

**Project Plan
for the Boundary & Project Plan Amendment to
Tax Incremental District No. 4
Within the
CITY OF WHITEWATER, WISCONSIN**



April 29, 2005 **[DRAFT]**

| | |
|--|--|
| <i>Public Hearing Held:</i> | |
| <i>Adopted by Plan Commission:</i> | |
| <i>Adopted by City Council:</i> | |
| <i>Anticipated approval by Joint Review Board:</i> | |



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Tax Incremental District No. 4 Project Plan & Boundary Amendment

City of Whitewater Officials

City Council

| | |
|-------------------|----------------|
| Jan Bilgen Craggs | Council Member |
| Kim Hixson | Council Member |
| Marilyn Kienbaum | Council Member |
| Craig Stauffer | Council Member |
| Jim Stewart | Council Member |
| Greg Torres | Council Member |
| Peter Uselman | Council Member |

City Staff

| | |
|---------------------|--------------------------------|
| Kevin Brunner | City Manager |
| Gene Hackbarth | Community Development Director |
| Michele Smith | City Clerk |
| Doug Saubert | Finance Director |
| Theresa A. Lee | City Treasurer |
| Dean Fischer | Public Works Director |
| Harrison & McDonell | City Attorney |

Plan Commission

| | |
|--------------------|--|
| Bruce Parker | Building & Plumbing Inspector, Zoning & Building & Code Enforcement Director |
| Richard Gilpatrick | Chair |
| Roni Telfer | Park Board Representative |
| Harriet Kaluva | Member |
| Kristine Zaballos | Member |
| Thomas Miller | Member |
| Jason Widenhoeft | Member |
| Kim Hixson | Council Representative |

Community Development Authority

| | |
|------------------|------------|
| Tom Miller | Chair |
| Alan Marshall | Vice Chair |
| Jim Stewart | Member |
| Marilyn Kienbaum | Member |
| Jeff Knight | Member |
| Rod Scherer | Member |
| Tom Otto | Member |

Joint Review Board

City Representative
Walworth County
Gateway Technical College District
Whitewater School District
Public Member

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1 STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

The City of Whitewater created Tax Incremental District No. 4 (the "District") in 1990 under authority of Wisconsin §66.1105 primarily to promote the orderly development of the City. The addition, construction of streets and utilities were needed in order to provide incentives for industrial recruitment and growth, as well as to stimulate private sector development throughout the TID. The new development, which has occurred as a result of the projects undertaken within the District boundaries, has provided the City with additional tax base and provided employment opportunities.

The Project Plan and boundaries were amended in 1996. The primary purpose for the amendment was to expand the Whitewater Business Park in order to allow for continued industrial growth, stimulate job creation and tax base expansion and diversification. In addition, infrastructure needed to be constructed, business recruitment incentives needed to be put in place, and downtown improvements were needed to assist in retail and commercial expansion as well as blight elimination.

The Project Plan was amended earlier in 2005. The City determined that it would continue to benefit the overall community to expand its economic base by amending the Project Plan to provide for the undertaking of additional expenditures. In order to promote additional development, the City's second amendment to the District included additional projects.

The City's original intent was to create a tax incremental district to assure that high quality industrial, distributor, and related private development would be located in the District. The goal was also to provide and preserve employment opportunities within the City, promote growth, and to provide rehabilitation and conservation of lands currently lacking adequate infrastructure, roadways, sewers, and platting consistent with the City's Master Plan. To date, the City has yet to complete all of the projects proposed in the original Project Plan. A summary of the projects found in the original Project Plan and first amendment, along with the related cost estimates, can be found in the original and amended Project Plan.

To further the goals contained in the original creation Project Plan, the City of Whitewater now finds it desirable to amend the District's boundaries to add Additional Territory, and subtract property to add same back to the tax roll for the benefit of the taxpayers of the overlapping jurisdictions of the City, and to amend the Project Plan to provide for the undertaking of additional expenditures. A map of the District boundary and the areas to be incorporated by amendment can be found within this Project Plan.

Pursuant to Section 66.1105(4)(h), Wisconsin Statutes, a City may amend the boundaries of a tax increment finance district to either add or subtract property from the original District. Up to four boundary amendments are allowed during the life of the District. This amendment will be the second boundary amendment of Tax Incremental District No. 4.

The following is a list of additional public expenditures that the City expects to implement in conjunction with the Amendment of the District. Any costs directly or indirectly related to the public works are considered "project costs" and are eligible to be paid with tax increment revenues of the District.

See Page sixteen of this plan for a full list of projects.

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

In the event any of the public works projects are not reimbursable out of the special tax increment finance fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the City of Whitewater 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 Amendment (this "Plan").

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

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

2

EQUALIZED VALUE TEST

The following calculations demonstrate that the City is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the Additional Territory, plus the value increment of the District being amended, plus the value of all other existing Tax Incremental Districts (“TIDs”), does not exceed 12% of the total equalized value of taxable property within the City.

STEP 1. Calculation of Maximum Equalized Property Value Allowed within Tax Incremental Districts in the City of Whitewater

| Equalized Value (as of January 1, 2004) | | Maximum Allowable TID Property Value |
|---|---------|--------------------------------------|
| \$498,043,900 | X 12% = | \$59,765,268 |

STEP 2. Calculation of Equalized Property Value Currently Located and Proposed to be Located within Tax Incremental Districts

| Tax Incremental Districts | Equalized Value |
|--|----------------------|
| TID No. 1 Increment <i>closed prior to plan adoption</i> | \$0 |
| TID No. 2 Increment <i>closed prior to plan adoption</i> | \$0 |
| TID No. 3 Increment | \$ 1,915,500 |
| TID No. 4 Increment | \$ <u>56,252,900</u> |
| Proposed Base of Additional Territory | \$ 381,600 |
| Proposed Territory Reductions | (\$11,653,800) |
| Total Existing Increment Plus Proposed Base | \$46,896,200 |

The equalized value of the base of the Additional Territory, minus the proposed territory reductions and the closing of Districts No. 1 and No. 2, plus the value of all other existing Tax Incremental Districts within the City, totals \$46,896,200. This value is less than the maximum of \$59,765,268 in equalized value that is permitted for the City of Whitewater. The City is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

3 ECONOMIC FEASIBILITY STUDY

The City of Whitewater, is located in both Jefferson and Walworth County, is a community of approximately 13,887 in population.

The charts and exhibits on the following pages demonstrate that the City will be able to obtain the funds necessary to implement the updated and amended projects in this Plan and that the revenue from the District will be sufficient to pay for them. Charts I and II on the following page project, respectively, the City's equalized value, and the full faith and credit borrowing capacity of the City. Equalized valuation projections were made using two methods. The first projects the future valuation of the City using the average annual percentage of valuation growth experienced between 2000 and 2004. The second method projects the future valuation based upon the average annual increment between 2000 and 2004. This method is identified as the straight-line method. Chart II projects the general obligation borrowing capacity of the City utilizing the straight-line valuation projection and considering the existing debt of the City.

In addition to general obligation bonds, the City can issue mortgage revenue bonds to be repaid from revenues of the sewer and/or water systems, including revenues paid by the City that represent service of the system to the City. 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 City must demonstrate to bond underwriters its ability to repay revenue debt with the assigned rates.

Special assessments may be levied against benefited properties to pay part of the street, curb, gutter, sewer and water extension costs. The City can issue special assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's general obligation ("G.O.") debt limit.

The City also has the authority to issue Lease Revenue Bonds through a Community Development Authority ("CDA") should this financing vehicle be useful in accomplishing the objectives of the Plan. These obligations are secured by lease payments to be made by the City and are not to be counted against the City's G.O. debt limit.

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

EQUALIZED VALUATION PROJECTION City of Whitewater, Wisconsin

CHART I

|---PERCENTAGE METHOD---|

|---STRAIGHT LINE METHOD---|

HISTORICAL DATA

| | | | | | | |
|------|-------------|-------|--|------|-------------|-------|
| 2000 | 374,811,500 | | | 2000 | 374,811,500 | |
| 2001 | 402,017,100 | | | 2001 | 402,017,100 | |
| 2002 | 433,566,200 | | | 2002 | 433,566,200 | |
| 2003 | 468,035,600 | | | 2003 | 468,035,600 | |
| 2004 | 498,043,900 | 8.22% | | 2004 | 498,043,900 | 8.22% |

Straight Line Method Value Increment \$30,808,100

PROJECTED VALUATIONS

| | | | | | | |
|------|---------------|-------|--|------|-------------|-------|
| 2005 | 538,981,241 | 8.22% | | 2005 | 528,852,000 | 6.19% |
| 2006 | 583,283,478 | 8.22% | | 2006 | 559,660,100 | 5.83% |
| 2007 | 631,227,193 | 8.22% | | 2007 | 590,468,200 | 5.50% |
| 2008 | 683,111,702 | 8.22% | | 2008 | 621,276,300 | 5.22% |
| 2009 | 739,260,923 | 8.22% | | 2009 | 652,084,400 | 4.96% |
| 2010 | 800,025,399 | 8.22% | | 2010 | 682,892,500 | 4.72% |
| 2011 | 865,784,487 | 8.22% | | 2011 | 713,700,600 | 4.51% |
| 2012 | 936,948,726 | 8.22% | | 2012 | 744,508,700 | 4.32% |
| 2013 | 1,013,962,398 | 8.22% | | 2013 | 775,316,800 | 4.14% |

CHART II

| <u>BUDGET YEAR</u> | <u>EQUALIZED VALUE</u> | <u>GROSS DEBT LIMIT</u> | <u>NET BORROWING CAPACITY</u> |
|------------------------|----------------------------|-----------------------------|---------------------------------------|
| 2005 | 498,043,900 | 24,902,195 | 24,902,195 |
| 2006 | 528,852,000 | 26,442,600 | 26,442,600 |
| 2007 | 559,660,100 | 27,983,005 | 27,983,005 |
| 2008 | 590,468,200 | 29,523,410 | 29,523,410 |
| 2009 | 621,276,300 | 31,063,815 | 31,063,815 |
| 2010 | 652,084,400 | 32,604,220 | 32,604,220 |
| 2011 | 682,892,500 | 34,144,625 | 34,144,625 |
| 2012 | 713,700,600 | 35,685,030 | 35,685,030 |
| 2013 | 744,508,700 | 37,225,435 | 37,225,435 |
| 2014 | 775,316,800 | 38,765,840 | 38,765,840 |
| 2015 | 806,124,900 | 40,306,245 | 40,306,245 |
| 2016 | 836,933,000 | 41,846,650 | 41,846,650 |
| 2017 | 867,741,100 | 43,387,055 | 43,387,055 |
| 2018 | 898,549,200 | 44,927,460 | 44,927,460 |
| 2019 | 929,357,300 | 46,467,865 | 46,467,865 |
| 2020 | 960,165,400 | 48,008,270 | 48,008,270 |
| 2021 | 990,973,500 | 49,548,675 | 49,548,675 |
| 2022 | 1,021,781,600 | 51,089,080 | 51,089,080 |
| 2023 | 1,052,589,700 | 52,629,485 | 52,629,485 |
| 2024 | 1,083,397,800 | 54,169,890 | 54,169,890 |
| 2025 | 1,114,205,900 | 55,710,295 | 55,710,295 |
| 2026 | 1,145,014,000 | 57,250,700 | 57,250,700 |
| 2027 | 1,175,822,100 | 58,791,105 | 58,791,105 |
| 2028 | 1,206,630,200 | 60,331,510 | 60,331,510 |
| 2029 | 1,237,438,300 | 61,871,915 | 61,871,915 |
| 2030 | 1,268,246,400 | 63,412,320 | 63,412,320 |
| 2031 | 1,299,054,500 | 64,952,725 | 64,952,725 |

PROJECTED REVENUE

Exhibit 1 estimates the TIF revenues that will be available to retire the debt incurred to finance project costs. This Exhibit also projects revenues sufficient to retire the debt proposed to finance all projects of the District. This Exhibit is based on the following assumptions:

The base value of the District is \$21,728,300

Tax base will be generated as of January 1 each year as follows:

| | |
|------|-------------|
| 2006 | \$3,420,000 |
| 2007 | \$8,708,000 |
| 2008 | \$3,702,000 |
| 2009 | \$4,290,000 |

See schedule on page eleven of this plan for tax base estimates provided by the City Staff.

The equalized tax rate in 2005 is projected to be \$20.50 per thousand. It is projected to remain constant throughout the pro forma.

Valuations are projected to increase 2% each year reflecting ordinary inflation of property values within District.

DEVELOPMENT ASSUMPTIONS

CITY OF WHITEWATER

4/26/2005

TID #4 DEVELOPMENT ASSUMPTIONS

CONSTRUCTION

| YEAR | DEVELOPMENT | ESTIMATED VALUE | |
|-------------|-----------------------------------|------------------------|---------------------|
| 2005 | Bank Expansion | \$ | 300,000.00 |
| | Walton's Pine Bluff (2nd Phase) | \$ | 2,020,000.00 |
| | Whitewater Hotel | \$ | 250,000.00 |
| | Main Street Buildings | \$ | 100,000.00 |
| | Business Park Development | \$ | 500,000.00 |
| | Center/First Bldg. Renovation | \$ | 250,000.00 |
| | TOTAL | \$ | 3,420,000.00 |
| 2006 | East Towne Development | \$ | 4,218,000.00 |
| | Walton's Pine Bluff(2nd Phase) | \$ | 3,040,000.00 |
| | Whitewater Hotel | \$ | 250,000.00 |
| | Main Street Buildings | \$ | 700,000.00 |
| | Business Park Development | \$ | 500,000.00 |
| | TOTAL | \$ | 8,708,000.00 |
| 2007 | East Towne Development | \$ | 912,000.00 |
| | Walton's Pine Bluff (2nd Phase) | \$ | 2,040,000.00 |
| | Bluff Road Commercial Development | \$ | 250,000.00 |
| | Business Park Development | \$ | 500,000.00 |
| | TOTAL | \$ | 3,702,000.00 |
| 2008 | Walton's Pine Bluff (2nd Phase) | \$ | 2,040,000.00 |
| | Bluff Road Commercial | \$ | 250,000.00 |
| | Coburn Companies Expansion | \$ | 1,500,000.00 |
| | Business Park Development | \$ | 500,000.00 |
| | TOTAL | \$ | 4,290,000.00 |

Exhibit 1

City of Whitewater TID #4

Historic and Projected Growth

| | | Base Year | | 1990 | | Inflation Factor | | | | |
|-------------------|----------------|---------------|---------------------|-----------------------|------------------------|------------------------|---------------------------|---------------------|----------|----------------------|
| | | 2003 | | 2004 | | 2.0% | | | | |
| Base Value | 21,228,300 | | | | | | | | | |
| Construction Year | Valuation Year | Revenue Year | Inflation Increment | Decrease Boundaries** | Alpha Cast Development | Fair/haven Development | Projected New Development | Valuation Increment | Tax Rate | Tax Increment |
| 13 | 2002 | 2003 | - | | | | | | | |
| 14 | 2003 | 2004 | 1,549,624 | | | | 276,900 | 55,976,000 | 20.50 | 1,147,508 |
| 15 | 2004 | 2005 | 1,790,616 | | 1,750,000 | 5,250,000 | 3,000,000 | 56,252,900 | 20.50 | 1,153,184 |
| 16 | 2005 | 2006 | 1,711,553 | (11,653,800) | 1,750,000 | 1,250,000 | 3,420,000 | 67,802,524 | 20.50 | 1,389,952 |
| 17 | 2006 | 2007 | 1,954,944 | | 1,750,000 | | 8,708,000 | 64,349,340 | 20.50 | 1,319,161 |
| 18 | 2007 | 2008 | 2,103,083 | | 1,750,000 | | 3,702,000 | 76,518,893 | 20.50 | 1,568,637 |
| 19 | 2008 | 2009 | 2,230,944 | | | | 4,290,000 | 83,925,837 | 20.50 | 1,720,480 |
| 20 | 2009 | 2010 | 2,275,563 | | | | | 90,318,920 | 20.50 | 1,851,538 |
| 21 | 2010 | 2011 | 2,321,075 | | | | | 92,549,864 | 20.50 | 1,897,272 |
| 22 | 2011 | 2012 | 2,367,496 | | | | | 94,825,428 | 20.50 | 1,943,921 |
| 23 | 2012 | 2013 | 2,414,846 | | | | | 97,146,502 | 20.50 | 1,991,503 |
| 24 | 2013 | 2014 | 2,463,143 | | | | | 99,513,998 | 20.50 | 2,040,037 |
| 25 | 2014 | 2015 | 2,512,406 | | | | | 101,928,844 | 20.50 | 2,089,541 |
| 26 | 2015 | 2016 | 2,562,654 | | | | | 104,391,987 | 20.50 | 2,140,036 |
| 27 | 2016 | 2017 | | | | | | 106,904,393 | 20.50 | 2,191,540 |
| | | 2018 | | | | | | 109,467,047 | 20.50 | 2,244,074 |
| | | Totals | | (11,653,800) | 7,000,000 | 6,500,000 | 23,396,900 | | | \$ 26,688,386 |

* Projected new development was provided by City and CDA Staff.

** Reductions include Water's Edge and Pine Bluff as provided by City and CDA Staff.

CASH FLOW

Exhibit 2 summarizes the District's cash position throughout its potential life. It shows revenues, expenses and balances by year. Revenues include tax increments from Exhibit 1, capitalized interest, and interest earned investing year-end balances. This Exhibit is based on the same assumptions as used for Exhibit 1.

Expenditures represent payments for contract agreements with developers, and principal and interest payments on this District's share of debt issued to finance projects listed in the Plan. The tentative proposed issues are identified, for the purpose of analyzing the cash position associated with this amendment, as follows:

| Issue No. | Year | Description | Amount |
|-----------|------|-----------------------------------|-----------|
| 1 | 2007 | GO Bonds | 8,005,000 |
| 2 | 2009 | GO Notes Or State Trust Fund Loan | 1,530,000 |

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce a \$378,505 accumulated surplus by the year 2018.

Exhibit 2



City of Whitewater
TID No. 4 (Amendment No. 3) - Includes Revenue Sharing, Capital Projects From Amendments No. 2 & No. 3, and the Reduction in the TID Boundaries.

| Year - End | TID No. 4 Debt (P & Y) | Proposed 2005 Issue | | Proposed 2007 Issue** | | Proposed 2009 Issue** | | Share Revenue With TID 3 | Total TID No. 4 Expenses | Capitalized Interest | Revenue Sharing TID 1 & 2 | TID No. 4 Available Revenue*** | Yearly Cash Flow Available | Cumulative Cash Flow |
|------------|------------------------|---------------------|-----------|-----------------------|-----------|-----------------------|-----------|--------------------------|--------------------------|----------------------|---------------------------|--------------------------------|----------------------------|----------------------|
| | | Principal | Est. Int. | Principal | Est. Int. | Principal | Est. Int. | | | | | | | |
| 2004 | 1,337,701 | | | | | | | | (1,337,701) | | 383,976 | 1,531,434 | 193,733 | 193,733 |
| 2005 | 1,301,724 | | 18,225 | | | | | | (1,319,949) | 18,225 | 0 | 1,171,409 | (148,540) | 45,194 |
| 2006 | 1,328,988 | | 36,450 | | | | | | (1,365,438) | 36,450 | 0 | 1,426,402 | 60,964 | 106,157 |
| 2007 | 1,043,937 | | 36,450 | 200,125 | | | | | (1,280,512) | 0 | 0 | 1,319,161 | 38,649 | 144,807 |
| 2008 | 971,200 | 50,000 | 34,200 | 400,250 | | | | | (1,567,900) | 0 | 0 | 1,568,637 | 10,737 | 155,544 |
| 2009 | 952,840 | 50,000 | 34,200 | 395,250 | | | | 25,682 | (1,715,047) | 0 | 0 | 1,720,480 | 5,433 | 160,977 |
| 2010 | 958,300 | 70,000 | 31,850 | 220,000 | | | | | (1,848,900) | 0 | 0 | 1,851,538 | 2,638 | 163,615 |
| 2011 | 686,690 | 75,000 | 28,800 | 450,000 | | | 84,150 | | (1,817,630) | 0 | 0 | 1,897,272 | 79,642 | 243,257 |
| 2012 | 753,655 | 90,000 | 25,425 | 373,500 | | | 78,650 | | (1,931,855) | 0 | 0 | 1,943,921 | 12,066 | 255,323 |
| 2013 | 741,310 | 90,000 | 21,825 | 500,000 | | | 71,775 | | (1,967,660) | 0 | 0 | 1,991,503 | 23,843 | 279,166 |
| 2014 | 778,020 | 95,000 | 17,775 | 575,000 | | | 63,525 | | (2,018,320) | 0 | 0 | 2,040,037 | 21,717 | 300,883 |
| 2015 | 411,390 | 85,000 | 13,500 | 1,000,000 | | | 55,275 | | (2,032,665) | 0 | 0 | 2,069,541 | 56,876 | 357,760 |
| 2016 | 410,190 | 100,000 | 9,225 | 218,500 | | | 44,275 | | (2,121,190) | 0 | 0 | 2,140,036 | 18,846 | 376,605 |
| 2017 | 407,940 | 105,000 | 4,725 | 1,290,000 | | | 22,275 | | (2,190,940) | 0 | 0 | 2,191,540 | 600 | 377,205 |
| 2018 | 0 | | | 98,500 | | | 11,275 | | (2,242,775) | 0 | 0 | 2,244,074 | 1,299 | 378,505 |
| TOTAL | 12,083,875 | 810,000 | 315,000 | 8,005,000 | 3,472,375 | 1,530,000 | 508,550 | 25,682 | (26,748,482) | 54,675 | 383,976 | 27,126,987 | | |

* Existing Debt Service.
 ** Assumes the financing of all capital projects listed in TID No. 4 Amendment No. 3 (project list dated 4/26/05).
 *** Revenue includes existing increment and projected new development - See Attached.

4

DETAILED LIST OF NEW AND AMENDED PROJECT COSTS

A detailed listing of the projects that the City may undertake within the Additional Territory is found on the following page. All costs are based on 2005 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2005 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

As was discussed in the original creation Project Plan, it is important to note that this 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 City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without further amending this Plan.

PROPOSED TIF PROJECT COST ESTIMATES

Final as approved by CDA April 25, 2005

TIF #4 - Project Plan Amendment

April 25, 2005

| | | |
|---|-----------|--------------|
| <u>Downtown Revitalization</u> | | 2,950,555 |
| Downtown Building Acquisition/Demolition | 800,000 | |
| Downtown Building Façade Grant/Loan Program | 200,000 | |
| Downtown Parking | 250,000 | |
| Reconstruction - Fremont St.(North to Center) & North St.(Fremont to George) | 400,700 | |
| Burial of overhead utilities | 275,000 | |
| Whitewater/Main/Wisconsin St. (Novak's to Floral Villa) | 315,000 | |
| Center St. alley (Fourth St to Center) | | |
| Reconstruction - Intersection (Main, Milwaukee, Wisconsin) | 325,000 | |
| Downtown Revitalization Group Administration | 384,855 | |
| <u>Business Park Development</u> | | 2,275,400 |
| Grading/filling of lots | 100,000 | |
| East Main Street extension construction | 502,000 | |
| Morraine View Parkway Ph 1 (Bluff Rd to E. Main) | 512,700 | |
| Morraine View Parkway Ph 2 (E. Main to Corporate Dr.) | 624,700 | |
| Business Incubator Development | 500,000 | |
| Bluff Road - Lot realignment and utility relocation | 36,000 | |
| <u>Brownfield Redevelopment</u> | | 1,033,500 |
| Alpha Cast - Brownfield Grant match | 100,000 | |
| Site Remediation | 100,000 | |
| Site Acquisition | 200,000 | |
| Business Relocation | 300,000 | |
| Starin Road Extension - Whitewater Creek to Jefferson St | 333,500 | |
| <u>Developer Incentives</u> | 1,500,000 | 1,500,000 |
| <u>TIF Administration</u> | 571,335 | 571,335 |
| <u>Fairhaven Project</u> - Infrastructure improvements | | \$ 1,100,000 |
| Grand Total | | 9,430,790 |

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

PLAN IMPLEMENTATION

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the Additional Territory. It is anticipated these improvements will be made during 2005. 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 developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective. In any event, all additional project costs are to be incurred within the period specified in Section 66.1105(6)(am) of the Wisconsin Statutes.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

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

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

If financing as outlined in this Plan proves unworkable, the City of Whitewater reserves the right to use alternate financing solutions for the projects as they are implemented.

**Issue No. 1
General Obligation Bonds
\$8,005,000**

Proposed Maturity Schedule

The 2007 2008 projects are anticipated to be financed with General Obligation Bonds to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 5%.

| YEAR | PRINCIPAL | INTEREST | TOTAL |
|--------------|--------------------|--------------------|---------------------|
| 2007 | | 200,125 | \$200,125 |
| 2008 | 100,000 | 400,250 | \$500,250 |
| 2009 | 215,000 | 395,250 | \$610,250 |
| 2010 | 220,000 | 384,500 | \$604,500 |
| 2011 | 450,000 | 373,500 | \$823,500 |
| 2012 | 500,000 | 351,000 | \$851,000 |
| 2013 | 575,000 | 326,000 | \$901,000 |
| 2014 | 575,000 | 297,250 | \$872,250 |
| 2015 | 1,000,000 | 268,500 | \$1,268,500 |
| 2016 | 1,150,000 | 218,500 | \$1,368,500 |
| 2017 | 1,290,000 | 161,000 | \$1,451,000 |
| 2018 | 1,930,000 | 96,500 | \$2,026,500 |
| TOTAL | \$8,005,000 | \$3,472,375 | \$11,477,375 |

Issue No. 2
General Obligation Notes or State Trust Fund Loan
\$1,530,000

Proposed Maturity Schedule

The 2009 projects are anticipated to be financed with General Obligation Notes or State Trust Fund Loan to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 5.5%.

| YEAR | PRINCIPAL | INTEREST | TOTAL |
|--------------|--------------------|------------------|--------------------|
| 2009 | | 42,075 | \$42,075 |
| 2010 | 100,000 | 84,150 | \$184,150 |
| 2011 | 125,000 | 78,650 | \$203,650 |
| 2012 | 150,000 | 71,775 | \$221,775 |
| 2013 | 150,000 | 63,525 | \$213,525 |
| 2014 | 200,000 | 55,275 | \$255,275 |
| 2015 | 200,000 | 44,275 | \$244,275 |
| 2016 | 200,000 | 33,275 | \$233,275 |
| 2017 | 200,000 | 22,275 | \$222,275 |
| 2018 | 205,000 | 11,275 | \$216,275 |
| TOTAL | \$1,530,000 | \$506,550 | \$2,036,550 |

6 ESTIMATE OF ADDITIONAL TERRITORY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Section 66.1105(5)(b)(6)(am)1 of the Wisconsin State Statutes the City estimates that 25% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

7 ADDITIONAL TERRITORY - ANNEXED PROPERTY

Properties proposed for inclusion within the District were annexed by the City on or after January 1, 2004. To satisfy the requirements of s.66.1105(4)(gm)1. Wis. Stats., the City pledges to pay to the Towns of Whitewater (Walworth County) and Coldsprings (Jefferson County) for the next five years an amount equal to the property taxes levied on the annexed properties by the Town at the time of annexation.

8 A LIST OF ESTIMATED NON-PROJECT COSTS

Anticipated construction by private parties within the Additional Territory only: \$23,120,000

9 PROPOSED CHANGES IN ZONING ORDINANCES

The City of Whitewater anticipates that a portion of the Additional Territory will be rezoned prior to development. No other changes in the zoning ordinances are anticipated by the City of Whitewater at this time.

10

PROPOSED CHANGES IN MASTER PLAN, BUILDING CODES AND CITY OF WHITEWATER ORDINANCES

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

11

RELOCATION

It is anticipated there will be a need to relocate business in conjunction with this Plan. In the event relocation becomes necessary at some time during the implementation period, the City of Whitewater 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 Commerce and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Rights". The City of Whitewater 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 City of Whitewater will file a relocation plan with the Department of Commerce and shall keep records as required in Wisconsin Statute Section 32.27.

12

ORDERLY DEVELOPMENT OF THE CITY OF WHITEWATER

Incorporation of the Additional Territory to the District contributes to the orderly development of the City by providing the opportunity for continued growth in tax base, job opportunities, brownfield redevelopment, downtown revitalization and business park development.

13

PRELIMINARY PARCEL LIST FOR ADDITIONAL TERRITORY TO BE ADDED TO THE EXISTING DISTRICT BOUNDARY AND PARCELS TO BE REMOVED FROM EXISTING DISTRICT

Additional Parcels to be Added to District

| Parcel | Owner | Land | Improvements | Value |
|-----------------|--------------------------|--------------|--------------|--------------|
| WSS-60 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| WSS-61C | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| WUP-33A | Kienbaum Iron and Metal | \$29,300.00 | \$22,300.00 | \$51,600.00 |
| WUP-33 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| WUP-35 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| CSM-A-762 | Carl Keinbaum | \$54,700.00 | \$44,600.00 | \$99,300.00 |
| CSM-A-762 | Bently S. Kienbaum | \$46,000.00 | \$63,800.00 | \$109,800.00 |
| WUP-18 | Roger Kutz | \$11,200.00 | \$0.00 | \$11,200.00 |
| WUP-18D | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| WUP-14 | Kiligora Trust | \$18,200.00 | \$15,400.00 | \$33,600.00 |
| W-10-3 | Community Church | \$3,000.00 | \$0.00 | \$3,000.00 |
| 05-15-32-11-000 | Fairhaven Corp. | \$0.00 | \$0.00 | \$0.00 |
| 05-15-32-14-000 | Fairhaven Corp. | \$0.00 | \$0.00 | \$0.00 |
| 05-15-32-14-001 | CDM Farms LLP | \$0.00 | \$0.00 | \$0.00 |
| 05-15-33-22-002 | Phyllis Thayer McKenzie | \$10,000.00 | \$0.00 | \$10,000.00 |
| 05-15-33-23-000 | LSP - Whitewater Limited | \$29,700.00 | \$10,000.00 | \$39,700.00 |
| 05-15-33-23-001 | Gerald R. Thayer | \$30,300.00 | \$75,500.00 | \$105,800.00 |
| 05-15-33-24-001 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| 05-15-33-31-001 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| 05-15-33-32-000 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| 05-15-33-32-002 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| 05-15-33-32-003 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| 05-15-33-33-000 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| 05-15-33-34-001 | City of Whitewater | \$0.00 | \$0.00 | \$0.00 |
| 05-15-34-31-000 | Lurvey | \$4,100.00 | \$0.00 | \$4,100.00 |
| 05-15-34-34-000 | Lurvey | \$3,000.00 | \$0.00 | \$3,000.00 |
| 05-15-34-42-000 | Johnson | \$8,400.00 | \$0.00 | \$8,400.00 |
| 05-15-34-43-000 | Johnson | \$5,600.00 | \$0.00 | \$5,600.00 |
| | | \$253,500.00 | \$231,600.00 | \$485,100.00 |
| | | | | \$0.00 |
| | | | | \$0.00 |

**Water's Edge Parcels to be
Removed from District Boundaries**

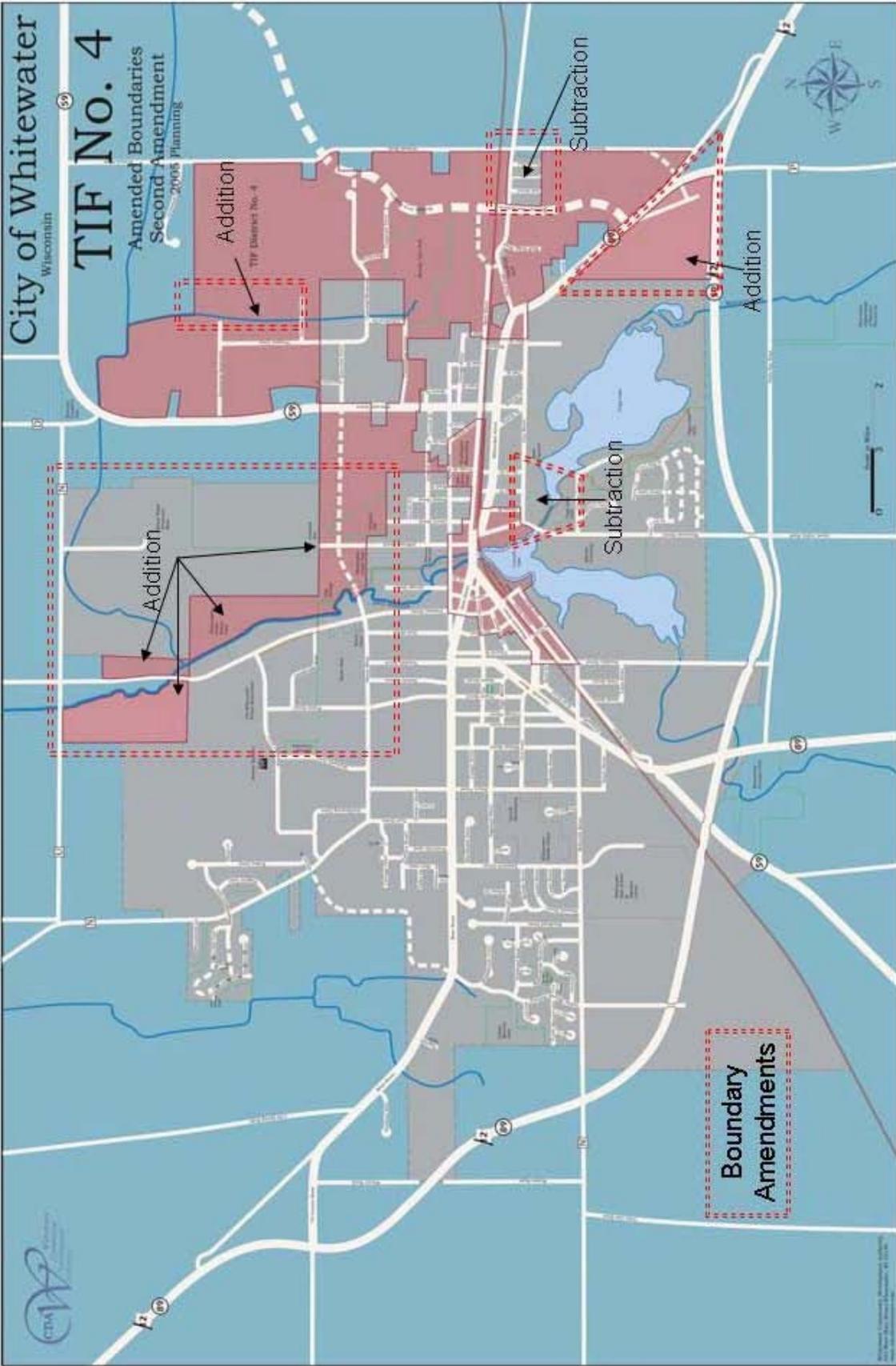
| Parcel | Land | Improvements | Value |
|---------------|-----------------------|-----------------------|-----------------------|
| WE1 -1 | \$25,000.00 | \$38,000.00 | \$63,000.00 |
| WE1 -2 | \$25,000.00 | \$37,900.00 | \$62,900.00 |
| WE1 -3 | \$25,000.00 | \$58,000.00 | \$83,000.00 |
| WE1 -4 | \$25,000.00 | \$47,000.00 | \$72,000.00 |
| WE1 -5 | \$25,000.00 | \$47,000.00 | \$72,000.00 |
| WE1 -6 | \$25,000.00 | \$58,000.00 | \$83,000.00 |
| WE1 -7 | \$25,000.00 | \$38,000.00 | \$63,000.00 |
| WE1 -8 | \$25,000.00 | \$38,000.00 | \$63,000.00 |
| WE1 -9 | \$25,000.00 | \$38,000.00 | \$63,000.00 |
| WE1 -10 | \$25,000.00 | \$38,000.00 | \$63,000.00 |
| WE1 -11 | \$25,000.00 | \$58,000.00 | \$83,000.00 |
| WE1 -12 | \$25,000.00 | \$47,000.00 | \$72,000.00 |
| WE1 -13 | \$25,000.00 | \$47,000.00 | \$72,000.00 |
| WE1 -14 | \$25,000.00 | \$58,000.00 | \$83,000.00 |
| WE1 -15 | \$25,000.00 | \$37,900.00 | \$62,900.00 |
| WE1 -16 | \$25,000.00 | \$38,000.00 | \$63,000.00 |
| WE1 -17 | \$25,000.00 | \$102,500.00 | \$127,500.00 |
| WE1 -18 | \$25,000.00 | \$103,500.00 | \$128,500.00 |
| WE1 -19 | \$25,000.00 | \$116,600.00 | \$141,600.00 |
| WE1 -20 | \$25,000.00 | \$103,500.00 | \$128,500.00 |
| WE1 -21 | \$25,000.00 | \$90,400.00 | \$115,400.00 |
| WE1 -22 | \$25,000.00 | \$110,200.00 | \$135,200.00 |
| WE1 -23 | \$25,000.00 | \$98,000.00 | \$123,000.00 |
| WE1 -24 | \$25,000.00 | \$108,300.00 | \$133,300.00 |
| WE1 -25 | \$25,000.00 | \$100,000.00 | \$125,000.00 |
| WE1 -26 | \$25,000.00 | \$98,000.00 | \$123,000.00 |
| WE1 -27 | \$25,000.00 | \$110,000.00 | \$135,000.00 |
| WE1 -28 | \$25,000.00 | \$100,000.00 | \$125,000.00 |
| WE1 -29 | \$25,000.00 | \$103,600.00 | \$128,600.00 |
| WE1 -30 | \$25,000.00 | \$110,000.00 | \$135,000.00 |
| WE1 -31 | \$25,000.00 | \$98,000.00 | \$123,000.00 |
| WE-1 | \$40,000.00 | \$203,500.00 | \$243,500.00 |
| WE-2 | \$40,000.00 | \$148,000.00 | \$188,000.00 |
| WE-3 | \$40,000.00 | \$147,700.00 | \$187,700.00 |
| WE-4 | \$50,000.00 | \$192,100.00 | \$242,100.00 |
| WE-5 | \$40,000.00 | \$195,900.00 | \$235,900.00 |
| WE-6 | \$40,000.00 | \$145,900.00 | \$185,900.00 |
| WE-7 | \$40,000.00 | \$141,900.00 | \$181,900.00 |
| WE-8 | \$40,000.00 | \$205,900.00 | \$245,900.00 |
| WE-9 | \$40,000.00 | \$190,000.00 | \$230,000.00 |
| WE-10 | \$40,000.00 | \$154,000.00 | \$194,000.00 |
| WE-11 | \$40,000.00 | \$145,000.00 | \$185,000.00 |
| WE-12 | \$40,000.00 | \$203,000.00 | \$243,000.00 |
| WE-13 | \$40,000.00 | \$221,000.00 | \$261,000.00 |
| WE-14 | \$40,000.00 | \$173,000.00 | \$213,000.00 |
| WE-15 | \$40,000.00 | \$189,000.00 | \$229,000.00 |
| WE-16 | \$40,000.00 | \$181,300.00 | \$221,300.00 |
| | \$1,425,000.00 | \$5,113,600.00 | \$6,538,600.00 |

**Pine Bluff Parcels to be
Removed from District Boundaries**

| Parcel | Land | Improvements | Value |
|--------|-----------------------|-----------------------|-----------------------|
| PB1-1 | \$25,200.00 | \$133,800.00 | \$159,000.00 |
| PB1-2 | \$30,000.00 | \$117,000.00 | \$147,000.00 |
| PB1-3 | \$33,300.00 | \$136,600.00 | \$169,900.00 |
| PB1-4 | \$30,200.00 | \$139,700.00 | \$169,900.00 |
| PB1-5 | \$33,200.00 | \$139,100.00 | \$172,300.00 |
| PB1-6 | \$30,200.00 | \$137,600.00 | \$167,800.00 |
| PB1-7 | \$33,200.00 | \$126,800.00 | \$160,000.00 |
| PB1-8 | \$34,400.00 | \$166,800.00 | \$201,200.00 |
| PB1-9 | \$30,200.00 | \$131,800.00 | \$162,000.00 |
| PB1-10 | \$33,100.00 | \$123,100.00 | \$156,200.00 |
| PB1-11 | \$33,200.00 | \$153,500.00 | \$186,700.00 |
| PB1-12 | \$33,100.00 | \$122,500.00 | \$155,600.00 |
| PB1-13 | \$30,200.00 | \$124,800.00 | \$155,000.00 |
| PB1-14 | \$30,200.00 | \$127,800.00 | \$158,000.00 |
| PB1-15 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-16 | \$34,000.00 | \$77,100.00 | \$111,100.00 |
| PB1-17 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-18 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-19 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-20 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-21 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-22 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-23 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-24 | \$5,800.00 | \$0.00 | \$5,800.00 |
| PB1-25 | \$31,400.00 | \$0.00 | \$31,400.00 |
| PB1-26 | \$34,800.00 | \$79,300.00 | \$114,100.00 |
| PB1-27 | \$39,000.00 | \$131,900.00 | \$170,900.00 |
| PB1-28 | \$33,400.00 | \$54,300.00 | \$87,700.00 |
| PB-1 | \$30,500.00 | \$12,300.00 | \$42,800.00 |
| PB-2 | \$35,500.00 | \$127,500.00 | \$163,000.00 |
| PB-3 | \$35,500.00 | \$126,600.00 | \$162,100.00 |
| PB-4 | \$33,200.00 | \$144,000.00 | \$177,200.00 |
| PB-5 | \$29,600.00 | \$130,400.00 | \$160,000.00 |
| PB-6 | \$22,600.00 | \$152,600.00 | \$175,200.00 |
| PB-7 | \$23,000.00 | \$162,000.00 | \$185,000.00 |
| PB-8 | \$35,500.00 | \$140,000.00 | \$175,500.00 |
| PB-9 | \$33,200.00 | \$121,300.00 | \$154,500.00 |
| PB-10 | \$35,400.00 | \$140,600.00 | \$176,000.00 |
| PB-11 | \$33,500.00 | \$127,000.00 | \$160,500.00 |
| PB-12 | \$33,200.00 | \$127,900.00 | \$161,100.00 |
| PB-13 | \$33,800.00 | \$142,100.00 | \$175,900.00 |
| PB-14 | \$33,200.00 | \$125,200.00 | \$158,400.00 |
| | <u>\$1,112,200.00</u> | <u>\$4,003,000.00</u> | <u>\$5,115,200.00</u> |

14 MAP OF PROPOSED DISTRICT BOUNDARY

The following map identifies the Additional Territory and its relationship to the existing District's boundaries.



15 MAP SHOWING EXISTING USES & CONDITIONS

The following map identifies the existing uses and conditions of the Additional Territory.

THIS MAP WILL BE HANDED OUT SEPARATELY

16 MAP SHOWING PROPOSED PROJECTS & IMPROVEMENTS

The following map identifies the proposed projects and improvements of the Additional Territory.

THIS MAP WILL BE HANDED OUT SEPARATELY

17

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

April 29, 2005

SAMPLE

Kevin Brunner
City Manager
City of Whitewater

RE: City of Whitewater, Wisconsin Tax Incremental District No. 4 Amendment

Dear Kevin:

As City Attorney for the City of Whitewater, I have reviewed the Project Plan Amendment document and various resolutions passed by the City Council, Plan Commission, and Joint Review Board regarding the amendment of Tax Incremental District No. 4 located in the City. In my opinion, the Project Plan is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Sincerely,

Attorney
Harrison & McDonell