



September 10, 2015

Project Plan for the Creation of Tax Incremental District No. 2

VILLAGE OF SOMERS, WISCONSIN

Organizational Joint Review Board Meeting Held:	Scheduled for: September 16, 2015
Public Hearing Held:	Scheduled for: September 16, 2015
Adoption by Plan Commission:	Scheduled for: September 16, 2015
Consideration for Adoption by Village Board:	Scheduled for: September 30, 2015
Approval by the Joint Review Board:	Scheduled for: TBD



Tax Incremental District No. 2 Creation Project Plan

Village of Somers Officials

Village Board

George Stoner
Al Brokmeier
Joe Cardinali
Jack Aupperle
Dave Geertsen
Larry Harding
Rich Heinisch

Village President
Village Trustee
Village Trustee
Village Trustee
Village Trustee
Village Trustee
Village Trustee

Village Staff

Timothy Kitzman
William Morris
Jeffrey J. Davison

Village Clerk
Village Administrator
Village Attorney

Plan Commission

George Stoner
Paul Aiello
Donald Boxx
John Lichter

Bob Lee
Randy Zerzanek
James Smith

Joint Review Board

Village Representative
Kenosha County
Gateway Technical College District
Kenosha Unified School District
Public Member



Table of Contents

EXECUTIVE SUMMARY4

TYPE AND GENERAL DESCRIPTION OF DISTRICT6

PRELIMINARY MAP OF PROPOSED DISTRICT BOUNDARY7

MAP SHOWING EXISTING USES AND CONDITIONS8

PRELIMINARY PARCEL LIST AND ANALYSIS9

EQUALIZED VALUE TEST10

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS11

MAP SHOWING PROPOSED IMPROVEMENTS AND USES15

DETAILED LIST OF PROJECT COSTS16

ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED17

ANNEXED PROPERTY23

ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS23

PROPOSED ZONING ORDINANCE CHANGES23

PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND «FULLCLIENTNAME» ORDINANCES23

RELOCATION23

ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE «FULLCLIENTNAME»24

LIST OF ESTIMATED NON-PROJECT COSTS24

OPINION OF ATTORNEY FOR THE «FULLCLIENTNAME» ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.110525

CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS26

SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 2 (the “TID” or “District”) is proposed to be created by the Village of Somers (“Village”) as a mixed-use 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 \$8 million to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in several phases based upon need and development pressure.. 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 instruments available to the Village. 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 approximately \$46,500,000 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 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 2032; four 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:
 - The Village has conducted an independent review of the intended residential area developer’s sources and uses *pro forma* for one of the initial proposed development. This review has

concluded that a public investment of approximately \$2 M is required to enable the development to occur in the manner desired by the Village, while providing the developer a fair and reasonable return on their investment.

- Some of the sites proposed for development have remained vacant due to lack of adequate infrastructure and development pressure. 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: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. The Village may also incur substantial costs to add water storage capacity in order to ensure appropriate fire protection flows within the District. 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 within the District would create approximately 270 residential units, providing housing opportunities for workers in the region.

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 a combination of industrial, commercial and residential uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). *(The following is required if newly platted residential property to be included with the District)* Lands proposed for newly platted residential development comprise 32.5% (and in no event will exceed 35%) by area of the real property within the District. Any project costs related to newly platted residential development are eligible expenditures based on the finding that the development has a residential housing density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.
5. Based upon the findings, as stated above, the District is declared to be a mixed-use District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting mixed-use 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 approximately 50% 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.

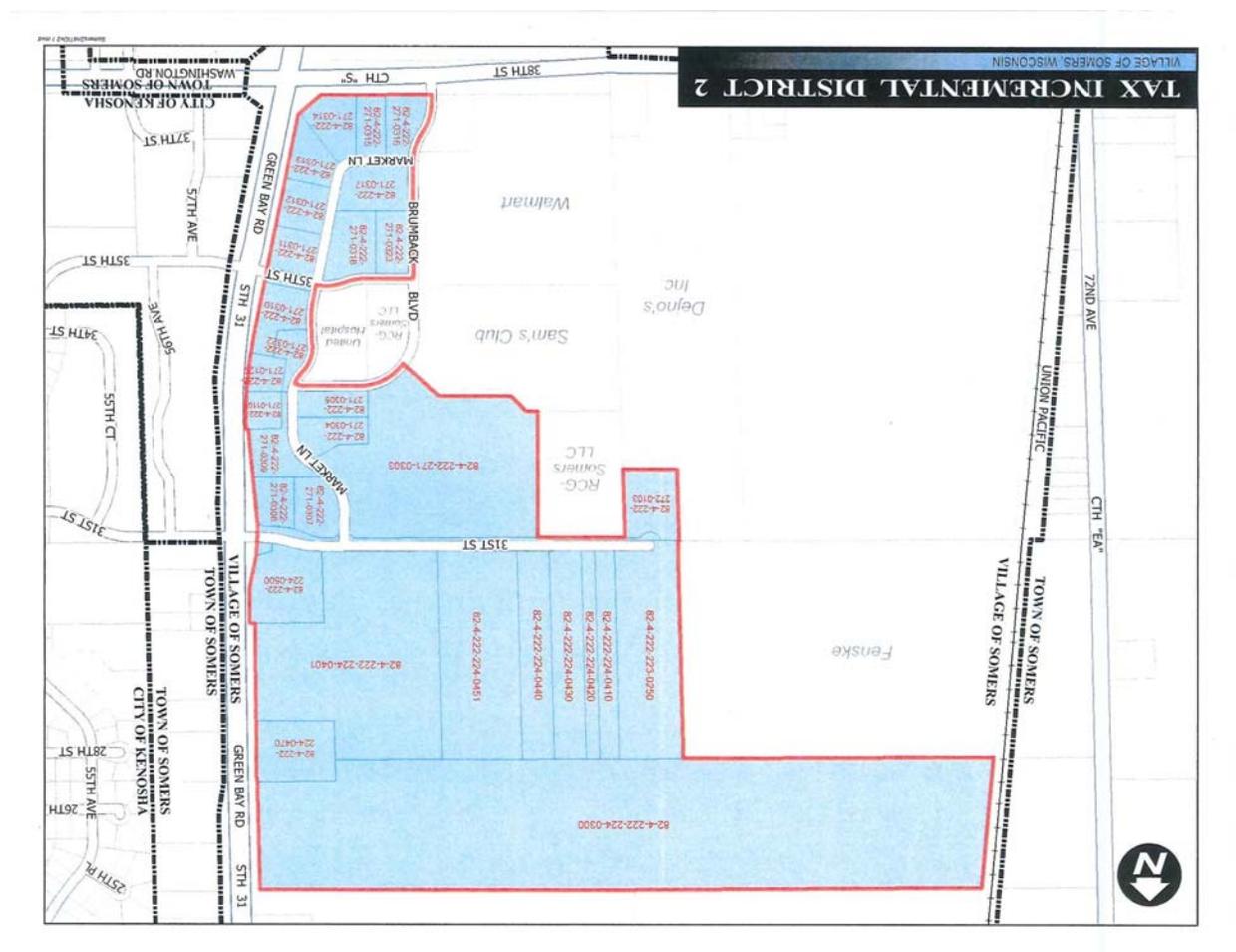
SECTION 2: Type and General Description of District

The District is being created by the Village under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of commercial and residential uses as defined within the meaning of Wisconsin Statutes Section 66.1105(2)(cm) (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test). Lands proposed for newly platted residential development comprise 32.5% of the area of the District. To the extent that project costs will be incurred by the Village for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.

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 a combination of private commercial and residential development occurs within the District consistent with the Village's development objectives. This will be accomplished by installing public improvements and making necessary related expenditures to induce and promote 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 the Plan relate directly to promoting mixed-use 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 a mixed-use District based on the identification and classification of the property included within the district.

SECTION 3: Preliminary Map of Proposed District Boundary



SECTION 4: Map Showing Existing Uses and Conditions

To be provided by the Village yet

SECTION 5: Preliminary Parcel List and Analysis

Village of Somers, Wisconsin Tax Increment District # 2 Base Property Information										3/7/2015 Assessment Information				Equilibrize Value				District Classification				District Classification			
Parcel Number	Street Address	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/Business	Existing Residential	Newly Platting Residential	Suitable for Mixed Use	Blighted	Rehab/Conservation	Vacant					
82-4272																									
-224-0300	2720 Green Bay RD	Trecood Family Partnership	75.73	69,500	99,400	0	168,900	100.00%	69,500	99,400	0	168,900		40.00		35.73	75.73				0.00				
-224-0250	6420 31st ST	Connie M. Brownlee	9.43	111,600	47,700	0	159,300	100.00%	111,600	47,700	0	159,300			9.43		9.43				9.43				
-224-0401	6120 31st ST	George T & Barbara Godlewski	21.65	89,800	113,900	0	203,700	100.00%	89,800	113,900	0	203,700			21.65		21.65				0.00				
-224-0410	6324 31st ST	Roger Marian Rozinski/Rozinski Trust	2.88	66,500	97,200	0	163,700	100.00%	66,500	97,200	0	163,700			2.88		2.88				0.00				
-224-0420	6324 31st ST	Jeffrey Zimuch/Bridget Chapman	1.92	84,400	72,200	0	156,600	100.00%	84,400	72,200	0	156,600			1.92		1.92				1.92				
-224-0430	6396 31st ST	Michelle W Strickland	4.79	113,900	202,300	0	316,200	100.00%	113,900	202,300	0	316,200			4.79		4.79				4.79				
-224-0440	6226 31st ST	George T & Barbara Godlewski	4.79	102,900	229,400	0	332,300	100.00%	102,900	229,400	0	332,300			4.79		4.79				0.00				
-224-0450	6226 31st ST	George T & Barbara Godlewski	4.79	102,900	229,400	0	332,300	100.00%	102,900	229,400	0	332,300			4.79		4.79				0.00				
-224-0460	6226 31st ST	George T & Barbara Godlewski	4.79	102,900	229,400	0	332,300	100.00%	102,900	229,400	0	332,300			4.79		4.79				0.00				
-224-0470	6226 31st ST	George T & Barbara Godlewski	4.79	102,900	229,400	0	332,300	100.00%	102,900	229,400	0	332,300			4.79		4.79				0.00				
-224-0480	6226 31st ST	George T & Barbara Godlewski	4.79	102,900	229,400	0	332,300	100.00%	102,900	229,400	0	332,300			4.79		4.79				0.00				
-224-0490	6226 31st ST	George T & Barbara Godlewski	4.79	102,900	229,400	0	332,300	100.00%	102,900	229,400	0	332,300			4.79		4.79				0.00				
-224-0500	3024 Green Bay RD	Phyllis Rozinski Rev. Trust	3.60	66,700	126,500	0	193,200	100.00%	66,700	126,500	0	193,200			3.60		3.60				0.00				
-271-0303	Market Lane	SM&F P.P	20.04	725,000		0	725,000	100.00%	725,000		0	725,000			20.04		20.04				20.04				
-271-0304	Market Lane	REG-Sommers LLC	1.74	146,800	0	0	146,800	100.00%	146,800	0	0	146,800		1.74			1.74				1.74				
-271-0305	Market Lane	REG-Sommers LLC	1.69	142,600	0	0	142,600	100.00%	142,600	0	0	142,600		1.69			1.69				1.69				
-271-0307	Market Lane	REG-Sommers LLC	1.96	165,400	0	0	165,400	100.00%	165,400	0	0	165,400		1.96			1.96				1.96				
-271-0308	Market Lane	REG-Sommers LLC	1.35	145,000	0	0	145,000	100.00%	145,000	0	0	145,000		1.35			1.35				1.35				
-271-0309	Market Lane	REG-Sommers LLC	2.12	225,500	0	0	225,500	100.00%	225,500	0	0	225,500		2.12			2.12				2.12				
-271-0310	Market Lane	REG-Sommers LLC	1.88	202,200	157,900	0	360,100	100.00%	202,200	157,900	0	360,100		1.88		1.62		2.50			0.00				
-271-0311	Market Lane	REG-Sommers LLC	1.74	184,300	0	0	184,300	100.00%	184,300	0	0	184,300		1.74			1.74				1.74				
-271-0312	Market Lane	REG-Sommers LLC	1.68	177,900	0	0	177,900	100.00%	177,900	0	0	177,900		1.68			1.68				1.68				
-271-0313	Market Lane	REG-Sommers LLC	1.92	203,300	0	0	203,300	100.00%	203,300	0	0	203,300		1.92			1.92				1.92				
-271-0314	Market Lane	REG-Sommers LLC	1.42	159,400	0	0	159,400	100.00%	159,400	0	0	159,400		1.42			1.42				1.42				
-271-0315	Market Lane	REG-Sommers LLC	1.42	159,400	0	0	159,400	100.00%	159,400	0	0	159,400		1.42			1.42				1.42				
-271-0316	Market Lane	REG-Sommers LLC	1.42	159,400	0	0	159,400	100.00%	159,400	0	0	159,400		1.42			1.42				1.42				
-271-0317	Brumback Blvd	REG-Sommers LLC	2.60	226,900	0	0	226,900	100.00%	226,900	0	0	226,900		2.60			2.60				2.60				
-271-0318	Brumback Blvd	REG-Sommers LLC	2.61	226,100	0	0	226,100	100.00%	226,100	0	0	226,100		2.61			2.61				2.61				
-271-0323	Brumback Blvd	REG-Sommers LLC	1.78	3,600	0	0	3,600	100.00%	3,600	0	0	3,600		1.78			1.78				1.78				
Total Average				4,421,800	1,374,900	0	5,796,700		25,29,300	1,136,100	0	5,796,700	0.00	69.18	68.97	55.77	193.92	0.00	0.00	0.00	48.42				
												0.00%	35.67%	35.57%	28.76%	100.00%	0.00%	0.00%	28.20%						
												Estimate Base Value				3,665,400									

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 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 \$3,665,400. This value is less than the maximum of \$88,920,804 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, Wisconsin				
Tax Increment District # 2				
Valuation Test Compliance Calculation				
Creation Date	9/30/2015			
	Valuation Data Currently Available 2014	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	741,006,700			741,006,700
12% Test	88,920,804			88,920,804
Increment of Existing TIDs				
TID #1	0			0
				0
				0
				0
				0
				0
Total Existing Increment	0			0
Projected Base of New or Amended District	3,665,400			3,665,400
Total Value Subject to 12% Test	3,665,400			3,665,400
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 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 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.

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 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:

- Improvements on STH 31
- Improvements on STH 142
- Elevated Water Storage
- Sewer, Storm and Water System Improvements

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

To be provided by the Village yet

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, Wisconsin						
Tax Increment District # 2						
Estimated Project List						
Project ID	Project Name/Type	Phase I 2016	Phase II 2016	Phase III 2017	Phase IV 2020	Total (Note 1)
1	Roadway Improvements (Note 2)	500,000	500,000	500,000		1,500,000
2	Utility Improvements (Note 3)	500,000	1,500,000		500,000	2,500,000
3	Stormwater Improvements		500,000			500,000
4	Development Incentives	2,000,000	1,000,000	500,000		3,500,000
5						0
Total Projects		3,000,000	3,500,000	1,000,000	500,000	8,000,000
Notes:						
Note 1	Project costs are estimates and are subject to modification					
Note 2	Phase I includes potential improvements on 31st Street, Phase III includes extension of Market Lane					
Note 3	Includes utility extension as part of Market Lane construction and a portion of a future water tower					
						Version 2

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 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.

Development Assumptions

Village of Somers, Wisconsin									
Tax Increment District # 2									
Development Assumptions									
Construction Year		Actual	Main Retail	Retail Outlots	Bear Development	Residential Outlot	Annual Total	Construction Year	
1	2015				0		0	2015	1
2	2016		9,000,000		10,000,000		19,000,000	2016	2
3	2017			2,500,000	15,000,000		17,500,000	2017	3
4	2018					2,500,000	2,500,000	2018	4
5	2019			2,500,000			2,500,000	2019	5
6	2020						0	2020	6
7	2021			2,500,000			2,500,000	2021	7
8	2022						0	2022	8
9	2023			2,500,000			2,500,000	2023	9
10	2024						0	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	9,000,000	10,000,000	25,000,000	2,500,000	46,500,000		
Notes:									
Main Retail value as projected by developer (not including personal property)									
Outlot estimated by Ehlers									
Residential value as projected by developer									
Version 2									

Increment Revenue Projections

Village of Somers, Wisconsin										
Tax Increment District # 2										
Tax Increment Projection Worksheet										
Type of District	Mixed Use		Base Value	3,665,400						
Creation Date	September 30, 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	9/30/2030	Tax Exempt Discount Rate	4.00%						
Revenue Periods/Final Year	20		Taxable Discount Rate	5.50%						
Extension Eligibility/Years	Yes		3							
Recipient District	No									
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	0	2016	0	0	2017	\$18.90	0	0	0
2	2016	19,000,000	2017	0	19,000,000	2018	\$18.90	359,100	332,008	322,634
3	2017	17,500,000	2018	190,000	36,690,000	2019	\$18.90	693,441	948,475	913,178
4	2018	2,500,000	2019	366,900	39,556,900	2020	\$18.90	747,625	1,587,548	1,516,674
5	2019	2,500,000	2020	395,569	42,452,469	2021	\$18.90	802,352	2,247,023	2,130,581
6	2020	0	2021	424,525	42,876,994	2022	\$18.90	810,375	2,887,474	2,718,302
7	2021	2,500,000	2022	428,770	45,805,764	2023	\$18.90	865,729	3,545,357	3,313,436
8	2022	0	2023	458,058	46,263,821	2024	\$18.90	874,386	4,184,262	3,883,185
9	2023	2,500,000	2024	462,638	49,226,459	2025	\$18.90	930,380	4,837,935	4,457,815
10	2024	0	2025	492,265	49,718,724	2026	\$18.90	939,684	5,472,752	5,007,935
11	2025	0	2026	497,187	50,215,911	2027	\$18.90	949,081	6,089,256	5,534,589
12	2026	0	2027	502,159	50,718,070	2028	\$18.90	958,572	6,687,977	6,038,780
13	2027	0	2028	507,181	51,225,251	2029	\$18.90	968,157	7,269,427	6,521,465
14	2028	0	2029	512,253	51,737,504	2030	\$18.90	977,839	7,834,105	6,983,562
15	2029	0	2030	517,375	52,254,879	2031	\$18.90	987,617	8,382,494	7,425,949
16	2030	0	2031	522,549	52,777,427	2032	\$18.90	997,493	8,915,064	7,849,465
17	2031	0	2032	527,774	53,305,202	2033	\$18.90	1,007,468	9,432,271	8,254,917
18	2032	0	2033	533,052	53,838,254	2034	\$18.90	1,017,543	9,934,559	8,643,075
19	2033	0	2034	538,383	54,376,636	2035	\$18.90	1,027,718	10,422,358	9,014,677
20	2034	0	2035	543,766	54,920,403	2036	\$18.90	1,037,996	10,896,085	9,370,428
Totals		46,500,000		8,420,403		Future Value of Increment		16,952,557		

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

SECTION 11: Annexed Property

There are no lands proposed for inclusion within the District that were annexed by the Village on or after January 1, 2004.

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

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the Village estimates that 50% 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

The Village anticipates that a portion of the District will be rezoned prior to development.

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

It is expected that this Plan will be complementary to the Village's Master Plan. Due to the type of development proposed within the district, the Master Plan may require amendment to address a portion of the residential 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 of the Village of Somers

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. In general, the area surrounding the Walmart Super Center has been relatively underutilized for the past seven years. The creation of the district will allow development that is both complimentary and necessary in area to occur.

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.

Examples would include:

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

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

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

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

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

September 15, 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	86,917	82,465	177,535	12,184	359,100	2018							
2019	167,841	159,244	342,829	23,527	693,441	2019							
2020	180,956	171,687	369,617	25,365	747,625	2020							
2021	194,202	184,255	396,673	27,222	802,352	2021							
2022	196,144	186,097	400,640	27,494	810,375	2022							
2023	209,541	198,809	428,006	29,373	865,729	2023							
2024	211,637	200,797	432,286	29,666	874,386	2024							
2025	225,190	213,656	459,969	31,566	930,380	2025							
2026	227,442	215,792	464,568	31,882	939,684	2026							
2027	229,716	217,950	469,214	32,200	949,081	2027							
2028	232,013	220,130	473,906	32,522	958,572	2028							
2029	234,333	222,331	478,645	32,848	968,157	2029							
2030	236,677	224,554	483,432	33,176	977,839	2030							
2031	239,043	226,800	488,266	33,508	987,617	2031							
2032	241,434	229,068	493,149	33,843	997,493	2032							
2033	243,848	231,358	498,080	34,181	1,007,468	2033							
2034	246,287	233,672	503,061	34,523	1,017,543	2034							
2035	248,749	236,009	508,092	34,869	1,027,718	2035							
2036	251,237	238,369	513,173	35,217	1,037,996	2036							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: right;">4,103,205</td> <td style="width: 15%; text-align: right;">3,893,043</td> <td style="width: 15%; text-align: right;">8,381,142</td> <td style="width: 15%; text-align: right;">575,168</td> <td style="width: 15%; text-align: right;">16,952,557</td> <td style="width: 15%;"></td> </tr> </table>								4,103,205	3,893,043	8,381,142	575,168	16,952,557	
	4,103,205	3,893,043	8,381,142	575,168	16,952,557								
<p>Notes:</p> <p>The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.</p>													