



Meeting Date: 7/18/11
Agenda Item: #6, 7, 8

**VILLAGE OF HOWARD PLAN COMMISSION
STAFF REPORT**

REPORT TO: Burt McIntyre, President
Village Plan Commission
Village Board of Trustees

REPORT FROM: Dave Wiese, Executive Director of Community Development

REPORT WRITTEN: July 12, 2011

REPORT SUBJECT: **6:30 PUBLIC HEARING**
Regarding the proposed project plan amendments of
boundaries and project plans for Tax Incremental Districts No.
4 and 5

**Review and take action on Resolution 2011-2 Designating
Proposed Amended Boundaries and Approving a Project
Plan Amendment for Tax Incremental District No. 4 in the
Village of Howard, Wisconsin.**

**Review and take action on Resolution 2011-3 Designating
Proposed Amended Boundaries and Approving a Project
Plan Amendment for Tax Incremental District No. 5 in the
Village of Howard, Wisconsin.**

BACKGROUND

After obtaining the 2010 equalized valuations for TID No. 4, 5 and 6, the Village learned that each of these TIDs had a negative increment. Staff has been working with the assessor, the state's equalization office, legislators and consultants to determine the best way to solve the problem of the negative increments. To date, none of the proposed modifications will result in eliminating the negative increments, but one method will produce the lowest negative increment. That method is to amend the TIDs and remove properties from the TIDs. The state equalization office recently informed the Village that the negative increments could possibly become larger in 2011.

Removing properties from the TIDs will result in lowering the negative increment to a much smaller amount, thereby allowing for more possibilities to incentivize development within the TIDs. All three TIDs currently have possible developments that may require TID incentives. The TID amendments would be made to remove most of the properties within the three TIDs while keeping the areas of possible development. Should other projects be identified in the future that need assistance through TID, new TIDs would need to be created.

RECOMMENDED ACTION

Village staff recommends the Plan Commission approve the Resolutions No. 2011-2 and 2011-3.

If the Plan Commission agrees with this action, the following motions could be made:

"Motion to approve Plan Commission Resolution 2011-2."

"Motion to approve Plan Commission Resolution 2011-3."

ATTACHMENT

- I. Resolution No. 2011-2 and 2011-3
- II. Project Plan Amendment #4
- III. Project Plan Amendment #5

RESOLUTION NO. 2011-2

**RESOLUTION DESIGNATING PROPOSED AMENDED BOUNDARIES
AND APPROVING A PROJECT PLAN AMENDMENT
FOR TAX INCREMENTAL DISTRICT NO. 4,
VILLAGE OF HOWARD, WISCONSIN**

WHEREAS, the Village of Howard (the "Village") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the Village; and

WHEREAS, Tax Incremental District No. 4 (the "District") was created by the Village on June 11, 2007 as a blighted area district; and

WHEREAS, the Village now desires to amend the Project Plan and boundaries of the District in accordance with the provisions of Section 66.1105, Wisconsin Statutes (the "Tax Increment Law"); and

WHEREAS, such amendment will cause territory to be subtracted from the District, adding to the tax base of the Village and all overlapping taxing jurisdictions; and

WHEREAS, such amendment will also modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment; and

WHEREAS, the Plan Commission has prepared an amended Project Plan for the District (the "Amendment") that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., Wisconsin Statutes, outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and Village ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the district promotes the orderly development of the Village;
- k. An opinion of the Village Attorney or of an attorney retained by the Village advising that the plan is complete and complies with Section 66.1105(4)(f)., Wisconsin Statutes.

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Brown County, the Howard-Suamico School District, and the Northeast Wisconsin Technical College District, and any other entities having the power to levy taxes on property located within the proposed District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on July 18, 2011 held a public hearing concerning the proposed amendment to the Project Plan and boundaries of the District, providing interested parties a reasonable opportunity to express their views thereon.

NOW, THEREFORE, BE IT RESOLVED by the Plan Commission of the Village of Howard that:

1. It recommends to the Village Board that the boundaries of Tax Incremental District No. 4 be amended as designated in Exhibit A of this Resolution.
2. It approves the amended Project Plan for the District, attached as Exhibit B, and recommends its approval to the Village Board.
3. Amendment of the Project Plan and Boundaries of the District promotes orderly development in the Village.
4. That the Village Clerk is hereby directed to provide the Village President and Village Board with certified copies of this Resolution, upon its adoption by the Plan Commission.

Adopted this _____ day of _____, 2011

Plan Commission Chair

Secretary of the Plan Commission

LEGAL BOUNDARY DESCRIPTION OR MAP OF
TAX INCREMENTAL DISTRICT NO. 4
VILLAGE OF HOWARD

THIS CAN BE FOUND IN THE PROJECT PLAN

PROJECT PLAN

THIS WILL BE HANDED OUT SEPARATELY

RESOLUTION NO. 2011-3

**RESOLUTION DESIGNATING PROPOSED AMENDED BOUNDARIES
AND APPROVING A PROJECT PLAN AMENDMENT
FOR TAX INCREMENTAL DISTRICT NO. 5,
VILLAGE OF HOWARD, WISCONSIN**

WHEREAS, the Village of Howard (the "Village") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the Village; and

WHEREAS, Tax Incremental District No. 5(the "District") was created by the Village on August 11, 2008 as a mixed-use district; and

WHEREAS, the Village now desires to amend the Project Plan and boundaries of the District in accordance with the provisions of Section 66.1105, Wisconsin Statutes (the "Tax Increment Law"); and

WHEREAS, such amendment will cause territory to be subtracted from the District, adding to the tax base of the Village and all overlapping taxing jurisdictions; and

WHEREAS, such amendment will also modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment; and

WHEREAS, the Plan Commission has prepared an amended Project Plan for the District (the "Amendment") that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., Wisconsin Statutes, outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and Village ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the district promotes the orderly development of the Village;
- k. An opinion of the Village Attorney or of an attorney retained by the Village advising that the plan is complete and complies with Section 66.1105(4)(f)., Wisconsin Statutes.

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Brown County, the Howard-Suamico School District, and the

Northeast Wisconsin Technical College District, and any other entities having the power to levy taxes on property located within the proposed District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on July 18, 2011 held a public hearing concerning the proposed amendment to the Project Plan and boundaries of the District, providing interested parties a reasonable opportunity to express their views thereon.

NOW, THEREFORE, BE IT RESOLVED by the Plan Commission of the Village of Howard that:

- 1. It recommends to the Village Board that the boundaries of Tax Incremental District No. 5 be amended as designated in Exhibit A of this Resolution.
- 2. It approves the amended Project Plan for the District, attached as Exhibit B, and recommends its approval to the Village Board.
- 3. Amendment of the Project Plan and Boundaries of the District promotes orderly development in the Village.
- 4. That the Village Clerk is hereby directed to provide the Village President and Village Board with certified copies of this Resolution, upon its adoption by the Plan Commission.

Adopted this _____ day of _____, 2011

Plan Commission Chair

Secretary of the Plan Commission

**LEGAL BOUNDARY DESCRIPTION OR MAP OF
TAX INCREMENTAL DISTRICT NO. 5
VILLAGE OF HOWARD**

THIS CAN BE FOUND IN THE PROJECT PLAN

PROJECT PLAN

THIS WILL BE HANDED OUT SEPARATELY



VILLAGE OF HOWARD, WISCONSIN

Territory & Project Plan Amendment to Tax Incremental District No. 5



July 6, 2011 **[DRAFT]**

Joint Review Board Organizational Meeting Held:

Public Hearing Held:

Consideration for Adoption by Plan Commission:

Consideration for Adoption by Village Board:

Consideration for Approval by the Joint Review Board:



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Tax Incremental District No. 5 Territory & Project Plan Amendment

Village of Howard Officials

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Ronald Bredael	Village Trustee
Jim Widiger	Village Trustee
Cathy Hughes	Village Trustee
George Speaker	Village Trustee
Jim Lemorande	Village Trustee
Ray Suennen	Village Trustee
David Steffen	Village Trustee
Dan Deppeler	Village Trustee

Village Staff

Burt McIntyre	Village President
Robert Bartelt	Interim Village Administrator
Chris Haltom	Executive Director of Administrative Services
Dave Wiese	Executive Director of Community Development
Dennis M. Duffy	Village Attorney

Plan Commission

Burt McIntyre, Chairman	Jim Priewe
Bob Strazishar	Nathan Prodell
Jay Faikel	Mike Berg
Ray Suenne	

Joint Review Board

Village Representative
Brown County
Northeast Wisconsin Technical College District
Howard-Suamico School District
Public Member

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1

EXECUTIVE SUMMARY

DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT

- Original District Purpose.
 - Tax Incremental District (“TID”) No. 5 (“District”) is an existing mixed-use district which was created by a resolution of the Village Board adopted on August 11, 2008.

- Additional Amendments.
 - The District has not been previously amended.

- Purpose of this Amendment.
 - The Village proposes to remove specified parcels from the District whose inclusion is no longer necessary for District cash flow purposes. This will enable the Village and other overlying taxing jurisdictions to receive the benefit of the release of the associated incremental value into the general tax base beginning in 2013. Subtracting the identified Territory would result in an anticipated District closure in the year 2026.
 - This amendment will cause territory to be subtracted from the District, adding to the tax base of the Village and all overlapping taxing jurisdictions.
 - This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made (Since the purpose of this amendment is solely to subtract property, these tests cannot be applied in the conventional way. The Joint Review Board has previously concluded that these tests have been met. Accordingly, the Village finds that it is reasonable to conclude these tests continue to be satisfied):

1. That “but for” amendment of this District, the additional development projected to occur within the amendment areas as detailed in this Project Plan: 1) would not

occur; or 2) would not occur in the manner at the values, or within the timeframe desired by the Village. In making this determination, the Village has considered the following information:

- That “but for” amendment of the District’s Project Plan, the economic development objectives will not be achieved. In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing” customarily referred to as the “but for” test. But for the subtraction of territory it is unlikely that the Village would be able to provide assistance due to the created by the DOR.
2. **The economic benefits of amending the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the Village has considered the following information:
- Tax increment collections continue to be expected to be sufficient to pay for the cost of all improvements made in the District. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.b.*
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- Given that it is likely that the District is expected to generate additional economic benefits that are more than sufficient to compensate for the cost of the improvements, as previously determined by the Joint Review Board, 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 Project Plan is not amended. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.c.*
4. Not less than 50% by area of the real property within the District, as amended, is suitable for a combination of commercial and residential, defined as “mixed-use development” within the meaning of Section 66.1105(2)(cm) of the Wisconsin Statutes.
5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a mixed-use district based on the identification and classification of the property included within the district.
6. The Project Costs of the District relate directly to promoting mixed-use development in the District consistent with the purpose for which the District was created.
7. The improvements to be made within the Territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.

8. The Village estimates that approximately 50% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) of the Wisconsin Statutes.
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.

2

TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District ("TID") No. 5 ("District") is an existing mixed-use district which was created by a resolution of the Village Board adopted on August 11, 2008.

The existing District is a "Mixed Use District" based upon a finding that at least 50%, by area, of the real property within the District was suitable for a combination of commercial and residential uses within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). The District will remain in compliance with this finding after the subtraction of the Territory identified in this Amendment. The District will also remain in compliance with the prohibition that no more than 35% of the area of the District be allocated for newly-platted residential development.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Incremental District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan unless specifically stated. All components of the original Project Plan remain in effect.

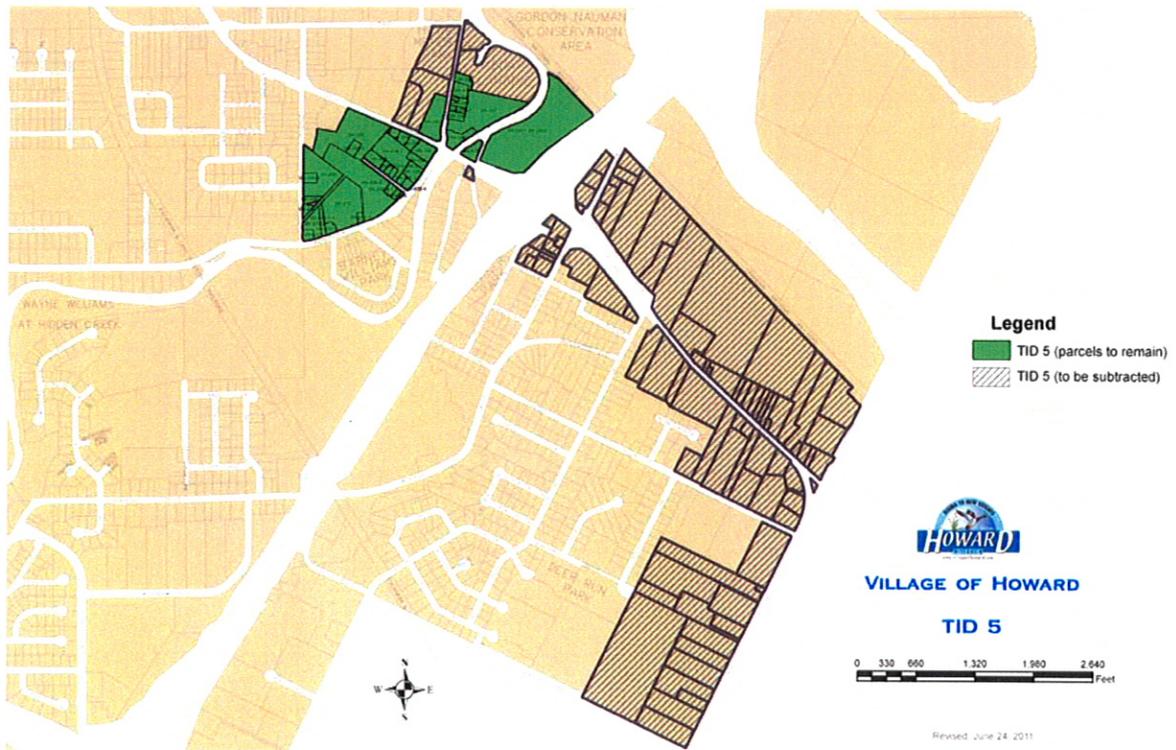
The purpose of the Territory Amendment is to remove specified parcels from the District whose inclusion is no longer necessary for District cash flow purposes. This will enable the Village and other overlying taxing jurisdictions to receive the benefit of the release of the associated incremental value into the general tax base beginning in 2013. Subtracting the identified Territory would result in an anticipated District closure in the year 2026..

The amendment is also to update and/or provide for the undertaking of additional expenditures.

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

3

MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED



4

**MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE
TERRITORY REMAINING**

ZONING MAP IS ADEQUATE

5

PRELIMINARY LIST OF PARCELS REMAINING

PARCELID	LOCATION	OWNER/ST	ACREAGE	LANDVAL	IMPRVAL	TOTVAL	Creation Value
VH-397	718 RIVERVIEW DR	PAMPERIN	4.360	54,600	70,600	125,200	125,200
VH-399	734 RIVERVIEW DR	COOPMAN	0.376	35,500	36,000	71,500	71,500
VH-401	748 RIVERVIEW DR	VETERANS OF FOREIGN WARS DUCK CREEK POST #7534	0.617	0	0	0	0
VH-402	754 RIVERVIEW DR	DUCK CREEK POST NO 7534 OF THE VFW OF THE US	0.460	0	0	0	0
VH-400	738 RIVERVIEW DR	DEMARIO	0.124	18,000	34,900	52,900	52,900
VH-398	724 RIVERVIEW DR	PRYES ETAL	0.370	35,400	49,900	85,300	85,300
VH-398-1	730 RIVERVIEW DR	KEHL	0.230	30,000	64,600	94,600	94,600
VH-398-2	RIVERVIEW DR	KEHL	0.150	16,500	0	16,500	16,500
VH-412-3	2120 RIVERVIEW DR	WAIT	0.290	31,800	39,400	71,200	71,200
VH-409-1	544 MAYWOOD AV	KIMPS	0.379	37,500	117,100	154,600	154,600
VH-408-4	2000-2002 ELMWOOD CT	SMITH	0.234	25,600	95,300	120,900	120,900
VH-408-3	2010 ELMWOOD CT	VANDENLANGENBERG	0.210	28,900	79,800	108,700	108,700
VH-408-2	2018 ELMWOOD CT	ALICEA	0.170	23,400	83,000	106,400	106,400
VH-408-1	2024 ELMWOOD CT	AMSCHLER	0.170	23,400	67,400	90,800	90,800
VH-408	2036 ELMWOOD CT	BRUNETTE LP	0.580	35,800	81,200	117,000	117,000
VH-407	2030 ELMWOOD CT	BRUNETTE LP	0.170	19,100	67,700	86,800	86,800
VH-395	2024 RIVERVIEW DR	HETHE	0.723	37,300	71,000	108,300	108,300
VH-394	2018 RIVERVIEW DR	KAMINSKI	0.486	37,100	42,800	79,900	79,900
VH-393	2001 VELD AV	SAINT JOHN CONGREGATION OF DUCK CREEK	0.975	0	0	0	0
VH-392	2015 VELD AV	LUEDKE	0.373	46,000	214,700	260,700	260,700
VH-391	2021-2027 VELD AV	LUEDKE	0.350	43,100	112,500	155,600	155,600
VH-390	2035 VELD AV	LUEDKE	0.270	33,300	30,400	63,700	63,700
VH-385	2002 VELD AV	PAMPERIN RENTALS V LLC	2.120	428,100	860,000	1,288,100	1,439,400
VH-2652	1966-2 VELD AV	BLACK FOREST RESTAURANT LLC	8.080	600,700	0	600,700	600,700
VH-2651	1966-1 VELD AV	BLACK FOREST RESTAURANT LLC	4.730	730,400	1,138,400	1,868,800	1,764,000
VH-628	1984 VELD AV	MAGERS	0.750	72,800	155,500	228,300	228,300
VH-396	700 RIVERVIEW DR	LISON	0.910	79,500	203,000	282,500	282,500
VH-389-1	2111 REAR VELD AV	BRUNETTE FAMILY TRUST	0.410	31,900	0	31,900	31,900
VH-389	2107 VELD AV	BRUNETTE TIMOTHY A SURVIVORS TRUST	5.512	265,600	673,300	938,900	961,700
VH-412-2	2132 RIVERVIEW DR	OCONELL	0.970	31,700	58,600	90,300	90,300
VH-412	2138 RIVERVIEW DR	OCONELL	0.301	30,100	28,500	58,600	58,600
VH-413-1	2090 RIVERVIEW DR	OETTINGER II	0.168	23,100	37,400	60,500	60,500
VH-408-7	2101 VELD AV	BRUNETTE FAMILY TRUST	2.440	82,800	0	82,800	82,800
VH-413	2112 RIVERVIEW DR	KOZLOSKI LEO E & JOSEPHINE REVOCABLE TRUST	4.330	0	0	0	0
VH-410	524 MAYWOOD AV	STENO	0.300	35,800	75,800	111,600	111,600
VH-409-2	532 MAYWOOD AV	BLUM	0.300	35,800	66,000	101,800	101,800
VH-408-6	2036 ELMWOOD CT	GFP TOWNHOUSES LLC	6.414	161,600	438,000	599,600	30,500
VH-409	540 MAYWOOD AV	KIMPS	3.148	57,300	62,900	120,200	120,200
VH-412-1-1	2126 RIVERVIEW DR	SNIDER	0.352	31,300	29,600	60,900	60,900
VH-408-6-1	2027 ELMWOOD CT	BURKEL	0.275	35,100	136,900	172,000	171,000
VH-408-5	2019 ELMWOOD CT	WILLIQUETTE	0.160	22,000	55,400	77,400	77,400
53.737	3,367,900	5,377,600	8,745,500	8,244,700			

6

EQUALIZED VALUE TEST

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

7

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

The following is a list of public works and other 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 AND REDEVELOPMENT.** In order to promote and facilitate development and 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 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 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 State Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.
- **ACQUISITION OF RIGHTS-OF-WAY.** The Village may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire rights-of-way are eligible Project Costs.
- **ACQUISITION OF EASEMENTS.** The Village may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire easement rights are eligible Project Costs.

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

SITE PREPARATION ACTIVITIES

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the Village related to environmental audits, testing, and remediation are eligible Project Costs.
- **DEMOLITION.** In order to make sites suitable for development and redevelopment, 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 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.** To allow development and redevelopment 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; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.
- **WATER SYSTEM IMPROVEMENTS.** There are inadequate water distribution facilities serving the District. To allow development and redevelopment 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; 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 and redevelopment 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 and redevelopment, 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 and redevelopment, 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 and redevelopment, 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 the District. To allow development and redevelopment 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 and redevelopment consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

CDA TYPE ACTIVITIES

- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the Village may provide funds to its CDA to be used for administration, planning and operations related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.
- **REVOLVING LOAN/GRANT PROGRAM.** To encourage private redevelopment consistent with the objectives of this Plan, the Village, through its CDA, will provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds will be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

MISCELLANEOUS

- **RAIL SPUR.** To allow for development and redevelopment, the Village will incur costs for installation of a rail spur to serve development sites located within the District.
- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The Village may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.
- **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 the 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 Statute Section 66.1105, in the written opinion of nationally recognized bond 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 "Plan").

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

Project costs are any expenditures 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. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

8

**MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE
TERRITORY REMAINING**

THIS MAP SHOULD IDENTIFY THE ADDED PROJECT AREAS AND ANY CHANGED USES.

9

DETAILED LIST OF ADDITIONAL AND/OR UPDATED PROJECT COSTS

This Section contains information relative to the specific projects and expenditures that the Village anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2011 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2011 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 further amending this Plan.

PROPOSED TIF PROJECT COST ESTIMATES

Pedestrian - Creek	\$ 200,000
Development Incentives	\$1,000,000
TID amend - creation	<u>\$ 40,000</u>
	\$1,240,000

10 ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The information and exhibits contained within this Section demonstrate that the District, as amended by the subtraction of Territory, will remain economically feasible. The analysis in this section demonstrates the overall cash flow of the District improves by subtracting the identified parcels.

AVAILABLE FINANCING METHODS

Implementation of this Plan will require that the Village issue obligations to provide direct or indirect financing for the Projects to be undertaken. 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. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values). The tables on page 19 provide a calculation of the Village's current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the Village's equalized value, and the full faith and credit borrowing capacity of the Village. Equalized valuation projections were made using two methods. The first projects future valuation of the Village using the average annual percentage of valuation growth experienced between 2006 and 2010. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2006 and 2010. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the Village utilizing the straight-line valuation projection and considering the existing debt of the Village, demonstrating that the Village will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

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 borrowing capacity.

Utility Revenue Bonds

The Village can issue revenue bonds to be repaid from revenues of the sewer and/or water 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 underwriters 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 G.O. debt limit. 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.

EQUALIZED VALUATION PROJECTION

		Village of Howard, WI Projection of General Obligation Debt Borrowing Capacity			
Table 1 - Projection of Growth in Equalized Value (TID No.)					
[---PERCENTAGE METHOD---]			[---STRAIGHT LINE METHOD---]		
HISTORICAL DATA					
2006	1,296,020,200		2006	1,296,020,200	
2007	1,341,952,900		2007	1,341,952,900	
2008	1,395,675,400		2008	1,395,675,400	
2009	1,412,188,600		2009	1,412,188,600	
2010	1,381,526,100	1.65%	2010	1,381,526,100	21,376,475
PROJECTED VALUATIONS					
2011	1,404,312,904	1.65%	2011	1,402,902,575	1.55%
2012	1,427,475,552	1.65%	2012	1,424,279,050	1.52%
2013	1,451,020,243	1.65%	2013	1,445,655,525	1.50%
2014	1,474,953,279	1.65%	2014	1,467,032,000	1.48%
2015	1,499,281,065	1.65%	2015	1,488,408,475	1.46%
2016	1,524,010,112	1.65%	2016	1,509,784,950	1.44%
2017	1,549,147,038	1.65%	2017	1,531,161,425	1.42%
2018	1,574,698,571	1.65%	2018	1,552,537,900	1.40%
2019	1,600,671,549	1.65%	2019	1,573,914,375	1.38%
Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)					
EQUALIZED VALUE	DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY		
2011	88,878,908	2,000,000	86,878,908		
2012	90,268,128	2,170,000	88,098,128		
2013	91,657,348	2,340,000	89,317,348		
2014	93,046,568	2,510,000	90,536,568		
2015	94,435,788	2,680,000	91,755,788		
2016	95,825,008	2,850,000	92,975,008		
2017	97,214,228	3,020,000	94,194,228		
2018	98,603,448	3,190,000	95,413,448		
2019	100,000,000	3,360,000	96,640,000		
2020	101,396,552	3,530,000	97,866,552		
2021	102,793,104	3,700,000	99,093,104		
2022	104,189,656	3,870,000	100,319,656		
2023	105,586,208	4,040,000	101,546,208		
2024	106,982,760	4,210,000	102,772,760		
2025	108,379,312	4,380,000	104,000,000		
2026	109,775,864	4,550,000	105,227,264		
2027	111,172,416	4,720,000	106,454,416		
2028	112,568,968	4,890,000	107,681,668		
2029	113,965,520	5,060,000	108,908,920		
2030	115,362,072	5,230,000	110,136,172		
2031	116,758,624	5,400,000	111,363,424		
2032	118,155,176	5,570,000	112,590,676		

PLAN IMPLEMENTATION

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

IMPLEMENTATION & FINANCING TIMELINE

		State Trust	Municipal	Total Project
		Fund Loan	Revenue	Costs
		2012	Obligation	All Phases
			(MRO)	
			Varies	
Projects				
Water and Sewer on Velp Avenue Reconstruct (Memorial to Melody)		0		0
Bury Overhead Power Lines on Velp Memorial to Melody		0		0
Decorative Light Fixtures Velp Avenue		0		0
Street Trees Velp Avenue		0		0
Right of Way Acquisition for Velp Reconstruction		0		0
Velp Avenue and Melody Roundabout		0		0
Off-Street Sidewalk along Duck Creek from Velp Avenue to Gordon Nauman Park		200,000		200,000
Development Incentives		0	1,000,000	1,000,000
TIF Creation & Administration		40,000		40,000
Subtotal Needed for Projects		240,000	1,000,000	1,240,000
Finance Related Expenses				
Financial Advisor		0	13,442	
Bond Counsel (Estimate)		0		
Rating Agency Fee		0		
Paying Agent (if Term Bonds)		0		
Max. Underwriter's Discount	\$0.00	0	\$10.00	
Capitalized Interest		0		
Total Financing Required		240,000	1,013,442	
<i>Estimated Interest Earnings</i>	0.00%	0	0	
<i>Assumed Spend Down (Months)</i>	6		6	
Rounding		0	1,558	
NET ISSUE SIZE		240,000	1,015,000	

DEVELOPMENT ASSUMPTIONS

  							
Village of Howard Tax Increment District No. 5 Development Assumptions							
Construction Year	Actual	Development Area A - Land	Development Area A - Vertical	Development Area A - Demolition	Development Area B - Vertical	Unspecified Redevelopment	Annual Total
2008							0
2009							0
2010							0
2011							0
2012			3,000,000				3,000,000
2013							0
2014						2,000,000	2,000,000
2015						2,000,000	2,000,000
2016						1,000,000	1,000,000
2017						1,000,000	1,000,000
2018						1,000,000	1,000,000
2019						1,000,000	1,000,000
2020						1,000,000	1,000,000
2021							0
2022							0
2023							0
2024							0
2025							0
2026							0
2027							0
TOTALS	0	0	3,000,000	0	0	9,000,000	12,000,000
NOTES:							

INCREMENT REVENUE PROJECTIONS



Village of Howard

Tax Increment District No. 5
Tax Increment Projection Worksheet

Type of District: **Mixed Use**

Anticipated Creation Date: **8/11/2008**

Valuation Date: **Jan. 1, 2008**

Maximum Life (In Years): **20**

Expenditure Period (In Years): **15**

Revenue Periods/Final Rev Year: **20 | 2029**

End of Expenditure Period: **8/11/2023**

Latest Termination Date: **8/11/2028**

Eligible for Extension/No. of Years: **Yes | 3**

Eligible Recipient District: **No**

Original Base Value: **52,066,200**

Property removed: **(38,156,000)**

Personal Property removed: **(1,298,800)**

Projected Base Value: **12,611,400**

Property Appreciation Factor: **1.00%**

Current Tax Rate (Per \$1,000 EV): **\$17.85**

Tax Rate Adjustment Factor (Next 2 Years): **-0.50%**

Tax Rate Adjustment Factor (Following 2 Years): **-0.50%**

Tax Rate Adjustment Factor (Thereafter): **-0.50%**

Discount Rate 1 for NPV Calculation: **5.00%**

Discount Rate 2 for NPV Calculation: **7.00%**

Apply Inflation Factor to Base? **X**

valued as of 1/1/2008
not factored up

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
1		2009		259,800	2010	18.05	4,691
2		2010		(2,791,300)	2011	18.75	
3		2011		(2,791,300)	2012	18.28	
4	(676,105)	2012		(676,105)	2013	18.19	
5	3,000,000	2013	119,353	2,443,248	2014	18.10	44,226
6	0	2014	150,546	2,593,795	2015	18.01	46,716
7	2,000,000	2015	152,052	4,745,847	2016	17.92	85,048
8	2,000,000	2016	173,572	6,919,419	2017	17.83	123,380
9	1,000,000	2017	195,308	8,114,727	2018	17.74	143,970
10	1,000,000	2018	207,261	9,321,989	2019	17.65	164,562
11	1,000,000	2019	219,334	10,541,323	2020	17.65	186,087
12	1,000,000	2020	231,527	11,772,850	2021	17.65	207,828
13	1,000,000	2021	243,842	13,016,692	2022	17.65	229,785
14	0	2022	256,281	13,272,973	2023	17.65	234,310
15	0	2023	258,844	13,531,817	2024	17.65	238,879
16	0	2024	261,432	13,793,249	2025	17.65	243,494
17	0	2025	264,046	14,057,296	2026	17.65	248,155
18	0	2026	266,687	14,323,983	2027	17.65	252,863
19	0	2027	269,354	14,593,336	2028	17.65	257,618
20	0	2028	272,047	14,865,384	2029	17.65	262,421
11,323,895		3,541,488		Future Value of Increment		2,974,033	



CASH FLOW

Village of Howard

Tax Increment District No. 5
Cash Flow Pro Forma



EHLERS
LEADERS IN PUBLIC FINANCE

Year	Revenues			Expenditures				Balances		Project Cost Principal Outstanding	Year		
	Tax Increments	Investment Earnings	Capitalized Interest	Total Revenues	State Trust Fund Loan Funds drawn after Sep 1, 2012.	Municipal Revenue Obligation (MRO)	Admin Expenses	Total Expenditures	Annual			Cumulative	
			24 Months		Prin (3/15)	Est. Rate	Interest	Prin (10/1)	Est. Rate	Interest			
2008											0	2008	
2009											(49,001)	2009	
2010	4,691	0	0	0							(43,525)	2010	
2011	0	0	0	0							(43,525)	2011	
2012	0	0	0	0							(48,525)	2012	
2013	44,226	0	0	44,226	13,200	5.500%	13,200				(18,200)	2013	
2014	46,716	0	0	46,716	26,000	5.500%	13,200				(18,200)	2014	
2015	85,048	0	0	85,048	26,000	5.500%	11,770				(5,000)	2015	
2016	123,380	0	0	123,380	26,000	5.500%	10,340				(5,000)	2016	
2017	143,970	0	0	143,970	27,000	5.500%	8,910				(5,000)	2017	
2018	164,562	0	0	164,562	27,000	5.500%	7,425				(5,000)	2018	
2019	186,087	0	0	186,087	27,000	5.500%	5,940				(5,000)	2019	
2020	207,828	127	0	207,955	27,000	5.500%	4,455				(5,000)	2020	
2021	229,785	647	0	230,432	27,000	5.500%	2,970				(5,000)	2021	
2022	234,310	1,183	0	235,492	27,000	5.500%	1,485				(5,000)	2022	
2023	238,879	1,766	0	240,645	0	5.500%	0				(5,000)	2023	
2024	243,494	2,740	0	246,234	0	5.500%	0				(5,000)	2024	
2025	248,155	3,825	0	251,980	0	5.500%	0				(5,000)	2025	
2026	252,863	4,823	0	257,686	0	5.500%	0				(5,000)	2026	
2027	257,618	5,893	0	263,511	0	5.500%	0				(5,000)	2027	
2028	262,421	7,091	0	269,511	0	5.500%	0				(5,000)	2028	
2029												2029	
Total	2,974,033	28,094	0	2,997,436	240,000		92,895	1,015,000		674,300	90,000	2,112,195	885,241

Projected TID Closure

NOTES:

11 ANNEXED PROPERTY

No annexed territory will be added to the District as a result of this amendment.

12 ESTIMATE OF REMAINING DISTRICT TO BE DEVOTED TO RETAIL BUSINESS

The Village estimates that approximately 50% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

13 PROPOSED CHANGES IN ZONING ORDINANCES

The Village of Howard does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan.

14 PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF HOWARD ORDINANCES

It is expected that this Plan will be complementary to the Village's Master Plan. There are no proposed changes to the master plan, map, building codes or other Village of Howard ordinances for the implementation of this Plan.

15 RELOCATION

It is not anticipated there will be a need to relocate any 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 state statutes as required in Wisconsin Statutes chapter 32.

16 ORDERLY REDEVELOPMENT OF THE VILLAGE OF HOWARD

This amendment contributes to the orderly redevelopment of the Village by providing the opportunity for continued growth in tax base and job opportunities. The area identified has a variety of smaller parcels that impede the ability of development to occur, however the District will assist in the redevelopment of the area.

17 A 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.

18

**OPINION OF ATTORNEY FOR THE VILLAGE OF HOWARD ADVISING
WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN
STATUTES, SECTION 66.1105**

July 6, 2011

SAMPLE

Burt McIntyre, Village President
Village of Howard
2456 Glendale Avenue, P.O. Box 12207
Howard, Wisconsin 54307

RE: Village of Howard, Wisconsin Tax Incremental District No. 4 & 5 Amendment

Dear Village President:

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

Sincerely,

Attorney Dennis M. Duffy
Village of Howard



VILLAGE OF HOWARD, WISCONSIN

Territory & Project Plan Amendment to Tax Incremental District No. 4



July 6, 2011 **[DRAFT]**

Joint Review Board Organizational Meeting Held:

Public Hearing Held:

Consideration for Adoption by Plan Commission:

Consideration for Adoption by Village Board:

Consideration for Approval by the Joint Review Board:



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Tax Incremental District No. 4 Territory & Project Plan Amendment

Village of Howard Officials

Burt McIntyre	Village President
Ronald Bredael	Village Trustee
Jim Widiger	Village Trustee
Cathy Hughes	Village Trustee
George Speaker	Village Trustee
Jim Lemorande	Village Trustee
Ray Suennen	Village Trustee
David Steffen	Village Trustee
Dan Deppeler	Village Trustee

Village Staff

Burt McIntyre	Village President
Robert Bartelt	Interim Village Administrator
Chris Haltom	Executive Director of Administrative Services
Dave Wiese	Executive Director of Community Development
Dennis M. Duffy	Village Attorney

Plan Commission

Burt McIntyre, Chairman	Jim Priewe
Bob Strazishar	Nathan Prodell
Jay Faikel	Mike Berg
Ray Suenne	

Joint Review Board

Village Representative
Brown County
Northeast Wisconsin Technical College District
Howard-Suamico School District
Public Member

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1 EXECUTIVE SUMMARY

DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED TERRITORY AMENDMENT

- Original District Purpose.
 - Tax Incremental District (“TID”) No. 4 “District”) is an existing blighted area district which was created by a resolution of the Village Board adopted on June 11, 2007.
- Additional Amendments.
 - The District has not been previously amended.
- Purpose of this Amendment.
 - The Village proposes to remove specified parcels from the District whose inclusion is no longer necessary for District cash flow purposes. This will enable the Village and other overlying taxing jurisdictions to receive the benefit of the release of the associated incremental value into the general tax base beginning in 2013. Subtracting the identified Territory would result in an anticipated District closure in the year 2026.
 - This amendment will cause territory to be subtracted from the District, adding to the tax base of the Village and all overlapping taxing jurisdictions.
 - This amendment will modify the categories, locations or costs of the Projects to be undertaken, providing incentive and opportunities for additional private development and redevelopment.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made (Since the purpose of this amendment is solely to subtract property, these tests cannot be applied in the conventional way. The Joint Review Board has previously concluded that these tests have been met. Accordingly, the Village finds that it is reasonable to conclude these tests continue to be satisfied):

1. That “but for” amendment of this District, the additional development projected to occur within the amendment areas as detailed in this Project Plan: 1) would not

occur; or 2) would not occur in the manner at the values, or within the timeframe desired by the Village. In making this determination, the Village has considered the following information:

- That “but for” amendment of the District’s Project Plan, the economic development objectives will not be achieved. In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing” customarily referred to as the “but for” test. In the case of this amendment, the DOR calculated a base value of \$4,500,000 greater than the 2007 assessor’s report of the TID. In 2010 the DOR changed how TID’s are valued, resulting in a significant drop in value. Due to this change and the original overvaluation, it would have been virtually impossible for this District to provide any assistant towards redevelopment.
2. **The economic benefits of amending the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the Village has considered the following information:
- Tax increment collections continue to be expected to be sufficient to pay for the cost of all improvements made in the District. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.b.*
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- Given that it is likely that the District is expected to generate additional economic benefits that are more than sufficient to compensate for the cost of the improvements, as previously determined by the Joint Review Board, 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 Project Plan is not amended. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.c.*
4. Not less than 50% by area of the real property within the District, as amended, is a blighted area within the meaning of Section 66.1105(2)(a)1. of the Wisconsin Statutes. Furthermore, at the time of adoption of the creation resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Section 66.1105(4)(gm)1 of the Wisconsin State Statutes.
5. Based upon the findings, as stated above, and the original findings as stated in the Creation Resolution, the District remains declared a blighted area district based on the identification and classification of the property included within the district.
6. The Project Costs of the District relate directly to promoting the elimination of blight of the area consistent with the purpose for which the District was created.

7. The improvements to be made within the Territory incorporated by this Amendment are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The Village estimates that approximately 75% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) of the Wisconsin Statutes.
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.

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TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District ("TID") No. 4 "District") is an existing blighted area district which was created by a resolution of the Village Board adopted on June 11, 2007.

The existing District is a "Blighted Area District," created on a finding that at least 50%, by area, of the real property within the District was blighted. The District will remain in compliance with this finding after the subtraction of the Territory identified in this Amendment. In addition, the District will remain in compliance with the "vacant land test," which requires that property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Section 66.1105(4)(gm)1. of the Wisconsin State Statutes. The Preliminary Parcel list found in Section 5 of this plan provides a calculation demonstrating continued compliance with both the 50% test and the 25% test.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have not previously been amended. This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan unless specifically stated. All components of the original Project Plan remain in effect.

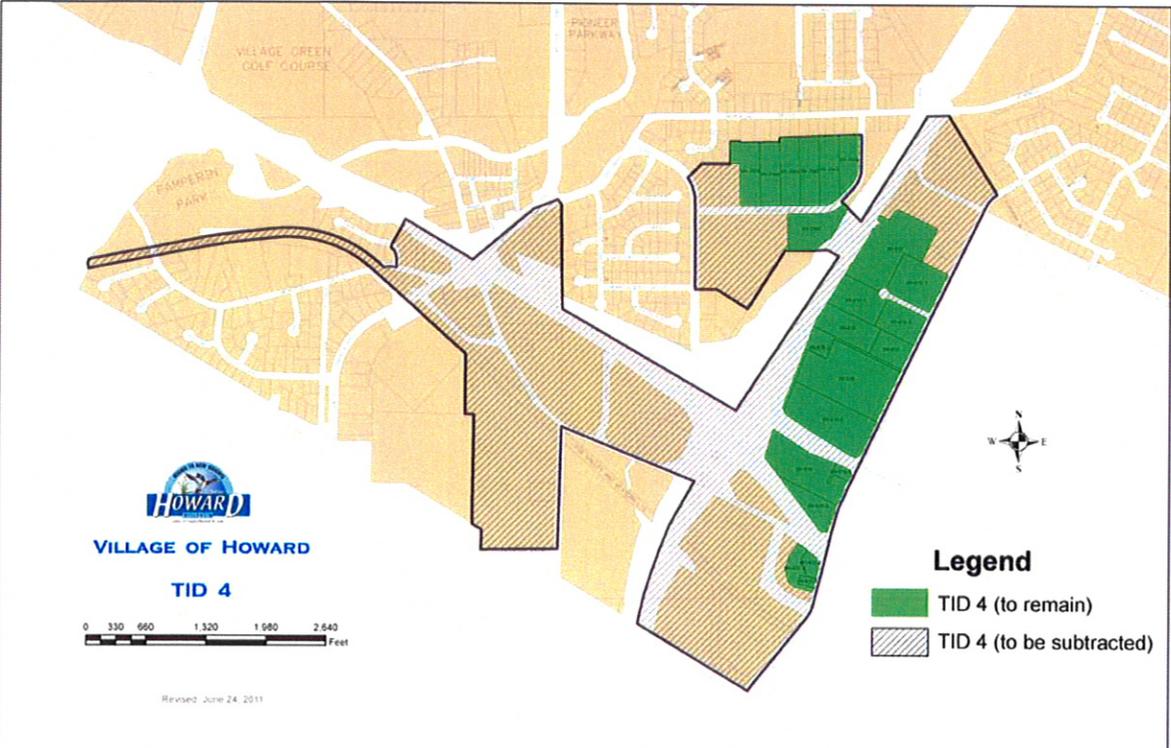
The purpose of the Territory Amendment is to remove specified parcels from the District whose inclusion is detrimental to the District cash flow purposes. This will enable the Village and other overlying taxing jurisdictions to receive the benefit of the release of the associated incremental value into the general tax base beginning in 2013. Subtracting the identified Territory would result in an anticipated District closure in the year 2026.

The amendment is also to update and/or provide for the undertaking of additional expenditures.

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

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MAP OF ORIGINAL DISTRICT BOUNDARY, WITH TERRITORY AMENDMENT AREA IDENTIFIED



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**MAP SHOWING EXISTING USES & CONDITIONS WITHIN THE
TERRITORY REMAINING**

ZONING MAP IS ADEQUATE

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PRELIMINARY LIST OF PARCELS REMAINING

PARCELID	LOCATION	OWNER/LS	ACREAGE	LANDVAL	IMPRVAL	TOTVAL	Value at creation	Vacant	Blight
VH-616-3	325 N TAYLOR ST	MILLS PROPERTIES INC	9.634	1,057,100	1,857,500	2,914,600	2,553,700	0	9.634
VH-614-1	1951 BOND ST	WOLF INVESTMENTS LP	4.589	427,200	1,798,100	2,225,300	2,125,600	0	0
VH-614	1951 BOND ST	WOLF INVESTMENTS LP	4.650	432,000	3,963,500	4,395,500	3,909,700	0	0
VH-612-1	1950 BOND ST	BEJA SHRINE TEMPLE	5.778	0	0	0	0	0	5.778
VH-614-2	BOND ST	WOLF INVESTMENTS LP	3.661	212,600	0	212,600	212,600	3.661	3.661
VH-615	525 N TAYLOR ST	NORTHEAST WISCONSIN MASONIC CENTER INC	2.756	0	0	0	0	0	0
VH-616	301 N TAYLOR ST	GUSTMAN FAMILY LTD PARTNERSHIP	13.180	1,104,800	3,119,000	4,223,800	4,354,700	0	13.180
VH-616-2	STH 41	WISCONSIN PUBLIC SERVICE CORP	2.422	0	0	0	0	0	2.422
VH-618-1	N TAYLOR ST	MILLS PROPERTIES INC	0.570	42,600	0	42,600	42,600	0.57	0.570
VH-618	213 N TAYLOR ST	MILLS PROPERTIES INC	8.240	935,700	4,104,700	5,040,400	4,622,500	0	8.240
VH-622-3	1935 SHAWANO AV	GOETHE EBEN F & MARGERY A REVOCABLE TRUST	1.749	426,600	150,000	576,600	458,800	0	1.749
VH-622-2	130 S TAYLOR ST	GOETHE EBEN F & MARGERY A REVOCABLE TRUST	0.930	324,100	210,900	535,000	349,800	0	0.930
VH-622-1	134 S TAYLOR ST	MG COMMERCIAL LLC	0.408	99,500	92,500	192,000	152,500	0	0.408
VH-620-2	201 N TAYLOR ST	MILLS PROPERTIES INC	2.790	903,400	289,000	1,192,400	536,900	0	2.790
VH-2044	WOODMAN DR	DAB HOWARD LLC	2.769	116,700	0	116,700	28,100	2.769	0
VH-2043	WOODMAN DR	DAB HOWARD LLC	3.755	141,700	0	141,700	38,100	3.755	0
VH-2042	WOODMAN DR	DAB HOWARD LLC	3.842	143,700	0	143,700	39,000	3.842	0
VH-2041	WOODMAN DR	DAB HOWARD LLC	3.761	141,800	0	141,800	38,100	3.761	0
VH-2040	WOODMAN DR	DAB HOWARD LLC	3.590	127,300	0	127,300	33,600	3.59	0
VH-2039	WOODMAN DR	DAB HOWARD LLC	4.135	161,900	0	161,900	45,200	4.135	0
VH-2046	2323 WOODMAN DR	BFH LLC	5.649	1,419,900	2,516,200	3,936,100	2,956,800	0	0
VH-612	1956 BOND ST	VB INVESTMENT PROPERTIES #1 LLC	10.587	551,900	1,236,100	1,788,000	1,622,400	0	-3.27
			99.445	8,770,500	19,337,500	28,108,000	24,120,700		

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EQUALIZED VALUE TEST

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

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

The following is a list of public works projects that the Village expects to implement in conjunction with this District. Any costs directly or indirectly related to the public works are considered "project costs" and eligible to be paid with tax increment revenues of the District.

- **ACQUISITION/DEMOLITION.** In order to eliminate blight conditions and promote redevelopment, it may be necessary for the Village to acquire and demolish blighted or underutilized properties within the District.
- **LAND ACQUISITION.** The Village may acquire land, which it will then sell to business and/or industries intending to locate in the Village of Howard.
- **SITE GRADING.** Some of the property in the District may require grading to make it suitable for redevelopment.
- **SEWER COLLECTION SYSTEM.** Redevelopment of the area may require an extension or upgrade of existing sewer mains.
- **WATER SYSTEM IMPROVEMENTS.** Redevelopment of the area may require an extension or upgrade of existing water mains.
- **STORM SEWER SYSTEM.** Redevelopment of the area may require an extension of existing storm water mains.
- **STREETS.** Streets within the district are in need of reconfiguration and/or resurfacing/reconstruction.
- **LANDSCAPING.** The Village may provide landscaping such as berms, street trees, lighting and other facilities to attract high quality development to the area.
- **RELOCATION COSTS.** In the event any property is acquired for the projects, expenses including the cost of a relocation plan, director, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195 are considered eligible project costs.

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There are no environmental problems known to exist within the proposed District. If, however, it becomes necessary to evaluate properties, the costs related to all environmental audits and remediation will be considered eligible project costs.
- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** The Village may provide funds to its CDA to be used for administration, planning and operations related to the purposes for which it was established.
- **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 a developer agreement is executed with the recipient of the cash grant.
- **ADMINISTRATIVE/PROFESSIONAL COSTS.** These include but are not limited to a portion of the salaries of Village administrative staff, public works employees, private consultants, and others involved with the projects throughout the project plan implementation. Audit expenses and any expenses associated with dissolving the district are also considered eligible costs.
- **ORGANIZATIONAL COSTS.** These costs include but are not limited to fees of the financial consultant, attorney, engineers, surveyors, mapmakers and other contracted services.
- **FINANCE COSTS.** Interest, financing fees, redemption premiums, and other financing fees are included as project costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the 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 Statute Section 66.1105, in the written opinion of nationally recognized bond 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 and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan (the "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 are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.



**MAP SHOWING PROPOSED IMPROVEMENTS AND USES WITHIN THE
TERRITORY REMAINING**

THIS MAP SHOULD IDENTIFY THE ADDED PROJECT AREAS AND ANY CHANGED USES.

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DETAILED LIST OF ADDITIONAL AND/OR UPDATED PROJECT COSTS

This Section contains information relative to the specific projects and expenditures that the Village anticipates it will undertake or make within the Territory to be incorporated into the District by this Amendment.

All costs are based on 2011 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2011 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 further amending this Plan.

PROPOSED TIF PROJECT COST ESTIMATES

Menards Land Write Down	\$1,600,000
Property Purchase Assistance	<u>\$1,275,000</u>
	\$2,875,000

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ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

The information and exhibits contained within this Section demonstrate that the District, as amended by the subtraction of Territory, will remain economically feasible. The analysis in this section demonstrates the overall cash flow of the District improves by subtracting the identified parcels.

AVAILABLE FINANCING METHODS

Implementation of this Plan will require that the Village issue obligations to provide direct or indirect financing for the Projects to be undertaken. 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. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values). The tables on page 16 provide a calculation of the Village's current and projected G.O. debt capacity. Tables 1 and 2 project, respectively, the Village's equalized value, and the full faith and credit borrowing capacity of the Village. Equalized valuation projections were made using two methods. The first projects future valuation of the Village using the average annual percentage of valuation growth experienced between 2006 and 2010. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2006 and 2010. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the Village utilizing the straight-line valuation projection and considering the existing debt of the Village, demonstrating that the Village will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

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 borrowing capacity.

Utility Revenue Bonds

The Village can issue revenue bonds to be repaid from revenues of the sewer and/or water 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 underwriters 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 G.O. debt limit. If special assessments are levied, the Village must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

PLAN IMPLEMENTATION

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

DEVELOPMENT ASSUMPTIONS

Menards Development	2012	\$8,000,000
Fleet Farm Redevelopment	2014	\$8,750,000

EQUALIZED VALUATION PROJECTION

		<i>Village of Howard, WI</i>			
Projection of General Obligation Debt Borrowing Capacity					
Table 1 - Projection of Growth in Equalized Value (TID IN)					
----PERCENTAGE METHOD----			--STRAIGHT LINE METHOD--		
HISTORICAL DATA					
2006	1,296,020,200		2006	1,296,020,200	
2007	1,341,952,900		2007	1,341,952,900	
2008	1,395,675,400		2008	1,395,675,400	
2009	1,412,188,600		2009	1,412,188,600	
2010	1,381,526,100	1.65%	2010	1,381,526,100	21,376,475
PROJECTED VALUATIONS					
2011	1,404,312,904	1.65%	2011	1,402,902,575	1.55%
2012	1,427,475,552	1.65%	2012	1,424,279,050	1.52%
2013	1,451,020,243	1.65%	2013	1,445,655,525	1.50%
2014	1,474,953,279	1.65%	2014	1,467,032,000	1.48%
2015	1,499,281,065	1.65%	2015	1,488,408,475	1.46%
2016	1,524,010,112	1.65%	2016	1,509,784,950	1.44%
2017	1,549,147,038	1.65%	2017	1,531,161,425	1.42%
2018	1,574,698,571	1.65%	2018	1,552,537,900	1.40%
2019	1,600,671,549	1.65%	2019	1,573,914,375	1.38%
Table 2 - Projection of G.O. Debt Capacity (Based on Straight Line Method)					
BUDGET YEAR	EQUALIZED VALUE	GROSS DEBT LIMIT	DEBT BALANCE	NET BORROWING CAPACITY	
2011	1,381,526,100	69,076,305	2,660,000	66,416,305	
2012	1,402,902,575	70,145,129	2,170,000	67,975,129	
2013	1,424,279,050	71,213,953	1,940,000	69,273,953	
2014	1,445,655,525	72,282,776	1,695,000	70,587,776	
2015	1,467,032,000	73,351,600	1,440,000	71,911,600	
2016	1,488,408,475	74,420,424	1,290,000	73,130,424	
2017	1,509,784,950	75,489,248	1,135,000	74,354,248	
2018	1,531,161,425	76,558,071	970,000	75,588,071	
2019	1,552,537,900	77,626,895	795,000	76,831,895	
2020	1,573,914,375	78,695,719	615,000	78,080,719	
2021	1,595,290,850	79,764,543	420,000	79,344,543	
2022	1,616,667,325	80,833,366	215,000	80,618,366	
2023	1,638,043,800	81,902,190		81,902,190	
2024	1,659,420,275	82,971,014		82,971,014	
2025	1,680,796,750	84,039,838		84,039,838	
2026	1,702,173,225	85,108,661		85,108,661	
2027	1,723,549,700	86,177,485		86,177,485	
2028	1,744,926,175	87,246,309		87,246,309	
2029	1,766,302,650	88,315,133		88,315,133	
2030	1,787,679,125	89,383,956		89,383,956	
2031	1,809,055,600	90,452,780		90,452,780	
2032	1,830,432,075	91,521,604		91,521,604	

IMPLEMENTATION & FINANCING TIMELINE

Village of Howard					
<i>Proposed New TID Capitalization Schedule</i>					
Projects	Menards	Fleet	2012	2014	Total
Establish TID					0
Land Write Down	1,600,000				1,600,000
Property Acquisition		1,275,000			1,275,000
Property Improvement Demolition/Removal		0			0
Contingency					0
Refunding					0
Subtotal	1,600,000	1,275,000	0	0	2,875,000
<i>Plus:</i>					
Estimated Issuance Expenses	30,000	30,000	0	0	
Capitalized Interest	0	0	0	0	
Total Funds Needed	1,630,000	1,305,000	0	0	
<i>Less:</i>					
Interest Earned	0	0	0	0	
TOTAL BORROWING	1,630,000	1,305,000	0	0	

INCREMENT REVENUE PROJECTIONS

Village of Howard TID #4											
Original Base Value		68,155,700									
Property removed		(32,543,600)		Value as of 1/1/2007 not factored up yet							
Personal Property		(657,200)		Value as of 1/1/2007 not factored up yet							
Base Value		34,954,900		Inflation Factor 1.00%							
Construction Year	Valuation Year	Revenue Year	Inflation Increment	Removed Value	Added Value	Fleet Farm Redevelopment	Woodman Dr.	Valuation Increment	Tax Rate	Tax Increment	
1	2007	2008	2009			1,777,300		1,777,300	17.69	31,444	
2	2008	2009	2010		(1,733,400)			43,900	18.05	793	
3	2009	2010	2011		(5,631,000)			(5,587,100)	18.75		
4	2010	2011	2012	0				(5,587,100)	18.56		
5	2011	2012	2013	0		2,297,593		(3,289,507)	18.38		
6	2012	2013	2014	0			8,000,000	4,710,493	18.20	85,709	
7	2013	2014	2015	396,654				5,107,147	18.01	91,997	
8	2014	2015	2016	400,620		2,250,000		7,757,767	17.83	138,347	
9	2015	2016	2017	427,127		6,500,000		14,684,894	17.65	259,261	
10	2016	2017	2018	496,398				15,181,292	17.65	268,025	
11	2017	2018	2019	501,362				15,682,654	17.65	276,877	
12	2018	2019	2020	506,376				16,189,030	17.65	285,817	
13	2019	2020	2021	511,439				16,700,469	17.65	294,846	
14	2020	2021	2022	516,554				17,217,022	17.65	303,966	
15	2021	2022	2023	521,719				17,738,742	17.65	313,177	
16	2022	2023	2024	526,936				18,265,678	17.65	322,480	
17	2023	2024	2025	532,206				18,797,884	17.65	331,876	
18	2024	2025	2026	537,528				19,335,412	17.65	341,366	
19	2025	2026	2027	542,903				19,878,315	17.65	350,951	
20	2026	2027	2028	548,332				20,426,647	17.65	360,632	
21	2027	2028	2029	553,815				20,980,462	17.65	370,410	
22	2028	2029	2030	559,354				21,539,816	17.65	380,285	
23	2029	2030	2031	564,947				22,104,763	17.65	390,259	
24	2030	2031	2032	570,597				22,675,360	17.65	400,333	
25	2031	2032	2033	576,303				23,251,663	17.65	410,507	
26	2032	2033	2034	582,066				23,833,728	17.65	420,784	
27	2033	2034	2035	587,886				24,421,614	17.65	431,163	
Totals			10,961,121	(7,364,400)	4,074,893	8,750,000	8,000,000	24,421,614		6,861,306	
2007 - TID Closure Present Value @								5.00%		3,719,826	
2007 - TID Closure Present Value @								7.00%		4,916,087	

Represents 7% of removed property value added back in as increment (based on original Assessors Report vs. DOR base value)

CASH FLOW

Year		Proposed 8/1 2011 Menard PAYG			Proposed 8/1 2012 Fleet PAYG			Total Debt Payments	Projected TID Increment	Transfers In	Refunding	1.00% Interest Earnings	Total Revenues	Annual Balance	Cumulative Balance	Outstanding Debt	Year
		Principal	Rate	Interest	Principal	Rate	Interest										
2010							89,650	0				6,746	6,746	1,349,299	1,630,000	2010	
2011		5.50%	89,650	89,650	5.50%	71,775	161,425	0			12,664	12,664	12,664	(82,904)	2,935,000	2011	
2012		5.50%	89,650	89,650	5.50%	71,775	161,425	0			11,176	11,176	11,176	(148,761)	2,935,000	2012	
2013		5.50%	89,650	89,650	5.50%	71,775	211,425	85,709			9,674	9,674	95,383	(150,249)	2,935,000	2013	
2014	50,000	5.50%	86,900	86,900	5.50%	71,775	233,675	91,997			8,513	8,513	100,511	(116,042)	2,885,000	2014	
2015	75,000	5.50%	82,775	82,775	5.50%	71,775	304,650	138,347			7,182	7,182	145,528	(133,164)	2,810,000	2015	
2016	100,000	5.50%	77,275	77,275	5.50%	69,025	346,300	259,261			5,592	5,592	264,853	(159,022)	2,660,000	2016	
2017	125,000	5.50%	70,400	70,400	5.50%	64,900	360,300	268,025			4,777	4,777	272,802	(87,498)	2,460,000	2017	
2018	125,000	5.50%	63,525	63,525	5.50%	59,400	372,925	276,877			3,902	3,902	280,779	(92,146)	2,235,000	2018	
2019	130,000	5.50%	56,650	56,650	5.50%	52,525	364,175	285,817			2,981	2,981	288,798	(75,377)	1,985,000	2019	
2020	150,000	5.50%	49,500	49,500	5.50%	46,650	370,150	294,846			2,227	2,227	297,073	(73,077)	1,730,000	2020	
2021	150,000	5.50%	41,250	41,250	5.50%	38,775	355,025	303,966			1,496	1,496	305,462	(49,563)	1,455,000	2021	
2022	150,000	5.50%	33,000	33,000	5.50%	31,900	344,900	313,177			1,001	1,001	314,178	(30,722)	1,180,000	2022	
2023	150,000	5.50%	24,750	24,750	5.50%	24,750	349,500	322,480			693	693	323,173	(894)	900,000	2023	
2024	150,000	5.50%	16,500	16,500	5.50%	16,500	333,000	331,876			430	430	332,306	(26,327)	600,000	2024	
2025	150,000	5.50%	8,250	8,250	5.50%	8,250	316,500	341,366			423	423	341,789	0	300,000	2025	
2026		5.50%	0	0	5.50%	0	0	350,951			676	676	351,627	351,627	0	2026	
2027		5.50%	0	0	5.50%	0	0	360,632			4,192	4,192	364,824	364,824	0	2027	
2028		5.50%	0	0	5.50%	0	0	370,410			7,840	7,840	378,250	378,250	0	2028	
2029		5.50%	0	0	5.50%	0	0	380,285			11,623	11,623	391,908	391,908	0	2029	
2030		5.50%	0	0	5.50%	0	0	390,259			15,542	15,542	405,601	405,601	0	2030	
2031		5.50%	0	0	5.50%	0	0	400,333			19,600	19,600	419,933	419,933	0	2031	
2032		5.50%	0	0	5.50%	0	0	410,507			23,799	23,799	434,307	434,307	0	2032	
2033		5.50%	0	0	5.50%	0	0	420,784			28,142	28,142	448,926	448,926	0	2033	
2034		5.50%	0	0	5.50%	0	0	431,163			32,632	32,632	463,795	463,795	0	2034	
2035		5.50%	0	0	5.50%	0	0	0	0	0	0	0	0	0	0	2035	
TOTAL	1,630,000		969,375	969,375		770,550	4,785,789	6,860,513	1,300,000	0	223,525	8,384,038	3,599,249				



Village of Howard

TID #4 Projection

11 ANNEXED PROPERTY

No annexed territory will be added to the District as a result of this amendment.

12 ESTIMATE OF REMAINING DISTRICT TO BE DEVOTED TO RETAIL BUSINESS

The Village estimates that approximately 75% of the territory within the District, as amended, will be devoted to retail business at the end of the District's maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.

13 PROPOSED CHANGES IN ZONING ORDINANCES

The Village of Howard does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Amended Project Plan.

14

**PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES
AND VILLAGE OF HOWARD ORDINANCES**

It is expected that this Plan will be complementary to the Village's Master Plan. There are no proposed changes to the master plan, map, building codes or other Village of Howard ordinances for the implementation of this Plan.

15

RELOCATION

It is not anticipated there will be a need to relocate any 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 state statutes as required in Wisconsin Statutes chapter 32.

16

**ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE
VILLAGE OF HOWARD**

This amendment contributes to the orderly development and/or redevelopment of the Village by providing the opportunity for continued growth in tax base and job opportunities. As part of the reconstruction of the US41/STH29 interchange, there will be significant changes in traffic patterns impacting the area through the District. The redevelopment of the Fleet Farm site will happen due to the abandonment of Dousman Street, and the development of the Menards facility will result in new jobs.

17

A 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.

18

**OPINION OF ATTORNEY FOR THE VILLAGE OF HOWARD ADVISING
WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN
STATUTES, SECTION 66.1105**

July 6, 2011

SAMPLE

Burt McIntyre, Village President
Village of Howard
2456 Glendale Avenue, P.O. Box 12207
Howard, Wisconsin 54307

RE: Village of Howard, Wisconsin Tax Incremental District No. 4 Amendment

Dear Village President:

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

Sincerely,

Attorney Dennis M. Duffy
Village of Howard