



## VILLAGE OF GRAFTON, WISCONSIN

### TAX INCREMENTAL DISTRICT NO. 5 PROJECT PLAN AMENDMENT

Allocation Amendment Allowing Sharing of Excess Tax  
Increments with Tax Incremental District No. 4



*October 18, 2010*

<i>Joint Review Board Organizational Meeting Held:</i>	<i>9-28-2010</i>
<i>Public Hearing Held:</i>	<i>9-28-2010</i>
<i>Adopted by Plan Commission:</i>	<i>9-28-2010</i>
<i>Adopted by Village Board:</i>	<i>10-18-2010</i>
<i>Approved by Joint Review Board:</i>	<i>10-21-2010</i>

# Tax Incremental District No. 5 Amendment Project Plan

## Village of Grafton Officials

### *Village Board*

James Brunnuell	Village President
James Grant	Village Trustee
Ron LaPean	Village Trustee
David Liss	Village Trustee
Susan Meinecke	Village Trustee
Richard Rieck	Village Trustee
Lisa Uribe Harbeck	Village Trustee

### *Village Staff*

Darrell Hofland	Village Administrator
Teri Dylak	Village Clerk
Michael Herbrand	Village Attorney
Paul Styduhar	Village Finance Director
Michael Rambousek	Village Planning Director

### *Plan Commission*

Jim Brunnuell, Chair	Amy Plato
Richard Rieck	Mark Paschke
Randy Silasiri	Carl Harms
Alfred Schlecht	

## Joint Review Board

Jim Brunnuell	Village Representative
Alan Kletti	Ozaukee County
James Williams	Milwaukee Area Technical College District
Dan McKelvey	Grafton School District
David Eberhardt	Public Member

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# 1

## EXECUTIVE SUMMARY

### **DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED AMENDMENT**

- **Original District Purpose.** Tax Incremental District (“TID”) No. 5 (the “District” or “Donor District”) is an existing blighted area district created by resolution of the Village Board adopted on April 18, 2006. The Village created the District to eliminate blight and to rehabilitate certain property in order to provide greater employment opportunities, broaden the tax base, and relieve the tax burden on Village residents and homeowners, as well as to make the Village competitive with other surrounding communities by creating new commercial and taxable property.
- **Proposed Amendment.** The purpose of this Amendment is to allow the District to share surplus increments with Tax Incremental District No. 4 (the “Recipient District”) under the provisions of Wisconsin Statutes 66.1105(6)(f).
- **Estimated Total Project Expenditures.** The additional project costs to be incurred under this amendment are limited to the sharing of surplus increment with the Recipient District. It is expected that during the eligible sharing period (2010 through 2032) the District will generate approximately \$21.5 million in increment that could be shared with the Recipient District and with Tax Incremental District No. 3 under a previous sharing amendment approved on September 8, 2009. Current cash flow projections indicate a need to allocate approximately \$640,000 in shared increment to TID No. 4 to reduce its projected 2013 fund balance deficit from \$655,198 to less than \$25,000. TID No. 3 is expected to require approximately \$5.5 million in shared increment to maintain a positive fund balance.
- **Economic Development.** Authorizing the District to share increment with the Recipient District will provide additional resources needed to assist the Recipient District in accomplishing the economic development goals set forth in its Project Plan.
- **Expected Termination of District.** The Donor District has a maximum statutory life of 27 years, and must close not later than April 18, 2033, resulting in a final collection of increment in budget year 2033. The current Donor District cash flow forecast projects a closure date of 2021, at which time the estimated \$5.5 million in shared increment required by TID No. 3 would have been transferred under the existing sharing amendment. Allocation of an estimated additional \$640,000 in future tax increments to TID No. 4 would not change the projected closure year of 2021. The latest date that the Donor District could allocate increments to the Recipient District would be 2031, the year that the Recipient District must close based on its maximum statutory life.

## SUMMARY OF FINDINGS

As required by Wisconsin Statutes 66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

- 1. That “but for” amendment of the Donor District’s Project Plan, the economic development objectives of the Recipient District’s Project Plan will not be achieved.** In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “(w)hether the development expected in the tax incremental district would occur without the use of tax incremental financing” customarily referred to as the “but for” test. Since the purpose of this amendment is solely to allow for the sharing of the Donor District’s increment with the Recipient District, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded, in the case of both the Donor District and the Recipient District, that the “but for” test was met. As demonstrated in the Economic Feasibility section of this Project Plan Amendment, the Recipient District will not recover its Project Costs without the receipt of shared increment from the Donor District. This would create a significant financial burden for Village taxpayers, and since all taxing jurisdictions will ultimately share in the benefit of the redevelopment projects and increased tax base, it is appropriate for all taxing jurisdictions to continue to share in the costs to implement them. Accordingly, the Village finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.a.*
- 2. The economic benefits of amending the Donor District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** Tax increment collections in the Donor District are already sufficient to pay for the cost of all improvements made in the District, thus allowing for this District to become a donor. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.b.*
- 3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** Given that the Recipient District will not achieve all of the objectives of its Project Plan without the ability to share in the surplus increments of the Donor District (see finding # 1), and since the District is generating economic benefits that have already compensated for the improvements made (see Finding #2), the Village reasonably concludes that the overall additional benefits that will be received by amending the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.c.*
- 4. Not less than 50%, by area, of the real property within the District is a blighted area within the meaning of Wisconsin Statutes 66.1105(2)(a)1. and 2.** *Finding Required by Wisconsin Statutes 66.1105(4)(gm)4.a.*
- 5. Improvement of the area has, and is likely to enhance significantly the value of substantially all of the other real property in the District.** *Finding Required by Wisconsin Statutes 66.1105(4)(gm)4.b.*
- 6. Project costs incurred have related directly to eliminating blight, consistent with the purpose for which the District was created.** *Finding Required by Wisconsin Statutes 66.1105(4)(gm)4.bm.*

7. **That the valuation test set forth in Wisconsin Statutes 66.1105(4)(gm)4.c. is inapplicable to this Amendment since no territory is being added to the District.** *Finding Required by Wisconsin Statutes 66.1105(4)(gm)4.c.*
8. **Declares that the District is a blighted district based on the identification and classification of the property included within the District.** *Finding Required by Wisconsin Statutes 66.1105(4)(gm)6.*
9. **The Project Plan for the District, as Amended, remains feasible and in conformity with the Master Plan of the Village.** *Finding Required by Wisconsin Statutes 66.1105(4)(g).*

## 2

### TYPE & GENERAL DESCRIPTION OF DISTRICT

The Donor District was created by resolution of the Village Board on April 18, 2006 under the authority provided by Wisconsin Statutes Section 66.1105. The District's valuation date, for purposes of establishing base value, was January 1, 2006.

The District is a "Blight District," created on a finding that at least 50%, by area, of the real property within the District was blighted within the meaning of Wisconsin Statutes 66.1105(2)(a)1. and 2. Since this amendment does not add any territory to the District, the District remains in compliance with this provision.

Wisconsin Statutes 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the Donor District have not been previously amended. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available amendments.

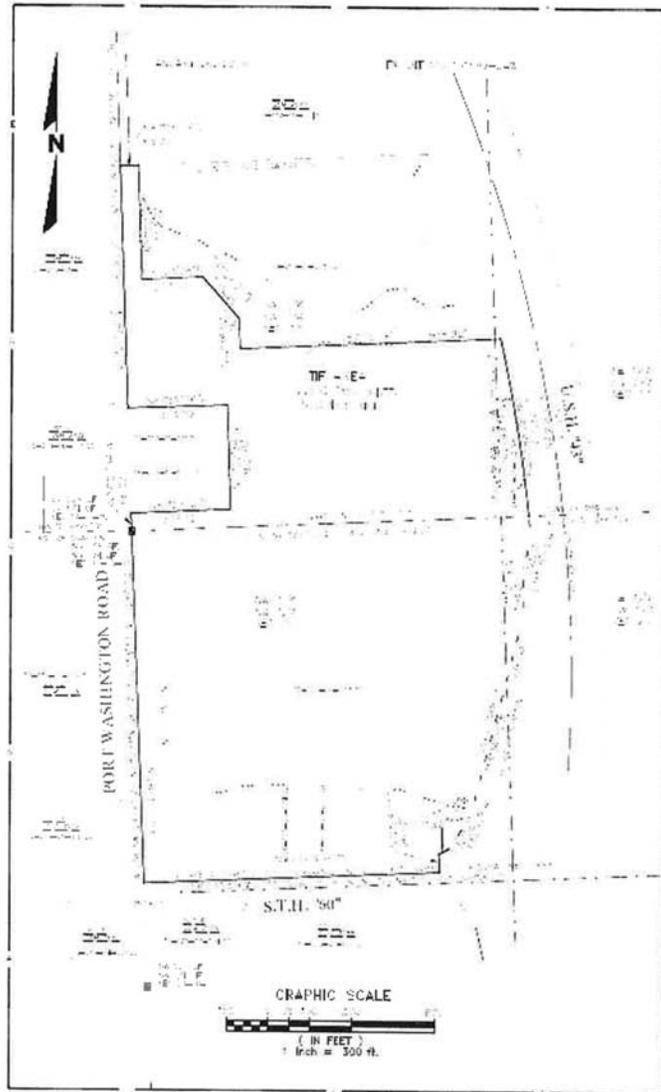
This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in any subsequent resolution adding territory to the District, the District remains a blighted district based on the identification and classification of the property included within the District.

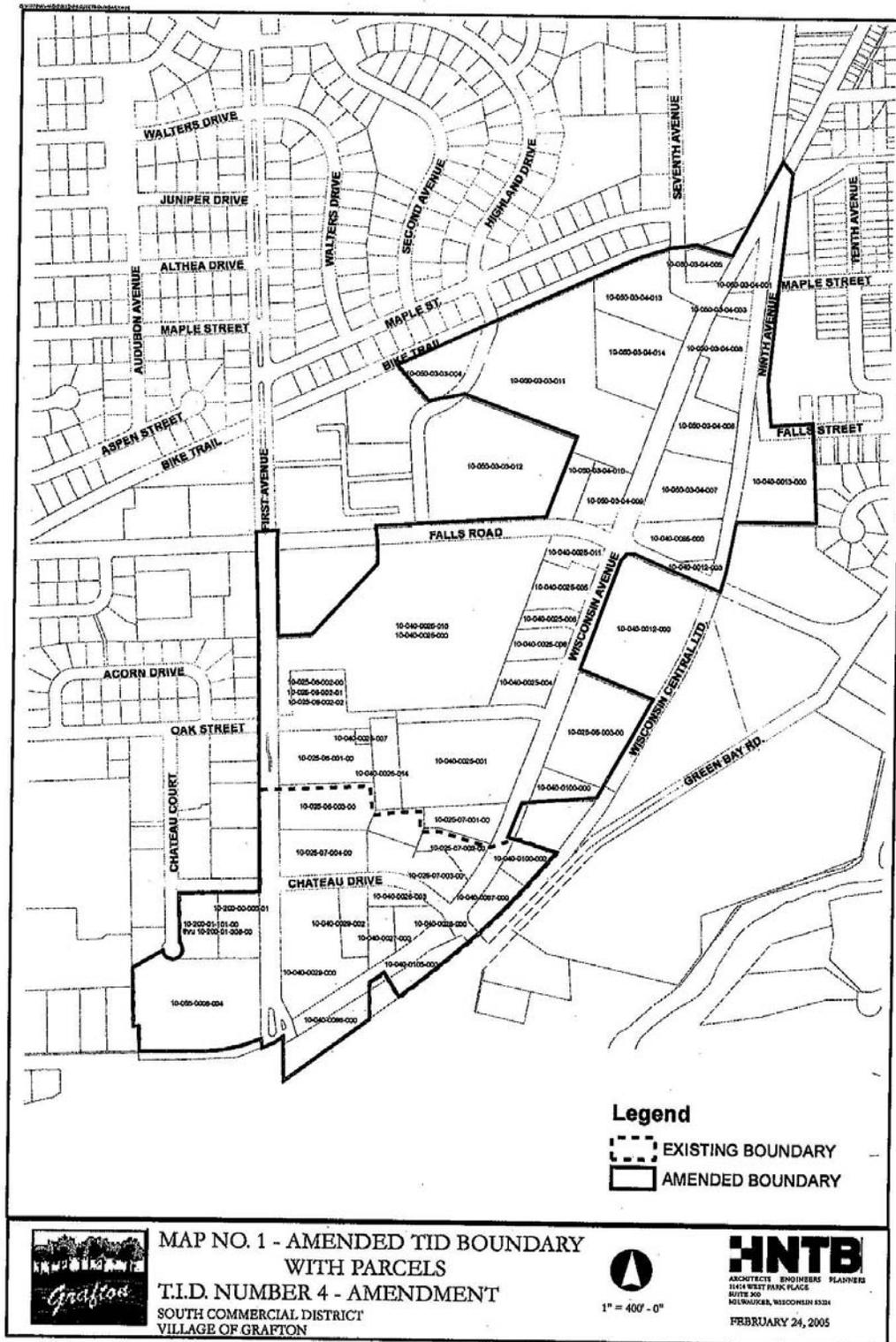
**3**

**MAPS OF CURRENT VILLAGE TIF DISTRICT BOUNDARIES AND  
IDENTIFICATION OF PROPOSED DONOR AND RECIPIENT DISTRICTS**

**Maps Found on Following Pages**



TID No. 5 Boundary  
Donor TID



## 4

### MAP SHOWING EXISTING USES & CONDITIONS

A map depicting the *Existing Uses and Conditions* of property within the Donor District is included in the original District Project Plan approved on April 18, 2006. A copy of that Project Plan is on file with the Village Clerk. Since the scope of this Amendment is limited to authorizing sharing of increment, no changes to the map are necessary.

## 5

### EQUALIZED VALUE TEST

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

## 6

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

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No other additional project costs are involved, and the *Statement of Kind, Number and Location of Proposed Public Works and Other Projects* as documented in the April 18, 2006 Project Plan and the subsequent September 8, 2009 Project Plan Amendment authorizing allocation of surplus increments with TID No. 3 remains in effect. Copies of both plans are on file with the Village Clerk.

## 7

### MAPS SHOWING PROPOSED IMPROVEMENTS AND USES

Maps depicting the *Proposed Improvements and Uses* within the Donor District are included in the original District Project Plan approved on April 18, 2006. A copy of that Project Plan is on file with the Village Clerk. Since the scope of this Amendment is limited to authorizing sharing of increment, no changes to these maps are necessary.

**8**

**DETAILED LIST OF PROJECT COSTS**

A *Detailed List of Project Costs* is included in the original District Project Plan approved on April 18, 2006 and the subsequent September 8, 2009 Project Plan Amendment authorizing allocation of surplus increments with TID No. 3. Copies of both plans are on file with the Village Clerk. Since the scope of this Amendment is limited to authorizing sharing of increment, no changes to the list of project costs is proposed.

## 9

### **ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED**

This Project Plan Amendment allows the Donor District to allocate positive tax increments to the Recipient District. The authority for this Amendment is Wisconsin Statutes 66.1105(6)(f) which provides for the allocation of increments providing that the following are true:

- The Donor District, the positive tax increments of which are to be allocated, and the Recipient District have the same overlying taxing jurisdictions.
- The allocation of tax increments is approved by the Joint Review Board.
- The Donor District is able to demonstrate that it has sufficient revenues to first satisfy all of its current-year debt service and project cost obligations, and has sufficient surplus revenues to pay for some of the eligible costs of the Recipient District.
- The Recipient District was created upon a finding that not less than 50 percent, by area, of the real property within the District is blighted or in need of rehabilitation, or the project costs in the District are used to create, provide, or rehabilitate low-cost housing or to remediate environmental contamination.

The Donor District and Recipient District have the same overlapping tax jurisdictions, and the Recipient District was created on a finding that not less than 50 percent, by area, of the real property within the District was blighted. The Exhibits following this section demonstrate that the Donor District is generating sufficient tax increments to pay for its project costs, and that surplus increments remain that can be allocated to pay some of the project costs of the Recipient District. Accordingly, the statutory criteria under which this amendment can be approved are met.

#### **Summary of Exhibits**

- **Exhibit 1 – Donor District Development Assumptions.** The Donor District, which encompasses the “Grafton Commons” area, is fully developed. Exhibit 1 displays the historical increment growth of the District. An estimated \$750,000 in 2011 construction value is expected to increase the District’s increment value as of January 1, 2012, after which no further significant development is anticipated.
- **Exhibit 2 – Donor District Projection of Tax Increment Collections.** Exhibit 2 provides both historical and projected tax increment collections through the allowable remaining life of the District based on the development assumptions outlined in Exhibit 1. The projection further assumes that:
  - The Village’s current “interim” TID levy calculation rate of \$20.17 per thousand of equalized value is projected to increase by 2% during each of the next two levy cycles, and by 1% each year thereafter. The assumption of an increasing rate reflects recent decreases in property valuations and anticipated future growth rates that may be less than pre-recession rates of appreciation.

- That existing property values within the District, and any additional value generated in the future, will appreciate at an average of 1.50% per year.

The District has a maximum statutory life of 27 years, ending on April 18, 2033 with a final collection of tax increment in budget year 2033.

- **Exhibit 3 – Donor District Projected Cash Flow.** Exhibit 3 analyzes projected revenues and expenditures of the District to assess its fund balance position. The analysis starts with the District's audited 2009 year end fund balance of \$136,718, and considers the additional tax increment revenue expected to be collected (per Exhibits 1 and 2), other revenues sources, and remaining projected expenditures to include allocation of excess increment to TID No. 3 under the previously approved sharing amendment. The Village's 2010 budget for the District includes approximately \$110,000 in project costs. Other than this outlay, future project costs are expected to be limited to repayment of existing debt obligations, increment sharing and annual administrative costs. All current District long-term debt will be retired in 2017. Expected 2010 year end pre-sharing fund balances of approximately \$190,000, and a projected positive fund balance through the remaining life of the District, indicate that there is presently sufficient fund balance, net of remaining liabilities, to allow sharing of increment with the Recipient District. It is projected that during the eligible sharing period (2010 through 2032) the District will generate approximately \$21.5 million in increment that could be shared with the Recipient District and with Tax Incremental District No. 3. Current cash flow projections indicate that TID No. 4 will need approximately \$640,000 in shared increment to maintain a positive fund balance. TID No. 3 is expected to require approximately \$5.5 million in shared increment to maintain a positive fund balance. While the District could remain in a donor status through 2032 when TID No. 4 must terminate, the projections indicate that sufficient increment will have been shared with TID No. 3 and TID No. 4 by 2021, at which time the District could close.
- **Exhibit 4 – Recipient District Projected Cash Flow Prior to Sharing.** Exhibit 4 presents a similar analysis of projected revenues and expenditures for the Recipient District, and indicates that the District is expected to experience a negative fund balance by the year 2011, with a deficit of \$655,000 by 2013. The analysis assumes that an additional \$24.4 million in increment value will be constructed from 2010 through 2013. If this increment is not established, the Village has in place agreements with developers that require payments to be made in amounts equal to what would have been collected had the development occurred. The projected \$655,000 deficit balance, which could grow if the Village is unable to enforce its developer agreements, will create a significant financial burden for Village taxpayers, and will require funds to be advanced from other sources. Since all taxing jurisdictions will ultimately share in the benefit of the District's redevelopment projects, it is appropriate for them to share in the costs to implement them.
- **Exhibit 5 – Recipient District Projected Cash Flow After Sharing.** Exhibit 5 demonstrates that with the receipt of shared increment from the Donor District, the projected deficit fund balance is reduced to less than \$25,000 and the Recipient District can successfully recover all Project Costs by 2026, at which time an estimated \$58 million in additional property value will be released from TIF and contribute to the tax base of all overlapping jurisdictions.

**Exhibit 1 - DONOR DISTRICT (TID NO. 5) DEVELOPMENT ASSUMPTIONS**

		<i>Village of Grafton, WI</i>			
<b>Tax Increment District No. 5</b> <b>GRAFTON COMMONS</b> <b>Development Assumptions</b>					
Construction Year	Actual <sup>1</sup>	Retail Component <sup>2</sup>	Development Area or Name	Development Area or Name	Annual Total
2006	2,724,800				2,724,800
2007	23,898,600				23,898,600
2008	13,591,900				13,591,900
2009	556,400				556,400
2010					0
2011		750,000			750,000
2012					0
2013					0
2014					0
2015					0
2016					0
2017					0
2018					0
2019					0
2020					0
2021					0
2022					0
2023					0
2024					0
2025					0
2026					0
2027					0
2028					0
2029					0
2030					0
2031					0
<b>TOTALS</b>	<b>40,771,700</b>	750,000	0	0	41,521,700

**NOTES:**  
<sup>1</sup> Actual increment values as published by the Wisconsin Dept. of Revenue.  
<sup>2</sup> Estimates of future construction values for projects shown provided by Village staff.

# Exhibit 2 - DONOR DISTRICT (TID NO. 5) PROJECTION OF TAX INCREMENT COLLECTIONS



**Tax Increment District No. 5**  
**GRAFTON COMMONS**  
Tax Increment Projection Worksheet



**Type of District**  
Actual Creation Date  
Valuation Date  
Maximum Life (in Years)  
Expenditure Period (in Years)  
Revenue Periods/Final Rev Year  
End of Expenditure Period  
Latest Termination Date  
Eligible for Extension/No. of Years  
Eligible Recipient District

Blighted Area	4/18/2006
Valuation Date	Jan. 1, 2006
Maximum Life (in Years)	27
Expenditure Period (in Years)	22
Revenue Periods/Final Rev Year	26   2033
End of Expenditure Period	4/18/2028
Latest Termination Date	4/18/2033
Eligible for Extension/No. of Years	Yes   3
Eligible Recipient District	Yes

**Actual Base Value**  
Pre-Amendment Base Value (Actual)  
Property Appreciation Factor  
Current Tax Rate (Per \$1,000 EV)  
Tax Rate Adjustment Factor (Next 2 Years)  
Tax Rate Adjustment Factor (Following 2 Years)  
Tax Rate Adjustment Factor (Thereafter)

493,500
NA
1.50%
\$20.17
2.00%
1.00%
1.00%

**NPV Calculation**  
Discount Rate 1 for NPV Calculation  
Discount Rate 2 for NPV Calculation

5.00%
7.00%

**Actual** (rows 1-4)  
**Projected** (rows 5-26)

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
1	2006	2,724,800	2007	2,724,800	2008	19.06	51,923
2	2007	23,898,600	2008	26,623,400	2009	18.68	497,270
3	2008	13,591,900	2009	40,215,300	2010	20.17	811,180
4	2009	556,400	2010	40,771,700	2011	20.57	838,851
5	2010	0	2011	41,390,678	2012	20.99	868,618
6	2011	750,000	2012	42,768,941	2013	21.20	906,518
7	2012	0	2013	43,417,877	2014	21.41	929,475
8	2013	0	2014	44,076,548	2015	21.62	953,011
9	2014	0	2015	44,745,099	2016	21.84	977,141
10	2015	0	2016	45,423,678	2017	22.06	1,001,880
11	2016	0	2017	46,112,435	2018	22.28	1,027,242
12	2017	0	2018	46,811,524	2019	22.50	1,053,243
13	2018	0	2019	47,521,100	2020	22.72	1,079,901
14	2019	0	2020	48,241,319	2021	22.95	1,107,230
15	2020	0	2021	48,972,341	2022	23.18	1,135,249
16	2021	0	2022	49,714,329	2023	23.41	1,163,973
17	2022	0	2023	50,467,446	2024	23.65	1,193,422
18	2023	0	2024	51,231,860	2025	23.88	1,223,614
19	2024	0	2025	52,007,741	2026	24.12	1,254,566
20	2025	0	2026	52,795,259	2027	24.36	1,286,299
21	2026	0	2027	53,594,591	2028	24.61	1,318,832
22	2027	0	2028	54,405,912	2029	24.85	1,352,184
23	2028	0	2029	55,229,403	2030	25.10	1,386,377
24	2029	0	2030	56,065,247	2031	25.35	1,421,432
25	2030	0	2031	56,913,628	2032	25.61	1,457,371
26	2031	0	2032	57,774,735	2033	25.86	1,494,215

**Net Present Value Calculation**

Cumulative @ 5.00%	473,590
Cumulative @ 7.00%	464,738
Cumulative @ 5.00%	1,209,355
Cumulative @ 7.00%	1,173,255
Cumulative @ 5.00%	1,933,986
Cumulative @ 7.00%	1,858,007
Cumulative @ 5.00%	2,648,601
Cumulative @ 7.00%	2,520,672
Cumulative @ 5.00%	3,358,881
Cumulative @ 7.00%	3,167,006
Cumulative @ 5.00%	4,052,469
Cumulative @ 7.00%	3,786,355
Cumulative @ 5.00%	4,729,757
Cumulative @ 7.00%	4,379,842
Cumulative @ 5.00%	5,391,124
Cumulative @ 7.00%	4,948,547
Cumulative @ 5.00%	6,036,945
Cumulative @ 7.00%	5,493,504
Cumulative @ 5.00%	6,667,582
Cumulative @ 7.00%	6,015,701
Cumulative @ 5.00%	7,283,392
Cumulative @ 7.00%	6,516,090
Cumulative @ 5.00%	7,884,721
Cumulative @ 7.00%	6,995,578
Cumulative @ 5.00%	8,471,909
Cumulative @ 7.00%	7,455,040
Cumulative @ 5.00%	9,045,286
Cumulative @ 7.00%	7,895,309
Cumulative @ 5.00%	9,605,178
Cumulative @ 7.00%	8,317,186
Cumulative @ 5.00%	10,151,898
Cumulative @ 7.00%	8,721,439
Cumulative @ 5.00%	10,685,757
Cumulative @ 7.00%	9,108,804
Cumulative @ 5.00%	11,207,055
Cumulative @ 7.00%	9,479,985
Cumulative @ 5.00%	11,716,087
Cumulative @ 7.00%	9,835,658
Cumulative @ 5.00%	12,213,141
Cumulative @ 7.00%	10,176,469
Cumulative @ 5.00%	12,698,497
Cumulative @ 7.00%	10,503,039
Cumulative @ 5.00%	13,172,430
Cumulative @ 7.00%	10,815,962
Cumulative @ 5.00%	13,635,208
Cumulative @ 7.00%	11,115,809
Cumulative @ 5.00%	14,087,092
Cumulative @ 7.00%	11,403,125
Cumulative @ 5.00%	14,528,337
Cumulative @ 7.00%	11,678,433

**Future Value of Increment**

41,521,700
16,253,035
27,791,019

**Exhibit 3 - DONOR DISTRICT (TID NO. 5) PROJECTED CASH FLOW**



**Village of Grafton, WI**  
Tax Increment District No. 5  
**GRAFTON COMMONS**  
Cash Flow Pro Forma

Projected Increment Available for Sharing with TID No. 4  
(Proposed Donor Relationship)

Year	Revenues <sup>1</sup>				Expenditures <sup>3</sup>				Balances		Project Cost Principal Outstanding <sup>6</sup>	Year		
	Tax Increments	Investment Earnings	Intergov. Revenues	Developer Guaranty Payments <sup>2</sup>	Total Revenues	Long Term Debt P&I	BAN P&I	Project Costs	Other Financing Uses <sup>4</sup>	Projected Share with TID No. 3			Projected Share with TID No. 4	Total Expenditures
2007	51,923	6,171	155,840	89,267	303,201			38,841				251,350	51,851	264,766
2008	497,270	2,889	7,047		507,206	162,546	511,190	13,369				687,105	(179,899)	316,617
2009	811,180	4,000	14,438		829,618	657,546		10,400	108,517			963,836	(134,218)	136,718
2010	838,851	25	14,438		853,314	727,746		8,650		187,373	116,918	853,314	0	2,500
2011	868,618	25	14,438		883,081	724,346		8,650		150,085	150,085	883,081	(0)	2,500
2012	906,518	25	14,438		920,981	725,146		8,650		187,184	187,184	920,980	(0)	2,500
2013	929,475	25	14,438		943,938	599,946		8,650		335,342	335,342	943,938	(0)	2,500
2014	953,011	25	14,438		967,474	568,746		8,650		390,078	390,078	967,474	0	2,500
2015	1,001,880	25	14,438		991,604	573,926		8,650		409,028	409,028	991,604	(0)	2,500
2016	1,027,242	25	14,438		1,041,705	212,944		8,650		794,749	794,749	1,016,343	(0)	2,500
2017	1,079,901	25	14,438		1,067,706			8,650		704,475	704,475	1,041,705	(0)	2,500
2018	1,107,230	25	14,438		1,094,364			8,650		1,059,056	1,059,056	1,067,706	(0)	2,500
2019	1,135,249	3,905	14,438		1,153,592			8,650		1,085,714	1,085,714	1,094,364	(0)	2,500
2020	1,163,973	15,355	14,438		1,193,766			8,650		725,000	725,000	733,650	388,043	390,543
2021	1,193,422	39,470	14,438		1,235,066			8,650				8,650	1,144,942	1,535,485
2022	1,223,614	52,159	14,438		1,277,222			8,650				8,650	1,185,116	2,720,601
2023	1,254,566	65,284	14,438		1,321,163			8,650				8,650	1,226,416	3,947,018
2024	1,286,299	78,858	14,438		1,366,021			8,650				8,650	1,268,872	5,215,890
2025	1,318,832	92,979	14,438		1,412,127			8,650				8,650	1,312,513	6,528,403
2026	1,352,184	107,575	14,438		1,459,601			8,650				8,650	1,357,371	7,885,774
2027	1,386,377	122,659	14,438		1,508,390			8,650				8,650	1,412,127	9,297,901
2028	1,421,432	138,244	14,438		1,558,529			8,650				8,650	1,459,601	10,757,502
2029	1,457,371	154,345	14,438		1,610,053			8,650				8,650	1,508,390	12,265,892
2030	1,494,215		14,438		1,662,998			8,650				8,650	1,558,529	13,824,422
2031												8,650	1,610,053	15,434,475
2032												8,650	1,662,998	17,097,473
2033												8,650		
<b>Total</b>	<b>27,791,019</b>	<b>911,374</b>	<b>509,399</b>	<b>89,267</b>	<b>29,201,059</b>	<b>4,952,894</b>	<b>511,190</b>	<b>209,660</b>	<b>649,606</b>	<b>5,503,442</b>	<b>641,560</b>	<b>12,468,352</b>	<b>16,832,707</b>	

Projected TID Closure

- NOTES:**
- <sup>1</sup> 2008 and 2009 figures from Village CAFR, 2010 and 2011 figures are current year estimates or preliminary budget numbers per conversation with P. Syduhar on 9-22-2010.
  - <sup>2</sup> Per developer agreement, reflects anticipated payments to be made to Village for difference between project debt service and tax increments collected.
  - <sup>3</sup> 2008 and 2009 figures from Village CAFR, 2010 and 2011 figures are current year estimates or preliminary budget numbers per conversation with P. Syduhar on 9-22-2010.
  - <sup>4</sup> For 2010, Other Financing Uses reflects payout to developer of funds advanced (@ 3% interest) plus reimbursement of letter of credit costs incurred (\$328,580) in 2018.
  - <sup>5</sup> Year ending fund balances for 2007 - 2009 per Village CAFR.
  - <sup>6</sup> Includes G.O. debt principal, plus developer funds advanced (and accrued interest) and letter of credit fees.

Exhibit 4 - RECIPIENT DISTRICT (TID NO. 4) PROJECTED CASH FLOW PRIOR TO SHARING



Village of Grafton, WI

Tax Increment District No. 4  
SOUTH COMMERCIAL DISTRICT  
Cash Flow Pro Forma

Assumes 2008 Bank Note Balloon Payment  
will be Refunded in 2013



Projected Temporary Fund Balance Deficit of \$655,198  
(Potential Reduction via TID No. 5 Increment Sharing)

Year	Revenues <sup>1</sup>						Expenditures							Balances		Project Cost Principal Outstanding (Excluding BAN)	Year			
	Tax Increments	Investment Earnings	Intergov Revenues	Misc Revenues <sup>2</sup>	Other Financing Sources	TID 5 Share	Total Revenues	2005 G.O. Bonds	2006 G.O. Bonds	2008 Bank Note	2009 G.O. Note	2009 Taxable G.O. Note	2013 Taxable G.O. Note <sup>3</sup>	Project Costs	Other Financing Uses			Total Expenditures	Annual	Cumulative <sup>4</sup>
2007		1.00%															0	1,082,226		2007
2008	227,773	44,308	12,129	14,290	4,855,000		5,153,500							5,180,050	328,130	5,508,180	(354,680)	727,546		2008
2009	271,599	9,985	13,228	14,781			309,593	137,931	42,200	252,460				73,344	45,236	551,171	(241,578)	485,968		2009
2010	221,136	10,000	13,347	159,297			403,780	161,931	82,200	252,460	53,222	14,256		285,560		849,629	(445,849)	40,119	10,100,000	2010
2011	274,655	401	13,347				288,403	205,160	80,600	252,460	43,250	11,585				593,055	(304,651)	(264,532)	9,964,771	2011
2012	373,094	0	13,347				386,441	216,579	79,000	252,460	43,250	11,585				602,874	(216,433)	(480,966)	9,814,314	2012
2013	445,007	0	13,347		4,855,000		5,313,354	250,372	77,400	4,981,230	43,250	11,585	123,750			5,487,587	(174,232)	(655,198)	9,625,646	2013
2014	642,161	0	13,347				655,508	245,479	85,800		43,250	11,585	247,500			633,614	21,894	(633,304)	9,425,924	2014
2015	905,682	0	13,347				919,029	224,351	93,800		141,750	11,585	247,500			718,986	200,043	(433,261)	9,131,342	2015
2016	944,133	0	13,347				957,480	218,828	96,400		138,750	11,585	247,500			713,063	244,416	(188,844)	8,831,899	2016
2017	983,708	0	13,347				997,055	261,065	93,800		135,625	109,360	247,500			847,350	149,705	(39,140)	8,384,841	2017
2018	1,024,436	0	13,347				1,037,783	251,258	91,200		132,000	104,860	247,500			826,818	210,966	171,826	7,940,308	2018
2019	1,066,349	1,718	13,347				1,081,415	251,691	93,600		128,000	56,293	247,500			777,083	304,331	476,157	7,528,161	2019
2020	1,109,478	4,762	13,347				1,127,586	321,819	95,800		124,000		247,500			789,119	338,467	814,624	7,088,400	2020
2021	1,153,854	8,146	13,347				1,175,347	318,843	97,800		120,000		247,500			784,143	391,204	1,205,829	6,636,024	2021
2022	1,199,511	12,058	13,347				1,224,916	314,966	99,600		165,000		247,500			827,066	397,850	1,603,679	6,121,630	2022
2023	1,246,483	16,037	13,347				1,275,866	311,265	101,200		159,000		345,000			916,465	359,402	1,963,080	5,494,622	2023
2024	1,294,804	19,631	13,347				1,327,781	317,112	102,600		153,000		437,500			1,010,212	317,570	2,280,650	4,745,000	2024
2025	1,344,510	22,806	13,347				1,380,663		98,800				720,000			818,800	561,863	2,842,513	4,150,000	2025
2026	1,395,637	28,425	13,347				1,437,409						695,000			695,000	742,409	3,584,922	3,650,000	2026
2027	1,448,224	35,849	13,347				1,497,420						670,000			670,000	827,420	4,412,342	3,150,000	2027
2028	1,502,308	44,123	13,347				1,559,778						645,000			645,000	914,778	5,327,120	2,650,000	2028
2029	1,557,928	53,271	13,347				1,624,546						620,000			620,000	1,004,546	6,331,666	2,150,000	2029
2030	1,615,126	63,317	13,347				1,691,790						595,000			595,000	1,096,790	7,428,456	1,650,000	2030
2031	1,673,943	74,285	13,347				1,761,575						813,750			813,750	947,825	8,376,281	900,000	2031
2032	1,734,421	83,763	13,347				1,831,531						922,500			922,500	909,031	9,285,312	0	2032
<b>Total</b>	<b>25,655,959</b>	<b>532,886</b>	<b>332,338</b>	<b>188,368</b>	<b>9,710,000</b>	<b>0</b>	<b>36,419,550</b>	<b>4,008,650</b>	<b>1,511,800</b>	<b>5,991,070</b>	<b>1,623,347</b>	<b>354,278</b>	<b>8,815,000</b>	<b>5,538,954</b>	<b>373,366</b>	<b>28,216,465</b>	<b>8,203,086</b>			

NOTES:

- <sup>1</sup> 2008 and 2009 figures from Village CAFR, 2010 figures from Village budget (except tax increments).
- <sup>2</sup> Includes Sendiks guaranty payment through 2010 (after which valuation is expected to exceed agreed upon target).
- <sup>3</sup> Assumes 5% interest rate with principal amortization from 2023 - 2032.
- <sup>4</sup> Year ending fund balances for 2007 - 2009 per Village CAFR.

Projected TID Closure

Exhibit 5 - RECIPIENT DISTRICT (TID NO. 4) PROJECTED CASH FLOW AFTER SHARING



Village of Grafton, WI

Tax Increment District No. 4  
SOUTH COMMERCIAL DISTRICT  
Cash Flow Pro Forma

Assumes 2008 Bank Note Balloon Payment  
will be Refunded in 2013



TID No. 5 Increment Sharing Reduces Projected Negative  
Fund Balance from \$655,198 to Less Than \$25,000

Year	Revenues <sup>1</sup>							Expenditures							Balances		Project Cost Principal Outstanding (Excluding BAN)	Year		
	Tax Increments	Investment Earnings	Intergov Revenues	Misc Revenues <sup>2</sup>	Other Financing Sources	TID 5 Share	Total Revenues	2005 G.O. Bonds	2006 G.O. Bonds	2008 Bank Note	2009 G.O. Note	2009 Taxable G.O. Note	2013 Taxable G.O. Note <sup>3</sup>	Project Costs	Other Financing Uses	Total Expenditures			Annual	Cumulative <sup>4</sup>
2007		1.00%															0	1,082,226		2007
2008	227,773	44,308	12,129	14,290	4,855,000		5,153,500							5,180,050	328,130	5,508,180	(354,680)	727,546		2008
2009	271,599	9,985	13,228	14,781			309,593	137,931	42,200	252,460				73,344	45,236	551,171	(241,578)	485,968		2009
2010	221,136	10,000	13,347	159,297		187,373	591,153	161,931	82,200	252,460	53,222	14,256		285,560		849,629	(258,476)	227,492	10,100,000	2010
2011	274,655	2,275	13,347			116,918	407,195	205,160	80,600	252,460	43,250	11,585				593,055	(185,860)	41,632	9,964,771	2011
2012	373,094	416	13,347			150,085	536,943	216,579	79,000	252,460	43,250	11,585				602,874	(65,932)	(24,299)	9,814,314	2012
2013	445,007	0	13,347		4,855,000	187,184	5,500,538	250,372	77,400	4,981,230	43,250	11,585	123,750			5,487,587	12,952	(11,348)	9,625,646	2013
2014	642,161	0	13,347				655,508	245,479	85,800		43,250	11,585	247,500			633,614	21,894	10,546	9,425,924	2014
2015	905,682	105	13,347				919,134	224,351	93,800		141,750	11,585	247,500			718,986	200,148	210,695	9,131,342	2015
2016	944,133	2,107	13,347				959,587	218,828	96,400		138,750	11,585	247,500			713,063	246,523	457,218	8,831,899	2016
2017	983,708	4,572	13,347				1,001,627	261,065	93,800		135,625	109,360	247,500			847,350	154,277	611,495	8,384,841	2017
2018	1,024,436	6,115	13,347				1,043,898	251,258	91,200		132,000	104,860	247,500			826,818	217,081	828,576	7,940,308	2018
2019	1,066,349	8,286	13,347				1,087,982	251,691	93,600		128,000	56,293	247,500			777,083	310,899	1,139,475	7,528,161	2019
2020	1,109,478	11,395	13,347				1,134,219	321,819	95,800		124,000		247,500			789,119	345,100	1,484,575	7,088,400	2020
2021	1,153,854	14,846	13,347				1,182,047	318,843	97,800		120,000		247,500			784,143	397,904	1,882,478	6,636,024	2021
2022	1,199,511	18,825	13,347				1,231,683	314,966	99,600		165,000		247,500			827,066	404,617	2,287,095	6,121,630	2022
2023	1,246,483	22,871	13,347				1,282,700	311,265	101,200		159,000		345,000			916,465	366,236	2,653,331	5,494,622	2023
2024	1,294,804	26,533	13,347				1,334,684	317,112	102,600		153,000		437,500			1,010,212	324,472	2,977,803	4,745,000	2024
2025	1,344,510	29,778	13,347				1,387,635		98,800				720,000			818,800	568,835	3,546,637	4,150,000	2025
2026	1,395,637	35,466	13,347				1,444,450						695,000			695,000	749,450	4,296,088	3,650,000	2026
2027	1,448,224	42,961	13,347				1,504,531						670,000			670,000	834,531	5,130,619	3,150,000	2027
2028	1,502,308	51,306	13,347				1,566,961						645,000			645,000	921,961	6,052,580	2,650,000	2028
2029	1,557,928	60,526	13,347				1,631,801						620,000			620,000	1,011,801	7,064,381	2,150,000	2029
2030	1,615,126	70,644	13,347				1,699,117						595,000			595,000	1,104,117	8,168,498	1,650,000	2030
2031	1,673,943	81,685	13,347				1,768,975						813,750			813,750	955,225	9,123,723	900,000	2031
2032	1,734,421	91,237	13,347				1,839,005						922,500			922,500	916,505	10,040,228	0	2032
<b>Total</b>	<b>25,655,959</b>	<b>646,242</b>	<b>332,338</b>	<b>188,368</b>	<b>9,710,000</b>	<b>641,560</b>	<b>37,174,467</b>	<b>4,008,650</b>	<b>1,511,800</b>	<b>5,991,070</b>	<b>1,623,347</b>	<b>354,278</b>	<b>8,815,000</b>	<b>5,538,954</b>	<b>373,366</b>	<b>28,216,465</b>	<b>8,958,002</b>			

NOTES:

- <sup>1</sup> 2008 and 2009 figures from Village CAFR, 2010 figures from Village budget (except tax increments).
- <sup>2</sup> Includes Sendiks guaranty payment through 2010 (after which valuation is expected to exceed agreed upon target).
- <sup>3</sup> Assumes 5% interest rate with principal amortization from 2023 - 2032.
- <sup>4</sup> Year ending fund balances for 2007 - 2009 per Village CAFR.

Projected TID Closure

## **10** ANNEXED PROPERTY

No territory will be added or subtracted from the District as a result of this amendment.

## **11** PROPOSED CHANGES IN ZONING ORDINANCES

The Village of Grafton does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment.

## **12** PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF GRAFTON ORDINANCES

No changes to the Comprehensive Plan 2035, Land Use Plan Map, Building Codes, or Ordinances are needed.

## **13** RELOCATION

It is not anticipated there will be a need to relocate any 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 state statutes as required in Wisconsin Statutes chapter 32.

## **14** ORDERLY DEVELOPMENT OF THE VILLAGE OF GRAFTON

This project plan amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development of the Village.

# 15

## A LIST OF ESTIMATED NON-PROJECT COSTS

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

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

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

**16**

**OPINION OF ATTORNEY FOR THE VILLAGE OF GRAFTON ADVISING  
WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN  
STATUTES, SECTION 66.1105**

Robert L. Feind, Jr.  
John M. Gallo  
Michael P. Herbrand  
Margaret G. Zickuhr

Jane E. Miller  
Deborah S. R. Hoffmann  
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October 19, 2010

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Mr. Todd Taves  
Executive Vice President/Financial Advisor  
Ehlers & Associates, Inc.  
375 Bishops Way, Ste. 225  
Brookfield, WI 53005-6202

RE: Tax Incremental District No. 5 Project Plan Amendment

Dear Mr. Taves:

At your direction, I have reviewed the Tax Incremental District No. 5 Project Plan Amendment. As you know, my review of the Plan is required by Section 66.1105(4)(f), Wis. Stats. This section requires that a project plan for a tax incremental district include the following information:

1. A statement listing the kind, number and location of all proposed public works or improvements within the district;
2. An economic feasibility study;
3. A detailed list of estimated project costs;
4. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
5. A map showing the existing uses and conditions of real property in the district;
6. A map showing proposed improvements and uses in the district;
7. Any proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances;
8. A list of estimated non-project costs;

HOUSEMAN & FEIND, LLP

October 19, 2010  
page 2

9. A statement of the proposed method for relocation of any persons to be displaced;  
and
10. The plan should further indicate how creation of the tax incremental district promotes the orderly development of the Village.

My review of the Tax Incremental District No. 5 Project Plan Amendment indicates that it is complete and complies with the requirements of Section 66.1105(f), as identified above. Each of the itemized elements set forth above can be found in the Plan.

Should you have any further questions or concerns with regard to this matter, or this opinion, please do not hesitate to contact me.

Very truly yours,

HOUSEMAN & FEIND, LLP



Michael P. Herbrand

MPH:sl

cc: Mr. Darrell Hofland, Village Administrator  
Ms. Teri Dylak, Village clerk  
Mr. Michael Rambousek, Village Planner

## EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS

**Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District (Expected Allocation Amount Only)**

Revenue Year	Village	County	School District	Tech College	Total
	30.46%	8.33%	51.74%	9.47%	
2010	57,069	15,603	96,952	17,749	187,373
2011	35,610	9,736	60,497	11,075	116,918
2012	45,712	12,498	77,658	14,217	150,085
2013	57,011	15,587	96,855	17,731	187,184
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
	195,401	53,425	331,962	60,772	641,560

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