

Village of Mukwonago

**TAX INCREMENTAL DISTRICT #5 JOINT REVIEW BOARD
MEETING**

Notice of Meeting and Agenda

Tuesday, March 13, 2018

Time: **4:30 p.m.**

Place: **Mukwonago Municipal Building/Board Room, 440 River Crest Court**

1. Call to Order
2. Roll Call
3. Consideration of **Resolution 2018-015**: A Resolution of the Joint Review Board Approving the Proposed Project Plan and Boundaries for Tax Incremental District No. 5 of the Village of Mukwonago, Wisconsin
4. Adjournment

It is possible that members of, and possibly a quorum of, members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Please note that, upon reasonable notice, efforts will be made to accommodate the needs of individuals with disabilities through appropriate aids and services. For additional information or to request this service, contact the Clerks Office, 440 River Crest Court, (262) 363-6420, Option 4.

The Village of

Mukw**nago**

Where life, leisure and business thrive.

[Insert Date of Approval]

Project Plan for the Creation of Tax Incremental District No. 5

Prepared By:

The Village of Mukwonago and
Hutchinson, Shockey, Erley, & Co.

Planning Commission: January 23, 2018

Public Hearing Held: February 13, 2018

Adopted by Village Board:

Approved by Joint Review Board:

HSE
&CO

Village of Mukwonago Officials

Village Board

Fred Winchowky.....Village President
Karl Kettner.....Village Trustee
Mark Penzkover.....Village Trustee
James Decker.....Village Trustee
Darlene Johnson.....Village Trustee
Jay Vermeulen.....Village Trustee
Kelly Klemme.....Village Trustee

Village Administration

John S. Weidl.....Village Administrator
Steven Braatz, Jr.....Village Clerk-Treasurer
Diana Doherty.....Finance Director
Bruce Kaniewski.....Village Planner
Mark Blum.....Village Attorney
Kyle Knott.....Economic Development Intern

Planning Commission

Fred Winchowky.....Village President
Mark Penzkover.....Chairman of Public Works Committee
Jim Decker.....Chairman of Health & Recreation Committee
Joe Abruzzo.....Citizen Member
Ken Werner.....Citizen Member
John Meiners.....Citizen Member
Bob Harley.....Supervisor of Inspections
Bruce Kaniewski.....Advisory Member
Mark Blum.....Advisory Member

Joint Review Board

Assistance Provided By:
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Milwaukee, WI 53203
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SECTION 1:
Introductory Summary

Description of District

Type of District, Size, and Location

Tax Incremental District (“TID”) No. 5 (the “TID”, “TID #5”, or the “District”) is proposed to be created by the Village of Mukwonago (“Village”) as an industrial use district. A map of the proposed District boundaries is in Section 3 of this plan.

District Background

The Village will acquire the current parcel located at N9607/N9611 STH-83 (“Sugden Site”) to facilitate development of an existing agricultural parcel into an industrial park. The Village’s existing industrial park is currently at full capacity. With no other spaces available for industrial development, manufacturers are discouraged from locating to Mukwonago. With the acquisition of Sugden site, the Village has obtained lands prime for the location and development of new manufacturing facilities. However, the parcel presents several obstacles to developers and the Village. The parcel’s distance from existing development, lack of access to utilities, wetlands, environmental hazards, and topography have created conditions that would not allow this parcel to not be a profitable venture for a private developer alone and thus it is unlikely that any development would occur “but for” the usage of tax increment financing (TIF).

Estimated Total Project Expenditures

The Village anticipates making total project expenditures of approximately \$11.2 million to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in two phases. Under current statutes, this type of TID is allowed to have a 20-year life, with expenditures allowed for the first 15 years of the TID (the “Expenditure Period”). The Expenditure Period of this District is 15 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.

While the Village does not expect the total project costs (not including debt service) to exceed 115% of the project plan, some of the individual line items may be converted to developer incentives through a developer’s agreement. Some of the mass grading, storm water construction and other over site work is expected to be performed by the contractor developing the first development within the industrial park – both for expedience and economy of scale regarding the Phase 1 construction. However, the combined total of the developer incentive and infrastructure expenses will be consistent with the infrastructure/cost estimates of Phase 1.

In short, the Village is also planning for a scenario where it provides some of the infrastructure costs as a developer’s incentive in cases where the developer is completing work that would otherwise be a part of Phase 1 construction or will be a future dedicated public improvement.

Developer Agreements and Land Sales

Developer agreements (DA) will be used to memorialize and approve projects that require any Tax Increment Financing Assistance, detailing the obligations of both parties and specifying the standards and conditions that will govern development of the property. These DAs will be shared with overlying districts as they become available. DAs may include but will not be limited to: developer and municipal responsibilities, construction requirements, development sequencing, guarantees for minimum assessed values (MAV), utilities, grading, provisions, and clawback provisions or other surety instruments to safeguard the taxpayer's investment.

Land proceeds will be deposited directly into the TID account and only used to defray that costs of approved plan expenses and/or debt-schedule repayments.

Economic Development

Because of the creation of this District, the Village anticipated that additional land and improvements with a value of approximately \$68,722,146 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 \$19,735,539. 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.

Each of the parcels is projected to be built-out at 75% of total building capacity in years 1-9, and assuming that only one new development will take place each year. This means that the total developed value and tax increment generated is only 75% of what is achievable on each site in the first phase of the build-out

The additional 25% capacity, expansion, or build-out takes place in the second chunk of projected increment on the spreadsheet, reflected in years 12 through 20. However, to be even more conservative, the proforma factors out 50% of that total per development, recognizing that there is a chance that not every development will build to its full capacity within the life of the tax increment financing district.

Another way of conceptualizing this model is to say that the industrial park is only built to about 87% of total capacity or valuation.

Absorption Rates

The Village of Mukwonago currently has no land readily available (for sale with improvements such as roads, sewer, water, storm water retention, electric and gas) for industrial development. When the Village office receives an inquiry call or email, the response of late has been, "There is no available land for development in the Village". As difficult as it is to turn away potential development knowing companies are ready and interested in expanding within the Village, prospects must be sent on to the next community. This loss of opportunity costs the Village more than just tax base.

Walworth County lists available properties on their web site. Of the eighteen buildings listed, only two of them had excess property (with smaller buildings on them already). Acreage available totaled just under 50 acres. Listed separately from available properties in the County were three parcels in Whitewater measuring 26 acres, 4 acres and 7.5 acres of vacant land. These vacant sites are improved with sewer/water/storm water /electric and gas utilities nearby. Price per acre ranges between \$34,000 and \$48,000 per acre. These three developable sites are 20 miles from an interstate but within one mile from State Hwy. 59.

Southeastern Wisconsin Regional Planning Commission and Waukesha County Department of Parks and Land Use recently concluded an in-depth county wide study on the available industrial property and expected absorption rates (published April 2017).

<http://www.sewrpc.org/SEWRPCFiles/Publications/mr/mr-227-waukco-industrial-business-park-land-absorption-study.pdf>

The report showed that in April 2015 Waukesha County had a total of 1,489 acres of land in industrial/business parks available for development. If the absorption rate achieved from 1990 to 2015 was applied to these remaining acres, mathematical projections predict this property be developed at a rate of 164.2 acres per year, taking 9.1 years to utilize all the available land.

Also, the supply of vacant land in the more desirable parcel size of five acres or larger in newer developments may be exhausted in five to six years based on the range of growth rates identified in the study. The study essentially found readily developable industrial land to be in short supply. Eighty percent (80%) of available industrial land in Waukesha county has one or more of the following limiting factors: size issues, challenging geographical and geological features, undesirable location or age of surrounding developments.

Independent research has confirmed through conversations with local brokers and business owners that there seems to be a certain level of pent up demand for industrial space, even beyond the findings of the 2015 Waukesha County Industrial Property Analysis.

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 2038; 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:

Phase One

- The Sugden Site is under-developed and is located a significant distance from the utilities necessary to support an industrial park. Information provided by WE Energies showed the following:
 - A) That the 24.9 KV electrical line capable of supporting the demand of an industrial park site sits 2,580 feet north of the site, currently terminating at the site of GearBox Express.

- B) That the 4-inch natural gas line with the capacity to support the demand of an industrial park currently sits within the easement located in the western right-of-way along STH-83. The line will need to be extended to each planned parcel.
 - C) That the 3,500 gpm water main capable of serving an industrial park sits 3,500 feet north of the site within the current boundaries of the existing TID #3.
 - D) The delivery of water from the 3,500 gpm water main will require the construction of a booster station to provide adequate pressure.
 - E) That the nearest 1 mgd sanitary sewer capable of handling the use of an industrial park sits 3,300 feet from the site within the boundaries of the existing TID #3.
- The prior use of the District for agricultural uses has left the site with no roadways necessary for development, before development can begin, roadways will need to be installed from STH-83 into the property. The anticipated industrial park will require that any roadway installed will need to have traffic lights installed and the speed limit lowered.
 - Preliminary tests on the home located on the site showed the existence of asbestos. At this time the extent to which asbestos is present in the structure is unknown but will need to be removed by a professional service in order to comply with the terms of USEPA 40 CFR Part 61, Subpart M.
 - The barn located on the parcel was found to have 2 tanks containing lead. The tanks will need to be properly disposed of to comply with Wisconsin DNR rules.
 - A survey of the property revealed that the District contains 2 wetlands totaling 6.37 acres. Wetland 1 is located at the northeast corner of the part of the parcel located to the northeast of STH-83. Wetland 2 is located in the southwest corner of the agricultural field located to the west of STH-83. Site designs will need to take the protection of such sites into consideration.
 - The presence of drain tiles was discovered during the wetland delineation. In order to prevent significant disturbance of wetland or the creation of new wetlands, the Wisconsin DNR has stated that the current drain tiles must be maintained.
 - In Southeastern Wisconsin, industrial developments typically do not cash flow without the use of tax incremental financing. The majority of recent industrial parks built within the last 20 years nearly all have used TIF.

Phase Two

- As TID #5 sees more development, it will become necessary for the Village to take on new projects within the District to encourage future development and ensure the success of the businesses within the District.
- As the District develops it will become important to utilize more of the land available. Thus, the Village expects to incur additional costs associated with the further construction of new roadways within the District.
- For the reasons enumerated above, it is found that the proposed project costs for TID #5 are large and cost prohibitive for development. Left to natural market forces it is highly unlikely that development of the parcels within the District would proceed in a natural and orderly manner that would be beneficial to the Village, if at all. Therefore, the Village reasonably concludes that the District will not be developed but for the use of TIF.

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.
- According to the Village's projections, based on two independent studies, the District is projected to create or retain at least 150 new full time. This total could be as high as 300.
- According to the Tax Increment District #5 Project Plan, there will be approximately 101 acres available for development, which does not include the land consumed with roads and other infrastructure. If the parcels identified in the project plan are developed at a fifty percent lot coverage ratio, where the building can consume no more than 50% of the property (with the remainder utilized for parking, outside storage if any and greenspace), the value of the potential development will be between \$76 million and \$127 million. These figures are calculated at 80% of the construction costs. Some buildings will be valued higher depending on their end use and what type of internal infrastructure is installed.
- If the Village decides to require even more green space or smaller buildings end up on larger parcels, examples were calculated at 30% and 40% lot coverage as well. These development values are included in the table on the following page. With lot coverage at 30%, the minimum development value constructed ranges between \$45.7 million and \$76 million. If the lot coverage ratio is 40%, development values range from \$60.0 million and \$101 million.

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 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 #5 are suitable for industrial sites and have been zoned for industrial development.
- 5) Based upon the findings, as stated above, the District is declared to be an industrial District based on the identification and classification of the property included within the District.
- 6) The project costs relate directly to promoting industrial 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 Village, does not exceed 12% of the total equalized value of taxable property within the Village.
- 9) That more than 50% of the acreage of the District is suitable for industrial sites within the meaning of Section 66.1101 of the Wisconsin Statutes and has been zoned for industrial use. (See Section 5)
- 10) 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 “Industrial District” based upon a finding that more than 50% by area of the real property within the District is suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101 and has been zoned for industrial use (See Section 5 of this plan for a breakdown of District parcels and calculation of compliance with the 50% test). No residential uses will be a part of the District.

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 private industrial development occurs within the District in a manner 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 industrial development in the District are consistent with the purpose for which the District is created.

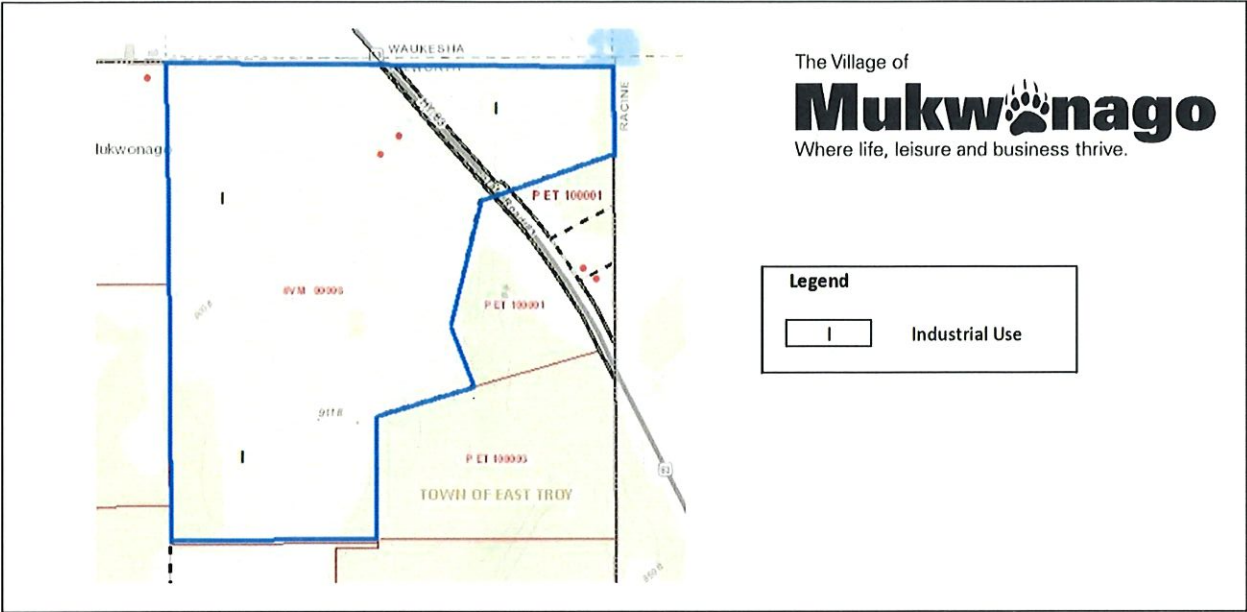
Based upon the findings, as stated within this Plan, the District is declared to be an industrial district based on the identification and classification of the property included within the District.

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 #5

*Proposed boundary of TID #5 outlined in blue.

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

| Village of Mukwonago Tax Increment District #5 Base Property Information (Parcel Analysis) | | | | | | | | | | | | | | | | | | | | | | | | |
|--|----------|-------------------|----------------------|------------------------|---------------|--------|---------------|-----------------|------|---------------|-----------|-------------------------|---------------|------|---------------|------------|------------|----------------------|-----------------|-----------|---------------------------|--------|------|--------|
| Property Information | | | | Assessment Information | | | | Equalized Value | | | | District Classification | | | | | | | | | | | | |
| Prop No. | TaxKey | Address | Owner | Village Owned? | Acreage | Owned? | Land | Imp | PP | Total | EAV Ratio | Land | Imp | PP | Total | Industrial | Commercial | Existing Residential | New Residential | Mixed Use | Suitable for Conservation | Vacant | | |
| 1 | VM 00008 | N5607/N96115TH-83 | Village of Mukwonago | Y | 116.65 | | \$ 121,300.00 | \$ 172,300.00 | \$ - | \$ 293,600.00 | 0.9463 | \$ 111,447.62 | \$ 157,879.10 | \$ - | \$ 269,026.71 | 110.013 | - | - | - | - | 0 | 0 | 0 | 116.65 |
| | | | Total Acreage | | 116.65 | | | | | | | | | | | 94% | 0% | 0% | 0% | 0% | 0% | 0% | 100% | |

Notes:

- *Total acreage was obtained by Walworth County GIS and excludes public right of ways.
- *Discrepancy between the 116.65 acres shown here and the 110.013 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 industrial use and zoned for industrial use above are displayed in italics. All properties deemed suitable for industrial use and zoned for industrial use add up to 94% of the total acreage available.



*Note: The above map shows the Walworth 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 \$52,863,427. This value is less than the maximum of \$100,710,996 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 Tax Increment District #5 Valuation Test Compliance Calculation | |
|--|-------------|
| Creation Date | 1/1/2018 |
| Total EV (TID in) | 839,258,300 |
| 12% Test Value | 100,710,996 |
| Increment Value of Existing TID | |
| TID #3 | 46,226,400 |
| TID #4 (created 9-6-2017) | 6,368,000 |
| Total Existing TID | 52,594,400 |
| Projected Base of New District | 269,027 |
| Total Value Subject to 12% Test | 52,863,427 |
| 12% Compliant? | Yes |

SECTION 7:

Statement of Kind, Number, and Location of 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.

Demolition

Analysis of the current structures on the Sugden Site showed trace amounts of Chrysotile asbestos in the residence. To make the site suitable for development, the residence will need to be demolished. While the asbestos is Type I non-friable, demolition of the structure would release the material into the air at concentrations prohibited by federal law. Therefore, the materials will need to be removed prior to demolition by a firm specializing in asbestos removal.

Other structures on the site were found to have lead tanks. Prior to demolition, the tanks will need to be removed and disposed of in accordance with state law by a firm specializing in the removal of lead tanks.

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 #5 shall be exclusively limited to those located upon the easement planned to run alongside STH 83 southward to the boundary of the district. 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 are no sanitary sewer facilities serving areas of the District. To allow development to occur, the Village will need to construct, alter, rebuild, or expand sanitary sewer infrastructure to 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. 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 a verbal commitment from one of its local manufactures to relocate into the industrial park and build a minimum of 180,000 square foot precast manufacturing facility and has agreed to a minimum assessed value of \$8,000,000 by January 1, 2019. The total buildout could be as much as 240,000 square feet. The Village has an opinion from Associated Appraisals that places the total value of this development closer to \$9,500,000 and could reach as much as \$10,500,000 depending on the finished product and improved land values. The Village is currently in the process of working toward a developer's agreement. The manufacturer has already sold its current building within the Village and will be occupying the new facility by March 30, 2019.

One local broker stated there are two known users of industrial property who have verbally committed to building several thousand square feet of industrial space as soon as this property is available for development. One user is interested in constructing a building 50,000-70,000 sq. ft. with the potential to increase the footprint up to 100,000 sq. ft. in the immediate future.

A second user is interested in purchasing approximately 20 acres and building the largest possible building they can fit on 20 acres. If the Village implements a 50% maximum lot coverage ratio, the largest building which could be built on 20 acres is 435,600 sq. ft. A building of this size would have a taxable value of between \$15 - \$25 million.

A much smaller user stated they are outgrowing their current building (in which they occupy 10,000 sq. ft.) and would like to expand into a new facility of at least 20,000 sq. ft. Other anecdotal conversations have occurred, however, if these users are feeling the need to construct and/or occupy this space now, it can be assumed there are other users in the market or interested in coming to the market who are encountering the same current lack of readily available and developable industrial land for sale.

A user is interested in building a 250,000 sq. ft. development but is not going to commit to a location which is not fully improved.

There are 10-12 additional smaller space users looking for land for buildings in the 10,000 – 20,000 sq. ft. range. Additionally, development interest was reported for 12-15 acres at \$9 million of investment; an 8-12 acre development; and a development in need of a 10 acre parcel.

The Village currently has a letter of intent from a developer to purchase between 8 – 12 acres of property and build around 100,000 square feet for flexible industrial space for lease. Further, the Village is having discussions with another developer to build on a 14-acre site within the industrial park in the next two years.

Finally, the Village has at least two users from its current industrial park that have expansion plans within the next five years, totaling a need for at least 150,000 of future manufacturing space.

SECTION 8:

Map Showing Existing and Proposed Improvements and Uses

(See: Following page)

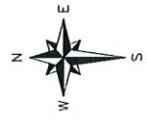
EXHIBIT #1

**TID #5 PUBLIC IMPROVEMENTS
PROPOSED UTILITY EXTENSION LAYOUT**

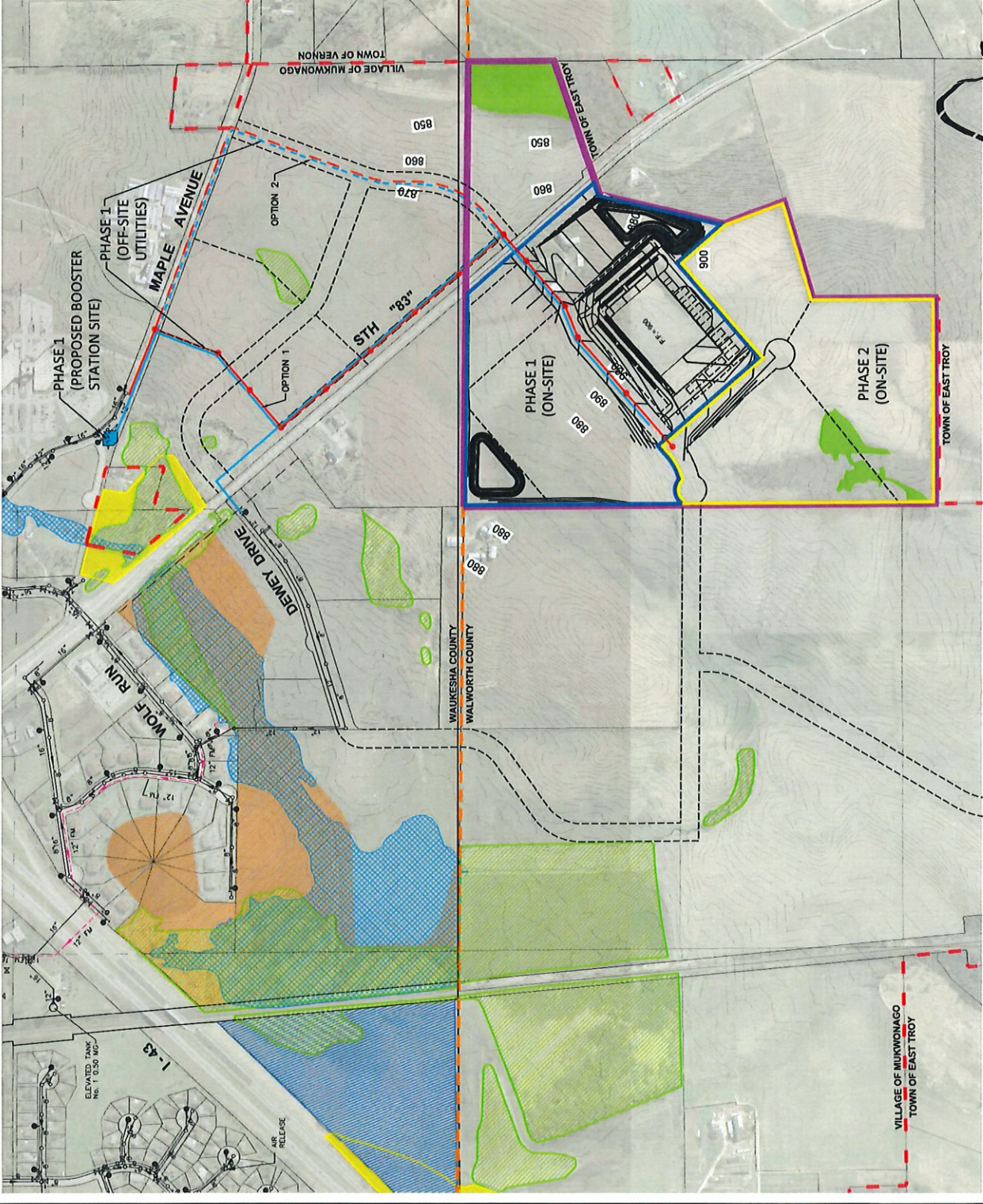
VILLAGE OF MUKWONAGO
WAUKESHA/ WALTHORTH COUNTY, WISCONSIN

LEGEND

- COUNTY LINE
- MUNICIPAL BOUNDARY
- TID #5 BOUNDARY
- RECOMMENDED TRUNK SEWER LAYOUT
- RECOMMENDED WATER DISTRIBUTION SYSTEM
- DNR WETLAND
- DELIMITED WETLANDS BY JSD PROFESSIONAL SERVICES
- PRIMARY ENVIRONMENTAL CORRIDOR
- OPEN SPACE/ CORRIDOR
- PRESERVATION/ STORM WATER MANAGEMENT
- FLOODPLAIN
- FLOOD STORAGE ZONING AREA
- CONCEPTUAL RIGHT-OF-WAY & PARCEL PLANNING
- PHASE 1 ON-SITE
- PHASE 2 ON-SITE



DATE: JANUARY 31, 2018
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SOURCE: RUEKERT & MIELKE
BASEMAP SOURCE: WAUKESHA COUNTY PARKS & LANDUSE

SECTION 9:

Summary and 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.

TID #5 Combined Cost Summary for Phase 1 and Phase 2
31-Jan-18

Summary

Phase 1 TID #5 Project Cost Summary

| | |
|--------------------------------------|---------------------|
| Construction Items Subtotal | \$5,454,048 |
| Land Items Subtotal | \$3,580,000 |
| Professional Services Items Subtotal | \$829,056 |
| Contingency Items | \$750,000 |
| Subtotal Phase 1 | \$10,613,104 |

Phase 2 TID #5 Project Cost Summary

| | |
|--------------------------------------|--------------------|
| Construction Items Subtotal | \$1,568,316 |
| Land Items Subtotal | \$30,000 |
| Professional Services Items Subtotal | \$207,515 |
| Contingency Items | \$50,000 |
| Subtotal Phase 2 | \$1,855,831 |

Total **\$12,468,935**

Phase 1 Cost Breakdown

| Construction Items | Status | |
|--|---------------|--------------------|
| Sanitary Sewer & Appurtenances (On and Offsite) | Estimate | \$804,913 |
| Water Main & Appurtenances (On and Offsite) | Estimate | \$1,011,088 |
| Water Booster Station | Estimate | \$600,000 |
| Storm Sewer & Regional Stormwater Facilities (2 facilities) | Estimate | \$737,500 |
| Site Preparation (Building Demo, Site Grading) | Estimate | \$604,225 |
| Roadway Construction (Internal Street, Street Lighting, STH 83 Base Intersection Improvements) | Estimate | \$850,500 |
| Private Utility Service (Gas, Electric, Cable/Fiber) | Estimate | \$250,000 |
| Sanitary Sewer Rock Excavation Contingency | Estimate | \$100,000 |
| Construction Contingency (10%) | Estimate | \$495,823 |
| Subtotal Construction Items | | \$5,454,048 |

| Land Items | Status | |
|--|---------------|--------------------|
| Land Acquisition Sugden Property | Pending | \$3,500,000 |
| Land Acquisition Costs - Eminent Domain - Sommer's Sewer/Water Easements | Estimate | \$75,000 |
| Land Acquisition Costs - Eminent Domain - ProHealth Booster Station Parcel | Estimate | \$5,000 |
| Subtotal Land Items | | \$3,580,000 |

| Professional Services Items | Status | |
|--|---------------|------------------|
| Previous TID Planning Costs | Paid | \$22,000 |
| Onsite Geotechnical Investigation (Terrecon 2/22/17) | Paid | \$12,608 |
| Wetland Delineations (JSD) | Paid | \$5,800 |
| Phase 1 and 2 Environmental Review | Paid | \$1,850 |
| STH 83 Connection - Initial Development Review (TADI 2/3/17) | Paid | \$9,982 |
| Supplemental Geotechnical Investigation (Terrecon - proposal dated 1/26/18 - Approx 1/2 by Village) | Pending | \$9,500 |
| STH 83 Connection - Complete IR (TADI proposal dated 1/23/18) | Approved | \$8,566 |
| STH 83 Connection - Complete TIA (TADI) budgetary number | Estimate | \$35,000 |
| Onsite Geotechnical Testing (Terrecon - proposal dated 1/26/18 - Approx 1/2 by Village) | Estimate | \$15,000 |
| We Energies Construction Near Gas Main Watch Dog - \$ TBD | Estimate | \$7,500 |
| R/M Task Order 2017-23 dated 12/19/17) - Offsite Utility Design & Bidding | Approved | \$89,750 |
| R/M Task Order 2018-07 dated 1/31/2018) - Onsite Utility/Roadway/Grading Design & Bidding | Pending | \$196,500 |
| R/M Task Order 2018-XX dated XX/XX/XX) - Onsite/Offsite Utility/Booster Station/Roadway/Grading Construction Admin/Review - assume 1 onsite CRT 12hrs/day for 6 months + staking + const admin | Estimate | \$250,000 |
| R/M Task Order 2018-XX dated XX/XX/XX) - Booster Station SCADA Integration & Startup | Estimate | \$15,000 |
| Legal Costs | Estimate | \$50,000 |
| Professional Services Contingency | Budget | \$100,000 |
| Professional Services Subtotal | | \$829,056 |

| Other Contingency Items | Status | |
|--|---------------|------------------|
| Temporary Well, Sanitary Holding Tank, Fire Protection (estimate coming from Briohn by 1/31) | Estimate | \$250,000 |
| Temporary STH 83 Roadway Connection | Estimate | \$150,000 |
| STH 83 Expanded Intersection Contingency (add shared left turn lanes, dedicated thru lanes) | Estimate | \$250,000 |
| Other Contingency Items | Estimate | \$100,000 |
| Other Contingency Items | | \$750,000 |

| | |
|--|---------------------|
| Summary | |
| Phase 1 TID #5 Project Cost Summary | |
| Construction Items Subtotal | \$5,454,048 |
| Land Items Subtotal | \$3,580,000 |
| Professional Services Items Subtotal | \$829,056 |
| Contingency Items | \$750,000 |
| Total | \$10,613,104 |

Notes:

- Updated construction cost estimates to include a 20% increase for April bidding timeframe and Foxconn competition for contractors
- Updated Roadway Construction to include 44-ft wide roadway (similar to Dewey) and right turn lanes and acceleration lanes in both directions at STH 83
- Included STH 83 Intersection Improvement Contingency to add thru lanes each direction, shared left turn lanes
- Included sanitary sewer rock excavation contingency

Phase 2 Cost Breakdown

| Construction Items | Status | |
|---|---------------|--------------------|
| Sanitary Sewer & Appurtenances | Estimate | \$189,000 |
| Water Main & Appurtenances | Estimate | \$273,000 |
| Storm Sewer & Regional Stormwater Facilities (onsite SW Mngt for 2 southwesterly parcels) | Estimate | \$210,000 |
| Site Preparation (by future lot buyers) | Estimate | \$0 |
| Roadway Construction (36' wide street to south, 44' wide to west, street lighting) | Estimate | \$628,742 |
| Private Utility Service (Gas, Electric, Cable/Fiber) | Estimate | \$125,000 |
| Construction Contingency (10%) | Estimate | \$142,574 |
| Subtotal Construction Items | | \$1,568,316 |

| Land Items | Status | |
|--------------------------------------|---------------|-----------------|
| CSM's to split lots (figure 3 CSM's) | Estimate | \$30,000 |
| Subtotal Land Items | | \$30,000 |

| Professional Services Items | Status | |
|---|---------------|------------------|
| Engineering Design/Bidding (figure 5%) | Estimate | \$78,416 |
| Engineering Construction Admin/Review (figure 6%) | Estimate | \$94,099 |
| Legal Costs | Estimate | \$10,000 |
| Professional Services Contingency | Estimate | \$25,000 |
| Professional Services Subtotal | | \$207,515 |

| Other Contingency Items | Status | |
|--------------------------------|---------------|-----------------|
| Other Contingency Items | Estimate | \$50,000 |
| Other Contingency Items | | \$50,000 |

| Summary | |
|--|--------------------|
| Phase 2 TID #5 Project Cost Summary | |
| Construction Items Subtotal | \$1,568,316 |
| Land Items Subtotal | \$30,000 |
| Professional Services Items Subtotal | \$207,515 |
| Contingency Items | \$50,000 |
| Total | \$1,855,831 |

Notes:
 Estimated for 2022 construction timing
 Earthwork by individual lot buyers - sites assumed to balance out
 Two southwesterly lots assumed to have private stormwater management facility

Total project costs, excluding capitalized interest and debt issuance cost, will not exceed \$12,468,935 without amendment to the project plan.

SECTION 10:

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

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. This Section contains 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.
- The Village will prepare and make available an annual financial report detailing the activity for the given year. This report will also contain historical project cost and increment information for the TID to ensure compliance with the approved plan.

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 appropriations 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

Village of Mukwonago, Wisconsin

Tax Increment District No. 5

Summary of Debt Service
District Total as of 02/02/18

| | | \$11.650 Bonds | | \$1.860 Bonds | | Debt Service Summary | | |
|----|------|----------------------|---------------------|---------------------|-------------------|----------------------|---------------------|----------------------|
| | | Principal | Interest | Principal | Interest | Principal | Interest | Debt Service |
| 1 | 2018 | \$0 | - | | | - | - | - |
| 2 | 2019 | \$0 | 491,568.75 | | | - | 491,568.75 | 491,568.75 |
| 3 | 2020 | \$0 | 327,712.50 | - | - | - | 327,712.50 | 327,712.50 |
| 4 | 2021 | \$0 | 327,712.50 | - | - | - | 327,712.50 | 327,712.50 |
| 5 | 2022 | \$125,000 | 326,462.50 | - | - | 125,000.00 | 326,462.50 | 451,462.50 |
| 6 | 2023 | \$200,000 | 323,212.50 | - | - | 200,000.00 | 323,212.50 | 523,212.50 |
| 7 | 2024 | \$200,000 | 319,212.50 | - | 80,587.50 | 200,000.00 | 399,800.00 | 599,800.00 |
| 8 | 2025 | \$300,000 | 313,837.50 | - | 53,725.00 | 300,000.00 | 367,562.50 | 667,562.50 |
| 9 | 2026 | \$425,000 | 305,681.25 | - | 53,725.00 | 425,000.00 | 359,406.25 | 784,406.25 |
| 10 | 2027 | \$500,000 | 294,650.00 | 100,000.00 | 52,475.00 | 600,000.00 | 347,125.00 | 947,125.00 |
| 11 | 2028 | \$500,000 | 282,150.00 | 125,000.00 | 49,662.50 | 625,000.00 | 331,812.50 | 956,812.50 |
| 12 | 2029 | \$700,000 | 266,275.00 | 125,000.00 | 46,381.25 | 825,000.00 | 312,656.25 | 1,137,656.25 |
| 13 | 2030 | \$700,000 | 247,025.00 | 125,000.00 | 42,943.75 | 825,000.00 | 289,968.75 | 1,114,968.75 |
| 14 | 2031 | \$900,000 | 225,025.00 | 150,000.00 | 39,162.50 | 1,050,000.00 | 264,187.50 | 1,314,187.50 |
| 15 | 2032 | \$950,000 | 199,587.50 | 150,000.00 | 35,037.50 | 1,100,000.00 | 234,625.00 | 1,334,625.00 |
| 16 | 2033 | \$950,000 | 173,462.50 | 150,000.00 | 30,912.50 | 1,100,000.00 | 204,375.00 | 1,304,375.00 |
| 17 | 2034 | \$1,000,000 | 145,400.00 | 160,000.00 | 26,450.00 | 1,160,000.00 | 171,850.00 | 1,331,850.00 |
| 18 | 2035 | \$1,000,000 | 115,400.00 | 175,000.00 | 21,425.00 | 1,175,000.00 | 136,825.00 | 1,311,825.00 |
| 19 | 2036 | \$1,000,000 | 85,400.00 | 200,000.00 | 15,800.00 | 1,200,000.00 | 101,200.00 | 1,301,200.00 |
| 20 | 2037 | \$1,100,000 | 52,800.00 | 200,000.00 | 9,600.00 | 1,300,000.00 | 62,400.00 | 1,362,400.00 |
| 21 | 2038 | \$1,100,000 | 17,600.00 | 200,000.00 | 3,200.00 | 1,300,000.00 | 20,800.00 | 1,320,800.00 |
| | | 11,650,000.00 | 4,840,175.00 | 1,860,000.00 | 561,087.50 | 13,510,000.00 | 5,401,262.50 | 18,911,262.50 |

Model designed by HSE & Co

Increment Projection

| Village of Mukwonago, Wisconsin | | | | | | | | | | | | |
|-------------------------------------|-----------------------|------------------------------|-------------------------|------------------------|---------------------------|------------------------|-----------------------|----------------------------|--------------------|--|--|--|
| Tax Increment District No. 5 | | | | | | | | | | | | |
| Summary of Increment as of 02/02/18 | | | | | | | | | | | | |
| Assumptions | | | | | | | | | | | | |
| Base Value = \$269,027 | | | | | | | | | | | | |
| Creation Date = XX/XX/2018 | | | | | | | | | | | | |
| Estimated Tax Rate = \$20.00 | | | | | | | | | | | | |
| Estimated Inflation Rate = 0.25% | | | | | | | | | | | | |
| Tax Increment Summary | | | | | | | | | | | | |
| Improve- ment Year | Tax Value - Jan. 1 | Value - Beginning of Year | Value of Development | Inflation Increment | Tax Increment Value | Value - End of Year | Tax Rate (\$1,000) | Tax Increment Collected | Collection Year | | | |
| 1 | 2017 | | | | | \$269,027 | 20.00 | | 2019 | | | |
| 2 | 2018 | 269,027 | 9,500,000 | - | 9,500,000 | 9,769,027 | 20.00 | 190,000 | 2020 | | | |
| 3 | 2019 | 269,027 | 3,087,500 | 23,750 | 12,611,250 | 12,880,277 | 20.00 | 252,225 | 2021 | | | |
| 4 | 2020 | 12,880,277 | 2,196,875 | 31,528 | 14,839,653 | 15,108,680 | 20.00 | 296,793 | 2022 | | | |
| 5 | 2021 | 15,108,680 | 10,628,128 | 37,099 | 25,504,880 | 25,773,907 | 20.00 | 510,098 | 2023 | | | |
| 6 | 2022 | 25,773,907 | 5,135,738 | 63,762 | 30,704,380 | 30,973,407 | 20.00 | 614,088 | 2024 | | | |
| 7 | 2023 | 30,973,407 | 3,325,000 | 76,761 | 34,106,141 | 34,375,168 | 20.00 | 682,123 | 2025 | | | |
| 8 | 2024 | 34,375,168 | 6,471,975 | 85,265 | 40,663,382 | 40,932,408 | 20.00 | 813,268 | 2026 | | | |
| 9 | 2025 | 40,932,408 | 8,193,750 | 101,658 | 48,958,790 | 49,227,817 | 20.00 | 979,176 | 2027 | | | |
| 10 | 2026 | 49,227,817 | 10,450,000 | 122,397 | 59,531,187 | 59,800,214 | 20.00 | 1,190,624 | 2028 | | | |
| 11 | 2027 | 59,800,214 | - | 148,828 | 59,680,015 | 59,949,042 | 20.00 | 1,193,600 | 2029 | | | |
| 12 | 2028 | 59,949,042 | - | 149,200 | 59,829,215 | 60,098,242 | 20.00 | 1,196,584 | 2030 | | | |
| 13 | 2029 | 60,098,242 | 1,567,500 | 149,573 | 61,546,288 | 61,815,315 | 20.00 | 1,230,926 | 2031 | | | |
| 14 | 2030 | 61,815,315 | 509,438 | 153,866 | 62,209,592 | 62,478,619 | 20.00 | 1,244,192 | 2032 | | | |
| 15 | 2031 | 62,478,619 | 362,484 | 155,524 | 62,727,600 | 62,996,627 | 20.00 | 1,254,552 | 2033 | | | |
| 16 | 2032 | 62,996,627 | 1,753,641 | 156,819 | 64,638,060 | 64,907,087 | 20.00 | 1,292,761 | 2034 | | | |
| 17 | 2033 | 64,907,087 | 847,397 | 161,595 | 65,647,052 | 65,916,079 | 20.00 | 1,312,941 | 2035 | | | |
| 18 | 2034 | 65,916,079 | 548,625 | 164,118 | 66,359,795 | 66,628,821 | 20.00 | 1,327,196 | 2036 | | | |
| 19 | 2035 | 66,628,821 | 1,067,876 | 165,899 | 67,593,570 | 67,862,597 | 20.00 | 1,351,871 | 2037 | | | |
| 20 | 2036 | 67,862,597 | 1,351,969 | 168,984 | 69,114,523 | 69,383,550 | 20.00 | 1,382,290 | 2038 | | | |
| 21 | 2037 | 69,383,550 | 1,724,250 | 172,786 | 71,011,559 | 71,280,586 | 20.00 | 1,420,231 | 2039 | | | |
| | | | \$68,722,146 | \$2,289,413 | \$986,776,934 | \$992,426,495 | | \$19,735,539 | | | | |

Model designed by HSE & Co

Cash Flow Projections

Village of Mukwonago, Wisconsin

Tax Increment District No. 5

Summary of Sources & Uses

District Total as of 02/02/18

Assumptions

| | |
|----------------------------|-------|
| Est. Int. on Investments = | 1.00% |
| 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 (Spec. Assess. & Impact Fees) | Investment Income | Net Proceeds of L.T. Debt | Capital Expenditures | Admin. | Transfers to Other Funds | Debt Service | | | | |
| 2018 | - | 310,000 | - | 11,650,000 | 10,613,104 | 50,000 | 120,000 | - | 1,176,896 | 1,176,896 | 11,650,000 | 1,061,493 |
| 2019 | 190,000 | 152,200 | 11,769 | - | - | 50,000 | - | 491,569 | (187,600) | 989,296 | 11,650,000 | 898,010 |
| 2020 | 252,225 | 152,200 | 9,893 | - | - | 50,000 | - | 327,713 | 36,605 | 1,025,902 | 11,650,000 | 928,831 |
| 2021 | 296,793 | 152,200 | 10,259 | - | - | 50,000 | - | 327,713 | 81,540 | 1,107,441 | 11,650,000 | 995,164 |
| 2022 | 510,098 | - | 11,074 | 1,860,000 | 1,855,831 | 50,000 | - | 451,463 | 19,710 | 1,127,151 | 11,525,000 | 1,010,665 |
| 2023 | 614,088 | - | 11,272 | - | - | 50,000 | - | 523,213 | 56,316 | 1,183,466 | 13,185,000 | 1,053,422 |
| 2024 | 682,123 | - | 11,835 | - | - | 50,000 | - | 599,800 | 44,157 | 1,227,624 | 12,985,000 | 1,085,822 |
| 2025 | 813,268 | - | 12,276 | - | - | 50,000 | - | 667,563 | 107,981 | 1,335,605 | 12,685,000 | 1,162,372 |
| 2026 | 979,176 | - | 13,356 | - | - | 50,000 | - | 784,406 | 158,126 | 1,493,731 | 12,260,000 | 1,270,679 |
| 2027 | 1,190,624 | - | 14,937 | - | - | 50,000 | - | 947,125 | 208,436 | 1,702,167 | 11,660,000 | 1,408,619 |
| 2028 | 1,193,600 | - | 17,022 | - | - | 50,000 | - | 956,813 | 203,809 | 1,905,976 | 11,035,000 | 1,538,935 |
| 2029 | 1,196,584 | 110,000 | 19,060 | - | - | 50,000 | - | 1,137,656 | 137,988 | 2,043,964 | 10,210,000 | 1,624,182 |
| 2030 | 1,230,926 | 110,000 | 20,440 | - | - | 50,000 | - | 1,114,969 | 196,397 | 2,240,361 | 9,385,000 | 1,741,409 |
| 2031 | 1,244,192 | 110,000 | 22,404 | - | - | 50,000 | - | 1,314,188 | 12,408 | 2,252,769 | 8,335,000 | 1,748,565 |
| 2032 | 1,254,552 | 110,000 | 22,528 | - | - | 50,000 | - | 1,334,625 | 2,455 | 2,255,223 | 7,235,000 | 1,749,932 |
| 2033 | 1,292,761 | 110,000 | 22,552 | - | - | 50,000 | - | 1,304,375 | 70,938 | 2,326,162 | 6,135,000 | 1,788,123 |
| 2034 | 1,312,941 | 110,000 | 23,262 | - | - | 50,000 | - | 1,331,850 | 64,353 | 2,390,515 | 4,975,000 | 1,821,596 |
| 2035 | 1,327,196 | 110,000 | 23,905 | - | - | 50,000 | - | 1,311,825 | 99,276 | 2,489,791 | 3,800,000 | 1,871,489 |
| 2036 | 1,351,871 | 110,000 | 24,898 | - | - | 50,000 | - | 1,301,200 | 135,569 | 2,625,360 | 2,600,000 | 1,937,318 |
| 2037 | 1,382,290 | 110,000 | 26,254 | - | - | 50,000 | - | 1,362,400 | 106,144 | 2,731,504 | 1,300,000 | 1,987,115 |
| 2038 | 1,420,231 | 110,000 | 27,315 | - | - | 50,000 | - | 1,320,800 | 186,746 | 2,918,250 | - | 2,071,765 |
| 2039 | 19,735,539 | 1,866,600 | 356,309 | 13,510,000 | 12,468,935 | 1,050,000 | 120,000 | 18,911,263 | 2,918,250 | | | |

Potential Land Sales & Corresponding Commission Costs are not factored in

Model designed by HSE & Co

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 #5 is within the 116.65-acre area of the Southeast Key Area of the plan update. Key area properties are designated for an Industrial Land Use and High Intensity Commercial/Business land use. The developments creating the need for TID #5 conforms to the adopted comprehensive plan.

SECTION 13:
Zoning and Building Code, Map, Village Ordinances

All properties within TID #5 will have an existing base zoning district of M-4, Medium/Heavy Industrial District. The M-4 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 industrial development. In addition, the Village adopted new Planned Unit Development Zoning standards that sets the process for approval of a new Industrial Park Development.

No amendments to the building code, map, or other Village Ordinances are needed to implement TID #5. The Village enforces the Uniform Building Code and the Uniform Building Code of the State of Wisconsin.

SECTION 14:
Relocation

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.

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 industrial 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 following is a list of the estimated non-project costs included within this Project Plan:

| Description of Non-Project Costs | Estimated Costs |
|--|--------------------|
| 1. Water Main Extension & Appurtenance | \$650,071 |
| 2. Sanitary Sewer Extension Appurtenance | \$440,866 |
| 3. Booster Station | \$746,400 |
| 4. Soil Boring | \$7,292 |
| Total | \$1,844,629 |

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

_____, 2018 (PUT IN DATE)

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

Re: Project Plan for Tax Incremental District No. 5 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. 5 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. 5 is complete and complies with Section 66.1105(4)(f) of the Wisconsin Statutes.

QUARLES & BRADY LLP

QB\44443126.1

SECTION 18:
Legal Description of Boundaries

Village of Mukwonago TID #5

Being part of the Northeast one-quarter, and the Southeast one-quarter of Section 1, Town 4 North, Range 18 East, Village of Mukwonago, Walworth County, Wisconsin, bounded and described as follows:

Beginning at the Northwest corner of said Northeast one-quarter; thence Southerly along the Westerly lines of said Northeast one-quarter and Southeast one-quarter 2,838 feet more or less to the Northerly line of lands designated by Tax Key Number (TKN) P ET 100006; thence Easterly along the Northerly line of said lands 1,221 feet more or less to the Westerly lines of lands designated by TKN P ET 100006A; thence Northerly along the Westerly line of lands designated by TKN's P ET 100006A, and P ET 100003, 709.5 feet more or less; thence Northeasterly along the Northwesterly line of lands designated by TKN 10003, 601.26 feet more or less to the Southwesterly line of lands designated by TKN P ET 100001; thence Northwesterly along the Southwesterly line of said lands 382.4 feet more or less; thence Northerly along the Westerly line of said lands, 839.52 feet more or less to the Easterly line of said Northeast one-quarter; thence Northerly along the Easterly line of said Northeast one-quarter; thence Westerly along the Northerly line of said Northeast one-quarter, 2643.67 feet more or less to the Point of Beginning. Containing 116.65 acres more or less of land.

Tax Key Number included in this description:

VM 00008

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)(1).

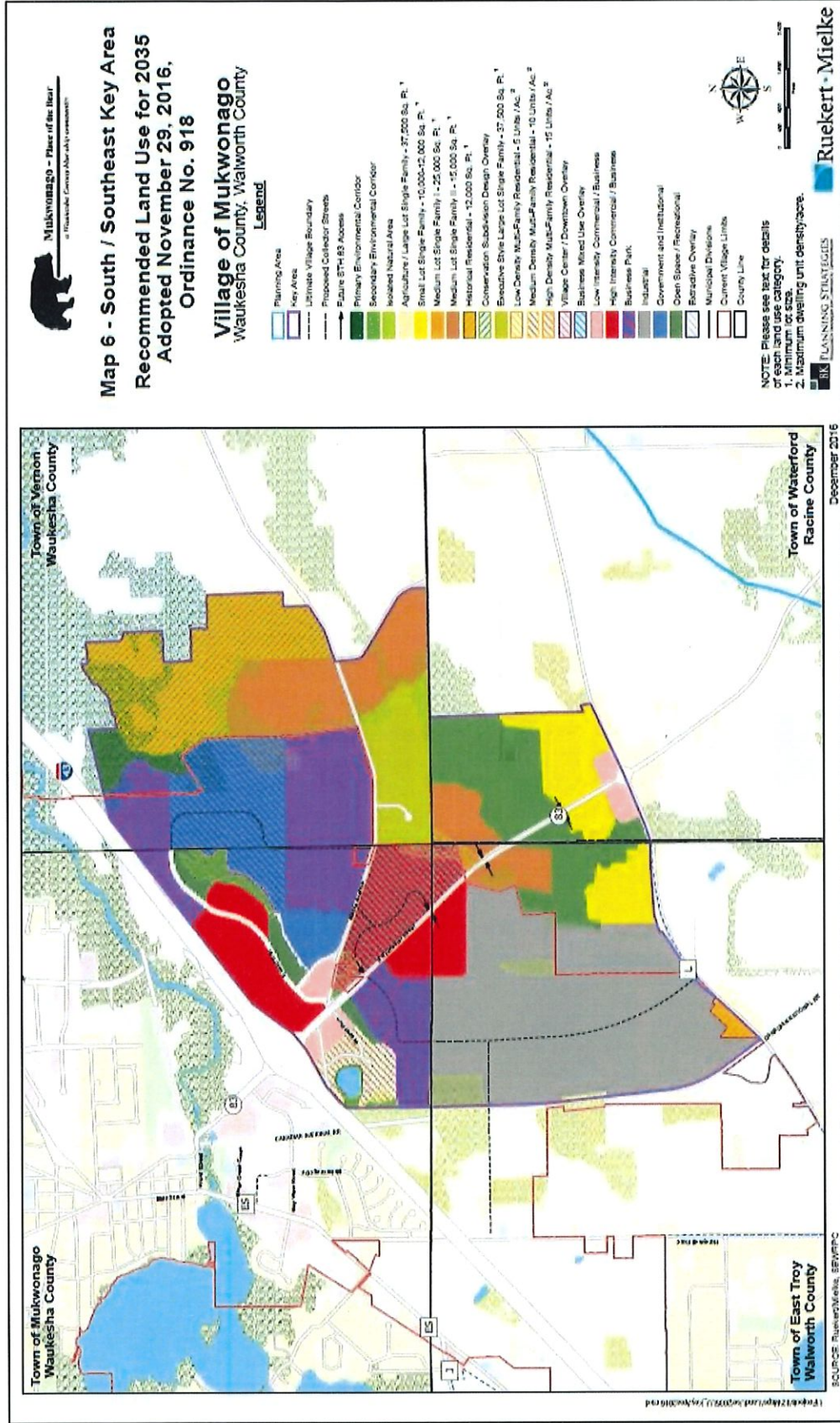
SECTION 19:
Growth of Tax Increments By Taxing Entity

Village of Mukwonago, Wisconsin
Tax Increment District No. 5
Growth of Tax Increments by Taxing Entity
District Total as of 02/02/18

| Revenue (Collection) Year | Increment | Village 37.91% | Walworth County 20.66% | Mukwonago SD 36.96% | Gateway Tech 4.47% |
|---------------------------------|------------|-------------------|------------------------------|---------------------------|-----------------------|
| 2020 | 190,000 | 72,035 | 39,249 | 70,222 | 8,494 |
| 2021 | 252,225 | 95,627 | 52,103 | 93,220 | 11,275 |
| 2022 | 296,793 | 112,524 | 61,310 | 109,692 | 13,267 |
| 2023 | 510,098 | 193,395 | 105,373 | 188,527 | 22,803 |
| 2024 | 614,088 | 232,821 | 126,854 | 226,961 | 27,451 |
| 2025 | 682,123 | 258,616 | 140,909 | 252,106 | 30,493 |
| 2026 | 813,268 | 308,337 | 168,000 | 300,576 | 36,355 |
| 2027 | 979,176 | 371,238 | 202,272 | 361,894 | 43,772 |
| 2028 | 1,190,624 | 451,405 | 245,952 | 440,043 | 53,224 |
| 2029 | 1,193,600 | 452,534 | 246,567 | 441,143 | 53,357 |
| 2030 | 1,196,584 | 453,665 | 247,183 | 442,246 | 53,491 |
| 2031 | 1,230,926 | 466,685 | 254,277 | 454,938 | 55,026 |
| 2032 | 1,244,192 | 471,715 | 257,017 | 459,841 | 55,619 |
| 2033 | 1,254,552 | 475,643 | 259,158 | 463,670 | 56,082 |
| 2034 | 1,292,761 | 490,129 | 267,051 | 477,792 | 57,790 |
| 2035 | 1,312,941 | 497,780 | 271,219 | 485,250 | 58,692 |
| 2036 | 1,327,196 | 503,184 | 274,164 | 490,518 | 59,329 |
| 2037 | 1,351,871 | 512,540 | 279,261 | 499,638 | 60,432 |
| 2038 | 1,382,290 | 524,072 | 285,545 | 510,881 | 61,792 |
| 2039 | 1,420,231 | 538,457 | 293,383 | 524,903 | 63,488 |
| 2040 | - | - | - | - | - |
| | 19,735,539 | 7,482,401 | 4,076,846 | 7,294,057 | 882,234 |

*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 #5.

SECTION 20:
Planned Land Use for River South District (Includes TID #5) As Shown In the 2016 Updates to the Village of Mukwonago Comprehensive Plan



**SECTION 21:
Map Showing Mukwonago School District Boundary**

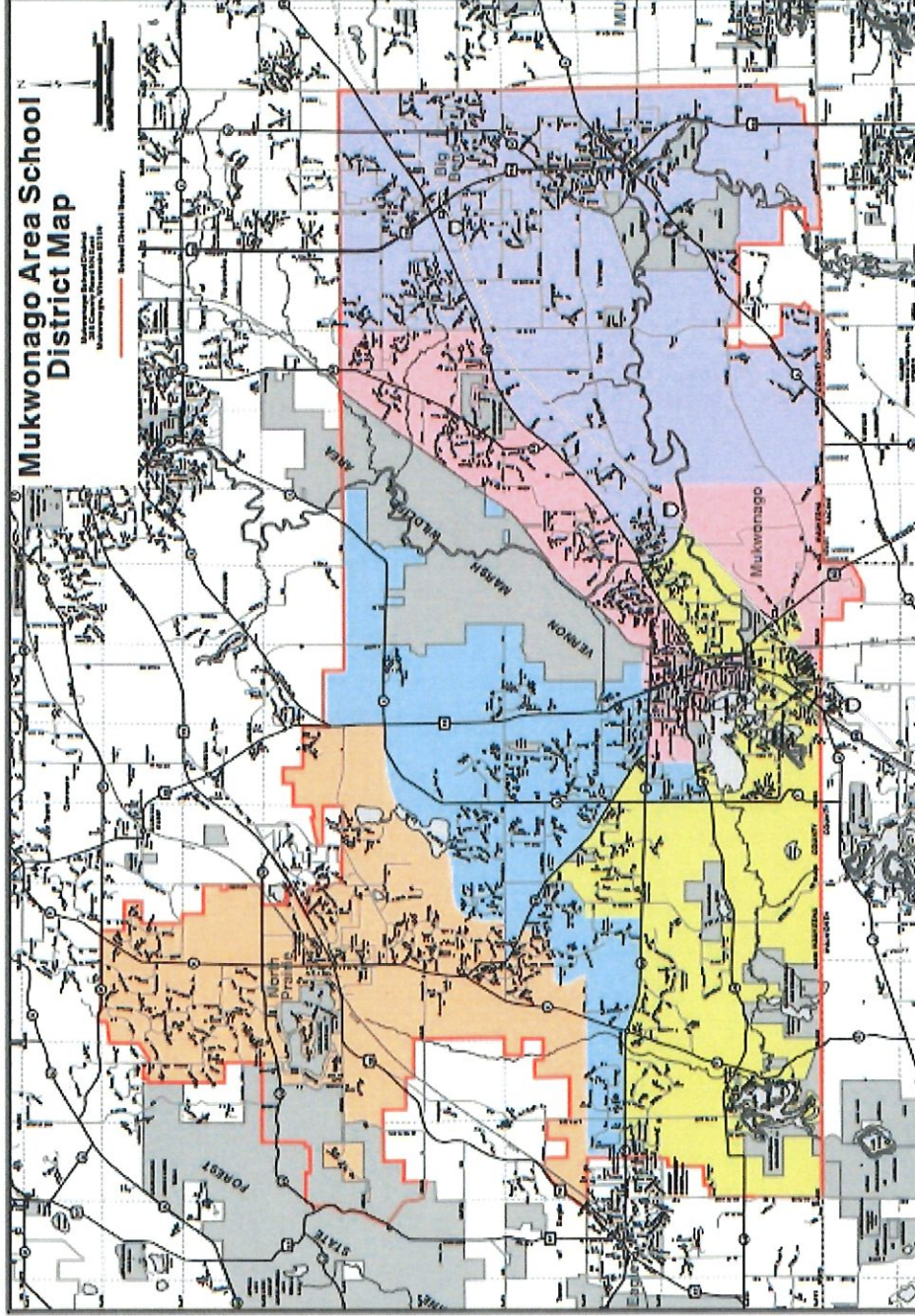
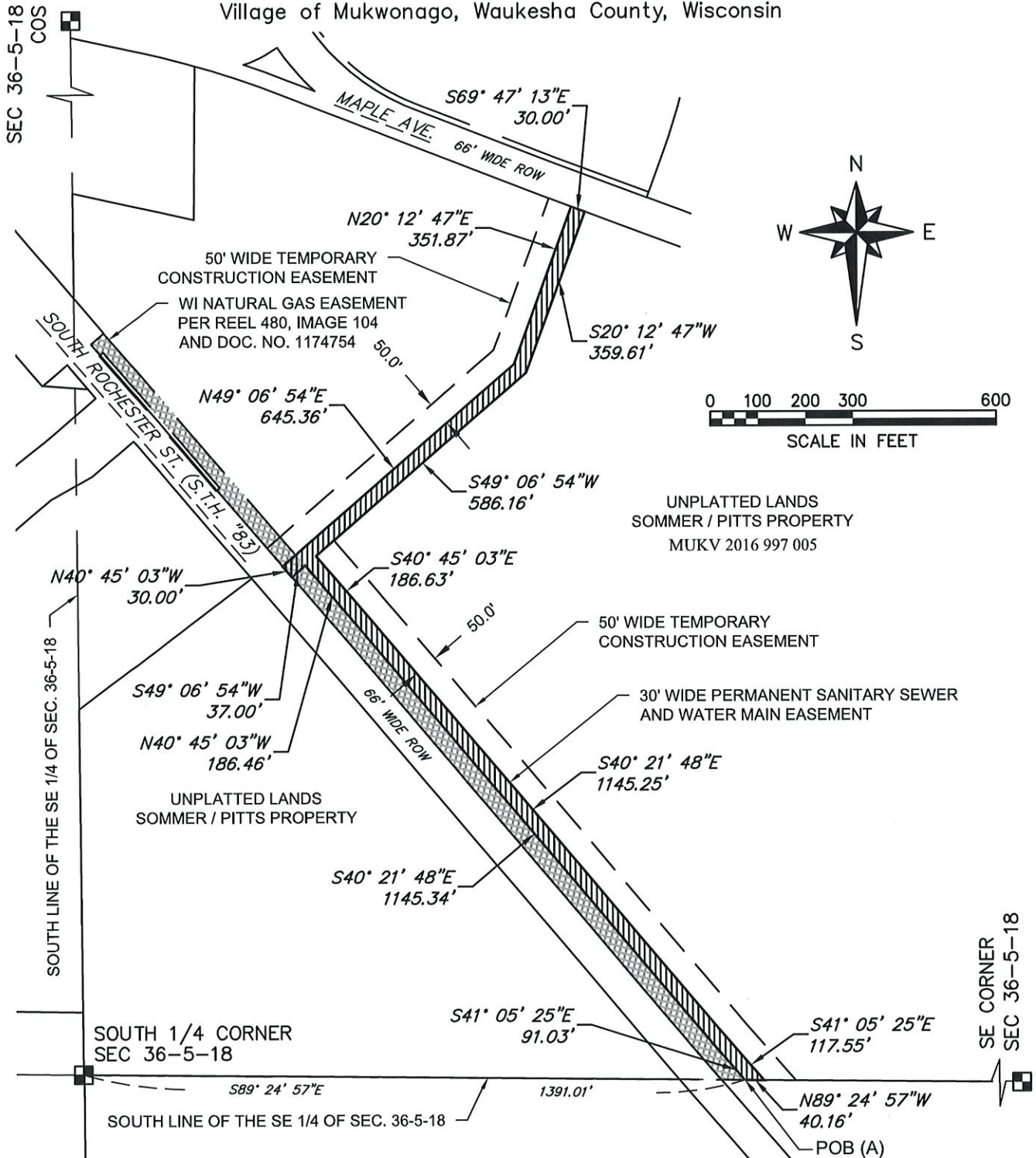


EXHIBIT "A"

PERMANENT SANITARY SEWER AND WATER MAIN EASEMENT

Being part of the Southeast 1/4, Southwest 1/4, and Northwest 1/4, of the Southeast 1/4 of Section 36, Township 5 North, Range 18 East, Village of Mukwonago, Waukesha County, Wisconsin



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Ruekert • Mielke
www.ruekertmielke.com

PREPARED FOR:
VILLAGE OF MUKWONAGO
POST OFFICE BOX 206
MUKWONAGO, WI 53149

PREPARED BY:
Ruekert & Mielke, Inc.
W233 N2080 Ridgeview Pkwy.
Waukesha, WI 53188

EXHIBIT "A"

PERMANENT SANITARY SEWER AND WATER MAIN EASEMENT BOUNDARY DESCRIPTION

Being part of the Southwest 1/4, Southwest 1/4, and Northwest 1/4, of the Southeast 1/4 of Section 36, Township 5 North, Range 18 East, Village of Mukwonago, Waukesha County, Wisconsin, more particularly described as follows:

Commencing at the South 1/4 corner of said Section 36; thence bearing S89°24'57"E, along the South line of the Southeast 1/4 of said Section 36, a distance of 1391.01 feet to the Northeasterly line of a Wisconsin Natural Gas Company easement recorded in the Office of the Register of Deeds for Waukesha County, on Reel 480, Image 104, as Document No. 1174754, Point "A", and the POINT OF BEGINNING of the hereinafter described lands; thence along said Northeasterly line on the following three described courses; bearing N41°05'25"W, a distance of 91.03 feet; thence bearing N40°21'48"W, a distance of 1145.34 feet; thence bearing N40°45'03"W, a distance of 186.46 feet; thence bearing S49°06'54"W, a distance of 37.00 feet to the North right-of-way of South Rochester Street (S.T.H. "83"); thence bearing N40°45'03"W, along said North right-of-way, a distance of 30.00 feet; thence deviating from said Northeasterly line bearing N49°06'54"E, a distance of 645.36 feet; thence bearing N20°12'47"E, a distance of 351.87 feet to the Southerly right-of-way of Maple Ave.; thence bearing S69°47'13"E along said Southerly right-of-way, a distance of 30.00 feet; thence bearing S20°12'47"W, a distance of 359.61 feet; thence bearing S49°06'54"W, a distance of 586.16 feet; thence bearing S40°45'03"E, a distance of 186.63 feet; thence bearing S40°21'48"E, a distance of 1145.25 feet; thence bearing S41°05'25"E, a distance of 117.54 feet to the South line of the Southeast 1/4 of said Section 36; thence bearing N89°24'57"W along said South line, a distance of 40.16 feet to the POINT OF BEGINNING. Said lands contain 73,234 square feet more or less. Subject to, but not limited to, covenants, conditions, restrictions and easements of record.

Also including a Temporary Construction Easement more particularly described as follows:

Commencing at the aforementioned Point "A" and the POINT OF BEGINNING of the hereinafter described lands; thence along the Northeasterly line of a Wisconsin Natural Gas Company Easement, recorded in the Office of the Register of Deeds for Waukesha County, on Reel 480, Image 104, as Document No. 1174754, on the following three described courses; bearing N41°05'25"W, a distance of 91.03 feet; thence bearing N40°21'48"W, a distance of 1145.34 feet; thence bearing N40°45'03"W, a distance of 186.46 feet; thence bearing S49°06'54"W, a distance of 37.00 feet to the North right-of-way of South Rochester Street (S.T.H. "83"); thence bearing N40°45'03"W, along said North right-of-way, a distance of 80.00 feet; thence deviating from said Northeasterly line bearing N49°06'54"E, a distance of 633.12 feet; thence bearing N20°12'47"E, a distance of 338.99 feet to the Southerly right-of-way of Maple Ave.; thence bearing S69°47'13"E along said Southerly right-of-way, a distance of 80.00 feet; thence bearing S20°12'47"W, a distance of 359.61 feet; thence bearing S49°06'54"W, a distance of 536.74 feet; thence bearing S40°45'03"E, a distance of 186.80 feet; thence bearing S40°21'48"E, a distance of 1145.25 feet; thence bearing S41°05'25"E, a distance of 161.74 feet to the South line of the Southeast 1/4 of said Section 36; thence bearing N89°24'57"W along said South line, a distance of 107.10 feet to the POINT OF BEGINNING. Excepting therefrom the Permanent Sanitary Sewer and Water Main Easement previously described above. Said lands contain 122,791 square feet more or less. Subject to, but not limited to, covenants, conditions, restrictions and easements of record.

PROPERTY LINES SHOWN ON THIS EXHIBIT ARE DRAWN FROM DATA DERIVED FROM MAPS AND DOCUMENTS OF PUBLIC RECORD AND/OR OCCUPATION LINES. THIS EXHIBIT MAY NOT BE A TRUE REPRESENTATION OF EXISTING PROPERTY LINES, EXCLUDING LINES OF THE PUBLIC LAND SURVEY SYSTEM AND RIGHT-OF-WAY LINES, AND SHOULD NOT BE USED AS A SUBSTITUTE FOR AN ACCURATE PROPERTY SURVEY AS DEFINED AND PURSUANT TO THE WISCONSIN ADMINISTRATIVE CODE A-E 7.

 **Ruekert & Mielke**
www.ruekertmielke.com

PREPARED FOR:
VILLAGE OF MUKWONAGO
POST OFFICE BOX 206
MUKWONAGO, WI 53149

PREPARED BY:
Ruekert & Mielke, Inc.
W233 N2080 Ridgeview Pkwy.
Waukesha, WI 53188

**EXHIBIT B
Of Resolution 2018-013**

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.

EXHIBIT C
Of Resolution 2018-013

Legal Description of Boundaries

Village of Mukwonago TID #5

Being part of the Northeast one-quarter, and the Southeast one-quarter of Section 1, Town 4 North, Range 18 East, Village of Mukwonago, Walworth County, Wisconsin, bounded and described as follows:

Beginning at the Northwest corner of said Northeast one-quarter; thence Southerly along the Westerly lines of said Northeast one-quarter and Southeast one-quarter 2,838 feet more or less to the Northerly line of lands designated by Tax Key Number (TKN) P ET 100006; thence Easterly along the Northerly line of said lands 1,221 feet more or less to the Westerly lines of lands designated by TKN P ET 100006A; thence Northerly along the Westerly line of lands designated by TKN's P ET 100006A, and P ET 100003, 709.5 feet more or less; thence Northeasterly along the Northwesterly line of lands designated by TKN 10003, 601.26 feet more or less to the Southwesterly line of lands designated by TKN P ET 100001; thence Northwesterly along the Southwesterly line of said lands 382.4 feet more or less; thence Northerly along the Westerly line of said lands, 839.52 feet more or less to the Easterly line of said Northeast one-quarter; thence Northerly along the Easterly line of said Northeast one-quarter; thence Westerly along the Northerly line of said Northeast one-quarter, 2643.67 feet more or less to the Point of Beginning. Containing 116.65 acres more or less of land.

Tax Key Number included in this description:

VM 00008

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)(1).

**VILLAGE BOARD
RESOLUTION 2018-013**

**A RESOLUTION APPROVING THE PROJECT PLAN AND BOUNDARIES FOR TAX
INCREMENTAL DISTRICT NO. 5 OF THE VILLAGE OF MUKWONAGO, WISCONSIN, AND
MAKING CERTAIN FINDINGS WITH RESPECT THERETO**

WHEREAS, the Village Board hereby finds and determines that it is necessary, desirable and in the best interest of the Village of Mukwonago, Wisconsin (the "Village") to provide for further promotion and attraction of industrial development on certain land located at N9607/N9611 STH 83;

WHEREAS, under the provisions of Section 66.1105 of the Wisconsin Statutes, a plan commission may, by resolution, adopt a project plan and boundaries, subject to the approval of the local legislative body and the joint review board;

WHEREAS, pursuant to Section 66.1105(4)(f) of the Wisconsin Statutes, the plan commission of the Village (the "Plan Commission") prepared a proposed project plan and boundaries (the "Project Plan") for Tax Incremental District No. 5 in the Village (the "District");

WHEREAS, on February 13, 2018, the Plan Commission held a public hearing at which all interested parties were afforded a reasonable opportunity to express their views on the District and the proposed Project Plan for the District;

WHEREAS, on February 13, 2018, the Plan Commission duly adopted a resolution (the "Adopting Resolution") which adopted the Project Plan and designated boundaries for the District and recommended and submitted the Project Plan to this Village Board for approval;

WHEREAS, Section 66.1105(4)(g) and (gm) of the Wisconsin Statutes requires that certain findings be made by the Village Board; and

WHEREAS, the Project Plan and the Adopting Resolution have been presented to this Village Board and reviewed by Village staff and counsel to the Village.

NOW, THEREFORE, be it resolved by the Village Board of the Village of Mukwonago, Wisconsin, that:

Section 1. Approval of Project Plan. The Project Plan, which is attached to this Resolution as Exhibit A, is hereby approved pursuant to Section 66.1105(4)(g) of the Wisconsin Statutes.

Section 2. Approval of Boundaries. The boundaries of the District, which are described on Map 1 and the Legal Description attached to this Resolution as Exhibits B and C, respectively, are hereby approved pursuant to Section 66.1105(4)(gm)1. of the Wisconsin Statutes.

Section 3. Name of the District. The District shall be known as "Tax Incremental District No. 5, Village of Mukwonago, Wisconsin".

Section 4. Classification as an Industrial District. The District shall be classified as an industrial district under the provisions of Section 66.1105(4)(gm)6. of the Wisconsin Statutes.

Section 5. Findings with Respect to the District. The Village Board makes the following findings with respect to the District:

- (a) Not less than 50 percent, by area, of the real property within the District is suitable for "industrial sites" within the meaning of Section 66.1101 of the Wisconsin Statutes, and has been zoned for industrial use;
- (b) Any real property within the District that is found to be suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District;
- (c) Improvement of the area in the District is likely to enhance significantly the value of substantially all of the other real property in the District;
- (d) The project costs described in the Project Plan of the District directly serve to promote industrial development;
- (e) That, but for the creation of the District, industrial development of the property in the District would not occur as described in the Project Plan for the District;
- (f) The sum of the following amounts does not exceed 12 percent of the total equalized value of taxable property within the Village: (i) the equalized value of taxable property of the District plus (ii) the value increment of all existing tax incremental districts in the Village;
- (g) The Project Plan promotes the orderly development of the Village, and is in conformity with the Comprehensive (Master) Plan of the Village;
- (h) The Project Plan is feasible; and
- (i) It is estimated that less than 35% of the territory of the District will be devoted to retail business at the end of the District's expenditure period.

Section 6. Creation of the District; Creation Date. Tax Incremental District No. 5, Village of Mukwonago, Wisconsin, is hereby created as of January 1, 2018.

Dated and approved this 28th day of February, 2018.

Fred Winchowky, Village President

ATTEST:

Judith A. Taubert, Interim Village Clerk

**JOINT REVIEW BOARD
RESOLUTION 2018-015**

**A RESOLUTION OF THE JOINT REVIEW BOARD APPROVING THE PROPOSED
PROJECT PLAN AND BOUNDARIES FOR TAX INCREMENTAL DISTRICT NO. 5 OF THE
VILLAGE OF MUKWONAGO, WISCONSIN**

WHEREAS, on February 27, 2018, the Village Board of the Village of Mukwonago, Wisconsin (the "Village") adopted a resolution (the "Resolution") approving the proposed Project Plan and boundaries for Tax Incremental District No. 5 (the "District"), pursuant to Section 66.1105(4)(g) and (gm) of the Wisconsin Statutes;

WHEREAS, this Joint Review Board, which was established pursuant to Section 66.1105(4m) of the Wisconsin Statutes, has reviewed the Resolution, the Project Plan and boundaries for the District, the information and projections provided by the Village pursuant to Section 66.1105(4)(i) of the Wisconsin Statutes and the public record and planning documents relating to the District; and

WHEREAS, this Joint Review Board has considered the criteria set forth in Section 66.1105(4m)(c)1. of the Wisconsin Statutes and has determined that:

- (a) The industrial development expected in the District as a result of implementation of the Project Plan would not occur without the creation of the District and the use of tax incremental financing;
- (b) The economic benefits of the District as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements in the District;
- (c) The benefits of the Project Plan outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts; and
- (d) The expenditures identified in the Project Plan are approved.

NOW, THEREFORE, BE IT RESOLVED that this Joint Review Board approves the Resolution and the Project Plan and boundaries for Tax Increment District No. 5 of the Village of Mukwonago, Wisconsin.

Dated and approved this 13th day of March, 2018.

Fred Winchowky, Chair

ATTEST:

Judith A. Taubert, Interim Village Clerk



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Phoenix
Scottsdale
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Tucson
Washington, D.C.

February 28, 2018

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

Re: Project Plan for Tax Incremental District No. 5 of 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. 5 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. 5 is complete and complies with Section 66.1105(4)(f) of the Wisconsin Statutes.

Quarles & Brady LLP