rd
State Hwy 26
Watertown Byp
Co Rd Y
Airport Rd


City of Watertown Map 4:
Proposed TID #10 Zoning
Draft TID 10 Boundary
City of Watertown Boundary
Zoning District
GB
PO
GI
HI
MR-10
RH
N
500
Feet
Date: 7/17/2026
VANDEWALLE & ASSOCIATES INC.
Sources: City of Watertown, State of WI, US Census Bureau
S Church St
Gateway Dr
Market Way
High Rd
Highland Rd
State Hwy 26
Watertown Byp
Co Rd Y
Airport Rd
Air Park Dr
Loeb Ln
S 12th St
Co Rd X
Beryl Dr

SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS

Per the Joint Review Board's approval of this TID #10 Project Plan, the total level of authorized spending on direct project costs for TID #10 will be $12,822,548 exclusive of interest and finance charges, to facilitate growth and development over the District's 20-year life. As shown on Table 6 in Section VII, the City anticipates additional interest and finance charges of $0.

Below are descriptions of the major public improvement categories, which are necessary and standard improvements for promoting mixed-use redevelopment of the area. In addition to a general description, each category contains a list of the following types of proposed expenditures. These project expenditures are listed in Table 3 and their general locations are shown on Map 5.

Priority Expenditures are those that the City intends, but is not required, to undertake based on the projected tax increments to be received from the future redevelopment projects described in Section VII.

Expenditures within a Half-mile are those projects, or portions thereof, that may occur within one-half mile of the District boundary per Wis. Stat. §66.1105(2)(f)1.n. and are shown in the descriptions below and on Table 3 with an asterisk (*). In most cases, projects outside of the District boundary are incidental to or extensions of projects within the boundary that continue out of the District in order to be fully complete and of the greatest benefit to the District. All other expenditures within a half-mile not specifically identified herein will require an amendment to this Project Plan and approval of the Joint Review Board.

Implementation and construction of the proposed projects identified herein will require case-by-case authorization by the Common Council. Public expenditures for projects listed in this Project Plan should and will be based on market conditions and the status of development at the time a project is scheduled for construction and are eligible costs whether undertaken by public or private entities. The Common Council is not mandated to make the public expenditures described in this plan. Redistribution of project costs within the total spending estimate will not require an amendment to the Project Plan provided that the expenditures meet the purpose and intent of the District as expressed in the plan. Scheduling of project activities will be monitored to ensure that the projected economic stimulation is occurring prior to proceeding with other project activities. This monitoring will occur on an annual basis. If economic conditions are not altered by the proposed project activity, other project activities may be delayed and/or removed from the project schedule. The goal of the proposed projects is to provide the public improvements and inducements necessary to attract and stimulate private reinvestment and redevelopment.

The project costs shown in Table 3 are preliminary estimates provided by the City's departments and its consultants that may be adjusted and refined. The adjustments and refinements may include changing the year in which a project activity is undertaken and reallocating the cost of specific projects within the limitation of the total estimated project costs. For projects where the District would pay only a prorated share of the total cost, only the District's share has been included. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2026 and the time of construction. For project costs that may occur entirely or partially outside the boundary, the City may exercise reasonable discretion in determining the appropriate share of total project costs to be borne by the District, subject to available increment. The City also reserves the right to increase certain project costs to

the extent others are reduced or not implemented without amending the Project Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of this Project Plan.

A. Infrastructure Projects

These costs include, but are not limited to, that portion of costs related to the construction or alteration of: sewerage treatment plants, water treatment plants, storm water detention/retention and treatment facilities, and other environmental protection devices including sustainable features for any of the foregoing as well as renewable and on-site energy systems related thereto; storm and sanitary sewer lines; water lines; amenities on streets; bike paths, trails and related facilities; and the rebuilding and expansion of streets, the construction, alteration, rebuilding or expansion of which are necessitated to carry out the goals of this Project Plan within the District and within a half-mile of the District. Infrastructure also can be installed further outside of the District if required to carry out the Project Plan, but only the portion which directly benefits the District is an eligible cost. Projects within the half-mile boundary are marked with an asterisk (*). The cost of land acquisition, design, construction management, and other soft costs related to any of the above also may be included.

Priority Infrastructure Projects

1. Gateway Drive Sidewalk
2. Market Way Sidewalk*
3. Gateway Drive Resurfacing
4. Air Park Drive Crack Filling and Sealcoating*
5. Air Park Drive Shared-Use Path Reconstruction*

B. Capital Cost Projects

These costs may include, but are not limited to: the actual costs of the construction of public works or improvements; new buildings, structures, and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures other than the demolition of listed historic properties; the use of sustainable (“green”) building features and renewable and on-site energy systems; the acquisition of equipment to service the District; the removal or containment of, and the restoration of, soil or groundwater affected by environmental pollution; the clearing and grading of land, and waterway improvements to improve navigation, recreation and water quality. Also included are on-street and off-street parking facility improvements including: repair, expansion, reconfiguration and construction of existing and new parking facilities; developer assistance with parking; directional and regulatory signage; landscaping, screening and beautification of parking facilities; and similar improvements necessary to serve the parking needs of the District. Such projects may occur within the District or within a half-mile of the District as necessary to further District goals. The cost of land acquisition, design, construction management, and other soft costs related to any of the above also may be included.

Priority Capital Cost Projects

Although the City is not intending to undertake Capital Costs on its own, such projects undertaken by private entities within the District are eligible for funding as part of any Economic Development Incentives that may be offered as part of a development agreement.

C. Real Estate Acquisition and Relocation

These costs include, but are not limited to, any deficit incurred resulting from the purchase of property for public use or the resale or lease as lessor by the City of real or personal property for consideration that is less than its cost to the City. Also included are relocation payments made in certain circumstances as the result of the City or others acquiring property within the District as needed to accommodate new development or public improvement consistent with this Plan.

Priority Real Estate Acquisition and Relocation Projects

The City may deem it necessary to acquire property in this area to further development initiatives outlined in this Project Plan. The City has not earmarked specific properties for acquisition but intends to be prepared in the event acquisition is necessary to achieve development objectives.

D. Economic Development Incentives

These costs include, but are not limited to, cash grants, loans, incentives, and any expenditures of the type described in any of the other categories listed in this section by or on behalf of a developer to induce development and ensure project feasibility. All properties within the District are eligible for incentives, and, at Common Council discretion, properties in the immediate vicinity that may offer significant benefits to TID #10 or the City as a whole. All development projects that receive some form of direct or indirect TIF participation will first enter into a development agreement approved by the Common Council that specifies the terms of the TIF contributions and the obligations of the receiving property or business owner. Such contributions may be in the form of direct cash grants or in "pay-as-you-go" payments over time.

Priority Economic Development Incentive Projects

Economic Development Incentive payments may be provided to landowners, businesses, or leases anywhere within the District. The amount and form of TIF participation for a particular project, if any, will be determined on a project-by-project basis as described in a project development agreement depending upon a project's specific needs, funding availability, and the project's consistency with the goals and objectives stated in this plan and other City plans and policies. For the purposes of Table 3, all such incentives are assumed to be provided as pay-as-you-go payments to developers over the remaining life of the district.

E. Administrative Projects

These costs include, but are not limited to, those costs incurred for architectural, planning, engineering, financial, marketing and market analysis, legal advice, and other services necessary to implement this Plan. Among other services, these may include developer recruitment and negotiations, capital improvement and infrastructure design, site design, public space design, and similar services whether conducted by City staff, contractors, or one or more of the City's partner agencies. In addition, these costs include ongoing administration of the District, including cost recovery for service demands necessitated by and specific to the District's development as well as the completion of required annual reports, forms and audits, and similar efforts.

Priority Administrative and Professional Service Projects

Active project management will be a key activity and expenditure for successful implementation of the TID #10 Project Plan. It is the intent of the Watertown Common Council to offer a wide range of services which may include, but are not limited to: recruitment of appropriately-qualified developers for each potential redevelopment site; marketing the District for potential businesses; providing low-interest loans and/or interest write-downs for property rehabilitation and

redevelopment; providing grants for façade improvements; site acquisition and preparation; and cost recovery for service demands necessitated by and specific to the District's development.

Additional miscellaneous costs may include the following general implementation tasks, which City staff, contractors or partner organizations may reasonably undertake at the City's discretion. Any expenditures made outside District boundaries should have a direct benefit on the area within the TID.

- Conducting more detailed planning and engineering studies;
- Developing more refined land use and redevelopment plans for implementation;
- Developing standards for which development within the District will need to conform;
- General guidance and referral of actions to other City committees and the Common Council;
- Establishing and managing an economic development master fund;
- Identifying and applying for additional non-TIF revenue sources such as grants;
- Public infrastructure construction oversight;
- Developing and implementing a business marketing plan;
- Developer recruitment and negotiation;
- Business recruitment;
- Preparation of annual reports and submittal of required forms and fees to the state Department of Revenue; and
- Conducting audits.

F. Finance Charges and Interest

Finance charges and interest include, but are not limited to, interest paid on debt obligations incurred to pay for project costs, debt issuance costs, capitalized interest, coverage and reserve funds, and costs of redemption prior to maturity. This also may include interest paid to developers under pay-as-you-go provisions included in an approved development agreement.

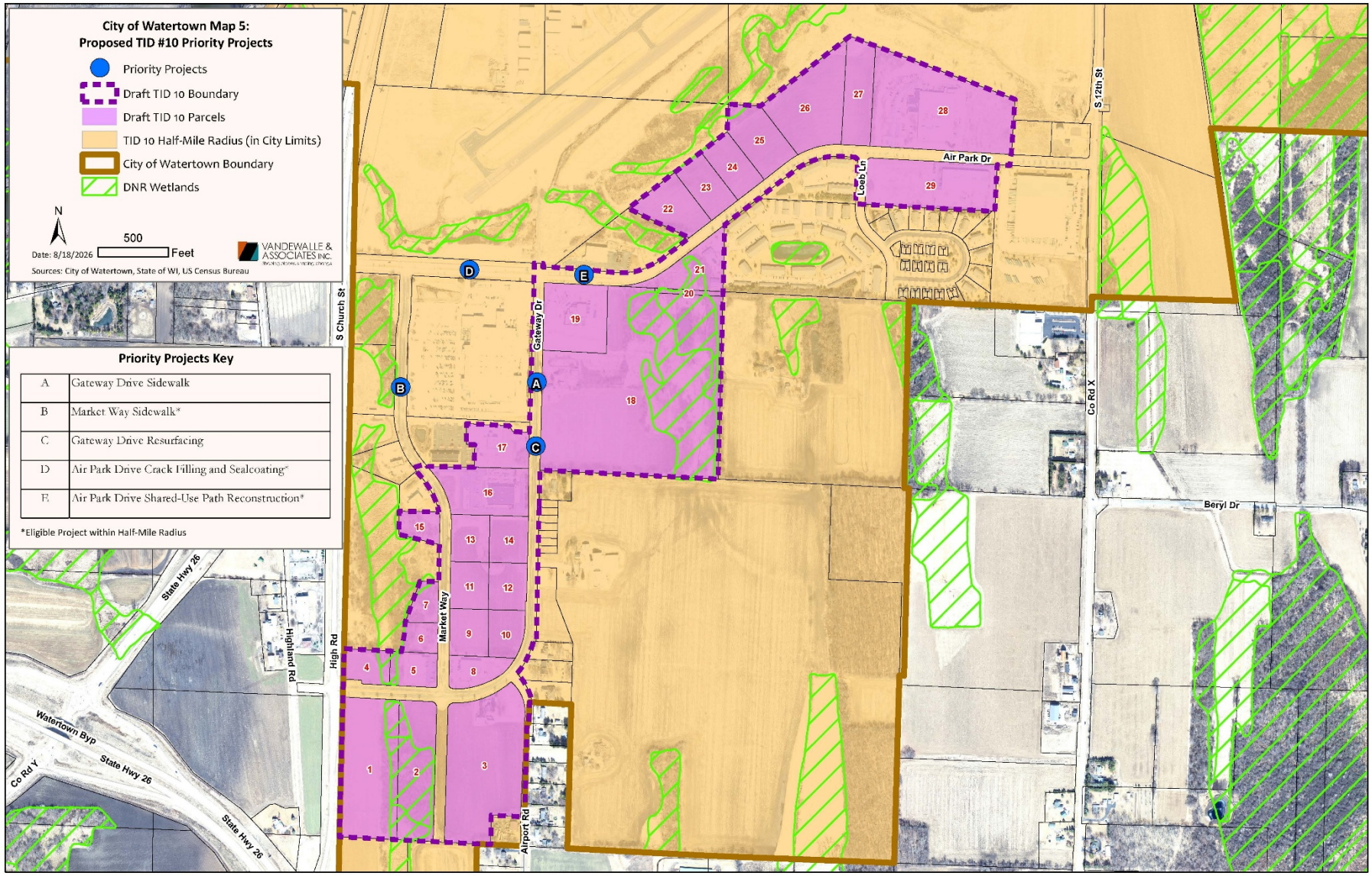
Priority Finance Charges and Interest

As described in Section VII, the City does not anticipate a standard borrowing for TID #10. The level of borrowing, timing, interest rates, and finance charges are estimates and will likely vary based on economic conditions and projected District cash flows at the time the obligations are incurred. Therefore, the costs shown in Section VII are subject to change without having to amend this plan.

Table 3: Priority Projects and Estimated Costs

#	Project Category/Description	Cost Estimate	Year
Infrastructure			
A	Gateway Drive Sidewalk	$340,200	2029
B	Market Way Sidewalk*	$228,900	2032
C	Gateway Drive Resurfacing	$729,000	2037
D	Air Park Drive Crack Filling and Sealcoating*	$79,200	2040
E	Air Park Drive Shared-Use Path Reconstruction*	$528,000	2042
	Total Infrastructure Costs	$1,905,300	
Capital Costs			
	(none)		
Real Estate Acquisition and Relocation			
	(none)		
Economic Development Incentives			
	Development Incentives (subject to development agreement)	$10,692,248	
Administration and Professional Services			
	Administrative Projects	$285,000	
Finance Charges and Interest			
	(none)		
Total Priority Project Expenditures		**$12,882,548**	

1. See Map 5 for project locations.
2. Expenditures marked with an asterisk (*) may take place within one-half mile of the District boundary.
3. All preliminary cost estimates are shown in 2026 dollars and subject to inflation and refinement as more information becomes available. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2026 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Project Plan.


City of Watertown Map 5:
Proposed TID #10 Priority Projects
Priority Projects
Draft TID 10 Boundary
Draft TID 10 Parcels
TID 10 Half-Mile Radius (in City Limits)
City of Watertown Boundary
DNR Wetlands
N
500
Feet
Date: 8/18/2026
VANDEWALLE & ASSOCIATES INC.
Sources: City of Watertown, State of WI, US Census Bureau
Priority Projects Key
A Gateway Drive Sidewalk
B Market Way Sidewalk*
C Gateway Drive Resurfacing
D Air Park Drive Crack Filling and Sealcoating*
E Air Park Drive Shared-Use Path Reconstruction*
*Eligible Project within Half-Mile Radius
S Church St
Gateway Dr
Air Park Dr
Loeb Ln
S 12th St
Co Rd X
Beryl Dr
Market Way
Highland Rd
High Rd
State Hwy 26
Watertown Byp
Co Rd Y
Airport Rd

SECTION VI. NON-TAX REVENUES AND NON-PROJECT COSTS

Although the City may pursue grants and other funding sources to help pay for some of the project costs identified herein, the success of such efforts is hard to predict. Accordingly, the full costs attributable to TID #10 have been shown.

For projects where the District would pay only a prorated share of the total cost, only the District's share has been included. Accordingly, there are no non-project costs included in this Plan.

SECTION VII. ECONOMIC FEASIBILITY ANALYSIS

The information and exhibits contained within this section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan.
- The City expects to complete the projects in multiple phases and can adjust the timing of implementation as needed to coincide with the pace of redevelopment.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects.

Table 3: Priority Projects and Estimated Costs (Section V), lists the priority projects and provides an estimated total cost for each category and/or project throughout the District's life. Hard costs are expected to be borrowed for and built within 1-2 year time frames, while soft costs for discretionary payments, administration and professional services, and finance charges/interest represent ongoing expenses. All costs are shown in 2026 dollars.

Within this section are several additional tables that, together, provide a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all project costs.

Each project will need to be addressed on an individual basis through negotiations and a review of project finances ultimately resulting in a development agreement. Each project also will be reviewed in a manner addressing the criteria of job creation, tax increment creation, blight elimination, and similar development criteria. One development project may address certain criteria while another may address different criteria. Consequently, the Common Council will review each project individually and make its determinations based on the project's implementation goals. The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Table 4: Development Assumptions by Year, provides a more detailed schedule of expected development in TID #10 based on the potential for expansion or redevelopment potential of selected parcels over the life of the District. The actual pace of development is difficult to predict, but it is the City's goal to capture increment value from new construction projects to spur additional growth within the District over the next 20 years. A conservative estimate places the value increment from new construction within the District at approximately $61,660,000 projected new value in the form of new development, redevelopment, and renovation activity.

Table 5: Projected Tax Increment Revenues by Year estimates the tax increment to be generated from new construction in the District (shown in Table 4). Based on the type and intensity of development estimated to occur, new construction in the District is projected to yield equalized tax increment revenues of $14,187,100, assuming the City's current equalized TID interim tax rate of $14.69 per thousand of equalized value. Increment estimates are based on assessment data for comparable properties currently paying taxes in the City of Watertown and surrounding municipalities.

Financing for certain priority projects listed in Table 3 will be done on a case-by-case basis. The borrowing could be a mix of taxable and tax-exempt General Obligation (G.O.), Revenue Bonds, and Special Assessment B Bonds in order to maintain borrowing flexibility on future City projects. (See Section VIII for detailed descriptions of these and other financing methods available to the City.)

Table 6: Priority Project Expenditures by Year priority project expenditures. Note that the City does not anticipate borrowing for the priority project costs shown.

Table 7: Summary of Source and Uses (Cash Flow), shows TID #10 is expected to close on time with a projected positive cash balance of $1,305,447 available at the end of its statutory life (the final collection year of 2047).

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of "Available Financing Methods" is included in Section VIII.
- The City expects to complete the projects in one or multiple phases and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under "Plan Implementation" within this Section.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Plan Implementation

To be successful, the District will need to be implemented in accordance with the following objectives:

- Identified projects will provide the necessary anticipated governmental services to the area. A reasonable and orderly borrowing sequence is shown on Table 6. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.
- It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.
- The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.
- Projected interest rates are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.
- If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

Table 4: Development Assumptions

TIF Year	Construction Year	Collection Year	Residential	Commercial	Industrial	Total Development Value Increment by Year	Cumulative Value Increment
0	2025	2027				$0	$0
1	2026	2028				$0	$0
2	2027	2029	$18,390,000			$18,390,000	$18,390,000
3	2028	2030	$18,390,000			$18,390,000	$36,780,000
4	2029	2031		$1,190,000		$1,190,000	$37,970,000
5	2030	2032				$0	$37,970,000
6	2031	2033		$1,820,000		$1,820,000	$39,790,000
7	2032	2034				$0	$39,790,000
8	2033	2035		$1,810,000		$1,810,000	$41,600,000
9	2034	2036		$1,800,000		$1,800,000	$43,400,000
10	2035	2037		$1,140,000		$1,140,000	$44,540,000
11	2036	2038		$1,650,000		$1,650,000	$46,190,000
12	2037	2039			$2,580,000	$2,580,000	$48,770,000
13	2038	2040			$990,000	$990,000	$49,760,000
14	2039	2041			$1,130,000	$1,130,000	$50,890,000
15	2040	2042		$8,780,000		$8,780,000	$59,670,000
16	2041	2043		$1,030,000		$1,030,000	$60,700,000
17	2042	2044		$960,000		$960,000	$61,660,000
18	2043	2045				$0	$61,660,000
19	2044	2046				$0	$61,660,000
20	2045	2047				$0	$61,660,000
Totals			**$36,780,000**	**$20,180,000**	**$4,700,000**	**$61,660,000**	

1. Estimates based on 2026 assessment data and construction costs.
2. Uninflated annual increment at project buildout, based on 2026 tax rate and estimated costs.

Table 5: Projected Tax Increment Revenues by Year

TIF Year	Construction Year	Collection Year	Residential	Commercial	Industrial	Total Development Value Increment by Year	Cumulative Value Increment	Annual Tax Increment	Cumulative Tax Increment
0	2025	2027				$0	$0	$0	$0
1	2026	2028				$0	$0	$1,814	$1,814
2	2027	2029	$18,390,000			$18,390,000	$18,390,000	$273,849	$275,663
3	2028	2030	$18,390,000			$18,390,000	$36,780,000	$547,245	$822,908
4	2029	2031		$1,190,000		$1,190,000	$37,970,000	$569,280	$1,392,189
5	2030	2032				$0	$37,970,000	$573,941	$1,966,129
6	2031	2033		$1,820,000		$1,820,000	$39,790,000	$605,366	$2,571,496
7	2032	2034				$0	$39,790,000	$610,207	$3,181,703
8	2033	2035		$1,810,000		$1,810,000	$41,600,000	$641,667	$3,823,370
9	2034	2036		$1,800,000		$1,800,000	$43,400,000	$673,137	$4,496,507
10	2035	2037		$1,140,000		$1,140,000	$44,540,000	$695,067	$5,191,574
11	2036	2038		$1,650,000		$1,650,000	$46,190,000	$724,601	$5,916,175
12	2037	2039			$2,580,000	$2,580,000	$48,770,000	$767,947	$6,684,122
13	2038	2040			$990,000	$990,000	$49,760,000	$788,147	$7,472,269
14	2039	2041			$1,130,000	$1,130,000	$50,890,000	$810,505	$8,282,774
15	2040	2042		$8,780,000		$8,780,000	$59,670,000	$945,380	$9,228,153
16	2041	2043		$1,030,000		$1,030,000	$60,700,000	$967,055	$10,195,208
17	2042	2044		$960,000		$960,000	$61,660,000	$987,810	$11,183,018
18	2043	2045				$0	$61,660,000	$994,563	$12,177,581
19	2044	2046				$0	$61,660,000	$1,001,349	$13,178,930
20	2045	2047				$0	$61,660,000	$1,008,170	$14,187,100
Totals			**$36,780,000**	**$20,180,000**	**$4,700,000**	**$61,660,000**		**$14,187,100**	

Table 6: Priority Project Expenditures by Year

TIF Year	Expenditure Year	Infrastructure	Econ. Dev. Incentives (80% of Increment)	Admin./ Professional Services	Finance Charges and Interest	Non-Finance Expenses	Total Expenses by Year	Cumulative Expenses
0	2026			$0	$0	**$0**	**$0**	**$0**
1	2027			$0	$0	**$0**	**$0**	**$0**
2	2028			$15,000	$0	**$15,000**	**$15,000**	**$15,000**
3	2029	$228,900		$15,000	$0	**$243,900**	**$243,900**	**$258,900**
4	2030		$455,449	$15,000	$0	**$470,449**	**$470,449**	**$729,349**
5	2031		$459,178	$15,000	$0	**$474,178**	**$474,178**	**$1,203,527**
6	2032		$484,300	$15,000	$0	**$499,300**	**$499,300**	**$1,702,827**
7	2033	$340,200	$488,173	$15,000	$0	**$843,373**	**$843,373**	**$2,546,200**
8	2034		$513,310	$15,000	$0	**$528,310**	**$528,310**	**$3,074,510**
9	2035		$538,448	$15,000	$0	**$553,448**	**$553,448**	**$3,627,958**
10	2036		$555,955	$15,000	$0	**$570,955**	**$570,955**	**$4,198,913**
11	2037	$729,000	$579,638	$15,000	$0	**$1,323,638**	**$1,323,638**	**$5,522,551**
12	2038		$614,341	$15,000	$0	**$629,341**	**$629,341**	**$6,151,892**
13	2039		$630,546	$15,000	$0	**$645,546**	**$645,546**	**$6,797,438**
14	2040	$79,200	$648,489	$15,000	$0	**$742,689**	**$742,689**	**$7,540,127**
15	2041	$528,000	$756,404	$15,000	$0	**$1,299,404**	**$1,299,404**	**$8,839,531**
16	2042		$773,774	$15,000	$0	**$788,774**	**$788,774**	**$9,628,305**
17	2043		$790,429	$15,000	$0	**$805,429**	**$805,429**	**$10,433,734**
18	2044		$795,832	$15,000	$0	**$810,832**	**$810,832**	**$11,244,566**
19	2045		$801,262	$15,000	$0	**$816,262**	**$816,262**	**$12,060,828**
20	2046		$806,720	$15,000	$0	**$821,720**	**$821,720**	**$12,882,548**
Totals		**$1,905,300**	**$10,692,248**	**$285,000**	**$0**		**$ 12,882,548**	

Table 7: Summary of Sources and Uses (Cash Flow)

TIF Creation Year	2027	**Inflation Rate**	0.50%
Total Years of Spending Life	15	**Base Tax Rate**	14.693456
Final Expenditure Year	2042	**First Full Year on Tax Rolls**	2027
Spending Years Remaining	15	**First Full Year of Taxes**	2028
Total Years of Collection	20	**Base Value**	$24,689,000
TIF Expiration Year	2047	**Value Increment Potential**	

TIF Year	Const. Year	Year	Collection Year	Prior Year Value	Value Increment Added	Inflation Increment	Cumulative Value Increment	Total Value	Tax Rate	Annual Tax Increment	Cumulative Tax Increment
1		2027	2028	$24,689,000	$0	$123,445	$123,445	$24,812,445	0.014693	$1,814	$1,814
2	2027	2028	2029	$24,812,445	$18,390,000	$124,062	$18,637,507	$43,326,507	0.014693	$273,849	$275,663
3	2028	2029	2030	$43,326,507	$18,390,000	$216,633	$37,244,140	$61,933,140	0.014693	$547,245	$822,908
4	2029	2030	2031	$61,933,140	$1,190,000	$309,666	$38,743,805	$63,432,805	0.014693	$569,280	$1,392,189
5	2030	2031	2032	$63,432,805	$0	$317,164	$39,060,969	$63,749,969	0.014693	$573,941	$1,966,129
6	2031	2032	2033	$63,749,969	$1,820,000	$318,750	$41,199,719	$65,888,719	0.014693	$605,366	$2,571,496
7	2032	2033	2034	$65,888,719	$0	$329,444	$41,529,163	$66,218,163	0.014693	$610,207	$3,181,703
8	2033	2034	2035	$66,218,163	$1,810,000	$331,091	$43,670,254	$68,359,254	0.014693	$641,667	$3,823,370
9	2034	2035	2036	$68,359,254	$1,800,000	$341,796	$45,812,050	$70,501,050	0.014693	$673,137	$4,496,507
10	2035	2036	2037	$70,501,050	$1,140,000	$352,505	$47,304,555	$71,993,555	0.014693	$695,067	$5,191,574
11	2036	2037	2038	$71,993,555	$1,650,000	$359,968	$49,314,523	$74,003,523	0.014693	$724,601	$5,916,175
12	2037	2038	2039	$74,003,523	$2,580,000	$370,018	$52,264,541	$76,953,541	0.014693	$767,947	$6,684,122
13	2038	2039	2040	$76,953,541	$990,000	$384,768	$53,639,308	$78,328,308	0.014693	$788,147	$7,472,269
14	2039	2040	2041	$78,328,308	$1,130,000	$391,642	$55,160,950	$79,849,950	0.014693	$810,505	$8,282,774
15	2040	2041	2042	$79,849,950	$8,780,000	$399,250	$64,340,200	$89,029,200	0.014693	$945,380	$9,228,153
16	2041	2042	2043	$89,029,200	$1,030,000	$445,146	$65,815,346	$90,504,346	0.014693	$967,055	$10,195,208
17	2042	2043	2044	$90,504,346	$960,000	$452,522	$67,227,867	$91,916,867	0.014693	$987,810	$11,183,018
18	2043	2044	2045	$91,916,867	$0	$459,584	$67,687,452	$92,376,452	0.014693	$994,563	$12,177,581
19	2044	2045	2046	$92,376,452	$0	$461,882	$68,149,334	$92,838,334	0.014693	$1,001,349	$13,178,930
20	2045	2046	2047	$92,838,334	$0	$464,192	$68,613,526	$93,302,526	0.014693	$1,008,170	$14,187,100
TOTAL					**$61,660,000**	**$6,953,526**				**$14,187,100**	

TIF Year	Year	Tax Increment	Total Revenue Per Year	Non-Finance Expenses	Total Expenses Per Year	Annual Balance	Cumulative Balance
1	2027	$1,814	$1,814	$0	$0	$1,814	$1,814
2	2028	$273,849	$273,849	$15,000	$15,000	$258,849	$260,663
3	2029	$547,245	$547,245	$243,900	$243,900	$303,345	$564,008
4	2030	$569,280	$569,280	$470,424	$470,424	$98,856	$662,864
5	2031	$573,941	$573,941	$474,153	$474,153	$99,788	$762,653
6	2032	$605,366	$605,366	$499,293	$499,293	$106,073	$868,726
7	2033	$610,207	$610,207	$843,366	$843,366	($233,159)	$635,567
8	2034	$641,667	$641,667	$528,334	$528,334	$113,333	$748,901
9	2035	$673,137	$673,137	$553,510	$553,510	$119,627	$868,528
10	2036	$695,067	$695,067	$571,054	$571,054	$124,013	$992,542
11	2037	$724,601	$724,601	$1,323,681	$1,323,681	($599,080)	$393,462
12	2038	$767,947	$767,947	$629,357	$629,357	$138,589	$532,051
13	2039	$788,147	$788,147	$645,517	$645,517	$142,629	$674,680
14	2040	$810,505	$810,505	$742,604	$742,604	$67,901	$742,581
15	2041	$945,380	$945,380	$1,299,304	$1,299,304	($353,924)	$388,657
16	2042	$967,055	$967,055	$788,644	$788,644	$178,411	$567,068
17	2043	$987,810	$987,810	$805,248	$805,248	$182,562	$749,630
18	2044	$994,563	$994,563	$810,650	$810,650	$183,913	$933,543
19	2045	$1,001,349	$1,001,349	$816,079	$816,079	$185,270	$1,118,813
20	2046	$1,008,170	$1,008,170	$821,536	$821,536	$186,634	$1,305,447
		$14,187,100	**$14,187,100**	**$12,881,653**	**$12,881,653**	**$1,305,447**	

SECTION VIII. AVAILABLE FINANCING METHODS

Implementation of this Plan may require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value. As of December 31, 2025, the City has a G.O. debt limit of $128,384,460, of which $87,579,460 is currently unused and could be made available to finance project costs.

Bonds Issued to Developers ("Pay as You Go" Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent that the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City's statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City or as a form of lease revenue bond by the Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent that the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs by an equal amount.

Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment

payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan by an amount equal to the total collected.

SECTION IX. CONSISTENCY OF ACTIVITIES WITHIN TAX INCREMENT DISTRICT #10 WITH THE CITY ZONING ORDINANCE, MASTER PLAN AND OTHER DEVELOPMENT ORDINANCES

The anticipated uses of all parcels within TID #10 are generally consistent with the future land uses shown in the City of Watertown Comprehensive Plan, as shown on Map 3.

This District is being created under the “mixed-use district” definition of Wis. Sta. § 66.1105, and the City has the flexibility of choosing to rezone any of the parcels to other types of zoning if and when demand for rezoning takes place. The only limitation is the amount of newly platted residential use that would be allowed (not more than 35% by area) if the City chose to rezone some of the land to residential with a newly platted residential subdivision.

The City has the flexibility of choosing to rezone those parcels shown on the Future Land Use Map as suitable for planned mixed use to other types of zoning if and when demand for rezoning takes place. The City will initiate a process to amend the Future Land Use Map for any parcels found to be inconsistent with this Project Plan. Until that change is made, development will be subject to current zoning and the current Future Land Use Map. Any zoning changes required to implement the projects listed herein will be made in accordance with the City’s zoning ordinance on a project-by-project basis.

SECTION X. ANNEXED PROPERTY

There are no lands proposed for inclusion within the District that were annexed by the City within the past year prior to adoption of this Project Plan. The entire District is surrounded by property already in the City, so no future annexations are anticipated.

SECTION XI. ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

The City estimates that approximately 42.7% of the real property in 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 XII. STATEMENT ON RELOCATION

In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable provisions of Wis. Stat. Chapter 32.

APPENDIX A: TID BOUNDARY LEGAL DESCRIPTION

APPENDIX B: IMPACT ON OVERLYING TAXING JURISDICTIONS

Base Value:	$24,689,000	(January 1, 2025)
Projected Value Increment:	$61,660,000	(At district closure)
Projected Total Tax Increment	$16,605,276	(From creation to closure)

Taxing Jurisdiction	Tax Rate	% of Mill Rate by Jurisdiction	2025 Taxes Collected on Base Value by Jurisdiction	Total Tax Increment Collected by the TID Over the Life of the District	Annual Taxes Collected After TID Closure by Jurisdiction	Increase in Annual Taxes Collected After TID Closure by Jurisdiction
County	2.37	16.13%	$58,502.76	$2,677,903.97	$250,024.29	$191,521.53
City	3.37	22.94%	$83,223.94	$3,809,490.92	$355,675.66	$272,451.71
School	8.44	57.41%	$208,258.45	$9,532,817.85	$890,037.89	$681,779.43
Tech college/other	0.52	3.52%	$12,781.58	$585,063.71	$54,624.86	$41,843.28
Total	**14.69**	**100%**	**$362,766.74**	**$16,605,276.45**	**$1,550,362.69**	**$1,187,595.96**

APPENDIX C: PLAN COMMISSION RESOLUTION RECOMMENDING ADOPTION OF TAX INCREMENT DISTRICT #10

APPENDIX D: COMMON COUNCIL RESOLUTION APPROVING THE PROJECT PLAN

APPENDIX E: JOINT REVIEW BOARD RESOLUTION APPROVING THE PROJECT

APPENDIX F: LEGAL OPINION