

# VILLAGE OF JOHNSON CREEK TAX INCREMENT FINANCING DISTRICT #4

**Draft: July 17, 2021**

**JRB Adoption Draft**

Prepared by:



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## SECTION I. INTRODUCTION

### Project Background

The Village of Johnson Creek proposes to create Tax Increment District #4 (TID #4) in the center of the Village as a “mixed-use” District. This area generally includes properties along Highway 26 and Milwaukee Street/County Road B, as well as properties fronting Grell Lane and Wright Road.

Despite its location in the Village’s commercial and industrial core, this area has not seen private development or investment at the level desired by the Village. Some of the property within and surrounding TID #4 was previously in TID #2, which is closed in 2021, but did not yield development.

The proposed boundaries of TID #4 include existing facilities owned by MasterMold (a longstanding Johnson Creek business), undeveloped parcels between Wright Road and Highway 26, and the soon-to-be-vacant Johnson Creek Elementary School. The Village views these properties as long-term development and redevelopment opportunities.

A planned multi-phase expansion of the MasterMold facility within TID #4 provides great impetus to capture tax increment from these developments to grow the tax base, provide financial assistance to ameliorate extraordinary development costs, promote economic development and facilitate the orderly development of the community for years to come. In addition, the Village sees opportunities to catalyze the redevelopment of the vacant Johnson Creek Elementary School and new development on large, undeveloped parcels along Highway 26.

The District is proposed as a “mixed use” TID, which may include a combination of industrial, commercial and residential uses. This designation provides the Village with flexibility concerning the future use of the Highway 26 frontage as well as Village-owned property on Wright Road.

This project plan for TID #4 has been prepared in compliance with Wis. Stat. §66.1105. The project plan establishes the need for the project, lists the public improvements within the District, and provides an estimated time schedule for completion of the projects and their estimated costs. This project plan is to be adopted by resolution by the Village Board on recommendation of the Village Plan Commission as the official plan and guide for public and private sector development within the boundaries of TID #4.

Implementation of the project plan and construction of the public improvements listed will require a case-by-case authorization by the Village Board. Public expenditures for projects listed in the project plan should and will be based on market conditions and the status of development at the time a project is scheduled for construction. The Village Board is not mandated to make the public expenditures described in this plan but is limited to the types of expenditures listed herein. Changes to the types of projects will require a formal amendment to the project plan with public review (including meetings with the Joint Review Board and Plan Commission public hearing) and Village Board approval. Redistribution of project costs within the budget estimates will not require an amendment to the plan, provided that the projects meet the purpose and intent of the District.

As required by Section 66.1105(4)(f), Wis. Stats., a copy of this project plan will be submitted to the Department of Revenue and used as the basis of their certification of Tax Increment District #4 in the Village of Johnson Creek.

#### Type of District, Size and Location

TID #4 is proposed to be created as a mixed-use district suitable for industrial, commercial and residential sites and is comprised of 33 parcels. The parcels total approximately 101.5 acres with an estimated 18.2 acres of wetlands, netting 83.3 acres of developable property that would comprise the District. As of January 1, 2021, the estimated base value of the land, improvements and personal property located within the District is \$11,185,600. A map of the proposed boundaries is located in Section III of this plan. Per Wis. Stat. 66.1105.2(cm), residential uses in the District will comprise less than 35% of the total area.

#### Estimated Total Project Expenditures

The purpose of TID #4 is to provide the necessary improvements in public infrastructure to encourage economic development and increase property values. During the 15-year expenditure period permitted under the Tax Increment Law, a total of \$12,042,595 in priority project costs are proposed.

The Village expects to evaluate and use several alternative financing methods for the projects in order to provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, and provide other advantages as determined by the Village Board. The Village Board is not mandated to make the public expenditures in this plan. The public expenditures are an itemization of TIF-eligible project costs that the Village may undertake as well as a guide for the Plan Commission and Village Board to assist them in the decision-making process for public expenditures. Redistribution of project costs within the total budget estimate will not require amendments to the plan, provided that the project meets the purpose and intent of TID #4.

#### Economic Development

As a result of the creation of this District, the Village projects that additional land and improvements value of approximately \$33,450,000 will be created as a result of development and appreciation in the value of the existing properties. Section VII of this Plan provides detailed assumptions as to the timing of new development and associated values. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

#### Expected Termination of District

Based on the Economic Feasibility Study located in Section VII of this plan, this District is expected to generate sufficient tax increments to recover all project costs by the year 2041, within the 20-year maximum life of this District.

#### Summary of Findings

As required by Wis. Stat. §66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the Village.

- To support development within the District, the Village will need to make a substantial investment to pay for the costs of necessary public infrastructure and assist with closing financing gaps with private development projects. Due to extensive investment required, the Village has determined that development of the area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, development of the area is unlikely to occur.
2. The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the Village has considered the following information:
    - As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are expected to be sufficient to pay for the proposed project costs.
  3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
    - If approved, the District's creation would become effective for valuation purposes as of January 1, 2021. As of this date, the values of all existing development would be frozen, and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2021, would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
    - Since the development expected to occur is subject to site preparation and other extraordinary costs, it is unlikely to take place or in the same manner or timeframe without the use of TIF. Since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements, the Village reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the "but for" test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Wis. Stats. §66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix B of this plan.
  4. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
  5. The equalized value of taxable property of the District, the only open Tax Increment Finance District in the Village, does not exceed 12% of the total equalized value of taxable property within the Village.
  6. Lands in the District proposed for newly platted residential use comprise less than 35% of the total area of the District.

7. The Village estimates that up to 0.5% of the territory within the District (0.75 of 165.7 total developable acres) may be suitable for retail business at the end of the District's maximum expenditure period pursuant to Wis. Stats. § 66.1105(5)(b) and 66.1105(6)(am)1.
8. The Project Plan for the District in the Village is economically feasible and is in conformity with the comprehensive plan of the Village.

## **SECTION II. DESCRIPTION OF HOW TAX INCREMENT DISTRICT #4 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE VILLAGE OF JOHNSON CREEK**

Tax Increment Financing District #4 has been created for the purpose of promoting the orderly development of this area in the Village of Johnson Creek. First, the District will help to close financial gaps as necessary to accommodate the expansion of MasterMold. Construction is expected to begin in the fall of 2021, and this expansion of a long-term Village employer will create 75-100 jobs and grow tax base in the Village.

Second, the Village sees opportunities to set the stage for the redevelopment of Johnson Creek Elementary School and new development on undeveloped Village-owned parcels on Wright Road. A replacement school is under construction and expected to be completed in the fall of 2021 with the property of the existing school currently being actively marketed for private redevelopment. Likewise, the Village-owned property on Wright Road has been subdivided and the lots currently are available for sale.

Despite available acres located within the municipal limits, this area has not seen private development or investment at the level desired by the Village; providing infrastructure and financial assistance to this area will help attract private investment.

Third, the undeveloped property along Highway 26 and County Road B provides an opportunity for future development. This area would be most suitable for multi-family development as it is accessible by major thoroughfares and surrounded by residential and institutional residential uses.

## **SECTION III. TAX INCREMENT DISTRICT BOUNDARY DESCRIPTION AND EQUALIZED VALUES**

The boundaries of TID #4 are officially designated on Map 1 and include the parcels listed in Table 2 below (see Appendix A for a legal description). This boundary encompasses existing facilities owned by MasterMold, undeveloped parcels along Highway 26 and Wright Road, and the Johnson Creek Elementary School, as well as other developed properties.

As of January 1, 2020, the real and personal property in Tax Increment District #4 had an assessed value of \$11,185,600. The Village's total equalized value was \$406,917,100, of which the TID #4 base value represents 2.75% of the Village's total. This is less than the 12% maximum currently permitted under the Tax Increment Law, as demonstrated in Table 1.



**Table 1: Valuation Test Compliance**

|                          |       |               |
|--------------------------|-------|---------------|
|                          |       |               |
| Total City EAV (2020)    |       | \$406,917,100 |
| 12% Test                 |       | \$48,830,052  |
| Projected Base of TID #4 | 2.75% | \$11,185,600  |
| <b>Compliance</b>        |       | <b>PASS</b>   |

Table 2: Parcel List and Current Values

| Map ID | PIN                            | Personal Property Acct Num | Owner Name                       | Classification (Res, Ag, Industrial) | Total Acres  | Wetland Acres | Developable Acres | Land Value           | Improvement Value  | Personal Property Value | Total Value         |
|--------|--------------------------------|----------------------------|----------------------------------|--------------------------------------|--------------|---------------|-------------------|----------------------|--------------------|-------------------------|---------------------|
| 1      | 141-0715-1821-017              | 141-9901-1562-000          | MASTERMOLD REAL ESTATE LLC       | 3 - Manufacturing                    | 3.03         | 0.00          | 3.03              | \$121,600            | \$101,200          | \$0                     | \$222,800           |
| 2      | 141-0715-1821-007              | 141-9900-4700-000          | MASTERMOLD REAL ESTATE LLC       | 3 - Manufacturing                    | 8.44         | 0.00          | 8.44              | \$257,200            | \$2,801,000        | \$135,400               | \$3,193,600         |
| 3      | 141-0715-1821-016              | N/A                        | MASTERMOLD REAL ESTATE LLC       | 3 - Manufacturing                    | 1.02         | 0.00          | 1.02              | \$27,900             | \$0                | \$0                     | \$27,900            |
| 4      | 141-0715-1821-011              | 141-9901-1462-000          | ADAMS RENTAL INVESTMENTS LLC     | 2- Commercial                        | 1.23         | 0.00          | 1.23              | \$64,000             | \$171,900          | \$3,200                 | \$239,100           |
| 5      | 141-0715-1821-006              | 141-9901-1110-000          | FIESTA GARIBALDI - JOSE REBOLLAR | 2 - Commercial                       | 0.50         | 0.00          | 0.50              | \$47,200             | \$250,100          | \$21,500                | \$318,800           |
| 6      | 141-0715-1821-018              | 141-9900-7800-00           | BRIAN E PERNAT                   | 2 - Commercial                       | 0.48         | 0.00          | 0.48              | \$45,700             | \$202,300          | \$7,200                 | \$255,200           |
| 7      | 141-0715-1824-017              | N/A                        | JOHNSON CREEK JOINT SCHOOL       | EXEMPT                               | 9.54         | 0.00          | 9.54              | \$0                  | \$0                | \$0                     | \$0                 |
| 8      | 141-0715-1821-003              | 141-9901-1596-000          | MASTERMOLD REAL ESTATE LLC       | 3 - Manufacturing                    | 4.90         | 0.00          | 4.90              | \$141,400            | \$102,400          | \$1,500                 | \$245,300           |
| 9      | 141-0715-1821-004              | 141-9900-1101-000          | PREMIER BANK                     | 2- Commercial                        | 1.87         | 0.00          | 1.87              | \$203,600            | \$465,700          | \$39,100                | \$708,400           |
| 10     | 141-0715-1813-019              | N/A                        | JPAL LLC                         | 2 - Commercial                       | 3.78         | 0.31          | 3.46              | \$37,800             | \$0                | \$0                     | \$37,800            |
| 11     | 141-0715-1824-000              | N/A                        | JPAL LLC                         | 2 - Commercial                       | 2.13         | 0.00          | 2.13              | \$31,900             | \$0                | \$0                     | \$31,900            |
| 12     | 141-0715-1813-069              | N/A                        | JPAL LLC                         | 2 - Commercial                       | 1.98         | 0.07          | 1.91              | \$29,700             | \$0                | \$0                     | \$29,700            |
| 13     | 141-0715-1813-067              | N/A                        | JPAL LLC                         | 2 - Commercial                       | 2.02         | 1.39          | 0.63              | \$5,000              | \$0                | \$0                     | \$5,000             |
| 14     | 141-0715-1813-068              | N/A                        | JPAL LLC                         | 2 - Commercial                       | 0.75         | 0.00          | 0.75              | \$5,600              | \$0                | \$0                     | \$5,600             |
| 15     | 141-0715-1812-011              | N/A                        | SAELEN CORPORATION               | 2 - Commercial                       | 1.56         | 0.00          | 1.56              | \$197,900            | \$0                | \$0                     | \$197,900           |
| 16     | 141-0715-1812-000              | 141-9900-5000-000          | SAELEN CORPORATION               | 2 - Commercial                       | 11.34        | 1.51          | 9.83              | \$354,300            | \$2,294,000        | \$96,100                | \$2,744,400         |
| 17     | 141-0715-1812-002              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 1.29         | 0.00          | 1.29              | \$0                  | \$0                | \$0                     | \$0                 |
| 18     | 141-0715-1821-019              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 1.32         | 0.00          | 1.32              | \$0                  | \$0                | \$0                     | \$0                 |
| 19     | 141-0715-1812-007              | N/A                        | SAELEN CORPORATION               | 2- Commercial                        | 2.69         | 0.79          | 1.89              | \$3,800              | \$0                | \$0                     | \$3,800             |
| 20     | 141-0715-1812-012              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 0.77         | 0.00          | 0.77              | \$0                  | \$0                | \$0                     | \$0                 |
| 21     | 141-0715-1812-013              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 0.77         | 0.00          | 0.77              | \$0                  | \$0                | \$0                     | \$0                 |
| 22     | 141-0715-1812-014              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 0.77         | 0.00          | 0.77              | \$0                  | \$0                | \$0                     | \$0                 |
| 23     | 141-0715-1812-015              | 141-9901-1358-000          | MELK INVESTMENTS LLC             | 2- Commercial                        | 1.01         | 0.00          | 1.01              | \$90,500             | \$629,800          | \$20,500                | \$740,800           |
| 24     | 141-0715-1812-016              | 141-9901-1487-000          | CA HUDSON LLC                    | 2- Commercial                        | 0.50         | 0.00          | 0.50              | \$58,900             | \$236,000          | \$5,100                 | \$300,000           |
| 25     | 141-0715-1812-020              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 0.50         | 0.00          | 0.50              | \$0                  | \$0                |                         | \$0                 |
| 26     | 141-0715-1812-017              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 1.00         | 0.00          | 1.00              | \$0                  | \$0                |                         | \$0                 |
| 27     | 141-0715-1812-018              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 1.00         | 0.00          | 1.00              | \$0                  | \$0                |                         | \$0                 |
| 28     | 141-0715-1812-019              | N/A                        | VILLAGE OF JOHNSON CREEK         | EXEMPT                               | 1.10         | 0.00          | 1.10              | \$0                  | \$0                |                         | \$0                 |
| 29     | 141-0715-1824-016              | N/A                        | RJS PROPERTIES LLC               | 2- Commercial                        | 7.61         | 2.23          | 5.38              | \$99,500             | \$0                | \$0                     | \$99,500            |
| 30     | 141-0715-1831-008              | N/A                        | RJS PROPERTIES LLC               | 2- Commercial                        | 3.54         | 2.74          | 0.80              | \$30,300             | \$0                | \$0                     | \$30,300            |
| 31     | 141-0715-1831-007              | N/A                        | RJS PROPERTIES LLC               | 2- Commercial                        | 8.69         | 6.92          | 1.77              | \$67,700             | \$0                | \$0                     | \$67,700            |
| 32     | 141-0715-1831-004              | 141-9900-0701-000          | RJS PROPERTIES LLC               | 2- Commercial                        | 12.48        | 1.66          | 10.82             | \$594,800            | \$937,800          | \$74,200                | \$1,606,800         |
| 33     | 141-0715-1831-003              | N/A                        | RJS PROPERTIES LLC               | 2- Commercial                        | 1.88         | 0.53          | 1.35              | \$73,300             | \$0                | \$0                     | \$73,300            |
|        | <b>TOTAL STUDY AREA</b>        |                            |                                  |                                      | <b>101.5</b> | <b>18.2</b>   | <b>83.3</b>       | <b>\$2,589,600</b>   | <b>\$8,192,200</b> | <b>\$403,800</b>        | <b>\$11,185,600</b> |
|        | <b>TOTAL VILLAGE VALUATION</b> |                            |                                  |                                      |              |               |                   | <b>\$406,917,100</b> |                    |                         |                     |
|        | <b>% VILLAGE VALUATION</b>     |                            |                                  |                                      |              |               |                   | <b>2.75%</b>         |                    |                         |                     |

**Map 1: Boundary  
Village of Johnson Creek TID #4**

**Legend:**

- TID 4 Boundary Half Mile Radius (Dashed Purple Line)
- TID 4 Parcels (Red Outline)
- TID 4 Boundary (Red Outline)
- VILLAGE OF JOHNSON CREEK (Thick Black Outline)
- DNR Wetlands (Light Blue)

**Scale:** 0.25 Miles

**Date:** 7/8/2021 **Sources:** Jefferson County, WI DNR

**DRAFT**  
VANDEWALLE & ASSOCIATES INC.  
Boundary, Planning, Mapping, GIS

The map displays the Village of Johnson Creek TID #4 boundary, which is outlined in red. The map includes surrounding towns: Farmington to the north and east, Aztalan to the southwest, and Jefferson to the south. The map also shows the TID 4 Boundary Half Mile Radius (dashed purple line), TID 4 Parcels (red outline), and TID 4 Boundary (red outline). The map includes a legend, a scale bar (0.25 miles), a north arrow, and a date of 7/8/2021. The map is labeled 'DRAFT' and 'VANDEWALLE & ASSOCIATES INC.'.

**SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY**

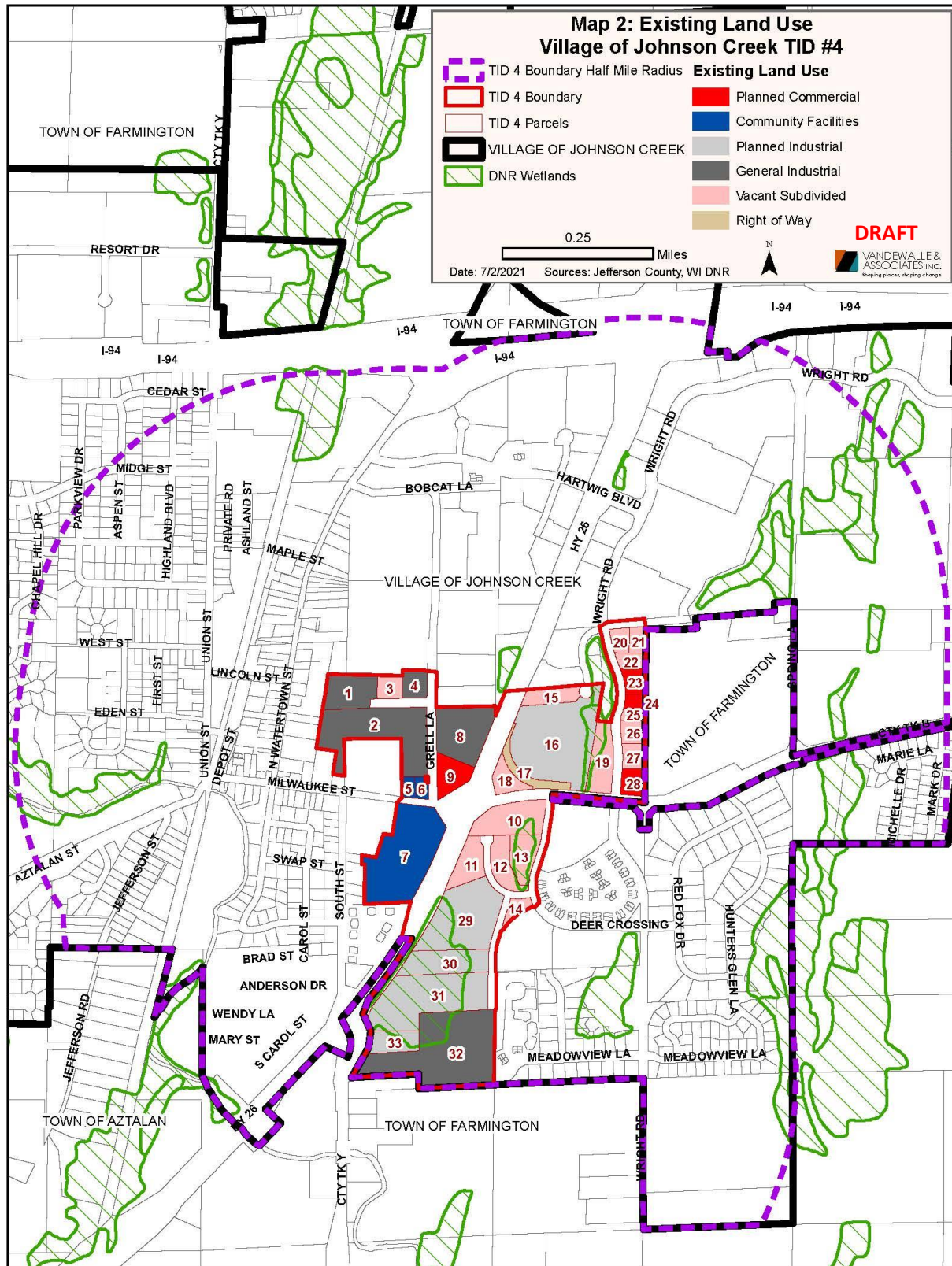
Map 2 depicts existing land uses for the District. Lands adjacent to Highway 26 and Milwaukee Street historically have been used for manufacturing. The parcels east of Highway 26 and south of County Road B remains undeveloped with some wetland areas. A few light industrial and government and utility uses are located along Milwaukee Street, including Johnson Creek Elementary School. Existing businesses are located along Grell Lane and Wright Road.

There are approximately 18.2 acres of wetlands within the proposed TID #4 boundary. Wetlands are primarily located in the east and south sides of the District.

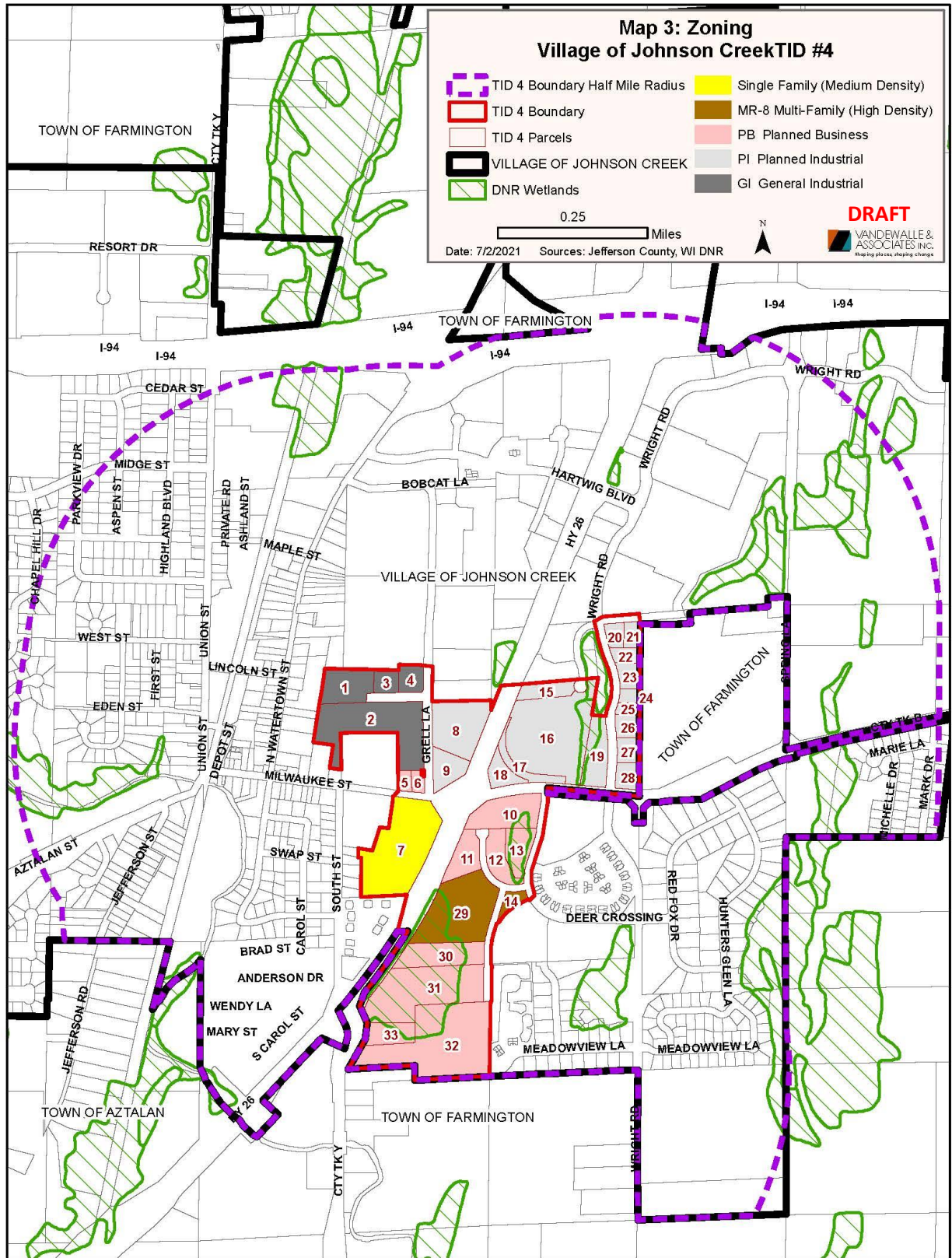
The Tax Increment Law includes a statutory limit of 35% of land designated for newly platted residential use within a mixed-use district. Within the proposed TID #4, only about 8.89 acres out of 63.2 developable acres are proposed for multi-family residential development, amounting to approximately 14% of the District. While Map 3 shows this land zoned for Planned Business, Map 5 shows its recommended future land use as Planned Mixed Use, which could include mixed residential development. The Village is aware of the owner's intention to construct multi-family housing on the parcels. Other lands within the District are recommended for a mix of general industrial, light industrial, and commercial use development and, thus, meet the requirements of a mixed-use district of Wis. Stats. § 66.1105(4)(gm)(4)(a).



Map 2: Existing Land Use



### Map 3: Zoning





## SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS

Per the Joint Review Board's approval of this TID #4 project plan, the total level of authorized spending on direct project costs for TID #4 will be \$12,042,595 to facilitate growth and development over the District's 20-year life.

Below are descriptions of the major public improvement categories, which are necessary and standard improvements for promoting mixed-use redevelopment of the area. In addition to a general description, each category contains a list of the following types of proposed expenditures. These project expenditures are listed in Table 3, and their general locations shown on Map 4.

Priority Expenditures are those that the Village intends, but is not required, to undertake based on the projected tax increments to be received from the future redevelopment projects described in Section VII.

Expenditures within a Half-mile are those priority projects, or portions thereof, that may occur within one-half mile of the District boundary per Wis. Stats. §66.1105(2)(f)1.n. and are shown in the descriptions below with an asterisk (\*). In most cases, projects outside of the District boundary are incidental to or extensions of projects with the boundary that continue out of the District in order to be fully complete and of the greatest benefit to the District. All other expenditures within a half-mile not specifically identified herein will require an amendment to this project plan and approval of the Joint Review Board.

Contingent Expenditures are those the Village may undertake provided sufficient tax increments become available to pay for them. The tax increments projected to be received from the future redevelopment projects described in Section VII are not thought to be sufficient to cover the Contingent Expenditures and, therefore, these expenditures are not included in the financial feasibility analysis contained in Section VII. However, should additional tax increments be generated, then the Village may use them to undertake these projects.

Consistent with the goals and purposes of the District as articulated in this project plan, all project expenditures are intended to promote orderly development, stimulate commercial revitalization, create jobs, enhance the value of property, and broaden the property tax base of the Village of Johnson Creek and the overlying taxing jurisdictions. Below are descriptions of those projects that are considered necessary and standard costs for promoting redevelopment within the District. In addition to a general description of eligible costs, some project categories contain a list of priority projects the Village intends - but is not required - to undertake based on the projected tax increments to be received from property in the District.

Implementation and construction of the proposed projects identified herein will require case-by-case authorization by the Village Board. Public expenditures for projects listed in this project plan should and will be based on market conditions and the status of development at the time a project is scheduled for construction. The Village Board is not mandated to make the public expenditures described in this plan. Redistribution of project costs within the total spending estimate will not require an amendment to the project plan provided that the expenditures meet the purpose and intent of the District as expressed in the plan. Scheduling of project activities will be monitored to ensure that the projected economic stimulation is occurring prior to

proceeding with other project activities. This monitoring will occur on an annual basis. If economic conditions are not altered by the proposed project activity, other project activities may be delayed and/or removed from the project schedule. The goal of the proposed projects is to provide the public improvements and inducements necessary to attract and stimulate private reinvestment and redevelopment.

The project costs shown on Table 3 are preliminary estimates provided by the Village's engineering and planning consultants that may be adjusted and refined. The adjustments and refinements may include changing the year in which a project activity is undertaken and reallocating the cost of specific projects within the limitation of the total estimated project costs. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2021 and the time of construction. The Village also reserves the right to increase certain project costs to the extent others are reduced or not implemented without amending the project plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of this project plan. Other adjustments to this project plan will be made on the recommendation of the Plan Commission to be reviewed and acted upon by the Village Board.

## **1. Capital Improvements**

These costs may include, but are not limited to: the actual costs of the construction of public works or improvements; new buildings, structures, and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures other than the demolition of listed historic properties; the use of sustainable ("green") building features and renewable and on-site energy systems; the acquisition of equipment to service the District; the removal or containment of, and the restoration of, soil or groundwater affected by environmental pollution; the clearing and grading of land, and waterway improvements to improve navigation, recreation and water quality. Also included are on-street and off-street parking facility improvements including: repair, expansion, reconfiguration and construction of existing and new parking facilities; developer assistance with parking; directional and regulatory signage; landscaping, screening and beautification of parking facilities; and similar improvements necessary to serve the parking needs of the District. Such projects may occur within the District or within a half-mile of the District as necessary to further District goals. The cost of land acquisition, design, construction management, and other soft costs related to any of the above also may be included.

### Priority Projects

For purposes of determining the District's financial feasibility in Section VII, the Village is not intending to undertake Capital Costs on its own. However, such projects undertaken by private entities within the District are eligible for funding as part of any Economic Development Incentives that may be offered as part of a development agreement.

## **2. Infrastructure**

These costs include, but are not limited to, that portion of costs related to the construction or alteration of: sewerage treatment plants, water treatment plants, storm water detention/retention and treatment facilities, and other environmental protection devices including sustainable features for any of the foregoing as well as renewable and on-site energy systems related thereto; storm and sanitary sewer lines; water lines; amenities on streets; bike paths, trails and related



facilities; and the rebuilding and expansion of streets, the construction, alteration, rebuilding or expansion of which are necessitated to carry out the goals of this project plan within the District and within a half-mile of the District. Infrastructure also can be installed further outside of the District if required to carry out the project plan, but only the portion which directly benefits the District is an eligible cost. The cost of land acquisition, design, construction management, and other soft costs related to any of the above also may be included.

Priority Projects

- A. County Road B Multiuse Path\* – This project involves construction of a multiuse, off-street walking and biking path to stimulate revitalization and promote redevelopment in the District
- B. Wright Road Pedestrian Improvements\* – This project involves construction of sidewalks to stimulate revitalization and promote redevelopment in the District
- C. Bell Park Sidewalk\* – This project involves construction of a sidewalk to stimulate revitalization and promote redevelopment in the District
- D. Hartwig Boulevard Sidewalk\* – This project involves construction of a sidewalk to stimulate revitalization and promote redevelopment in the District
- E. South Street Bike Lane\* – This project involves construction of bicycle facilities, such as an on-street bike lane, to stimulate revitalization and promote redevelopment in the District
- F. Wright Road Bike Lane – This project involves construction of bicycle facilities, such as an on-street bike lane, to stimulate revitalization and promote redevelopment in the District
- G. Milwaukee Street Bike Lane\* – This project involves construction of bicycle facilities, such as an on-street bike lane to stimulate revitalization and promote redevelopment in the District
- H. Milwaukee Street Crosswalk – This project involves construction of enhanced crosswalk across HWY 26 to stimulate revitalization and promote redevelopment in the District
- I. Village Sign Replacement – This project involves replacement of the Village of Johnson Creek sign to stimulate economic revitalization and promote redevelopment in the District
- J. Highway 26 Pedestrian Bridge – This project involves construction a pedestrian bridge over Highway 26 along County Road B. This project will improve safety and stimulate redevelopment in the District
- K. Grey Hawk Subdivision Road Improvements\* – This project involves repaving (mill and overlay) Hunters Glen and Red Fox Drive to improve safety and stimulate redevelopment in the District
- L. Hartwig Boulevard and Hartwig Drive Road Improvements\* – This project involves repaving (mill and overlay) Hartwig Boulevard to improve safety and stimulate redevelopment in the District

- M. Lincoln Street Road Improvements\* – This project involves repaving (mill and overlay) Lincoln Street to improve safety and stimulate redevelopment in the District
- N. Sanctuary Court Road Improvements\* – This project involves repaving (mill and overlay) Sanctuary Court to improve safety and stimulate redevelopment in the District
- O. West Street Road Improvements\* – This project involves repaving (chip seal) West Street to improve safety and stimulate redevelopment in the District
- P. Wright Road (North) Improvements – This project involves repaving (mill and overlay) Wright Road to improve safety and stimulate redevelopment in the District
- Q. Wright Road (South) Improvements\* – This project involves repaving (chip seal) Wright Road to improve safety and stimulate redevelopment in the District
- R. Midge Street Road Improvements\* – This project involves repaving (mill and overlay) Midge Street to improve safety and stimulate redevelopment in the District
- S.-V. Highland Neighborhood Road Improvements\* – This project involves repaving (chip seal) Highland Boulevard, Pioneer Drive, Parkview Drive, and Aspen Street to improve safety and stimulate redevelopment in the District
- W. HWY 26 Sewer & Water Expansion – This project involves connecting parcels to Village sewer and water infrastructure through the construction of a water main.

### **3. Real Estate Acquisition and Relocation**

These costs include, but are not limited to, any deficit incurred resulting from the purchase of property for public use or the resale or lease as lessor by the Village of real or personal property for consideration that is less than its cost to the Village. Also included are relocation payments made in certain circumstances as the result of the Village acquiring property within the District.

#### Priority Projects

The Village may deem it necessary to acquire property in this area to further the development initiatives outlined in this Project Plan. The Village has not earmarked specific properties for acquisition but intends to be prepared in the event acquisition is necessary to achieve development objectives.

### **4. Economic Development Assistance**

These costs include, but are not limited to, cash grants, loans, incentives, and any expenditures of the type described in any of the other categories listed in this section by or on behalf of a developer in order to induce development and ensure project feasibility. All development projects that receive some form of direct or indirect TIF participation will first enter into a development agreement approved by the Village Board that specifies the terms of the TIF contributions and the obligations of the receiving property or business owner. Such contributions may be in the form of direct cash grants or in “pay-as-you-go” payments over time.

#### Priority Projects\*

Economic Development Assistance payments may be provided to landowners, businesses, or leasees anywhere within the District as well as within a half mile of the District boundary.

The amount and form of TIF participation for a particular project, if any, will be determined

on a project-by-project basis as described in a project development agreement depending upon a project's specific needs, funding availability, and the project's consistency with the goals and objectives stated in this plan and other Village plans and policies. For the purposes of Table 3, all such incentives are assumed to be provided as pay-as-you-go payments to be provided to developers over 15 years or the remaining life of the district, whichever is less, at an assumed annual interest rate of 4%

## **5. Administrative and Professional Services**

These costs include, but are not limited to, those costs incurred for architectural, planning, engineering, financial, marketing and market analysis, legal advice, and other services necessary to implement this Plan. Among other services, these may include developer recruitment and negotiations, capital improvement and infrastructure design, site design, public space design, and similar services whether conducted by Village staff, contractors, or one or more of the Village's partner agencies such as the Community Development Authority. In addition, these costs include ongoing administration of the District, including cost recovery for service demands necessitated by and specific to the District's development as well as the completion of required annual reports, forms and audits, and similar efforts.

### Priority Projects

Active project management will be a key activity and expenditure for successful implementation of the TID #4 project plan. It is the intent of the Johnson Creek Village Board to offer a wide range of services which may include, but are not limited to: recruitment of appropriately-qualified developers for each potential redevelopment site; marketing the District for potential businesses; providing low-interest loans and/or interest write-downs for property rehabilitation and redevelopment; providing grants for façade improvements; site acquisition and preparation; and cost recovery for service demands necessitated by and specific to the District's development. In addition, implementation of this Plan may include the following general tasks, which Village staff, contractors or partner organizations may reasonably undertake at the Village's discretion:

- Conducting more detailed planning and engineering studies;
- Developing more refined land use and redevelopment plans for implementation;
- Developing standards for which development within the District will need to conform;
- General guidance and referral of actions to other Village committees and the Village Board;
- Establishing and managing an economic development master fund;
- Identifying and applying for additional non-TIF revenue sources such as grants;
- Public infrastructure construction oversight;
- Developing and implementing a business marketing plan;
- Developer recruitment;
- Business recruitment;
- Preparation of annual reports and submittal of required forms and fees to the state Department of Revenue; and
- Conducting audits.

## **6. Finance Charges and Interest**

Finance charges and interest include, but are not limited to, interest paid on debt obligations incurred to pay for project costs, debt issuance costs, capitalized interest, coverage and reserve funds, and costs of redemption prior to maturity. This also may include interest paid to developers under pay-as-you-go provisions included in an approved development agreement.

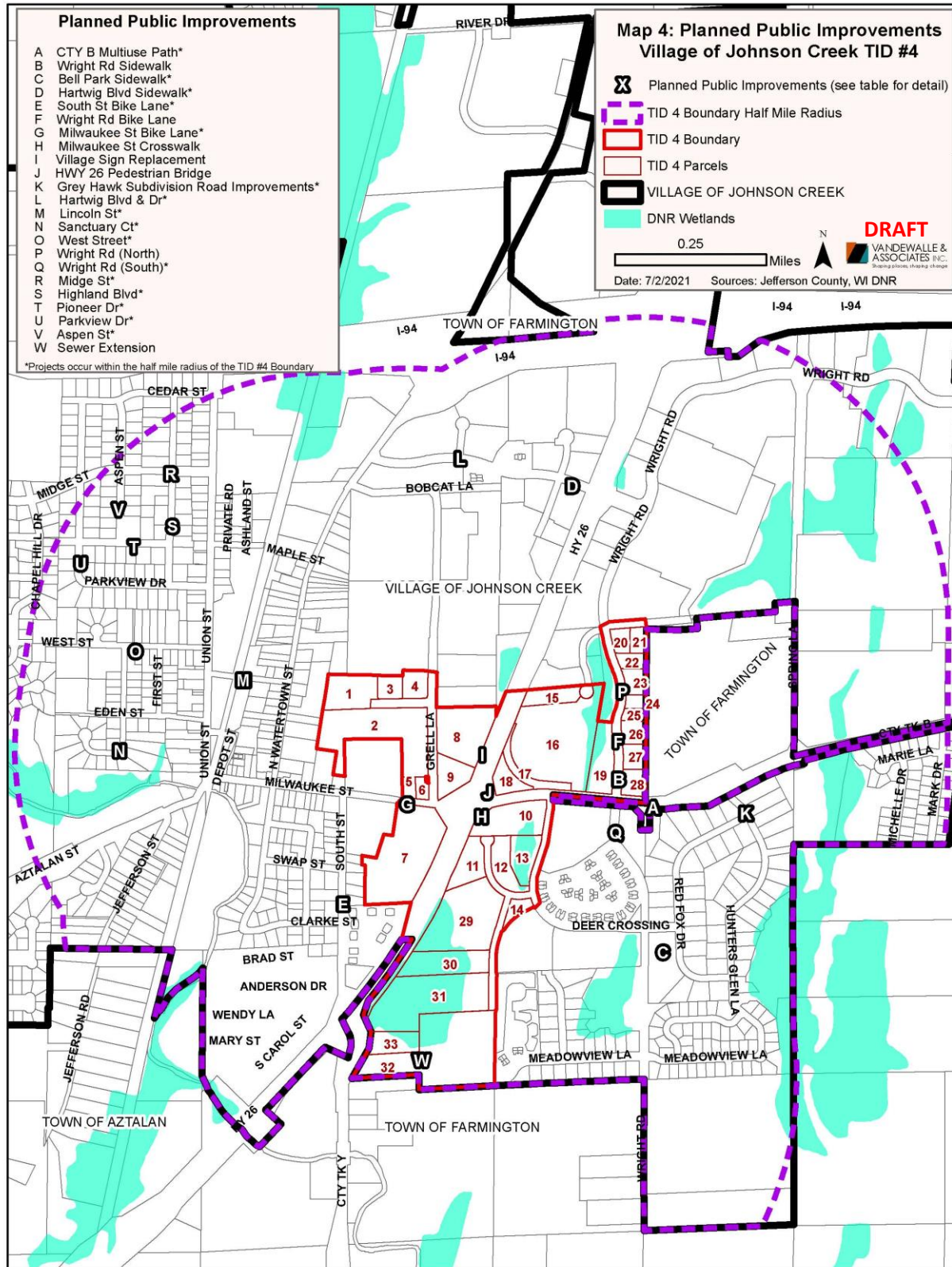
### Priority Projects

As described in Section VII, one borrowing is planned for the full amount of capital needed for priority infrastructure, incentives, and administrative costs. The level of borrowing, timing, interest rates, and finance charges are estimates and will likely vary based on economic conditions and projected District cash flows at the time the obligations are incurred. Therefore, the costs shown in Section VII are subject to change without having to amend this plan.

**Table 3: Priority Projects and Estimated Costs**

| <b>Project</b>                                  | <b>Project Name</b>                      | <b>Project Costs</b> |
|---|--|----------------------|
| <b>Infrastructure</b>                           |  |                      |
| A   | CTY B Multiuse Path*                     | \$60,000             |
| B   | Wright Rd Sidewalk                       | \$45,000             |
| C   | Bell Park Sidewalk*                      | \$15,000             |
| D   | Hartwig Blvd Sidewalk*                   | \$114,000            |
| E   | South St Bike Lane*                      | \$3,000              |
| F   | Wright Rd Bike Lane                      | \$3,000              |
| G   | Milwaukee St Bike Lane*                  | \$3,000              |
| H   | Milwaukee St Crosswalk                   | \$16,800             |
| I   | Village Sign Replacement                 | \$25,000             |
| J   | HWY 26 Pedestrian Bridge                 | \$3,000,000          |
| K   | Grey Hawk Subdivision Road Improvements* | \$168,892            |
| L   | Hartwig Blvd & Dr*                       | \$87,170             |
| M   | Lincoln St*                              | \$16,667             |
| N   | Sanctuary Ct*                            | \$5,900              |
| O   | West Street*                             | \$24,337             |
| P   | Wright Rd (North)                        | \$128,000            |
| Q   | Wright Rd (South)*                       | \$11,244             |
| R   | Midge St*                                | \$43,542             |
| S   | Highland Blvd*                           | \$15,644             |
| T   | Pioneer Dr*                              | \$7,333              |
| U   | Parkview Dr*                             | \$25,422             |
| V   | Aspen St*                                | \$11,244             |
| W   | HWY 26 Sewer and Water Expansion         | \$200,000            |
| <b>Economic Development Assistance</b>          |  |                      |
|   | Economic Development Assistance          | \$7,862,400          |
| <b>Administrative and Professional Services</b> |  |                      |
|   | Administrative Projects                  | \$150,000            |
| <b>Total Costs</b>                              |  | <b>\$12,042,595</b>  |

Map 4: Proposed Public Improvements



**SECTION VI. NON TAX REVENUES AND NON PROJECT COSTS**

Although the Village may pursue grants and other funding sources to help pay for some of the project costs identified herein, the success of such efforts is hard to predict. Accordingly, the full costs attributable to TID #4 have been shown.

For projects where the District would pay only a prorated share of the total cost, only the District's share has been included. Accordingly, there are no non project costs included in this Plan.

**SECTION VII. ECONOMIC FEASIBILITY ANALYSIS**

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

- The Village has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan.
- The Village expects to complete the projects in multiple phases and can adjust the timing of implementation as needed to coincide with the pace of redevelopment.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects.

Table 3: Priority Projects and Estimated Costs (Section V) lists the priority projects and provides an estimated total cost for each category and/or project throughout the District's life. All costs are shown in 2021 dollars.

Within this section are the several tables that, together, provide a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all project costs.

Each project will need to be addressed on an individual basis through negotiations and a review of project finances ultimately resulting in a development agreement. Each project also will be reviewed in a manner addressing the criteria of job creation, tax increment creation, and similar development criteria. One development project may address certain criteria while another may address different criteria. Consequently, the Village Board will review each project individually and make its determinations based on the project's implementation goals. The Village reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Table 4: Development Assumptions by Year, provides a more detailed schedule of expected development in TID #4 based on the potential for expansion or redevelopment potential of selected parcels over the life of the District. The actual pace of development is difficult to predict, but it is the Village's goal to capture increment value from new construction projects to spur additional growth within the District over the next 20 years. A reasonable estimate places the value increment from new construction within the District at approximately \$33,450,000 with most of the projected new value anticipated within the first 10 years of the TID in the form of new development activity.

As shown on Table 6: Financial Feasibility, the District is expected to close on time, if not earlier, in 2041 with a projected positive cash balance of \$3,581,753, demonstrating its economic feasibility.

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

- The Village has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” is included in Section VIII.
- The Village expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Table 5: Projected Tax Increment, estimates the tax increment to be generated from new construction in the District. Note that there is a one-year lag until the value of new construction is added to the tax roll and a two-year lag until the project generates tax increment. Based on the type and intensity of development calculated in Table 4, new construction in the District is projected to yield a value increment of \$33,450,000. Increment estimates are based on assessment data for comparable properties currently paying taxes in the Village of Johnson Creek.

Financing for certain priority projects listed in Table 3 will be made on a case-by-case basis. The borrowing could be a mix of General Obligation, Revenue Bonds, and Special Assessment B Bonds in order to keep borrowing flexibility on future Village projects. (See Section VIII for detailed descriptions of these and other financing methods available to the Village.)



**Plan Implementation**

To be successful, the District will need to be implemented in accordance with the following objectives:

- Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on Table 4. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.
- It is anticipated developer agreements between the Village and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.
- The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.
- The Village currently does not intend to borrow funds for infrastructure but may elect to do so if the Village Board deems it to be of benefit to the Village and the District. Interest rates for any borrowing will be subject to then prevailing market conditions, which are constantly changing. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.
- If financing as outlined in this Plan proves unworkable, the Village reserves the right to use alternate financing solutions for the projects as they are implemented.

**Table 4: Development Assumptions by Year**

| Construction Year |      | Map ID        | Mixed-Use           | Residential         | Total Development Increment by Year |
|-------------------|------|---------------|---------------------|---------------------|-------------------------------------|
| 1                 | 2022 |               | \$0                 | \$0                 | \$0                                 |
| 2                 | 2023 | 1             | \$3,000,000         | \$0                 | \$3,000,000                         |
| 3                 | 2024 | 7, 10, 11, 32 | \$6,200,000         | \$8,000,000         | \$14,200,000                        |
| 4                 | 2025 | 2, 28         | \$3,750,000         | \$0                 | \$3,750,000                         |
| 5                 | 2026 | 12, 14        | \$0                 | \$6,000,000         | \$6,000,000                         |
| 6                 | 2027 | 8             | \$3,000,000         | \$0                 | \$3,000,000                         |
| 7                 | 2028 | 26            | \$750,000           | \$0                 | \$750,000                           |
| 8                 | 2029 | 20, 25        | \$1,250,000         | \$0                 | \$1,250,000                         |
| 9                 | 2030 | 21            | \$750,000           | \$0                 | \$750,000                           |
| 10                | 2031 | 22            | \$750,000           | \$0                 | \$750,000                           |
| 11                | 2032 |               | \$0                 | \$0                 | \$0                                 |
| 12                | 2033 |               | \$0                 | \$0                 | \$0                                 |
| 13                | 2034 |               | \$0                 | \$0                 | \$0                                 |
| 14                | 2035 |               | \$0                 | \$0                 | \$0                                 |
| 15                | 2036 |               | \$0                 | \$0                 | \$0                                 |
| 16                | 2037 |               | \$0                 | \$0                 | \$0                                 |
| 17                | 2038 |               | \$0                 | \$0                 | \$0                                 |
| 18                | 2039 |               | \$0                 | \$0                 | \$0                                 |
| 19                | 2040 |               | \$0                 | \$0                 | \$0                                 |
| 20                | 2041 |               | \$0                 | \$0                 | \$0                                 |
| 21                | 2042 |               | \$0                 | \$0                 | \$0                                 |
| 22                | 2043 |               | \$0                 | \$0                 | \$0                                 |
| 23                | 2044 |               | \$0                 | \$0                 | \$0                                 |
| 24                | 2045 |               | \$0                 | \$0                 | \$0                                 |
| 25                | 2046 |               | \$0                 | \$0                 | \$0                                 |
| 26                | 2047 |               | \$0                 | \$0                 | \$0                                 |
| 27                | 2048 |               | \$0                 | \$0                 | \$0                                 |
| <b>Totals</b>     |      |               | <b>\$19,450,000</b> | <b>\$14,000,000</b> | <b>\$33,450,000</b>                 |

**Table 5: Projected Tax Increment**

|                                     |      |                                     |              |
|-------------------------------------|------|-------------------------------------|--------------|
| <b>TIF Creation Year</b>            | 2021 | <b>Inflation Rate</b>               | 1.00%        |
| <b>Total Years of Spending Life</b> | 20   | <b>Base Tax Rate</b>                | 0.021791     |
| <b>Final Expenditure Year</b>       | 2041 | <b>First Full Year on Tax Rolls</b> | 2022         |
| <b>Spending Years Remaining</b>     | 20   | <b>First Full Year of Taxes</b>     | 2023         |
| <b>Total Years of Collection</b>    | 25   | <b>Base Value (2020)</b>            | \$11,185,600 |
| <b>TIF Expiration Year</b>          | 2046 | <b>Value Increment Potential</b>    | \$33,450,000 |

| <b>TIF Year</b> | <b>Const. Year</b> | <b>Collection Year</b> | <b>Prior Year Value</b> | <b>Value Increment Added</b> | <b>Inflation Increment</b> | <b>Cumulative Value Increment</b> | <b>Total Value</b> | <b>Annual Tax Increment</b> | <b>Inflation Tax Rate</b> | <b>Cumulative Tax Increment</b> |
|-----------------|--------------------|------------------------|-------------------------|------------------------------|----------------------------|-----------------------------------|--------------------|-----------------------------|---------------------------|---------------------------------|
| 0               | 2021               | 2023                   | \$11,185,600            |                              |                            | \$0                               | \$11,185,600       | \$0                         | 0.021791                  | \$0                             |
| 1               | 2022               | 2024                   | \$11,185,600            |                              | 111,856                    | \$111,856                         | \$11,297,456       | \$2,462                     | 0.022009                  | \$2,462                         |
| 2               | 2023               | 2025                   | \$11,297,456            | \$3,000,000                  | 112,975                    | \$3,224,831                       | \$14,410,431       | \$71,685                    | 0.022229                  | \$74,147                        |
| 3               | 2024               | 2026                   | \$14,410,431            | \$14,200,000                 | 144,104                    | \$17,568,935                      | \$28,754,535       | \$394,449                   | 0.022451                  | \$468,596                       |
| 4               | 2025               | 2027                   | \$28,754,535            | \$3,750,000                  | 287,545                    | \$21,606,480                      | \$32,792,080       | \$489,949                   | 0.022676                  | \$958,545                       |
| 5               | 2026               | 2028                   | \$32,792,080            | \$6,000,000                  | 327,921                    | \$27,934,401                      | \$39,120,001       | \$639,775                   | 0.022903                  | \$1,598,320                     |
| 6               | 2027               | 2029                   | \$39,120,001            | \$3,000,000                  | 391,200                    | \$31,325,601                      | \$42,511,201       | \$724,618                   | 0.023132                  | \$2,322,938                     |
| 7               | 2028               | 2030                   | \$42,511,201            | \$750,000                    | 425,112                    | \$32,500,713                      | \$43,686,313       | \$759,318                   | 0.023363                  | \$3,082,256                     |
| 8               | 2029               | 2031                   | \$43,686,313            | \$1,250,000                  | 436,863                    | \$34,187,576                      | \$45,373,176       | \$806,716                   | 0.023597                  | \$3,888,971                     |
| 9               | 2030               | 2032                   | \$45,373,176            | \$750,000                    | 453,732                    | \$35,391,308                      | \$46,576,908       | \$843,471                   | 0.023833                  | \$4,732,442                     |
| 10              | 2031               | 2033                   | \$46,576,908            | \$750,000                    | 465,769                    | \$36,607,077                      | \$47,792,677       | \$881,171                   | 0.024071                  | \$5,613,613                     |
| 11              | 2032               | 2034                   | \$47,792,677            |                              | 477,927                    | \$37,085,004                      | \$48,270,604       | \$901,602                   | 0.024312                  | \$6,515,214                     |
| 12              | 2033               | 2035                   | \$48,270,604            |                              | 482,706                    | \$37,567,710                      | \$48,753,310       | \$922,470                   | 0.024555                  | \$7,437,685                     |
| 13              | 2034               | 2036                   | \$48,753,310            |                              | 487,533                    | \$38,055,243                      | \$49,240,843       | \$943,786                   | 0.024800                  | \$8,381,471                     |
| 14              | 2035               | 2037                   | \$49,240,843            |                              | 492,408                    | \$38,547,651                      | \$49,733,251       | \$965,558                   | 0.025048                  | \$9,347,029                     |
| 15              | 2036               | 2038                   | \$49,733,251            |                              | 497,333                    | \$39,044,984                      | \$50,230,584       | \$987,795                   | 0.025299                  | \$10,334,824                    |
| 16              | 2037               | 2039                   | \$50,230,584            |                              | 502,306                    | \$39,547,290                      | \$50,732,890       | \$1,010,508                 | 0.025552                  | \$11,345,333                    |
| 17              | 2038               | 2040                   | \$50,732,890            |                              | 507,329                    | \$40,054,619                      | \$51,240,219       | \$1,033,706                 | 0.025807                  | \$12,379,039                    |
| 18              | 2039               | 2041                   | \$51,240,219            |                              | 512,402                    | \$40,567,021                      | \$51,752,621       | \$1,057,399                 | 0.026065                  | \$13,436,438                    |
| 19              | 2040               | 2042                   | \$51,752,621            |                              | 517,526                    | \$41,084,547                      | \$52,270,147       | \$1,081,598                 | 0.026326                  | \$14,518,036                    |
| 20              | 2041               | 2043                   | \$52,270,147            |                              | 522,701                    | \$41,607,248                      | \$52,792,848       | \$1,106,312                 | 0.026589                  | \$15,624,348                    |
| <b>TOTAL</b>    |                    |                        |                         | <b>\$33,450,000</b>          |                            |                                   |                    | <b>\$15,624,348</b>         |                           |                                 |

**Table 6: Financial Feasibility**

| Year         | Capital Improvements | Infrastructure      | Real Estate Acquisition and Relocation | Economic Development Assistance | Administrative and Professional Services | Finance Charges and Interest | Donations to Other Districts | Total                | Annual Tax Increment | Annual Surplus (Deficit) | Cummulative Surplus (Deficit) |
|--------------|----------------------|---------------------|--|---------------------------------|--|------------------------------|------------------------------|----------------------|----------------------|--------------------------|-------------------------------|
| 2022         | \$ -                 | \$ -                | \$ -                                   |                                 | \$ 15,000                                |                              | \$ -                         | \$ 15,000            | \$ -                 | (\$15,000)               |                               |
| 2023         | \$ -                 | \$ 46,904           |  |                                 | \$ 20,000                                |                              | \$ -                         | \$ 66,904            | \$ 2,462             | (\$64,442)               | (\$79,442)                    |
| 2024         |                      | \$ 426,414          |  | \$ 47,220                       | \$ 20,000                                |                              | \$ -                         | \$ 493,634           | \$ 71,685            | (\$421,949)              | (\$501,391)                   |
| 2025         | \$ -                 | \$ 15,000           | \$ -                                   | \$ 270,720                      | \$ 10,000                                |                              | \$ -                         | \$ 295,720           | \$ 394,449           | \$98,729                 | (\$402,662)                   |
| 2026         | \$ -                 | \$ 16,800           | \$ -                                   | \$ 329,750                      | \$ 10,000                                |                              | \$ -                         | \$ 356,550           | \$ 489,949           | \$133,399                | (\$269,263)                   |
| 2027         | \$ -                 | \$ 88,542           | \$ -                                   | \$ 424,180                      | \$ 10,000                                |                              | \$ -                         | \$ 522,722           | \$ 639,775           | \$117,053                | (\$152,210)                   |
| 2028         | \$ -                 | \$ 202,000          | \$ -                                   | \$ 471,400                      | \$ 10,000                                |                              | \$ -                         | \$ 683,400           | \$ 724,618           | \$41,218                 | (\$110,992)                   |
| 2029         | \$ -                 | \$ 174,892          | \$ -                                   | \$ 483,830                      | \$ 10,000                                |                              | \$ -                         | \$ 668,722           | \$ 759,318           | \$90,596                 | (\$20,396)                    |
| 2030         | \$ -                 | \$ 59,643           | \$ -                                   | \$ 505,740                      | \$ 10,000                                |                              | \$ -                         | \$ 575,383           | \$ 806,716           | \$231,333                | \$210,936                     |
| 2031         | \$ -                 |                     | \$ -                                   | \$ 519,720                      | \$ 10,000                                |                              | \$ -                         | \$ 529,720           | \$ 843,471           | \$313,751                | \$524,687                     |
| 2032         | \$ -                 |                     | \$ -                                   | \$ 534,700                      | \$ 10,000                                |                              | \$ -                         | \$ 544,700           | \$ 881,171           | \$336,471                | \$861,158                     |
| 2033         | \$ -                 |                     | \$ -                                   | \$ 534,700                      | \$ 5,000                                 |                              | \$ -                         | \$ 539,700           | \$ 901,602           | \$361,902                | \$1,223,059                   |
| 2034         | \$ -                 |                     | \$ -                                   | \$ 534,700                      | \$ 5,000                                 |                              | \$ -                         | \$ 539,700           | \$ 922,470           | \$382,770                | \$1,605,830                   |
| 2035         | \$ -                 |                     | \$ -                                   | \$ 534,700                      | \$ 5,000                                 | \$ -                         | \$ -                         | \$ 539,700           | \$ 943,786           | \$404,086                | \$2,009,916                   |
| 2036         | \$ -                 | \$ 3,000,000        | \$ -                                   | \$ 534,700                      |  | \$ -                         | \$ -                         | \$ 3,534,700         | \$ 965,558           | (\$2,569,142)            | (\$559,226)                   |
| 2037         | \$ -                 |                     | \$ -                                   | \$ 534,700                      | \$ -                                     | \$ -                         | \$ -                         | \$ 534,700           | \$ 987,795           | \$453,095                | (\$106,131)                   |
| 2038         | \$ -                 | \$ -                | \$ -                                   | \$ 534,700                      | \$ -                                     | \$ -                         | \$ -                         | \$ 534,700           | \$ 1,010,508         | \$475,808                | \$369,678                     |
| 2039         | \$ -                 | \$ -                | \$ -                                   | \$ 487,480                      | \$ -                                     | \$ -                         | \$ -                         | \$ 487,480           | \$ 1,033,706         | \$546,226                | \$915,904                     |
| 2040         | \$ -                 | \$ -                | \$ -                                   | \$ 263,980                      | \$ -                                     | \$ -                         | \$ -                         | \$ 263,980           | \$ 1,057,399         | \$793,419                | \$1,709,323                   |
| 2041         | \$ -                 | \$ -                | \$ -                                   | \$ 204,960                      | \$ -                                     | \$ -                         | \$ -                         | \$ 204,960           | \$ 1,081,598         | \$876,638                | \$2,585,961                   |
| 2042         | \$ -                 | \$ -                | \$ -                                   | \$ 110,520                      | \$ -                                     | \$ -                         | \$ -                         | \$ 110,520           | \$ 1,106,312         | \$995,792                | \$3,581,753                   |
| <b>TOTAL</b> | <b>\$ -</b>          | <b>\$ 4,030,195</b> | <b>\$ -</b>                            | <b>\$ 7,862,400</b>             | <b>\$ 150,000</b>                        | <b>\$ -</b>                  | <b>\$ -</b>                  | <b>\$ 12,042,595</b> | <b>\$ 15,624,348</b> |                          |                               |

Footnotes:

1. All preliminary cost estimates are shown in 2021 dollars and subject to inflation and refinement as more information becomes available. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2021 and the time of construction. The Village also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the project plan.



## **SECTION VIII. AVAILABLE FINANCING METHODS**

Implementation of this Plan may require that the Village issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. As shown in Table 6, the Village intends to cash flow expenditures, however it reserves the ability to borrow as deemed necessary in accordance with Wisconsin State Statute. The following is a list of the types of obligations the Village may choose to utilize.

### **General Obligation (G.O.) Bonds or Notes**

The Village may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the Village has a G.O. debt limit of \$20,345,855, of which \$13,670,626 is currently unused and could be made available to finance Project Costs.

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

The Village may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the Village’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the Village and, therefore, do not count against the Village’s statutory borrowing capacity.

### **Tax Increment Revenue Bonds**

The Village has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the Village, or as a form of lease revenue bond by a Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the Village and therefore do not count against the Village’s statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the Village may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

### **Utility Revenue Bonds**

The Village can issue revenue bonds to be repaid from revenues of its various systems, including revenues paid by the Village that represent service of the system to the Village. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the Village must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the Village utilizes utility revenues other than tax increments to repay a portion of the bonds, the Village must reduce the total eligible Project Costs in an equal amount.

**Special Assessment “B” Bonds**

The Village has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the Village determines that special assessments are appropriate, the Village can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the Village's statutory borrowing capacity. If special assessments are levied, the Village must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

**SECTION IX. CONSISTENCY OF ACTIVITIES WITHIN TAX INCREMENT DISTRICT #4 WITH THE VILLAGE ZONING ORDINANCE, MASTER PLAN AND OTHER DEVELOPMENT ORDINANCES**

Most of the undeveloped lands in TID #4 are zoned General Industrial (M-2) prior to the creation of the District, which is consistent with the anticipated activities described by this Project Plan. This District is being created under the “mixed-use District” definition of Wis. Sta. § 66.1105, so the Village has the flexibility of choosing to rezone any of the parcels to other types of zoning if and when demand for rezoning takes place. The only limitation is the amount of newly platted residential use that would be allowed (not more than 35% by area) if the Village chose to rezone some of the land to residential.

The parcels within TID #4 are consistent with the Village of Johnson Creek Comprehensive Plan, adopted in 2017. The parcels within the TID Boundary are largely recommended for Planned Mixed Use, Planned Office or an industrial use on the Future Land Use Map (see Map 5). These future land use categories are intended for new development with opportunities for office, commercial, industrial, and mixed residential uses.

**SECTION X. ANNEXED PROPERTY**

All of the lands proposed for inclusion within the District were annexed into the Village at least five years prior to adoption of this Project Plan.

**SECTION XI. ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS**

The Village estimates that up to 0.5% of the territory within the District (0.75 of 165.7 total developable acres) may be suitable for retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

**SECTION XII. STATEMENT ON RELOCATION**

As a mixture of mostly vacant and industrial land, there are very few residents in the District. The Village does not anticipate the acquisition of any existing residential properties or any occupied by existing businesses. As a result, it is expected that there will be no displaced persons from project activities as currently contemplated. 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 provisions of Chapter 32, Wis. Stats.

Map 5: Future Land Use – Village of Johnson Creek Comprehensive Plan

