

Appendix D

Town of Lisbon Tax Incremental District No. 1

Project Plan

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FINAL

October 8, 2018

Project Plan for the Creation of Tax Incremental District No. 1

TOWN OF LISBON, WISCONSIN

Organizational Joint Review Board Meeting Held:	October 4, 2018
Public Hearing Held:	October 11, 2018
Consideration for Approval by Plan Commission:	October 11, 2018
Consideration for Adoption by Town Board:	November 26, 2018
Consideration for Approval by the Joint Review Board:	December 3, 2018



Tax Incremental District No. 1 Creation Project Plan

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SECTION 1: Executive Summary

Authority

The Town of Lisbon, being a Town with a population greater than 3,500, along with an equalized valuation in excess of \$500 million, has the authority to create Tax Incremental Districts in accordance with the provisions of Wisconsin Statutes Section 60.23. Furthermore, and as required, the Town will extend sanitary sewer service to the proposed District prior to use or operation of the improvements to be installed within it. The District is within an approved sewer service area will receive sewer service via the Village of Sussex.

Description of District

Type of District, Size and Location

Tax Incremental District (“TID”) No. 1 (the “TID” or “District”) is proposed to be created by the Town of Lisbon (“Town”) 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 Town anticipates making total project expenditures of approximately \$4,238,917 to undertake the projects listed in this Project Plan. The Town anticipates completing the projects in two phases. The Expenditure Period of this District is 15 years from the date of adoption of the authorizing Resolution of the Town Board (the “Creation Resolution”). The projects to be undertaken pursuant to this Project Plan are expected to be financed with a combination of General Obligation Bonds issued by the Town, however, the Town may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the Town, or provide other advantages as determined by the Town 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 Town projects that additional land and improvements value of approximately \$29,716,906 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 which details 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 2037; 4 years earlier than the 20-year maximum life of this District. In addition, under sec. 60.23(32)(f)(2), Wis. Stats, the Town will commit to utilizing no more than one-half of the available expenditure period for 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 Town.** In making this determination, the Town has considered the following information:
 - Some of the sites proposed for development and/or redevelopment have remained vacant for eight years due to lack of adequate infrastructure, and ownership by multiple parties. Given that the sites have not developed as would have been expected under normal market conditions, it is the judgment of the Town that the use of Tax Incremental Financing (“TIF”) will be required to provide the necessary infrastructure and inducements to encourage development on the sites consistent with that desired by the Town.
 - In order to make the areas included within the District suitable for development and/or redevelopment, the Town 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 and/or rehabilitation that is required in order to allow development and/or redevelopment to occur, the Town has determined that development and/or redevelopment of the area will not occur solely as a result of private investment. Accordingly, the Town finds that absent the use of TIF, development and/or redevelopment of the area is unlikely to occur.
 - Due to its geographic location and market conditions, the Town has seen little growth or new investment in the community. Net new construction within the Town for the period of 2014 to 2018 has averaged only 1.61%. Absent the use of Tax Increment Financing (TIF), this trend is likely to continue. Use of TIF will provide the Town with the means to stimulate new development.
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 Town 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.
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, 2019. 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, 2019 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 Town 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 industrial, commercial and residential uses, defined as “mixed-use development” within the meaning of Wisconsin Statutes Section 66.1105(2)(cm). Lands proposed for newly platted residential development comprise less than 35% (and in no event will exceed 35%) by area of the real property within the District. Any project costs related to newly platted residential development are eligible expenditures based on the finding that the development has a residential housing density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.
 5. Based upon the findings, as stated above, the District is declared to be a 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 Town, does not exceed 12% of the total equalized value of taxable property within the Town.
 9. The Town 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 Town is feasible and is in conformity with the master plan of the Town.

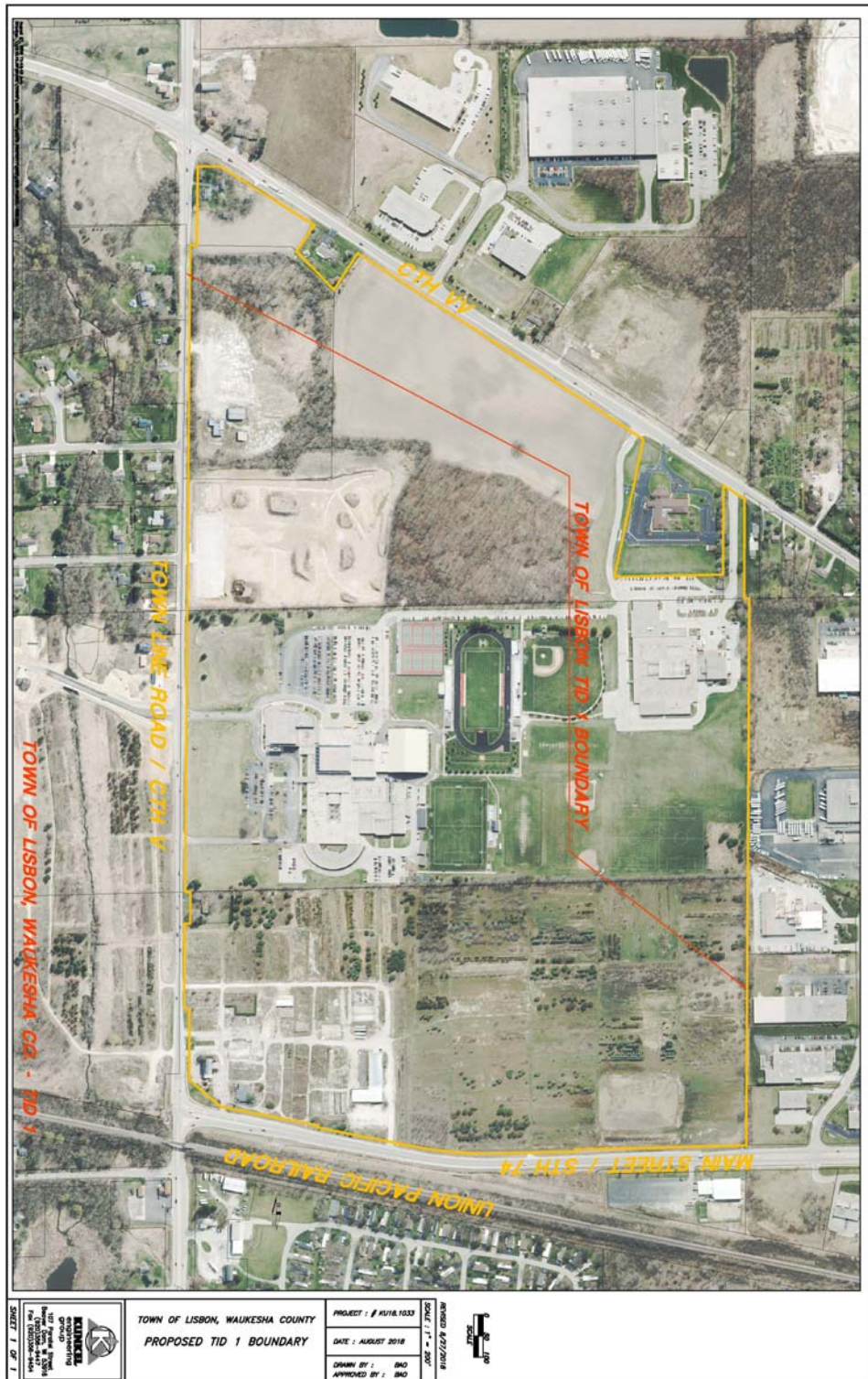
SECTION 2: Type and General Description of District

The District is being created by the Town 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 industrial, commercial and residential 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 comprise less than 35% of the area of the District. To the extent that project costs will be incurred by the Town for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in Wisconsin Statutes Section 66.1105(2)(f)3.a.

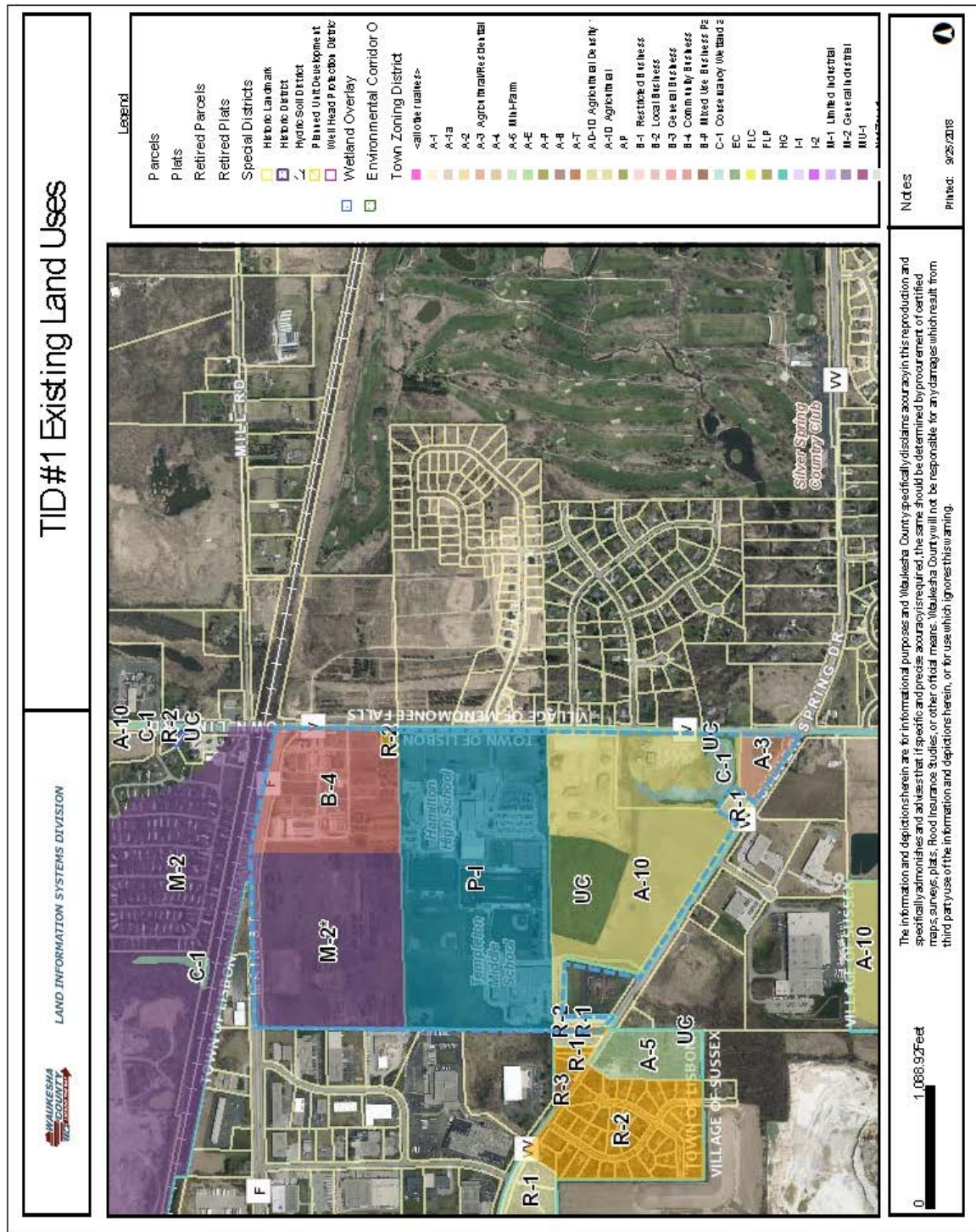
A map depicting the boundaries of the District is found in Section 3 of this Plan. A map depicting the proposed uses of the District is found in Section 8 of this plan. The Town intends that TIF will be used to assure that a combination of private industrial, commercial and residential development occurs within the District consistent with the Town’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 Town. 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: Preliminary Map of Proposed District Boundary



Town of Lisbon
October 8, 2018



SECTION 5: Preliminary Parcel List and Analysis

Town of Lisbon																			
Tax Increment District #1																			
Base Property Information																			
			Assessment Information				Equalized Value					District Classification							
Parcel Number	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Industrial (Zoned and Suitable)	Commercial/ Business	Existing Residential	Newly Platted Residential	Suitable for Mixed Use			
SRT0241999	Town of Lisbon	72.00	0	0	0	0	90.28%	0	0	0	0	36	36			72.00			
SRT0241998	Christopher & Emily Dennert	0.69	54,500	124,000		178,500	90.28%	60,368	137,350	0	197,718			0.69		0.69			
SRT0241997	Hamilton School District	80.72	0	0	0	0	90.28%	0	0	0	0	0	0	0.00		0.00			
SRT0244999004	Hamilton School District	50.96	0	0	0	0	90.28%	0	0	0	0	0	0	0.00		0.00			
SRT024499901	Duane Hyland	17.21	272,000	109,500		381,500	90.28%	301,285	121,289	0	422,574		17.21			17.21			
SRT0244999003	Thomas Gengler	3.33	67,500	127,100		194,600	90.28%	74,767	140,784	0	215,552					0.00			
Total Acreage		224.91	394,000	360,600	0	754,600		436,420	399,424	0		36	53.21	0.69	0	89.9			
											Estimated Base Value		935,844		23.66%		0.31%	0.00%	39.97%

SECTION 6: Equalized Value Test

The following calculations demonstrate that the Town 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 Town.

The equalized value of the increment of existing tax incremental districts within the Town, plus the base value of the proposed District, totals \$835,844. This value is less than the maximum of \$148,970,124 in equalized value that is permitted for the Town of Lisbon. The Town is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

Town of Lisbon				
Tax Increment District #1				
Valuation Test Compliance Calculation				
District Creation Date	10/1/2018			
	Valuation Data Currently Available 2018	Dollar Charge	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	1,241,417,700			1,241,417,700
12% Test	148,970,124			148,970,124
Total Existing Increment	0			0
Projected Base of New or Amended District	835,844			835,844
Total Value Subject to 12% Test	835,844			835,844
Compliance	PASS			PASS

SECTION 7:

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

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

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development and/or Redevelopment

In order to promote and facilitate development and/or redevelopment the Town may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for development and/or redevelopment. Any revenue received by the Town 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 Town to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

The Town 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 Town to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The Town 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 Town 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 Town related to environmental audits, testing, and remediations are eligible Project Costs.

Demolition

In order to make sites suitable for development and/or redevelopment, the Town may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development and/or redevelopment, to provide access, and to control stormwater runoff. The Town may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the Town for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

There are inadequate sanitary sewer facilities serving areas of the District. To allow development and/or redevelopment to occur, the Town 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; including capacity in the Lannon Interceptor; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the Town 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 Town 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. 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 areas of the District. To allow development and/or redevelopment to occur, the Town 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 Town 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 Town construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development and/or redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Town 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; 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 Town 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 and/or redevelopment, the Town 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 Town to undertake this work are eligible Project Costs.

Gas Service

In order to create sites suitable for development and/or redevelopment, the Town may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the Town to undertake this work are eligible Project Costs.

Communications Infrastructure

In order to create sites suitable for development and/or redevelopment, the Town 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 Town to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

There are inadequate street improvements serving areas of the District. To allow development and/or redevelopment to occur, the Town may need to construct and/or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

In order to attract development and/or redevelopment consistent with the objectives of this Plan, the Town 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 Town are eligible Project Costs.

Miscellaneous

Cash Grants (Development Incentives)

The Town 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 Town executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Town are eligible Project Costs.

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Town 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 Town'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 Town intends to make the following project cost expenditures outside the District: capacity in the Lannon Interceptor, which is a sanitary sewer interceptor pipe that the Town will be purchasing capacity in for the District to allow for wastewater to be transported from the District to the Sussex Wastewater Treatment Facility. A portion of the interceptor runs down Hwy 74, which is the northern border of the District, as it comes from the Village of Lannon to the Village of Sussex.

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 Town 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 Town 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.

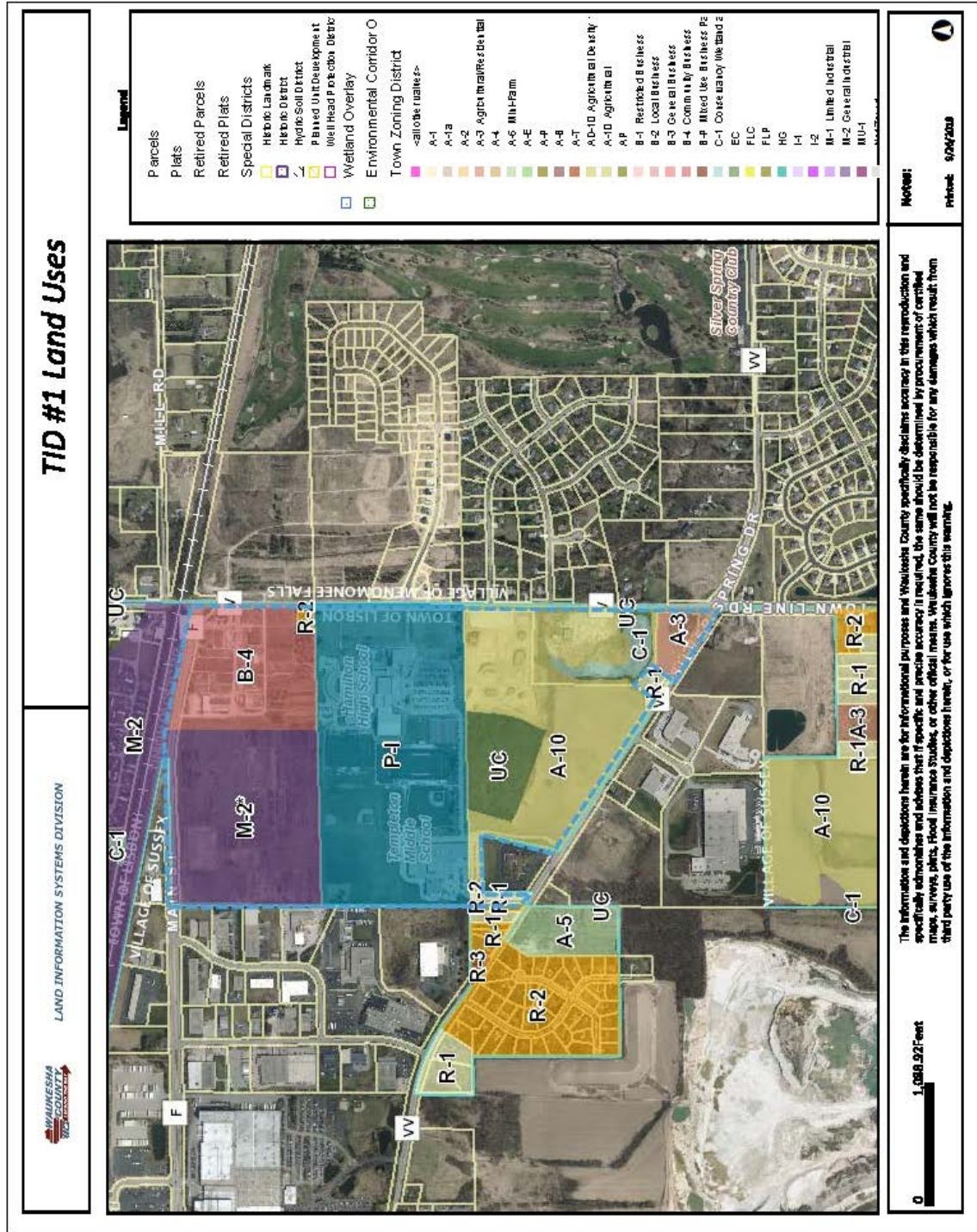
With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating Town ordinances and plans, judgments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

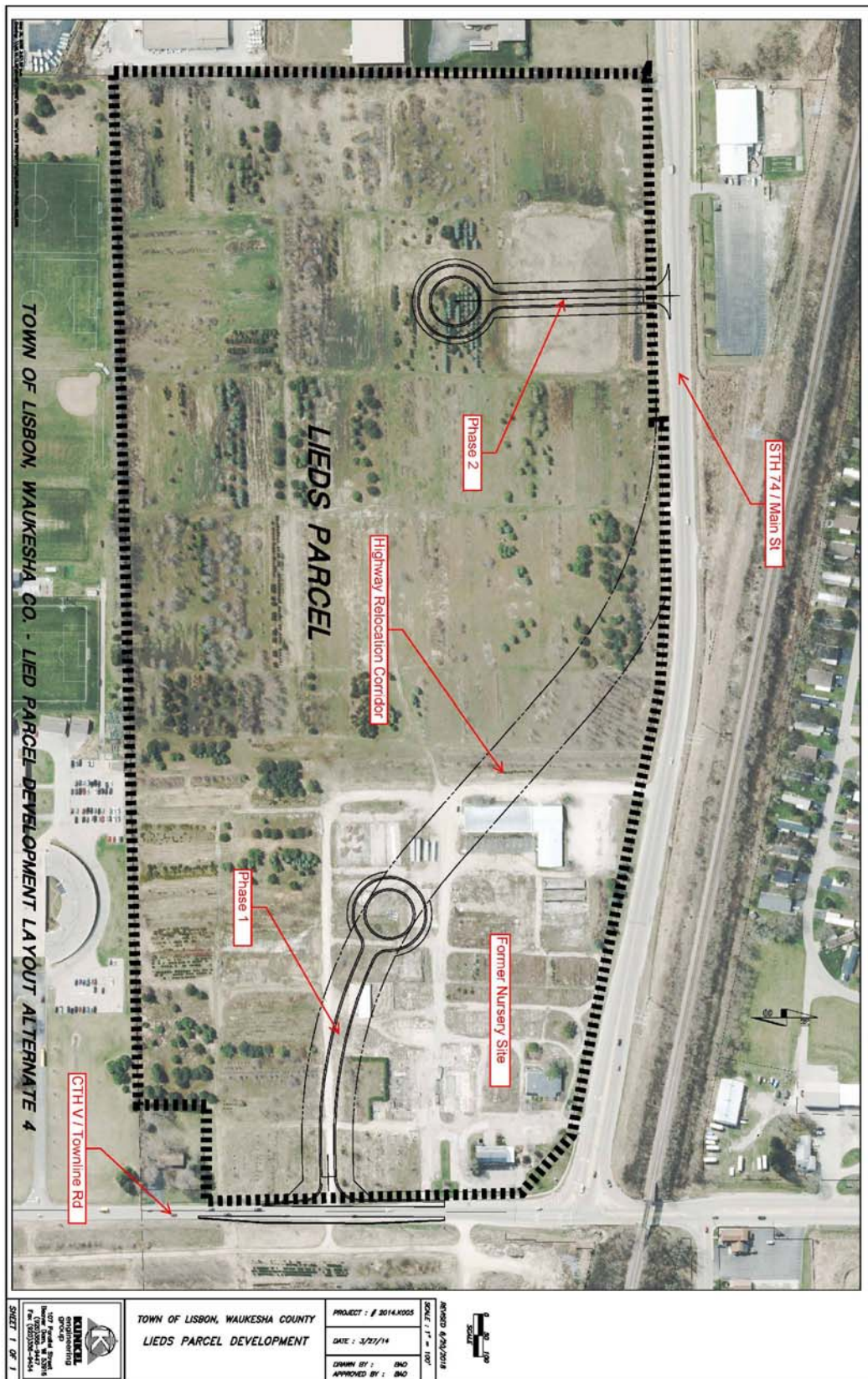
In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statutes Section 66.1105, in the written opinion of counsel retained by the Town for such purpose or a court of record so rules in a final order, then such project or projects shall 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 Town 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 Town and as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Prorations of costs 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





SECTION 9: Detailed List of Project Costs

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 Town retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Town Board, without amending the Plan.

All costs are based on 2019 prices and are preliminary estimates. The Town reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2019 and the time of construction. The Town 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.

However, if total project costs exceed 115% of \$4,238,917 (total project costs specified in the table on the following page, plus 15% contingency), the Town 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.

All projects identified are TID eligible. The Town will use increment generated within the District to pay for projects supported by the overall cash flow of the District and will use a phased approach so project costs are incurred to match the pace of development within the District.

Proposed TIF Project Cost Estimates

Town of Lisbon Tax Increment District #1 Estimated Project List				
Project ID	Project Name/Type	Phase I 2019	Phase II 2019	Total (Note 1)
1	<u>Phase I</u>			
2	Nursery Site Demo & Site Prep	212,750		212,750
3	Off-site sanitary sewer extension	93,179		93,179
4	Well & Water infrastructure	718,750		718,750
5	East CTHV/Townline Road Entrance	1,207,167		1,207,167
6	Lannon Interceptor Capacity (Note 3)	227,000		227,000
7	<u>Phase II</u>			
8	Site Preparation		125,000	125,000
9	Phase 1 to 2 Water and Wastewater Connection/main		498,650	498,650
10	STH 74/Main Street Entrance		1,121,421	1,121,421
11	District creation expense		35,000	35,000
Total Projects		2,458,846	1,780,071	4,238,917
Notes:				
Note 1	Project costs are estimates and are subject to modification			
Note 2	Source: Kunkel Engineering, 6/22/2018.			
Note 3	Lannon interceptor capacity is cost for capacity in the "Lannon Interceptor" which runs from the Village of Lannon to the Sussex WWTP and is via an intermunicipal agreement with the Village of Sussex, Village of Lannon and the Town of Lisbon.			

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 Town 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 Town 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 and/or redevelopment. 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 and/or redevelopment expected to occur, 2) a projection of tax increments to be collected resulting from that development and/or redevelopment 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

The following is a list of the types of obligations the Town may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The Town 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 Town has a G.O. debt limit of \$62,070,885, of which \$50,962,826 is currently unused and could be made available to finance Project Costs.

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

The Town 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 Town’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 Town and, therefore, do not count against the Town’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The Town has the authority to issue revenue bonds secured by the tax increments to be collected. Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the Town and therefore do not count against the Town's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the Town 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 Town can issue revenue bonds to be repaid from revenues of the its various systems, including revenues paid by the Town that represent service of the system to the Town. 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 Town must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the Town utilizes utility revenues other than tax increments to repay a portion of the bonds, the Town must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The Town 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 Town determines that special assessments are appropriate, the Town 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 Town's statutory borrowing capacity. If special assessments are levied, the Town must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

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 and/or redevelopment occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the Town 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 Town 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 Town reserves the right to use alternate financing solutions for the projects as they are implemented.

Implementation and Financing Timeline

Town of Lisbon				
Tax Increment District #1				
Estimated Financing Plan				
	Bond Anticipation Note 2019		G.O. Refunding Bond 2022	
	5/1/2019		5/1/2022	
Projects				
Phase I	2,458,846		4,840,000	
Phase II	1,780,071			
Total Project Funds	4,238,917		4,840,000	
Estimated Finance Related Expenses				
Municipal Advisor	15,500		27,400	
Bond Counsel	15,000		15,000	
Disclosure Counsel	9,000		9,000	
Rating Agency Fee	10,500		10,500	
Paying Agent	675		675	
Underwriter Discount	10.00	48,400	12.50	62,000
Capitalized Interest	508,200			
Total Financing Required	4,846,192		4,964,575	
Estimated Interest	0.25%	(5,299)	0.25%	(6,050)
Assumed spend down (months)	6		6	
Rounding	(893)		1,475	
Net Issue Size	4,840,000		4,960,000	
Notes:				

Development Assumptions

Town of Lisbon							
Tax Increment District #1							
Development Assumptions							
Construction Year		Assisted Living	Commerical /Mercantile	Industrial	Annual Total	Construction Year	
1	2019				0	2019	1
2	2020	776,320		253,367	1,029,687	2020	2
3	2021	6,361,840		728,203	7,090,043	2021	3
4	2022	776,320		752,876	1,529,196	2022	4
5	2023	6,361,840	795,456	739,529	7,896,825	2023	5
6	2024		2,442,460	798,120	3,240,580	2024	6
7	2025		1,229,029	965,768	2,194,797	2025	7
8	2026		1,227,090	773,951	2,001,041	2026	8
9	2027		368,127	725,294	1,093,421	2027	9
10	2028		1,227,090	450,882	1,677,972	2028	10
11	2029		368,127		368,127	2029	11
12	2030		1,227,090		1,227,090	2030	12
13	2031		368,127		368,127	2031	13
14	2032				0	2032	14
15	2033				0	2033	15
16	2034				0	2034	16
17	2035				0	2035	17
18	2036				0	2036	18
19	2037				0	2037	19
20	2038				0	2038	20
Totals		14,276,320	9,252,596	6,187,990	29,716,906		
Notes:							
Note 1 Source: Master Plan Memorandum, dated March 27, 2018, prepared by JSD Professional Services. The residential estimates prepared by JSD were modified to assisted living facilities.							

Increment Revenue Projections

Town of Lisbon

Tax Increment District #1

Tax Increment Projection Worksheet

Type of District	Mixed Use	Base Value	835,844	
District Creation Date	October 1, 2018	Appreciation Factor	0.00%	Apply to Base Value
Valuation Date	Jan 1, 2019	Base Tax Rate	\$19.20	
Max Life (Years)	20	Rate Adjustment Factor		
Expenditure Period/Termination	15 10/1/2033			
Revenue Periods/Final Year	20 2040			
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	3.75%	
Recipient District	No	Taxable Discount Rate	5.25%	

Construction	Valuation	Inflation	Total	Revenue	Tax	Tax Exempt	
Year	Value Added	Year	Increment	Year	Rate	NPV	Taxable NPV
						Calculation	Calculation
1 2019	0	2020	0	2021	\$19.20	0	0
2 2020	1,029,687	2021	0	2022	\$19.20	17,062	16,110
3 2021	7,090,043	2022	0	2023	\$19.20	146,745	136,812
4 2022	1,529,196	2023	0	2024	\$19.20	295,281	273,090
5 2023	7,896,825	2024	0	2025	\$19.20	555,619	508,540
6 2024	3,240,580	2025	0	2026	\$19.20	852,891	773,563
7 2025	2,194,797	2026	0	2027	\$19.20	1,169,673	1,051,953
8 2026	2,001,041	2027	0	2028	\$19.20	1,501,590	1,339,488
9 2027	1,093,421	2028	0	2029	\$19.20	1,835,513	1,624,637
10 2028	1,677,972	2029	0	2030	\$19.20	2,178,078	1,912,997
11 2029	368,127	2030	0	2031	\$19.20	2,512,641	2,190,607
12 2030	1,227,090	2031	0	2032	\$19.20	2,849,182	2,465,879
13 2031	368,127	2032	0	2033	\$19.20	3,177,628	2,730,701
14 2032	0	2033	0	2034	\$19.20	3,494,202	2,982,313
15 2033	0	2034	0	2035	\$19.20	3,799,334	3,221,375
16 2034	0	2035	0	2036	\$19.20	4,093,437	3,448,511
17 2035	0	2036	0	2037	\$19.20	4,376,909	3,664,318
18 2036	0	2037	0	2038	\$19.20	4,650,136	3,869,360
19 2037	0	2038	0	2039	\$19.20	4,913,487	4,064,174
20 2038	0	2039	0	2040	\$19.20	5,167,319	4,249,271
Totals	29,716,906	0		Future Value of Increment	8,718,873		

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).

Base tax rate is the current 2018 tax rate plus a \$1.37/\$1,000 increase for the successful Hamilton school district referendum.

Cash Flow

Town of Lisbon																
Tax Increment District #1																
Cash Flow Projection																
Projected Revenues																
Expenditures																
Balances																
Year	Tax Increments	Bond Proceeds	Total Revenues	Bond Anticipation Note 4,840,000 Dated Date: Principal	Est. Rate	05/01/19 Interest	G.O. Refunding Bond 4,960,000 Dated Date: Principal	Est. Rate	05/01/22 Interest	Project Expenses	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding	Year
2019		4,747,117	4,747,117		3.50%	84,700				4,238,917	0	4,323,617	423,500	423,500	4,840,000	2019
2020			0		3.50%	169,400					3,000	172,400	(172,400)	251,100	4,840,000	2020
2021	0		0		3.50%	169,400					3,000	172,400	(172,400)	78,700	4,840,000	2021
2022	19,769	4,840,000	4,859,769	4,840,000	3.50%	84,700					3,000	4,927,700	(67,931)	10,769	4,960,000	2022
2023	155,892		155,892				0	1.95%	235,685		3,000	238,685	(82,793)	(72,024)	4,960,000	2023
2024	185,251		185,251				0	2.10%	157,123		3,000	160,123	25,128	(46,896)	4,960,000	2024
2025	336,863		336,863				100,000	2.20%	156,023		3,000	259,023	77,840	30,944	4,860,000	2025
2026	399,079		399,079				250,000	2.35%	151,986		3,000	404,986	(5,906)	25,038	4,610,000	2026
2027	441,218		441,218				250,000	2.50%	145,923		3,000	398,923	42,295	67,333	4,360,000	2027
2028	479,636		479,636				300,000	2.62%	138,868		3,000	441,868	37,768	105,101	4,060,000	2028
2029	500,629		500,629				300,000	2.75%	130,813		3,000	433,813	66,816	171,916	3,760,000	2029
2030	532,844		532,844				300,000	2.86%	122,398		3,000	425,398	107,446	279,363	3,460,000	2030
2031	539,912		539,912				300,000	2.95%	113,683		3,000	416,683	123,229	402,592	3,160,000	2031
2032	563,471		563,471				300,000	3.02%	104,728		3,000	407,728	155,743	558,335	2,860,000	2032
2033	570,539		570,539				300,000	3.12%	95,518		3,000	398,518	172,021	730,355	2,560,000	2033
2034	570,539		570,539				320,000	3.22%	85,686		3,000	408,686	161,853	892,208	2,240,000	2034
2035	570,539		570,539				350,000	3.40%	74,584		3,000	427,584	142,955	1,035,163	1,890,000	2035
2036	570,539		570,539				350,000	3.47%	62,562		3,000	415,562	154,977	1,190,140	1,540,000	2036
2037	570,539		570,539				350,000	3.57%	50,242		3,000	403,242	167,297	1,357,437	1,190,000	2037
2038	570,539		570,539				390,000	3.66%	36,857		3,000	429,857	140,682	1,498,119	800,000	2038
2039	570,539		570,539				400,000	3.70%	22,320		3,000	425,320	145,219	1,643,338	400,000	2039
2040	570,539		570,539				400,000	3.73%	7,460		3,000	410,460	160,079	1,803,416	0	2040
Total	8,718,873	9,587,117	18,305,990	4,840,000		508,200	4,960,000		1,892,457	4,238,917	63,000	16,502,574				Total
Notes: Projected TID Closure																

SECTION 11: 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 Town 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.

SECTION 12: Proposed Zoning Ordinance Changes

The Town anticipates that a portion of the District will be rezoned prior to development.

SECTION 13: Proposed Changes in Master Plan, Map, Building Codes and Town of Lisbon Ordinances

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

SECTION 14: 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 Town will follow applicable Wisconsin Statutes Section chapter 32.

SECTION 15: Orderly Development and/or Redevelopment of the Town of Lisbon

The District contributes to the orderly development and/or redevelopment of the Town by providing the opportunity for continued growth in tax base, job opportunities and general economic activity. Portions of the District have been vacant or underutilized for several years. Specifically, the former Lied's Nursery site has been vacant for many years and is in need of significant redevelopment. The property sits on a significant traffic generating intersection for the Town, as does the intersection of Silver Spring and Townline Road. Both properties if properly developed can result in increases to the Town's tax base and job base.

SECTION 16: 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 Town does not expect to incur any non-project costs in the implementation of this Project Plan.

SECTION 17:
Opinion of Attorney for the Town of Lisbon Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

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November 19, 2018

Joe Osterman, Town Chair
Town of Lisbon
W234 N8676 Woodside Road
Lisbon, WI 53089

RE: Town of Lisbon, Wisconsin Tax Incremental District No. 1

Dear Town Chair:

As Attorney for the Town of Lisbon, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Very truly yours,


James W. Hammes

JWH:alk

cc: Jon Cameron (jcameron@ehlers-inc.com)

The Standard of Excellence™

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.