

VILLAGE OF
SHOREWOOD HILLS

TAX INCREMENTAL
DISTRICT #3

Amendment No. 3

Plan Commission Hearing and Approval:

July 13, 2021

Village Board Action:

Joint Review Board Approval:



Prepared by:

VANDEWALLE &
ASSOCIATES INC.

Madison . Milwaukee

TABLE OF CONTENTS

SECTION 1. INTRODUCTION 1

 Background..... 1

 Plan Implementation..... 1

 Summary of Findings 2

SECTION 2. PROPOSED PUBLIC WORKS AND PROJECT COSTS 3

 General Project Cost Categories..... 3

SECTION 3. DETAILED PROJECT COSTS..... 5

 Table 1: Project Costs..... 6

SECTION 4. ECONOMIC FEASIBILITY AND FINANCING 6

SECTION 5. FINANCING METHODS..... 7

SECTION 6. OVERLYING TAXING JURISDICTIONS 7

 Table 2: Projected Values and Tax Increment..... 8

 Table 3: Village of Shorewood Hills Example Financing Plan 9

 Table 4: Cash Flow Projection 10

 Table 5: Analysis of Impact on Overlying Taxing Jurisdictions..... 11

SECTION 7. 12% TEST 11

SECTION 8. CHANGES TO MAPS, PLANS AND ORDINANCES 11

SECTION 9. RELOCATION 11

SECTION 10. PROMOTING ORDERLY DEVELOPMENT 11

SECTION 11. DISTRICT BOUNDARIES 11

SECTION 1. INTRODUCTION

Background

This is the third amendment to the Project Plan for the Village of Shorewood Hills Tax Increment District #3 (TID #3). Created on September 15, 2008, TID #3 is a mixed-use district and was initially amended in 2010 to add parcels and then again in 2016 to revise the spending plan. Located on the southeast end of the community, the District generally includes both sides of Marshall Court and the north side of University Avenue from the Marshall Court intersection to just west of the Shorewood Boulevard intersection. Development in TID #3 consists primarily of mixed-use, commercial and residential uses, much of which has occurred since the District was created. In fact, the total value of TID #3 has more than tripled from \$21 million in 2010 to more than \$70 million today.

This Project Plan amendment does not alter the boundary but revises the spending plan to include the anticipated cost of the University Avenue Reconstruction project. It also seeks to extend the life of the District by three years, with Joint Review Board approval, as provided in Wis. Stat. § 66.1105(7)(am)2., as necessary to meet the debt obligation associated with this massive project. The Reconstruction has been in the planning stages for several years and has been an identified project expenditure in previous versions of the TID #3 Project Plan. However, the project has expanded dramatically in scope over the last couple of years with the addition of significant stormwater improvements and a pedestrian/bicycle overpass on University Bay Drive just north of University Avenue. This is a joint project with the City of Madison and has a total estimated cost of \$31 million. Madison and the Metropolitan Planning Organization will provide most of the funding. The Village's share of the project is projected to be \$5 million to \$6 million, making it the single largest capital investment ever undertaken by Shorewood Hills. As TID #3 is accessed nearly exclusively from University Avenue, and the extent of the project within the Village is almost entirely within the District, the Village intends to fund a sizeable portion of the cost with increment from the TID.

This TID #3 Project Plan Amendment No. 3 has been prepared in compliance with Wis. Stat. § 66.1105, and it is intended to work in conjunction with the original TID #3 project plan and the two subsequent amendments. It is to be adopted by resolution of the Village Board upon receipt of a resolution of an affirmative recommendation from the Village Plan Commission. Following Board adoption, it will be forwarded to the Joint Review for action on a resolution affirming the Board's approval.

As required by Wis. Stat. § 66.1105(5), a copy of this amended project plan will be submitted to the Department of Revenue and used as the basis for their certification of Tax Increment District #3, Amendment No. 3 in the Village of Shorewood.

This amended Project Plan follows the same layout and section order as the original Project Plan. Sections where no changes are proposed are indicated as such, and sections with amendments are identified accordingly.

Plan Implementation

Implementation of this amended Project Plan and construction of the proposed improvements listed herein will still require case-by-case authorization by the Village Board. Public expenditures for projects listed in the Project Plan, as amended, should and will be based on market conditions and the status of development at the time a project is scheduled for construction. The Village Board is not mandated to make the public expenditures described in the Plan. Redistribution of project costs within the total budget estimate will not require an amendment to the Plan provided that the expenditures meet the purpose and intent of the original TID.

Summary of Findings

As required by Wis. Stat. §66.1105, and as documented in this Project Plan Amendment No. 3 and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” the creation of this District and adoption of this Amendment, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the Village.
 - To support development within the District the Village must make a substantial investment in necessary public infrastructure. Due to the extensive investment required, the Village has determined, and experience in the District has shown, that development of the area will not occur as planned 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 amended 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 Section 4, Economic Feasibility, of this Amendment, projected tax increments over the remaining life of the District are sufficient to cover all projected costs. Both the projected revenues and costs have been increased from those shown in Amendment No. 2, but projected revenues continue to exceed projected costs with the proposed three-year extension of the TID’s 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.
 - The value of the District already has increased by nearly \$50 million, and an additional \$14 million in value may be realized prior to the District’s closure. The amended District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements, so 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. Further, the proposed three-year extension of District life is still four years less had the Village originally designated the TID as a blighted District.
4. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
5. The equalized value of the District, plus the value increment of all existing tax incremental Districts within the City, does not exceed 12% of the total equalized value of taxable property within the Village.
 - The Amendment does not add alter the boundary of the District.
6. The Amendment does include adding any recently annexed property to the District.
7. The Amendment does not alter the area proposed for newly platted residential use, which is less than 35% of the total area of the District.
8. The Amendment does not alter the amount of area suitable for retail business at the end of the District’s maximum expenditure period, which is less than 35% of the total area of the District pursuant to Wis. Stats. § 66.1105(5)(b) and 66.1105(6)(am)1.
9. The amended Project Plan for the TID is economically feasible and is in conformity with the comprehensive plan of the Village.

SECTION 2. PROPOSED PUBLIC WORKS AND PROJECT COSTS

The primary purpose of this Amendment No. 3 is to add the increased cost of the University Avenue Reconstruction project and its related financing costs. In addition, updates are included for other spending categories consistent with actual expenditures to date, outstanding commitments, and updated future cost projections.

The TID #3 Project Plan Amendment No. 2 included an entirely revised spending plan for every cost category, supplanting that included in the original Project Plan and Amendment No. 1. The net impact of the spending changes in this Amendment No. 3 is an increase in the total level of authorized spending from \$14,525,603 as detailed in Amendment No. 2 to \$23,095,479 as shown on Table 1 in Section 3 of this amended plan, or total increase of about \$8.6 million.

General Project Cost Categories

A. Capital Costs

Including, but not limited to, the actual costs of the construction of public works or improvements, new buildings, structures, and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures other than the demolition of listed historic properties and the acquisition of equipment to service the district. Consistent with Amendment No. 2, there are no planned costs in this category.

B. Infrastructure

That portion of costs related to the construction or alteration of sewerage treatment plants, water treatment plants or other environmental protection devices, storm or sanitary sewer lines, stormwater management facilities, water lines, or amenities on streets or the rebuilding or expansion of streets the construction, alteration, rebuilding or expansion of which is necessitated by the Project Plan for the district and is within the district. Infrastructure also can be installed outside of the district, if required to carry out Project Plans, but only the portion which directly benefits the district is an eligible cost.

Final cost estimates are still being refined for the University Avenue Reconstruction project, but it appears the Village's portion will be \$5 million to \$6 million. Whatever the final amount may be, the Village is committed to using general funds for at least \$500,000 of the cost and already has included that amount in its general fund capital improvements budget. However, to ensure sufficient funds will be available for the project, the borrowing shown in Section 4 of this amendment assumes a \$6 million principal amount to be repaid entirely with TID #3 revenues.

Total TID #3 infrastructure expenses as of the end of 2020 were \$5,172,137 compared with \$4,642,851 included in the Amendment No. 2 spending plan. No new infrastructure costs are anticipated other than the University Avenue Reconstruction project bringing the new projected total to \$11,272,137, or an increase of \$6,629,286 from the previously approved amount.

C. Site Development Costs

Site development activities required to make sites suitable for development including, but not limited to, environmental studies and remediation, stripping topsoil, grading, compacted granular fill, topsoil replacement, access drives, parking areas, landscaping, storm water detention areas, demolition of existing structures, relocating utility lines and other infrastructure, utilities, signs, fencing, and related activities. Consistent with Amendment No. 2, there are no planned costs in this category.

D. Land Acquisition & Assembly

This may include, but is not limited to: fee title, easements, appraisals, environmental evaluations, consultant and broker fees, closing costs, surveying and mapping, lease and/or the sale of property at

below market price to encourage or make feasible an economic development project. This also could include the cost to relocate existing businesses or residents to allow redevelopment. No additional expenditures are anticipated in this category, and these costs to date have been included in the infrastructure costs noted above.

E. Development Incentives

The Village may use TID #3 funds to provide incentives to developers and businesses to promote and stimulate new development. The Village may enter into agreements with property owners, businesses, developers or non-profit organizations for the purpose of sharing costs to encourage the desired kinds of improvements. In such cases, the Village will execute development agreements with the developers and/or businesses, which will identify the type and amount of assistance to be provided.

As of the end of 2020, the Village had entered into development agreements with three different property owners to provide financial assistance totaling \$6,007,354. Assistance has been provided to include 35 affordable units within the projects and to assist with extraordinary development costs, such as structured parking, necessary to increase the density and tax base on each site. There are, effectively, two remaining redevelopment sites in TID #3, and the owner of one of them is in discussion with the Village about a residential project that could start construction next year. This project also may include affordable housing and other extraordinary costs, so the spending plan has been increased accordingly bringing the new total to \$7,150,000, or about \$706,600 more than that included in Amendment No. 2.

F. Professional Services

Including, but not limited to, those costs incurred for architectural, planning, engineering, and legal advice related to implementing the project plan, negotiating with property owners and developers, and planning for the redevelopment of the area. Amendment No. 2 adjusted the spending to “No Costs,” and all future costs for professional services are included in either the infrastructure or administrative cost categories.

G. Discretionary Payments

Payments made, at the discretion of the local legislative body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans. This could include expenditures to fund programs to eliminate blight, improve housing stock, remove social obstacles to development, provide labor force training, day care services, or neighborhood improvements to improve the quality of life or safety of the residents, workers, or visitors and other payments which are necessary or convenient to the implementation of this project plan. Consistent with Amendment No. 2, there are no planned costs in this category.

H. Administration Costs

Administrative costs including, but not limited to, a reasonable portion of the salaries of the Village Administrator, Building Inspector, Attorney, Finance Director, Auditor, Assessor, Public Works employees, Village Engineer, consultants and others directly involved with planning and administering the projects and overall district. Also including any annual payments required to be paid to the Wisconsin Department of Revenue (DOR) by state law. Total anticipated costs by the end of the TID life are expected to be \$1,548,824, or about \$389,500 more than the total included in Amendment No. 2.

I. TIF Organizational Costs

Organization costs including, but not limited to, the fees of the financial consultant, attorney, engineers, planners, community development consultants, surveyors, map makers, environmental consultants, appraisers and other contracted services related to the planning and creation of the TID. This shall include the preparation of feasibility studies, project plans, engineering to determine project costs and

prepare plans, maps, legal services, environmental investigations, grant applications, regulatory approvals and other payments made which are necessary or convenient to the creation of this tax incremental district. Also included as an eligible administrative cost is the \$1,000 Certification Fee charged by the DOR.

According to the annual TID audits, all TID organizational costs were classified under general TID administration. Therefore, the Village reclassified these costs and reduced this amount to “No Cost.”

J. Financing Costs

Including, but not limited to, all interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations prior to maturity. For all current outstanding obligations, the projected cost is actually about \$750,000 less than the amount shown in Amendment No. 2. However, the financing costs associated with borrowing for the University Avenue Reconstruction project are projected to be \$903,345, thereby increasing the total allocated to this cost category to \$3,124,448, or \$844,525 than that included in Amendment No. 2.

The result of the adjusted spending plan is an increase in total TID expenditures from \$14,525,603 to \$23,095,479 – an \$8,569,876 increase. The projects listed above will continue to provide necessary support to enable and encourage the development of TID #3.

SECTION 3. DETAILED PROJECT COSTS

Table 1 provides the total projected project costs over the full extended life of TID #3 consistent with the categories described in the previous section. All costs are based on 2021 prices and are preliminary estimates. The Village reserves the right to revise these cost estimates to reflect unforeseen circumstances between 2021 and the time of construction or implementation, such as a higher than anticipated inflation rate or financing costs that vary from projections due to market conditions at the time of a bond issuance. The Village will pursue grant programs to help share project costs included in this Project Plan, as appropriate. Planned project costs shown in Table 1 correspond to those included in financial feasibility analysis presented in the next section.

The Village may fund specific project cost items shown on Table 1 in greater or lesser amounts in response to opportunities that will help the Village accomplish the purposes of TID #3. The Village generally will use overall benefit to the Village and economic feasibility (i.e. the availability of future revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID’s expenditure period. Table 1 show costs authorized in Project Plan Amendment No. 2 and the adjusted costs included in this Amendment No. 3.

The total cost of the University Avenue Reconstruction project is estimated to be \$31 million to be split between the City of Madison, Metropolitan Planning Organization, Village of Shorewood Hills, and TID #3. The TID’s share of the cost is estimated to be \$5 million to \$6 million, leaving the remainder (\$25 million to \$26 million) as “non-project” costs that benefit property outside of the District. For purposes of this Amendment, only the TID’s portion of the costs have been included in financial feasibility analysis.

Table 1: Project Costs**TID #3, Amendment No. 3****Revised: June 18, 2021**

Proposed Improvements	Amendment No. 2 Allocations	Amendment No. 3 Allocations	Difference
A. Capital	-	-	-
B. Infrastructure	\$4,642,851	\$11,272,137	\$6,629,286
C. Site Development	-	-	-
D. Land Acquisition*	-	-	-
E. Development Incentives	\$6,443,468	\$7,150,070	\$706,602
F. Professional Services	-	-	-
G. Discretionary Payments	-	-	-
H. Administration	\$1,159,361	\$1,548,824	\$389,463
I. TIF Organization	-	-	-
Subtotal	\$12,245,680		\$7,725,351
J. Financing Costs	\$2,279,923	\$3,124,448	\$844,525
Total TID Expenditures	\$14,525,603	\$23,095,479	\$8,569,876

Notes:

* Included in Infrastructure costs.

SECTION 4. ECONOMIC FEASIBILITY AND FINANCING

The added expense of the University Avenue Reconstruction project requires extending the life of the District by three years. Such extensions are permitted in Wis. Stat. § 66.1105(7)(am)2. with the approval of the Joint Review Board. As the Village outlined in the 2020 TID Annual Review report, and as discussed with the Joint Review Board at the 2020 annual meeting, the breadth and cost of the Reconstruction project have evolved significantly in the last two years with the City of Madison taking the lead on the project design. Further, the percentage of project costs to be funded by the Metropolitan Planning Organization's allocation of federal transportation dollars also has continued to fluctuate making it difficult to determine the Village's exact share of the cost until just recently. The net result is that the Village now expects its share to be nearly three times more than what was anticipated when the District was created and when the last spending plan amendment was approved.

Work on the Reconstruction project is expected to start next year, and the Village will need to have the funding authorized prior to entering into a final cost-sharing agreement later this year with the City of Madison. Accordingly, the Village is seeking approval of this Amendment now in order to have sufficient time to arrange the necessary financing.

It should be noted that at the time TID #3 was created it could have easily qualified as a blighted district under Wis. Stat. § 66.1105(2)(ae)1., which would have resulted in a total District life of 27 years. At the time District was created, the much lower anticipated cost of the Reconstruction project led the Village to believe that the goals of the TID could be met within only 20 years, so the District was designated as a mixed-use TID. The three-year extension, then, is still four years less than had the Village chosen to designate the TID as blighted.

Table 2 provides the projected values and tax increment through the extended life of the District. This table anticipates one additional redevelopment project will be constructed in 2022 and includes the increment associated with it.

Table 3 is an example Financing Plan for borrowing \$6 million for the Reconstruction project as prepared by the Village's financial advisor. As shown on the table, the debt may be structured as a 15-year note, but there is an adequate projected fund balance at the end of the extended life of the District in 2032 to retire all of the outstanding principal at that time. As noted previously, the Village expects the TID share of the project cost to be lower than \$6 million, so this represents a worst-case scenario. Note, too, that the table includes increment only from existing projects to further ensure the debt can be covered in the event there are no other increment generating projects over the remaining life of the District.

Table 4 is a Cash Flow Projection demonstrating the financial feasibility of including the additional project costs as detailed in Section 3 and increment generated over the extended life of the TID. In total, the Village projects \$23,990,065 in increased revenue and \$23,096,479 in increased costs resulting in a fund balance of \$894,586 at the closure of the District's extended life in 2032.

SECTION 5. FINANCING METHODS

There is no change to this section.

SECTION 6. OVERLYING TAXING JURISDICTIONS

Taxing Districts overlying TID # 3 in the Village of Shorewood Hills include Dane County, the Madison Metropolitan School District, and Madison Area Technical College. The impact on the overlying taxing districts as shown in Table 5 is based on the percentage of tax collections in TID #3 in 2020. Total TIF value increment over the life of the District is taken by the proportionate share from each taxing jurisdiction.

Many of the projects that have been developed in and are planned for the TID would not occur, or would occur at significantly lower values, "but for" the availability of tax incremental financing. TID #3 is a mechanism to make improvements in an area of Shorewood Hills that is capable of supporting higher-density, mixed-use development, and to support growth in the Village's tax base. All taxing jurisdictions will benefit from the increased property values, improved public safety, expanded infrastructure, and enhanced community vitality that will result from the projects planned in TID # 3, as amended.

Table 2: Projected Values and Tax Increment

TID #3, Amendment No. 3

Revised: June 18, 2021

TIF Creation Year	2008 15-Sep	Current Year	2021	Inflation Rate	1.00%
Total Years of Spending Life	15	Spending Years Remaining	2	Tax Rate (2020)	0.020712
Total Years of Collection	23			Base Value (2008)	\$12,845,900
TIF Expiration Year	2031 15-Sep			Base Value (2010)	\$21,225,400

TIF Year	Const. Year	Valuation Year	Collection Year	Prior Year Value	Value Increment Added	Inflation Increment	Cumulative Value Increment	Total Value	Tax Rate	Annual Tax Increment	Cumulative Tax Increment
1	2008	2009	2010	\$12,845,900	\$697,600		\$697,600	\$13,543,500	As reported	\$12,955	\$12,955
2	2009	2010	2011	\$13,543,500	\$8,767,900		\$9,465,500	\$22,311,400	As reported	\$189,349	\$202,304
3	2010	2011	2012	\$22,311,400	\$10,351,300		\$19,816,800	\$41,042,200	As reported	\$408,701	\$611,005
4	2011	2012	2013	\$41,042,200	(\$8,775,100)		\$11,041,700	\$32,267,100	As reported	\$239,524	\$850,529
5	2012	2013	2014	\$32,267,100	\$2,997,300		\$14,039,000	\$35,264,400	As reported	\$312,524	\$1,163,053
6	2013	2014	2015	\$35,264,400	\$7,972,400		\$22,011,400	\$43,236,800	As reported	\$469,540	\$1,632,593
7	2014	2015	2016	\$43,236,800	(\$301,900)		\$21,709,500	\$42,934,900	As reported	\$466,663	\$2,099,256
8	2015	2016	2017	\$42,934,900	\$2,799,800		\$24,509,300	\$45,734,700	As reported	\$520,907	\$2,620,163
9	2016	2017	2018	\$45,734,700	\$8,932,900		\$33,442,200	\$54,667,600	As reported	\$708,155	\$3,328,318
10	2017	2018	2019	\$54,667,600	\$13,064,500		\$46,506,700	\$67,732,100	As reported	\$957,353	\$4,286,078
11	2018	2019	2020	\$67,732,100	(\$3,114,500)		\$43,392,200	\$64,617,600	As reported	\$889,312	\$5,175,390
12	2019	2020	2021	\$64,617,600	\$5,417,000		\$48,809,200	\$70,034,600	0.02071	\$1,010,918	\$6,186,308
13	2020	2021	2022	\$70,034,600		\$700,346	\$49,509,546	\$70,734,946	0.02092	\$1,035,677	\$7,221,985
14	2021	2022	2023	\$70,734,946		\$707,349	\$50,216,895	\$71,442,295	0.02113	\$1,060,979	\$8,282,965
15	2022	2023	2024	\$71,442,295	\$5,400,000	\$714,423	\$56,331,318	\$77,556,718	0.02134	\$1,202,066	\$9,485,030
16	2023	2024	2025	\$77,556,718		\$775,567	\$57,106,886	\$78,332,286	0.02155	\$1,230,802	\$10,715,832
17	2024	2025	2026	\$78,332,286		\$783,323	\$57,890,208	\$79,115,608	0.02177	\$1,260,161	\$11,975,994
18	2025	2026	2027	\$79,115,608		\$791,156	\$58,681,365	\$79,906,765	0.02199	\$1,290,157	\$13,266,151
19	2026	2027	2028	\$79,906,765		\$799,068	\$59,480,432	\$80,705,832	0.02221	\$1,320,803	\$14,586,954
20	2027	2028	2029	\$80,705,832		\$807,058	\$60,287,491	\$81,512,891	0.02243	\$1,352,111	\$15,939,065
21	2028	2029	2030	\$81,512,891		\$815,129	\$61,102,619	\$82,328,019	0.02265	\$1,384,097	\$17,323,162
22	2029	2030	2031	\$82,328,019		\$823,280	\$61,925,900	\$83,151,300	0.02288	\$1,416,773	\$18,739,935
23	2030	2031	2032	\$83,151,300		\$831,513	\$62,757,413	\$83,982,813	0.02311	\$1,450,155	\$20,190,089
TOTAL					\$54,209,200	\$8,548,213				\$20,190,089	

Notes:

2020 year-end cumulative tax increment per Financial Statement prepared by Baker Tilly on April 28, 2021.

Table 3: Village of Shorewood Hills Example Financing Plan

		PRELIMINARY						
		\$6,000,000						
		G.O. BONDS						
		<i>Dated July 1, 2022</i>						
		<i>(First interest 5/1/23)</i>						
LEVY YEAR	YEAR DUE	TID ANNUAL SURPLUS (DEFICIT) (A)	PRINCIPAL (5/1)	INTEREST (5/1 & 11/1) TIC= 1.79%	TOTAL (B)	TID ANNUAL SURPLUS (DEFICIT) After Issuance	CUMULATIVE BALANCE	YEAR DUE
							\$686,194	
2020	2021	\$82,793				\$82,793	\$768,987	2021
2021	2022	\$200,232				\$200,232	\$969,220	2022
2022	2023	\$184,721	\$490,000	\$161,790	\$564,787	(\$380,066)	\$589,154	2023
2023	2024	\$240,549	\$345,000	\$111,768	\$456,768	(\$216,218)	\$372,936	2024
2024	2025	\$299,101	\$350,000	\$104,818	\$454,818	(\$155,716)	\$217,220	2025
2025	2026	\$356,908	\$355,000	\$97,768	\$452,768	(\$95,859)	\$121,360	2026
2026	2027	\$379,070	\$365,000	\$90,568	\$455,568	(\$76,497)	\$44,863	2027
2027	2028	\$442,788	\$370,000	\$83,218	\$453,218	(\$10,430)	\$34,433	2028
2028	2029	\$669,628	\$380,000	\$75,718	\$455,718	\$213,911	\$248,344	2029
2029	2030	\$908,402	\$390,000	\$67,725	\$457,725	\$450,677	\$699,020	2030
2030	2031	\$1,180,371	\$395,000	\$59,286	\$454,286	\$726,084	\$1,425,105	2031
2031	2032	\$1,309,416	\$405,000	\$50,686	\$455,686	\$853,730	\$2,278,835	2032
2032	2033		\$415,000	\$41,871	\$456,871	(\$456,871)	\$1,821,963	2033
2033	2034		\$420,000	\$32,895	\$452,895	(\$452,895)	\$1,369,068	2034
2034	2035		\$430,000	\$23,758	\$453,758	(\$453,758)	\$915,311	2035
2035	2036		\$440,000	\$14,405	\$454,405	(\$454,405)	\$460,906	2036
2036	2037		\$450,000	\$4,838	\$454,838	(\$454,838)	\$6,068	2037
		\$6,253,980	\$6,000,000	\$1,021,109	\$6,934,106			

2033 - 2037 Principal = \$2,155,000
Sufficient cumulative balance in 2032
to call 2033 - 2037 Principal

Callable Maturities. Assumes that the TID cumulative balance is used to call outstanding principal if/when sufficient funds are available.

(A) Assumes extension of TID #3 only.

(B) Assumes hypothetical bid premium on estimated debt service in the amount of \$87,003.

Robert W. Baird & Co. Incorporated ("Baird") is not recommending any action to you. Baird is not acting as an advisor to you and does not owe you a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934. Baird is acting for its own interests. You should discuss the information contained herein with any and all internal or external advisors and experts you deem appropriate before acting on the information. Baird seeks to serve as an underwriter (or placement agent) on a future transaction and not as a financial advisor or municipal advisor. The primary role of an underwriter (or placement agent) is to purchase, or arrangement for the placement of, securities in an arm's length commercial transaction with the issuer, and it has financial and other interests that differ from those of the issuer. The information provided is for discussion purposes only, in seeking to serve as underwriter (or placement agent). See "Important Disclosures" contained herein.

Prepared by Robert W. Baird & Co. Incorporated

Table 4: Cash Flow Projection

TID #3, Amendment No. 3

Revised: June 18, 2021

TIF Year	Year	Beginning Balance	REVENUES				EXPENSES					ANNUAL SURPLUS (DEFICIT)	CUMULATIVE FUND BALANCE	
			Tax Increment	Long Term Debt Issue/Premiums	Other Revenue	Total Revenue	Principal Payments	Interest and Finance Charges	Total Developer Payments	Total Capital Costs	Admin/ Other			Total Expenses
As of 12/31/18			\$3,328,725	\$5,949,439	\$596,878	\$9,875,042	\$1,990,257	\$1,030,062	\$2,352,266	\$3,105,236	\$1,310,768	\$9,788,589		\$86,453
11	2019	\$86,453	\$957,353	\$2,833,267	\$137,038	\$3,927,658	\$879,660	\$243,743	\$283,131	\$1,948,405	\$52,235	\$3,407,174	\$520,484	\$606,937
12	2020	\$606,937	\$889,312		\$239,700	\$1,129,012	\$452,457	\$169,567	\$253,414	\$118,496	\$55,821	\$1,049,755	\$79,257	\$686,194
13	2021	\$686,194	\$1,010,918		\$147,861	\$1,158,779	\$530,021	\$155,110	\$258,225	\$100,000	\$60,000	\$1,103,356	\$55,423	\$741,617
14	2022	\$741,617	\$1,035,677	\$6,000,000	\$145,000	\$7,180,677	\$543,228	\$139,749	\$262,468	\$3,000,000	\$35,000	\$3,980,445	\$3,200,232	\$3,941,850
15	2023	\$3,941,850	\$1,060,979		\$145,000	\$1,205,979	\$924,346	\$285,113	\$266,799	\$3,000,000	\$35,000	\$4,511,258	(\$3,305,279)	\$636,571
16	2024	\$636,571	\$1,202,066		\$145,000	\$1,347,066	\$848,184	\$216,883	\$387,602			\$1,452,669	(\$105,603)	\$530,968
17	2025	\$530,968	\$1,230,802		\$145,000	\$1,375,802	\$842,743	\$190,682	\$394,632			\$1,428,057	(\$52,255)	\$478,714
18	2026	\$478,714	\$1,260,161		\$145,000	\$1,405,161	\$837,872	\$165,141	\$401,806			\$1,404,819	\$342	\$479,056
19	2027	\$479,056	\$1,290,157		\$145,000	\$1,435,157	\$873,572	\$140,168	\$409,129			\$1,422,869	\$12,289	\$491,345
20	2028	\$491,345	\$1,320,803		\$145,000	\$1,465,803	\$863,782	\$114,634	\$416,602			\$1,395,018	\$70,785	\$562,129
21	2029	\$562,129	\$1,352,111		\$145,000	\$1,497,111	\$703,282	\$91,403	\$415,030			\$1,209,715	\$287,397	\$849,526
22	2030	\$849,526	\$1,384,097		\$145,000	\$1,529,097	\$564,775	\$72,221	\$376,165			\$1,013,161	\$515,936	\$1,365,462
23	2031	\$1,365,462	\$1,416,773		\$145,000	\$1,561,773	\$335,714	\$59,286	\$384,110			\$779,110	\$782,663	\$2,148,125
24	2032	\$2,148,125	\$1,450,155		\$145,000	\$1,595,155	\$2,509,314	\$50,686	\$288,694			\$2,848,694	(\$1,253,539)	\$894,586
TOTALS			\$20,190,089	\$14,782,706	\$2,716,477	\$37,689,272	\$13,699,207	\$3,124,448	\$7,150,070	\$11,272,137	\$1,548,824	\$36,794,686		

Notes:

2020 expenditures to date and cumulative fund balance per Financial Statement prepared by Baker Tilly on April 28, 2021.
 University Avenue debt service per Financing Plan prepared by Baird on June 9, 2021.

Table 5: Analysis of Impact on Overlying Taxing Jurisdictions**Village of Shorewood Hills****TID #3**

Taxing Jurisdiction	% of Mill Rate	Annual Taxes Collected on Base Value	Annual Taxes Collected After TID Closes	Increase in Annual Tax Collections After TID Closes
School District	49.6%	\$214,880	\$850,220	\$635,339
Village	28.0%	\$121,528	\$480,853	\$359,325
Dane County	17.6%	\$76,497	\$302,676	\$226,179
Tech College	4.7%	\$20,547	\$81,297	\$60,751
Total	100.0%	\$433,452	\$1,715,046	\$1,281,594

SECTION 7. 12% TEST

There is no change to this section.

SECTION 8. CHANGES TO MAPS, PLANS AND ORDINANCES

There is no change to this section.

SECTION 9. RELOCATION

There is no change to this section.

SECTION 10. PROMOTING ORDERLY DEVELOPMENT

There is no change to this section.

SECTION 11. DISTRICT BOUNDARIES

There is no change to this section.