

September 22, 2015

Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 1



Organizational Joint Review Board Meeting Held:	September 21, 2015
Public Hearing Held:	September 21, 2015
Consideration for Approval by Plan Commission:	September 21, 2015
Consideration for Adoption by Village Board:	September 21, 2015
Consideration for Approval by the Joint Review Board:	October 12, 2015

Tax Incremental District No. 1 Territory & Project Plan Amendment

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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 1 (the “TID” or “District”) is an existing mixed-use district, which was created by a resolution of the Village of Caledonia (“Village”) Village Board adopted on February 6, 2007 (the “Creation Resolution”).

Amendments

The District has not been previously amended.

Purpose(s) of this Amendment

The Village proposes to amend the boundaries of the District to both add and subtract territory simultaneously. The addition of territory to the District will facilitate new development opportunities, while the subtraction will remove properties that are overlapped by another tax increment district. A map, located in Section 3 of this plan, identifies the territory to be added and the territory to be removed, and the geographic relationship to the existing District’s boundaries. This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development .

Estimated Total Project Expenditures

The Village anticipates making project expenditures of approximately \$5,700,000 to undertake projects in the amendment areas as listed in this Project Plan and in the remaining original District area. It is anticipated that the remaining and additional projects will be completed in two or more phases. The Expenditure Period of this District terminates on February 6, 2022. The remaining and additional projects to be undertaken pursuant to this Project Plan are expected to be financed with general obligation bonds and municipal revenue obligations (MROs, also known as Pay-Go obligations) to be issued if, as and when needed, however, the Village may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, or provide other advantages as determined by the Village Board. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.

The revised project costs include costs for sanitary sewer and water system improvements, and development incentives. Some of the sanitary sewer and water system improvements, although not within the District or a ½ mile radius of the District, are an eligible project cost under Section 66.1105(2)(f)1 k.

Economic Development

As a result of the amendment of this District, the Village projects that additional land and improvements value of approximately \$80,000,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the amended District boundaries. A table detailing assumptions as to the timing of new development , and associated values is located in Section 10 of this plan. In addition, the amendment of the District is expected to result in further economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

TID No. 1 has a maximum statutory life of 20 years, and must close not later than February 6, 2027, resulting in a final collection of increment in budget year 2027. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would not result in a shift in the projected District closure year.

Summary of Findings

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

1. **That “but for” amendment of this District, the additional development projected to occur within the amendment areas as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner at the values, or within the timeframe desired by the Village.** In making this determination, the Village has considered the following information:

- Some sites proposed for development have remained vacant for more than 10 years due lack of adequate infrastructure. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the Village that the use of tax incremental financing (“TIF”) will be required to provide the necessary infrastructure inducements to encourage development on the sites consistent with that desired by the Village.
- In order to make the amendment areas suitable for development, the Village will need to make a substantial investment to pay for the costs of sanitary sewer and water system improvements. Due to the extensive initial investment in public infrastructure that is required in order to allow development to occur, the Village has determined that development of the amendment area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, development of the amendment area is unlikely to occur.
- With respect to the subtraction component of the proposed amendment:
 - As it relates to the “but for” amendment of the District’s Project Plan, and whether or not the economic development objectives will be achieved. In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing,” customarily referred to as the “but for” test. Since the purpose of this amendment is solely to subtract property, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded that the “but for” test was met. Accordingly, the Village finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.a.*

2. **The economic benefits of amending 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 total tax increments projected to be collected are more than sufficient to pay for the actual and proposed Project Costs within the original District and the amended areas. On this basis alone, the finding is supported.

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 boundary amendment would become effective for valuation purposes as of January 1, 2015. 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 amendment area due to new construction, renovation or appreciation of property values occurring after January 1, 2015 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Given that additional development is not likely to occur or in the same manner without the use of tax incremental financing (see finding # 1), and since the District will generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the Village reasonably concludes that the overall additional 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 amended. As required by Section 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 A of the Project Plan.
4. Not less than 50% by area of the real property within the District, as amended, is suitable for a combination of industrial and commercial uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).
5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a mixed-use District based on the identification and classification of the property included within the District.
6. The Project Costs of the District relate directly to promoting mixed-use development in the District consistent with the purpose for which the District was created
7. The improvements to be made within the territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of the taxable property within the territory to be added to the District by this amendment, plus the value increment of all other existing tax incremental districts within the Village, does not exceed 12% of the total equalized value of taxable property within the Village.
9. The Village estimates that less than 35% of the territory within the District, as amended, will be devoted to 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.
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.

SECTION 2: Type and General Description of District

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on February 6, 2007 by resolution of the Village Board. The District's valuation date, for purposes of establishing base value, was January 1, 2007.

The existing District is a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District was suitable for a combination of industrial and commercial within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). The District will remain in compliance with this finding after the addition and subtraction of the territory identified in this Amendment. The District will also remain in compliance with the prohibition that no more than 35% of the area of the District is allocated for newly-platted residential development. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 35% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended.

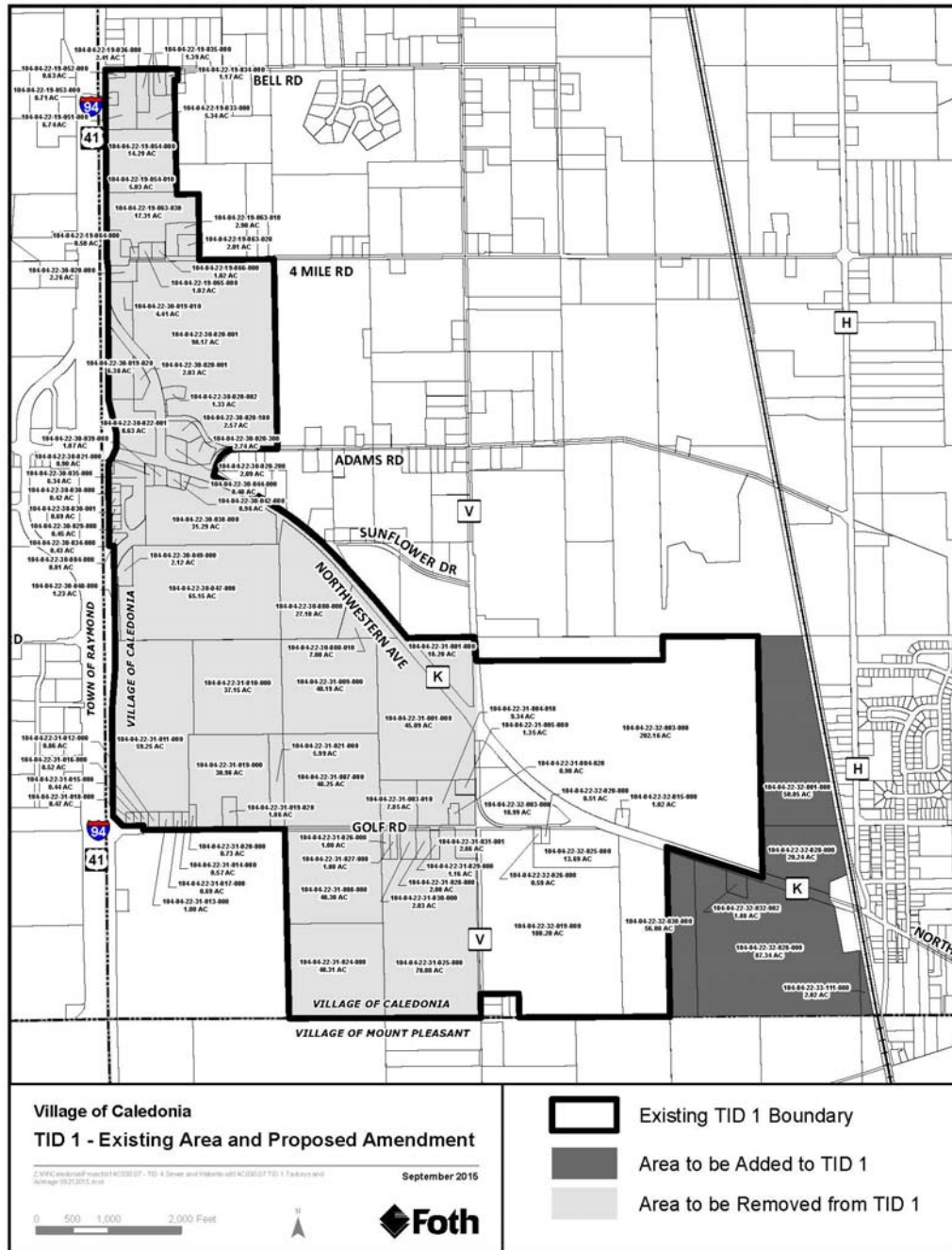
This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, unless specifically stated. All components of the original Project Plan remain in effect.

The purpose of the Amendment is to add territory to facilitate development within areas adjacent to the existing District. The amendment to the District boundaries and the Project Plan will enable the Village to install additional public improvements, and to make additional necessary related expenditures that will create development opportunities consistent with the original purposes for which the District was created. The amendment is also to update and/or provide for the undertaking of additional expenditures.

The purpose of the Amendment is also to remove specified parcels from the District whose inclusion is no longer necessary for District cash flow purposes, specifically because these areas are already or are proposed to be overlaid with another tax increment district.

A map depicting the boundaries of the District is found in Section 3 of this Plan. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution, the District remains a mixed-use District based on the identification and classification of the property included within the District.

SECTION 3: Preliminary Map of Original District Boundary and Territory Amendment Area Identified



SECTION 4: Map Showing Existing Uses and Conditions Within The Territory To Be Added and Remaining

All parcels within the amended boundaries as shown on the map included in Section 3 of this plan are currently either in agricultural use or are current or former residences on farms (in other words, “farmhouses”).

SECTION 5:
Preliminary Parcel List and Analysis Within The Territory To Be Added and Remaining

Village of Caledonia, Wisconsin																								
Tax Increment District # 1 - Amendment 1																								
Base Property Information																								
						Assessment Information				Equalized Value				District Classification					District Classification					
Parcel Number	Owner	Acreage	Annexed Post 1/1/04? ...Indicate date	Municipally Owned? ...Indicate Specific Parcel Property Use	Part of Existing TID? ...Indicate TID #	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/Business	Existing Residential	Newly Platted Residential	Suitable for Mixed Use	Blighted	Rehab/Conservation	Vacant		
042232001000	Novak	75.00	N	N	N	9,700			9,700	100.00%	9,700	0	0	9,700	75.00				75.00			75.00		
042232028000	Novak	150.00	N	N	N	72,300	129,800		202,100	100.00%	72,300	129,800	0	202,100	150.00				150.00			0.00		
042232032002	Novak	5.00	N	N	N	53,900	182,700		236,600	100.00%	53,900	182,700	0	236,600			5.00		5.00			0.00		
Total Acreage		230.00				135,900	312,500	0	448,400		135,900	312,500	0		225	0	5	0	230	0	0	75		
														97.83%	0.00%	2.17%	0.00%	100.00%	0.00%	0.00%	32.61%			
														Estimated Base Value		448,400								

SECTION 6: Equalized Value Test

The following calculations demonstrate that the Village is in compliance with Wisconsin Statutes Section 66.1105(4)(gm)4.c., which requires that the equalized value of the Territory to be added to the District, plus the value increment of the District being amended, plus the value increment of all other existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village.

The equalized value of the Territory to be incorporated by this Amendment, plus the increment value of TID No. 1, plus the value increment of all other existing tax incremental districts within the Village, totals \$448,400. This value is less than the maximum of \$235,987,128 in equalized value that is permitted for the Village of Caledonia. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with amendment of this District.

Village of Caledonia, Wisconsin				
Tax Increment District # 1 - Amendment 1				
Valuation Test Compliance Calculation				
Creation Date	2/6/2007			
	Valuation Data Currently Available 2015	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	1,966,559,400			1,966,559,400
12% Test	235,987,128			235,987,128
Increment of Existing TIDs				
TID #1	0			0
TID #3	6,359,200			6,359,200
TID #4	630,300			630,300
	0			0
	0			0
	0			0
Total Existing Increment	6,989,500			6,989,500
Projected Base of New or Amended District	448,400			448,400
Total Value Subject to 12% Test	7,437,900			7,437,900
Compliance	PASS			PASS

Version 2

SECTION 7:

Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The following is a list of public works and other TIF-eligible projects that the Village has implemented, or expects to implement, within the original District or within the Territory to be incorporated by this Amendment. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way and Easement Acquisition (all to be incurred to only to the extent needed to facilitate the Utility Construction and/or Development Incentive Project Costs)

Property Acquisition for Development

In order to promote and facilitate development the Village may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development. Any revenue received by the Village from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the Village to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

The Village may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The Village may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

Site Preparation Activities

Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the Village related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development, the Village may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The Village may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the Village for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow development to occur, the Village may construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan, although not within the ½ mile radius, are an eligible project cost under Section 66.1105(2)(f)1 k.

Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development to occur, the Village may construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs although not within the ½ mile radius, are an eligible project cost under Section 66.1105(2)(f)1 k.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects

undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

In order to create sites suitable for development, the Village may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the Village to undertake this work are eligible Project Costs.

Gas Service

In order to create sites suitable for development, the Village may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the Village to undertake this work are eligible Project Costs.

Communications Infrastructure

In order to create sites suitable for development, the Village may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the Village to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development to occur, the Village may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

In order to attract development consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

CDA or RDA Type Activities

Contribution to Community Development or Redevelopment Authority

As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the Village may provide funds to its CDA OR RDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established

in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA OR RDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program

To encourage private redevelopment consistent with the objectives of this Plan, the Village, through its CDA OR RDA, may provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA OR RDA in the program manual. Any funds returned to the CDA OR RDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA OR RDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)

The Village may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village does not expect to undertake projects within territory located within one-half mile of the boundary of the District except to the extent that certain utility work would otherwise be an eligible Project Cost as described above.

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The Village may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by Village employees in connection with the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

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

In the event any of the public works project expenditures are not reimbursable out of the special tax

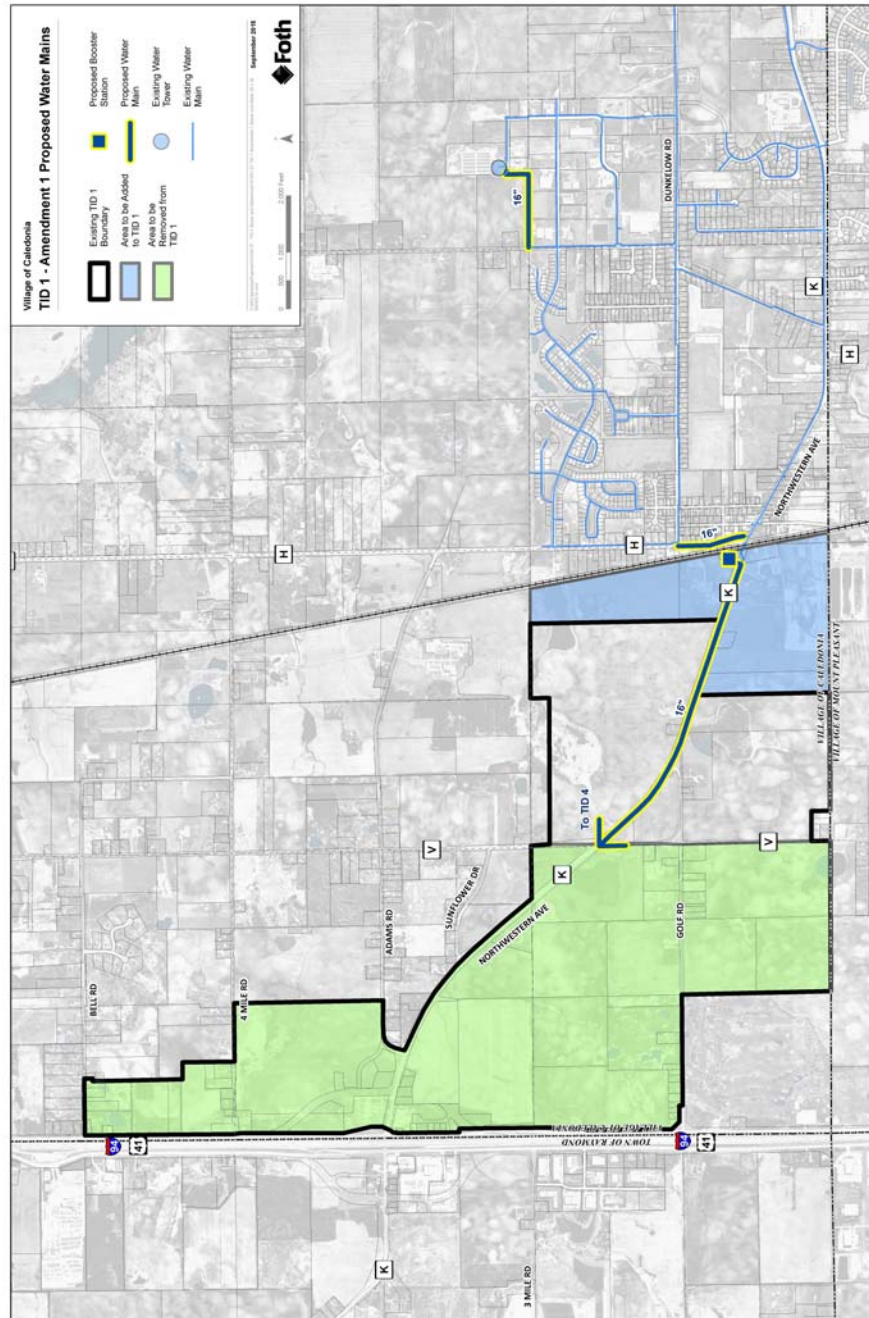
increment finance fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the Village for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan Amendment.

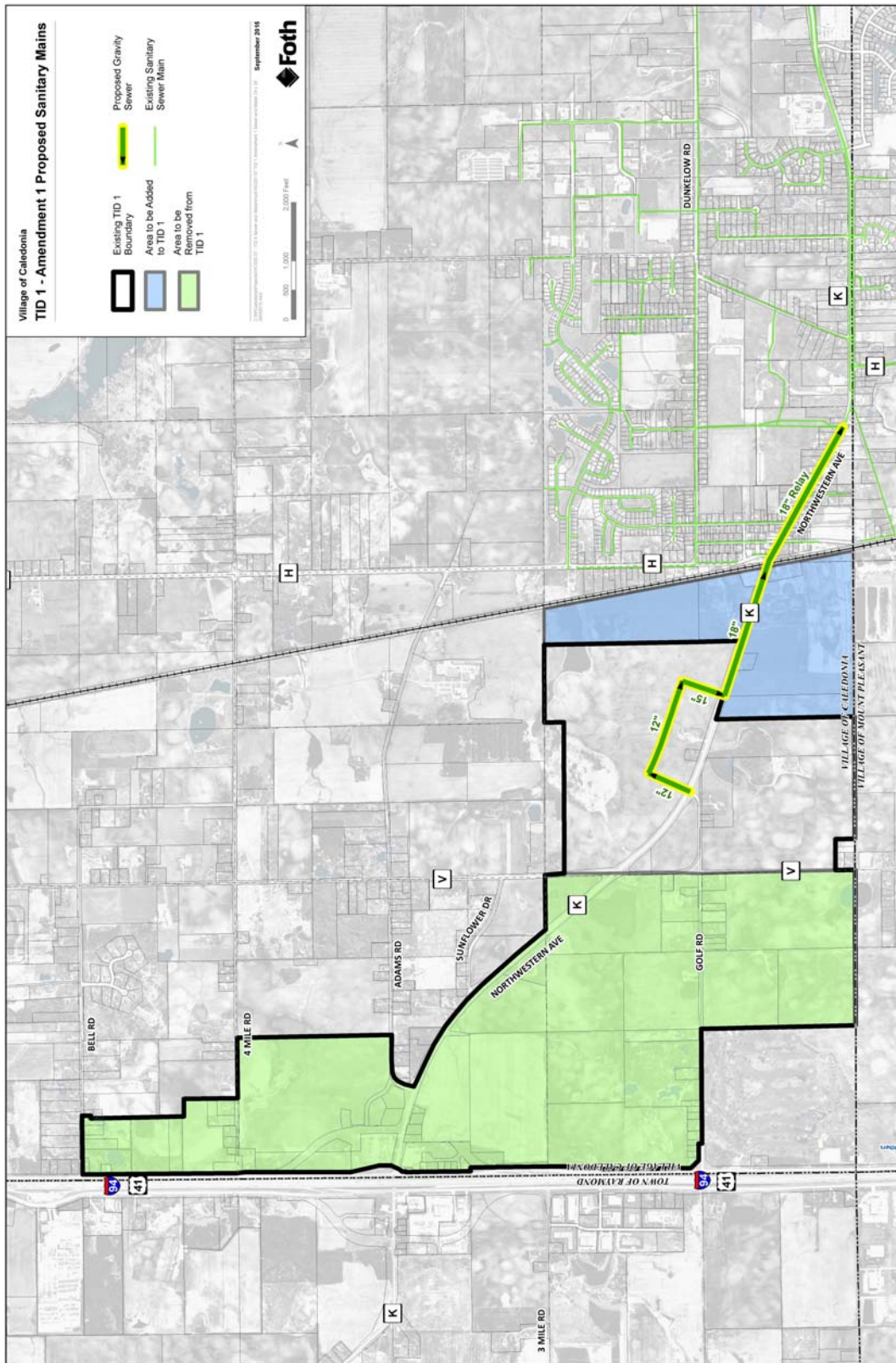
The Village reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and as outlined in this Plan or the original Project Plan. To the extent the costs benefit the Village outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received by the Village in connection with the implementation of this Plan.

SECTION 8: Maps Showing Proposed Improvements and Uses Within The Territory To Be Added and Remaining

All of the properties within the proposed District area as shown in Section 3 are proposed for either industrial or commercial use. Location of the projects which comprise the utility components of the Project Costs are shown on the following maps.





SECTION 9: Detailed List of Additional and/or Updated Project Costs

This Section contains information relative to the specific projects and expenditures that the Village anticipates it will undertake or make within the Territory to be remaining in the District by this Amendment. **This list supplants all of the Project Costs listed in the original Project Plan.**

All costs are based on 2015 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2015 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 Plan.

This Plan is not meant to be a budget, nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The Village retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without further amending this Plan.

Proposed TIF Project Cost Estimates

Village of Caledonia, Wisconsin Tax Increment District # 1 - Amendment 1 Estimated Project List					
Project ID	Project Name/Type	Phase I 2007-2015	Phase II 2018	Phase III 2021	Total ¹
1	Water Mains within TID 1		1,248,750		1,248,750
2	Sanitary Sewer Mains within TID 1		2,808,068		2,808,068
3	Water Facilities outside of TID 1 benefiting TID 1			745,000	745,000
4	Development Incentives (Pay-Go Grants)		300,000	200,000	500,000
5	Planning, Administration	326,490	50,000	50,000	426,490
6					0
7					0
8					0
9					0
10					0
11					0
12					0
13					0
14					0
15					0
Total Projects		326,490	4,406,818	995,000	5,728,308

Notes:

- Note 1 Project costs are estimates and are subject to modification
- Note 2 Order and timing of these to be based on development demand
- Note 3 This cost represents 50% of the project cost that is allocable to TID 1
- Note 4 Subject to the terms of development agreements to be negotiated

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SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended by the addition and subtraction of territory, will remain economically feasible insofar as:

- The Village has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The Village expects to complete the remaining 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. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the continued 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) an updated projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) an updated 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.

Available Financing Methods

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 \$98,327,970 of which \$62,605,217 is currently unused and could be made available to finance Project Costs.

Bonds Issued to Developers (“Pay as You Go”, also “Municipal Revenue Obligation” or “MRO” 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 its Community Development Authority (CDA) or 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 utility systems, including revenues paid by the Village that represent service of the system to the Village. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the Village must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the Village utilizes utility revenues other than tax increments to repay a portion of the bonds, the Village must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

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

Plan Implementation

As stated in the original project plan, projects identified will provide the necessary anticipated governmental services and/or development incentives to the remaining district. The order in which expenditures are made should be adjusted in accordance with development and execution of developer agreements, if any. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.

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

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

Implementation and Financing Timeline

Village of Caledonia, Wisconsin Tax Increment District # 1 - Amendment 1 Estimated Financing Plan					
	G.O. Bond 2016	G.O. Bond 2018	G.O. Bond 2021	Totals	
Projects					
Water Mains within TID 1		1,248,750		1,248,750	
Sanitary Sewer Mains within TID 1		2,808,068		2,808,068	
Water Facilities outside of TID 1 benefiting TID 1			745,000	745,000	
Development Incentives (Pay-Go Grants)		Not Capitalized		0	
Planning, Administration	326,490			326,490	
Total Project Funds	326,490	4,056,818	745,000	5,128,308	
Estimated Finance Related Expenses					
Financial Advisor	1,500	18,500	3,500	23,500	
Bond Counsel	500	6,200	1,200	7,900	
Rating Agency Fee	500	6,200	1,200	7,900	
Paying Agent	100	300	100	500	
Underwriter Discount	3,700	46,500	8,800	59,000	
Capitalized Interest	34,688	523,125	121,000	678,813	
Total Financing Required	367,478	4,657,643	880,800		
Estimated Interest	0.25%	(408)	0.25%	(931)	
Assumed spend down (months)	6	6	6		
Rounding	2,931	(2,571)	131		
Net Issue Size	370,000	4,650,000	880,000	5,900,000	
Notes:	Each issue is expected to be part of a larger issue, issued at the same time as TID 4 bonding				

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Development Assumptions

Village of Caledonia, Wisconsin Tax Increment District # 1 - Amendment 1 Development Assumptions			
Construction Year	Actual ^{1, 2}	Area A	Annual Total
1 2007	(430,900)		(430,900)
2 2008	614,100		614,100
3 2009	(2,117,400)		(2,117,400)
4 2010	494,500		494,500
5 2011	53,000		53,000
6 2012	381,100		381,100
7 2013	660,900		660,900
8 2014	(3,597,700)		(3,597,700)
9 2015	7,015,600		7,015,600
10 2016	(3,507,800)		(3,507,800)
11 2017			0
12 2018			0
13 2019		11,550,000	11,550,000
14 2020		11,550,000	11,550,000
15 2021		11,550,000	11,550,000
16 2022		11,550,000	11,550,000
17 2023		11,550,000	11,550,000
18 2024		11,550,000	11,550,000
19 2025		11,550,000	11,550,000
Totals	(434,600)	80,850,000	80,415,400

Notes:

- ¹ Actual value represent primarily changes in property value, not new construction
- ² For 2014 an error occurred in the assessment, to be corrected in 2015 & 2016
- ³ Future development is assumed to occur at a net of about 33 ac./yr. & \$350,000/ac.

Increment Revenue Projections

Village of Caledonia, Wisconsin Tax Increment District # 1 - Amendment 1

Tax Increment Projection Worksheet

Type of District	Mixed Use	Base Value	14,486,700
Creation Date	February 6, 2007	Appreciation Factor	1.00%
Valuation Date	Jan 1, 2007	Base Tax Rate	\$21.08
Max Life (Years)	20	Rate Adjustment Factor	
Expenditure Periods/Termination	15	Tax Exempt Discount Rate	3.50%
Revenue Periods/Final Year	19	Taxable Discount Rate	5.00%
Extension Eligibility/Years	Yes		
Recipient District	No		

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV	
								Calculation	Calculation
1	(430,900)	2008		(430,900)	2009	\$21.08	0	0	0
2	614,100	2009		183,200	2010	\$21.08	3,862	3,605	3,503
3	(2,117,400)	2010		(1,934,200)	2011	\$21.08	0	3,605	3,503
4	494,500	2011		(1,439,700)	2012	\$21.08	0	3,605	3,503
5	53,000	2012		(1,386,700)	2013	\$21.08	0	3,605	3,503
6	381,100	2013		(1,005,600)	2014	\$21.08	0	3,605	3,503
7	660,900	2014		(344,700)	2015	\$21.08	0	3,605	3,503
8	(3,597,700)	2015		(3,942,400)	2016	\$21.08	0	3,605	3,503
9	7,015,600	2016		3,073,200	2017	\$21.08	64,783	51,138	45,263
10	(3,507,800)	2017		(434,600)	2018	\$21.08	0	51,138	45,263
11	0	2018		(434,600)	2019	\$21.08	0	51,138	45,263
12	0	2019		(434,600)	2020	\$21.08	0	51,138	45,263
13	11,550,000	2020	(4,346)	11,111,054	2021	\$21.08	234,221	200,900	169,475
14	11,550,000	2021		22,772,165	2022	\$21.08	480,037	497,459	411,926
15	11,550,000	2022		34,549,886	2023	\$21.08	728,312	932,181	762,257
16	11,550,000	2023		46,445,385	2024	\$21.08	979,069	1,496,816	1,210,779
17	11,550,000	2024		58,459,839	2025	\$21.08	1,232,333	2,183,476	1,748,442
18	11,550,000	2025		70,594,437	2026	\$21.08	1,488,131	2,984,628	2,366,791
19	11,550,000	2026		82,850,382	2027	\$21.08	1,746,486	3,893,073	3,057,935
Totals	80,415,400		2,434,982	Future Value of Increment			6,957,234		

Notes:
 Actual results will vary depending on development, inflation of overall tax rates.
 NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

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Cash Flow

Village of Caledonia, Wisconsin

Tax Increment District # 1 - Amendment 1

Cash Flow Projection

Year	Projected Revenues					Expenditures								Balances			Year	
	Tax Increments	Interest Earnings/ (Cost) 0.25%	Capitalized Interest	Special Assessments ¹	Total Revenues	G.O. Bond 370,000 Dated Date: 06/01/16 Principal Est. Int. @ 3.75%		G.O. Bond 4,650,000 Dated Date: 06/01/18 Principal Est. Int. @ 4.50%		G.O. Bond 880,000 Dated Date: 06/01/21 Principal Est. Int. @ 5.50%		Developmen t Incentives (Pay-Go)	Admin. ¹ & Planning	Total Expenditures	Annual	Cumulative		Principal Outstanding
2007-15	3,862				3,862									0		3,862		2007-15
2016	0	10	34,688		34,697		6,938							6,938	27,760	31,622	370,000	2016
2017	64,783	79			64,862		13,875							13,875	50,987	82,609	370,000	2017
2018	0	207	523,125		523,332		13,875							13,875	509,457	592,065	5,020,000	2018
2019	0	1,480			1,480		13,875	104,625						118,500	(117,020)	475,045	5,020,000	2019
2020	0	1,188			1,188		13,875	209,250			15,000			238,125	(236,937)	238,108	5,020,000	2020
2021	234,221	595	121,000		355,816		13,875	209,250		24,200	35,000			282,325	73,491	311,599	5,900,000	2021
2022	480,037	779			480,816		13,875	209,250		48,400	75,000			346,525	134,291	445,890	5,900,000	2022
2023	728,312	1,115		192,685	922,111	70,000	12,563	209,250		48,400	75,000			415,213	506,898	952,789	5,830,000	2023
2024	979,069	2,382		192,685	1,174,135	75,000	9,844	1,000,000	186,750	200,000	42,900	75,000	1,500	1,590,994	(416,858)	535,930	4,555,000	2024
2025	1,232,333	1,340		192,685	1,426,358	75,000	7,031	1,100,000	139,500	225,000	31,213	75,000	1,500	1,654,244	(227,886)	308,044	3,155,000	2025
2026	1,488,131	770		192,685	1,681,585	75,000	4,219	1,200,000	87,750	225,000	18,838	75,000	1,500	1,687,306	(5,721)	302,324	1,655,000	2026
2027	1,746,486	756		192,685	1,939,926	75,000	1,406	1,350,000	30,375	230,000	6,325	75,000	7,500	1,775,606	164,320	466,644	0	2027
Total	6,957,234	10,700	678,813	963,423	8,614,031	370,000	125,250	4,650,000	1,386,000	880,000	220,275	500,000	12,000	8,143,525				Total

Notes: ¹ Approx. 50% of cost of water and sewer mains within Caledonia are assumed to be deferred for 5 years with interest at 5%; actual portions of mains to be assessed yet to be determined
² Administrative costs prior to 2026 are assumed to be capitalized

Projected TID Closure

Version 2

SECTION 11: Annexed Property

There are no lands within the Territory proposed to be included within the District by Amendment that were annexed by the Village on or after January 1, 2004.

SECTION 12: Estimate of Additional and Remaining Property to be Devoted to Retail Business

The Village estimates that less than 35% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.

SECTION 13: Proposed Zoning Ordinance Changes

The Village anticipates that the majority of the Remaining Territory and of the Territory to be incorporated into the District by Amendment will be rezoned prior to development for commercial and/or industrial use.

SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and Village of Caledonia Ordinances

It is expected that this Plan will be complementary to the Village's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other Village ordinances for the implementation of this Plan, except that vacant properties current designated for future residential use will be re-designated as for commercial and/or industrial development.

SECTION 15: Relocation

It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the Village will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 16: Orderly Development and/or Redevelopment of the Village of Caledonia

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

SECTION 17: List of Estimated Non-Project Costs

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

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

SECTION 18:
Opinion of Attorney for the Village of Caledonia Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105



PRUITT, EKES & GEARY, S.C.

Timothy J. Pruitt
Elaine Sutton Ekas
Christopher A. Geary
Office Administrator:
Eileen Zaffiro

610 Main Street, Suite 100, Racine, WI 53403 Phone: 262-456-1216 Facsimile: 262-456-2086 www.peglawfirm.com

September 21, 2015

Village Board
c/o Karie Torkilsen
Village Clerk
Village of Caledonia
6922 Nicholson Road
Caledonia, WI 53108

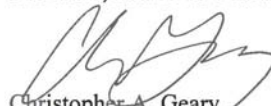
RE: Amendment to Tax Incremental District No. 1, Village of Caledonia

Dear Village Board Members:

As attorneys for the Village of Caledonia, we have reviewed the proposed Project Plan for the Territory & Project Plan Amendment of Tax Incremental District No. 1 and have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wis. Stat. Section 66.1105(4)(f).

Sincerely,

PRUITT, EKES & GEARY, S.C.



Christopher A. Geary
cgeary@peglawfirm.com

CAG:emz

Exhibit A:

Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.													
Statement of Taxes Data Year:		2014		Percentage									
County	7,694,971			18.59%									
Technical College	1,508,534			3.65%									
Municipality	13,395,948			32.37%									
School District	18,782,944			45.39%									
Total	41,382,397												
Revenue Year	County	Municipality	School District	Technical College	Total	Revenue Year							
2009	0	0	0	0	0	2009							
2010	718	1,250	1,753	141	3,862	2010							
2011	0	0	0	0	0	2011							
2012	0	0	0	0	0	2012							
2013	0	0	0	0	0	2013							
2014	0	0	0	0	0	2014							
2015	0	0	0	0	0	2015							
2016	0	0	0	0	0	2016							
2017	12,046	20,971	29,404	2,362	64,783	2017							
2018	0	0	0	0	0	2018							
2019	0	0	0	0	0	2019							
2020	0	0	0	0	0	2020							
2021	43,553	75,820	106,310	8,538	234,221	2021							
2022	89,262	155,393	217,883	17,499	480,037	2022							
2023	135,428	235,763	330,571	26,550	728,312	2023							
2024	182,056	316,936	444,387	35,691	979,069	2024							
2025	229,150	398,920	559,340	44,923	1,232,333	2025							
2026	276,715	481,725	675,444	54,248	1,488,131	2026							
2027	324,755	565,357	792,708	63,666	1,746,486	2027							
<table border="1" style="width: 100%; text-align: center;"> <tr> <td><u>1,293,683</u></td> <td><u>2,252,135</u></td> <td><u>3,157,800</u></td> <td><u>253,616</u></td> <td><u>6,957,234</u></td> <td colspan="2"></td> </tr> </table>							<u>1,293,683</u>	<u>2,252,135</u>	<u>3,157,800</u>	<u>253,616</u>	<u>6,957,234</u>		
<u>1,293,683</u>	<u>2,252,135</u>	<u>3,157,800</u>	<u>253,616</u>	<u>6,957,234</u>									
<p>Notes:</p> <p>The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.</p>													