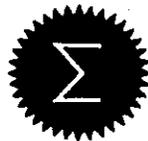


**Project Plan
Tax Incremental District No. 2
Village of Grafton, Wisconsin**

Dated May 30, 1996

Prepared By

EHLERS AND ASSOCIATES, INC.



**Project Plan
Tax Incremental District No. 2
Village of Grafton, Wisconsin**

Adopted by the Plan Commission - May 28, 1996

Approved by the Village Board - June 3, 1996

Approved by the Joint Review Board - June 19, 1996

**Prepared By
Ehlers and Associates, Inc.**



President

Rodney Schroeder

President

Village Board

| | |
|------------------|---------|
| James Brunnquell | Trustee |
| Patricia Cramer | Trustee |
| Alan Kletti | Trustee |
| Jeffrey Lamont | Trustee |
| Ron Pugh | Trustee |
| Alfred Schlecht | Trustee |

Village Officials

Darrell Hofland, Administrator
Mark Gottlieb, Village Engineer/Dir. Of Public Works
Paul Malloy, Village Attorney
Teri Dylak, Clerk
Shirley Ritger, Finance Director
Pat Meehan, Planner

Village Planning Commission

| | |
|------------------|----------------|
| Rodney Schroeder | President |
| Alfred Schlecht | Trustee Member |
| Bruce Treffert | Member |
| Carl Harms | Member |
| Frank Haupt | Member |
| Chuck Mauer | Member |
| Mark Gottlieb | Engineer |

Joint Review Board

Richard Duncombe, Grafton School District
Rod Schroeder, Village Representative
Lewis Herro, Ozaukee County
Todd Poppe, Milwaukee Technical College District
David Eberhardt, Public Member

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Project Plan

Tax Incremental District No. 2

Village of Grafton, Wisconsin

I. STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

Tax Incremental District No. 2, Village of Grafton (the "District") is created under authority of Wisconsin §66.46 primarily to assist expansion of the tax base by providing public improvements necessary to promote primarily industrial and secondarily office development. The boundaries of the District are defined on Appendix A attached hereto. The inducement is to install public utilities including a sanitary sewer, water facilities, storm sewer and street improvements, as well as the potential cost of environmental remediation, if needed, on property that will allow industrial development to take place. This new industry will increase the tax base and provide additional employment opportunities.

The Village intends that tax incremental financing (TIF) will be used to assure that high quality industrial office and related private development locates in this District. The goal is to provide and preserve employment opportunities within the Village and promote growth and to provide rehabilitation and conservation of lands currently lacking adequate infrastructure, roadways, sewers and platting consistent with the Village's Master Plan.

The following is a list of public work projects that the Village expects to implement. Any costs directly or indirectly related to the public works are considered "project costs" and eligible to be paid with tax increment revenues of the tax incremental district.

1. **ROADWAY IMPROVEMENTS.** In order to provide access to the District and assure proper vehicular and pedestrian safety to industries located within TID No. 2, a portion of the cost of installation of Cheyenne Avenue and the cost of Badger Circle are essential to the ability to develop this site for industrial purposes. In addition to roadway construction, the cost of right of way and easement acquisition is included as part of roadway costs.

2. **SANITARY SEWER IMPROVEMENTS.** The District contains undeveloped and underdeveloped areas. This is a lack of main interceptor lines, as well as inadequate facilities for conveying wastewater, from individual properties to main collection lines. It will be necessary to provide such a system before development can take place. The main lines to be installed are referred to as East Side Interceptor phase 3 and East Side Interceptor phase 4. This work would also include all necessary roadway and related landscaping restoration and improvement.

3. **STORM WATER FACILITIES.** To handle drainage in the District as a result of roadway and land development, storm sewer facilities are projected to be installed in conjunction with the construction of Cheyenne Avenue and Badger Road.

4. **WATER MAIN.** Adequate water supply is essential to the development of industry within the Tax Increment District. A new water main is expected to be installed in Cheyenne Avenue and Badger Circle.

5. **ENVIRONMENTAL AUDIT AND REMEDIATION (if needed).** The Village may find it necessary to provide for environmental audits and/or remediation in order to assist in ensuring that the properties in the defined tax increment area are developable.

6. **ADMINISTRATIVE, PLANNING AND MARKETING.** These include but are not limited to a portion of the salaries of Village office staff, public works employees and others involved with the projects throughout the project plan implementation. Audit expenses and any expenses associated with dissolving the District are also considered eligible costs. Costs necessary to market the industrial land to assure development will be needed.

7. **DEVELOPMENT INCENTIVES.** The Village may find it necessary to provide incentives to developers in the form of identification signage, land writedown, landscaping, grading or other assistance in order to stimulate the desired economic development within the Tax Incremental District. This may take the form of contributions to the Community Development Authority, if created, and loans to or from the developer. It is possible that through negotiation with a developer, all of portions of the Public Works costs identified in this plan may be financed initially by funds advanced from the developer in which case a note from the Village would provide for repayment of said notes to developer from TIF revenues.

8. **FINANCE COSTS.** Interest, financing fees, redemption premiums, and other financing fees are included as project costs.

9. **ORGANIZATIONAL COSTS.** These costs include but are not limited to fees of the financial consultant, attorney, engineers, surveyors, map makers and other contracted services.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the public works, legal and other consultant fees, capitalized interest, testing, environmental studies, permits, updating Village ordinances and plans, professional service costs, including, but not limited to, those costs incurred for architectural, planning, engineering and legal advice and services, payments made, in the discretion of the Village Board, which are found to be necessary or convenient to the creation of the District or the implementation of the project plan, judgements or claims for damages and other expenses are included as project costs.

The above identified list of projects are the known public works improvements at this time that may be required in the District. Future development of the area as it begins to occur may dictate additions or deletions from the above list. The Village reserves the right to such additions or deletions to the project list to the full extent allowed by law.

II. ECONOMIC FEASIBILITY STUDY

The charts and exhibits on the following pages demonstrate that the Village will be able to obtain the funds necessary to implement the projects in this plan and that the revenue from the District will be sufficient to pay for them. Charts I and II respectively page 5, project the Village's equalized value and show the full faith and credit borrowing capacity of the Village. Equalized valuation projections were made using two methods. The first projects the future valuation of the Village using the average annual percentage of valuation growth experienced between 1991 and 1995. The second method projects the future valuation based upon the average annual dollar increment between 1991 and 1995. This method is identified as the straight line method. Chart II projects the general obligation borrowing capacity of the Village taking into account the straight line valuation projection and existing debt of the Village. The chart demonstrates that the Village is likely to have a general obligation capacity in excess of \$25,000,000 during the seven year implementation period of the District.

EQUALIZED VALUATION PROJECTION

CHART I

I---PERCENTAGE METHOD---I

I---STRAIGHT LINE METHOD---I

| YEAR | VALUATION | PERCENT | YEAR | VALUATION | PERCENT |
|--------------------------------------|-------------|---------|------|--------------|---------|
| HISTORICAL DATA | | | | | |
| 1991 | 339,109,620 | | 1991 | 339,109,620 | |
| 1992 | 336,435,070 | | 1992 | 336,435,070 | |
| 1993 | 361,778,870 | | 1993 | 361,778,870 | |
| 1994 | 390,456,470 | | 1994 | 390,456,470 | |
| 1995 | 427,851,670 | 6.54% | 1995 | 427,851,670 | 6.54% |
| Straight Line Method Value Increment | | | | \$22,185,513 | |
| PROJECTED VALUATIONS | | | | | |
| 1996 | 455,842,939 | 6.54% | 1996 | 450,037,183 | 5.19% |
| 1997 | 485,665,476 | 6.54% | 1997 | 472,222,695 | 4.93% |
| 1998 | 517,439,088 | 6.54% | 1998 | 494,408,208 | 4.70% |
| 1999 | 551,291,420 | 6.54% | 1999 | 516,593,720 | 4.49% |
| 2000 | 587,358,467 | 6.54% | 2000 | 538,779,233 | 4.29% |
| 2001 | 625,785,123 | 6.54% | 2001 | 560,964,745 | 4.12% |
| 2002 | 666,725,759 | 6.54% | 2002 | 583,150,258 | 3.95% |
| 2003 | 710,344,848 | 6.54% | 2003 | 605,335,770 | 3.80% |
| 2004 | 756,817,621 | 6.54% | 2004 | 627,521,283 | 3.66% |

CHART II

| BUDGET YEAR | EQUALIZED VALUE | GROSS DEBT LIMIT | DEBT BALANCE | NET BORROWING CAPACITY |
|-------------|-----------------|------------------|--------------|------------------------|
| 1996 | 427,851,670 | 21,392,584 | 6,722,004 | 14,670,580 |
| 1997 | 450,037,183 | 22,501,859 | 6,062,651 | 16,439,208 |
| 1998 | 472,222,695 | 23,611,135 | 5,376,881 | 18,234,254 |
| 1999 | 494,408,208 | 24,720,410 | 4,705,000 | 20,015,410 |
| 2000 | 516,593,720 | 25,829,686 | 4,010,000 | 21,819,686 |
| 2001 | 538,779,233 | 26,938,962 | 2,975,000 | 23,963,962 |
| 2002 | 560,964,745 | 28,048,237 | 2,100,000 | 25,948,237 |
| 2003 | 583,150,258 | 29,157,513 | 1,690,000 | 27,467,513 |
| 2004 | 605,335,770 | 30,266,789 | 1,280,000 | 28,986,789 |
| 2005 | 627,521,283 | 31,376,064 | 875,000 | 30,501,064 |
| 2006 | 649,706,795 | 32,485,340 | 725,000 | 31,760,340 |
| 2007 | 671,892,308 | 33,594,615 | 550,000 | 33,044,615 |
| 2008 | 694,077,820 | 34,703,891 | 375,000 | 34,328,891 |
| 2009 | 716,263,333 | 35,813,167 | 200,000 | 35,613,167 |
| 2010 | 738,448,845 | 36,922,442 | 0 | 36,922,442 |
| 2011 | 760,634,358 | 38,031,718 | | 38,031,718 |
| 2012 | 782,819,870 | 39,140,994 | | 39,140,994 |
| 2013 | 805,005,383 | 40,250,269 | | 40,250,269 |

Exhibit I (page 8) estimates the TIF revenues that will be available to retire the debt incurred to finance project costs. Exhibit II (page 10) summarizes the District's cash position throughout its potential life.

In addition to general obligation bonds, the Village can issue mortgage revenue bonds to be repaid from revenues of the sewer and/or water systems, including revenues paid by the Village that represent service of the system to the Village. There is no 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 underwriters its ability to repay revenue debt with the assigned rates.

Capital appreciation bonds are a new instrument that has potential for reducing capitalized interest. At a future date the Village may choose to issue bonds as outlined in Wisconsin Statutes 66.431 to induce the type of development desired in the area.

The Village also has the authority to issue lease revenue bonds through a Community Development Authority should this financing vehicle be useful in accomplishing the objectives of the Plan.

Based on the economic characteristics and the financing resources of the Village, all projects outlined in this project plan can be financed and are feasible.

Exhibit I respectively page 8, projects revenues sufficient to retire the debt proposed to finance all projects of the District. The pro forma is based on the following assumptions:

- The base value of the District is \$255,203
- The tax base is estimated to increase in new construction in the following amounts:

| | |
|------|-------------|
| 1997 | \$1,216,580 |
| 1998 | \$ 939,200 |
| 1999 | \$ 666,000 |
| 2000 | \$1,668,688 |
| 2001 | \$1,186,600 |
| 2002 | \$2,073,400 |
| 2003 | \$1,852,200 |
| 2004 | \$1,425,800 |

The equalized tax rate for 1996 is projected to be \$26.35 per thousand. It is not projected to increase in any year throughout the pro forma. It should be noted that the equalized rate for 1995 is \$29.35. The 1996 rate is discounted by \$3.00 per thousand to adjust for the potential reduction of the school levy due to state statutory changes in 1995.

Valuations within the tax increment district are projected to increase only 1.75% per year due to inflation.

Grafton Tax Increment District # 2

Tax Increment Forecast

| Base Value | | 255,203 | | * Inflation Factor | | 1.75% | |
|-------------------|----------------|--------------|---------------------|--------------------|---------------------|----------|----------------------------|
| Construction Year | Valuation Year | Revenue Year | Inflation Increment | Value Added | Valuation Increment | Tax Rate | Tax Increment |
| 1 | 1996 | 1998 | 4,468 | 1,216,580 | 1,221,046 | 26.35 | 32,169 |
| 2 | 1997 | 1999 | 25,834 | 939,200 | 2,186,080 | 26.35 | 57,593 |
| 3 | 1998 | 2000 | 42,722 | 686,000 | 2,894,803 | 26.35 | 76,265 |
| 4 | 1999 | 2001 | 55,125 | 1,668,688 | 4,618,616 | 26.35 | 121,690 |
| 5 | 2000 | 2002 | 85,292 | 1,186,600 | 5,890,508 | 26.35 | 155,188 |
| 6 | 2001 | 2003 | 107,550 | 2,073,400 | 8,071,458 | 26.35 | 212,647 |
| 7 | 2002 | 2004 | 145,717 | 1,852,200 | 10,069,374 | 26.35 | 265,283 |
| 8 | 2003 | 2005 | 180,680 | 1,425,800 | 11,675,854 | 26.35 | 307,666 |
| 9 | 2004 | 2006 | 208,794 | 0 | 11,894,648 | 26.35 | 313,107 |
| 10 | 2005 | 2007 | 212,447 | 0 | 12,097,095 | 26.35 | 318,704 |
| 11 | 2006 | 2008 | 216,165 | 0 | 12,313,261 | 26.35 | 324,344 |
| 12 | 2007 | 2009 | 219,948 | 0 | 12,533,209 | 26.35 | 330,194 |
| 13 | 2008 | 2010 | 223,797 | 0 | 12,757,006 | 26.35 | 336,396 |
| 14 | 2009 | 2011 | 227,714 | 0 | 12,984,719 | 26.35 | 342,689 |
| 15 | 2010 | 2012 | 231,699 | 0 | 13,216,418 | 26.35 | 349,163 |
| 16 | 2011 | 2013 | 235,753 | 0 | 13,452,172 | 26.35 | 355,814 |
| 17 | 2012 | 2014 | 239,879 | 0 | 13,692,051 | 26.35 | 362,724 |
| 18 | 2013 | 2015 | 244,077 | 0 | 13,936,128 | 26.35 | 369,854 |
| 19 | 2014 | 2016 | 248,348 | 0 | 14,184,476 | 26.35 | 377,154 |
| 20 | 2015 | 2017 | 252,694 | 0 | 14,437,170 | 26.35 | 384,697 |
| 21 | 2016 | 2018 | 257,117 | 0 | 14,694,287 | 26.35 | 392,454 |
| 22 | 2017 | 2019 | 261,616 | 0 | 14,955,903 | 26.35 | 400,412 |
| 23 | 2018 | 2020 | 266,194 | 0 | 15,222,097 | 26.35 | 408,570 |
| Totals | | | | 11,028,468 | | | 2,797,846 |
| | | | | | | | Present value at 6% |

NOTE: All Values are Equalized on the basis of 1995-96 ratio of 90.71%. Also equalized tax rate of \$29.34 is reduced to \$26.34 to take into consideration a \$3.00 projected drop in the School tax rate for 97-97 as a result of increased State Aid.

Grafton TID # 2

Financial Forecast

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenues: | | | | | | | |
| Beginning Balance | 20,902 | 15,914 | 9,277 | 10,587 | 12,192 | 15,384 | 15,898 |
| Capitalized Interest | | | | | | | |
| Tax Increments | 212,647 | 265,283 | 307,606 | 313,107 | 318,704 | 324,399 | 330,194 |
| Special Assessments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings at 4% | 836 | 637 | 371 | 423 | 488 | 615 | 636 |
| General Fund Advance (Princ.) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 234,385 | 281,833 | 317,254 | 324,117 | 331,384 | 340,398 | 346,728 |
| Expenses: | | | | | | | |
| ISSUE 1 Principal 95 Bonds @ 28.51% | 75,310 | 75,310 | 73,862 | | | | |
| Interest 95 Bonds | 10,998 | 7,383 | 3,693 | | | | |
| ISSUE 2 Principal 96 Bonds | 40,000 | 100,000 | 125,000 | 190,000 | 200,000 | 200,000 | 200,000 |
| Interest 96 Bonds | 72,163 | 69,863 | 64,113 | 56,925 | 46,000 | 34,500 | 23,000 |
| Reimbursement of Advances From G. (Principle + Interest @5.75%) | 20,000 | 20,000 | 40,000 | 65,000 | 70,000 | 90,000 | 110,000 |
| Total Expenses | 218,471 | 272,556 | 306,668 | 311,925 | 316,000 | 324,500 | 333,000 |
| Ending Balance | 15,914 | 9,277 | 10,587 | 12,192 | 15,384 | 15,898 | 19,728 |

Grafton TID # 2

Financial Forecast

| | 2010 | 2011 | 2012 |
|---|----------------|----------------|----------------|
| Revenues: | | | |
| Beginning Balance | 13,728 | 19,867 | 38,684 |
| Capitalized Interest | | | |
| Tax Increments | 336,090 | 342,089 | 348,193 |
| Special Assessments | 0 | 0 | 0 |
| Investment Earnings at 4% | 549 | 795 | 1,547 |
| General Fund Advance (Princ.) | 0 | 0 | 0 |
| Total Revenue | 350,367 | 362,750 | 388,425 |
| Expenses: | | | |
| ISSUE 1 Principal 95 Bonds @ 28.51% | | | |
| Interest 95 Bonds | | | |
| ISSUE 2 Principal 96 Bonds | 200,000 | | |
| Interest 96 Bonds | 11,500 | 0 | 0 |
| Rimbursement of Advances From G. (Principle + Interest @5.75%) | 118,000 | 324,066 | 0 |
| Total Expenses | 330,500 | 324,066 | 0 |
| Ending Balance | 19,867 | 38,684 | 388,425 |

III. DETAILED LIST OF PROJECT COSTS

All costs are based on 1996 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 1996 and the time of construction. The Village reserves the right to include capitalized interest as a TIF reimbursable cost at a later time if financing requirements make it necessary to do so. 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.

DETAILED LIST OF PROJECT COSTS

| | |
|---|--------------------|
| 1 Cheyenne Avenue (Roadway, Water, Storm & ROW Acq) | \$446,000 |
| 2 East Side Interceptor Sanitary Sewer (Phase 3) | \$178,000 |
| 3 East Side Interceptor Sanitary Sewer (Phase 4) | \$82,000 |
| 4 Badger Circle (Roadway, Water, Storm Sewer) | \$655,000 |
| 5 Environmental Remediation (If Needed) | \$250,000 |
| 6 Administration, Planning & Promotion (Promotion of Park, Oversight & Auditing) | \$60,000 |
| 7 Development Incentives (Signage, Landscaping etc.) | \$75,000 |
| 8 Organizational Costs | \$20,000 |
| GRAND TOTAL TIF RELATED PROJECT COSTS | \$1,766,000 |
| 16 Financing Costs | |
| Cost of Issuance | \$26,629 |
| Capitalized Interest | \$147,200 |
| GROSS TIF COSTS | \$1,939,829 |
| Less Interest Earnings | (\$28,550) |
| NET TIF TOTAL COSTS | \$1,911,279 |

This project plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework with which to manage projects. All costs included in the plan are estimates based on 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.

PROPOSED DEBT ISSUES

GRAFTON TID # 2 ISSUE SIZINGS

| | <u>ISSUE 1 1995</u> | <u>ISSUE 2 1996</u> | <u>TOTAL FINANCING</u> |
|--|-------------------------|-------------------------|----------------------------|
| Cheyenne Ave | \$446,000 | | \$446,000 |
| East Side Interceptor Phase 3 | \$178,000 | | \$178,000 |
| East Side Interceptor Phase 4 | | \$82,000 | \$82,000 |
| Badger Circle | | \$655,000 | \$655,000 |
| Environmental Remediation (If Req) | | \$250,000 | \$250,000 |
| Admin. Planning & Promotion | | \$60,000 | \$60,000 |
| Development Incentives | | \$75,000 | \$75,000 |
| Organizational Costs | | \$20,000 | \$20,000 |
| Total TID Related Project Costs | \$624,000 | \$1,142,000 | \$1,766,000 |
| Issuance Expenses | \$7,429 | \$19,200 | \$26,629 |
| Capitalized Interest (2 Yrs) | | \$147,200 | \$147,200 |
| Less Interest Earnings | <u>\$0</u> | <u>(\$28,550)</u> | <u>(\$28,550)</u> |
| TOTAL | \$631,429 | \$1,279,850 | \$1,911,279 |
| TOTAL BOND ISSUE | \$630,000 | \$1,280,000 | \$1,910,000 |

NOTE: Funds for TID #1 were borrowed in 1995 as part of \$2,175,000 Issue. Interest & Princ. expense for total Issue would be 28.97% of each payment based upon \$620,000 total identified above. Actual P & I expense not eligible to begin payment until after Board approval of TID # 2.

IV. A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

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 issued.

The Village reserves the right to use alternate financing solutions for the projects as they are implemented, including a revision to the maturity schedule and inclusion of capitalized interest as a project cost.

PLAN IMPLEMENTATION

Projects identified will provide the necessary governmental services to the area. It is anticipated these improvements will be made over a seven year period. A reasonable and orderly sequence is outlined in this plan. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

The order in which public improvements are made should be adjusted in accordance with development and execution of development agreements. The Village reserves the right to alter the implementation of this plan to accomplish this objective.

PROPOSED TIF PROJECT SCHEDULE

Village of Grafton TID #2

Proposed Project Schedule & Cost Estimates

| Project # | Project | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | TOTAL |
|-------------------------------------|---------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| 1 | Cheyenne Avenue | \$446,000 | | | | | | | \$446,000 |
| 2 | East Side Interceptor Phase 3 | \$178,000 | | | | | | | \$178,000 |
| 3 | East Side Interceptor Phase 4 | \$82,000 | | | | | | | \$82,000 |
| 4 | Badger Circle | \$655,000 | | | | | | | \$655,000 |
| 5 | Environmental Remediation (If Needed) | | \$25,000 | \$25,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$200,000 |
| 6 | Administration & Planning & Promotion | \$25,000 | \$10,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$60,000 |
| 7 | Development Incentives | \$75,000 | | | | | | | \$75,000 |
| Sub-Total | | \$1,481,000 | \$35,000 | \$30,000 | \$55,000 | \$55,000 | \$55,000 | \$55,000 | \$1,740,000 |
| Organizational Costs | | \$20,000 | | | | | | | \$20,000 |
| TOTAL TIF RELATED PROJ COSTS | | \$1,481,000 | \$35,000 | \$30,000 | \$55,000 | \$55,000 | \$55,000 | \$55,000 | \$1,750,000 |

ISSUE NO. 1

Proposed Maturity Schedule
\$630,000 General Obligation Bonds of 1995

This issue will fund 1996 projects. The interest rate used for this is 4.69%.
28.51% or \$630,000 of the total actual borrowing of \$2,175,000 is assumed to be TIF No. 2 related.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------|------------------|------------------|------------------|
| 1996 | | \$19,477 | \$19,477 |
| 1997 | \$86,897 | 28,725 | \$115,622 |
| 1998 | 86,897 | 25,162 | 112,059 |
| 1999 | 86,897 | 21,426 | 108,323 |
| 2000 | 86,897 | 17,602 | 104,499 |
| 2001 | 28,966 | 13,692 | 42,658 |
| 2002 | 28,966 | 12,360 | 41,326 |
| 2003 | 75,310 | 10,998 | 86,308 |
| 2004 | 75,310 | 7,383 | 82,693 |
| 2005 | <u>73,862</u> | <u>3,693</u> | <u>77,555</u> |
| TOTAL | \$630,002 | \$160,518 | \$771,043 |

ISSUE NO. 2

Proposed Maturity Schedule
\$1,280,000 General Obligation Bonds of 1996

This issue will fund 1996 - 2003 projects. The interest rate used for this is 5.75%.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------|------------------|-----------------|----------------|
| 1996 | | \$36,800 | \$36,800 |
| 1997 | | 73,600 | 73,600 |
| 1998 | | 73,600 | 73,600 |
| 1999 | | 73,600 | 73,600 |
| 2000 | | 73,600 | 73,600 |
| 2001 | | 73,600 | 73,600 |
| 2002 | \$25,000 | 73,600 | 98,600 |
| 2003 | 40,000 | 72,163 | 112,163 |
| 2004 | 100,000 | 69,863 | 169,863 |
| 2005 | 125,000 | 64,113 | 189,113 |
| 2006 | 190,000 | 56,925 | 246,925 |
| 2007 | 200,000 | 46,000 | 246,000 |
| 2008 | 200,000 | 34,500 | 234,500 |
| 2009 | 200,000 | 23,000 | 223,000 |
| 2010 | <u>200,000</u> | <u>11,500</u> | <u>211,500</u> |
| TOTAL | \$1,280,000 | \$856,464 | \$2,136,464 |

V. MAP SHOWING EXISTING USES AND CONDITIONS

(See Appendix A)

VI. PARCEL LIST

(See Appendix B)

VII. PROPOSED CHANGES IN ZONING ORDINANCES

The Village does not anticipate the need for any changes to its zoning ordinances in conjunction with this project plan. The site will be used for industrial purposes.

VIII. PROPOSED CHANGES IN MASTER PLAN, BUILDING CODES AND VILLAGE ORDINANCES

It is expected that this project plan will require an amendment of the Village's master plan designating the tax increment district area for industrial use from its presently designated residential use. There are no proposed changes to the building codes or other Village ordinances for the implementation of this project plan.

IX. CERTIFIED SURVEY MAP

(See Appendix C)

X. MAP OF LOCATION OF PROPOSED PROJECTS

(See Appendix D)

XI. A LIST OF ESTIMATED NON-PROJECT COSTS

Anticipated construction by private parties: \$11,028,468.

For a complete list of development assumptions identifying construction assumptions by private parties.

(See Appendix E)

XII. RELOCATION

It has not been determined whether there will be a definite need to relocate any persons or businesses in conjunction with this project plan. In the event relocation becomes necessary at some time during the implementation period, the Village will take the following steps and actions.

Before negotiations begin for the acquisition of property or easements, all property owners will be provided an informational pamphlet prepared by the Wisconsin Department of Industry, Labor, and Human Relations (DILHR) and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Benefits" as prepared by DILHR. The Village will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of all or at least ten neighboring landowners to whom offers are being made. The Village will file a relocation plan with DILHR and shall keep records as required in Wisconsin Statutes 32.27.

XIII. ORDERLY DEVELOPMENT OF THE VILLAGE

TID No. 2 contributes to the orderly development of the Village by providing the opportunity for continued growth in industrial tax base and job opportunities. TID No. 2 will provide the Village with additional industrial development located in close proximity to the Village's existing industrial park.

XIV. OPINION OF VILLAGE ATTORNEY ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.46

(See Appendix F)

XIVI. RESOLUTION DESIGNATING THE PROPOSED BOUNDARIES AND APPROVING THE PROJECT PLAN

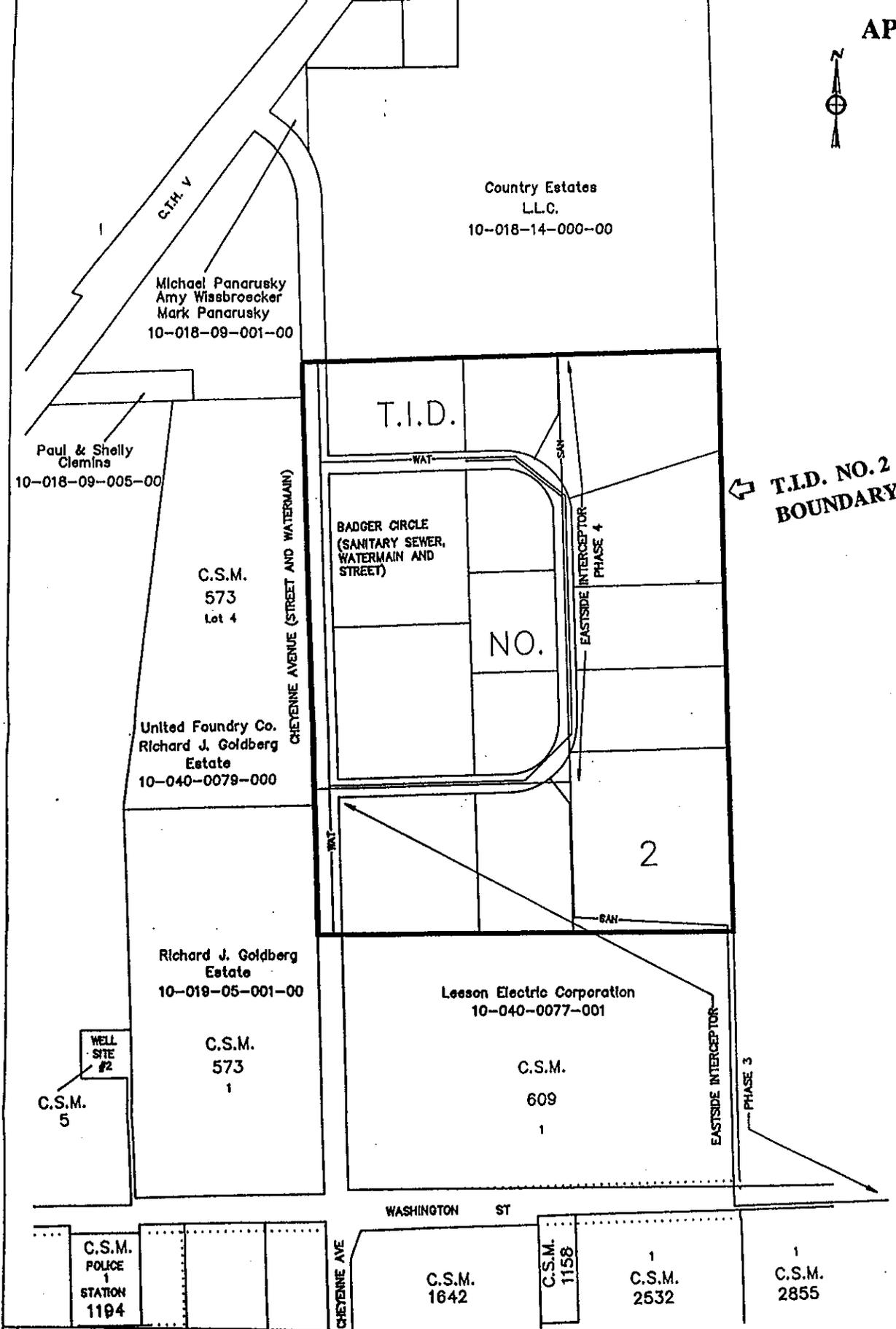
(See Appendix G)

XIVII. RESOLUTION CREATING, DESCRIBING AND MAKING CERTAIN FINDINGS AND APPROVING PROJECT PLAN

(See Appendix H)

XIVIII. RESOLUTION APPROVING THE CREATION

(See Appendix I)



| REVISIONS | | DATE | VILLAGE OF GRAFTON - DEPARTMENT OF PUBLIC WORKS | |
|-----------|--|------|---|--|
| 1 | | | SCALE | PROJECT FILE NAME G:\GRAFTON\DWG\202 DATE 04/02/00 SHEET 1 OF 1 |
| 2 | | | 1" = 50' | |
| 3 | | | SCHEMATIC | |
| 4 | | | PLAN | |
| 5 | | | AS BUILT | |
| | | | PROPOSED T.I.D. NO. 2 | |

PROPOSED BOUNDARIES AND EXISTING USES

TAX INCREMENTAL FINANCE DISTRICT NO. 2 PARCEL LIST

VILLAGE of GRAFTON TID #2

Parcel List

| <u>Map #</u> | <u>Tax Key #</u> | <u>Land</u> | <u>Improvements</u> | <u>Personal Property</u> | <u>Total Assessed Value</u> |
|---------------|-------------------|------------------|---------------------|--------------------------|-----------------------------|
| 1 | 10-040-0077-000 | \$130,000 | \$0 | \$0 | \$130,000 |
| 2 | 010-018-01-000-00 | \$234,200 | \$2,100 | \$0 | \$236,300 |
| TOTALS | | \$364,200 | \$2,100 | \$0 | \$366,300 |

NOTE: Total land area in parcels 1 & 2 above represents 90.971 Acres of which 57.299 are zoned PID (Industrial). Only the industrially zoned land will be included in district. Land will be divided and assigned tax key number(s) so that only whole parcels will be included to reflect total of 57.299 acres prior to Village Board acting to approve the District.

For purposes of projecting base value of the district, values are extrapolated as follows:

| | |
|--|------------------|
| Total Land in Parces 1 & 2 | 90.971 acres |
| Total Ind. from 1 & 2 to be Incl in TID 2 | 57.299 acres |
| Assessed Value of TID Land (364,200 / 90.971Acres) X 57.299 Acres | \$229,395 |
| Assessed Value of Impvmts | \$2,100 |
| Total Assessed Val of TID 2 | \$231,495 |
| 1995 Ratio of Assessed to Equalized Value | 0.9071 |
| Total Equalized Base Value of TID | \$255,203 |

CERTIFIED SURVEY MAP

The SW 1/4 of the SE 1/4, part of the NW 1/4 of the SE 1/4 of Section 18, and part of the NW 1/4 of the NE 1/4 of Section 19, all in Town 10 North, Range 22 East, Village of Grafton, Ozaukee County, Wisconsin.

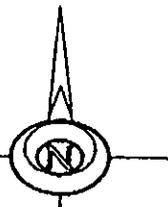
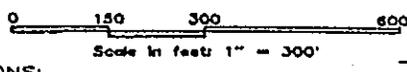
Sheet 1 of 2



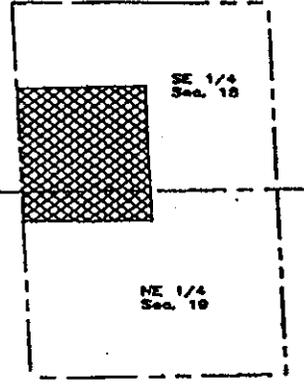
Ronald A. Weis, S-1215

BEARINGS ARE REFERENCED TO THE WISCONSIN COORDINATE GRID SYSTEM, SOUTH ZONE. THE WEST LINE OF THE SE 1/4 OF SEC. 18-10-22 HAS A BEARING OF N 02°13' 07" W.

Dated this 25th day of April 1996. Revised this 7th day of June, 1996.



Location Map Scale: 1" = 2000'

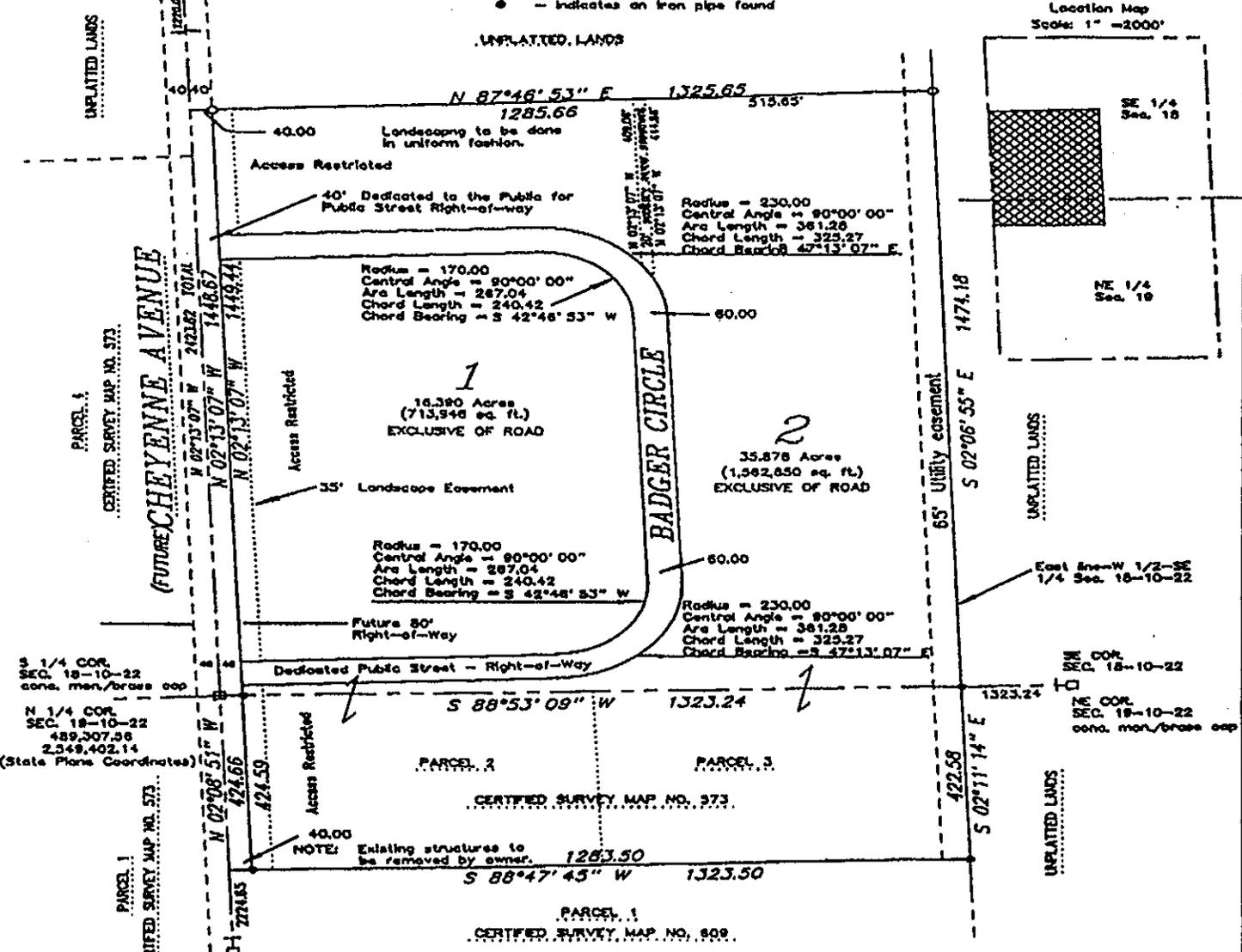


ACCESS RESTRICTIONS: There shall be no direct vehicular access to Chayenne Avenue.

- - indicates 1" X 24" iron pipe weighing 1.13 lb./ft. set
- - indicates an iron pipe found

UNPLATTED LANDS

CENTER Sec. 18-10-22 cono. mon./brass cap 491,873.98 2,549,295.84 (State Plane Coordinates)



S 1/4 COR. SEC. 18-10-22 cono. mon./brass cap N 1/4 COR. SEC. 18-10-22 489,307.98 2,549,402.14 (State Plane Coordinates)

NE COR. SEC. 18-10-22 NW COR. SEC. 18-10-22 cono. mon./brass cap

CENTER Sec. 18-10-22 cono. mon./brass cap 488,860.38 2,548,201.40 (State Plane Coordinates)

OWNER/DEVELOPER Country Court LLC 1523 Wisconsin Ave. Grafton, WI 53024 (414)377-3400

SURVEYOR Citizens/Weis Corporation 3018 E. Progress Dr. Suite 2 West Bend, WI 53095 (414)338-3600

APPENDIX E

DEVELOPMENT ASSUMPTIONS

VILLAGE of GRAFTON TID #2

Development Assumptions (Per Discussions w/ Developer & Village Staff 3/18/96 & 3/28/96)

Improved Land Val/Acre \$5,202
 Improved Land Val/Acre \$30,000
 Incremental Land Val/Acre \$24,798

Value of Improvements/Acre \$200,000

| Map # | Acres | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | Total Val/Parcel |
|-------------|---------------|--------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| 1 | 4.696 | \$116,452 | \$939,200 | | | | | | | \$1,055,652 |
| 2 | 3.330 | \$82,578 | | \$666,000 | | | | | | \$748,578 |
| 3* | 5.255 | \$130,314 | | | \$1,051,000 | | | | | \$1,181,314 |
| 4 | 3.088 | \$76,587 | | | \$617,688 | | | | | \$694,275 |
| 5* | 2.369 | \$58,747 | | | | \$473,800 | | | | \$532,547 |
| 6* | 3.564 | \$88,380 | | | | \$712,800 | | | | \$801,180 |
| 7 | 5.064 | \$125,578 | | | | | \$1,012,800 | | | \$1,138,378 |
| 8 | 2.114 | \$52,423 | | | | | \$422,800 | | | \$475,223 |
| 9 | 3.189 | \$79,081 | | | | | \$637,800 | | | \$716,881 |
| 10 | 5.139 | \$127,437 | | | | | | \$1,027,800 | | \$1,155,237 |
| 11 | 1.990 | \$49,348 | | | | | | \$398,000 | | \$447,348 |
| 12 | 2.132 | \$52,870 | | | | | | \$426,400 | | \$479,270 |
| 13 | 5.139 | \$127,437 | | | | | | | \$1,027,800 | \$1,155,237 |
| 14 | 1.990 | \$49,348 | | | | | | | \$398,000 | \$447,348 |
| TALS | 49.059 | \$1,216,580 | \$939,200 | \$666,000 | \$1,668,688 | \$1,186,600 | \$2,073,400 | \$1,852,200 | \$1,425,800 | \$11,028,468 |

NOTE: Parcels 3, 5 & 6 contain stormwater management facilities which may reduce developable area. Accordingly, this assumption reduces developable acres on parcel 3 by 2 acres, parcel 5 by .75 acre and parcel 6 by .5 acre.

LAW OFFICES
HOUSEMAN, FEIND, GALLO & MALLOY1214 THIRTEENTH AVENUE
POST OFFICE BOX 104
GRAFTON, WISCONSIN 53024-0104TELEPHONE
(414) 377-0600
FACSIMILE
(414) 377-6080Ralph E. Houseman
Robert L. Feind, Jr.
John M. Gallo
Paul V. MalloyMichael P. Herbrand
Jane E. Miller

May 31, 1996

Mr. Rodney L. Schroeder
Village President
Village of Grafton
P.O. Box 125
1971 Washington Street
Grafton, WI 53024Re: Village of Grafton Wisconsin Tax
Incremental District No. 2

Dear Mr. Schroeder:

As the Village Attorney, I have reviewed the draft of the project plan dated March 29, 1996, prepared for the Village by Ahlers & Associates, Inc. for the Village's Tax Incremental District No. 2. I have also reviewed Teri Dylak's correspondence of April 4, 1996, to the chief Executive officers or administrators of all local governmental entities having the power to levy taxes on the subject property and the President of the Board of Education for the Grafton School District; the agenda and minutes of the Joint Review Board meeting held on April 22, 1996; the notice of the public hearing before the Village of Grafton Plan Commission for the hearing held on April 29, 1996; the agenda and Joint Review Board minutes from its May 8, 1996, meeting and the Resolution of the Village Plan Commission dated May 28, 1996, adopting the Project Plan. Upon review of those documents and the project plan, it is my opinion that the plan is complete and complies with the provision of Sec. 66.46(4) Wis. Stats.

Should you need any additional information or have any questions, please feel free to contact me.

Very truly yours,

HOUSEMAN, FEIND, GALLO & MALLOY


Paul V. Malloy

PVM:rj

APPENDIX G

RESOLUTION NO. 002, 1996

A RESOLUTION OF THE PLAN COMMISSION DESIGNATING THE PROPOSED BOUNDARIES AND APPROVING A PROJECT PLAN FOR TAX INCREMENTAL DISTRICT NO. 2 GRAFTON, WISCONSIN

WHEREAS, Section 66.46 of the Wisconsin Statutes (the Tax Increment Law) provides the authority and establishes procedures for creating tax incremental districts and approving the project plans; and

WHEREAS, the Plan Commission, after completing preliminary planning work, scheduled, gave public notice of, and on April 29, 1996 held a public hearing wherein interested parties were afforded a reasonable opportunity to express their views on the proposed creation of a tax incremental district, the proposed boundaries and the proposed project plan thereof, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, prior to its publication, a copy of the notice of the public hearing was sent to the chief executive officers of Ozaukee County and the Milwaukee Area Technical College District (the other entities having the power to levy taxes on property located within the proposed District) and the Board of Education of the Grafton School District (the school district which includes property located within the proposed district), in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, the Plan Commission, after due consideration following the said public hearing, determined that the creation of a tax incremental district within the area described by the boundary description attached to this resolution as Exhibit A hereof will provide the Village of Grafton with a viable method of financing the cost of needed public improvements within the said area, thereby crating incentives and opportunities for appropriate private development, including new development and improvement of existing development, which will contribute to the overall development of the Village of Grafton; and

WHEREAS, the Village has determined that not less than 50% by area, of the real property within the said tax incremental district is suitable for industrial purposes within the meaning of Section 66.52 of the Wisconsin Statutes; and has been zoned for industrial use; and

WHEREAS, the Village Plan Commission has prepared a project plan for Tax Incremental District No. 2 attached as Exhibit B, which includes:

- a. A listing of the kind, number and location of all proposed public works or improvements within the district;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when such costs or obligations related thereto are to be incurred;
- e. A map showing existing uses and conditions of real property in such district;
- f. A map showing proposed improvements and uses therein;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and Village ordinances;
- h. A list of estimated non-project costs;

- i. A statement of a proposed method for the relocation of any persons to be displaced;
- j. A statement indicating how creation of the district promotes orderly development of the Village; and
- k. An opinion of the Village Attorney or of an attorney retained by the Village advising the plan is complete and complies with Wisconsin Statutes, Section 66.46(4)(f); and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, before the Village Board may create any tax incremental district, the Plan Commission must designate the boundaries of such district and submit its recommendation concerning the creation of such district to the Village Board;

NOW, THEREFORE, BE IT RESOLVED by the Plan Commission of the Village of Grafton as follows:

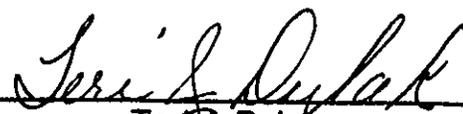
1. That the Plan Commission hereby designates the boundaries specified in the boundary description attached to this resolution as Exhibit A hereof and entitled "Boundary Description of Tax Incremental District No. 2, Village of Grafton", as the boundaries of said Tax Incremental District No. 2 and recommends that the said district be created by the Village Board of the Village of Grafton within the area enclosed by the said boundaries.
2. That the Plan Commission hereby adopts such project plan for Tax Incremental District No. 2 attached to this resolution as Exhibit B, and recommends to the Village Board the approval of such project plan.
3. That the Plan Commission hereby recommends that the Village Board adopt the resolution attached to this resolution as Exhibit C hereof and entitled "A Resolution Creating, Describing and Making Certain Finds and Approving a Project Plan for Tax Incremental District No. 2, Village of Grafton, Wisconsin", and thereby formally create the said district as of January 1, 1996 and approve its project plan in accordance with the provisions of the Tax Increment Law.
4. That the Village Clerk is hereby authorized and directed to provide the Village President and Village Board with certified copies of this resolution, upon its adoption by the Plan Commission.

Adopted May 28, 1996



Rodney L. Schroeder
Chairman - Plan Commission

Attest:



Teri J. Dylak
Secretary of the Plan Commission

APPENDIX H

7. Shows proposed changes of:
 - (a) Zoning ordinances
 - (b) Master plan
 - (c) Map
 - (d) Building codes
 - (e) Village codes
8. Contains a list of estimated non-project costs;
9. Contains a statement of a proposed method for the relocation of any person to be displaced;
10. Indicates how the creation of the district promotes orderly development of the Village; and
11. Contains an opinion of the Village Attorney or of an attorney retained by the Village advising the plan is complete and complies with Wisconsin Statutes, Section 66.46(4)(f); and

WHEREAS, the Plan Commission has submitted such plan to the Village Board and recommended approval thereof; and

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of Grafton as follows:

1. Pursuant to the Tax Increment Law, there is hereby created in the Village of Grafton a tax incremental district to be known as "Tax Incremental District No. 2, Village of Grafton", the boundaries of which shall be those recommended to the Village Board by the Plan Commission, as specified in the attached Exhibit A.
2. The Village Board hereby finds and declares that
 - (a) Not less than 50% by area of the real property within the said tax incremental district is suitable and zoned for industrial development within the meaning of Section 66.52 of the Wisconsin Statutes and will remain zoned for industrial use for the life of the district; and
 - (b) The improvement of such area is likely to enhance the value of all of the other real property in the said tax incremental district; and
 - (c) The aggregate value of equalized taxable property of the said tax incremental district does not exceed 7% of the total value of equalized taxable property within the Village of Grafton; including Tax Incremental District No. 2, in the Village of Grafton; and
 - (d) The project costs directly serve to promote industrial development in the area consistent with the purpose for which the district is created.
 - (e) Confirms that any real property within the District that is found suitable for industrial sites and is zoned for industrial use under subd. 2.a will remain zoned for industrial use for the life of the tax incremental district.

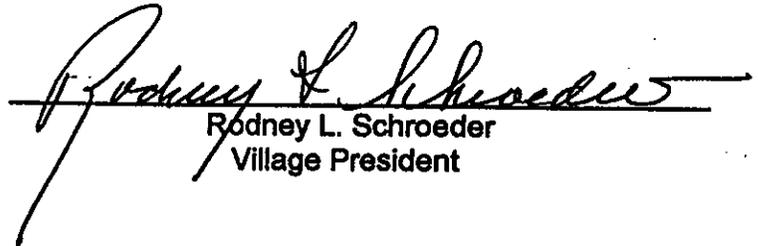
BE IT FURTHER RESOLVED THAT the Village Board of the Village of Grafton approves the project plan adopted by the Plan Commission, attached as Exhibit B, and finds that:

1. Such project plan for Tax Incremental District No. 2 in the Village of Grafton is feasible, and
2. Such project plan is in conformity with the master plan of the Village of Grafton.

The Village Clerk is hereby authorized and directed to apply to the Wisconsin Department of Revenue, in such form as may be prescribed, for a "Determination of Tax Incremental Base", as of January 1, 1996, pursuant to the provisions of Section 66.46(5)(b) of the Wisconsin Statutes.

The Village Assessor is hereby authorized and directed to identify upon the assessment roll returned and examined under Section 60.45 of the Wisconsin Statutes, those parcels of property which are within Tax Incremental District No. 2, specifying thereon the name of the said tax incremental district, and the Village Clerk is hereby authorized and directed to make similar notations on the tax roll made under Section 70.65 of the Wisconsin Statutes, pursuant to Section 66.46(5)(f) of the Wisconsin Statutes.

Adopted June 3, 1996


Rodney L. Schroeder
Village President

Attest:


Teri J. Dylak
Village Clerk

APPENDIX I

RESOLUTION NO. 001, SERIES 1996

A RESOLUTION APPROVING THE CREATION OF TAX INCREMENTAL
DISTRICT NO. 2
JOINT REVIEW BOARD OF THE VILLAGE OF GRAFTON

WHEREAS, the Village of Grafton seeks to create Tax Incremental District No. 2; and

WHEREAS, Wisconsin Statutes, Section 66.46 requires that a Joint Review Board shall convene to review the proposal; and

WHEREAS, the Joint Review Board consists of one representative chosen by the School District; one representative chosen by the Wisconsin Technical College District; and one representative chosen by the County, all of whom have the power to levy taxes on property within Tax Incremental District No. 2; and one representative chosen by the Village and one public member; and

WHEREAS, the public member and board's chairperson were selected by a majority vote of the other Board, members before the public hearing under Subsection (4)(a) was held; and

WHEREAS, all Board members were appointed and the first Board meeting held within 14 days after the notice was published under Subsection (4)(h); and

WHEREAS, the Board has reviewed the public record, planning documents and the resolutions passed by the local legislative body or Plan Commission under Subsection (4)(gm) or (a).

NOW, THEREFORE, BE IT RESOLVED by the Joint Review Board for Tax Incremental District No. 2 of the Village of Grafton that:

1. The development expected in the tax incremental district would not occur without tax increment financing.
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.
3. The benefits of the proposal outweigh the anticipated loss in tax revenues of the overlying taxing districts.

BE IT FURTHER RESOLVED that the Joint Review Board approves the creation of this tax incremental district.

Adopted June 19, 1996

Joint Review Board

Representing

Leisa M. Jensen

Ozaukee County

Richard Duncombe

Grafton School District, Grafton

Tom J. Brown

Milwaukee Area Technical College

Rodney L. Keesee

Village of Grafton

David M. Schubert

Public Member