

The Village of

Mukw**nago**

Where life, leisure and business thrive.

Project Plan for the Creation of Tax Incremental District No. 4

Prepared By:

The Village of Mukwonago and
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HSE
&CO

Village of Mukwonago Officials

Village Board

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Karl Kettner.....Village Trustee
Mark Penzkover.....Village Trustee
James Decker.....Village Trustee
Darlene Johnson.....Village Trustee
Jay Vermeulen.....Village Trustee
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SECTION 1:

Introductory Summary

Description of District

Type of District, Size, and Location

Tax Incremental District (“TID”) No. 4 (the “TID”, “TID #4”, or the “District”) is proposed to be created by the Village of Mukwonago (“Village”) as a mixed-use district. A map of the proposed District boundaries is in Section 3 of this plan.

District Background

In 2014, the Village acquired the current parcel located at 915 Main St. to facilitate redevelopment of an underutilized site. The purchase of this property assisted Lynch Automotive with the construction of 2 new auto dealerships (Chevrolet and Chrysler) located in TID #3 at 280 and 282 E. Wolf Run. respectively. Given the prior use of the parcel by Lynch (formerly Horter) Chevrolet, which left structural, environmental, and economic issues behind, the Village must utilize tax incremental financing to make the site suitable for any redevelopment. In addition, other sites within the vicinity of the former Lynch dealership, due to economic conditions such as the existence of wetlands and the transfer or property ownership from private entities to the Village, have resulted in the vacancy of parcels within the proposed district. The creation of TID #4, with the redevelopment of 915 Main Street, would provide powerful economic incentives that will overcome these extraneous market conditions and cause proper and orderly development that would not otherwise occur but for the creation of TID #4.

Estimated Total Project Expenditures

The Village anticipates making total project expenditures of approximately \$2.5 Million to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in one phase. The Expenditure Period of this District is 12 years from the date of adoption of the authorizing Resolution of the Village Board (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 Village, however, the Village may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, or provide other advantages as determined by the Village Board. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing is found in Section 10 of this plan.

Economic Development

Because of the creation of this District, the Village anticipates that additional land and improvements with a value of approximately \$13.5 million will be created from new development, redevelopment, and appreciation in the value of existing properties within the District resulting in a total tax revenue increment of approximately \$3.8 million. A table detailing assumptions as to the timing of new development and redevelopment and associated values is found 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 upon 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; the year of the expected termination of the 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 Village.** In making this determination, the Village has considered the following information:
 - Both the prior and current uses of the 915 Main Street property are not optimal, or ideal for the parcel. The current site consists of an abandoned automotive dealership in a sub-optimal layout that is adjacent to a State protected waterway and the East Troy electric rail-line. The existing structure on the site is unsuitable for any future commercial or residential use and must be razed to allow for any and all future redevelopment of the site. The parcel can be redeveloped in a manner that is optimal for the site based on location, use, and projected development values.
 - The District has a large degree of chronic under-development. Currently, within the proposed District, 30.869 acres of the 40.742 acres considered for the creation of the TID are vacant. This is a vacancy rate of 75.77%. The 915 Main Street site makes up 4.548 acres or 9.52% of this total vacancy. If not for the creation of a TID, the District would likely remain vacant or otherwise underdeveloped.
 - The redevelopment of the site will require the demolition of the current structure at 915 Main St. Assessments of the site revealed the existence of Chrysotile Asbestos in most of the building. The Chrysotile is present in three building material forms; Category I non-friable (stable), Category II (friable during demolition), and highly friable RACM (removal prior demolition is required by Federal Law). Chrysotile was present in all 3 classes of material throughout the structure at a 3% concentration level. In order to comply with USEPA 40 CFR Part 61, Subpart M, and the need to raze the structure for redevelopment, the Village will need to utilize a firm certified in asbestos removal as improper removal of Class II and RACM materials with the current Chrysotile composition would likely create an air exposure within the immediate vicinity greater than the 0.1 fibers per cubic centimeter currently allowed under law.
 - Prior use of the site at 915 Main Street has left a history of environmental contamination in the District. The Wisconsin DNR recognizes the site as a Former Leaking Underground Storage Tank (LUST) site. The existing in ground hydraulic lift systems and above ground storage tanks for new and used motor oil present an additional potential environmental contaminant. In order to avoid a potential environmental incident, a firm trained and certified in the removal of these hazards will be need to be hired.
 - Soil borings on the 915 Main site revealed the existence of carcinogenic compounds such as PCEs, Tetrachloroethene, Benzo(a)pyrene, and Vinyl Chloride that were found

in the soils at depths of five to eight feet. All were found to be in concentrations slightly above the State's permitted exposure limits and present a risk of contamination of groundwater in the area. To date, no contaminants have been systemically found to have contaminated the ground water. The WI DNR has closed the case on the site. TID #4 is needed to provide the funding necessary to clean up the site so that redevelopment can occur.

- The District was found to have a high water table ranging from 4 feet to 10 feet beneath the surface at various points throughout. This will require any developer to incur substantially higher costs of construction as no basements may be constructed, and particular care must be taken to stabilize any structure created by using pilings to reach the bedrock. The project costs associated are cost prohibitive and but for the creation of TID #4, it is unlikely that any development on this site would occur.
- A marketing study of rental unit analysis conducted showed that a multi-family development would be an optimal usage for the site at 915 Main street.
- The 915 Main Street site has above ground electric wires. To encourage the successful redevelopment of the property and other properties within the District, the overhead power lines will be taken down and underground electric lines will be laid. The power lines to be buried will be limited exclusively to those located within the Village owned right-of-way along the eastern side (along Main Street) of the 915 Main Street property southward to Bay View Road. The poles and towers near the west side of the property within the East Troy Rail Road right-of-way shall remain undisturbed.
- It is found that the site has an extensive amount of environmental contamination, and that the existing building at 915 Main Street is structurally inadequate for future use. Thus, the site in its current configuration is unable to meet its full economic potential given its location to other commercial activity and its valuable proximity to Lower Phantom Lake for that desired by the Village. The creation of TID #4 seeks to remedy this problem, which is unlikely to be resolved but for the creation of TID #4.
- Considering the enumerated findings above, the Village has found that regarding the improvement necessary for the site it is too cost prohibitive for private investment alone to be adequate to provide for the redevelopment of the 915 Main Street site. Therefore, for redevelopment to occur, the Village must make the necessary investments for redevelopment. These include (but are not limited to): the burying of utility lines, land assembly, and developer incentives. Developments related to project expenditures would not occur but for the creation of TID #4.

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 Village 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 project costs. On this basis alone, the finding is supported.

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, 2017. 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, 2017 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 Village 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 the projected growth in tax increment revenues to be realized by the various overlapping taxing authorities covering the District can be found in Section 19 of this plan.

4) The properties proposed for inclusion in TID #4 are suitable for mixed-use development under current State regulations concerning mixed-use development. The Village finds that more than 50% by area of the real property within the District is suitable for a combination of commercial and residential uses defined as "mixed-use development" within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). If through the implementation of the plan, the Village determines there is benefit to residential development within the District, such development will not exceed 35% by area of the real property within the District. Any project costs related to newly platted residential development are expected to be eligible expenditures based on the finding that the development has a residential housing density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a. The current proposed development of the Lake Lofts on the 915 Main Street site encompasses only 9.52% of the 41.566 acres anticipated for inclusion in the TID, significantly lower than the 35% allowed by law. This leaves room for an additional 25.48% of the acreage within the proposed district suitable for residential development. Further residential development beyond Lake Lofts, if they are to occur, will not exceed the 10.38 acres remaining under the 35% restriction.

5) The Village estimates that more than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period. The Village anticipates that 27.341 of the 41.566 acres suitable for development (65.8%, approximately 66%) within the District will be used for retail business use.

6) 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.

- 7) The project costs relate directly to promoting mixed-use development in the district consistent with the purpose for which the District is created.
- 8) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
- 9) The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the Village, does not exceed 12% of the total equalized value of taxable property within the Village.
- 10) Any newly platted residential development within the District shall comply with the requirements of Wis. Stat. §66.1105(2)(f)3.
- 11) The Project Plan for the District in the Village is feasible, and is in conformity with the Comprehensive Plan of the Village

SECTION 2:

Type and General Description of District

The District is being created by the Village under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Mixed-Use District” based upon a finding that more than 50% by area of the real property within the District is suitable for a combination of commercial, and residential 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 and calculation of compliance with the 50% test). Any future lands proposed for newly platted residential development will comprise less than 35% of the area of the District. To the extent that project costs will be incurred by the Village for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.

A map depicting the boundaries of the District is in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The Village intends that TIF will be used to assure that a combination of private commercial, and residential development occurs within the District consistent with the Village’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 Village. The project costs included in the Plan related 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.

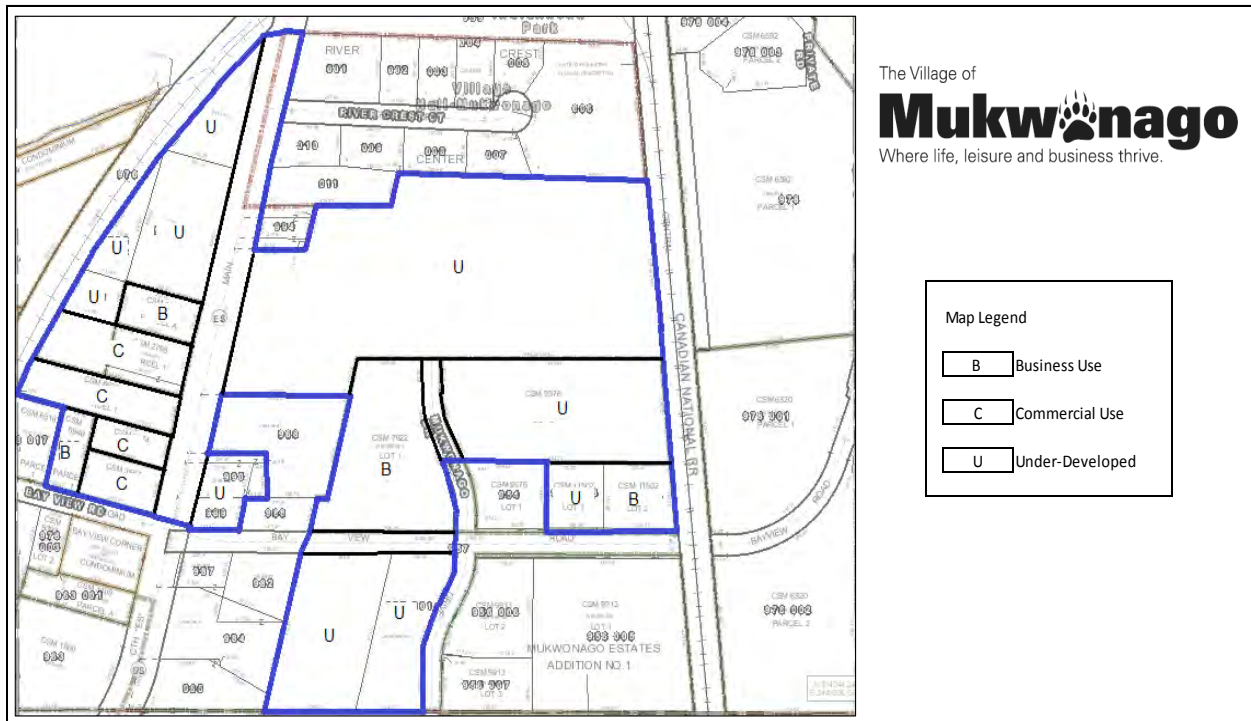
SECTION 3:
Map of Proposed District Boundary



(Proposed Boundary shown in solid blue)

*Wetlands within the geographic area and excluded for development purposes are shown on map in Section 8 (in green) on page 16.

SECTION 4:
Map Showing Existing Uses and Conditions



*Note: The map above shows only existing uses for those parcels proposed for inclusion in TID #4
 *Proposed boundary of TID #4 outlined in blue.

**SECTION 5:
Preliminary Parcel List and Analysis**

Village of Mukwonago Tax Increment District #4 Base Property Information (Parcel Analysis)																						
Property Information					Assessment Information				Equalized Value				District Classification									
Prop No.	TaxKey	Address	Owner	Village Acreage Owned?	Land	Imp	PP	Total	EAV Ratio	Land	Imp	PP	Total	Industrial	Commercial	Existing Residential	New Residential	Suitable for Mixed Use	Blighted	Conservation	Vacant	
1	MUKV2010977	915 Main Street	Village of Mukwonago	1.139 Y	\$ 80,200.00	\$ 24,500.00	\$ -	\$ 104,700.00		\$ 94,076.25	\$ 28,739.00	\$ -	\$ 122,815.25	-	-	-	-	1.139	-	-	1.139	
2	MUKV2009965002	915 Main Street	Village of Mukwonago	0.579 Y	\$ 60,400.00	\$ -	\$ -	\$ 60,400.00		\$ 70,850.44	\$ -	\$ -	\$ 70,850.44	-	-	-	-	0.579	-	-	0.579	
3	MUKV2009965001	915 Main Street	Village of Mukwonago	2.16 Y	\$ 252,800.00	\$ 651,600.00	\$ -	\$ 904,400.00		\$ 296,539.59	\$ 764,340.18	\$ -	\$ 1,060,879.77	-	-	-	-	2.16	-	-	2.16	
4	MUKV2009955	-	Greenwald Family	15.345 N	\$ 471,300.00	\$ -	\$ -	\$ 471,300.00		\$ 552,844.57	\$ -	\$ -	\$ 552,844.57	-	-	-	-	15.345	-	-	15.345	
5	MUKV2010978	915 Main Street	Village of Mukwonago	0.67 Y	\$ 67,200.00	\$ -	\$ -	\$ 67,200.00		\$ 78,826.98	\$ -	\$ -	\$ 78,826.98	-	-	-	-	0.67	-	-	0.67	
6	MUKV2009964	917 Main Street	AINA LLC	0.717 N	\$ 137,300.00	\$ 196,900.00	\$ -	\$ 334,200.00		\$ 161,055.72	\$ 230,967.74	\$ -	\$ 392,023.46	-	0.717	-	-	0.717	-	-	-	
7	MUKV2009964001	927 Main Street	Viaznim Islami	1.635 N	\$ 197,600.00	\$ 542,200.00	\$ -	\$ 739,800.00		\$ 231,788.86	\$ 636,011.73	\$ -	\$ 867,800.59	-	1.635	-	-	1.635	-	-	-	
8	MUKV2009964004	927 Main Street	Michael Islami	1.134 N	\$ 132,800.00	\$ 15,400.00	\$ -	\$ 148,200.00		\$ 155,777.13	\$ 18,064.52	\$ -	\$ 173,841.64	-	1.134	-	-	1.134	-	-	-	
9	MUKV2009958001	400 Bay View Road	Bay View LLC	3.703 N	\$ 272,600.00	\$ 927,400.00	\$ -	\$ 1,200,000.00		\$ 319,765.40	\$ 1,087,859.24	\$ -	\$ 1,407,624.63	-	3.703	-	-	3.703	-	-	-	
10	MUKV2009960001	550 Bay View Road	Rudolph Properties LLC	0.559 N	\$ 117,800.00	\$ 279,100.00	\$ -	\$ 396,900.00		\$ 138,181.82	\$ 327,390.03	\$ -	\$ 465,571.85	-	-	-	-	0.559	-	-	0.559	
11	MUKV2009961	945 Main Street	MP Properties LLC	0.576 N	\$ 120,300.00	\$ 181,300.00	\$ -	\$ 301,600.00	0.8525	\$ 141,114.37	\$ 212,668.62	\$ -	\$ 353,782.99	-	-	-	-	0.576	-	-	0.559	
12	MUKV2009960	955 Main Street	Amazon Real Estate LLC	0.77 N	\$ 149,500.00	\$ 653,700.00	\$ -	\$ 803,200.00		\$ 175,366.57	\$ 766,803.52	\$ -	\$ 942,170.09	-	0.77	-	-	0.77	-	-	-	
13	MUKV2009990	944 Main Street	TCB 2 LLC	0.592 N	\$ 24,500.00	\$ -	\$ -	\$ 24,500.00		\$ 28,739.00	\$ -	\$ -	\$ 28,739.00	-	-	-	-	0.592	-	-	0.592	
14	MUKV2009989	944 Main Street	TCB 2 LLC	0.341 N	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00		\$ 87,976.54	\$ -	\$ -	\$ 87,976.54	-	-	-	-	0.341	-	-	0.341	
15	MUKV2009983	-	Darwin Greenwald	3.03 N	\$ 255,100.00	\$ -	\$ -	\$ 255,100.00		\$ 299,237.54	\$ -	\$ -	\$ 299,237.54	-	-	-	-	3.03	-	-	3.03	
16	MUKV2009956001	-	Darwin Greenwald	2.002 N	\$ 180,000.00	\$ -	\$ -	\$ 180,000.00		\$ 211,143.70	\$ -	\$ -	\$ 211,143.70	-	-	-	-	2.002	-	-	2.002	
17	MUKV2009954002	-	Citizens Bank	4.81 N	\$ 300,300.00	\$ -	\$ -	\$ 300,300.00		\$ 352,258.06	\$ -	\$ -	\$ 352,258.06	-	-	-	-	4.81	-	-	4.81	
18	MUKV2009954001	-	OMSA Development LLC	0.98 N	\$ 105,200.00	\$ -	\$ -	\$ 105,200.00		\$ 123,401.76	\$ -	\$ -	\$ 123,401.76	-	0.98	-	-	0.98	-	-	-	
19	MUKV2009954003	-	OMSA Development LLC	0.824 N	\$ 105,200.00	\$ -	\$ -	\$ 105,200.00		\$ 123,401.76	\$ -	\$ -	\$ 123,401.76	-	-	-	-	0.824	-	-	-	
Total Acreage					41.566	\$ 2,999,900.00	\$3,472,100.00	\$ -	\$ 6,577,200.00		\$ 3,642,346.04	\$ 4,072,844.57	\$ -		0	8.939	0	0	41.566	0	0	31.786
														0%	22%	0	0	100%	0	0%	76%	

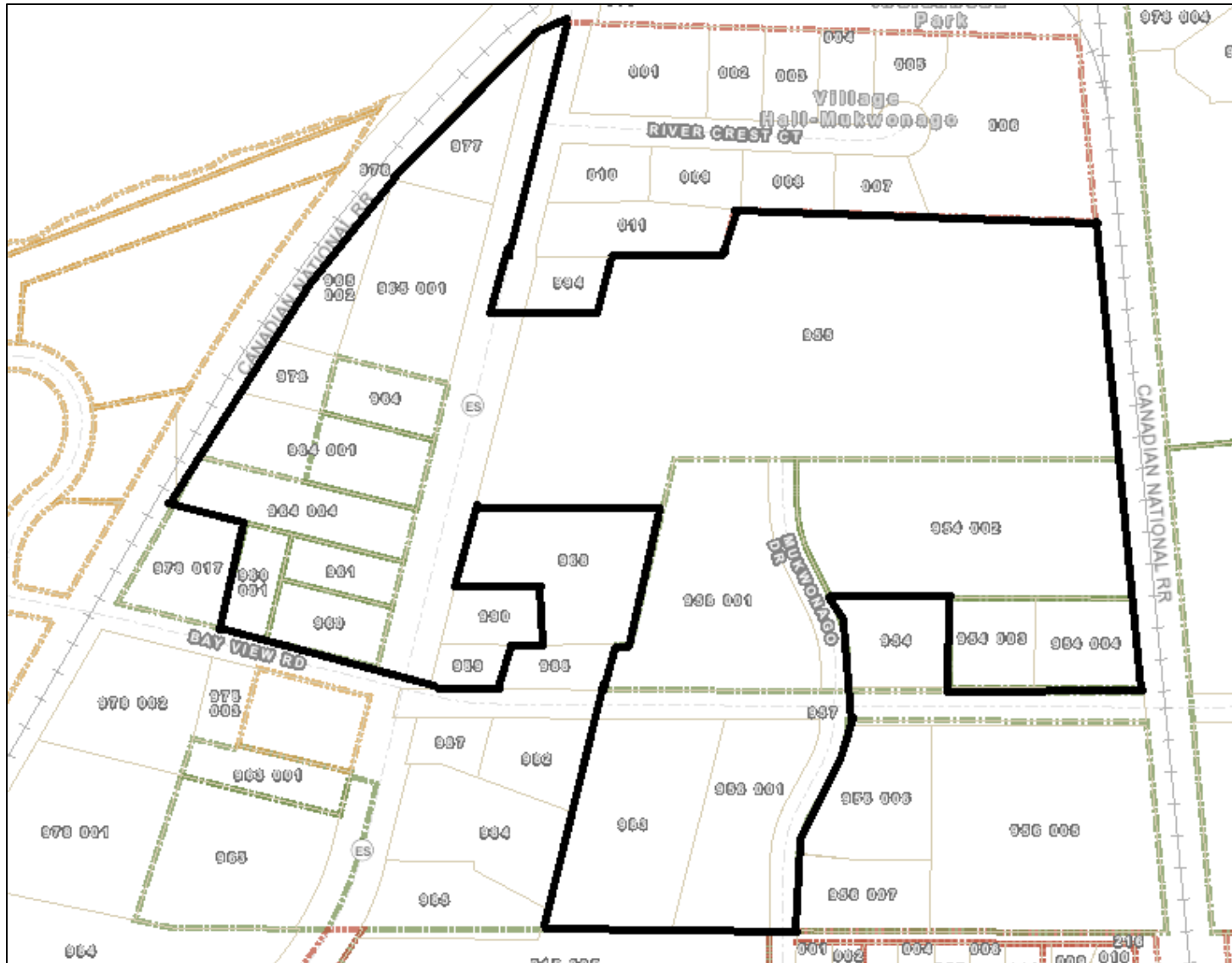
Notes:

*Total acreage was obtained by Waukesha County GIS and excludes public right of ways.

*Discrepancy between the 41.566 acres shown here and the 47.700 acres of land in the legal description are accounted for by excluding acreage of current public right-of-way and State protected wetlands within the district.

*Properties deemed suitable for retail/business use above are displayed in italics. All properties deemed suitable for retail/business use add up to 27.341 of the 41.566 acres an amount equal to approximately 66% retail/business use by area.

*Half of the property with TaxKey MUKV200955 owned by the Greenwald Family is deemed suitable for retail/business use and this has been factored into the 66% retail/business use by area.



*Note: The above map shows the Waukesha County Tax Key Numbers of all parcels considered for inclusion on the chart on page 9.

SECTION 6:
Equalized Value Test

The following calculations demonstrate that the Village is in compliance with the 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 Village.

The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$53,941,590.62. This value is less than the maximum of \$96,182,556.00 that is permitted for the Village of Mukwonago. The Village is therefore in compliance with the statutory equalized value test and may proceed with creation of this District.

Village of Mukwonago, Wisconsin					
Tax Increment District #4					
Valuation Test Compliance Calculation					
Creation Date	1/1/2017				
	Current Valuation	Dollar Change	Percent Change	Creation Value	
Total EV (TID In)	\$ 801,521,300.00	\$ -	\$ -	\$ 801,521,300.00	
12% Test Value	\$ 96,182,556.00	\$ -	\$ -	\$ 96,182,556.00	
Value of Existing TID					
TID #3	\$ 46,226,400.00			\$ 46,226,400.00	
Total Existing TID	\$ 46,226,400.00			\$ 46,226,400.00	
Projected Base of New District	\$ 7,715,190.62			\$ 7,715,190.62	
Total Value Subject to 12% Test	\$ 53,941,590.62			\$ 53,941,590.62	
12% Compliant?	TRUE			TRUE	

SECTION 7:

Statement of Kind, Proposed Public Works, and Other Projects

The following is a list of public works and other TIF-eligible projects that the Village either expects to implement or reserves the right 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 are eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way, and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development and/or redevelopment the Village may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development and/or redevelopment. Any revenue received by the Village from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the Village to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered “real property assembly costs” as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

In order to promote the objectives of this plan, the Village may acquire property within the District that it could designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

The Village may need to acquire property to allow for the installation of streets, driveways, sidewalks, utilities, stormwater management practices, and other public infrastructure. Costs incurred by the Village to identify, negotiate, and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The Village 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 Village to identify, negotiate, and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment or relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

Environmental Audits and Remediation

There have been environmental studies performed within the proposed District. The existence of several toxic compounds were found in the soils at the 915 Main Street site at levels slightly above their permitted exposure levels. Any cost incurred by the Village related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

Analysis of the current structure on 915 Main Street site showed the existence of Chrysotile Asbestos throughout the structure. In order to make sites suitable for development and/or redevelopment, the Village may incur costs related to demolition and removal of structures or other land improvements, to include asbestos removal, disposal, and abatement, as well as abandonment of wells and/or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The Village may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the Village for site grading are eligible Project Costs.

Utilities

Electric Service

To create sites suitable for development, the Village may incur costs to provide, relocate or upgrade electrical services. Relocation may require the abandonment and removal of existing poles, installation of new poles, or burying of overhead electric lines. Any and all changes to electric service lines within the boundary of TID #4 shall be exclusively limited to those located upon the easement running along the right-of-way on the western edge of 915 Main Street down to the northern right of way of Bay View Road. Costs incurred by the Village to undertake this work are eligible Project Costs. To the extent electric service projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit.

Communications Infrastructure

To create sites suitable for development, The Village may incur costs to provide, relocate, or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines, and fiber optic cable. Costs incurred by the Village to undertake this work are eligible Project Costs. To the extent communications infrastructure projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit.

Sanitary Sewer Improvements

There may be inadequate sanitary sewer facilities serving areas of the District. To allow development to occur, the Village 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 Village 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 Village 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.

Gas Service

To create sites suitable for development, the Village may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the Village to undertake this work are eligible Project Costs.

Water System Improvements

There may be inadequate water distribution facilities serving areas of the District. To allow development to occur, the Village 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 Village will make an allocation of costs based upon such benefit.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff and environmental contamination. To manage this stormwater runoff, the Village 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; 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 Village will make an allocation of costs based upon such benefit. Those costs corresponding to the benefits 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 Village 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.

Streets and Streetscape

Street Improvements

There may be inadequate street improvements serving areas of the District. To allow development to occur, the Village may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

In order to attract development consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)

The Village may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired type of improvements and to assure that sufficient tax base is generated to recover Project Costs. No cash grants will be provided until the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.

Projects Outside the Tax Incremental District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village 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 Village'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 Village intends to make the following project cost expenditures outside the District: Intersection improvements including signals.

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 Village 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 Village employees relating to the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

Relating to all projects, the costs associated with engineering, design, land 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 Village ordinances and plans, judgments of claims for damages and other expenses are included as Project Costs.

In the event any of the public works projects 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 Village for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted here from and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

The Village 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 Village 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.

Planned Developments

The Village has already begun to receive offers for planned developments within the proposed District. The following proposed developments are to begin construction within the first 3 years of the District.

Lake Lofts*

True Vine Development has proposed a multi-family residential development. The development would be located at 917 Main Street and would encompass 5 existing parcels spanning an estimated 4.738 acres. The development will include 95 units with an average square footage of 990. The development will require the demolition of existing structure(s) currently on site and an environmental remediation.

Storage Werks*

Growth Werks has submitted the designs for a 62,600-square foot storage facility north of the current Sherwin Williams site, on Mukwonago Drive. The parcel is currently owned by Citizens Bank of Mukwonago. The facility would be a storage facility consisting of visually appealing façade entailing faux windows, stone waist coating, ornamental security fencing, and heavy landscaping. The property will be accessible 24 hours a day, 7 days a week with intermittent on-site staff, 8 planned parking stalls, and a 24-hour kiosk.

Oral & Maxillofacial Surgery Associates

Oral & Maxillofacial Surgery Associates (“OMSA”), has begun construction on a new 3,800-square ft. facility on the 1.804 acre parcel formerly owned by Citizens Bank. The facility will be a stand-alone structure open between the hours of 8 A.M. to 5 P.M. Monday through Friday. The facility plans to serve between 15 to 30 patients daily.

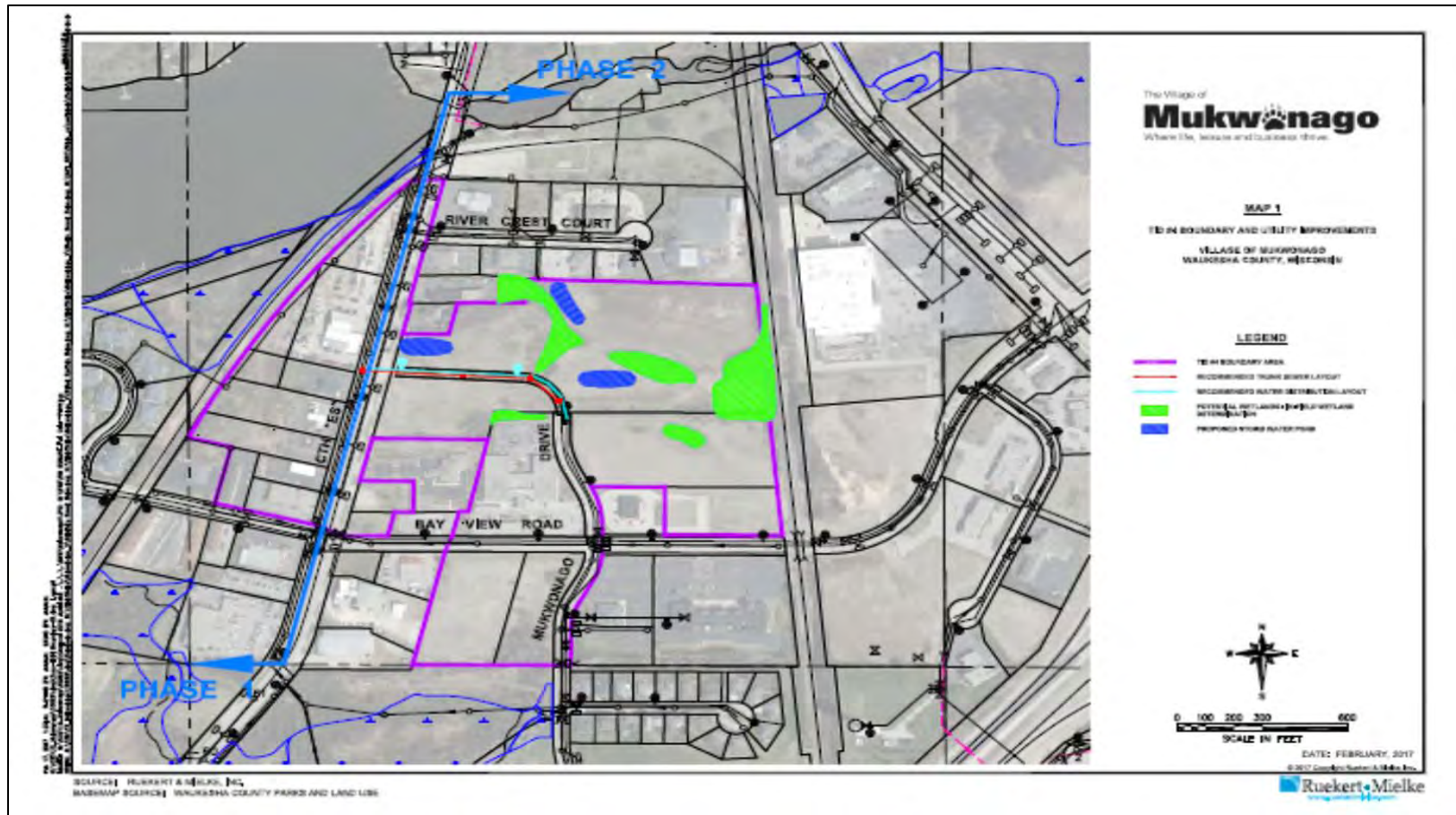
Casey’s General Store*

Casey’s General Store has proposed the construction of a store location on the corner of Bay View Road and Main Street. The store would be a stand-alone convenience store spanning 3,500 square feet.

***The projects indicated do not currently have Village approval to proceed. The projects are anticipated pursuant to contacts from the current property owners and the prospective business owners. Both projects are subject to Conditional Use zoning approval and compliance with storm water management regulations**

SECTION 8:

Map Showing Existing and Proposed Improvements and Uses



SECTION 9:

Detailed List of Project Costs

All costs are based on 2017 prices and are preliminary estimates. The Village 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.

The 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 the best information available. The Village retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without amending the Plan.

Project Name: TID #4 Project Cost						
Client Name: Village of Mukwonago						
Project #: 12-10023						
Project Costs (2017 ENR Cost Indices)						
	Description	TIF	Special Assessment	Impact Fee	Unkown	Total
1	Bury Cable, Electric, Telephone	\$ 900,000.00				\$ 900,000.00
2	Developer Incentives	\$ 1,100,000.00				\$ 1,100,000.00
3	Land Assembly	\$ 465,000.00				\$ 465,000.00
4	Environmental Impact Analysis (Lynch Property)	\$ 9,190.00				\$ 9,190.00
5	Rental Apartment Analysis	\$ 9,968.00				\$ 9,968.00
6	Previous TID planning Costs Provided by Village	\$ 14,500.00				\$ 14,500.00
7	Administrative Costs	\$ 263,500.00				\$ 263,500.00
Estimated Project Costs		\$ 2,762,158.00				\$ 2,762,158.00

Total project costs, excluding capitalized interest and debt issuance cost, will not exceed \$2,762,158 without amendment to the project plan.

SECTION 10:

Economic Feasibility, Financing Methods, and Debt Schedule

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

- The Village 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 Village expects to complete the projects in one phase, 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 the project improvements and the time at which that financing is expected to be incurred is included.
- The development expected 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.

Available Financing Methods

Implementation of this Plan may require that the Village 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 that Village may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The Village 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 Village may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN).

Bonds Issued to Developers (“Pay as You Go” Financing)

The Village 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 and is subject to annual appropriation by the Village Board. 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 Village’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 Village and therefore do not count against the Village’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The Village has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the Village, 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 Village and therefore do not count against the Village's statutory borrowing capacity and payments are subject to further annual appropriation by the Village Board.

Utility Revenue Bonds

The Village can issue revenue bonds to be repaid from revenues of its various systems, including revenues paid by the Village that represent service of the system to the Village. 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 Village must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the Village utilizes utility revenues other than tax increments to repay a portion of the bonds, the Village must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The Village 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 Village determines that special assessments are appropriate, the Village 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 Village's statutory borrowing capacity. If special assessments are levied, the Village 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 that developer agreements between the Village 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 Village 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 Village reserves the right to use alternate financing solutions as appropriate and legally available for the projects as they are implemented.

Debt Service Schedule*

<i>Village of Mukwonago, Wisconsin</i>				
<i>Tax Increment District No. 4 Lynch Redevelopment</i>				
<i>Summary of Debt Service</i>				
<i>as of 07/10/2017</i>				
Debt Service Summary				Remaining Principal Balance
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	
2016	-	-	-	2,675,000.00
1 2017	-	-	-	2,675,000.00
2 2018	-	67,775.00	67,775.00	2,675,000.00
3 2019	-	67,775.00	67,775.00	2,675,000.00
4 2020	-	67,775.00	67,775.00	2,675,000.00
5 2021	175,000.00	66,025.00	241,025.00	2,500,000.00
6 2022	175,000.00	62,525.00	237,525.00	2,325,000.00
7 2023	175,000.00	59,025.00	234,025.00	2,150,000.00
8 2024	180,000.00	55,475.00	235,475.00	1,970,000.00
9 2025	185,000.00	51,362.50	236,362.50	1,785,000.00
10 2026	190,000.00	46,675.00	236,675.00	1,595,000.00
11 2027	195,000.00	41,862.50	236,862.50	1,400,000.00
12 2028	200,000.00	36,924.50	236,924.50	1,200,000.00
13 2029	205,000.00	31,606.25	236,606.25	995,000.00
14 2030	210,000.00	25,900.00	235,900.00	785,000.00
15 2031	215,000.00	20,056.25	235,056.25	570,000.00
16 2032	225,000.00	13,725.00	238,725.00	345,000.00
17 2033	235,000.00	6,825.00	241,825.00	110,000.00
18 2034	110,000.00	1,650.00	111,650.00	-
	<u>2,675,000.00</u>	<u>722,962.00</u>	<u>3,397,962.00</u>	



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*The debt schedule above assumes the issuance of general obligation debt by the Village.

Increment Projection

Village of Mukwonago, Wisconsin
Tax Increment District No. 4 Lynch Redevelopment
 Summary of Increment
 as of 07/06/2017

Assumptions

Base Value =	\$6,180,451
Creation Date =	January 1, 2017
Estimated Tax Rate =	\$18.00
Estimated Inflation Rate =	0.25%

Tax Increment Summary

Improve- ment Year	Tax Value - Jan. 1	Value - Beginning of Year	Value of Development	Tax Rate (\$1,000)	Tax Increment Collected	Collection Year	
1	2017	2018	6,180,451	500,000	18.00	9,000	2019
2	2018	2019	6,680,451	8,500,000	18.00	162,023	2020
3	2019	2020	15,181,701	4,500,000	18.00	243,428	2021
4	2020	2021	19,704,204		18.00	244,036	2022
5	2021	2022	19,738,014		18.00	244,646	2023
6	2022	2023	19,771,907		18.00	245,258	2024
7	2023	2024	19,805,886		18.00	245,871	2025
8	2024	2025	19,839,950		18.00	246,486	2026
9	2025	2026	19,874,098		18.00	247,102	2027
10	2026	2027	19,908,333		18.00	247,720	2028
11	2027	2028	19,942,652		18.00	248,339	2029
12	2028	2029	19,977,058		18.00	248,960	2030
13	2029	2030	20,011,549		18.00	249,582	2031
14	2030	2031	20,046,127		18.00	250,206	2032
15	2031	2032	20,080,791		18.00	250,832	2033
16	2032	2033	20,115,542		18.00	251,459	2034
17	2033	2034	20,150,380		18.00	252,087	2035
Estimated New Increment =			<u>\$13,500,000</u>		<u>\$3,887,033</u>		



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Cash Flow Projections

Village of Mukwonago, Wisconsin
Tax Increment District No. 4 Lynch Redevelopment
Summary of Sources & Uses
as of 07/10/2017

Assumptions

Est. Int. on Investments =	0.20%
Est. PV Rate =	3.50%

Collection Year	Sources of Funds				Uses of Funds				Net Cash Flow	TID Balance	Principal Balance - Debt	PV TID Cashflow
	Tax Increment	Other Revenue	Investment Income	Net Proceeds of L.T. Debt	Capital Expenditures	Admin.	Transfers to Other Funds	Debt Service				
0	-	-	-	-	-	-	-	-	-	-	-	0
2016	-	-	-	-	-	-	-	-	-	-	2,675,000	0
1 2017	-	-	-	2,675,000	2,498,658	50,000	-	-	126,342	126,342	2,675,000	113,953
2 2018	9,000	-	253	-	-	50,000	-	67,775	(108,522)	17,820	2,675,000	19,382
3 2019	162,023	-	36	-	-	50,000	20,000	67,775	24,283	42,103	2,675,000	39,828
4 2020	243,428	-	84	-	-	5,500	-	67,775	170,237	212,340	2,675,000	178,316
5 2021	244,036	-	425	-	-	5,500	-	241,025	(2,064)	210,275	2,500,000	176,693
6 2022	244,646	-	421	-	-	5,500	-	237,525	2,042	212,317	2,325,000	178,244
7 2023	245,258	-	425	-	-	5,500	-	234,025	6,157	218,475	2,150,000	182,762
8 2024	245,871	-	437	-	-	5,500	-	235,475	5,333	223,808	1,970,000	186,542
9 2025	246,486	-	448	-	-	5,500	-	236,363	5,071	228,878	1,785,000	190,016
10 2026	247,102	-	458	-	-	5,500	-	236,675	5,385	234,263	1,595,000	193,579
11 2027	247,720	-	469	-	-	5,500	-	236,863	5,826	240,089	1,400,000	197,304
12 2028	248,339	-	480	-	-	5,500	-	236,925	6,395	246,483	1,200,000	201,254
13 2029	248,960	-	493	-	-	5,500	-	236,606	7,346	253,830	995,000	205,640
14 2030	249,582	-	508	-	-	5,500	-	235,900	8,690	262,519	785,000	210,651
15 2031	250,206	-	525	-	-	5,500	-	235,056	10,175	272,694	570,000	216,321
16 2032	250,832	-	545	-	-	5,500	-	238,725	7,152	279,846	345,000	220,171
17 2033	251,459	-	560	-	-	5,500	-	241,825	4,693	284,540	110,000	222,612
18 2034	252,087	-	569	-	-	5,500	-	111,650	135,506	420,046	-	290,713
	<u>3,887,033</u>	<u>-</u>	<u>7,133</u>	<u>2,675,000</u>	<u>2,498,658</u>	<u>232,500</u>	<u>20,000</u>	<u>3,397,962</u>	<u>420,046</u>			

TID Costs excluding Debt Service: 2,751,158



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SECTION 11:

Annexed Property

There are no lands proposed for inclusion within the District that were annexed by the Village on or after January 1, 2014.

SECTION 12:

Village Comprehensive Plan

During 2016 the Mukwonago Village Board adopted “Update to Comprehensive Plan 2035,” pursuant to Wisconsin Statutes Section 66.1001. Proposed TID #4 is within the 130-acre area of the South Main Street/River South Key Area of the plan update. Key area properties are designated for a Low Intensity Commercial/Business Land Use with the opportunity to include residential units onto sites creating a mixed-use development area. The developments creating the need for TID #4 conforms to the adopted comprehensive plan.

SECTION 13:

Zoning, Building Code, Comprehensive Plan and Village Guidelines

All properties within TID #4 have an existing base zoning district of B-2, General Business District. The B-2 base zoning is sufficient to implement the comprehensive plan in this project plan.

Early in 2017 the Village took steps to further implement the comprehensive plan by adopting zoning standards for Business Mixed-Use Development. In addition, the Village adopted new Planned Unit Development Zoning standards that sets the process for approval of a Business Mixed-Use Development.

No amendments to the building code are needed to implement TID #4. The Village enforces the Uniform Building Code and the Uniform Building Code of the State of Wisconsin.

SECTION 14:

Relocation

It is expected that this plan will be complementary to the Village’s Comprehensive Plan. There are no proposed changes to the Comprehensive Plan, land use map, zoning, building codes, or any other Village Ordinances for the implementation of this plan.

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 Village will follow applicable Wisconsin Statutes Section Chapter 32

The Village does not anticipate that any portion of the District will need to be rezoned prior to the development.

SECTION 15:

Orderly Development and/or Redevelopment of the Village of Mukwonago

The District contributes to the orderly development and/or development of the Village by encouraging mixed-use development and by providing the opportunity for continued growth in tax base, job opportunities, and general economic activity.

SECTION 16:

List of Estimated Non-Project Costs

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

Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

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

SECTION 17:

Legal Opinion for the Creation of Tax Incremental District #4 by The Village of Mukwonago, Wisconsin

Quarles & Brady LLP
411 East Wisconsin Ave.
Milwaukee, WI 53202

August 15, 2017

Village of Mukwonago
Village Hall
440 River Crest Court
Mukwonago, WI 53149

Re: Project Plan for Tax Incremental District No. 4 in the Village of Mukwonago, Wisconsin

Ladies and Gentlemen:

We have acted as counsel to the Village of Mukwonago, Wisconsin (the "Village") in connection with the preparation of the proposed Project Plan for Tax Incremental District No. 4 of the Village (the "Project Plan").

In this connection, we have reviewed the Project Plan, the law and such other documents as we deem necessary to enable us to give this opinion. We have relied on the statements of fact set forth in the Project Plan and the documents attached as exhibits to the Project Plan, without independent verification. We have not been engaged or undertaken to verify the reasonableness or accuracy of the assumptions, estimates or financial projections contained in the Project Plan, and express no opinion relating thereto.

Based on our review, it is our opinion that the Project Plan for Tax Incremental District No. 4 is complete and complies with Section 66.1105(4)(f) of the Wisconsin Statutes.

QUARLES & BRADY LLP

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SECTION 18:

Legal Description of Boundaries

Being part of the Northeast one-quarter, and the Northwest one-quarter of Section 35, Town 5 North, Range 18 East, Village of Mukwonago, Waukesha County, Wisconsin bonded, and described as follows.

Connecting at the Southeast corner of said Northeast one-quarter, thence Westerly along the South line of said Northeast one-quarter 517 feet more or less to the Westerly line of the Canadian National Railroad; thence Northerly along said Westerly line 533 feet more or less to the intersection of the Westerly line of the Canadian National Railroad, and the Northerly Line of Bay View Road, also being the Southeasterly corner of Lot 2 of Certified Survey May (C.S.M.) No. 9976, and The Point Of Beginning of the hereafter described lands; thence Westerly along the Northerly line of Bay View Road, 415 feet more or less to the Easterly line of Lot 1 C.S.M. 9976; thence Northerly along the easterly line of said Lot 1, of distance 194 feet more or less to the Northeasterly corner of said Lot 1; thence Westerly along the Northerly line of said Lot 1, a distance of 259 feet more or less to the Easterly line of Mukwonago Drive; thence Southerly along the Easterly line of Mukwonago Drive, 750 feet more or less to the intersection of the Easterly line of Mukwonago Drive and the Southerly line of the Northeast one-quarter, 550 feet more or less to the Easterly line of lands designated by Tax Key Number (TKN) MUKV2009985; thence Northerly along the Easterly lines of lands designated by TKN's MUKV2009985, MUKV2009985, MUKV2009982, a distance of 472 feet more or less to the Southerly line of Bay View Road; thence Northerly, 68 feet more or less to the intersection of the Northerly line of Bay View Road and the Easterly line of lands designated by TKN MUKV2009988; thence Northerly along said Easterly line, 2013 feet more or less to the Southerly line of lands designated by TTKN MUKV200968; thence Easterly along said line, 32 feet more or less to the Southeasterly corner or said lands; thence Northerly along the Easterly line of said lands, 310 feet more or less to the Northeasterly corner of said lands; thence Westerly along the Northerly line of said lands, 467 feet more or less to the easterly line of county Road ES; thence Southerly along Easterly line, 181 feet more or less to a Southerly line of lands designated by TKN MUKV2009968; thence Easterly along said lands, 189 feet more or less to a Westerly line of said lands; thence Southerly along said Westerly line, 125 feet more or less to the Northerly line of lands designated by TKN MUKV2009988; thence Westerly along said Northerly line 63 feet more or less to the Westerly line of said lands; thence Southerly along the Westerly line of said lands, 103 feet more or less to the Northerly line of Bay View Road; thence Westerly along said Northerly line, 218 feet more or less to the intersection of the Northerly line of bay View Road and the Easterly line of County Road ES; thence Northwesterly, 124 feet more or less to the intersection of the Northerly line of bay View Rod and the Westerly line of County Road ES; thence Westerly along the Northerly line of Bay View Road, 350 feet more or less to the Easterly line of C.S.M. 6616; thence Northerly along said easterly line, 236 feet more or less to the Northeasterly corner of said C.S.M.; thence Westerly along the Northerly line of said C.S.M., 162 feet more or less to the Southeasterly line of the Canadian National Railroad; thence Northeasterly along said Southeasterly line, 176 feet more or less to a point of curve; thence continuing along said Southeasterly line and said curve to the right, 1,141 feet more or less to the intersection of the Southerly line of the Canadian National Railroad and the Westerly line of county Road ES; thence Easterly and perpendicular to said Westerly line, 110 feet more or less to the Easterly line of said road; thence Southerly along said easterly line, 492 feet more or less to a jog in the right-of-way of County Road ES; thence Easterly along said right-of-way, 8 feet more or less; thence Southerly along the easterly line of said road, 1,124 feet more or less to the Southerly line of lands designated by TKN MUKV200999; thence Easterly along said

Southerly line, 163 feet more or less to the easterly line of said lands; thence Northerly along said easterly line, 124 feet more or less to the Southerly line of Lot 11 of the subdivision plat of river Crest Center, thence Easterly along said Southerly line, 238 feet more or less to the easterly line of said Lot 11; thence Northerly along said Easterly line, 97 feet more or less to the Southerly line of Lot 9 of said subdivision plat; thence Easterly along said Southerly line, 14 feet more or less to the Southeasterly corner of said Lot 9; thence Easterly along the Southerly lines of Lots 8, 7, and 6 of said subdivision plat, 777 feet more or less to the Westerly line of the Canadian National Railroad; thence Southerly along said westerly line, 519 feet more or less; thence Westerly along said westerly line, 5 feet more or less; thence Southerly along said westerly line, 500 feet more or less to the Point Of Beginning. Containing 47.7 acres more or less of land.

Tax Key Numbers included in this description:

MUKV2009954001, MUKV2009967001, MUKV2009958001, MUKV2009955, MUKV2009990, MUKV2009989, MUKV2009960, MUKV200996001, MUKVI2009961, MUKV2009964004, MUKV2009964001, MUKV2009964, MUKV2010978, MUKV200996502, MUKV2009965001, MUKV2010977, MUKV2009956001, MUKV2009983

Note:

Any and all lands currently delineated as wetlands, as defined by Wis. Stat. §23.32 defining wetlands in Wisconsin, will not be included nor intended for any purposes of development within the district pursuant to Wis. Stat. §66.1105(2)(k).

SECTION 19:

Calculation of the Growth of Tax Increments By Taxing Entity

Revenue (Collection) Year	Increment	Village	State	Waukesha County	MASD	WCTC
2018	-	40.15%	0.96%	10.51%	46.43%	1.94%
2019	9,000	3,614	87	946	4,179	175
2020	162,023	65,058	1,560	17,033	75,229	3,143
2021	243,428	97,745	2,344	25,591	113,026	4,722
2022	244,036	97,990	2,350	25,655	113,308	4,734
2023	244,646	98,235	2,355	25,719	113,591	4,746
2024	245,258	98,480	2,361	25,783	113,875	4,758
2025	245,871	98,726	2,367	25,848	114,160	4,770
2026	246,486	98,973	2,373	25,912	114,446	4,781
2027	247,102	99,221	2,379	25,977	114,732	4,793
2028	247,720	99,469	2,385	26,042	115,018	4,805
2029	248,339	99,717	2,391	26,107	115,306	4,817
2030	248,960	99,967	2,397	26,172	115,594	4,829
2031	249,582	100,217	2,403	26,238	115,883	4,842
2032	250,206	100,467	2,409	26,303	116,173	4,854
2033	250,832	100,718	2,415	26,369	116,463	4,866
2034	251,459	100,970	2,421	26,435	116,755	4,878
2035	252,087	101,223	2,427	26,501	117,046	4,890
	<u>3,887,033</u>	<u>1,560,789</u>	<u>37,423</u>	<u>408,633</u>	<u>1,804,784</u>	<u>75,403</u>

*The projected figures above conceptualize how each taxing entity will benefit from the increasing tax increments. All values would not be created for the mutual benefit of all taxing jurisdictions “but for” the creation of TID #4.

SECTION 20:

Planned Land Use for River South District (Includes TID #4) As Shown In the 2016 Updates to the Village of Mukwonago Comprehensive Plan

