



July 14, 2014

Project Plan for the Creation of Tax Incremental District No. 4



| | |
|---|------------------------------|
| Organizational Joint Review Board Meeting Held: | June 24, 2014 |
| Public Hearing Held: | June 24, 2014 |
| Adoption by Plan Commission: | June 24, 2014 |
| Consideration for Adoption by Village Board: | Scheduled for: July 21, 2014 |
| Approval by the Joint Review Board: | Scheduled for: July 28, 2014 |



Tax Incremental District No. 4 Creation Project Plan

Village of Caledonia Officials

Village Board

| | |
|--------------------|-------------------|
| Bob Bradley | Village President |
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| Kathleen Trentadue | Village Trustee |
| Kevin Wangaard | Village Trustee |
| Ed Willing | Village Trustee |
| Jim Dobbs | Village Trustee |
| Lee Wishau | Village Trustee |

Village Staff

| | |
|-----------------|--------------------------------------|
| Karie Torkilsen | Village Clerk |
| Timothy Pruitt | Village Attorney |
| Mark Janiuk | Village Administrator |
| Larry Borchert | Village Finance Director - Treasurer |

Plan Commission

| | |
|------------------------------|-------------------------|
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| | |
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| Tom Weatherston | Public Member |



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SECTION 1: Introduction

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 4 (the “TID” or “District”) is proposed to be created by the Village of Caledonia (“Village”) as a mixed-use district. A map of the proposed District boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures.

The Village anticipates making total project expenditures of approximately \$29 Million to undertake the projects listed in this Project Plan. The Village anticipates completing the projects in three phases. The Expenditure Period of this District is 15 years from the date of adoption of the authorizing Resolution of the Village Board (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with G.O. Bonds 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 total project financing, is located in Section 10 of this plan.

Economic Development

As a result of the creation of this District, the Village projects that additional land and improvements value of approximately \$231 Million 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 with a surplus of approximately \$6 million by the year 2034, one year prior to the 20 year maximum life of this District.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

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

- The majority of the area within the proposed District have remained vacant to date due to lack of adequate infrastructure. Given that the sites have not developed as would have been expected based on the experience of other municipalities with available infrastructure along the Racine-Kenosha I-94 corridor, it is the judgment of the Village that the use of Tax Incremental Financing (“TIF”) will be required to provide the necessary infrastructure and other inducements to encourage development on the sites consistent with that desired by the Village.
 - The Village and Racine Economic Development Corporation have received inquiries from prospective developers of land in the District, which have uniformly been predicated on the availability of adequate public water and sanitary sewer service.
 - The provision of public water and sanitary sewer service to the area requires more than incremental extensions from the Village’s existing public water and sanitary sewer facilities, specifically requiring extension of mains through the adjoining Village of Mount Pleasant and purchase of capacity in other mains owned by Mount Pleasant.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the Village has considered the following information:
- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are more than sufficient to pay for the proposed project costs. On this basis alone, the finding is supported.
 - The development expected to occur is expected to generate additional manufacturing and retail jobs over the life of the District, although the number of jobs cannot be known 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’s creation would become effective for valuation purposes as of January 1, 2014. 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, 2014 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the Village reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.

4. Not less than 50% by area of the real property within the District is suitable for a combination of primarily industrial and commercial, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm).
5. Based upon the findings, as stated above, the District is declared to be mixed-use District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the Village, does not exceed 12% of the total equalized value of taxable property within the Village.
9. The Village estimates that less 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 Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the Village is feasible, and is in conformity with the master plan of the Village.

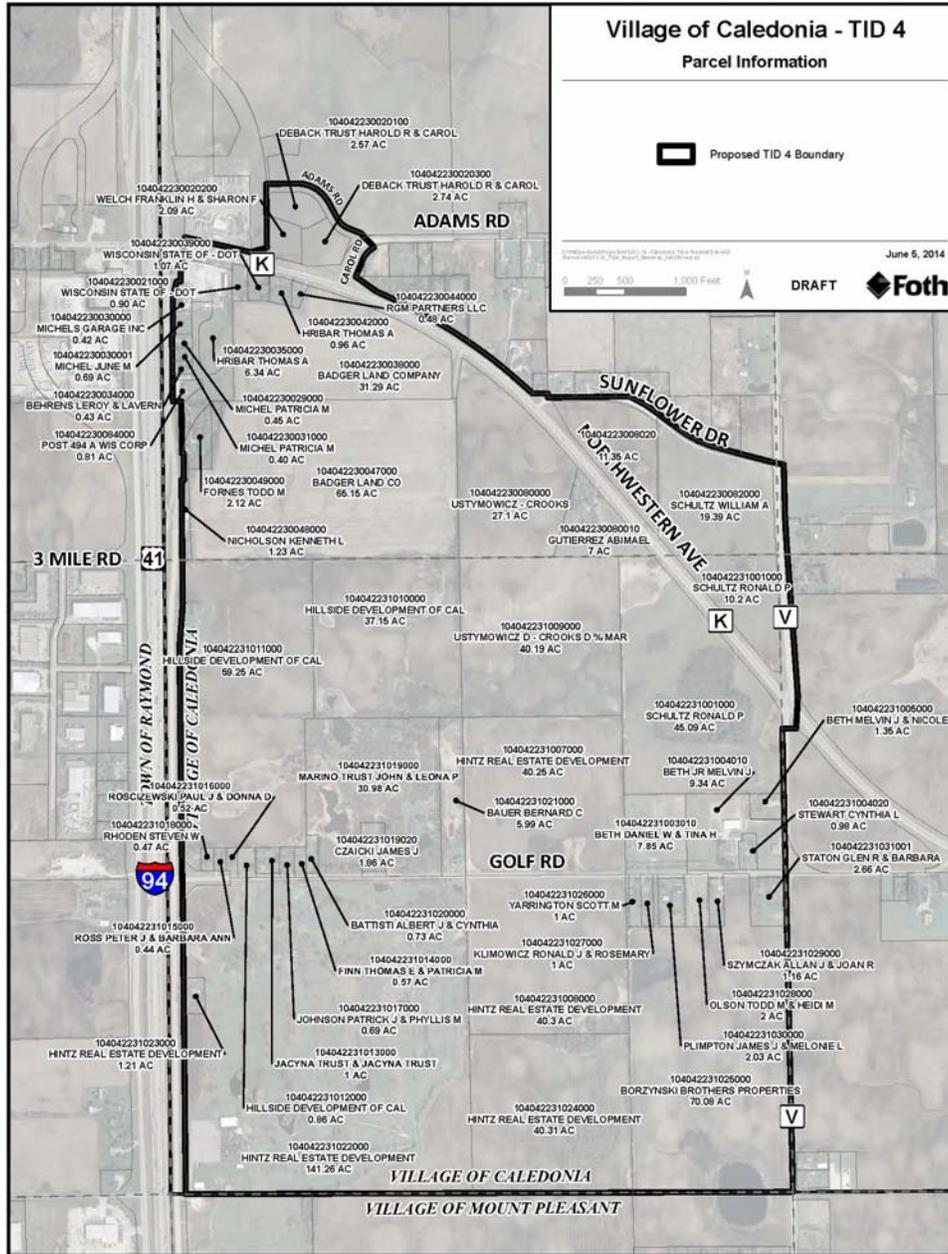
SECTION 2: Type and General Description of District

The District is being created by the Village under the authority provided by Wisconsin Statutes Section 66.1105. The District is created as a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of primarily industrial and commercial uses as defined within the meaning of Wisconsin Statutes Section 66.1105(2)(cm) (See Section 5 of this plan for a breakdown of District parcels by class and calculation of compliance with the 50% test). Lands proposed for newly-platted residential development may not comprise more than 35% of the area of the District and are not expected to do so.

A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The Village intends that TIF will be used to assure that a combination of primarily industrial and commercial development occurs within the District consistent with the Village’s development objectives. This will be accomplished by installing public improvements and making necessary related expenditures to induce and promote development within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the Village. The project costs included in the Plan relate directly to promoting mixed-use development in the District consistent with the purpose for which the District is created.

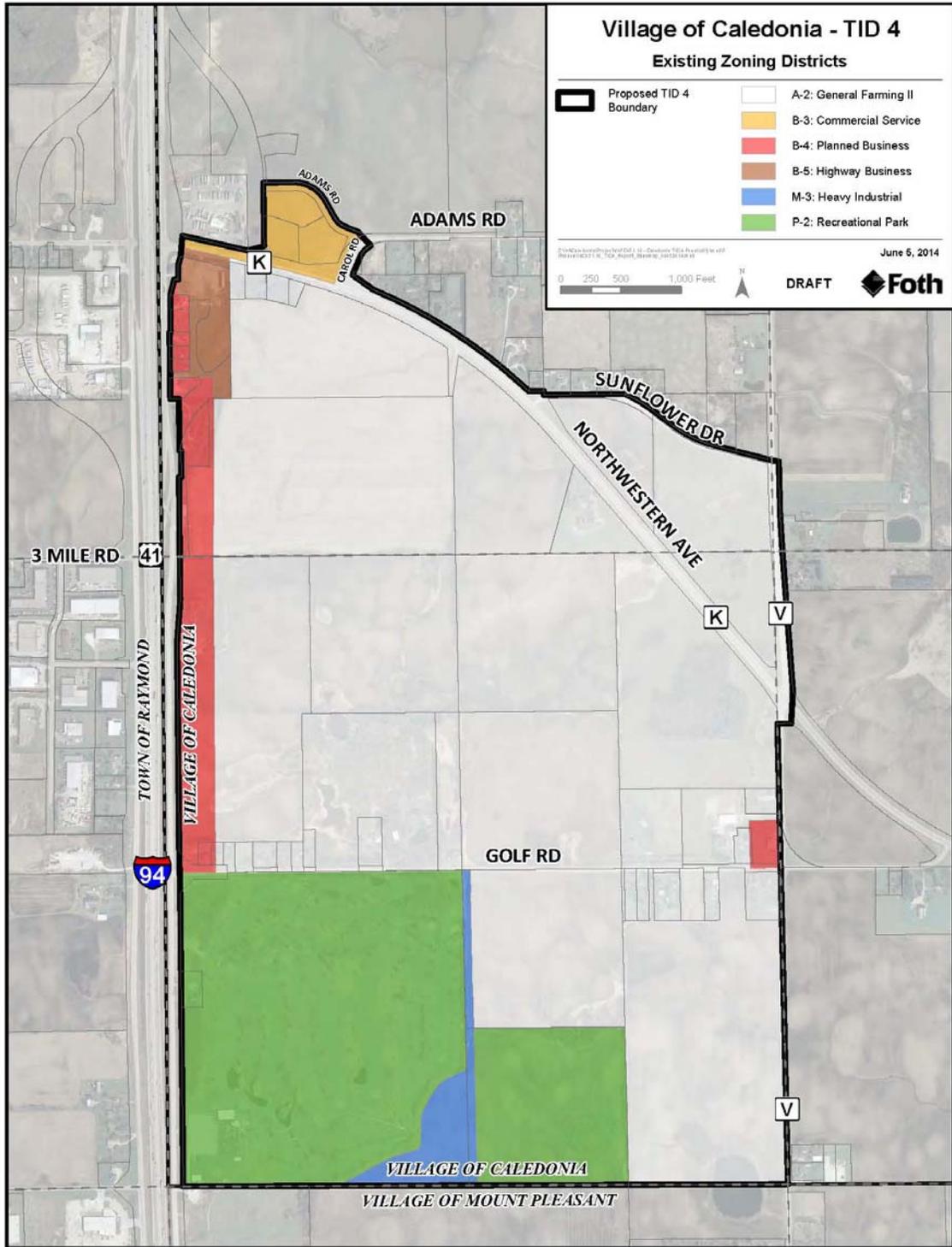
Based upon the findings, as stated within this Plan, the District is declared to be a mixed-use District based on the identification and classification of the property included within the district.

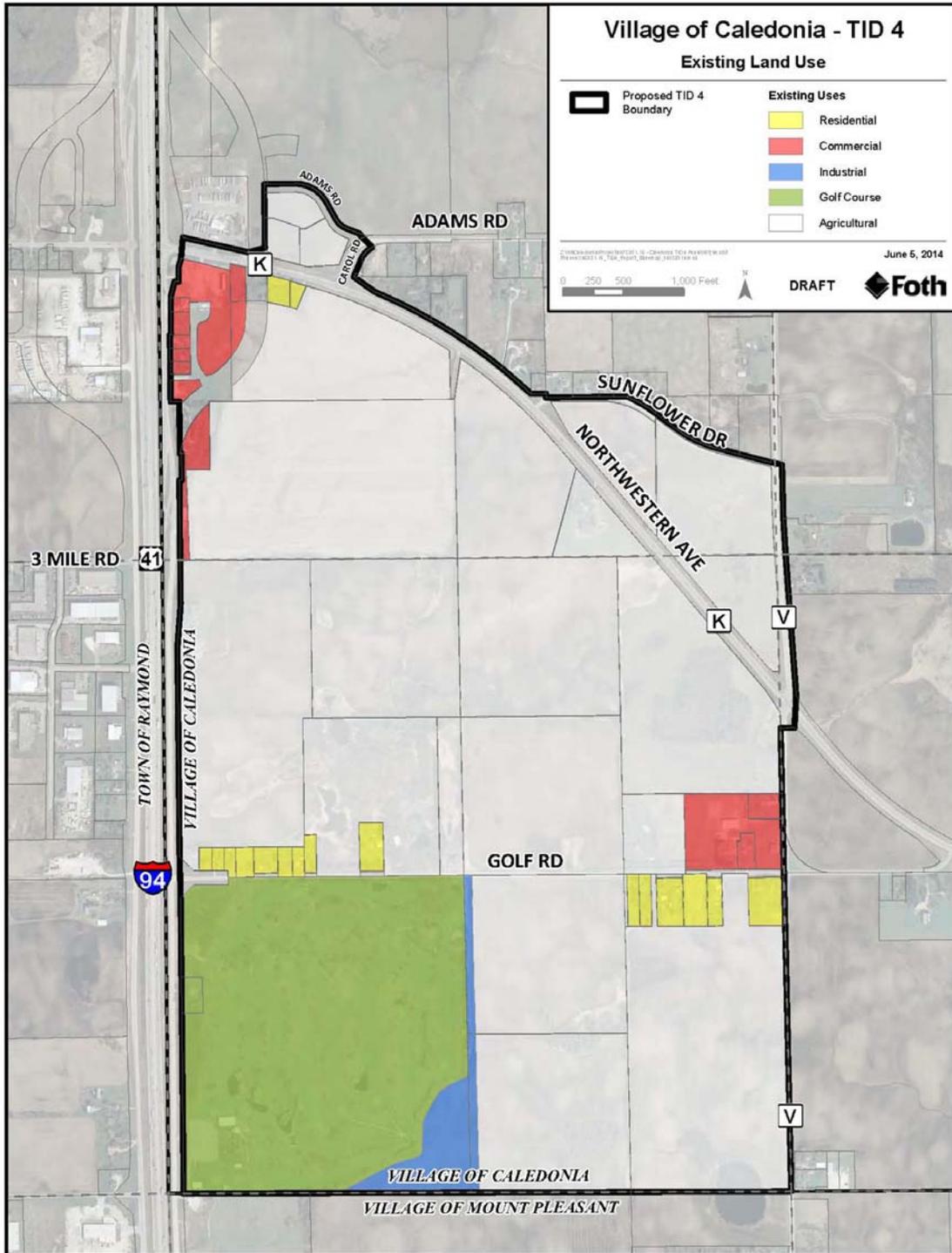
SECTION 3: Map of Proposed District Boundary



SECTION 4: Map Showing Existing Uses and Conditions

See following two pages





SECTION 5: Preliminary Parcel List and Analysis

| Village of Caledonia, Wisconsin | | | | | |
|---------------------------------------|-------------------------------|---------------|------------------------|-----------|-----------|
| Tax Increment District # 4 | | | | | |
| Base Preliminary Property Information | | | | | |
| Base Preliminary Property Information | | | Assessment Information | | |
| Parcel Number | Owner | Acreage | Land | Imp | Total |
| 104042231022000 | HINTZ REAL ESTATE DEVELOPMENT | 146.79 | 1,626,300 | 836,400 | 2,462,700 |
| 104042231024000 | HINTZ REAL ESTATE DEVELOPMENT | 40.00 | 9,000 | 0 | 9,000 |
| 104042231025000 | BORZYNSKI BROTHERS PROPERTIES | 69.55 | 13,000 | 0 | 13,000 |
| 104042231008000 | HINTZ REAL ESTATE DEVELOPMENT | 40.00 | 7,600 | 0 | 7,600 |
| 104042231023000 | HINTZ REAL ESTATE DEVELOPMENT | 1.21 | 50,000 | 89,500 | 139,500 |
| 104042231026000 | YARRINGTON SCOTT M | 0.92 | 47,900 | 66,700 | 114,600 |
| 104042231030000 | PLIMPTON JAMES J & MELONIE L | 2.03 | 54,000 | 131,300 | 185,300 |
| 104042231027000 | KLIMOWICZ RONALD J & ROSEMARY | 0.92 | 47,900 | 141,900 | 189,800 |
| 104042231028000 | OLSON TODD M & HEIDI M | 2.00 | 14,700 | 0 | 14,700 |
| 104042231031001 | STATON GLEN R & BARBARA | 3.00 | 58,800 | 70,800 | 129,600 |
| 104042231029000 | SZYMCZAK ALLAN J & JOAN R | 1.25 | 50,200 | 133,300 | 183,500 |
| 104042231016000 | ROSCIZEWSKI PAUL J & DONNA D | 0.48 | 35,800 | 87,600 | 123,400 |
| 104042231017000 | JOHNSON PATRICK J & PHYLLIS M | 0.59 | 41,100 | 86,500 | 127,600 |
| 104042231012000 | HILLSIDE DEVELOPMENT OF CAL | 0.86 | 8,400 | 0 | 8,400 |
| 104042231014000 | FINN THOMAS E & PATRICIA M | 0.50 | 36,600 | 104,400 | 141,000 |
| 104042231019000 | MARINO TRUST JOHN & LEONA P | 31.13 | 90,900 | 234,700 | 325,600 |
| 104042231021000 | BAUER BERNARD C | 6.00 | 73,500 | 146,400 | 219,900 |
| 104042231007000 | HINTZ REAL ESTATE DEVELOPMENT | 40.00 | 8,000 | 0 | 8,000 |
| 104042231011000 | HILLSIDE DEVELOPMENT OF CAL | 64.89 | 57,800 | 62,500 | 120,300 |
| 104042231015000 | ROSS PETER J & BARBARA ANN | 0.44 | 34,000 | 84,100 | 118,100 |
| 104042231018000 | RHODEN STEVEN W | 0.47 | 35,200 | 95,900 | 131,100 |
| 104042231013000 | JACYNA TRUST & JACYNA TRUST | 1.14 | 49,700 | 125,800 | 175,500 |
| 104042231020000 | BATTISTI ALBERT J & CYNTHIA | 0.73 | 45,700 | 71,500 | 117,200 |
| 104042231019020 | CZAIKI JAMES J | 1.86 | 53,200 | 241,100 | 294,300 |
| 104042231003010 | BETH DANIEL W & TINA H | 7.70 | 81,800 | 190,100 | 271,900 |
| 104042231004010 | BETH JR MELVIN J | 9.25 | 88,500 | 287,900 | 376,400 |
| 104042231004020 | STEWART CYNTHIA L | 1.03 | 49,100 | 49,000 | 98,100 |
| 104042231005000 | BETH MELVIN J & NICOLE A | 1.35 | 50,700 | 79,000 | 129,700 |
| 104042231001000 | SCHULTZ RONALD P | 54.51 | 19,600 | 0 | 19,600 |
| 104042231010000 | HILLSIDE DEVELOPMENT OF CAL | 37.23 | 8,800 | 0 | 8,800 |
| 104042231009000 | USTYMOWICZ D - CROOKS D % MAR | 40.00 | 10,500 | 0 | 10,500 |
| 104042231001000 | SCHULTZ RONALD P | 54.51 | 19,600 | 0 | 19,600 |
| 104042230048000 | NICHOLSON KENNETH L | 1.23 | 50,100 | 89,400 | 139,500 |
| 104042230047000 | BADGER LAND COMPANY | 65.35 | 12,500 | 0 | 12,500 |
| 104042230080000 | USTYMOWICZ - CROOKS | 39.43 | 7,100 | 0 | 7,100 |
| 104042230080010 | GUTIERREZ ABIMAE L | 7.00 | 78,400 | 103,000 | 181,400 |
| 104042230082000 | SCHULTZ WILLIAM A | 22.86 | 48,000 | 86,300 | 134,300 |
| 104042230049000 | FORNES TODD M | 2.12 | 54,500 | 63,300 | 117,800 |
| 104042230084000 | POST 494 A WIS CORP | 0.00 | 0 | 0 | 0 |
| 104042230038000 | BADGER LAND COMPANY | 31.29 | 5,600 | 0 | 5,600 |
| 104042230035000 | HRIBAR THOMAS A | 6.33 | 228,600 | 186,200 | 414,800 |
| 104042230034000 | BEHRENS LEROY D & LAVERN E | 0.42 | 33,700 | 83,700 | 117,400 |
| 104042230031000 | MICHEL PATRICIA M | 0.41 | 32,300 | 63,800 | 96,100 |
| 104042230029000 | MICHEL PATRICIA M | 0.45 | 4,400 | 0 | 4,400 |
| 104042230030001 | MICHEL JUNE M | 0.69 | 45,300 | 89,800 | 135,100 |
| 104042230030000 | MICHEL'S GARAGE INC * | 0.42 | 41,600 | 79,000 | 120,600 |
| 104042230042000 | HRIBAR THOMAS A | 1.04 | 49,200 | 105,300 | 154,500 |
| 104042230044000 | RGM PARTNERS LLC | 0.59 | 41,200 | 115,800 | 157,000 |
| 104042230020200 | WELCH FRANKLIN H & SHARON F | 2.09 | 310,700 | 306,800 | 617,500 |
| 104042230020300 | DEBACK TRUST HAROLD R & CAROL | 2.74 | 600 | 0 | 600 |
| 104042230020100 | DEBACK TRUST HAROLD R & CAROL | 2.57 | 500 | 0 | 500 |
| Total Acreage | | 849.37 | 3,922,200 | 4,788,800 | 8,711,000 |

SECTION 6: Equalized Value Test

The following calculations demonstrate that the Village is in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the Village.

The equalized value of the increment of existing tax incremental districts within the Village, plus the base value of the proposed District, totals \$12,190,700. This value is less than the maximum of \$230,599,680 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.

| Village of Caledonia, Wisconsin | | | | |
|---|---|------------------|-------------------|--------------------------------------|
| Tax Increment District # 4 | | | | |
| Valuation Test Compliance Calculation | | | | |
| Creation Date | 5/19/2014 | | | |
| | Valuation Data Currently Available 2013 | Dollar Charge | Percent Change | Valuation Data Est. Creation Date |
| Total EV (TID In) | 1,921,664,000 | | | 1,921,664,000 |
| 12% Test | 230,599,680 | | | 230,599,680 |
| Increment of Existing TIDs | | | | |
| TID #1 | 0 | | | 0 |
| TID #3 | 3,479,700 | | | 3,479,700 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| | | | | 0 |
| Total Existing Increment | 3,479,700 | | | 3,479,700 |
| Projected Base of New or Amended District | 8,711,000 | | | 8,711,000 |
| Total Value Subject to 12% Test | 12,190,700 | | | 12,190,700 |
| Compliance | PASS | | | PASS |

SECTION 7:

Statement of Kind, Number and Location of Proposed Public Works and Other Projects

The proposed boundaries of the District, beginning at the intersection of I-94 and County Highway K and moving in a clockwise direction would be generally bounded by County Highway K, the I-94 Frontage Rd., Adams Rd., Carol Rd., County Highway K, Sunflower Dr., County Highway V, the South Village Limit and I-94.

The District is expected to be a mixed-use district (primarily commercial and industrial) based on the identification, classification and anticipated uses of the property proposed to be included within the District; and

Proposed project costs of approximately \$29 Million may include, but are not limited to: sanitary sewer system improvements, water system improvements, stormwater management system improvements, street improvements, cash grants to owners, lessees or developers of land located within the district (development incentives), professional and organizational services, administrative costs, and finance costs. Project expenditures are expected to be made in multiple phases over the 15 year statutory expenditure period for the proposed District.

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

Property, Right-of-Way and Easement Acquisition

Acquisition of Rights-of-Way

The Village may need to acquire property to allow for installation and maintenance of water mains, sanitary sewers, streets, stormwater management 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 water mains, sanitary sewers, streets, stormwater management 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 or easements, 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.

Utilities

Sanitary Sewer System Improvements

There are no existing public sanitary sewer facilities serving areas of the District. To allow development to occur, the Village needs to provide sanitary sewer infrastructure to serve the District. Eligible Project Costs include, but are not limited to, capacity purchases; construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; 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 no existing public water distribution facilities serving areas of the District. To allow development to occur, the Village needs to provide water system infrastructure to serve the District. Eligible Project Costs include, but are not limited to, capacity purchases; construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; pumping stations; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the Village will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMPs). 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.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development to occur, the Village may need to construct and/or reconstruct streets, highways, alleys, access drives and parking

areas. Eligible Project Costs include, but are not limited to: Village portions of the cost of upgrading County highways; 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.

Miscellaneous

Cash Grants (Development Incentives)

The Village may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The Village may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by Village employees in connection with the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating Village ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the Village for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan.

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

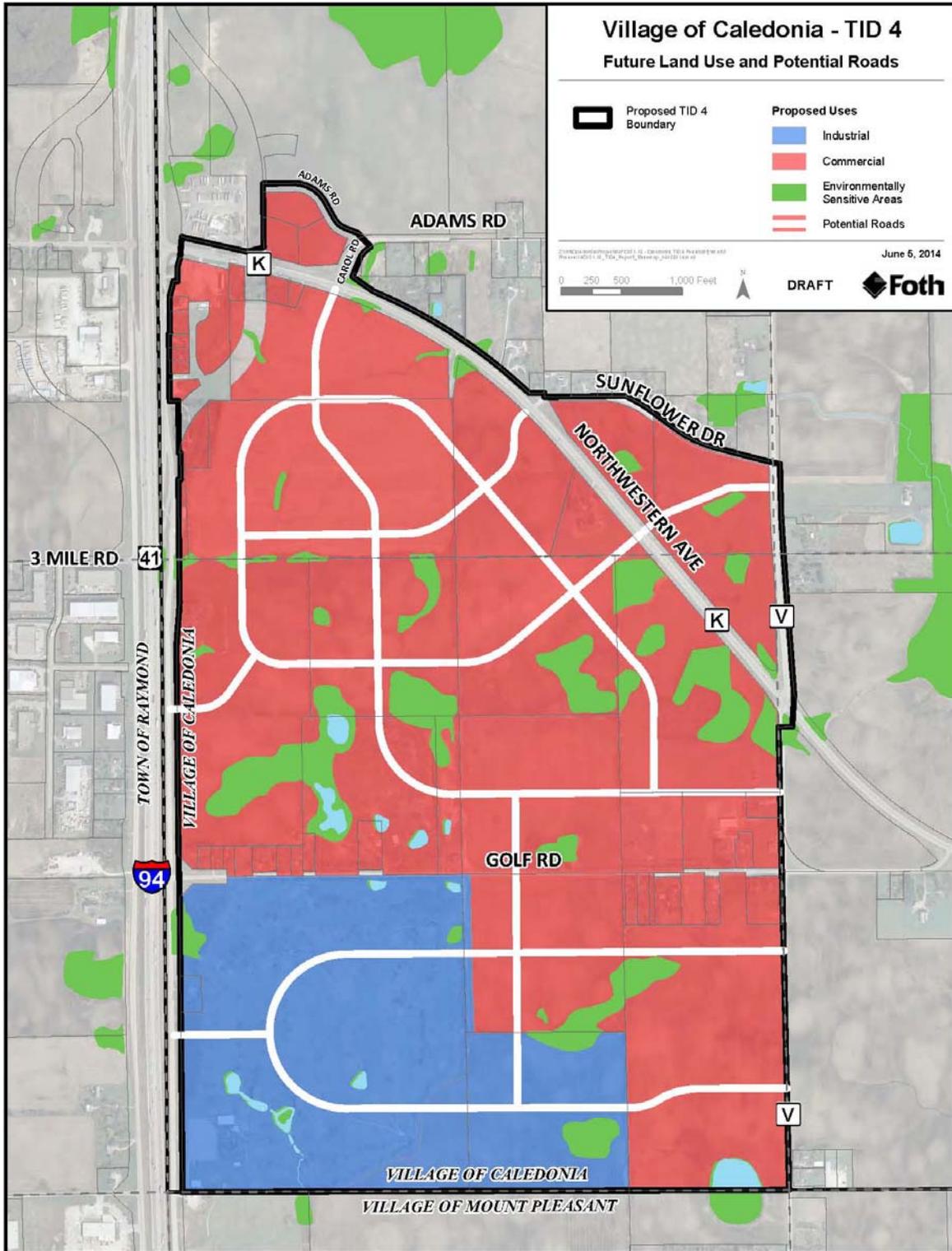
Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs

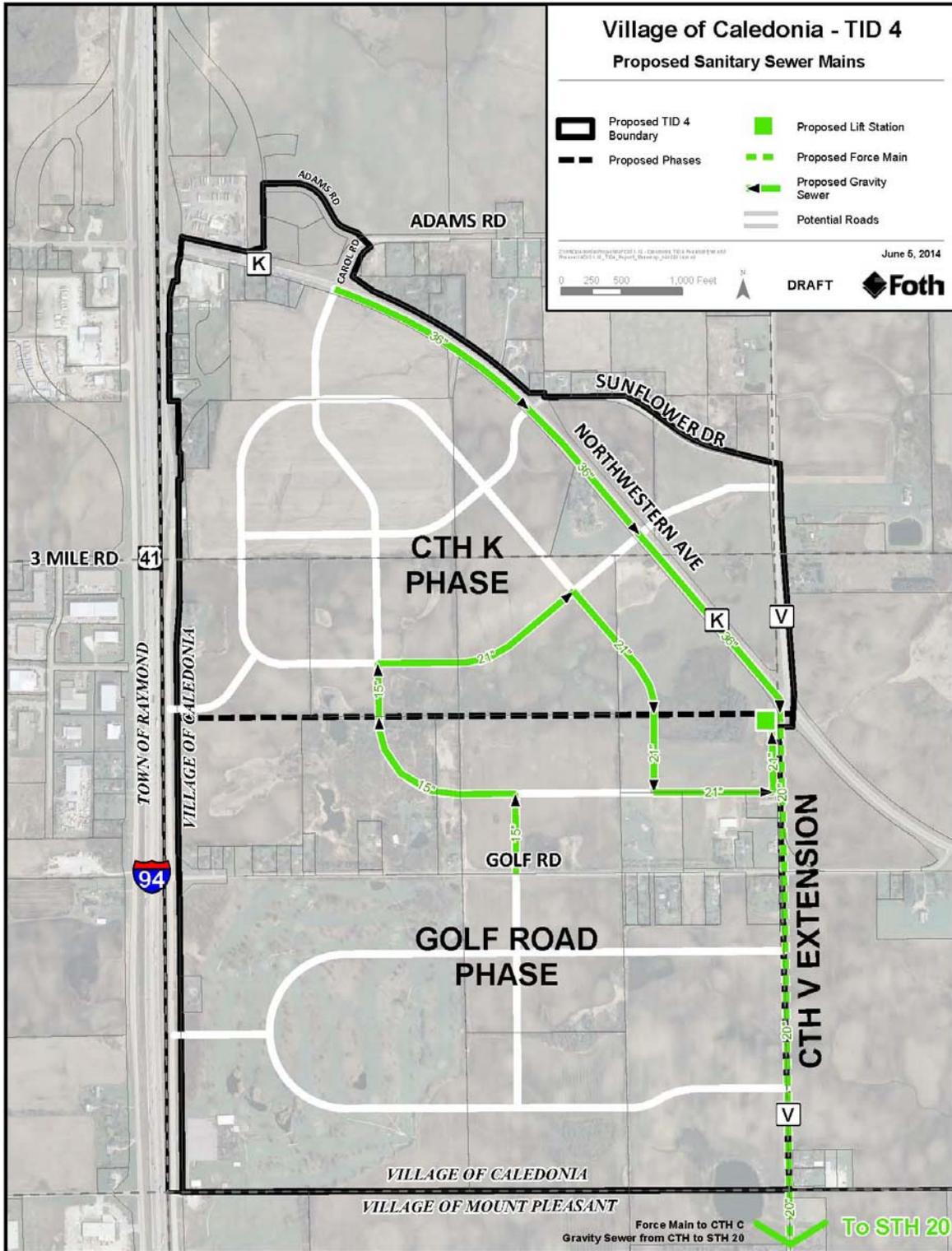
benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Any prorations of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

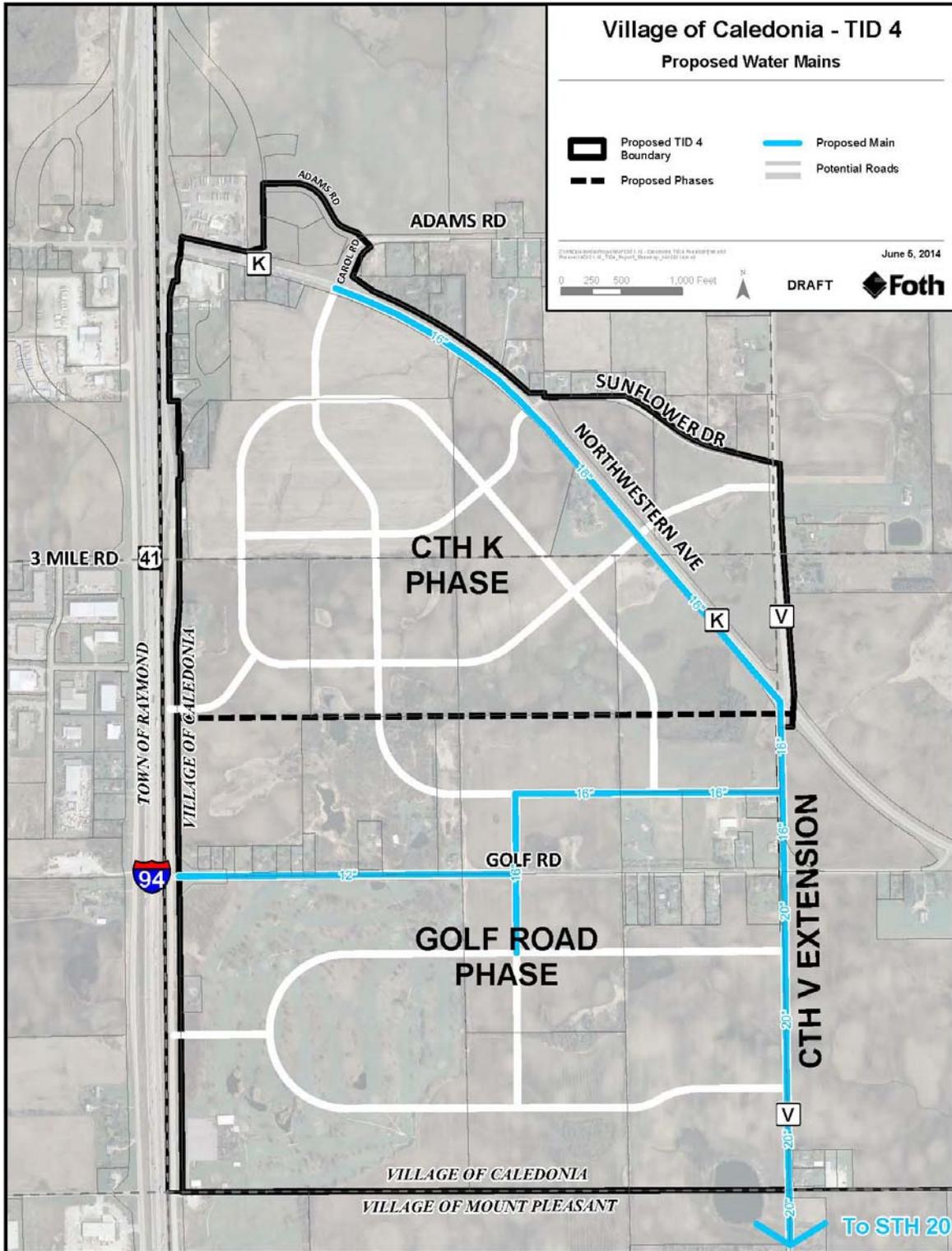
SECTION 8: Maps Showing Proposed Improvements and Uses

See following three pages.

(Note: proposed public water and sewer system improvements locations as shown are subject to modification after detailed engineering design; also the locations of storm water and street improvements are not shown as they are to be determined based on particular development proposals)







SECTION 9: Detailed List of Project Costs

All costs are based on 2014 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2014 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.

All costs are based on 2014 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2014 and the time of construction. However, for increases in excess of 20% over the cost of inflation of total project costs, the Village would pursue an amendment to the Plan in accordance with the amendment procedures specified in Wisconsin Statutes Section 66.1105(4)(h), which include review by the Joint Review Board. 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.

Proposed TIF Project Cost Estimates

| Village of Caledonia, Wisconsin | | | | | |
|---------------------------------|---|-------------------------------|-------------------------------|--------------------------------|---|
| Tax Increment District # 4 | | | | | |
| Estimated Project List | | | | | |
| Project ID | Project Name/Type | CTH "V" Phase 2014-2015 | CTH "K" Phase 2015-2019 | Golf Rd. Phase 2019-2023 | Total Note 1 |
| 1 | Water Main - Segments in Caledonia - non-S/A | 334,710 | 385,777 | 303,228 | 1,023,715 |
| 2 | Water Main - Segments in Caledonia - S/A | 621,603 | 716,444 | 1,017,681 | 2,355,728 |
| 3 | Water Main - Segments in Mt. Pleasant - non-S/A | 256,550 | | | 256,550 |
| 4 | Water Main - Segments in Mt. Pleasant - S/A Note 4 | 1,452,966 | | | 1,452,966 |
| 5 | Water Main - Segments in Mt. Pleasant - Racine Share | 825,484 | | | 825,484 |
| 6 | Water Main - Segments in Mt. Pleasant - Caledonia Share | 311,546 | | | 311,546 |
| 7 | Sanitary Sewer Mains - Segments in Caledonia - Non-S/A | | 2,595,713 | 385,695 | 2,981,408 |
| 8 | Sanitary Sewer Mains - Segments in Caledonia - S/A | | 1,429,043 | 708,210 | 2,137,253 |
| 9 | Sanitary Sewer Lift St & FM - Segments in Caledonia & Mt. Pleas: | 5,721,000 | | | 5,721,000 |
| 10 | Sanitary Sewer - Sewer Connection Fees Note 5 | 6,500,000 | | | 6,500,000 |
| 11 | Storm Water Improvements (Non-Assessable Portions) | | 1,000,000 | 1,500,000 | 2,500,000 |
| 12 | Caledonia Share of Arterial Road Improvements - Allowance | | 500,000 | 500,000 | 1,000,000 |
| 13 | Development Incentives - Other Note 3 | | 750,000 | 750,000 | 1,500,000 |
| 14 | Administrative (during Project capitalization period only) | 50,000 | 175,000 | 175,000 | 400,000 |
| Total Projects | | <u>16,073,859</u> | <u>7,551,976</u> | <u>5,339,814</u> | <u>28,965,649</u> |

Notes:

- Note 1 Project costs are 2014 estimates and are subject to modification
- Note 2 Assume portion of specially-assessable costs that are actually assessed = 67 %
- Note 3 Does not require up-front capitalization - payable only on "as earned" basis
- Note 4 Special assessments in Mt. Pleasant are subject to actual usage of the water main and may be indefinitely deferred under the terms of the Wholesale Agreement with the City of Racine
- Note 5 Upfront payments for permanent use of capacity in the Mt. Pleasant Interceptor System under the 2008 Mount Pleasant/Caledonia Shared Sanitary Sewer Service Agreement (payments to begin upon connection to serve TID 4 area)

SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

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

Available Financing Methods

Implementation of this Plan may require that the Village issue debt 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. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the Village has a G.O. debt limit of \$96,083,200, of which \$64,630,121 is currently unused and could be made available to finance Project Costs. The table at the end of this section of the Project Plan shows a projection of G.O. debt capacity utilization if G.O. financing were to be used exclusively.

Bonds Issued to Developers (“Pay as You Go” Financing)

The Village may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient

to make annual payments, or to repay the entire obligation over the life of the District, the Village's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the Village and, therefore, do not count against the Village's statutory borrowing capacity.

Tax Increment Revenue Bonds

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

Utility Revenue Bonds

The Village can issue revenue bonds to be repaid from revenues of the its various systems, including revenues paid by the Village that represent service of the system to the Village. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the Village must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the Village utilizes utility revenues other than tax increments to repay a portion of the bonds; the Village must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The Village has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the Village determines that special assessments are appropriate, the Village can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the Village's statutory borrowing capacity. If special assessments are levied, the Village must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Village of Caledonia, Wisconsin

Tax Increment District # 4 General Obligation Debt Capacity Utilization

| Year | Total Equalized Value | | Projected | | Outstanding G.O. Debt Principal at Year End | | Projected G.O. Debt Limit Used | |
|------|-------------------------------|---------------------|----------------------------|---------------------------------|---|------------|--------------------------------------|--------------------------|
| | Prior to TID 4 (no growth) | Add TID 4 Growth | Total with TID 4 Growth | G.O. Debt Limit (5% of E.V.) | Debt Prior to TID 4 | TID 4 Debt | | Total Debt with TID 4 |
| 2014 | 1,921,664,000 | 0 | 1,921,664,000 | 96,083,200 | 30,298,548 | 8,260,000 | 38,558,548 | 40% |
| 2015 | 1,921,664,000 | 87,110 | 1,921,751,110 | 96,087,556 | 27,322,753 | 17,310,000 | 44,632,753 | 46% |
| 2016 | 1,921,664,000 | 4,075,091 | 1,925,739,091 | 96,286,955 | 24,491,583 | 26,310,000 | 50,801,583 | 53% |
| 2017 | 1,921,664,000 | 10,102,952 | 1,931,766,952 | 96,588,348 | 21,997,130 | 26,310,000 | 48,307,130 | 50% |
| 2018 | 1,921,664,000 | 18,291,092 | 1,939,955,092 | 96,997,755 | 19,609,173 | 33,025,000 | 52,634,173 | 54% |
| 2019 | 1,921,664,000 | 28,661,112 | 1,950,325,112 | 97,516,256 | 17,402,902 | 33,025,000 | 50,427,902 | 52% |
| 2020 | 1,921,664,000 | 47,234,834 | 1,968,898,834 | 98,444,942 | 15,394,309 | 33,025,000 | 48,419,309 | 49% |
| 2021 | 1,921,664,000 | 69,094,292 | 1,990,758,292 | 99,537,915 | 13,433,192 | 32,825,000 | 46,258,192 | 46% |
| 2022 | 1,921,664,000 | 92,272,345 | 2,013,936,345 | 100,696,817 | 11,590,000 | 32,325,000 | 43,915,000 | 44% |
| 2023 | 1,921,664,000 | 116,882,178 | 2,038,546,178 | 101,927,309 | 9,950,000 | 31,425,000 | 41,375,000 | 41% |
| 2024 | 1,921,664,000 | 142,938,110 | 2,064,602,110 | 103,230,106 | 8,755,000 | 30,125,000 | 38,880,000 | 38% |
| 2025 | 1,921,664,000 | 167,354,601 | 2,089,018,601 | 104,450,930 | 7,530,000 | 28,425,000 | 35,955,000 | 34% |
| 2026 | 1,921,664,000 | 184,815,257 | 2,106,479,257 | 105,323,963 | 6,265,000 | 26,405,000 | 32,670,000 | 31% |
| 2027 | 1,921,664,000 | 199,450,520 | 2,121,114,520 | 106,055,726 | 4,950,000 | 24,115,000 | 29,065,000 | 27% |
| 2028 | 1,921,664,000 | 211,132,135 | 2,132,796,135 | 106,639,807 | 3,590,000 | 21,630,000 | 25,220,000 | 24% |
| 2029 | 1,921,664,000 | 219,730,566 | 2,141,394,566 | 107,069,728 | 2,185,000 | 18,965,000 | 21,150,000 | 20% |
| 2030 | 1,921,664,000 | 222,014,982 | 2,143,678,982 | 107,183,949 | 1,100,000 | 16,115,000 | 17,215,000 | 16% |
| 2031 | 1,921,664,000 | 224,322,242 | 2,145,986,242 | 107,299,312 | 625,000 | 13,080,000 | 13,705,000 | 13% |
| 2032 | 1,921,664,000 | 226,652,574 | 2,148,316,574 | 107,415,829 | 140,000 | 9,885,000 | 10,025,000 | 9% |
| 2033 | 1,921,664,000 | 229,006,210 | 2,150,670,210 | 107,533,510 | | 6,580,000 | 6,580,000 | 6% |
| 2034 | 1,921,664,000 | 229,006,210 | 2,150,670,210 | 107,533,510 | | 2,930,000 | 2,930,000 | 3% |
| 2035 | 1,921,664,000 | 229,006,210 | 2,150,670,210 | 107,533,510 | | 0 | 0 | 0% |

Plan Implementation

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

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

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

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

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

Implementation and Financing Timeline

Village of Caledonia, Wisconsin

Tax Increment District # 4

Estimated Financing Plan

| | G.O. Bond 2014 | G.O. Bond 2015 | G.O. Bond 2016 | G.O. Bond 2018 | Totals |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Projects | | | | | |
| CTH "V" Phase | 7,400,000 | 8,673,859 | 7,551,976 | 0 | 16,073,859 |
| CTH "K" Phase | | | | 5,339,814 | 7,551,976 |
| Golf Rd. Phase | | 156,968 | 302,079 | 427,185 | 5,339,814 |
| | | 2.00% | | | 886,232 |
| All owance for inflation: | | | | | |
| Water Main - Segments in Mt. Pleasant - Racine Share | | (825,484) | | | (825,484) |
| Total Project Funds | 7,400,000 | 8,005,343 | 7,854,055 | 5,766,999 | 29,026,397 |
| Estimated Finance Related Expenses | | | | | |
| Financial Advisor | 34,000 | 34,000 | 33,000 | 28,000 | |
| Bond Counsel | 11,000 | 11,000 | 11,000 | 11,000 | |
| Rating Agency Fee | 13,000 | 13,500 | 14,000 | 15,000 | |
| Underwriter Discount | 10.00 | 10.00 | 10.00 | 10.00 | |
| Debt Service Reserve | | 0 | | 67,150 | |
| Capitalized Interest | 722,750 | 905,000 | 1,012,500 | 839,375 | |
| Assumed no. of mos. (up to 36): | 30 | | | | |
| Total Financing Required | 8,263,350 | 9,059,343 | 9,014,555 | 6,727,524 | |
| Estimated Interest | 0.25% | (10,007) | (14,726) | (14,417) | |
| Assumed spend down (months) | 3 | 6 | 9 | 12 | |
| Rounding | 1,275 | 664 | 171 | 1,894 | |
| Net Issue Size | 8,260,000 | 9,050,000 | 9,000,000 | 6,715,000 | 33,025,000 |
| Notes: | | | | | |
| 1. Special Assessments assumed to be actually levied - Caledonia | | 424,803 | 1,495,550 | 1,251,667 | 3,172,021 |
| 2. Special Assessments - Mt. Pleasant (subject to actual usage | 0 | 741,013 | | 786,369 | 1,527,381 |
| of the water main and may be indefinitely deferred under terms | | 50% | | 50% | |
| of the Wholesale Agreement with the City of Racine) | | <i>ignore</i> | | <i>use</i> | |

Development Assumptions

Village of Caledonia, Wisconsin Tax Increment District # 4 Development Assumptions

| Construction Year | | CTH "K" Phase | Golf Rd. Phase | Annual Total | Construction Year | |
|----------------------|------|--------------------------|---------------------------|---------------------------|-------------------|----|
| Gross Acreage | | 347 | 502 | 849 | | |
| 1 | 2014 | | | 0 | 2014 | 1 |
| 2 | 2015 | 3,900,000 | | 3,900,000 | 2015 | 2 |
| 3 | 2016 | 5,900,000 | | 5,900,000 | 2016 | 3 |
| 4 | 2017 | 8,000,000 | | 8,000,000 | 2017 | 4 |
| 5 | 2018 | 10,100,000 | | 10,100,000 | 2018 | 5 |
| 6 | 2019 | 12,300,000 | 5,900,000 | 18,200,000 | 2019 | 6 |
| 7 | 2020 | 12,400,000 | 8,900,000 | 21,300,000 | 2020 | 7 |
| 8 | 2021 | 10,400,000 | 12,000,000 | 22,400,000 | 2021 | 8 |
| 9 | 2022 | 8,400,000 | 15,200,000 | 23,600,000 | 2022 | 9 |
| 10 | 2023 | 6,300,000 | 18,500,000 | 24,800,000 | 2023 | 10 |
| 11 | 2024 | 4,300,000 | 18,600,000 | 22,900,000 | 2024 | 11 |
| 12 | 2025 | | 15,700,000 | 15,700,000 | 2025 | 12 |
| 13 | 2026 | | 12,700,000 | 12,700,000 | 2026 | 13 |
| 14 | 2027 | | 9,600,000 | 9,600,000 | 2027 | 14 |
| 15 | 2028 | | 6,400,000 | 6,400,000 | 2028 | 15 |
| 16 | 2029 | | | 0 | 2029 | 16 |
| 17 | 2030 | | | 0 | 2030 | 17 |
| 18 | 2031 | | | 0 | 2031 | 18 |
| 19 | 2032 | | | 0 | 2032 | 19 |
| 20 | 2033 | | | 0 | 2033 | 20 |
| Totals | | <u>82,000,000</u> | <u>123,500,000</u> | <u>205,500,000</u> | | |

Notes:

All phases assumed to be approx. 70% buildable, built out to \$325,000 incremental value per acre (in 2014 dollars)
 Assumed inflation in property values: 1%
 All phases assumed to build out over 10 years with a bell-shaped curve

Increment Revenue Projections

Village of Caledonia, Wisconsin Tax Increment District # 4

Tax Increment Projection Worksheet

| Construction Year | Value Added | Valuation Year | Inflation Increment | Total Increment | Revenue Year | Tax Rate | Tax Increment | Tax Exempt NPV Calculation | Taxable NPV Calculation | |
|-------------------|-------------|----------------|---------------------|-----------------|--------------|----------|--------------------|----------------------------|----------------------------------|-------------------|
| 1 | 2014 | 0 | 87,110 | 87,110 | 2016 | \$21.60 | 1,882 | 1,809 | 1,775 | |
| 2 | 2015 | 3,900,000 | 87,981 | 4,075,091 | 2017 | \$21.60 | 88,022 | 83,190 | 80,114 | |
| 3 | 2016 | 5,900,000 | 127,861 | 10,102,952 | 2018 | \$21.60 | 218,224 | 277,191 | 263,339 | |
| 4 | 2017 | 8,000,000 | 188,140 | 18,291,092 | 2019 | \$21.60 | 395,088 | 614,913 | 576,286 | |
| 5 | 2018 | 10,100,000 | 270,021 | 28,661,112 | 2020 | \$21.60 | 619,080 | 1,123,752 | 1,038,898 | |
| 6 | 2019 | 18,200,000 | 373,721 | 47,234,834 | 2021 | \$21.60 | 1,020,272 | 1,930,088 | 1,758,150 | |
| 7 | 2020 | 21,300,000 | 559,458 | 69,094,292 | 2022 | \$21.60 | 1,492,437 | 3,064,217 | 2,750,706 | |
| 8 | 2021 | 22,400,000 | 778,053 | 92,272,345 | 2023 | \$21.60 | 1,993,083 | 4,520,543 | 4,001,190 | |
| 9 | 2022 | 23,600,000 | 1,009,833 | 116,882,178 | 2024 | \$21.60 | 2,524,655 | 6,294,332 | 5,495,530 | |
| 10 | 2023 | 24,800,000 | 1,255,932 | 142,938,110 | 2025 | \$21.60 | 3,087,463 | 8,380,112 | 7,219,553 | |
| 11 | 2024 | 22,900,000 | 1,516,491 | 167,354,601 | 2026 | \$21.60 | 3,614,859 | 10,728,255 | 9,123,816 | |
| 12 | 2025 | 15,700,000 | 1,760,656 | 184,815,257 | 2027 | \$21.60 | 3,992,010 | 13,221,653 | 11,107,722 | |
| 13 | 2026 | 12,700,000 | 1,935,263 | 199,450,520 | 2028 | \$21.60 | 4,308,131 | 15,809,005 | 13,127,542 | |
| 14 | 2027 | 9,600,000 | 2,081,615 | 211,132,135 | 2029 | \$21.60 | 4,560,454 | 18,442,553 | 15,144,636 | |
| 15 | 2028 | 6,400,000 | 2,198,431 | 219,730,566 | 2030 | \$21.60 | 4,746,180 | 21,077,939 | 17,125,051 | |
| 16 | 2029 | 0 | 2,284,416 | 222,014,982 | 2031 | \$21.60 | 4,795,524 | 23,638,308 | 19,012,791 | |
| 17 | 2030 | 0 | 2,307,260 | 224,322,242 | 2032 | \$21.60 | 4,845,360 | 26,125,787 | 20,812,185 | |
| 18 | 2031 | 0 | 2,330,332 | 226,652,574 | 2033 | \$21.60 | 4,895,696 | 28,542,440 | 22,527,362 | |
| 19 | 2032 | 0 | 2,353,636 | 229,006,210 | 2034 | \$21.60 | 4,946,534 | 30,890,274 | 24,162,256 | |
| 20 | 2033 | 0 | 2,377,172 | 231,383,382 | 2035 | \$21.60 | 4,997,881 | 33,171,242 | 25,720,619 | |
| Totals | | | | | | | 205,500,000 | 25,883,382 | Future Value of Increment | 57,142,834 |

| | |
|------------------------|-----------|
| Base Value | 8,711,000 |
| Appreciation Factor | 1.00% |
| Base Tax Rate | \$22.53 |
| Rate Adjustment Factor | -4.00% |

| | |
|--|---|
| Apply to Base Value | * |
| Year 1 only (mainly due to Technical College levy changes) | |

| | |
|--------------------------|-------|
| Tax Exempt Discount Rate | 4.00% |
| Taxable Discount Rate | 6.00% |

| | |
|---------------------------------|--------------|
| Type of District | Mixed Use |
| Creation Date | May 19, 2014 |
| Valuation Date | Jan 1, 2014 |
| Max Life (Years) | 20 |
| Expenditure Periods/Termination | 5/19/2029 |
| Revenue Periods/Final Year | 20 2035 |
| Extension Eligibility/Years | Yes 3 |
| Recipient District | No |

Notes:

Actual results will vary depending on development, inflation of overall tax rates.
NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Cash Flow

Village of Caledonia, Wisconsin
 Tax Increment District # 4
 Cash Flow Projection

| Year | Cash Inflows | | | | | | Cash Outflows | | | | | | | | | | Balances | | | Year |
|-------|-------------------|---------------------------------|-------------------------|----------------------------|---|-------------------|--|---------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------------|-----------------------|------------|------------|------|
| | Tax Increments | Interest Earnings/ (Cost) | Capitalized Interest | Caledonia Spec. Assess. | Mt. Pleasant Spec. Assess. Note 1 | Total Revenues | G.O. Bond 8,260,000 Issued: 2014 | | G.O. Bond 9,050,000 Issued: 2015 | | G.O. Bond 9,000,000 Issued: 2016 | | G.O. Bond 6,715,000 Issued: 2018 | | Develop- ment Incentives Note 2 | Admin. Expense Note 3 | Total Expenditures | Annual | Cumulative | |
| | | 0.25% 3.00% | | 5.00% | 5.00% | | Principal | Interest @ 3.50% | Principal | Interest 4.00% | Principal | Interest 4.50% | Principal | Interest 5.00% | | | | | | |
| 2014 | | | 722,750 | | | 722,750 | | | | | | | | | | 0 | 722,750 | 722,750 | 8,260,000 | 2014 |
| 2015 | | 1,807 | 905,000 | | | 906,807 | | 289,100 | | | | | | | | 289,100 | 617,707 | 1,340,457 | 17,310,000 | 2015 |
| 2016 | 1,882 | 3,351 | 1,012,500 | 55,014 | | 1,072,747 | 0 | 289,100 | | 362,000 | | | | | 651,100 | 421,647 | 1,762,104 | 26,310,000 | 2016 | |
| 2017 | 88,022 | 4,405 | | 55,014 | | 147,441 | 0 | 289,100 | | 362,000 | | 405,000 | | 25,000 | 1,081,100 | (933,659) | 828,445 | 26,310,000 | 2017 | |
| 2018 | 218,224 | 2,071 | 839,375 | 55,014 | | 1,114,684 | 0 | 289,100 | | 362,000 | | 405,000 | | 50,000 | 1,106,100 | 8,584 | 837,029 | 33,025,000 | 2018 | |
| 2019 | 395,088 | 2,093 | | 258,379 | 72,558 | 728,117 | 0 | 289,100 | | 362,000 | | 405,000 | 335,750 | 50,000 | 1,441,850 | (713,733) | 123,296 | 33,025,000 | 2019 | |
| 2020 | 619,080 | 308 | | 428,580 | 72,558 | 1,120,526 | 0 | 289,100 | | 362,000 | 0 | 405,000 | 335,750 | 75,000 | 1,491,850 | (371,324) | (248,028) | 33,025,000 | 2020 | |
| 2021 | 1,020,272 | (7,441) | | 428,580 | 72,558 | 1,513,970 | 200,000 | 289,100 | | 362,000 | 0 | 405,000 | 335,750 | 75,000 | 1,691,850 | (177,880) | (425,908) | 32,825,000 | 2021 | |
| 2022 | 1,492,437 | (12,777) | | 428,580 | 72,558 | 1,980,798 | 300,000 | 282,100 | 200,000 | 362,000 | 0 | 405,000 | 0 | 335,750 | 2,009,850 | (29,052) | (454,961) | 32,325,000 | 2022 | |
| 2023 | 1,993,083 | (13,649) | | 428,580 | 72,558 | 2,480,572 | 400,000 | 271,600 | 300,000 | 354,000 | 200,000 | 405,000 | 0 | 335,750 | 2,391,350 | 89,222 | (365,739) | 31,425,000 | 2023 | |
| 2024 | 2,524,655 | (10,972) | | 428,580 | 72,558 | 3,014,821 | 500,000 | 257,600 | 400,000 | 342,000 | 200,000 | 396,000 | 200,000 | 335,750 | 2,756,350 | 258,471 | (107,267) | 30,125,000 | 2024 | |
| 2025 | 3,087,463 | (3,218) | | 428,580 | 72,558 | 3,585,383 | 600,000 | 240,100 | 500,000 | 326,000 | 300,000 | 387,000 | 300,000 | 325,750 | 3,103,850 | 481,533 | 374,266 | 28,425,000 | 2025 | |
| 2026 | 3,614,859 | 936 | | 373,566 | 72,558 | 4,061,919 | 620,000 | 219,100 | 600,000 | 306,000 | 400,000 | 373,500 | 400,000 | 310,750 | 3,339,350 | 722,569 | 1,096,835 | 26,405,000 | 2026 | |
| 2027 | 3,992,010 | 2,742 | | 373,566 | 72,558 | 4,440,876 | 640,000 | 197,400 | 650,000 | 282,000 | 500,000 | 355,500 | 500,000 | 290,750 | 3,525,650 | 915,226 | 2,012,061 | 24,115,000 | 2027 | |
| 2028 | 4,308,131 | 5,030 | | 373,566 | 72,558 | 4,759,286 | 660,000 | 175,000 | 675,000 | 256,000 | 600,000 | 333,000 | 550,000 | 265,750 | 3,624,750 | 1,134,536 | 3,146,597 | 21,630,000 | 2028 | |
| 2029 | 4,560,454 | 7,866 | | 170,201 | 72,558 | 4,811,080 | 685,000 | 151,900 | 700,000 | 229,000 | 700,000 | 306,000 | 580,000 | 238,250 | 3,700,150 | 1,110,930 | 4,257,527 | 18,965,000 | 2029 | |
| 2030 | 4,746,180 | 10,644 | | | 72,558 | 4,829,382 | 710,000 | 127,925 | 730,000 | 201,000 | 800,000 | 274,500 | 610,000 | 209,250 | 3,772,675 | 1,056,707 | 5,314,234 | 16,115,000 | 2030 | |
| 2031 | 4,795,524 | 13,286 | | | 72,558 | 4,881,367 | 735,000 | 103,075 | 760,000 | 171,800 | 900,000 | 238,500 | 640,000 | 178,750 | 3,837,125 | 1,044,242 | 6,358,476 | 13,080,000 | 2031 | |
| 2032 | 4,845,360 | 15,896 | | | 72,558 | 4,933,815 | 735,000 | 77,350 | 790,000 | 141,400 | 1,000,000 | 198,000 | 670,000 | 146,750 | 3,843,500 | 1,090,315 | 7,448,791 | 9,885,000 | 2032 | |
| 2033 | 4,895,696 | 18,622 | | | 72,558 | 4,986,876 | 735,000 | 51,625 | 820,000 | 109,800 | 1,045,000 | 153,000 | 705,000 | 113,250 | 3,817,675 | 1,169,201 | 8,617,992 | 6,580,000 | 2033 | |
| 2034 | 4,946,534 | 21,545 | | | 72,558 | 5,040,637 | 740,000 | 25,900 | 960,000 | 77,000 | 1,175,000 | 105,975 | 775,000 | 78,000 | 3,996,875 | 1,043,762 | 9,661,754 | 2,930,000 | 2034 | |
| 2035 | 4,997,881 | 24,154 | | | 72,558 | 5,094,594 | | | 965,000 | 38,600 | 1,180,000 | 53,100 | 785,000 | 39,250 | 3,100,950 | 1,993,644 | 11,655,398 | 0 | 2035 | |
| Total | 57,142,834 | 86,699 | 3,479,625 | 4,285,800 | 1,233,489 | 66,228,448 | 8,260,000 | 4,204,375 | 9,050,000 | 5,368,600 | 9,000,000 | 6,009,075 | 6,715,000 | 4,211,000 | 1,500,000 | 255,000 | 54,573,050 | | Total | |

Notes:

Note 1 Special assessments in Mt. Pleasant are subject to actual usage of the water main and may be indefinitely deferred under the terms of the Wholesale Agreement with the City of Racine

Note 2 Does not require up-front capitalization - payable only on "as earned" basis

Note 3 Administrative costs prior to 2020 are capitalized with other Project costs

Projected District Termination

SECTION 11: Annexed Property

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

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

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

SECTION 13: Proposed Zoning Ordinance Changes

The Village anticipates that portions of the District will be rezoned to either industrial or commercial use prior to development, but it does not anticipate that the District will require any other changes in zoning ordinances.

SECTION 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, known as the Village of Caledonia Land Use Plan. There are no proposed changes to the Master Plan, map, building codes or other Village ordinances for the implementation of this Plan.

SECTION 15: Relocation

It is not anticipated there will be a need to relocate persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the Village will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 16: Orderly Development of the Village of Caledonia

The District contributes to the orderly development of the Village by providing the opportunity for continued growth in tax base, job opportunities and general economic activity, specifically in the I-94 area, consistent with the Village's Land Use Plan.

SECTION 17: List of Estimated Non-Project Costs

Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

Examples would include:

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

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

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

For the purposes of determining the Financial Feasibility no allowances for non-project costs, other than special assessments shown on the Implementation and Financing Timetable, have been assumed for the implementation of this Project Plan. As detailed design of the various projects occurs, determinations of other non-project costs using the criteria above would need to occur.

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



PRUITT, EKES & GEARY, S.C.

Timothy J. Pruitt
Elaine Sutton Ekas
Christopher A. Geary

Office Administrator:
Eileen Zaffiro

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July 7, 2014

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

RE: Tax Incremental District No. 4, Village of Caledonia

Dear Village Board Members:

As attorneys for the Village of Caledonia, we have reviewed the proposed Project Plan for the Creation of Tax Incremental District No. 4 and have determined that it is complete and complies with Section 66.1105(4)(f) of the Wisconsin Statutes.

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 portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction. | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| Statement of Taxes Data Year: | | 2013 | | | | |
| | | | | Percentage | | |
| County | 7,689,246 | | | 17.76% | | |
| Technical College | 3,134,666 | | | 7.24% | | |
| Municipality | 13,366,635 | | | 30.87% | | |
| School District | 19,102,723 | | | 44.12% | | |
| Total | <u>43,293,270</u> | | | | | |
| Revenue Year | County | Municipality | School District | Technical College | Total | Revenue Year |
| 2016 | 334 | 581 | 830 | 136 | 1,882 | 2016 |
| 2017 | 15,633 | 27,176 | 38,839 | 6,373 | 88,022 | 2017 |
| 2018 | 38,758 | 67,376 | 96,289 | 15,801 | 218,224 | 2018 |
| 2019 | 70,171 | 121,982 | 174,328 | 28,606 | 395,088 | 2019 |
| 2020 | 109,954 | 191,139 | 273,163 | 44,825 | 619,080 | 2020 |
| 2021 | 181,209 | 315,005 | 450,185 | 73,873 | 1,020,272 | 2021 |
| 2022 | 265,069 | 460,784 | 658,523 | 108,060 | 1,492,437 | 2022 |
| 2023 | 353,988 | 615,357 | 879,428 | 144,310 | 1,993,083 | 2023 |
| 2024 | 448,400 | 779,478 | 1,113,979 | 182,799 | 2,524,655 | 2024 |
| 2025 | 548,359 | 953,243 | 1,362,312 | 223,549 | 3,087,463 | 2025 |
| 2026 | 642,029 | 1,116,074 | 1,595,021 | 261,735 | 3,614,859 | 2026 |
| 2027 | 709,014 | 1,232,518 | 1,761,434 | 289,043 | 3,992,010 | 2027 |
| 2028 | 765,160 | 1,330,119 | 1,900,920 | 311,932 | 4,308,131 | 2028 |
| 2029 | 809,975 | 1,408,023 | 2,012,255 | 330,201 | 4,560,454 | 2029 |
| 2030 | 842,961 | 1,465,365 | 2,094,205 | 343,649 | 4,746,180 | 2030 |
| 2031 | 851,725 | 1,480,600 | 2,115,977 | 347,222 | 4,795,524 | 2031 |
| 2032 | 860,576 | 1,495,987 | 2,137,967 | 350,830 | 4,845,360 | 2032 |
| 2033 | 869,516 | 1,511,528 | 2,160,177 | 354,475 | 4,895,696 | 2033 |
| 2034 | 878,546 | 1,527,224 | 2,182,609 | 358,156 | 4,946,534 | 2034 |
| 2035 | 887,665 | 1,543,077 | 2,205,265 | 361,874 | 4,997,881 | 2035 |
| | <u>10,149,044</u> | <u>17,642,636</u> | <u>25,213,705</u> | <u>4,137,449</u> | <u>57,142,834</u> | |
| Notes: | | | | | | |
| The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4. | | | | | | |