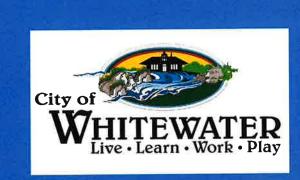




Process of TIF in City of Whitewater

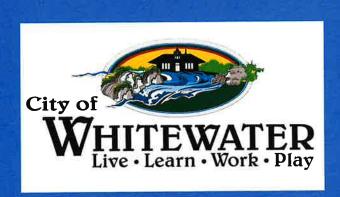
Economic Development Director Zeinert Redevelopment Resources, Kristen Fisch-Peterson





Developer Approaches the Office of Economic Development

Economic Development Staff meet with Developer to Learn More about his/her vision





The developer is required to present a site plan and proforma, outlining costs and investment from them.

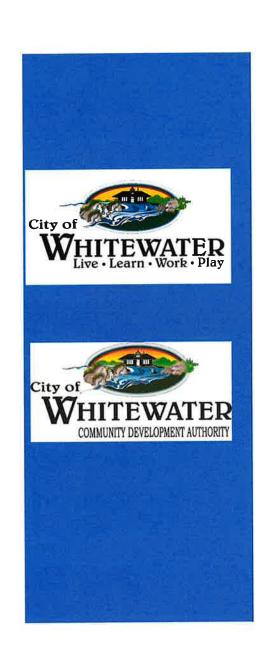




It is the developer's responsibility to show there is a gap if they are requesting financial support from the City.







If the developer is requesting financial incentives, they need to prove their need, that there is indeed a gap, and that the project will not happen without an incentive.

Staff Calculates if the gap can be filled with a TIF incentive and checks to see that the project will support the incentive over its allowable lifetime. This is also known as the "But For" test. But for the incentive, the project would not occur.





Staff also calculates if it's a reasonable request by calculating a payback period, and a percent of the total project.

We try to keep it at a reasonable amount (5%-20%, more if warranted).





Single Project Projection Worksheet TID 14

Walworth County

Type of District
District Creation Date
Valuation Date
Max life (Years)
Expenditure Period/Termination
Revenue Period/Final year
Extension Eligibility/Years
Eligible Recipient District

8/3/2021	
	-
Jan I,	2021
20	
15	8/3/2036
20	2042
Yes	3
No	

Base Value	
Appreciation Factor	0.50%
Base Tax Rate	\$ 18.20
Rate Adjustment Factor (3 years)	-1.00%
Tax Exempt Discount Rate	3.00%
Taxable Discount Rate	4.00%

Sale Price for 3 units year 1 Sale price for 12 units year 2 Sale price for 12 units year 3 Sale price for 11 units year 4 825,000 3,300,000 3,300,000 3,025,000 No

Construction Assessed year Increment Valu Added		Valuation Year	Inflation Increment	Total Increment	Revenue / Budget Year	Т	ax Rate	Requested Project Support	Tax Increment	Annual Cash Flow	Cumulative Cash Flow	Tax Exempt NPV Calculation	Taxable NPV Calculation
2021		2022	1.5	**	2023	\$	18.20	- 1	5	-		8	1/2/
2022		2023	30	¥3	2024	\$	18.02	-	*	*>		35	(6)
2023	*	2024	120	51	2025	\$	17.84	-	2	27		-	-
2024	825,000	2025	(a)	825,000	2026	\$	17.66	(138,700)	14,572	(124,128)	(124,128)		(98,100)
2025	3,300,000	2026	4,125	4,129,125	2027	\$	17.66	(95,600)	72,935	(22,665)	(146,793)		(115,324)
2026	3,300,000	2027	20,646	7,449,771	2028	\$	17.66	(86,700)	131,589	44,889			(82,524)
2027	3,025,000	2028	37,249	10,512,019	2029	\$	17.66	(55,000)	185,678	130,678		-	9,289
2028		2029	52,560	10,564,580	2030	\$	17.66		186,607	186,607	215,381	152,058	135,354
2029		2030	52,823	10,617,402	2031	\$	17.66		187,540	187,540	402,920	287,541	257,176
2030		2031	53,087	10,670,489	2032	\$	17.66		188,477	188,477	591,398	419,735	374,898
2031		2032	53,352	10,723,842	2033	\$	17.66		189,420	189,420	780,818	548,721	488,659
2032		2033	53,619	10,777,461	2034	\$	17.66		190,367	190,367	971,18 5	674,576	598,591
2033		2034	53,887	10,831,348	2035	\$	17.66		191,319	191,319	1,162,504	797,376	704,824
2034		2035	54,157	10,885,505	2036	\$	17.66		192,275	192,275	1,354,779	917,196	807,481
2035		2036	54,428	10,939,933	2037	\$	17.66		193,237	193,237	1,548,016	1,034,108	906,684
2036		2037	54,700	10,994,632	2038	\$	17.66		194,203	194,203	1,742,219	1,148,181	1,002,548
2037		2038	54,973	11,049,606	2039	\$	17.66		195,174	195,174	1,937,393	1,259,486	1,095,186
2038		2039	55,248	11,104,854	2040	\$	17.66		196,150	196,150	2,133,543	1,368,090	1,184,706
2039		2040	55,524	11,160,378	2041	\$	17.66		197,131	197,131	2,330,673	1,474,057	1,271,213
2040		2041	55,802	11,216,180	2042	\$	17.66		198,116	198,116	2,528,789	1,577,453	1,354,810
	10,450,000		766,180	20					2,904,789	2,528,789			
	year 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039	year Increment Value Added 2021 2022 2023 2024 2025 3,300,000 2026 3,300,000 2027 3,025,000 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040	year Increment Value Added 2021 2022 2023 2023 2024 2024 2024 2025 3,300,000 2026 2026 3,300,000 2027 2027 3,025,000 2028 2029 2030 2031 2031 2031 2031 2032 2033 2033	year Increment Value Added Valuation Fear Inflation Increment 2021 2022 - 2023 - 2023 2024 - 2024 - 2024 825,000 2025 - - 2025 3,300,000 2026 4,125 - 2026 3,300,000 2027 20,646 2027 20,646 2027 3,025,000 2028 37,249 2028 2029 52,560 2029 2030 52,823 2031 53,087 2031 53,087 2031 2032 2033 53,619 2034 53,887 2033 2034 2034 53,887 2034 54,157 2035 2036 54,428 2035 54,700 2037 2038 54,973 2038 54,973 2038 2039 55,248 2040 55,524 2040 55,524 2040 55,802	year Increment Value Added Valuation Increment Inflation Increment Total Increment 2021 2022 - - 2022 2023 - - 2024 825,000 2025 - 825,000 2025 3,300,000 2026 4,125 4,129,125 2026 3,300,000 2027 20,646 7,449,771 2027 3,025,000 2028 37,249 10,512,019 2028 2029 52,560 10,564,580 2030 52,823 10,617,402 2030 2031 53,087 10,670,489 2031 2032 53,352 10,723,842 2032 2033 53,619 10,777,461 2033 2034 53,887 10,831,348 2034 2035 54,157 10,885,505 2035 2036 54,428 10,939,933 2036 2037 54,700 10,994,632 2038 2039 55,248 <t< td=""><td>year Increment Value Added Year Inflation Increment Total Increment Revenuer Budget Year 2021 2022 - - 2023 2023 - 2024 - 2025 2024 825,000 2025 - 825,000 2026 2025 3,300,000 2026 4,125 4,129,125 2027 2026 3,300,000 2027 20,646 7,449,771 2028 2027 3,025,000 2028 37,249 10,512,019 2029 2028 2029 52,560 10,564,580 2030 2029 2030 52,823 10,617,402 2031 2030 2031 53,087 10,670,489 2032 2031 2032 53,352 10,723,842 2033 2033 53,619 10,777,461 2034 2034 2035 54,157 10,885,505 2036 2035 2036 54,428 10,939,933 2037</td><td> Valuation Infration Added Year Increment Total Increment Revenuer Total Increment Policy Poli</td><td>year Increment Value Added Valuation Year Inflation Increment Total Increment Revenue / Budget Year Tax Rate 2021 2022 - - 2023 - 2024 \$ 18.20 2023 - 2024 - - 2025 \$ 17.84 2024 825,000 2025 - 825,000 2026 \$ 17.66 2025 3,300,000 2026 4,125 4,129,125 2027 \$ 17.66 2026 3,300,000 2027 20,646 7,449,771 2028 \$ 17.66 2027 3,025,000 2028 37,249 10,512,019 2029 \$ 17.66 2028 2030 52,823 10,617,402 2031 \$ 17.66 2030 2031 53,087 10,670,489 2032 \$ 17.66 2031 2032 53,352 10,723,842 2033 \$ 17.66 2033 2034 53,887 10,831,348 2035 \$ 17.66 2034 2035</td></t<> <td>year Increment Value Added Valuation Increment Increment Increment Total Increment Revenue/ Budget Year Tax Rate Project Support 2021 2022 2023 - 2024 \$ 18.20 - 2023 2024 - 2025 \$ 18.20 - 2024 825,000 2025 \$ 17.66 (138,700) 2025 3,300,000 2026 4,125 4,129,125 2027 \$ 17.66 (95,600) 2026 3,300,000 2027 20,646 7,449,771 2028 \$ 17.66 (95,600) 2027 3,025,000 2028 37,249 10,512,019 2029 \$ 17.66 (55,000) 2028 2029 52,560 10,564,580 2030 \$ 17.66 (55,000) 2029 2030 52,823 10,617,402 2031 \$ 17.66 (2030) \$ 17.66 (2031) \$ 17.66 (2031) \$ 17.66 (2031) \$ 17.66 (2032) \$ 17.66 (2034) \$ 17.66 (2034)</td> <td>year Increment Value Added Year Inflation Increment Total Increment Revenue/Budget Year Tax Rate Project Support Tax Increment Support 2021 2022 2023 2024 2024 \$ 18.20 -<td>year Increment Value Added Valuation Added Inflation Tenent Total Increment Revenue Budget Year Tax Rate Project Support Tax Increment Admits Cash Flow 2021 2022 - 2023 \$ 18.20 -</td><td>year Increment Value Added Valuation Increment Increment Increment Revenue / Budget Year Tax Rate Budget Year Project Support Tax Increment Annual cash Annual cash Flow Cash Flow 2021 2022 - 2024 5 18.20 -</td><td>year Increment Value Added Valuation Press Inflation Increment Made Tax Rate Project Support Tax Increment Flow Support Annual Cash Flow Cash Flow Calculation NPV Calculation 2021 2022 2023 2023 18.20 -</td></td>	year Increment Value Added Year Inflation Increment Total Increment Revenuer Budget Year 2021 2022 - - 2023 2023 - 2024 - 2025 2024 825,000 2025 - 825,000 2026 2025 3,300,000 2026 4,125 4,129,125 2027 2026 3,300,000 2027 20,646 7,449,771 2028 2027 3,025,000 2028 37,249 10,512,019 2029 2028 2029 52,560 10,564,580 2030 2029 2030 52,823 10,617,402 2031 2030 2031 53,087 10,670,489 2032 2031 2032 53,352 10,723,842 2033 2033 53,619 10,777,461 2034 2034 2035 54,157 10,885,505 2036 2035 2036 54,428 10,939,933 2037	Valuation Infration Added Year Increment Total Increment Revenuer Total Increment Policy Poli	year Increment Value Added Valuation Year Inflation Increment Total Increment Revenue / Budget Year Tax Rate 2021 2022 - - 2023 - 2024 \$ 18.20 2023 - 2024 - - 2025 \$ 17.84 2024 825,000 2025 - 825,000 2026 \$ 17.66 2025 3,300,000 2026 4,125 4,129,125 2027 \$ 17.66 2026 3,300,000 2027 20,646 7,449,771 2028 \$ 17.66 2027 3,025,000 2028 37,249 10,512,019 2029 \$ 17.66 2028 2030 52,823 10,617,402 2031 \$ 17.66 2030 2031 53,087 10,670,489 2032 \$ 17.66 2031 2032 53,352 10,723,842 2033 \$ 17.66 2033 2034 53,887 10,831,348 2035 \$ 17.66 2034 2035	year Increment Value Added Valuation Increment Increment Increment Total Increment Revenue/ Budget Year Tax Rate Project Support 2021 2022 2023 - 2024 \$ 18.20 - 2023 2024 - 2025 \$ 18.20 - 2024 825,000 2025 \$ 17.66 (138,700) 2025 3,300,000 2026 4,125 4,129,125 2027 \$ 17.66 (95,600) 2026 3,300,000 2027 20,646 7,449,771 2028 \$ 17.66 (95,600) 2027 3,025,000 2028 37,249 10,512,019 2029 \$ 17.66 (55,000) 2028 2029 52,560 10,564,580 2030 \$ 17.66 (55,000) 2029 2030 52,823 10,617,402 2031 \$ 17.66 (2030) \$ 17.66 (2031) \$ 17.66 (2031) \$ 17.66 (2031) \$ 17.66 (2032) \$ 17.66 (2034) \$ 17.66 (2034)	year Increment Value Added Year Inflation Increment Total Increment Revenue/Budget Year Tax Rate Project Support Tax Increment Support 2021 2022 2023 2024 2024 \$ 18.20 - <td>year Increment Value Added Valuation Added Inflation Tenent Total Increment Revenue Budget Year Tax Rate Project Support Tax Increment Admits Cash Flow 2021 2022 - 2023 \$ 18.20 -</td> <td>year Increment Value Added Valuation Increment Increment Increment Revenue / Budget Year Tax Rate Budget Year Project Support Tax Increment Annual cash Annual cash Flow Cash Flow 2021 2022 - 2024 5 18.20 -</td> <td>year Increment Value Added Valuation Press Inflation Increment Made Tax Rate Project Support Tax Increment Flow Support Annual Cash Flow Cash Flow Calculation NPV Calculation 2021 2022 2023 2023 18.20 -</td>	year Increment Value Added Valuation Added Inflation Tenent Total Increment Revenue Budget Year Tax Rate Project Support Tax Increment Admits Cash Flow 2021 2022 - 2023 \$ 18.20 -	year Increment Value Added Valuation Increment Increment Increment Revenue / Budget Year Tax Rate Budget Year Project Support Tax Increment Annual cash Annual cash Flow Cash Flow 2021 2022 - 2024 5 18.20 -	year Increment Value Added Valuation Press Inflation Increment Made Tax Rate Project Support Tax Increment Flow Support Annual Cash Flow Cash Flow Calculation NPV Calculation 2021 2022 2023 2023 18.20 -

Request Assumptions

Meadowview Court Development would generate over \$10 million in assessed value assuming an assessed value of \$290,000 per home for 38 units.

Mixed Use TID, with 20-year projection, originally created in 2021.

Total request is approx. \$376,000. Assuming \$97,000 for the street, \$8,900 each for 10 buildings, and \$5,000 per unit as constructed.

Conclusions

Value of incentives would be paid back in year five of tax collection

Homes will sell between high \$200,00s and low \$300,000s so assessed values could

TID 11 Prospect Drive, LLC

Project Description

Development of eight 16-unit market rate multifamily buildings

Location

Morraine View Parkway and Jakes Way, parcel WPB 00044

Size

10.175 acres

Number of Buildings

indings 6

Timeline

Fall 2024-Fall 2025

Request

5,007,245 Development Incentive

Construction Costs

Total construction costs estimated at \$31,962,178

But For

This project would not be financially feasible for the developer without the TIF incentive and contribution of land. Cash flow from rents on projects like this are not enough to support the debt. Therefore without the contribution of the incentive, this project would not occur in this location at this time.

Sources/Uses

Uses/Sources	Tota	al	Ov	vner	Bank	City/TIF
Land	\$	500,000	\$	500,000		\$ -
Hard Costs	\$	28,206,176	\$	1,200,442	\$ 21,912,607	\$ 5,093,127
Soft Costs	\$	3,256,002	\$	3,256,002	\$ -	
Totals	\$	31,962,178	\$	4,956,444	\$ 21,912,607	\$ 5,093,127

Guarantee

Developer will guarantee an assessed value of \$24,600,000

Clawback

Developer will commence construction by October 1, 2024 and complete construction by November 30 2025. Incentive payments will not begin until the first payment of property taxes by the developer. Should the

development fall short of the minimum assessed value once constructed, the devleoper will pay a payment in lieu of

taxes (PILOT) for the difference.

Single Project Projection Worksheet TID 11 Walworth County

Type of District
District Creation Date
Valuation Date
Max life (Years)
Expenditure Period/Termination
Revenue Period/Final year
Extension Eligibility/Years
Eligible Recipient District

Mix	ed Use								
8/3/2021									
Jan 1,	2021								
20									
15	8/3/2036								
20	2042								
Yes	3								
	No								

Base Value	
Appreciation Factor	0.50%
Base Tax Rate	\$ 17.52
Rate Adjustment Factor (3 years)	-1.00%

Construction Cost, Unit One
Construction Cost, Unit Two
Construction Cost, Unit Three
Assessment as % of Construction cost
Land Value Contributed
Land included in IRR?
No

Tax Exempt Discount Rate 4.25%
Taxable Discount Rate 5.50%

	Construction year	Assessed Increment Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue / Budget Year	Tax Rate		Requested Project Support	Tax Increment	Annual Cash Flow	Cumulative Cash Flow	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2022		2023	8.28	-	2024	\$	17-15	•	120	227	12	27	(m)
2	2023	2	2024	223		2025	\$	16.98		(#)	:#?	÷.	53	127
3	2024		2025	12	.=	2026	\$	16.81		120	121	- 12	€	(A)
4	2025	12,300,000	2026	(a)	12,300,000	2027	\$	16.64	(173,978)	204,680	30,702	30,702	23,917	22,266
5	2026		2027	61,500	12,361,500	2028	\$	16.64	(174,848)	205,703	30,855	61,557	46,974	43,478
6	2027		2028	61,808	12,423,308	2029	\$	16.64	(175,722)	206,732	31,010	92,567	69,201	63,684
7	2028	12,300,000	2029	62,117	24,785,424	2030	\$	16.64	(350,578)	412,445	61,867	154,434	111,739	101,894
8	2029	*	2030	123,927	24,909,351	2031	\$	16.64	(352,331)	414,507	62,176	216,610	152,746	138,294
9	2030		2031	124,547	25,033,898	2032	\$	16.64	(354,093)	416,580	62,487	279,097	192,279	172,969
10	2031		2032	125,169	25,159,067	2033	\$	16.64	(355,863)	418,663	62,799	341,896	230,389	206,000
11	2032		2033	125,795	25,284,863	2034	\$	16,64	(357,643)	420,756	63,113	405,010	267,129	237,466
12	2033		2034	126,424	25,411,287	2035	\$	16.64	(359,431)	422,860	63,429	468,439	302,547	267,441
13	2034		2035	127,056	25,538,343	2036	\$	16.64	(361,228)	424,974	63,746	532,185	336,690	295,994
14	2035		2036	127,692	25,666,035	2037	\$	16.64	(256,259)	427,099	170,840	703,024	424,466	368,530
15	2036		2037	128,330	25,794,365	2038	\$	16.64	(257,541)	429,234	171,694	874,718	509,083	437,627
16			2038	128,972	25,923,337	2039	\$	16.64	(366,674)	431,381	64,707	939,425	539,673	462,311
17	2038		2039	129,617	26,052,954	2040	\$	16.64	(368,507)	433,538	65,031	1,004,456	569,163	485,825
18	2039		2040	130,265	26,183,219	2041	\$	16.64	(370,349)	435,705	65,356	1,069,812	597,592	508,224
19	2040		2041	130,916	26,314,135	2042	\$	16.64	(372,201)	437,884	65,683	1,135,494	624,999	529,562
20			2042	131,571	26,445,705	2043	\$	16.64	44	440,073	440,073	1,575,567	801,136	665,071
20	2011	24,600,000	- 4	1,845,705					(5,007,245)	6,582,813	1,575,567			

Request Assumptions

Chris Slater will create eight 16-unit apartment buildings

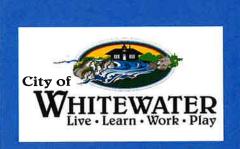
Mixed Use TID, with 20-year projection, originally created in 2021.

Total request is \$5,007,245 to be paid out annually as taxes are paid until the TID is retired at the end of its life.

Conclusions

Project should cash flow from the beginning. NPV is positive in year 1,

Economic Development Staff works with CDA Attorney to draft Developer's Agreement and TIF Agreement





TIF Worksheet and Developer Agreement is presented to the CDA for approval



