



VILLAGE OF CALEDONIA, WISCONSIN

Project Plan for the Creation of Tax Incremental District No. 3



September 30, 2011

<i>Organizational Joint Review Board Meeting Held:</i>	<i>September 6, 2011</i>
<i>Public Hearing Held:</i>	<i>September 6, 2011</i>
<i>Adopted by Community Development Authority:</i>	<i>September 6, 2011</i>
<i>Adopted by Village Board:</i>	<i>September 20, 2011</i>
<i>Consideration for Approval by the Joint Review Board:</i>	<i>October 6, 2011</i>

Tax Incremental District No. 3 Creation Project Plan

Village of Caledonia Officials

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Kathy Burton	Village Trustee
Jim Dobbs	Village Trustee
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Kevin Wanggaard	Village Trustee
Tom Weatherston	Village Trustee
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Tim Pruitt	Village Attorney
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Larry Borchert	Village Finance Director
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Ronald Coutts	Dr. Timothy Schneider
Tom Weatherston	Elizabeth Kocjan
John Shannon	Charles Kamakian

Joint Review Board

Ron Coutts	Village Representative
Doug Stansil	Racine County
Mark Zlevor	Gateway Technical College District
	Racine School District
Tom Knitter	Public Member

TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
TYPE & GENERAL DESCRIPTION OF DISTRICT	7
MAP OF PROPOSED DISTRICT BOUNDARY	8
MAP SHOWING EXISTING USES AND CONDITIONS	9
PRELIMINARY PARCEL LIST & ANALYSIS.....	10
EQUALIZED VALUE TEST.....	11
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS	12
MAPS SHOWING PROPOSED IMPROVEMENTS AND USES.....	17
DETAILED LIST OF PROJECT COSTS.....	19
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	21
ANNEXED PROPERTY.....	30
ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS	30
PROPOSED CHANGES IN ZONING ORDINANCES.....	30
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF CALEDONIA ORDINANCES	30
RELOCATION	31
ORDERLY DEVELOPMENT OF THE VILLAGE OF CALEDONIA.....	31
A LIST OF ESTIMATED NON-PROJECT COSTS	31
OPINION OF ATTORNEY FOR THE VILLAGE OF CALEDONIA ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105	32
EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO THE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS	33

1

EXECUTIVE SUMMARY

DESCRIPTION OF DISTRICT

- Type of District, Size and Location. TID No. 3 is proposed to be created as an industrial district. A map of the proposed District boundaries are located in Section 3 of this plan.
- Estimated Total Project Expenditures. The Village anticipates making total project expenditures of approximately \$11,985,000 to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in 3 phases. The Expenditure Period of this District is 15 years from the date of adoption of the Creation Resolution by the Village Board. The projects to be undertaken pursuant to this Project Plan are expected to be financed with various financing methods issued by the Village, however, the Village may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Village, or provide other advantages as determined by the Village Board. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan.
- Economic Development. As a result of the creation of this District, the Village projects that additional land and improvements value of approximately \$90,000,000 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment, and associated values is located in Section 10 of this plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.
- Expected Termination of District. Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2032.

SUMMARY OF FINDINGS

As required by s.66.1105 Wis. Stats., and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the Village. In making this determination, the Village has considered the following information:

- In order to make the areas included within the District suitable for development , the Village will need to make a substantial investment to pay for the costs of: property, right-of-way and easement acquisition, site preparation, installation of utilities; installation of streets and related streetscape items; development incentive payments, façade, grants and loans, and other associated costs. Due to the extensive initial investment in public infrastructure that is required in order to allow to occur, the Village has determined that development of the area will not occur solely as a result of private investment. Accordingly, the Village finds that absent the use of TIF, development of the area is unlikely to occur.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the Village has considered the following information:
- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
 - Of the two known developments, it is anticipated that approximately 70 jobs will be created that range in annual compensation of between \$35,000 and \$55,000. The balance of the district will result in job creation as well, but it is impossible to gauge specifically the magnitude at this time.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- If approved, the District creation would become effective for valuation purposes as of January 1, 2011. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2011 would be collected by the Tax Increment District and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the Village reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can found in Appendix A of this plan.

4. Not less than 50% by area of the real property within the District is suitable for industrial sites and zoned for industrial use within the meaning of Section 66.1101 of the Wisconsin Statutes. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of the creation of the District will remain zoned for industrial use for the life of the District.
5. Based upon the findings, as stated above, the District is declared to be an industrial based on the identification and classification of the property included within the district.
6. The project costs relate directly to promoting industrial development in the District consistent with the purpose for which the District is created.
7. The improvements of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District plus the value increment of all existing tax incremental districts within the Village, does not exceed 12% of the total equalized value of taxable property within the Village.
9. The Village estimates that approximately no more than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.
10. The Project Plan for the District in the Village is feasible, and is in conformity with the master plan of the Village.

2

TYPE & GENERAL DESCRIPTION OF DISTRICT

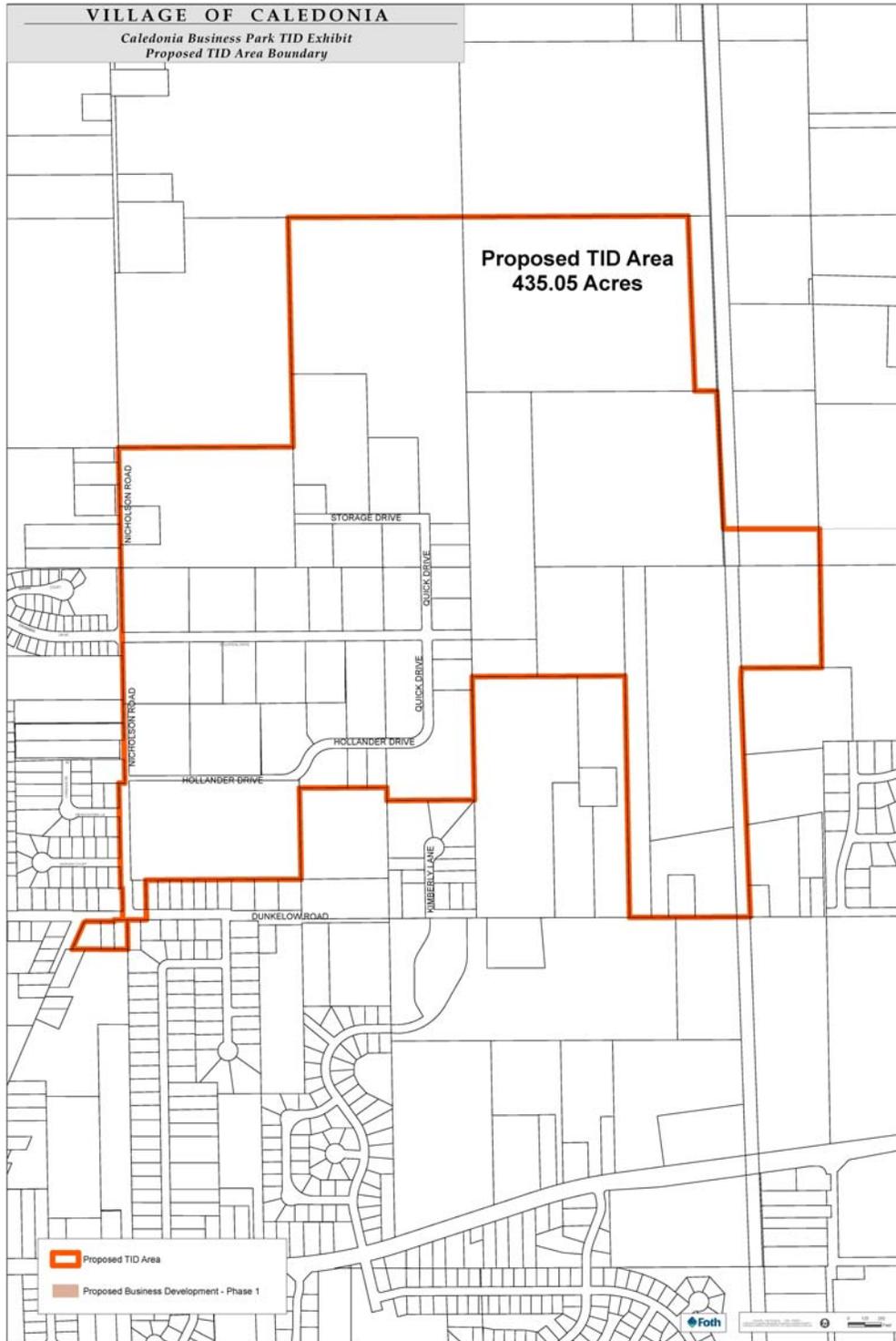
Tax Incremental District No. 3 (the “District”) is being created by the Village of Caledonia under the authority provided by Wisconsin Statute Section 66.1105. This District is created as an “Industrial District” based upon a finding that at least 50%, by area, of the real property within the District is zoned and suitable for industrial sites within the meaning of Wisconsin Statute Section 66.1101 (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test).

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

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

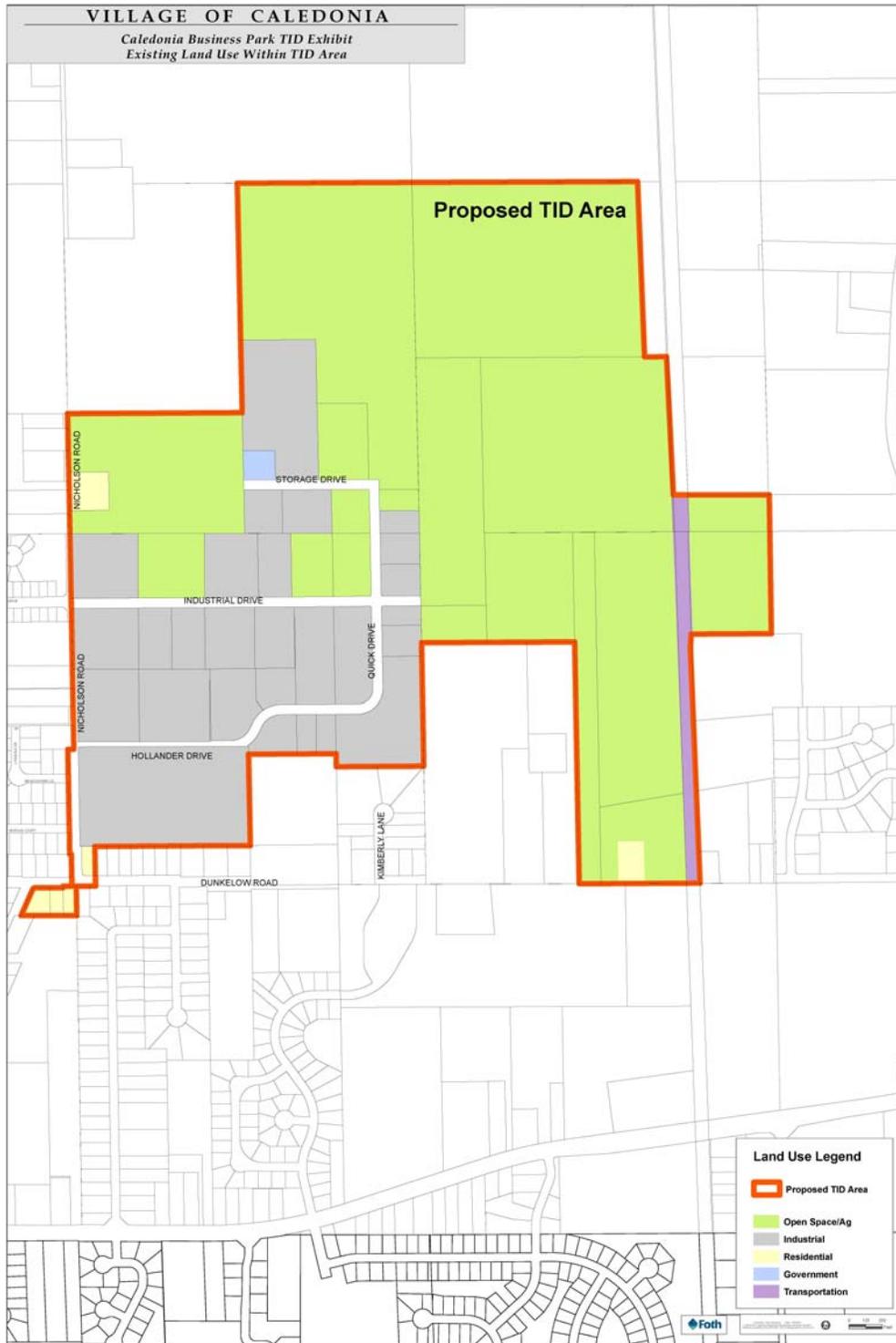
3

MAP OF PROPOSED DISTRICT BOUNDARY



4

MAP SHOWING EXISTING USES AND CONDITIONS



5

PRELIMINARY PARCEL LIST & ANALYSIS

PARCEL #	NAME OF PARCEL OWNER	ASSESSED	ASSESSED	PARCEL ACREAGE	ASSESSMENT CLASSIFICATION
		LAND VALUE	IMPROVEMENT VALUE		
104042227017000	MAJESTIC NORTH DEVL MNT	5,600	0	25.08	Agriculture
104042227017010	JENSEN	77,000	99,600	2.00	Residential
104042227018000	MAJESTIC NORTH DEVL MNT	8,400	0	40.46	Agriculture
104042227018000	MAJESTIC NORTH DEVL MNT	45,000	0	9.00	Commercial
104042227018010	CALDEDONIA WATER UTILITY	0	0	1.21	Exempt
104042227018020	STORAGE MASTERS LLC	838,500	1,759,600	12.50	Commercial
104042227018030	MAJESTIC NORTH DEVL MNT	145,800	0	5.00	Commercial
104042227018040	DRESEN	71,700	162,200	2.15	Commercial
104042227018050	G&L REAL ESTATE INVESTMENTS	125,600	475,800	2.80	Commercial
104042227018060	MAJESTIC NORTH DEVL MNT	72,700	0	2.16	Commercial
104042227018070	MAJESTIC NORTH DEVL MNT	37,400	0	1.09	Commercial
104042227018080	EHMKE LIVING TRUST	39,800	89,900	1.16	Commercial
104042227019000	MAJESTIC NORTH DEVL MNT	11,300	0	51.99	Agriculture
104042227022000	OLLEY	9,800	0	45.73	Agriculture
104042227022000	OLLEY	800	0	1.00	Undeveloped
104042233060020	CIALDINI	61,600	181,800	0.48	Residential
104042233060040	CALTEAUX	71,500	187,600	0.79	Residential
104042233060050	LICHTER	61,600	155,400	0.48	Residential
104042234001000	OLLEY	8,000	0	39.41	Agriculture
104042234006000	BERES ETAL	3,900	0	17.61	Agriculture
104042234008011	MAJESTIC NORTH DEVL MNT	4,600	0	20.94	Agriculture
104042234008012	OLLEY	2,300	0	12.77	Agriculture
104042234008013	MAJESTIC NORTH DEVL MNT	2,400	0	3.15	Undeveloped
104042234012012	YUST ENTERPRISES LLC	45,700	301,100	1.00	Commercial
104042234012013	YUST ENTERPRISES LLC	72,700	138,500	1.59	Commercial
104042234012020	MAJESTIC NORTH DEVL MNT	99,900	0	3.12	Commercial
104042234012040	GREENWOOD FAMILY LTD PTSHP	73,600	214,500	1.61	Commercial
104042234012050	RYDZKYDZ LLC	74,600	181,000	1.63	Commercial
104042234020020	BORZYNSKI BROS PROPERTIES	87,300	196,900	3.18	Commercial
104042234020030	RUETZ	196,700	1,375,100	4.30	Commercial
104042234020040	WELSH CNL FUND I LLC			29.20	Manufacturing
104042234020051	JONES/SHINLER-JONES	199,500	1,256,400	4.13	Commercial
104042234020054	PELTIER TRUST	45,900	125,200	1.00	Commercial
104042234020056	ALLIANCE LAND CO LLC	45,700	253,300	1.00	Commercial
104042234020060	AW REAL ESTATE LLC			2.00	Manufacturing
104042234020070	CALEDONIA PROPERTIES LLC			4.75	Manufacturing
104042234020071	CALEDONIA PROPERTIES LLC			5.00	Manufacturing
104042234020080	CALEDONIA PROPERTIES LLC			9.10	Manufacturing
104042234020090	REALTY UNDER MANAGEMENT LLC	88,300	454,400	1.93	Commercial
104042234022000	DREWCO CORP			5.38	Manufacturing
104042234022010	HENNING			2.67	Manufacturing
104042234022020	A W BETIELIGUNG & CONSULTNG GMBH			2.65	Manufacturing
104042234025000	BEI REALTY COMPANY LLC			5.68	Manufacturing
104042234026000	UNICO INC			6.65	Manufacturing
104042234027000	UNICO INC	185,300	0	6.65	Commercial
104042234028000	BEI REALTY COMPANY LLC	187,900	0	5.75	Commercial
104042234028001	MAMCO CORPORATION			4.76	Manufacturing
104042234028004	MAMCO CORPORATION			2.97	Manufacturing
104042234028005	MAMCO CORPORATION			3.70	Manufacturing
104042234087000	RAILROAD				Exempt
104042234137010	THOMPSON/SCHURRER	57,900	136,600	0.45	Residential
		3,166,300	7,744,900	420.81	

6

EQUALIZED VALUE TEST

The following calculations demonstrate that the Village is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the Village.

The equalized value of the increment of existing Tax Incremental Districts within the Village, plus the base value of the proposed District, totals \$11,502,400. This value is less than the maximum of \$258,118,152 in equalized value that is permitted for the Village of Caledonia. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

<i>Village of Caledonia, WI</i>			
Tax Increment District No. 3			
Valuation Test Compliance Calculation			
Anticipated Creation Date:	9/20/2011	Valuation Data Currently Available	Valuation Data Establishing 12% Limit Based on Anticipated Creation Date
Property Appreciation Factor:	5.00%	ACTUAL	ESTIMATED
As of January 1,		2011	2012
Total Equalized Value (TID IN)		2,150,984,600	2,258,533,830
Limit for 12% Test		258,118,152	271,024,060
Increment Value of Existing TID's			
TID No. 1 Increment	0	0	Percentage Increase in Base Value at Which EV Test will Fail 2144.04%
TID No. 2 Increment	0	0	
Total Existing Increment		0	0
Projected Base Value of New District		11,502,400	12,077,520
Existing TID New Construction Factor			
TOTAL VALUE SUBJECT TO TEST/LIMIT		11,502,400	12,077,520
COMPLIANCE		PASS	PASS



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.** In order to promote and facilitate development 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. 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 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.
- **PROPERTY ACQUISITION FOR CONSERVANCY.** In order to promote the objectives of this Plan, the Village intends to acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife, maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.
- **ACQUISITION OF RIGHTS-OF-WAY.** The Village may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire rights-of-way are eligible Project Costs.
- **ACQUISITION OF EASEMENTS.** The Village may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the Village to identify, negotiate and acquire easement rights are eligible Project Costs.
- **RELOCATION COSTS.** If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

SITE PREPARATION ACTIVITIES

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the Village related to environmental audits, testing, and remediation are eligible Project Costs.
- **DEMOLITION.** In order to make sites suitable for development , the Village may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.
- **SITE GRADING.** Land within the District may require grading to make it suitable for development , to provide access, and to control stormwater runoff. The Village may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the Village for site grading are eligible Project Costs.

UTILITIES

- **SANITARY SEWER SYSTEM IMPROVEMENTS.** There are inadequate sanitary sewer facilities serving the District. To allow development to occur, the Village may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Section 66.1105(2)(f)1 k.
- **WATER SYSTEM IMPROVEMENTS.** There are inadequate water distribution facilities serving the District. To allow development to occur, the Village may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs.
- **STORMWATER MANAGEMENT SYSTEM IMPROVEMENTS.** Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the Village

will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs.

- **ELECTRIC SERVICE.** In order to create sites suitable for development , the Village may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the Village to undertake this work are eligible Project Costs.
- **GAS SERVICE.** In order to create sites suitable for development , the Village may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the Village to undertake this work are eligible Project Costs.
- **COMMUNICATIONS INFRASTRUCTURE.** In order to create sites suitable for development , the Village may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the Village to undertake this work are eligible Project Costs.

STREETS AND STREETSCAPE

- **STREET IMPROVEMENTS.** There are inadequate street improvements serving the District. To allow development to occur, the Village may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.
- **STREETSCAPING AND LANDSCAPING.** In order to attract development consistent with the objectives of this Plan, the Village may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the Village are eligible Project Costs.

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 operations, and capital costs, including but not limited to real property acquisition, 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 , 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.
- **PROJECTS OUTSIDE THE TAX INCREMENT DISTRICT.** Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the Village's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The Village intends to make the following project cost expenditures outside the District: Reconstruction / improvement of Nicholson Road.
- **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.

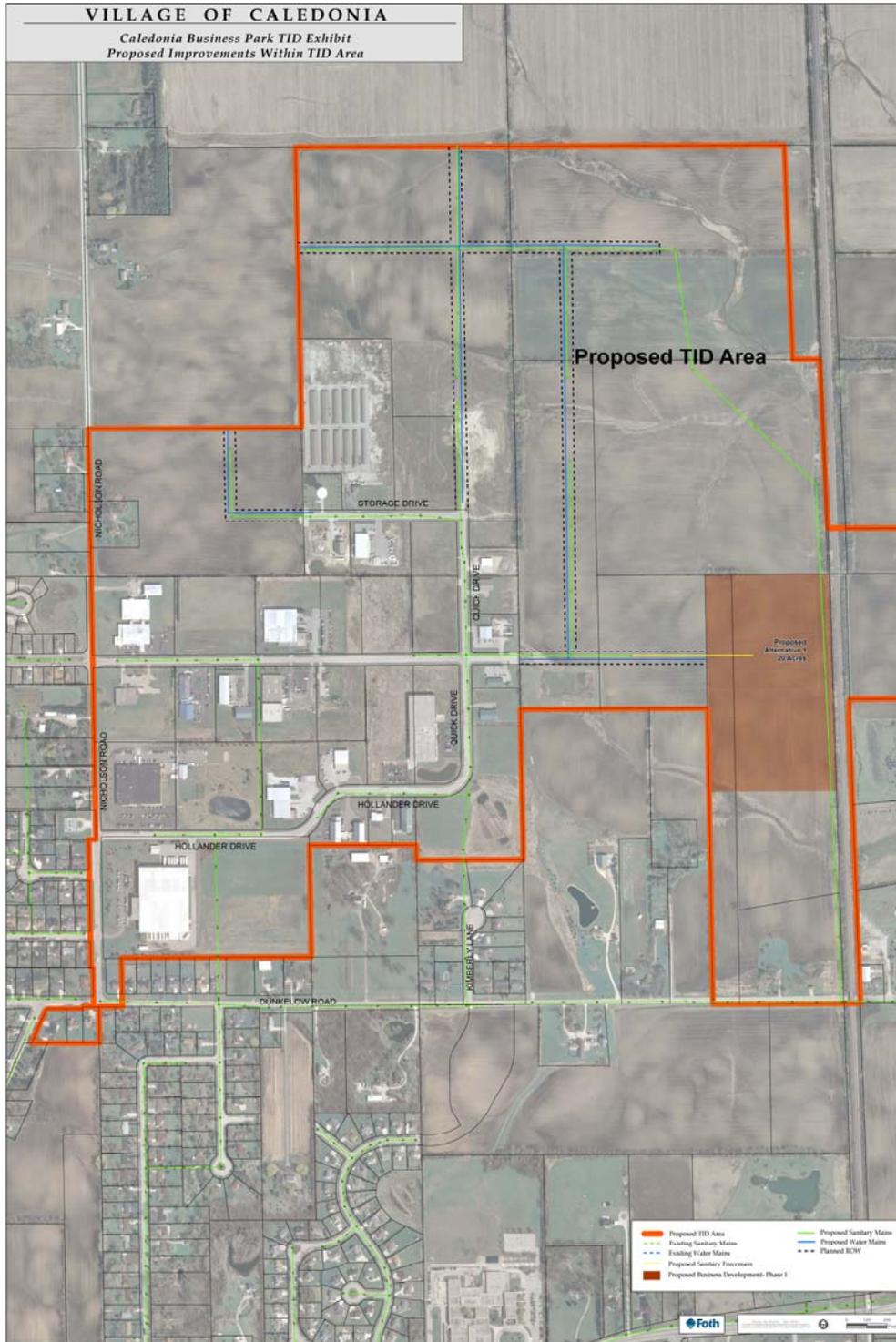
In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the Village for such purpose or a court of record so rules in a final order, then 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").

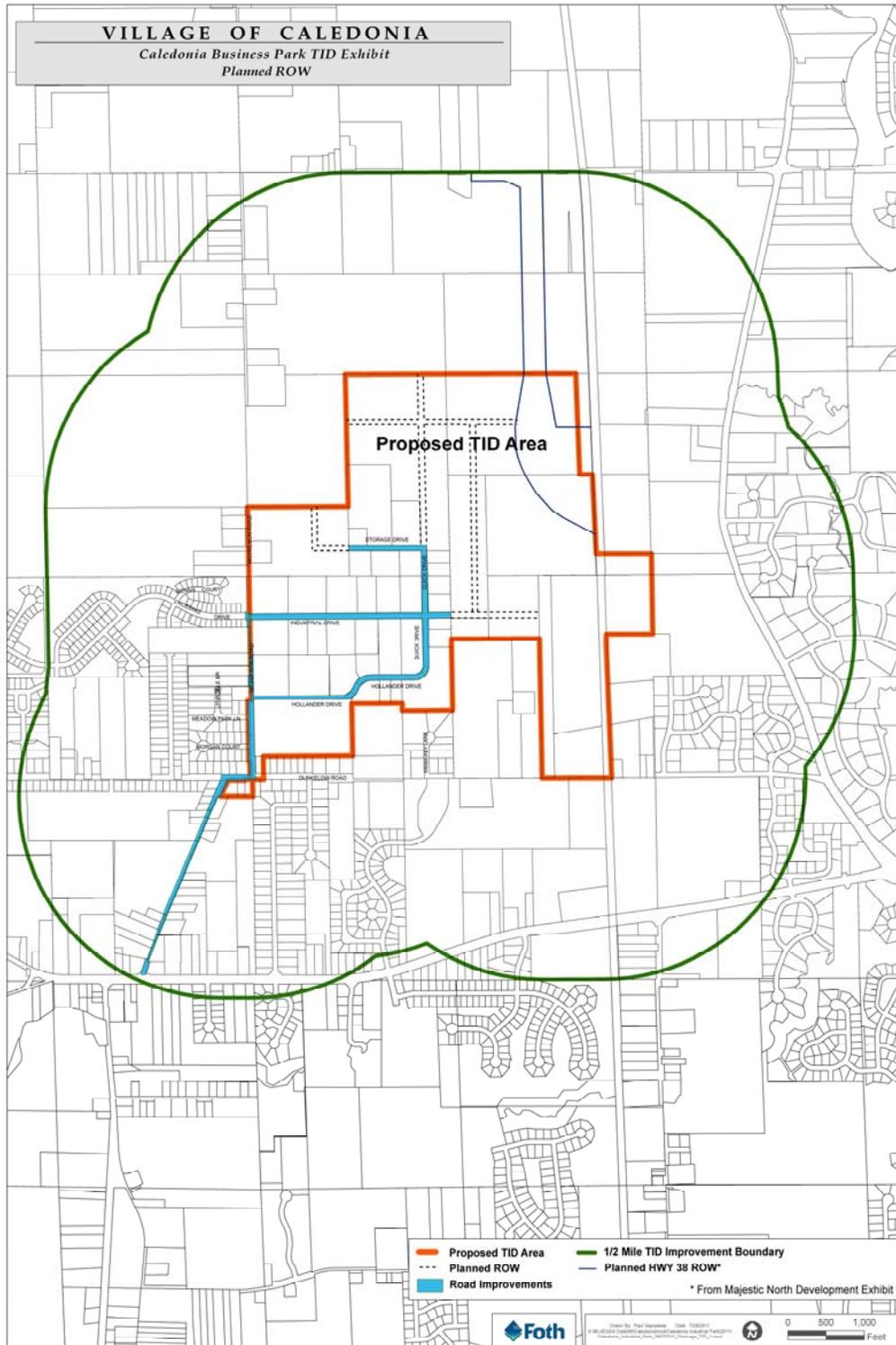
The Village reserves the right to implement only those projects that remain viable as the Plan period proceeds.

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

MAPS SHOWING PROPOSED IMPROVEMENTS AND USES





9

DETAILED LIST OF PROJECT COSTS

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 amending the Plan.

PROPOSED TIF PROJECT COST ESTIMATES

	Phase I	Phase II	Phase III
	2012	2016	Multi-Year
Projects			
Truck Route Improvements	1,540,000		
Industrial Park Road Rehabilitation	865,000		
Phase I Industrial Drive Road and Water Extension	575,000		
Phase I Sewer Improvements	165,000		
Phase I Stormwater Improvements	215,000		
Phase I Signage and Lighting	370,000		
Phase I Rail Spur	840,000		
Phase I Dev. Incentives/Contribution to Revolving Loan Fund			600,000
Phase II Industrial Drive Road and Water Extension		1,900,000	
Phase II Sewer Improvements		2,630,000	
Phase II Stormwater Improvements		700,000	
Phase II Signage and Lighting		385,000	
Phase II Dev. Incentives/Contribution to Revolving Loan Fund			600,000
Phase III Dev. Incentives/Contribution to Revolving Loan Fund			600,000
Subtotal Needed for Projects	4,570,000	5,615,000	1,800,000



Village of Caledonia, WI

**Tax Increment District No. 3
Project List**



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 proposed District is economically feasible insofar as:

- The Village has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The Village expects to complete the projects in one or more phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to incur is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) a projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

AVAILABLE FINANCING METHODS

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 23 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 2007 and 2011. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2007 and 2011. 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.

Tax Increment Revenue Bonds

The Village has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the Village, or as a Lease Revenue Bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the Village and therefore do not count against the Village’s borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the Village may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The Village can issue revenue bonds to be repaid from revenues of the 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 Caledonia, WI



Projection of General Obligation Debt Borrowing Capacity

2ND DRAFT

Table 1 - Projection of Growth in Equalized Value (TID IN)

----PERCENTAGE METHOD----			--STRAIGHT LINE METHOD--		
HISTORICAL DATA					
2007	2,272,096,400		2007	2,272,096,400	
2008	2,313,198,500		2008	2,313,198,500	
2009	2,235,070,300		2009	2,235,070,300	
2010	2,152,771,600		2010	2,152,771,600	
2011	2,150,984,600	-1.33%	2011	2,150,984,600	-30,277,950
PROJECTED VALUATIONS					
2012	2,122,320,585	-1.33%	2012	2,120,706,650	-1.41%
2013	2,094,038,548	-1.33%	2013	2,090,428,700	-1.43%
2014	2,066,133,396	-1.33%	2014	2,060,150,750	-1.45%
2015	2,038,600,108	-1.33%	2015	2,029,872,800	-1.47%
2016	2,011,433,729	-1.33%	2016	1,999,594,850	-1.49%
2017	1,984,629,369	-1.33%	2017	1,969,316,900	-1.51%
2018	1,958,182,204	-1.33%	2018	1,939,038,950	-1.54%
2019	1,932,087,474	-1.33%	2019	1,908,761,000	-1.56%
2020	1,906,340,482	-1.33%	2020	1,878,483,050	-1.59%

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
2012	2,150,984,600	107,549,230	22,691,478	84,857,752
2013	2,120,706,650	106,035,333	20,532,907	85,502,426
2014	2,090,428,700	104,521,435	18,272,945	86,248,490
2015	2,060,150,750	103,007,538	15,862,886	87,144,652
2016	2,029,872,800	101,493,640	13,410,476	88,083,164
2017	1,999,594,850	99,979,743	11,197,691	88,782,052
2018	1,969,316,900	98,465,845	8,906,145	89,559,700
2019	1,939,038,950	96,951,948	7,379,367	89,572,581
2020	1,908,761,000	95,438,050	6,052,152	89,385,898
2021	1,878,483,050	93,924,153	4,988,841	88,935,312
2022	1,848,205,100	92,410,255	4,134,098	88,276,157
2023	1,817,927,150	90,896,358	3,236,515	87,659,843
2024	1,787,649,200	89,382,460	2,261,327	87,121,133
2025	1,757,371,250	87,868,563	1,798,222	86,070,341
2026	1,727,093,300	86,354,665	1,323,628	85,031,037
2027	1,696,815,350	84,840,768	1,086,449	83,754,319
2028	1,666,537,400	83,326,870	836,225	82,490,645
2029	1,636,259,450	81,812,973	572,238	81,240,735
2030	1,605,981,500	80,299,075	293,819	80,005,256
2031	1,575,703,550	78,785,178		78,785,178
2032	1,545,425,600	77,271,280		77,271,280
2033	1,515,147,650	75,757,383		75,757,383

PLAN IMPLEMENTATION

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the Village and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

If financing as outlined in this Plan proves unworkable, the Village reserves the right to use alternate financing solutions for the projects as they are implemented.

IMPLEMENTATION & FINANCING TIMELINE

		G.O. Bond		Municipal Revenue Obligation (MRO)	Total Net Project Costs
		Phase I	Phase II	Phases I, II & III	All Phases
Projects					
Phase I Projects		4,570,000		600,000	5,170,000
Phase II Projects			5,615,000	600,000	6,215,000
Phase III Projects				600,000	600,000
Less Potential Grants	10%	(457,000)	(561,500)		(1,018,500)
Less Potential Non-TID Costs	20%	(914,000)	(1,123,000)		(2,037,000)
Subtotal Needed for Projects		3,199,000	3,930,500	1,800,000	8,929,500
Finance Related Expenses					
Issuance Expenses	\$25.00	93,375	111,875	\$0.00	0
Capitalized Interest	@ 4.0%	448,200	447,500		
Total Financing Required		3,740,575	4,489,875	1,800,000	
<i>Estimated Interest Earnings</i>	0.50%	(7,267)	(13,377)	0.00%	0
<i>Assumed Spend Down (Months)</i>	12		12	1	
Rounding		1,692	(1,498)	0	
NET ISSUE SIZE	#	3,735,000	4,475,000	1,800,000	
	0				

DEVELOPMENT ASSUMPTIONS



Village of Caledonia, WI

**Tax Increment District No. 3
Development Assumptions**



Construction Year	Phase I - Confidential	Phase I - Balance	Phase II	Future Phases	Annual Total
2011					0
2012	3,500,000				3,500,000
2013	3,867,500				3,867,500
2014		3,000,000			3,000,000
2015		3,000,000			3,000,000
2016		3,600,000			3,600,000
2017			3,600,000		3,600,000
2018			3,600,000		3,600,000
2019			4,200,000		4,200,000
2020			4,200,000		4,200,000
2021			4,200,000		4,200,000
2022			4,800,000		4,800,000
2023			4,800,000		4,800,000
2024			4,800,000		4,800,000
2025			7,200,000		7,200,000
2026			7,200,000		7,200,000
2027			7,200,000		7,200,000
2028			7,200,000		7,200,000
2029			4,800,000		4,800,000
2030			3,600,000		3,600,000
TOTALS	7,367,500	9,600,000	71,400,000	0	88,367,500

NOTES:
It is anticipated that the net developable per acre value of \$300,000. For the purpose of this analysis, it is anticipated that the average industrial lot will comprise of between 8 acres, with a net increment value of \$2,400,000. It is further anticipated that between 8 and 24 acres will develop on an annual basis, with higher development rates occurring after 2020. These development value targets will be more readily achievable if the Village allows more than 60% impermeable surface for sites within the TID, pursuant to Sec. 16-3-7 of the zoning code.

SEC. 16-3-7 IMPERMEABLE SURFACE.

A site plan for an undeveloped site or site that is to be redeveloped shall not contain more than 60% of impermeable surface, including but not limited to buildings, pavement or other covering material that are impervious to surface water absorption. A site that contains existing structures, impermeable surfaces or is located in a Village center, may contain more than 60% of impermeable surface if allowed by the Village, or in the discretion of the Village if alternative filtration systems are planned and implemented.

Proposed Private Development (Development Assumptions)

With the construction of the improvements, the following development assumptions have been utilized in gauging the tax increment that could develop:

1. Phase I Development:	
a. Development A	3,500,000
b. Development B	3,867,500
c. Balance Phase I (24 acres)	9,600,000
2. Phase II	
a. Net 238 acres developed	71,400,000
Total	\$88,367,500

The financial analysis shows the cash flows resulting from the development assumptions outlined above.

A second “sensitivity” analysis was conducted, but not included, to show the impact of a 25% reduction in development values. Based on the reduction, the Village would still be in a position to “cash flow” the district utilizing a provision of in the current TID law that allows the extension of the district up to 3 years. Another option would be to reduce or delay expenditures further to allow expenditures to match up to projected revenue streams.

INCREM ENT REVENUE PROJECTIONS

Village of Caledonia, WI

Tax Increment District No. 3 Tax Increment Projection Worksheet

Type of District	Industrial
Anticipated Creation Date	9/20/2011
Valuation Date	Jan. 1, 2011
Maximum Life (In Years)	20
Expenditure Period (In Years)	15
Revenue Periods/Final Rev Year	20 2032
End of Expenditure Period	9/20/2026
Latest Termination Date	9/20/2031
Eligible for Extension/No. of Years	Yes 3
Eligible Recipient District	No

Projected Base Value	0
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor	1.00%
Current Tax Rate (Per \$1,000 EV)	\$20.00
Tax Rate Adjustment Factor (Next 2 Years)	-2.00%
Tax Rate Adjustment Factor (Following 2 Years)	-1.00%
Tax Rate Adjustment Factor (Thereafter)	0.00%
Discount Rate 1 for NPV Calculation	4.00%
Discount Rate 2 for NPV Calculation	5.00%

Apply Inflation Factor to Base?

X



Net Present Value Calculation

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Cumulative @ 4.00%	Cumulative @ 5.00%
2011	0	2012	0	0	2013	19.20	0	0	0
2012	3,500,000	2013	0	3,500,000	2014	19.01	66,528	56,868	54,733
2013	3,867,500	2014	35,000	7,402,500	2015	18.82	139,300	171,363	163,878
2014	3,000,000	2015	74,025	10,476,525	2016	18.82	197,146	327,170	310,991
2015	3,000,000	2016	104,765	13,581,290	2017	18.82	255,572	521,384	492,621
2016	3,600,000	2017	135,813	17,317,103	2018	18.82	325,872	759,495	713,184
2017	3,600,000	2018	173,171	21,090,274	2019	18.82	396,875	1,038,334	969,013
2018	3,600,000	2019	210,903	24,901,177	2020	18.82	468,588	1,354,896	1,256,686
2019	4,200,000	2020	249,012	29,350,189	2021	18.82	552,310	1,713,665	1,579,610
2020	4,200,000	2021	293,502	33,843,691	2022	18.82	636,868	2,111,451	1,934,242
2021	4,200,000	2022	338,437	38,382,127	2023	18.82	722,272	2,545,229	2,317,278
2022	4,800,000	2023	383,821	43,565,949	2024	18.82	819,821	3,018,655	2,731,343
2023	4,800,000	2024	435,659	48,801,608	2025	18.82	918,345	3,528,679	3,173,083
2024	4,800,000	2025	488,016	54,089,624	2026	18.82	1,017,854	4,072,020	3,639,373
2025	7,200,000	2026	540,896	61,830,521	2027	18.82	1,163,522	4,669,341	4,147,014
2026	7,200,000	2027	618,305	69,648,826	2028	18.82	1,310,646	5,316,313	4,691,615
2027	7,200,000	2028	696,488	77,545,314	2029	18.82	1,459,242	6,008,930	5,269,086
2028	7,200,000	2029	775,453	85,520,767	2030	18.82	1,609,323	6,743,404	5,875,623
2029	4,800,000	2030	855,208	91,175,975	2031	18.82	1,715,742	7,496,330	6,491,475
2030	3,600,000	2031	911,760	95,687,735	2032	18.82	1,800,644	8,256,121	7,107,025
88,367,500		7,320,235		Future Value of Increment		15,576,468			



CASH FLOW

Village of Caledonia, WI

Tax Increment District No. 3
Cash Flow Pro Forma



Year	Revenues				Expenditures									Balances		Project Cost Principal Outstanding	Year			
	Tax Increments	Investment Earnings	Cap I	Total Revenues	G.O. Bond \$3,735,000 Dated 4/1/12			G.O. Bond \$4,475,000 Dated 4/1/16			Municipal Revenue Obligation (MRO) \$1,800,000 Multiple Issues			Admin	Marketing			Total Expenditures	Annual	Cumulative
					Prin (3/1)	Est. Rate	Interest	Prin (3/1)	Est. Rate	Interest	Prin (3/1)	Est. Rate	Interest							
		0.50%																		
2011		0		0										20,000	5,000	25,000	(25,000)	(25,000)	10,010,000	2011
2012		0	448,200	448,200			74,700							30,000	5,000	109,700	338,500	313,500	10,010,000	2012
2013	0	1,568		1,568			149,400							35,000	5,000	189,400	(187,833)	125,668	10,010,000	2013
2014	66,528	628		67,156			149,400			33,000	0.000%			35,000	5,000	222,400	(155,244)	(29,576)	9,977,000	2014
2015	139,300	0		139,300			149,400			67,000	0.000%			35,000	5,000	256,400	(117,100)	(146,677)	9,910,000	2015
2016	197,146	0	447,500	644,646			149,400		111,875	100,000	0.000%			35,000	5,000	401,275	243,371	96,695	9,810,000	2016
2017	255,572	483		256,055			149,400		223,750	100,000	0.000%			35,000	5,000	513,150	(257,095)	(160,400)	9,710,000	2017
2018	325,872	0		325,872			149,400		223,750	100,000	0.000%			35,000	5,000	513,150	(187,278)	(347,678)	9,610,000	2018
2019	396,875	0		396,875			149,400		223,750	100,000	0.000%			35,000	5,000	513,150	(116,275)	(463,953)	9,510,000	2019
2020	468,588	0		468,588			149,400		223,750	100,000	0.000%			35,000	5,000	513,150	(44,562)	(508,515)	9,410,000	2020
2021	552,310	0		552,310	35,000	4.000%	148,700	0	5.000%	223,750	100,000	0.000%		35,000	5,000	547,450	4,860	(503,655)	9,275,000	2021
2022	636,868	0		636,868	85,000	4.000%	146,300	0	5.000%	223,750	100,000	0.000%		10,000	5,000	570,050	66,818	(436,837)	9,090,000	2022
2023	722,272	0		722,272	135,000	4.000%	141,900	0	5.000%	223,750	100,000	0.000%		10,000	5,000	615,650	106,622	(330,216)	8,855,000	2023
2024	819,821	0		819,821	185,000	4.000%	135,500	0	5.000%	223,750	100,000	0.000%		10,000	5,000	659,250	160,571	(169,645)	8,570,000	2024
2025	918,345	0		918,345	235,000	4.000%	127,100	50,000	5.000%	222,500	100,000	0.000%		10,000	5,000	749,600	168,745	(900)	8,185,000	2025
2026	1,017,854	0		1,017,854	285,000	4.000%	116,700	200,000	5.000%	216,250	100,000	0.000%		10,000	5,000	932,950	84,904	84,004	7,600,000	2026
2027	1,163,522	420		1,163,942	335,000	4.000%	104,300	300,000	5.000%	203,750	100,000	0.000%		10,000	5,000	1,058,050	105,892	189,896	6,865,000	2027
2028	1,310,646	949		1,311,596	385,000	4.000%	89,900	650,000	5.000%	180,000	100,000	0.000%		10,000	5,000	1,419,900	(108,304)	81,591	5,730,000	2028
2029	1,459,242	408		1,459,649	435,000	4.000%	73,500	700,000	5.000%	146,250	100,000	0.000%		10,000	5,000	1,469,750	(10,101)	71,491	4,495,000	2029
2030	1,609,323	357		1,609,680	485,000	4.000%	55,100	800,000	5.000%	108,750	100,000	0.000%		10,000	5,000	1,563,850	45,830	117,321	3,110,000	2030
2031	1,715,742	587		1,716,615	535,000	4.000%	34,700	875,000	5.000%	66,875	100,000	0.000%		10,000	5,000	1,626,575	90,040	207,361	1,600,000	2031
2032	1,800,644	1,037		1,801,681	600,000	4.000%	12,000	900,000	5.000%	22,500	100,000	0.000%		10,000	5,000	1,649,500	152,181	359,542	0	2032
Total	15,576,468	6,438	895,700	16,478,892	3,735,000		2,455,600	4,475,000		3,068,750	1,800,000	0	475,000	110,000	16,119,350	359,542				

NOTES:

Projected TID Closure

11 ANNEXED PROPERTY

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

12 ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

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

13 PROPOSED CHANGES IN ZONING ORDINANCES

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

14 PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF CALEDONIA 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 Caledonia 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 OF THE VILLAGE OF CALEDONIA

The District contributes to the orderly development of the Village by providing the opportunity for continued growth in tax base and job opportunities. The Village has already made investment in the area to attract industrial development and this TID creation will only add to the potential success of creating property value and job growth of the area. The expansion of the industrial park will further serve as a catalyst to allow payments and actual uses throughout the Village to relocate into this focused industrial 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, other than those costs which may be special assessed.

18

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



PRUITT, EKES & GEARY, S.C.

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September 20, 2011

Village Board
c/o Karie Torkilsen
Village Clerk
Village of Caledonia
6922 Nicholson Road
Caledonia, WI 53108

RE: Village of Caledonia, Wisconsin Tax Incremental District No. 3

Dear Village Board Members:

As attorneys for the Village of Caledonia, we have reviewed the proposed Project Plan for Tax Incremental District No. 3 and have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Wis. Stat. Section 66.1105(4)(f).

Sincerely,

PRUITT, EKES & GEARY, S.C.

Timothy J. Pruitt
tpruitt@peglawfirm.com

TJP:emz

EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS

Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

Revenue Year	Village	County	School District	Tech College	Total
	31.33%	18.16%	43.34%	7.17%	
2013	0	0	0	0	0
2014	20,841	12,084	28,833	4,770	66,528
2015	43,638	25,302	60,372	9,988	139,300
2016	61,759	35,809	85,443	14,136	197,146
2017	80,061	46,421	110,764	18,325	255,572
2018	102,084	59,190	141,232	23,366	325,872
2019	124,327	72,087	172,004	28,457	396,875
2020	146,792	85,113	203,085	33,599	468,588
2021	173,019	100,319	239,369	39,602	552,310
2022	199,508	115,678	276,017	45,665	636,868
2023	226,262	131,191	313,030	51,789	722,272
2024	256,821	148,909	355,308	58,783	819,821
2025	287,685	166,805	398,008	65,848	918,345
2026	318,857	184,879	441,135	72,983	1,017,854
2027	364,490	211,338	504,267	83,427	1,163,522
2028	410,579	238,061	568,030	93,977	1,310,646
2029	457,128	265,051	632,431	104,631	1,459,242
2030	504,143	292,312	697,475	115,392	1,609,323
2031	537,481	311,641	743,597	123,023	1,715,742
2032	564,078	327,062	780,393	129,111	1,800,644
	4,879,552	2,829,253	6,750,792	1,116,872	15,576,468

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