



February 13, 2018

# Project Plan for the Creation of Tax Incremental District No. 3



Organizational Joint Review Board Meeting Held:	January 10, 2018
Public Hearing Held:	January 10, 2018
Consideration for Approval by Plan Commission:	February 5, 2018
Consideration for Adoption by Common Council:	February 13, 2018
Consideration for Approval by the Joint Review Board:	Scheduled for: February 28, 2018



# Tax Incremental District No. 3 Creation Project Plan

## City of New Berlin Officials

### Common Council

David Ament	Mayor
John Hopkins	Council Member
Chuck Garrigues	Council Member
Ronald Seidl	Council Member
Kenneth A. Harenda II	Council Member
Joseph Stibl	Council Member
Dennis Horbinski	Council Member
Keith Heun	Council Member

### City Staff

Greg Kessler	Director of Community Development
Nikki Jones	Deputy Director Community Development
Tammy Simonson	City Engineer
Ralph Chipman	Director of Finance

### Plan Commission

David A. Ament	Scott Biller
Brian McGrath	Greg Kessler
Joe Stribl	Grant Reginato
Brian J. Felda	Robert Rafel

### Joint Review Board

Ralph Chipman	City Representative
Norm Cummings	Waukesha County
Cary Tessmann	Waukesha County Area Technical College District
Roger Dickson	New Berlin School District
Mary Claire Lanser	Public Member



# Table of Contents

EXECUTIVE SUMMARY .....4

TYPE AND GENERAL DESCRIPTION OF DISTRICT .....6

PRELIMINARY MAP OF PROPOSED DISTRICT BOUNDARY .....7

MAP SHOWING EXISTING USES AND CONDITIONS .....9

PRELIMINARY PARCEL LIST AND ANALYSIS .....11

EQUALIZED VALUE TEST .....12

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS .....13

MAP SHOWING PROPOSED IMPROVEMENTS AND USES .....17

DETAILED LIST OF PROJECT COSTS .....19

ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED .....22

ANNEXED PROPERTY .....28

ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS .....28

PROPOSED ZONING ORDINANCE CHANGES .....29

PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF NEW BERLIN ORDINANCES .....29

RELOCATION .....29

ORDERLY DEVELOPMENT OF THE CITY OF NEW BERLIN .....30

LIST OF ESTIMATED NON-PROJECT COSTS .....30

OPINION OF ATTORNEY FOR THE CITY OF NEW BERLIN ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105 .....31

CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS .....32

# SECTION 1: Executive Summary

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## Description of District

### Type of District, Size and Location

Tax Incremental District (“TID”) No. 3 (the “TID” or “District”) is proposed to be created by the City of New Berlin (“City”) as a mixed-use district. A map of the proposed District boundaries is located in Section 3 of this plan.

### Estimated Total Project Expenditures.

The City anticipates making total project expenditures of approximately \$27,527,000 to undertake the projects listed in this Project Plan. The City anticipates completing the projects in multiple phases to match the pace of development within the District. The Expenditure Period of this District is 15 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. The projects to be undertaken pursuant to this project plan may also be financed as a development incentive to a developer exclusively for the costs of public infrastructure. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, is located in Section 10 of this plan.

### Economic Development

At this time upon of the creation of this District, the City projects that additional land and improvements value created will be at a minimum approximately \$15.1 million as a result of new development of properties within the District. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development associated values is located in Section 10 of this Plan. 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 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2034; 5 years earlier than the 20 year maximum life of this District.

## Summary of Findings

As required by Wisconsin Statutes Section 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.** In making this determination, the City has considered the following information:

- The properties proposed for development have remained underutilized due to lack of adequate infrastructure and ownership by multiple parties. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the City that the use of Tax Incremental Financing (“TIF”) will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the City.
  - In order to make the areas included within the District suitable for development, the City will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments for public infrastructure, and other associated costs. Due to the extensive initial investment in public infrastructure that is required in order to allow development to occur, 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 is unlikely to occur.
2. **The economic benefits of the Tax Incremental 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, the tax increments projected to be collected are more than sufficient to pay for the proposed Phase 1 project costs. On this basis alone, the finding is supported.
  - The initial development within the District comprises a 192,800 square foot development that is estimated to generate \$15.1 million in value. This is a multi-tenant industrial building.
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, 2018. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently 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, 2018 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 unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), 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 foregone tax increments to be paid in the event the District is not created. As required by Section 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 A of this plan.

4. Not less than 50% by area of the real property within the District is suitable for a combination of industrial and commercial use, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).
5. Based upon the findings, as stated above, the District is declared to be a mixed-use District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District’s maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

## SECTION 2: Type and General Description of District

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The District is being created by the City under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of industrial and commercial uses as defined within the meaning of Wisconsin Statutes Section 66.1105(2)(cm) (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test).

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The City intends that TIF will be used to assure that a combination of private industrial and development occurs within the District consistent with the City’s development objectives. This will be accomplished by installing public improvements and making necessary related expenditures to induce and promote development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in the Plan relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.

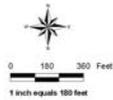
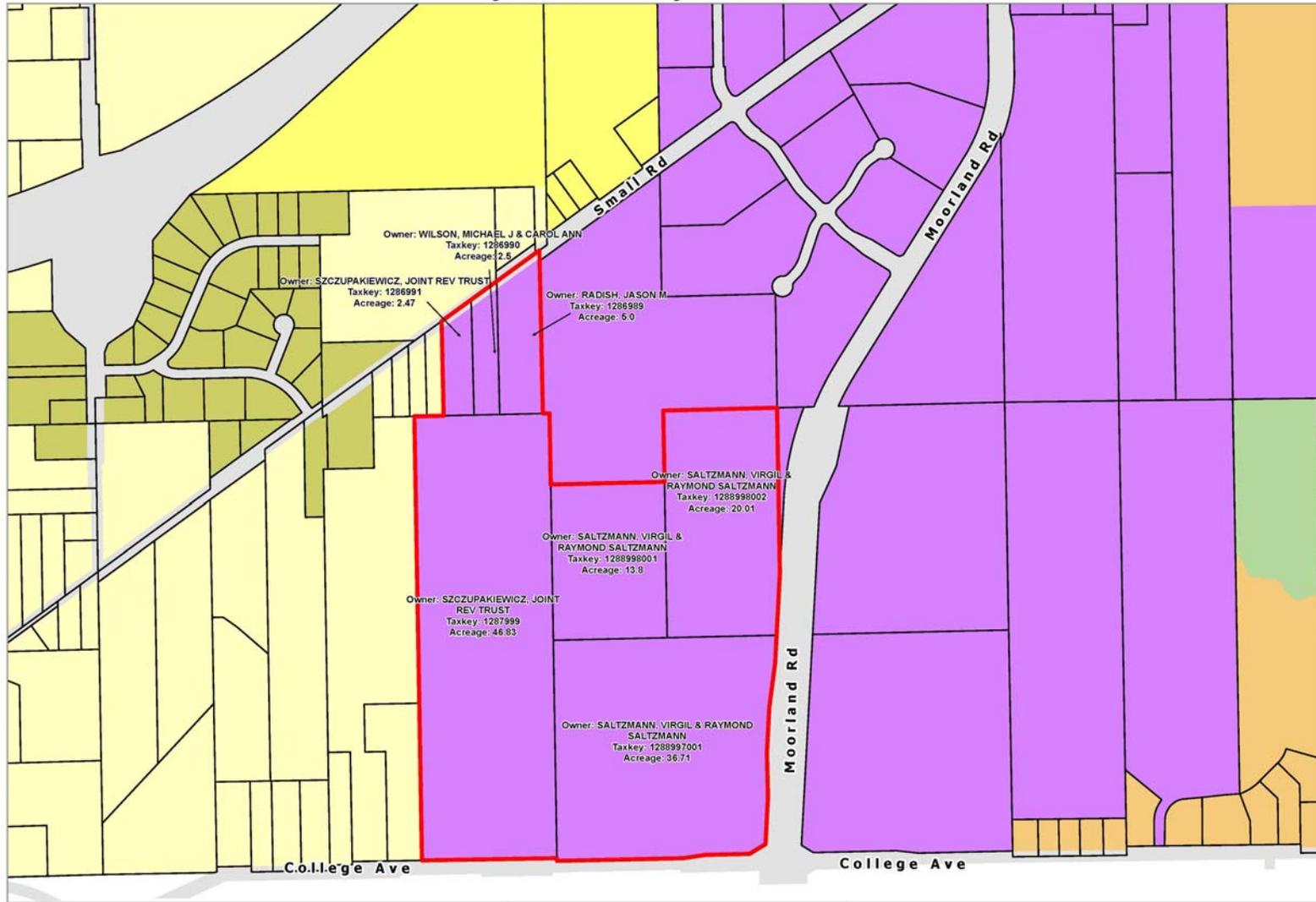
Based upon the findings, as stated within this Plan, the District is declared to be a mixed-use District based on the identification and classification of the property included within the district.

## SECTION 3: Preliminary Map of Proposed District Boundary

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See the following page.

### TID #3 Project Boundary with Future Land Use



Legend	
<span style="color: purple;">■</span> Business Park / Industrial (i.e. sign manufacturing, office, retail, commercial, and/or home & entertainment)	<span style="color: red;">■</span> Suburban Commercial
<span style="color: yellow;">■</span> Urban Residential (i.e. single family residential)	<span style="color: orange;">■</span> Mixed Use Residential
<span style="color: green;">■</span> Park (i.e. both active and passive park uses)	<span style="color: lightgreen;">■</span> Suburban Residential
<span style="color: lightblue;">■</span> Residential Estate	<span style="color: yellowgreen;">■</span> Country Residential
<span style="color: blue;">■</span> Institutional	<span style="color: lightyellow;">■</span> Residential Estate
<span style="border: 1px solid gray;"> </span> Transportation ROW	<span style="border: 2px solid red;"> </span> TID #3 Boundary
	<span style="border: 1px solid black;"> </span> Parcel Lines



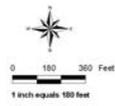
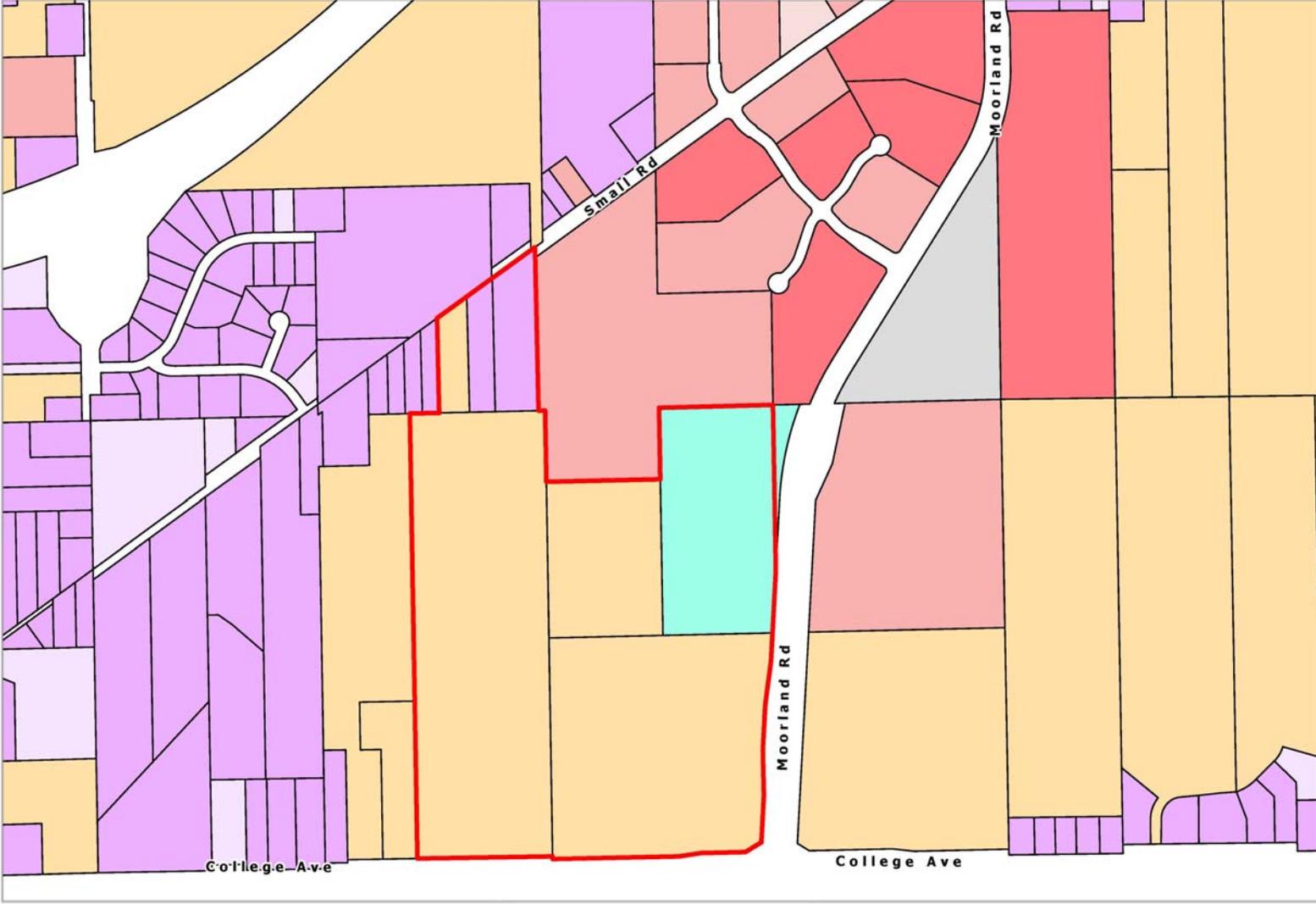
Map updated: 02/13/2018

## SECTION 4: Map Showing Existing Uses and Conditions

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See the following page.

### TID #3 Project Boundary with Current Land Use



Current Land Use		Legend	
<span style="display:inline-block; width:10px; height:10px; background-color:yellow; border:1px solid black;"></span> Agricultural	<span style="display:inline-block; width:10px; height:10px; background-color:red; border:1px solid black;"></span> Manufacturing	<span style="display:inline-block; width:10px; height:10px; background-color:purple; border:1px solid black;"></span> Residential	<span style="display:inline-block; width:10px; height:10px; border:2px solid red;"></span> TID #3 Boundary
<span style="display:inline-block; width:10px; height:10px; background-color:orange; border:1px solid black;"></span> Commercial	<span style="display:inline-block; width:10px; height:10px; background-color:lightpurple; border:1px solid black;"></span> Residential Condominium	<span style="display:inline-block; width:10px; height:10px; background-color:grey; border:1px solid black;"></span> Residential Vacant Site	<span style="display:inline-block; width:10px; height:10px; border:1px solid black;"></span> Parcel Lines
<span style="display:inline-block; width:10px; height:10px; background-color:grey; border:1px solid black;"></span> Exempt	<span style="display:inline-block; width:10px; height:10px; background-color:cyan; border:1px solid black;"></span> Undeveloped		
<span style="display:inline-block; width:10px; height:10px; background-color:green; border:1px solid black;"></span> Forest Land			



Map Date: 02/13/2018

# SECTION 5: Preliminary Parcel List and Analysis

City of New Berlin, Wisconsin													Assessment Roll Classification? <i>(Residential = Class 1, Commercial = Class 2, Manufacturing = Class 3, Ag = Class 4, Undeveloped = Class 5, Ag Forest = Class 5M, Forest = Class 6, Other = Class 7 &amp; Exempt = X)</i>	
Tax Increment District # 3														
Base Parcel Data														
				Assessment Information as of 1/1/2017			Equalized Value			District Classification				
Parcel Number	Street Address	Owner	Acreage	Land	Imp	Total	Equalized Value Ratio	Land	Imp	Total	Industrial	Commercial/ Business	Suitable for Mixed Use	
						0	93.58%	0	0	0			0.00	
1286991	16555 W. Small Road	Szczupakiewicz	2.47	900		900	93.58%	962	0	962	2.47		2.47	Forest Lands & Agricultural
1286990	16515 W. Small Road	Wilson	2.50	62,800	129,900	192,700	93.58%	67,108	138,812	205,920	2.50		2.50	Residential
1286989	1605 W. Small Road	Radish	5.00	82,200	114,300	196,500	93.58%	87,839	122,141	209,981	5.00		5.00	Residential
1287999	16560 W. College Avenue	Szczupakiewicz	46.83	74,300	125,400	199,700	93.58%	79,397	134,003	213,400	46.83		46.83	Forest Lands & Agricultural
1288998001	6051 S. Moorland Road	Saltzman	13.80	2,900	0	2,900	93.58%	3,099	0	3,099	13.80		13.80	Agricultural
1288998002		Saltzman	20.01	30,500	0	30,500	93.58%	32,592	0	32,592	10.01	10.01	20.02	Undeveloped
1288997001		Saltzman	36.71	21,600	0	21,600	93.58%	23,082	0	23,082	18.36	18.36	36.72	Agricultural, Undeveloped, Forest Lands
			<b>Total Acreage 127.32</b>	275,200	369,600	644,800		294,080	394,956		98.96 77.73%	28.37 22.28%	127.33 100.01%	
										<b>689,036</b>				

## SECTION 6: Equalized Value Test

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The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The base value of the proposed District is estimated at \$689,036. This value is less than the maximum of \$622,379,964 in equalized value that is permitted for the City of New Berlin. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

<b>City of New Berlin, Wisconsin</b>	
<b>Tax Increment District # 3</b>	
<b>Valuation Test Compliance Calculation</b>	
District Creation Date	2/13/2018
	Valuation Data Currently Available 2017
Total EV (TID In)	5,186,499,700
12% Test	622,379,964
Increment of Existing TIDs	0
Total Existing Increment	0
Projected Base of New or Amended District	689,036
Total Value Subject to 12% Test	689,036
Compliance	<b>PASS</b>

## SECTION 7:

# Statement of Kind, Number and Location of Proposed Public Works and Other Projects

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The following is a list of public works and other TIF-eligible projects that the City expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

## Property, Right-of-Way and Easement Acquisition

### 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.

## Site Preparation Activities

### Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.

### 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; 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. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.

### **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; 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 and pollution. 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.

### **Gas Service**

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.

## **Streets and Streetscape**

### **Street Improvements**

There are inadequate street improvements serving areas of the District. To allow development to occur, the City may need to construct and 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

In order 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; signage/monument signage/wayfinding 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.

## Miscellaneous

### Cash Grants (Development Incentives) for Public Infrastructure

The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of providing a cash grant for reimbursement of public infrastructure 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.

### Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 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:

Map ID on p. 18	Project	Notes
3	East Road Segment	
4	Utility & stormwater improvements east of CTH O	
6	Moorland Road Expansion	
7	Lighting/Signs and related landscaping	
8	Calhoun/Small intersection	There is a population of drivers that access the Westridge Industrial park and Proposed northern TID boundary from the South and West through this intersection. The existing intersection at Small Road and Calhoun Road intersects at a 55-degree angle and two of the approaches decline into the intersection. The proposed improvement would be to realign the intersection to a 90 degree angle and reduce the slope of the approaches.
10	Small Road Reconstruction	Existing conditions on Small Road vary from one end to the other. Project will improve traffic movement around the northern portion of the TID boundary to a typical roadway cross section of 40 feet of pavement.
11	Lowering of ANR pipeline	
Throughout area	Internal trail network	

See the map in Section 8 and the project list in Section 10 for more information.

### 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 in connection with 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.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the City for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

**The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.**

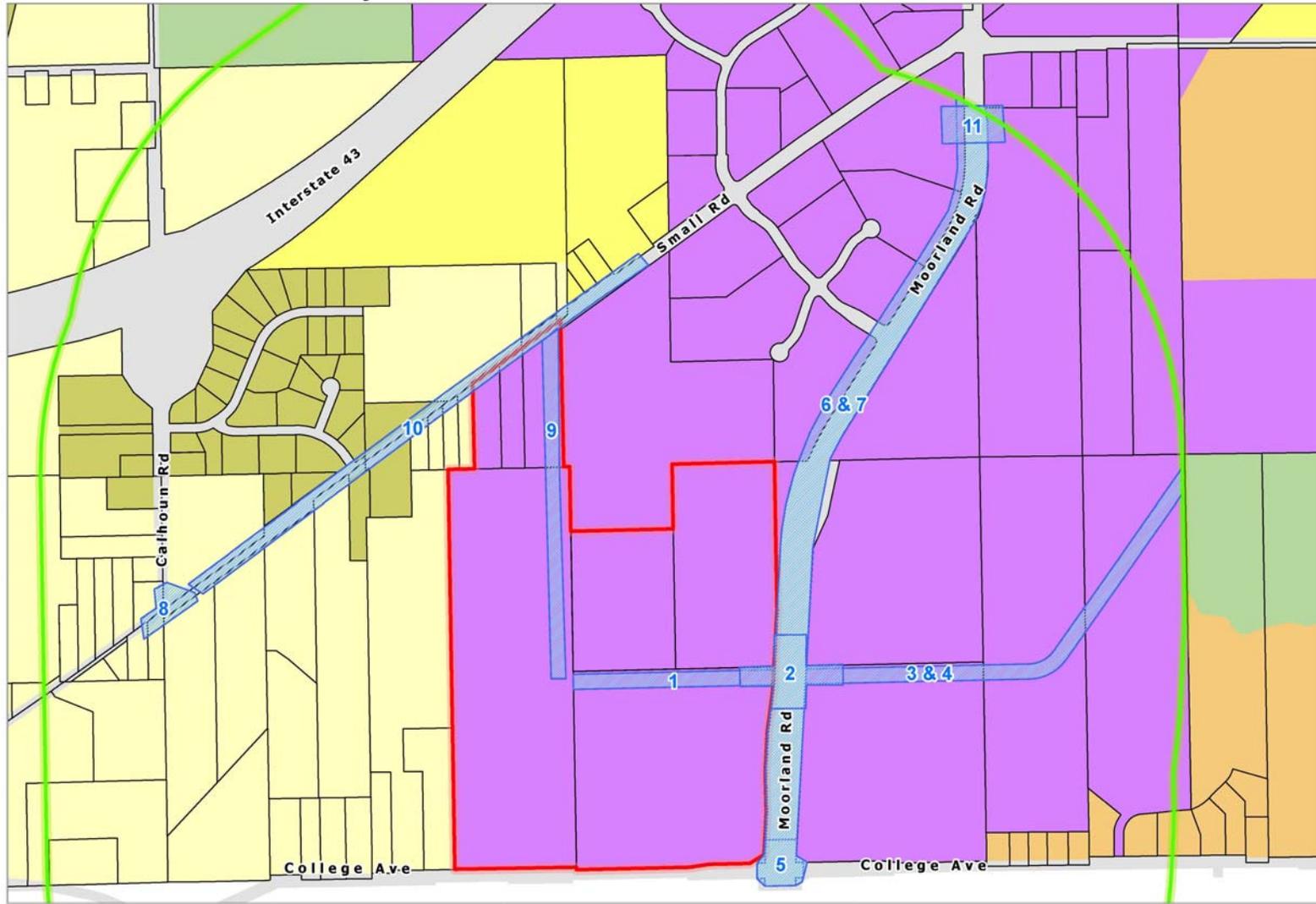
Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality 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 is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

## SECTION 8: Map Showing Proposed Improvements and Uses

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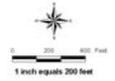
See the following page.

### TID #3 Project Locations with Future Land Use & Half Mile Buffer



Legend	
<span style="color: purple;">■</span> Business Park / Industrial (i.e. light manufacturing, office, retail, commercial, and/or home & entertainment)	<span style="color: red;">■</span> Suburban Commercial
<span style="color: orange;">■</span> Urban Residential (i.e. single family residential)	<span style="color: yellow;">■</span> Mixed Use Residential
<span style="color: green;">■</span> Park (i.e. both active and passive park uses)	<span style="color: lightblue;">■</span> Suburban Residential
<span style="color: lightblue;">■</span> Transportation/R.O.W.	<span style="color: yellow;">■</span> Country Residential
<span style="color: lightblue;">■</span> Project Locations	<span style="color: yellow;">■</span> Residential Estate
<span style="color: lightblue;">■</span> TID #3 Boundary	<span style="color: blue;">■</span> Institutional
<span style="color: lightblue;">■</span> 1/2 Mile Buffer	<span style="color: lightblue;">■</span> Parcel Lines

Project Number	Project Name
1	West Road Segment
2	Moorland Rd Intersection
3 & 4	East Road Segment (Oldham & Water Street of E174 02)
5	Moorland College Intersection
6 & 7	Moorland Segments (at Small Rd) Interchange
8	Cathoun Road Intersection
9	Small Road Intersection
10	Small Road Intersection
11	Small Road Intersection



Date Issued: 1/26/2018

## SECTION 9: Detailed List of Project Costs

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**This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the timing of projects implemented as they are individually authorized by the Common Council, without amending the Plan.**

All costs are based on 2018 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2018 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 Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

However, if total project costs exceed \$27,527,000, the City would pursue an amendment to the Plan in accordance with the amendment procedures specified in Wisconsin Statutes Section 66.1105(4)(h), which include review by the Joint Review Board.

The City may finance project costs directly as a city public infrastructure project (alternative #1). The City may also use a combination of providing a development incentive to reimburse for public infrastructure projects and financing city public infrastructure projects (alternative #2). The total project costs authorized, regardless of which approach is used, shall not exceed \$27,527,000. The City can use either approach on any TID project.

All projects identified are TID eligible. The City will use increment generated within the District to pay for projects supported by the overall cash flow of the District and will use a phased approach so project costs are incurred to match the pace of development within the District.

## Proposed TIF Project Cost Estimates

City of New Berlin, Wisconsin								
Tax Increment District # 3								
Estimated Project List								
Alternative #1 City Financed Infrastructure								
Project ID	Project Name/Type	Potential Funding Source	Within District Boundary	Within 1/2 mile radius	Phase I	Phase II	Phase III and Beyond	Total (Note 1)
1	West Road Segment	City Financed	Yes	No	882,000			882,000
2	Moorland/34 intersection	City Financed	Yes	No	1,932,000			1,932,000
3	East Road Segment	City Financed	No	Yes		3,322,000		3,322,000
4	Utilities & Storm (East of CTH O)	City Financed	No	Yes		6,360,000		6,360,000
5	Moorland/College Intersection	City Financed	Yes	No		881,000		881,000
6	Moorland Expansion	City Financed	No	Yes			7,370,000	7,370,000
7	Lighting/Signs Landscaping	City Financed	No	Yes			685,000	685,000
8	Calhoun Small Intersection	City Financed	No	Yes			805,000	805,000
9	Sanitary (West Road to Small Road)	City Financed	Yes	No			425,000	425,000
10	Small Road Reconstruction	City Financed	No	Yes			3,210,000	3,210,000
11	Lowering ANR Pipeline	City Financed	No	Yes			1,380,000	1,380,000
12	Internal Trails	City Financed	No	Yes			275,000	275,000
Total Projects					2,814,000	10,563,000	14,150,000	27,527,000
Notes:								
Note 1 Project costs are estimates and are subject to modification								

# City of New Berlin, Wisconsin

## Tax Increment District # 3

### Estimated Project List

#### Alternative #2 City Financed Infrastructure and/or Development Incentives for Public Infrastructure

Project ID	Project Name/Type	Potential Funding Source	Within District Boundary	Within 1/2 mile radius	Phase I	Phase II	Phase III and Beyond	Total (Note 1)
1	West Road Segment	Development incentive for public Infrastructure	Yes	No	882,000			882,000
2	Moorland/34 intersection	Development incentive for public Infrastructure	Yes	No	1,932,000			1,932,000
3	East Road Segment	Development incentive for public Infrastructure	No	Yes		3,322,000		3,322,000
4	Utilities & Storm (East of CTH O)	Development incentive for public Infrastructure	No	Yes		6,360,000		6,360,000
5	Moorland/College Intersection	Development incentive for public Infrastructure	Yes	No		881,000		881,000
6	Moorland Expansion	City Financed	No	Yes			7,370,000	7,370,000
7	Lighting/Signs Landscaping	City Financed	No	Yes		685,000		685,000
8	Calhoun Small Intersection	Development incentive for public Infrastructure	No	Yes		805,000		805,000
9	Sanitary (West Road to Small Road)	Development incentive for public Infrastructure	Yes	No		425,000		425,000
10	Small Road Reconstruction	Development incentive for public Infrastructure	No	Yes		3,210,000		3,210,000
11	Lowering ANR Pipeline	City Financed	No	Yes		1,380,000		1,380,000
12	Internal Trails	Development incentive for public Infrastructure	No	Yes		275,000		275,000
<b>Total Projects</b>					<b>2,814,000</b>	<b>10,563,000</b>	<b>14,150,000</b>	<b>27,527,000</b>

Notes:

Note 1 Project costs are estimates and are subject to modification

## SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

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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” follows.
- 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. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for Phase 1 the cost of the projects. Future development will be needed to generate increment for future phases. Within this Section are tables identifying: 1) the development expected to occur for Phase 1; 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 Phase 1 Project Costs.

### Available Financing Methods

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 (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$259,324,985, of which \$207,450,407 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 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 a Community Development Authority (CDA). 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 the 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 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 in 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 in an amount equal to the total collected.

## Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. 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.

Interest rates projected 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.**

## Implementation and Financing Timeline

<b>City of New Berlin, Wisconsin</b> <b>Tax Increment District # 3</b> <b>Estimated Financing Plan: Phase 1</b>		
		<b>G.O. Bond 2018</b>
Projects		
West Road Segment <sup>1</sup>		882,000
Moorland/34 Intersection <sup>1</sup>		1,932,000
Total Project Funds		<u>2,814,000</u>
Estimated Finance Related Expenses		
Municipal Advisor		21,710
Bond Counsel		12,000
Rating Agency Fee		11,500
Underwriter Discount	<b>12.50</b>	36,188
Total Financing Required		2,895,398
Estimated Interest	<b>0.25%</b>	<b>(3,518)</b>
Assumed spend down (months)	6	
Rounding		3,120
Net Issue Size		<b>2,895,000</b>
Notes:		
1. Includes allowances for lighting, landscaping, and signage.		

# Development Assumptions

City of New Berlin, Wisconsin					
Tax Increment District # 3					
Development Assumptions					
Construction Year		Phase 1: Briohn Project	Annual Total	Construction Year	
1	2018	15,116,500	15,116,500	2018	1
2	2019		0	2019	2
3	2020		0	2020	3
4	2021		0	2021	4
5	2022		0	2022	5
6	2023		0	2023	6
7	2024		0	2024	7
8	2025		0	2025	8
9	2026		0	2026	9
10	2027		0	2027	10
11	2028		0	2028	11
12	2029		0	2029	12
13	2030		0	2030	13
14	2031		0	2031	14
15	2032		0	2032	15
16	2033		0	2033	16
17	2034		0	2034	17
18	2035		0	2035	18
19	2036		0	2036	19
20	2037		0	2037	20
Totals		<u>15,116,500</u>	<u>15,116,500</u>		

Notes:

1. Reflects only development anticipated at this time. Additional development is needed to support project costs identified beyond phase I.

# Increment Revenue Projections

## City of New Berlin, Wisconsin Tax Increment District # 3 Tax Increment Projection Worksheet: Phase 1

Type of District	Mixed Use	
District Creation Date	February 13, 2018	
Valuation Date	Jan 1,	2018
Max Life (Years)	20	
Expenditure Period/Termination	15	2/13/2033
Revenue Periods/Final Year	20	2039
Extension Eligibility/Years	Yes	3
Recipient District	No	

Base Value	689,036
Appreciation Factor	0.00%
Base Tax Rate	\$17.20
Rate Adjustment Factor	
Tax Exempt Discount Rate	3.00%
Taxable Discount Rate	4.50%

**Apply to Base Value**

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt	Taxable NPV	
								NPV Calculation	NPV Calculation	
1	2018	15,116,500	2019	0	15,116,500	2020	\$17.20	<b>260,028</b>	237,962	227,861
2	2019	0	2020	0	15,116,500	2021	\$17.20	<b>260,028</b>	468,993	445,910
3	2020	0	2021	0	15,116,500	2022	\$17.20	<b>260,028</b>	693,295	654,570
4	2021	0	2022	0	15,116,500	2023	\$17.20	<b>260,028</b>	911,064	854,244
5	2022	0	2023	0	15,116,500	2024	\$17.20	<b>260,028</b>	1,122,490	1,045,319
6	2023	0	2024	0	15,116,500	2025	\$17.20	<b>260,028</b>	1,327,758	1,228,167
7	2024	0	2025	0	15,116,500	2026	\$17.20	<b>260,028</b>	1,527,048	1,403,140
8	2025	0	2026	0	15,116,500	2027	\$17.20	<b>260,028</b>	1,720,533	1,570,579
9	2026	0	2027	0	15,116,500	2028	\$17.20	<b>260,028</b>	1,908,382	1,730,808
10	2027	0	2028	0	15,116,500	2029	\$17.20	<b>260,028</b>	2,090,760	1,884,137
11	2028	0	2029	0	15,116,500	2030	\$17.20	<b>260,028</b>	2,267,826	2,030,863
12	2029	0	2030	0	15,116,500	2031	\$17.20	<b>260,028</b>	2,439,735	2,171,271
13	2030	0	2031	0	15,116,500	2032	\$17.20	<b>260,028</b>	2,606,637	2,305,632
14	2031	0	2032	0	15,116,500	2033	\$17.20	<b>260,028</b>	2,768,678	2,434,208
15	2032	0	2033	0	15,116,500	2034	\$17.20	<b>260,028</b>	2,925,999	2,557,247
16	2033	0	2034	0	15,116,500	2035	\$17.20	<b>260,028</b>	3,078,737	2,674,988
17	2034	0	2035	0	15,116,500	2036	\$17.20	<b>260,028</b>	3,227,027	2,787,658
18	2035	0	2036	0	15,116,500	2037	\$17.20	<b>260,028</b>	3,370,998	2,895,476
19	2036	0	2037	0	15,116,500	2038	\$17.20	<b>260,028</b>	3,510,776	2,998,652
20	2037	0	2038	0	15,116,500	2039	\$17.20	<b>260,028</b>	3,646,482	3,097,385
<b>Totals</b>		<b>15,116,500</b>		<b>0</b>		<b>Future Value of Increment</b>		<b>5,200,551</b>		

**Notes:**

Actual results will vary depending on development, inflation of overall tax rates.  
NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

# Cash Flow

City of New Berlin, Wisconsin															
Tax Increment District # 3															
Cash Flow Projection Phase 1															
Year	Projected Revenues				Expenditures						Balances			Year	
	Tax Increments	Advance from Debt Service	Advance from General Fund	Total Revenues	G.O. Bond \$2,895,000 Dated Date: 09/01/18 Principal (12/1) Est. Rate Interest			TIF Planning Costs	TIF Fees	Repayment of Advance	Total Expenditures	Annual	Cumulative		Principal Outstanding
2018			26,150	26,150				25,000	1,000		26,000	150	150	2,895,000	2018
2019		98,514		98,514					150		98,664	(150)	0	2,895,000	2019
2020	260,028			260,028		2.10%	78,811		150	124,664	203,625	56,403	56,403	2,895,000	2020
2021	260,028			260,028	140,000	2.15%	78,811		150		218,961	41,067	97,469	2,755,000	2021
2022	260,028			260,028	140,000	2.23%	75,801		150		215,951	44,077	141,546	2,615,000	2022
2023	260,028			260,028	145,000	2.29%	72,679		150		217,829	42,199	183,744	2,470,000	2023
2024	260,028			260,028	150,000	2.36%	69,359		150		219,509	40,519	224,263	2,320,000	2024
2025	260,028			260,028	150,000	2.45%	65,819		150		215,969	44,059	268,322	2,170,000	2025
2026	260,028			260,028	155,000	2.52%	62,144		150		217,294	42,734	311,056	2,015,000	2026
2027	260,028			260,028	160,000	2.58%	58,238		150		218,388	41,640	352,697	1,855,000	2027
2028	260,028			260,028	165,000	2.65%	54,110		150		219,260	40,768	393,465	1,690,000	2028
2029	260,028			260,028	170,000	2.73%	49,737		150		219,887	40,141	433,605	1,520,000	2029
2030	260,028			260,028	170,000	2.80%	45,096		150		215,246	44,782	478,387	1,350,000	2030
2031	260,028			260,028	175,000	2.84%	40,336		150		215,486	44,542	522,928	1,175,000	2031
2032	260,028			260,028	180,000	2.90%	35,366		150		215,516	44,512	567,440	995,000	2032
2033	260,028			260,028	185,000	2.96%	30,146		150		215,296	44,732	612,171	810,000	2033
2034	260,028			260,028	195,000	3.01%	24,670		150		219,820	40,208	652,379	615,000	2034
2035	260,028			260,028	200,000	3.04%	18,801				218,801	41,227	693,606	415,000	2035
2036	260,028			260,028	205,000	3.05%	12,721				217,721	42,307	735,913	210,000	2036
2037	260,028			260,028	210,000	3.08%	6,468				216,468	43,560	779,472	0	2037
2038	260,028			260,028							0	260,028	1,039,500	0	2038
2039	260,028			260,028							0	260,028	1,299,527	0	2039
<b>Total</b>	<b>5,200,551</b>	<b>98,514</b>	<b>26,150</b>	<b>5,325,214</b>	<b>2,895,000</b>		<b>977,623</b>		<b>25,000</b>	<b>3,400</b>	<b>124,664</b>				<b>Total</b>
Notes:												<b>Projected TID Closure</b>			
1. Interest rates based on Bloomberg Aaa scale of 12/26/2017 plus 50 basis points.															

## SECTION 11: Annexed Property

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There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

## SECTION 12: Estimate of Property to be Devoted to Retail Business

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Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## SECTION 13: Proposed Zoning Ordinance Changes

---

The City anticipates that a portion of the District will be rezoned prior to development to allow a Business Park Development District zoning. This is intended for light manufacturing, office and business uses of a moderate scale and intensity. In addition, the zoning will provide a broader mix of allowable uses including retail establishments to support the business development.

This zoning is further intended to promote open space, intense vertical landscape, planting screens, buffer yards, and preservation of existing environmental features.

## SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of New Berlin Ordinances

---

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

## SECTION 15: Relocation

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It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. 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 Wisconsin Statutes Section Chapter 32.

## SECTION 16: Orderly Development of the City of New Berlin

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The District contributes to the orderly development of the City by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. The City has identified the broader Section 34 and Section 35 as a key development area within the City's comprehensive plan. The City has held numerous public workshops and received input from residents during its comprehensive plan update to further define the vision and purpose for development within this area. The District is a tool to implement the goals and objectives of the comprehensive plan.

## SECTION 17: List of Estimated Non-Project Costs

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Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

The City does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 18:  
Opinion of Attorney for the City of New Berlin Advising  
Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105

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**City Attorney Mark G. Blum**  
City Prosecutor Thomas G. Schmitzer

720 Clinton Street • PO Box 766 • Waukesha, Wisconsin 53187-0766 • (262) 549-8181 • Fax (262) 549-8191 • mblum@newberlin.org  
February 8, 2018

Mayor David Ament  
City of New Berlin  
3805 S. Casper Drive  
New Berlin, WI 53151

**RE: City of New Berlin, Wisconsin Tax Incremental District No. 3**

Dear Mayor:

As City Attorney of the City of New Berlin, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with the Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark G. Blum', is written over a light blue horizontal line.

Attorney Mark G. Blum  
City of New Berlin

*Distinct, Friendly Community - Extensive Transportation Network - Vibrant Future*

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

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2017		Percentage		
County		10,123,388		11.35%		
Municipality		25,550,392		28.64%		
School District of New Berlin		51,745,449		58.00%		
Technical College		1,796,710		2.01%		
<b>Total</b>		<b>89,215,938</b>		<b>100.00%</b>		

Revenue Year	County	Municipality	School District of New Berlin	Technical College	Total	Revenue Year
2020	29,505	74,469	150,817	5,237	260,028	2020
2021	29,505	74,469	150,817	5,237	260,028	2021
2022	29,505	74,469	150,817	5,237	260,028	2022
2023	29,505	74,469	150,817	5,237	260,028	2023
2024	29,505	74,469	150,817	5,237	260,028	2024
2025	29,505	74,469	150,817	5,237	260,028	2025
2026	29,505	74,469	150,817	5,237	260,028	2026
2027	29,505	74,469	150,817	5,237	260,028	2027
2028	29,505	74,469	150,817	5,237	260,028	2028
2029	29,505	74,469	150,817	5,237	260,028	2029
2030	29,505	74,469	150,817	5,237	260,028	2030
2031	29,505	74,469	150,817	5,237	260,028	2031
2032	29,505	74,469	150,817	5,237	260,028	2032
2033	29,505	74,469	150,817	5,237	260,028	2033
2034	29,505	74,469	150,817	5,237	260,028	2034
2035	29,505	74,469	150,817	5,237	260,028	2035
2036	29,505	74,469	150,817	5,237	260,028	2036
2037	29,505	74,469	150,817	5,237	260,028	2037
2038	29,505	74,469	150,817	5,237	260,028	2038
2039	29,505	74,469	150,817	5,237	260,028	2039
	<u>590,110</u>	<u>1,489,376</u>	<u>3,016,331</u>	<u>104,733</u>	<u>5,200,551</u>	

Notes:  
 The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.