



June 30, 2015

# Project Plan for the Creation of Tax Incremental District No. 1

## VILLAGE OF SOMERS, WISCONSIN

Organizational Joint Review Board Meeting Held:	Scheduled for: July 6, 2015
Public Hearing Held:	Scheduled for: July 6, 2015
Adoption by Plan Commission:	Scheduled for: July 6, 2015
Consideration for Adoption by Village Board:	Scheduled for: July 20, 2015
Approval by the Joint Review Board:	Scheduled for: TBD



# Tax Incremental District No. 1 Creation Project Plan

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## SECTION 1: Executive Summary

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### Description of District

#### Type of District, Size and Location

Tax Incremental District (“TID”) No. 1 (the “TID” or “District”) is proposed to be created by the Village of Somers (“Village”) as an industrial district. A map of the proposed District boundaries is located in Section 3 of this plan.

#### Estimated Total Project Expenditures.

The Village anticipates making total project expenditures of approximately \$11,270,000 to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in two main development phases. The Expenditure Period of this District is 15 years from the date of adoption of the authorizing Resolution of the Village Board (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with a combination of debt issued by the Village, private financing and the reimbursement of expense by the developer over the course of the project development. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, is located in Section 10 of this plan.

#### Economic Development

As a result of the creation of this District, the Village projects that additional land and improvements value of between \$75 M and \$150 M 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 District. A table detailing assumptions as to the timing of new development and redevelopment and associated values is located in Section 10 of this Plan. 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 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2025; 11 years earlier than the 20 year maximum life of this District.

### Summary of Findings

As required by Wisconsin Statutes Section 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.** In making this determination, the Village has considered the following information:

- Some of the sites proposed for development have remained vacant due to a 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 and inducements to encourage development on the sites consistent with that desired by the Village.
  - In order to make the areas included within the District suitable for development, the Village will need to make a substantial investment to pay for the costs of: right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, and other associated costs. 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 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 more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
  - The development expected to occur is likely to generate approximately a significant number of jobs over the course of the districts life.
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, 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 District 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.
  - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), 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 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 this plan.
4. Not less than 50% by area of the real property within the District is suitable for industrial sites and zoned for industrial use within the meaning of Wisconsin Statutes Section 66.1101. Any real

property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of the creation of the District will remain zoned for industrial use for the life of the District. The proposed District is comprised of lands that will be solely utilized for industrial type development.

5. Based upon the findings, as stated above, the District is declared to be an Industrial District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all 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 none of the territory within the District 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 in the Village is feasible, and is in conformity with the master plan of the Village.

## SECTION 2: Type and General Description of District

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The District is being created by the Village under the authority provided by Wisconsin Statutes Section 66.1105. This District is created as an "Industrial District" based upon a finding that at least 50%, by area, of the real property within the District is zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101 (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test).

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The Village intends that TIF will be used to assure that industrial, distributor and related private development locates in this District. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote industrial development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the Village. The project costs included in this Plan relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.

Based upon the findings, as stated within this Plan, the District is declared to be an industrial District based on the identification and classification of the property included within the district.

## SECTION 3: Preliminary Map of Proposed District Boundary

The overall site represents in excess of 300 acres of Village land, with a proposed 4.5 M square feet of industrial development planned.



CHARLES TUNKIEICZ INC. Properties  
Town of Somers



## SECTION 4: Map Showing Existing Uses and Conditions

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CHARLES TUNKIEWICZ INC. Properties  
Town of Somers







## SECTION 6: Equalized Value Test

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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 taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village.

The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$476,300. This value is less than the maximum of \$65M in equalized value that is permitted for the Village of Somers. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

Village of Somers, Kenosha County	
Tax Increment District #1	
Valuation Test Compliance Calculation	
Anticipated Creation	1/1/2015
	Valuation Data Currently Available 2014
Total EV (TID In)	540,934,891
12% Test	64,912,187
Increment of Existing TIDs	
Total Existing Increment	0
Projected Base of New or Amended District	476,300
Total Value Subject to 12% Test	476,300
Compliance	PASS

## SECTION 7:

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

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The following is a list of public works and other TIF-eligible projects that the Village expects to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or 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

### Property Acquisition for Development

In order to promote and facilitate development and/or redevelopment 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 and/or redevelopment. 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 and/or redevelopment 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.

### Property Acquisition for Conservancy

In order to promote the objectives of this Plan, the Village intends to acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

### 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 remediation 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 and/or redevelopment, 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 need to 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; wastewater treatment facilities; 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.

### Water System Improvements

There are inadequate water distribution facilities serving areas of the District. To allow development to occur, the Village may need to 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; wells; water treatment facilities; 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.

### Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may need to 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 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. A portion of the street improvements may occur on areas outside of the district boundary on the roadways adjacent to the District.

### **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.

## Miscellaneous

### Rail Spur

To allow for development the Village may incur costs for installation of a rail spur to serve development sites located within the District.

### 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.

### Property Tax Payments to Town

Property tax payments due to the Town under Wisconsin Statutes Section 66.1105(4)(gm)1. as a result of the inclusion of lands annexed after January 1, 2004 within the boundaries of the District are an eligible Project Cost.

### Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the Village's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The Village intends to make the following project cost expenditures outside the District:

- Sewer System Improvements to bring utilities to the site
- Water System Improvements to bring utilities to the site
- Roadway improvements on CTH H and CTH S

### 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, apparatus necessary for public works, 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 TIF 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.

**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. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality 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.

## SECTION 8: Map Showing Proposed Improvements and Uses

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**FA's Obtain Map From Client & Make Note:** The DOR requires that the Proposed Projects & Improvements Map show the projects that are listed in the Statement of Kind, Number & Location of Proposed Public Works & Other Projects / Detailed List of Updated Project Costs sections of the Project Plan.



## SECTION 9: Detailed List of Project Costs

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. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of 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 amending the Plan.**

### Proposed TIF Project Cost Estimates

Village of Somers, Kenosha County					
Tax Increment District #1					
Estimated Project List					
Project ID	Project Name/Type	Phase I 2015	Phase II 2018	Phase III 2020	Total (Note 1)
1	CTH H/CTH S Improvements (External)		1,000,000		1,000,000
2	Utilities to Site (External) ( Note 2)	3,170,000			3,170,000
3	Development Incentives	1,000,000	4,000,000		5,000,000
4	Planning/Engineering/Legal	100,000			100,000
5	Water Tower			2,000,000	2,000,000
6					0
7					0
8					0
9					0
10					0
11					0
12					0
13					0
Total Projects		4,270,000	5,000,000	2,000,000	11,270,000
Notes:					
Note 1	Project costs are estimates and are subject to modification				
Note 2	Based on Engineers Estimate dated April 14, 2015				
Version 2					

## SECTION 10:

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

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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” follows.
- 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. 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 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.

## Available Financing Methods

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).

### 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 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 the 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.

## **Plan Implementation**

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. 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.

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 Somers, Kenosha County						
Tax Increment District #1						
Estimated Financing Plan						
	G.O. Bond 2016	Municipal Revenue Obligation (MRO) 2016	G.O. Bond 2018	Municipal Revenue Obligation (MRO) 2018	G.O. Bond 2020	Totals
Projects						
Phase I	3,170,000	1,000,000				4,170,000
Phase II			1,000,000	4,000,000		5,000,000
Phase III			0		2,000,000	2,000,000
Phase IV						0
Phase V						0
Planning/Legal/Administrative	100,000	20,000	0	20,000	10,000	
Total Project Funds	3,270,000	1,020,000	1,000,000	4,020,000	2,010,000	11,170,000
Estimated Finance Related Expenses						
Financial Advisor	26,000	0	15,000		20,000	
Bond Counsel	14,000	0	14,000		15,000	
Rating Agency Fee			10,000		10,000	
Paying Agent	675	0	675		675	
Underwriter Discount	12.50 44,688 0.00	0 10.00	10,500 0.00	0 10.00	20,750	
Debt Service Reserve						
Capitalized Interest	303,875	0				
Total Financing Required	3,659,238	1,020,000	1,050,175	4,020,000	2,076,425	
Estimated Interest	0.25% (4,088) 0.00%	0 0.25% (1,250) 0.00%	0 0.25% (2,513)			
Assumed spend down (months)	6	6	6	6	6	
Rounding	(80,150)	(20,000)	1,075	(20,000)	1,088	
Net Issue Size	3,575,000	1,000,000	1,050,000	4,000,000	2,075,000	11,700,000
Notes:						

Version 2

## Development Assumptions

Village of Somers, Kenosha County									
Tax Increment District #1									
Development Assumptions									
Construction Year		Actual	Phase I	Phase II	Annual Total	Construction Year			
1	2015		(183,900)		(183,900)	2015	1		
2	2016		23,452,381		23,452,381	2016	2		
3	2017		23,452,381		23,452,381	2017	3		
4	2018				0	2018	4		
5	2019			19,543,651	19,543,651	2019	5		
6	2020			19,543,651	19,543,651	2020	6		
7	2021			19,543,651	19,543,651	2021	7		
8	2022			19,543,651	19,543,651	2022	8		
9	2023			19,543,651	19,543,651	2023	9		
10	2024			19,543,651	19,543,651	2024	10		
11	2025				0	2025	11		
12	2026				0	2026	12		
13	2027				0	2027	13		
14	2028				0	2028	14		
15	2029				0	2029	15		
16	2030				0	2030	16		
17	2031				0	2031	17		
18	2032				0	2032	18		
19	2033				0	2033	19		
20	2034				0	2034	20		
Totals		0	46,720,862	117,261,905	163,982,767				
Notes:									
Assumed construction cost per sq ft			60	valuation factor		100.00%			
Phase I					Taxes per sq ft				
2016 Building 1			600,000	0.74	\$23,452,381				
2017 Building 2			600,000	0.74	\$23,452,381				
Phase II									
2019 Building 3			500,000	0.74	\$19,543,651				
2020 Building 4			500,000	0.74	\$19,543,651				
2021 Building 5			500,000	0.74	\$19,543,651				
2022 Building 6			500,000	0.74	\$19,543,651				
2023 Building 7			500,000	0.74	\$19,543,651				
2024 Building 8			500,000	0.74	\$19,543,651				
Comparables									
Rustoleum			850,000	0.82					
IMS			626,000	1.15					
Version 2									

# Increment Revenue Projections

## Village of Somers, Kenosha County

### Tax Increment District #1

#### Tax Increment Projection Worksheet

Type of District	Industrial	Base Value	476,300	
Creation Date	August 11, 2015	Appreciation Factor	1.00%	Apply to Base Value
Valuation Date	Jan 1, 2015	Base Tax Rate	\$18.90	
Max Life (Years)	20	Rate Adjustment Factor		
Expenditure Periods/Termination	15 8/11/2030			
Revenue Periods/Final Year	20 2036			
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	4.25%	
Recipient District	No	Taxable Discount Rate	6.00%	

  

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2015	(183,900)	2016	0	(183,900)	2017	\$18.90	(3,476)	(3,334)
2	2016	23,452,381	2017	(1,839)	23,266,642	2018	\$18.90	439,740	401,282
3	2017	23,452,381	2018	232,666	46,951,689	2019	\$18.90	887,387	1,184,504
4	2018	0	2019	469,517	47,421,206	2020	\$18.90	896,261	1,943,309
5	2019	19,543,651	2020	474,212	67,439,069	2021	\$18.90	1,274,598	2,978,435
6	2020	19,543,651	2021	674,391	87,657,111	2022	\$18.90	1,656,719	4,269,037
7	2021	19,543,651	2022	876,571	108,077,332	2023	\$18.90	2,042,662	5,795,422
8	2022	19,543,651	2023	1,080,773	128,701,757	2024	\$18.90	2,432,463	7,538,986
9	2023	19,543,651	2024	1,287,018	149,532,425	2025	\$18.90	2,826,163	9,482,164
10	2024	19,543,651	2025	1,495,324	170,571,400	2026	\$18.90	3,223,799	11,608,380
11	2025	0	2026	1,705,714	172,277,114	2027	\$18.90	3,256,037	13,668,311
12	2026	0	2027	1,722,771	173,999,885	2028	\$18.90	3,288,598	15,664,023
13	2027	0	2028	1,739,999	175,739,884	2029	\$18.90	3,321,484	17,597,520
14	2028	0	2029	1,757,399	177,497,283	2030	\$18.90	3,354,699	19,470,739
15	2029	0	2030	1,774,973	179,272,256	2031	\$18.90	3,388,246	21,285,560
16	2030	0	2031	1,792,723	181,064,978	2032	\$18.90	3,422,128	23,043,805
17	2031	0	2032	1,810,650	182,875,628	2033	\$18.90	3,456,349	24,747,236
18	2032	0	2033	1,828,756	184,704,384	2034	\$18.90	3,490,913	26,397,562
19	2033	0	2034	1,847,044	186,551,428	2035	\$18.90	3,525,822	27,996,440
20	2034	0	2035	1,865,514	188,416,942	2036	\$18.90	3,561,080	29,545,472
<b>Totals</b>		<b>163,982,767</b>		<b>24,434,176</b>		<b>Future Value of Increment</b>	<b>49,741,672</b>		

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).

Version 2



Cash Flow

Village of Somers, Kenosha County																										
Tax Increment District #1																										
Cash Flow Projection																										
Year	Projected Revenues				Expenditures															Balances			Year			
	Tax Increments	Interest Earnings/ (Cost)	Capitalized Interest	Total Revenues	G.O. Bond 3,575,000			Municipal Revenue Obligation (MRO) 1,000,000			G.O. Bond			Municipal Revenue Obligation (MRO) 4,000,000			G.O. Bond 2,075,000			Less Non Project Cost		Total Expenditures		Annual	Cumulative	Principal Outstanding
					Dated Date: Principal	02/01/16 Est. Rate	Interest	Dated Date: Principal	02/01/16 Est. Rate	Interest	Dated Date: Principal	09/01/18 Est. Rate	Interest	Dated Date: Principal	09/01/18 Est. Rate	Interest	Dated Date: Principal	09/01/18 Est. Rate	Interest	(Utility)	Admin.					
2015				0																	25,000	25,000	(25,000)	(25,000)	3,575,000	2015
2016		(63)	303,875	303,813		4.25%	151,938													(15,194)	25,000	161,744	142,069	117,069	3,575,000	2016
2017	0	293		293		4.25%	151,938		6.00%	60,000										(15,194)	25,000	221,744	(221,451)	(104,382)	3,575,000	2017
2018	439,740	(261)		439,479		4.25%	151,938	100,000	6.00%	57,000										(15,194)	25,000	318,744	120,735	16,352	3,575,000	2018
2019	887,387	41		887,428		4.25%	151,938	100,000	6.00%	51,000	50,000	5.00%	52,500	100,000	6.00%	240,000				(15,194)	25,000	755,244	132,184	148,537	3,575,000	2019
2020	896,261	371		896,632	100,000	4.25%	149,813	100,000	6.00%	45,000	50,000	5.00%	50,000	100,000	6.00%	234,000				(24,981)	25,000	828,831	67,801	216,337	3,475,000	2020
2021	1,274,598	541		1,275,139	100,000	4.25%	145,563	100,000	6.00%	39,000	50,000	5.00%	47,500	200,000	6.00%	228,000	100,000	5.00%	103,750	(24,556)	25,000	1,114,256	160,883	377,220	3,375,000	2021
2022	1,656,719	943		1,657,662	150,000	4.25%	140,250	100,000	6.00%	33,000	50,000	5.00%	45,000	300,000	6.00%	216,000	100,000	5.00%	98,750	(29,025)	25,000	1,228,975	428,687	805,908	3,225,000	2022
2023	2,042,662	2,015		2,044,676	150,000	4.25%	133,875	125,000	6.00%	26,250	50,000	5.00%	42,500	300,000	6.00%	198,000	100,000	5.00%	93,750	(28,388)	25,000	1,215,988	828,689	1,634,597	3,075,000	2023
2024	2,432,463	4,086		2,436,550	200,000	4.25%	126,438	125,000	6.00%	18,750	50,000	5.00%	40,000	300,000	6.00%	180,000	100,000	5.00%	88,750	(32,644)	25,000	1,221,294	1,215,256	2,849,853	2,875,000	2024
2025	2,826,163	7,125		2,833,287	225,000	4.25%	117,406	125,000	6.00%	11,250	50,000	5.00%	37,500	300,000	6.00%	162,000	100,000	5.00%	83,750	(34,241)	10,000	1,187,666	1,645,622	4,495,475	2,650,000	2025
2026	3,223,799	11,239		3,235,038	250,000	4.25%	107,313	125,000	6.00%	3,750	50,000	5.00%	35,000	300,000	6.00%	144,000	100,000	5.00%	78,750	(35,731)	10,000	1,168,081	2,066,957	6,562,431	2,400,000	2026
2027	3,256,037	16,406		3,272,444	250,000	4.25%	96,688		6.00%	0	50,000	5.00%	32,500	300,000	6.00%	126,000	125,000	5.00%	73,750	(34,669)	10,000	1,029,269	2,243,175	8,805,606	2,150,000	2027
2028	3,288,598	22,014		3,310,612	250,000	4.25%	86,063		6.00%	0	50,000	5.00%	30,000	300,000	6.00%	108,000	150,000	5.00%	67,500	(33,606)	10,000	1,017,956	2,292,656	11,098,262	1,900,000	2028
2029	3,321,484	27,746		3,349,229	250,000	4.25%	75,438		6.00%	0	50,000	5.00%	27,500	300,000	6.00%	90,000	150,000	5.00%	60,000	(32,544)	10,000	980,394	2,368,836	13,467,098	1,650,000	2029
2030	3,354,699	33,668		3,388,366	250,000	4.25%	64,813		6.00%	0	50,000	5.00%	25,000	300,000	6.00%	72,000	150,000	5.00%	52,500	(31,481)	10,000	942,831	2,445,535	15,912,633	1,400,000	2030
2031	3,388,246	39,782		3,428,027	275,000	4.25%	53,656		6.00%	0	75,000	5.00%	22,500	300,000	6.00%	54,000	150,000	5.00%	45,000	(32,866)	10,000	952,291	2,475,737	18,388,369	1,125,000	2031
2032	3,422,128	45,971		3,468,099	275,000	4.25%	41,969		6.00%	0	75,000	5.00%	18,750	300,000	6.00%	36,000	150,000	5.00%	37,500	(31,697)	10,000	912,522	2,555,577	20,943,946	850,000	2032
2033	3,456,349	52,360		3,508,709	275,000	4.25%	30,281		6.00%	0	75,000	5.00%	15,000	300,000	6.00%	18,000	150,000	5.00%	30,000	(30,528)	10,000	872,753	2,635,956	23,579,902	575,000	2033
2034	3,490,913	58,950		3,549,863	275,000	4.25%	18,594		6.00%	0	75,000	5.00%	11,250		6.00%	0	150,000	5.00%	22,500	(29,359)	10,000	532,984	3,016,878	26,596,781	300,000	2034
2035	3,525,822	66,492		3,592,314	300,000	4.25%	6,375		6.00%	0	75,000	5.00%	7,500		6.00%	0	150,000	5.00%	15,000	(30,638)	10,000	533,238	3,059,076	29,655,857	0	2035
2036	3,561,080	74,140		3,635,220				0	6.00%	0	75,000	5.00%	3,750	0	6.00%	0	150,000	5.00%	7,500			236,250	3,398,970	33,054,827	0	2036
Total	49,745,148	463,857	303,875	50,512,880	3,575,000		2,002,281	1,000,000		345,000	1,050,000		543,750	4,000,000		2,106,000	2,075,000		958,750	(557,728)	360,000	17,458,053				Total
Notes: 10% of Project Cost non-TID eligible (benefits properties outside of TID)																										
Version 2																										

## SECTION 11: Annexed Property

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Property (or *Properties*) proposed for inclusion within the District were annexed by the Village on or after January 1, 2004. The Village has previously entered into a cooperative boundary agreement with the Town of Somers pursuant to Wisconsin Statutes Section 66.0307, providing for the annexation of this property (or *these properties*), and is therefore in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1, with respect to inclusion of the annexed property within the District.

## SECTION 12: Estimate of Property to be Devoted to Retail Business

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Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the Village estimates that 0% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## SECTION 13: Proposed Zoning Ordinance Changes

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The Village anticipates that a portion of the District will be rezoned prior to development. And any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.

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

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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.



## SECTION 15: Relocation

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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 of the Village of Somers

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The District contributes to the orderly development of the Village by providing the opportunity for continued growth in tax base, job opportunities and general economic activity.

## SECTION 17: List of Estimated Non-Project Costs

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

### Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

It is anticipated that a portion of the Sewer and Water Improvements will support areas outside the District. For the purposes of planning, the District anticipates that 10% of these costs will be paid for through general utility revenues.

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

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July 2, 2015

**SAMPLE**

George Stoner, Village President  
Village of Somers  
7511 12th Street  
Somers, Wisconsin 53171

**RE: Village of Somers, Wisconsin Tax Incremental District No. 1**

Dear Village President:

As Village Attorney for the Village of Somers, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Jeffrey J. Davison  
Village of Somers

## 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		4,072,096		24.20%		
Technical College		570,807		3.39%		
Municipality		3,863,527		22.96%		
School District		8,317,599		49.44%		
Total		16,824,029				
Revenue Year	County	Municipality	School District	Technical College	Total	Revenue Year
2017	0	0	0	0	0	2017
2018	106,435	100,983	217,402	14,920	439,740	2018
2019	214,784	203,783	438,713	30,107	887,387	2019
2020	216,931	205,820	443,101	30,408	896,261	2020
2021	308,504	292,703	630,146	43,245	1,274,598	2021
2022	400,993	380,455	819,062	56,209	1,656,719	2022
2023	494,407	469,084	1,009,867	69,304	2,042,662	2023
2024	588,755	558,599	1,202,581	82,529	2,432,463	2024
2025	684,046	649,010	1,397,221	95,886	2,826,163	2025
2026	780,290	740,324	1,593,808	109,377	3,223,799	2026
2027	788,093	747,727	1,609,746	110,471	3,256,037	2027
2028	795,974	755,205	1,625,843	111,576	3,288,598	2028
2029	803,934	762,757	1,642,102	112,692	3,321,484	2029
2030	811,973	770,384	1,658,523	113,818	3,354,699	2030
2031	820,093	778,088	1,675,108	114,957	3,388,246	2031
2032	828,294	785,869	1,691,859	116,106	3,422,128	2032
2033	836,576	793,728	1,708,778	117,267	3,456,349	2033
2034	844,942	801,665	1,725,866	118,440	3,490,913	2034
2035	853,392	809,682	1,743,124	119,624	3,525,822	2035
2036	861,926	817,779	1,760,556	120,821	3,561,080	2036
12,040,339		11,423,644	24,593,407	1,687,757	49,745,148	

Notes:

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