

**VILLAGE OF SHOREWOOD HILLS
VILLAGE BOARD RESOLUTION NO. R-2016-2
RESOLUTION AMENDING THE PROJECT PLAN TO
TAX INCREMENT DISTRICT NO. 3 (AMENDMENT NO. 2)**

WHEREAS, the Village Board of the Village of Shorewood Hills requested that the Plan Commission prepare and Project Plan amendment for Tax Increment District (TID) No. 3 to allow for additional expenditures project costs; and

WHEREAS, the Plan Commission caused Project Plan amendment No. 2 to be prepared for TID No. 3 which identified investments necessary to continue to promote development within the TID boundary, as allowed by 66.1105(2)(f)n.; and

WHEREAS, the Plan Commission conducted a public hearing on said TID No. 3 Project Plan amendment after duly notifying overlying taxing jurisdictions of said public hearing under Wisconsin Statutes §66.1105(4)(a) and §66.1105(4)(e); and

WHEREAS, the Plan Commission approved said Project Plan amendment for TID No. 3 and recommended that the Village Board of the Village of Shorewood Hills amend TID No. 3 as approved by the Plan Commission; and

NOW, THEREFORE, BE IT RESOLVED, the boundaries for TID No. 3 shall remain unchanged and marked as Exhibit A to this Resolution and contain only whole units of property as are assessed for property tax purposes; and

BE IT FURTHER RESOLVED, the Village makes the following findings:

- A. The improvements of TID No. 3 is likely to continue to enhance the value of substantially all of the other real property in the District; and
- B. The project costs relate directly to promoting mixed use development, consistent with the purpose for which the Tax Incremental District was created; and
- C. The aggregate value of equalized taxable property of the District plus all increment in existing districts does not exceed twelve percent of the total value of equalized taxable property within the Village; and
- D. The total lands devoted to newly platted residential lots within TID No.3 remains less than 35% of the real property within the district; and
- E. The total lands devoted to retail businesses at the end of the maximum expenditure period within TID No. 3 is estimated to be less than 35% of real property within the district.

BE IT FURTHER RESOLVED, pursuant to Wisconsin Statutes §66.1105(4)(g), the Village Board hereby approves Amendment No. 2 to the Project Plan TID No. 3 as recommended by the Plan Commission, and finds that it is feasible and in conformance with the master plans of the Village.

This Resolution is being adopted by the Village Board at a duly scheduled meeting on Monday, March 28, 2016.

Mark L. Sundquist, Village President

Colleen Albrecht, Village Clerk

CERTIFICATION

I, Colleen Albrecht, Clerk of the Village of Shorewood Hills, certify that the foregoing Resolution was duly and regularly adopted by the Village Board at a duly scheduled meeting held at the Village Hall on March 28, 2016.

Motion by _____, seconded by _____ to adopt the Resolution.

Vote: _____ Yes _____ No

Resolution Adopted. _____, Village Clerk

Tax Increment District No. 3 Project Plan Amendment No. 2

Prepared For:



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DRAFT
March 8, 2016

Tax Increment District No. 3 Created: September 15, 2008
Amendment No. 1 Adopted: January 19, 2010
Amendment No. 2 Adopted: _____

Acknowledgements

Village Board

Mark Sundquist, President
Dave Benforado
Felice Borisy- Rudin
John Imes
Mark Lederer
Anne Readel
Fred Wade
Sean Cote, Treasurer

Plan Commission

Mark Sundquist, Chair
Dave Benforado
Karl Wellensiek
Earl Munson
James Etmanczyk
Brauna Hartzel
Debra Remington

Village Staff

Karl Frantz, Administrator
Colleen Albrecht, Clerk

Joint Review Board

Mark Sundquist – Village of Shorewood Hills
Charles Hicklin – Dane County
TJ Mertz – Madison Metropolitan School District
Dr. Tim Casper – Madison Area Technical College
David Benforado – At-Large Member

Vierbicher Associates, Inc.

Gary Becker, CEcD - Project Principal
Daniel J Lindstrom, AICP - Project Manager

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Appendix A: Financials

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- Attachment #3: Debt Service Plan
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Introduction

This is the second amendment to the Village of Shorewood Hills Tax Increment District (TID) No. 3 Project Plan. TID No. 3 was created by resolution of the Shorewood Hills Village Board in September of 2008. The TID must close in 2028, with 2023 being the final year for expenditures. In 2010, the TID No. 3 boundary was amended to include area contiguous to the original TID No. 3 district boundary and to include additional eligible project costs not specified in the original TID No. 3 Project Plan.

This amended plan does not change the boundary of TID No. 3, but only amends project costs incurred for territory that is located in the TID and within a one-half mile radius of the district's boundaries pursuant to Wisconsin Statute 66.1105(2)(f)1.n. Tax increments generated by the amended TID No. 3 will continue to pay for respective project costs until all remaining project costs are repaid.

As authorized by Wisconsin Statutes 66.1105, Tax Increment District No. 3 was created to promote the orderly development of the Village of Shorewood Hills by promoting mixed-use development and enabling infrastructure improvements to be made within the TID No. 3 boundary and surrounding area. This amendment will continue that objective by amending the TID project plan to include additional funding for infrastructure improvements and development incentives for an additional mixed use redevelopment. The Village intends to continue to promote orderly development by encouraging higher-intensity development on sites that are currently underutilized. This will increase the availability of employment and services to Village residents, broadening of the tax base, and promote greater public health, safety, and welfare.

The amended project plan for Tax Incremental District No. 3 in the Village of Shorewood Hills has been prepared in compliance with Wisconsin Statutes Chapter 66.105(4)(h). The TID No. 3 Project Plan Amendment No. 2 shall be attached to the Village of Shorewood Hills TID No. 3 Project Plan and Amendment No. 1, and become part of the original project plan adopted by resolution of the Shorewood Hills Village Board.

The Village Board is not mandated to make public expenditures described in this amendment; however, they are limited to implementing only those projects identified in the original Plan and its amendments. As required by Wisconsin Statutes Chapter 66.1105 (5)(b), a copy of the amendment will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of the amendment of Tax Incremental District No. 3.

Approval Process

The Village Board directed the Plan Commission to initiate planning for the creation of TID No.5 on November 16, 2015. The amendment to TID No. 3 was introduced at the Shorewood Hills Plan Commission meeting on January 12, 2016, when a public hearing was scheduled for February 9, 2016.

A notice of the first Joint Review Board (JRB) meeting was published on January 20, 2016. The Joint Review Board held their organizational meeting on January 27, 2016.

Public Hearing notices were published on January 26, 2016 and February 2, 2016. Notice of the TID No. 3 Amendment No. 2 Public Hearing was sent to the overlying taxing jurisdictions on January 19, 2016.

As stated above, the public hearing for TID No. 3 Project Plan Amendment No. 2 was held on February 9, 2016. After the public hearing, the Plan Commission approved the amendment and

recommended it to the Village Board for adoption. The amendment was adopted by resolution of the Village Board on _____.

The TID No. 3 Project Plan Amendment No. 2 has been reviewed and approved by a Joint Review Board as required by Wisconsin Statutes. The final meeting of the JRB was held on _____, where the JRB approved the amendment to TID No. 3.

Documentation of all resolutions, notices and minutes can be found as attachments to this project plan. As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the amended project plan will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of Tax Increment District No. 3 in the Village of Shorewood Hills. This is to be used as the official project plan amendment that guides redevelopment activities within the TID No. 3 boundary. Implementation of this amendment and completion of the proposed activities will require a case by case authorization by the Plan Commission and Village Board. Public expenditures for projects listed in the plan will be based on the development status of the land and economic conditions existing at the time the project is scheduled for construction. The Village Board is not mandated to make expenditures described in this plan and is limited to implementing only those project cost categories identified. Changes in boundaries or additional project categories not identified here will require formal amendment to the plan involving public review and Village Board approval.

TID History

Since the adoption of the original Project Plan and Amendment No. 1, the Village experienced greater than expected opportunities to incorporate affordable housing into several new mixed use redevelopments. The approved redevelopment projects contain over 350 multi-family units, of which 47 are designated as affordable housing units. Furthermore, the Village is currently evaluating the merits of an additional mixed-use redevelopment containing affordable units located along Marshall Court. This proposal could bring the total number of affordable units within the Village to approximately 60-65 units. The majority of the approved affordable units are two and three bedroom units to encourage younger families to locate within the Village.

The Village did not anticipate the amount of cash grants or "Pay-As-You-Go" developer incentives required to incorporate this level of affordable units into the Village. As a result the Village allocated funds originally earmarked for the construction of University Bay Drive Bike Path Overpass and several other infrastructure projects towards financing the affordable units. The financial spreadsheet in Appendix A illustrates the changes to the TID No. 3 project plan.

Plan for Redevelopment

The Village intends to continue to use TID No. 3 to facilitate mixed use redevelopment containing a combination of commercial and residential uses. Therefore the TID is in compliance with section 66.1105(2)(cm) of the Wisconsin State Statutes.

The Village also wishes to continue to complete the following:

- Reconstruction of roads in and up to a half-mile of the TID boundary;
- Infrastructure upgrades and/or expansions to sewer and water utilities; and
- Developer incentives;

2 Proposed Public Works & Project Costs

This TID amendment encourages redevelopment to supply greater employment and housing opportunities and broaden the Village's tax base. This amendment will continue to promote the goals outlined in the original TID No. 3 Project Plan by providing further opportunities for mixed-use redevelopment and improve the infrastructure directly adjacent to the TID that has been impacted by the increased density along Marshall Court.

The original TID No. 3 and Amendment No. 1 Project Plans included costs related to the mixed-use redevelopment of the Doctor's Park area in the Village and provisions of infrastructure improvement to facilitate redevelopment and promote pedestrian and vehicular safety. This amendment reallocates and adjusts project costs and adds approximately \$505,000 to the total project costs. These costs are detailed below.

Costs directly or indirectly related to achieving the objective of mixed-use redevelopment are considered "project costs" and eligible to be paid from tax increments of this tax increment district. The costs of planning, engineering, design, surveying, legal and other consultant fees, testing, environmental studies, permits necessary for the public work, easements, judgments or claims for damages, and other expenses for all projects are included as project costs.

Specifically, the Village of Shorewood Hills is adjusting and amending TID No. 3 to allow development assistance for affordable housing to a redevelopment within the TID boundary and enable the completion of infrastructure improvements to an area located within ½ mile of the district. See Table #1 on page 7 for estimated project costs by category.

The total eligible project costs are those items listed in categories A-J in Attachment #1 of Appendix A. As stated above, the Village increased allocations to developers in the form of "Pay-As-You-Go" agreements. These agreements pushed the existing capital expenditures to the upper limits of the spending plan. The Village anticipated bonding for many of the planned project costs and anticipated \$4.7 million in financing costs. Since the Village did not bond for the development assistance, it reduced the anticipated financing costs by approximately \$3 million.

Therefore, this amendment adjusts the planned expenditures to reflect their respective categories and adds approximately \$505,000 to the spending plan.

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.

The Village adjusted the spending with the expenses reported to date and reduced this amount from the previous project plans from \$50,000 to "No Cost."

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 a district and is within the district. Infrastructure can also 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.

The Village adjusted the spending with the expenses reported to date and reduced this amount from the previous project plans from \$4,650,500 to \$4,266,623. The remainder of the anticipated costs is for the completion of the projects listed in the original spending plan. The Village share of the University Avenue reconstruction cost is anticipated to exceed the costs allocated within this amendment. The TID project costs would only be a portion or share of the reconstruction.

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.

The Village adjusted the spending with the expenses reported to date and reduced this amount from the previous project plans from \$100,000 to "No Costs."

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 could also include the cost to relocate existing businesses or residents to allow redevelopment.

The Village adjusted the spending with the expenses reported to date and reduced this amount from the previous project plans of \$750,000 to \$376,228.

E. Development Incentives

The Village may use TID No. 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.

The Village may provide funds either directly or through an organization authorized by Wisconsin Statutes for the purpose of making capital available to business and or developers to stimulate or enable economic and housing development projects within TID No. 3. Funds may be provided in the form of a cash grant, forgivable loan, direct loan or loan guarantee. Such funds may be provided in terms appropriate to, and as demonstrated to be required for the proposed economic development and or housing project and shall be outlined in a development agreement.

The original project plan budgeted \$1 million for development incentives; amendment No. 1 added \$1.5 million. The Village adjusted the spending with the expenses reported to date and

increased this amount from the previous project plans from \$2,500,000 to \$6,443,468. This element is significantly higher than previous plans because the Village integrated an informal policy to only enter into "Pay-Go" agreements with potential developers. The Village does not anticipate bonding for these project and financing costs.

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.

According to the annual TID audits, all professional services performed by consultants were classified under TID administration. The Village adjusted the spending with the expenses reported to date and reduced this amount from the previous project plans from \$100,000 to "No Costs."

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 enhance 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.

The Village adjusted the spending with the expenses reported to date and reduced this amount from the previous project plans from \$50,000 to "No Cost."

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 in 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.

According to the annual TID audits, the majority of all non capital improvement costs were classified under TID administration; therefore, the Village adjusted the spending with expenses to date and increased this amount from the previous project plans from \$192,850 to \$1,159,361. This includes anticipates an additional \$30,000 in annual TID administration expenses.

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 Wisconsin Department of Revenue Certification fee.

According to the annual TID audits, all TID organizational costs were classified under general TID administration; therefore, the Village adjusted the spending with expenses to date and reduced this amount from the previous project plans from \$76,000 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. The Village adjusted the spending with the expenses reported to date and reduced this amount from the previous project plans from \$4,782,485 to \$2,279,923.

The adjusted spending plan closely reflects the current and future state of TID No. 3. The result of the adjusted spending plan increased the total TID expenditures from \$14,020,054 to \$14,525,603 – an approximately \$505,000 increase in spending. The projects listed above will continue to provide necessary support to enable and encourage the development of TID No. 3.

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3 Detailed Project Costs

Table #1 describes the detailed project costs for project categories anticipated to be implemented during the remaining expenditure period of TID No. 3. This format follows Department of Revenue guidance on detailed project costs, which states "this list should show estimated expenditures expected for each major category of public improvements."

All adjusted values listed are based on 2016 prices and are preliminary estimates. The Village reserves the right to revise these cost estimates to reflect unforeseen circumstances between 2016 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 date of a bond issuance. The Village should pursue grant programs to help share project costs included in this project plan, as appropriate. Planned project costs are listed in the table below. Projected project costs are also included as part of the Financial Attachments.

The Village may fund specific project cost items shown below in greater or lesser amounts in response to opportunities that will help the Village accomplish the purposes of TID No. 3. The Village will generally 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. The costs shown in Table #1 show costs contained in the original and amendment No. 1 to TID No. 3 project plan and the costs being adjusted and added in this amendment.

Table #1: Village of Shorewood Hills TID No.3 Amendment #2 Project Costs

Proposed Improvements	Total Original and Amendment #1 Costs	Expense to Date	Planned Remaining Allocations	Amendment #2 Allocations	Total Spending Plan Amendments
A. Capital Costs	\$ 50,000	\$ -	\$ -	\$ -	\$ -
B. Infrastructure	\$ 4,650,500	\$ 2,366,623	\$ -	\$ 1,900,000	\$ 4,266,623
C. Site Development Costs	\$ 100,000	\$ -	\$ -	\$ -	\$ -
D. Land Acquisition & Assembly	\$ 750,000	\$ 276,228	\$ -	\$ 100,000	\$ 376,228
E. Development Incentives	\$ 2,500,000	\$ 5,048,200	\$ 680,268	\$ 715,000	\$ 6,443,468
F. Professional Services	\$ 100,000	Included in Administration Costs			\$ -
G. Discretionary Payments	\$ 50,000	\$ -	\$ -	\$ -	\$ -
H. Administration Costs	\$ 192,850	\$ 889,361	\$ 270,000	\$ -	\$ 1,159,361
I. TIF Organizational Costs	\$ 76,000	Included in Administration Costs			\$ -
Inflation	\$ 768,219	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 9,237,569	\$ 8,580,412	\$ 950,268	\$ 2,715,000	\$ 12,245,680
J. Financing Costs <i>(less Capitalized Interest)</i>	\$ 4,354,034	\$ 1,769,032	\$ -	\$ 510,891	\$ 2,279,923
Capitalized Interest	\$ 428,451				
Total TID Expenditure	\$ 14,020,054				\$ 14,525,603

The reconstruction of University Avenue (including pedestrian/bicycle bridge) would directly benefit property outside TID No. 3; therefore, there are "non-project" costs associated with this TID Plan Amendment. The Village does not know their total share of the University Avenue reconstruction costs at this time. The preliminary estimates illustrate the Village share will be greater than costs currently allocated under this project plan amendment. Therefore the Village of Shorewood Hills and the City of Madison will incur the remaining "non-project" costs. The financial spreadsheets in Appendix A have been updated from the previous project plans to reflect the adjusted and additional costs shown above.

Economic Feasibility

The original TID No. 3 project plan and amendment No. 1 discussed the five factors considered in evaluating the economic feasibility of the TID. This amendment summarizes those five factors and discusses what assumptions remain the same, and what assumptions have changed since original TID No. 3 project plan was created and amended in 2010.

A. *Inflation*

Throughout the past twenty years, the annual rate of inflation in the construction industry has averaged about three percent (source: Engineering News-Record Construction Cost Index History - <http://enr.construction.com/economics/>). Inflation for purposes of projecting future project costs is assumed to be 3%. The inflation or property appreciation rate, for the purpose of making projections of equalized value, will be 1.25%.

B. *Increase in Property Value*

The redevelopment projects in the TID area is anticipated to result in a net increase in property and improvement value of approximately \$40.8 million. The estimated redevelopment previously projected in the original TID project plan has changed – some anticipated redevelopment projects shown in the TID projections were delayed or removed. Actual redevelopment will almost certainly vary from estimates. Estimated increment from redevelopment is shown in Attachment #3 in Appendix A. The effect these changes will have on TIF revenue is detailed in the Tax Increment Pro Forma listed in Attachment #4 of Appendix A.

C. *Full Value Tax Rate*

The Village full value tax rate has fluctuated over the past few years but has averaged near 0.022; therefore, for the purposes of projecting the mill rate for the remainder of the district's life, a mill rate of 0.022 will remain constant throughout the life of the TID. That change has been integrated into Attachment #4 in Appendix A.

D. *TIF Revenues*

The original TID No. 3 project plan estimated approximately \$91 million in increment from construction and inflation. Amendment No. 1 raised this to \$103 million. These construction increments were calculated using annually decreasing tax rate, but a much higher annual property appreciation rate (2%). This project plan has been amended to reflect over \$51.6 million on construction and property inflation increment. These are much more stable projections and assumptions based on the current market experience. The total projected tax increment revenue is sufficient to pay all TID related costs for the projects and amounts shown in the Planned Project Costs in Attachment #1 of Appendix A.

E. *Cash Flow*

As with the original TID No. 3 project plan, there are sufficient TID revenues in each year to pay all costs, as projected in this amendment. Attachment #5 in Appendix A shows the projected TID No. 3 cash flow.

5 Financing Methods

The financing methods discussed in the original TID No. 3 project plan remain the same. Attachments #2 and #3 in Appendix A show estimated financing. The Village Board and Plan Commission are not mandated to make the improvements defined in this plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions and budgetary constraints at the time a project is scheduled for consideration. The actual number, timing, and amounts of debt issues will be determined by the Village at its convenience and as dictated by the nature of the projects as they are implemented. All monetary obligations will be incurred within the fifteen year expenditure period, unless relocation requires extending beyond the given period.

6 Overlying Taxing Jurisdictions

Taxing Districts overlying TID No. 3 in the Village of Shorewood Hills include Dane County, the Madison Metropolitan School District, Madison Area Technical College, and the State of Wisconsin. Impact on the overlying taxing districts is based on the percentage of tax collections in TID No. 3 in 2009. Total TIF value increment over the life of the district is taken by the proportionate share of each taxing jurisdiction. An analysis of the impact on overlying taxing districts is included as Attachment #6 in Appendix A.

Many of the projects planned for the TID would not occur, or would occur at significantly lower values, but for the availability of tax incremental financing. TID No. 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, and enhanced community vitality which will result from the projects planned in TID No. 3, as amended.

7 "12% Test"

No additional equalized value is proposed to be included in TID No. 3.

8 Changes to Maps, Plans, Ordinances

There is no change to this section.

9 Relocation

No persons are expected to be displaced or relocated as a result of proposed projects in this TID Plan; however, if relocation were to become necessary in the future, the following is the method proposed by the Village for displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statutes and Administrative Rules. If it appears there will be displaced persons, all property owners, and prospective displaced persons will be provided an informational pamphlet prepared by the State of Wisconsin. If any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Benefits" as prepared by the State of Wisconsin. The Village will file a relocation plan with the State of Wisconsin and shall keep records as required in Wisconsin Statutes 32.27. The Village will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

10 Promoting Orderly Development

There is no change to this section.

11 District Boundaries

There is no change to this section.

- Attachment #1: Planned Project Costs
- Attachment #2: Financing Summary
- Attachment #3: Debt Service Plan
- Attachment #4: Tax Increment Pro Forma
- Attachment #5: Tax Increment Cash Flow
- Attachment #6: Analysis of Impact to Overlying Taxing Jurisdictions
- Attachment #7: Increment Projections

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Attachment #1 - Planned Project Costs
Village of Shorewood Hills
TID No. 3 (Doctor's Park) Amendment #2
2/4/2016

Type of Expenditure	Original and Amendment #1 Amount	% Paid By		Costs Allocated to Project	Cost Incurred	Planned Remaining Allocations	Amendment #2 Allocations	Total Spending Plan Amendments
		Project	Other					
A. Capital Costs	\$ 50,000	100%	0%	\$ 50,000	\$ -	\$ -	\$ -	\$ -
B. Infrastructure								
Marshall Ct. Utilities Reconstruction	\$ 530,000	100%	0%	\$ 530,000	\$ 829,746			
Marshall Ct. Road Reconstruction	\$ 553,000	100%	0%	\$ 553,000				
University Ave. Reconstruction	\$ 820,000	100%	0%	\$ 820,000	\$ 716,697			
University Bay Dr. Bike Path Overpass**	\$ 2,000,000	50%	50%	\$ 1,000,000	\$ -			
Marshall Ct./University Ave. Traffic Signal*	\$ 200,000	75%	25%	\$ 150,000	\$ 72,697			
Bury Power Lines	\$ 400,000	100%	0%	\$ 400,000	\$ -			
New Sidewalk Connections	\$ 150,000	100%	0%	\$ 150,000	\$ 5,878	\$ -	\$ 1,900,000	\$ 4,266,623
University Bay Dr. Improvements	\$ 300,000	100%	0%	\$ 300,000	\$ 102,583			
Bicycle/Pedestrian Path**	\$ 330,000	75%	25%	\$ 247,500	\$ 204,182			
Public Transportation Amenities	\$ 200,000	100%	0%	\$ 200,000	\$ -			
Shore. Blvd./Univ. Ave. Improvements	\$ 200,000	100%	0%	\$ 200,000	\$ -			
Stormwater Management Improvements	\$ 300,000	33%	67%	\$ 100,000	\$ 155,984			
Purdue Street Improvements	\$ -	0%	0%	\$ -	\$ 278,856			
Total Infrastructure	\$ 5,983,000	78%	22%	\$ 4,650,500	\$ 2,366,623	\$ -	\$ 1,900,000	\$ 4,266,623
C. Site Development Costs	\$ 100,000	100%	0%	\$ 100,000	\$ -	\$ -	\$ -	\$ -
D. Land Acquisition & Assembly	\$ 750,000	100%	0%	\$ 750,000	\$ 276,228	\$ -	\$ 100,000	\$ 376,228
E. Development Incentives								
Direct "Cash Grant" Amount	\$ 2,500,000	100%	0%	\$ 2,500,000	\$ 4,200,000	\$ 495,000	\$ 520,000	\$ 5,215,000
Pay-Go Financing					\$ 848,200	\$ 185,268	\$ 195,000	\$ 1,228,468
Total Development Incentives					\$ 5,048,200	\$ 680,268	\$ 715,000	\$ 6,443,468
					<small>AC I & 700 UWay</small>	<small>ATT Plaza</small>	<small>ATT Affordable</small>	
F. Professional Services	\$ 100,000	100%	0%	\$ 100,000	Included in administration			\$ -
G. Discretionary Payments	\$ 50,000	100%	0%	\$ 50,000	\$ -	\$ -	\$ -	\$ -
H. Administration Costs								
Village Staff	\$ 160,000	100%	0%	\$ 160,000				
Payments to DOR	\$ 2,850	100%	0%	\$ 2,850	\$ 889,361	\$ 270,000	\$ -	\$ 1,159,361
Audits	\$ 30,000	100%	0%	\$ 30,000				
Total Administration Costs	\$ 192,850	100%	0%	\$ 192,850	\$ 889,361	\$ 270,000	\$ -	\$ 1,159,361
I. Organizational Costs								
Department of Revenue Submittal Fee	\$ 2,000	100%	0%	\$ 2,000	Included in administration			\$ -
Professional Fees	\$ 60,000	100%	0%	\$ 60,000				
Village Staff & Publishing	\$ 14,000	100%	0%	\$ 14,000				
Total Organization Costs	\$ 76,000	100%	0%	\$ 76,000	\$ -	\$ -	\$ -	\$ -
Inflation	\$ 768,219	100%	0%	\$ 768,219	\$ -	\$ -	\$ -	
Total Project Costs	\$ 10,570,069	87%	13%	\$ 9,237,569	\$ 7,732,212	\$ 765,000	\$ 2,520,000	
Total Project Costs With Pay-Go Financing	\$ -	0%	0%	\$ -	\$ 8,580,412	\$ 950,268	\$ 2,715,000	\$ 12,245,680
J. Financing Costs								
Interest, Fin. Fees, Less Cap. Interest				\$ 4,354,034	\$ 1,769,032	\$ -	\$ 510,891	\$ 2,279,923
Plus Capitalized Interest				\$ 428,451				
Total Financing Costs				\$ 4,782,485	\$ 1,769,032	\$ -	\$ 510,891	\$ 2,279,923
TOTAL TID EXPENDITURE				\$ 14,020,054	\$ 10,349,444	\$ 950,268	\$ 3,225,891	\$ 14,525,603

* Assumes 25% would be paid for by other municipalities.

** Assumes a portion of the improvement would be paid for by grants and/or City of Madison, Dane County, UW, and federal funds.

Attachment #2 - Financing Summary
Village of Shorewood Hills
TID No. 3 (Doctor's Park) Amendment #2
2/4/2016

TID Activities	Loan #1 4/1/2020			Total
A. Capital Costs	\$0	\$0	\$0	\$0
B. Infrastructure	\$ 1,900,000	\$0	\$0	\$1,900,000
C. Site Development Costs	\$0	\$0	\$0	\$0
D. Land Acquisition & Assembly	\$ 100,000	\$0	\$0	\$100,000
E. Development Incentives	\$0	\$0	\$0	\$0
F. Professional Services	\$0	\$0	\$0	\$0
G. Discretionary Payments	\$0	\$0	\$0	\$0
H. Administration Costs	\$0	\$0	\$0	\$0
I. Organizational Costs	\$0	\$0	\$0	\$0
Subtotal	\$2,000,000	\$0	\$0	\$2,000,000
Inflation Factor Cost Adj. @ 3.0% per year	Calculated in cost	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0
Reduction for Land Sale Revenue	\$0	\$0	\$0	\$0
Total Cost For Borrowing	\$2,000,000	\$0	\$0	\$2,000,000
Capitalized Interest	\$0	\$0	\$0	\$0
Financing Fees (2%)	\$40,000	\$0	\$0	\$40,000
Debt Reserve	\$0	\$0	\$0	\$0
Subtotal	\$2,040,000	\$0	\$0	\$2,040,000
Less Interest Earned	\$0	\$0	\$0	\$0
BORROWING REQUIRED	\$2,040,000	\$0	\$0	\$2,040,000

**Attachment #4 - Tax Increment ProForma
Village of Shorewood Hills
TID No. 3 (Doctor's Park) - Amendment #2
2/4/2016**

Assumptions

Base Value \$12,845,900 Plus \$8,379,500 added in 2010 amendment.

Property Appreciation Rate 1.25% For Existing Construction

Annual Change in Tax Rate 0.00%

Year	Previous Valuation	Inflation Increment	TIF Increment Improvements	Land	Total Valuation	Cumulative Increment	Tax Rate	TID Tax Revenue
2008	\$12,845,900	\$0	\$697,600	\$0	\$13,543,500	\$697,600	0.01778	\$0
2009	\$13,543,500	\$0	\$8,767,900	\$0	\$22,311,400	\$9,465,500	0.01874	\$0
2010	\$22,311,400	\$0	\$10,351,300	\$0	\$32,662,700	\$19,816,800	0.02017	\$12,955
2011	\$41,042,200	\$0	(\$8,775,100)	\$0	\$32,267,100	\$11,041,700	0.02079	\$189,349
2012	\$32,267,100	\$0	\$2,997,300	\$0	\$35,264,400	\$14,039,000	0.02186	\$408,701
2013	\$35,264,400	\$0	\$7,972,400	\$0	\$43,236,800	\$22,011,400	0.02246	\$239,524
2014	\$43,236,800	\$0	\$0	\$0	\$43,236,800	\$22,011,400	0.02246	\$312,931
2015	\$42,934,900	\$540,460	\$3,899,498	\$0	\$47,374,858	\$26,149,458	0.02200	\$494,376
2016	\$47,374,858	\$592,186	\$12,095,030	\$0	\$60,062,074	\$38,836,674	0.02200	\$484,251
2017	\$60,062,074	\$750,776	\$2,785,244	\$0	\$63,598,095	\$42,372,695	0.02200	\$575,288
2018	\$63,598,095	\$794,976	\$0	\$0	\$64,393,071	\$43,167,671	0.02200	\$854,407
2019	\$64,393,071	\$804,913	\$0	\$0	\$65,197,984	\$43,972,584	0.02200	\$932,199
2020	\$65,197,984	\$814,975	\$0	\$0	\$66,012,959	\$44,787,559	0.02200	\$949,689
2021	\$66,012,959	\$825,162	\$0	\$0	\$66,838,121	\$45,612,721	0.02200	\$967,397
2022	\$66,838,121	\$835,477	\$0	\$0	\$67,673,597	\$46,448,197	0.02200	\$985,326
2023	\$67,673,597	\$845,920	\$0	\$0	\$68,519,517	\$47,294,117	0.02200	\$1,003,480
2024	\$68,519,517	\$856,494	\$0	\$0	\$69,376,011	\$48,150,611	0.02200	\$1,021,860
2025	\$69,376,011	\$867,200	\$0	\$0	\$70,243,212	\$49,017,812	0.02200	\$1,040,471
2026	\$70,243,212	\$878,040	\$0	\$0	\$71,121,252	\$49,895,852	0.02200	\$1,059,313
2027	\$71,121,252	\$889,016	\$0	\$0	\$72,010,267	\$50,784,867	0.02200	\$1,078,392
2028	\$72,010,267	\$900,128	\$0	\$0	\$72,910,396	\$51,684,996	0.02200	\$1,097,709
2029	\$72,910,396	\$911,380	\$0	\$0	\$73,821,776	\$60,975,876	0.022000	\$1,117,267
Total		\$11,195,723	\$40,791,173	\$0				\$14,824,885

= Actual numbers from WI DOR.

2015-2029 Increment: \$13,661,425

= Actual numbers from Village Audit.

= Assume 1/3 of value increment for 2015 with the remainder constructed in 2016; total value provided by developer (700 Ubay).

= Assume 60% of value increment for 2016 with the remainder constructed in 2017; total value provided by developer (AT&T).

= TID closes in Sept. 2028, but will receive 2028 increment payable in 2029.

Attachment #5 - Tax Increment Cash Flow
Village of Shorewood Hills
TID No. 3 (Doctor's Park) - Amendment #2
2/4/2016
Performance Update

Year	Beginning Balance	Revenues						Remaining Expenses			Annual Surplus (Deficit)	Cumulative Balance
		Capital Interest & Debt Reserve	TIF Revenues	1% Interent Income	Misc (Developer Payment, Grants, intergovernm ental, etc.)	Build America Bonds	Total Revenues	Existing Debt Service & Developer Payments Including 700 Ubay & ATT Plaza (w/ affordable)	Amendment No.2 Proposed Improvements Debt Service	Planned Village Expenses		
												19,665
2015	19,665	0	494,376	197	184,965	12,211	691,749	424,192	0	30,000	237,557	257,222
2016	257,222	0	484,251	2,572	45,000	11,896	543,719	502,288	0	30,000	11,431	268,653
2017	268,653	0	575,288	2,687	45,000	11,465	634,440	595,160	0	30,000	9,280	277,933
2018	277,933	0	854,407	2,779	25,000	10,954	893,140	812,526	0	30,000	50,614	328,547
2019	328,547	0	932,199	3,285	25,000	10,378	970,863	840,978	0	30,000	99,885	428,431
2020	428,431	0	949,689	4,284	25,000	9,773	988,746	845,699	81,600	30,000	31,447	459,878
2021	459,878	0	967,397	4,599	25,000	9,094	1,006,090	844,011	274,366	30,000	(142,287)	317,591
2022	317,591	0	985,326	3,176	25,000	8,343	1,021,845	847,223	274,366	30,000	(129,743)	187,848
2023	187,848	0	1,003,480	1,878	25,000	7,561	1,037,919	850,285	274,366	30,000	(116,732)	71,116
2024	71,116	0	1,021,860	711	25,000	6,712	1,054,284	847,305	274,366		(67,387)	3,729
2025	3,729	0	1,040,471	37	25,000	5,806	1,071,314	787,935	274,366		9,013	12,742
2026	12,742	0	1,059,313	127	25,000	5,239	1,089,680	701,831	274,366		113,483	126,226
2027	126,226	0	1,078,392	1,262	25,000	4,182	1,108,836	701,831	274,366		132,639	258,865
2028	258,865	0	1,097,709	2,589	25,000	3,058	1,128,356	701,831	274,366		152,159	411,024
2029	411,024	0	1,117,267	4,110	25,000	1,871	1,146,377	1,009,331			373,980	548,070
Total (2015-2029)	0	13,661,425	34,295	574,965	118,543	14,387,356	10,303,095	2,276,526	270,000			
<i>Actual numbers from Village.</i>		<i>Includes PARC and other Grants</i>										

**Attachment #6 - Analysis of Impact on Overlying Jurisdictions
Over Maximum Life of TID
Village of Shorewood Hills
TID No. 3 (Doctor's Park) - Amendment #2
2/4/2016**

Taxing Jurisdiction	% of Mill Rate by Jurisdiction	Annual Taxes Collected on Base Value Distributed to Taxing Jurisdictions	Total Taxes Captured by TID Not Distributed to Jurisdictions*	Annual Taxes Collected After TID	Increase in Annual Tax Collections After TID
School District	52.7%	\$209,515	\$8,300,955	\$866,148	\$656,633
Tech. College	4.1%	\$16,379	\$648,919	\$67,710	\$51,332
County	15.5%	\$61,577	\$2,439,672	\$254,563	\$192,986
Local	21.8%	\$86,708	\$3,435,340	\$358,454	\$271,747
Other	5.9%	\$23,586		\$97,505	\$73,919
Total	100.00%	\$397,764	\$14,824,885	\$1,644,380	\$1,246,616

Percentages based on June 15, 2015 WI Town, Village, and City Tax Report

* "Other" includes primarily State taxes, which do not go to TID.

**Attachment #3d - Debt Service Plan
Village of Shorewood Hills
TID No. 3 (Doctor's Park) - Amendment #2
Bond Issue***

Principal:	\$2,040,000	Project Cost:	\$2,000,000
Interest Rate:	4.00%	Finance Fees:	\$40,000
Term (Years):	10	Interest Earned:	\$0
# of Principal Payments:	9	Capitalized Interest:	\$0
Date of Issue:	4/1/2020	Total TID Cost of Loan:	\$0

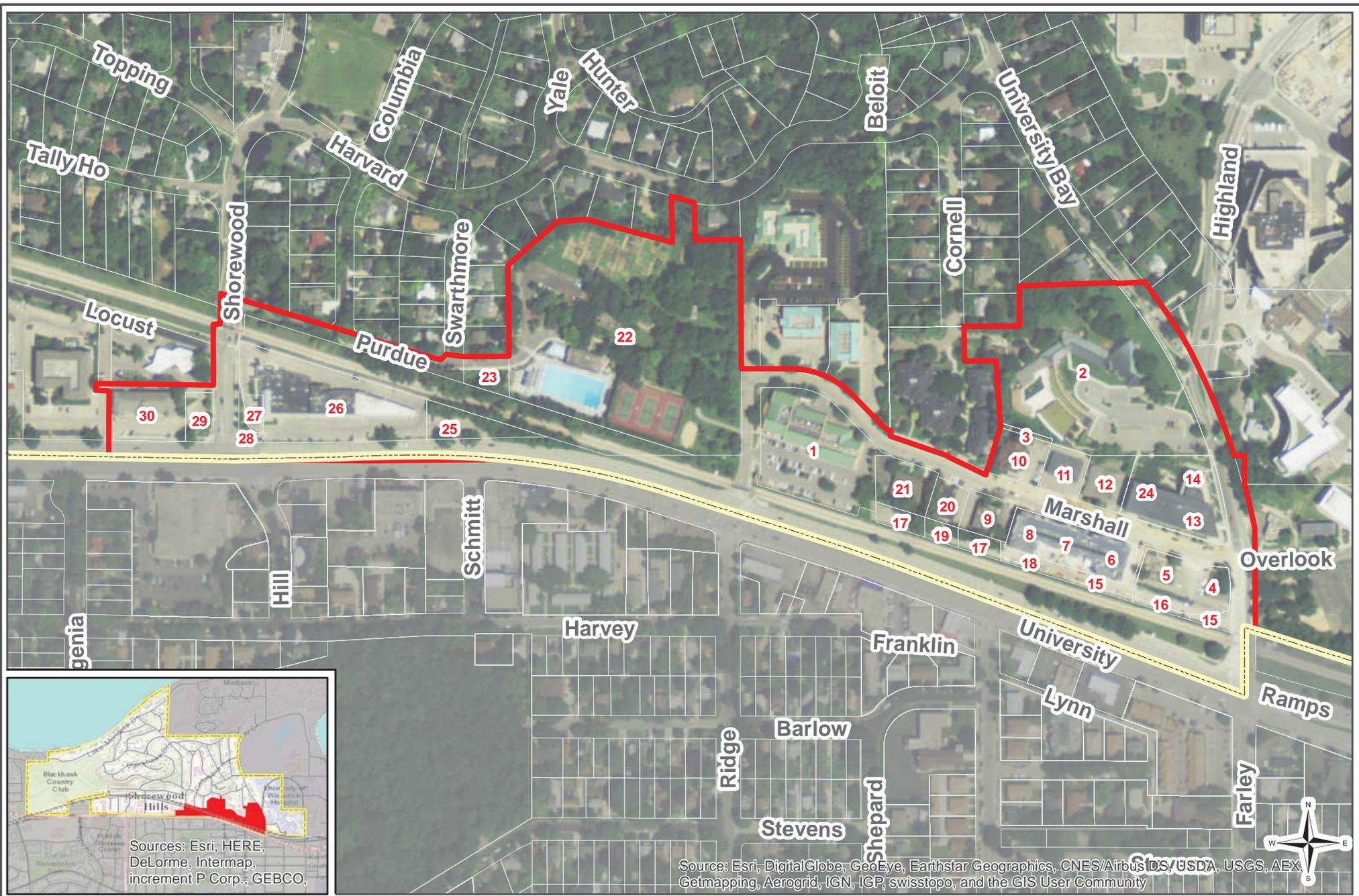
Year	Principal Payment #	Unpaid Principal	Principal Payment	Interest Payment	Total Payment	Apply Surplus to Principal
2008	0	\$0	\$0	\$0	\$0	\$0
2009	0	\$0	\$0	\$0	\$0	\$0
2010	0	\$0	\$0	\$0	\$0	\$0
2011	0	\$0	\$0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0	\$0	\$0
2015	0	\$0	\$0	\$0	\$0	\$0
2016	0	\$0	\$0	\$0	\$0	\$0
2017	0	\$0	\$0	\$0	\$0	\$0
2018	0	\$0	\$0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0	\$0	\$0
2020	0	\$2,040,000	\$0	\$81,600	\$81,600	\$0
2021	1	\$2,040,000	\$192,766	\$81,600	\$274,366	\$0
2022	2	\$1,847,234	\$200,476	\$73,889	\$274,366	\$0
2023	3	\$1,646,758	\$208,495	\$65,870	\$274,366	\$0
2024	4	\$1,438,263	\$216,835	\$57,531	\$274,366	\$0
2025	5	\$1,221,427	\$225,509	\$48,857	\$274,366	\$0
2026	6	\$995,919	\$234,529	\$39,837	\$274,366	\$0
2027	7	\$761,390	\$243,910	\$30,456	\$274,366	\$0
2028	8	\$517,480	\$253,667	\$20,699	\$274,366	\$0
2029	9	\$263,813	\$263,813	\$10,553	\$274,366	\$0
Total			\$2,040,000	\$510,891	\$2,550,891	\$0

* Interest rate assumes blend of taxable and tax-exempt bond issuances.

B Parcel List & Maps

Map #1: TID No. 3 Boundary
Map #2: Updated Land Use

DRAFT



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO,

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS/USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



Map 1 - TID No. 3 Boundary

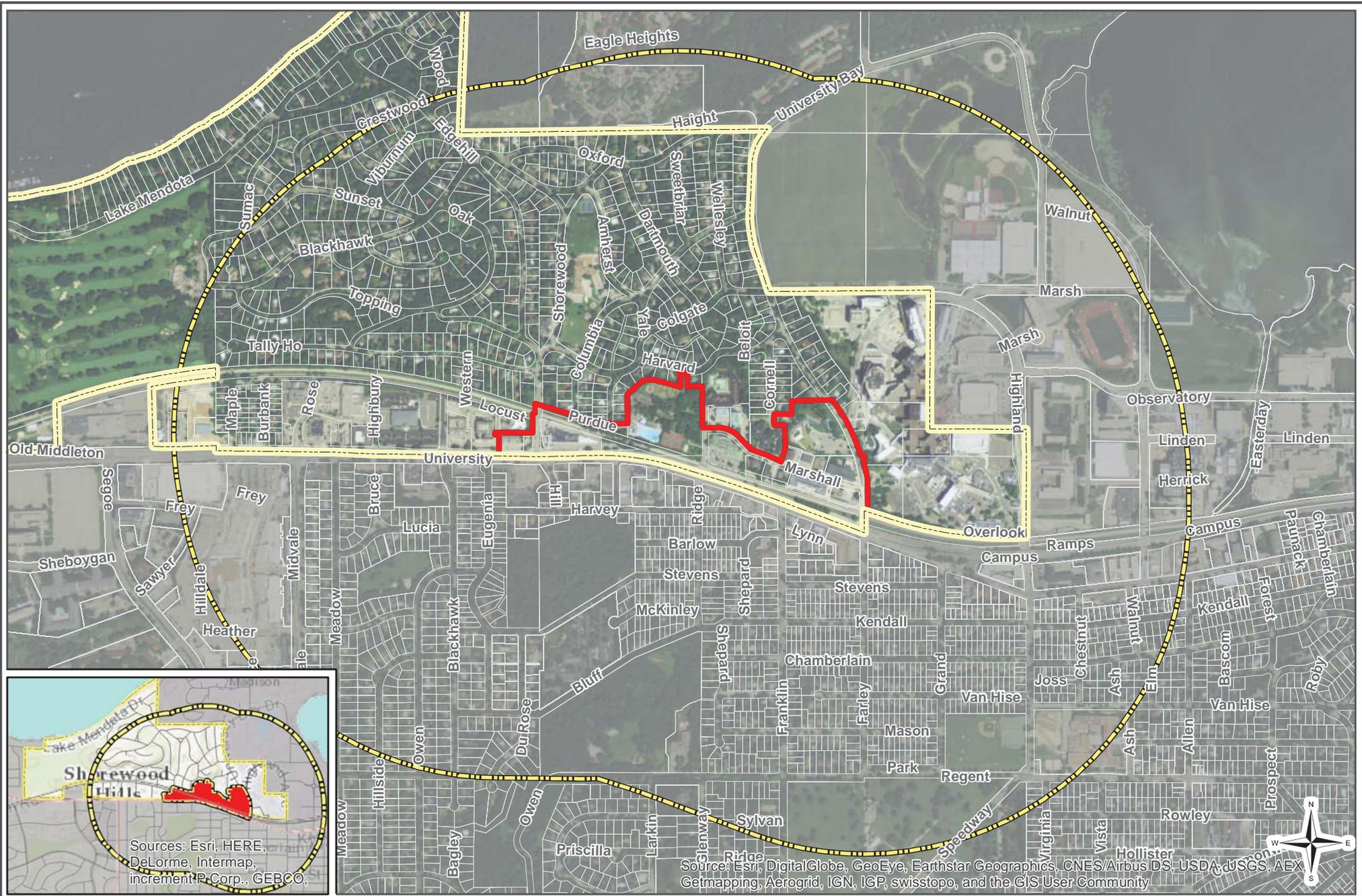
Village of Shorewood Hills



TID No. 3 Boundary Village Boundary

vierbicher
planners | engineers | advisors

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Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO,

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Map 2 - ½ Mile Radius of TID No. 3

Village of Shorewood Hills



 TID No. 3 Boundary  Village Boundary

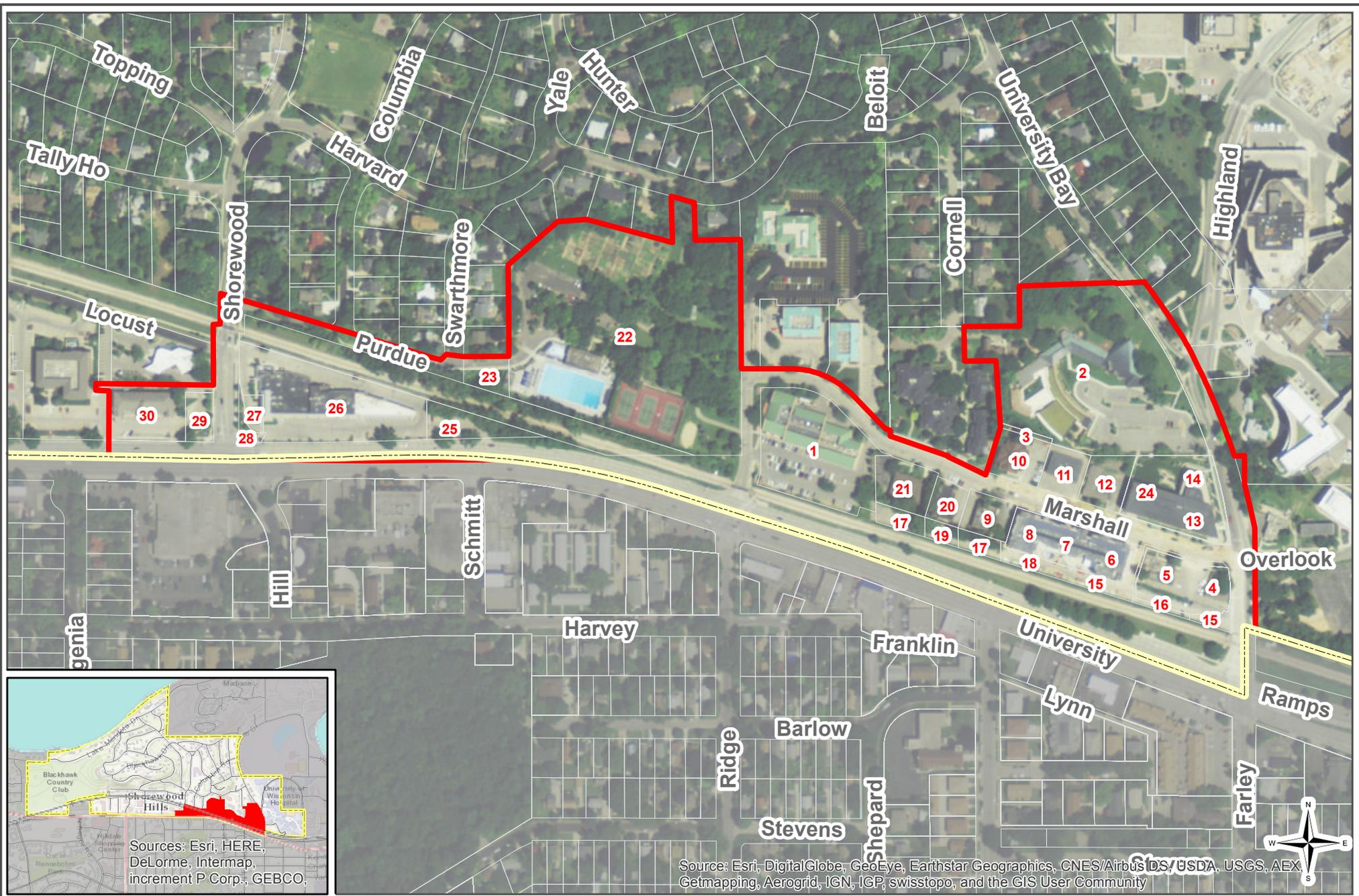


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C**Resolutions, Notices, Minutes**

- Attachment #1: Timetable
- Attachment #2: Opinion Letter from City Attorney Regarding Compliance with Statutes
- Attachment #3: Letter Chief Elected Official of Overlying Taxing Entities and Notice
- Attachment #4: Joint Review Board Meeting Notices
- Attachment #5: Joint Review Board Meeting Agendas
- Attachment #6: Joint Review Board Meeting Minutes
- Attachment #7: Joint Review Board Resolution Approving the amendment to TID No. 3
- Attachment #8: Public Hearing Notice to Property Owners within the TID
- Attachment #9: Public Hearing Notice Proof of Publication
- Attachment #10: Plan Commission Meeting Agendas
- Attachment #11: Plan Commission Public Hearing and Meeting Minutes
- Attachment #12: Plan Commission Resolution Approving the amendment to TID No. 3
- Attachment #13: Common Council Meeting Agenda
- Attachment #14: Common Council Resolution Amending TID No. 3
- Attachment #15: Common Council Meeting Minutes

DRAFT



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO,

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS/USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Exhibit 1 - TID No. 3 Boundary

Village of Shorewood Hills



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