

September 21, 2023

PROJECT PLAN

City of Franklin, Wisconsin

Tax Incremental District No. 9



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	September 14, 2023
Public Hearing Held:	September 21, 2023
Approval by Plan Commission:	September 21, 2023
Adoption by Common Council:	Scheduled for Oct. 17, 2023
Approval by the Joint Review Board:	Scheduled for Oct. 25, 2023

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 9 (“District”) is a proposed Mixed-Use District comprising approximately 243 acres located generally in the vicinity of 76th Street and Ryan Road. The District will be created to pay the costs of public infrastructure, development incentives, and other costs to be incurred that will allow for development to take place on the parcels to be included, which presently lack access to sanitary sewer service and other public improvements required for development (“Project”). The initial development precipitating creation of the District is Carma Laboratories (“Company”) plans to construct a new 225,000 square foot headquarters facility including office, industrial and warehousing space on lands the company owns at the northeast corner of Ryan Road and 76th Street. The District will also include lands to the west, southwest and south that require extension of public improvements to develop. In addition to the incremental property value that will be created, the City expects the Project to provide employment opportunities, increased income and sales tax collection, development of housing, increased commercial and manufacturing activity, and other benefits to the local economy resulting from the purchase of goods and services related to construction and operation of the Project.

AUTHORITY

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

ESTIMATED TOTAL PROJECT COST EXPENDITURES

The City anticipates making total expenditures of approximately \$11.4 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$4.7 million for public infrastructure, \$3.8 million for development incentives, \$2.6 million for interest on long-term debt and financing costs, and \$340,000 for administrative costs.

INCREMENTAL VALUATION

The City projects that new land and improvements value of approximately \$102.2 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

EXPECTED TERMINATION OF DISTRICT

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within 13 years, or 11 total years of tax increment collection. The District is permitted to remain open for a maximum of 20 total years of tax increment collection.

SUMMARY OF FINDINGS

As required by Wis. Stat. § 66.1105, and as documented in this 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 Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has considered:
 - a. Discussions with the Company pertaining to the economic viability of the site taking into consideration the infrastructure requirements, increased construction costs, increased financing costs, and the Company’s evaluation of the site as compared to other locations the Company considered locating its new facility.
 - b. The substantial investment needed to provide the public infrastructure necessary to allow for development within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements.
2. The economic benefits of the 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 City has considered that in addition to the incremental property value that will be created, the City expects the Project to provide employment opportunities to include retention of approximately 200 jobs in the City and potential creation of 100 additional jobs, increased income and sales tax collection, development of housing, increased commercial and manufacturing activity, and other benefits to the local economy resulting from the purchase of goods and services related to construction and operation of the Project.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 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 prepared and can be found in this Plan. However, because the Project would not occur without the use of tax

incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.

4. Not less than 50% by area of the real property within the District is suitable for mixed use development as defined by Wis. Stat. § 66.1105(2)(cm). Lands proposed for newly-platted residential development comprise no more than 35% of the real property area within the District. Costs related to newly-platted residential development may be incurred based on the proposed development having a density of at least three (3) units per acre as defined in Wis. Stat. § 66.1105(2)(f)3.a.
5. Based on the foregoing finding, the District is designated as a mixed-use 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. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City 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 Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2: Preliminary Map of Proposed District Boundary

Map Found on Following Page.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.



GIS Department
 9229 W Loomis Rd
 Franklin, WI 53132
 www.franklinwi.gov

Franklin Proposed TID 9

-  TID 9 Boundary and Area
-  Included Properties
-  ROW Area Included - 18.72 AC



This map shows the approximate relative location of property boundaries but was not prepared by a professional land surveyor. This map is provided for informational purposes only and may not be sufficient or appropriate for legal, engineering, or surveying purposes.

SECTION 3:

Map Showing Existing Uses and Conditions

Map Found on Following Page.



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Franklin Proposed TID 9 Existing Land Uses

- TID 9 Boundary and Area
- Included Properties
- ROW Area Included - 18.72 AC



This map shows the approximate relative location of property boundaries but was not prepared by a professional land surveyor. This map is provided for informational purposes only and may not be sufficient or appropriate for legal, engineering, or surveying purposes.

SECTION 4: Preliminary Parcel List and Analysis

The parcels identified in the table below will become part of the District as of January 1, 2024. Valuations noted are as of January 1, 2023. Actual District base value will be calculated using January 1, 2024, values. Any increase in value after that date will become incremental value for the District.

Map Legend	Parcel No.	Address	Acres	Total Assessed Value	Suitable For Mixed Use		
					Industrial Acres	Commerical Acres	Residential Acres
	ROW Areas	-	18.91	-	-	-	-
1	884-9995-000	9100 S 76TH ST	19.05	\$ 503,400	0.00	0.00	0.00
2	884-9996-000	9220 S 76TH ST	9.99	\$ 220,100	0.00	0.00	0.00
3	885-9999-009	6625 S. 46th Street	37.13	\$ 18,700	0.00	1.50	31.49
4	885-9999-002	-	1.03	\$ 25,100	0.00	0.93	0.00
5	885-9999-005	9371 S. 76th Street	1.29	\$ 434,400	0.00	1.16	0.00
6	885-9999-008	8050 W. Ryan Road	10.43	\$ 2,800	0.00	4.23	3.00
7	885-9999-007	7800 W. Ryan Road	23.00	\$ 6,200	0.00	10.70	10.00
8	884-9997-000	9410 S. 76th Street	41.25	\$ 11,200	29.25	12.00	0.00
9	884-9998-000	7520 W. Ryan Road	0.55	\$ 57,400	0.00	0.55	0.00
10	896-9996-002	8035 W. Ryan Road	3.17	\$ 132,000	0.00	3.17	0.00
11	896-9996-003	9545 W. Ryan Road	7.86	\$ 1,939,400	7.66	0.00	0.00
12	896-9990-001	9600 S 80th Street	20.14	\$ -	0.00	0.00	0.00
13	896-9987-001	7761 W. Ryan Road	2.33	\$ 2,236,300	2.33	0.00	0.00
14	896-9987-002	7709 W. Ryan Road	0.40	\$ 227,800	0.00	0.40	0.00
15	896-9985-000	7623 W Ryan Road	2.57	\$ 292,100	0.00	2.57	0.00
16	896-9986-000	9571 S. 76th Street	2.91	\$ 361,700	0.00	2.91	0.00
17	896-9993-000	9621 S. 76th Street	2.92	\$ 330,200	0.00	2.34	0.00
18	896-9994-003	9643 S. 76th Street	3.31	\$ 560,600	0.00	3.31	0.00
19	896-9994-002	9671 S 76th Street	0.98	\$ 28,800	0.00	0.98	0.00
20	896-9995-000	9675 S. 76th Street	0.69	\$ 269,500	0.00	0.69	0.00
21	897-9996-000	9546 S. 76th Street	26.80	\$ 7,300	0.00	12.76	10.00
22	897-9997-000	-	9.85	\$ 2,700	0.00	9.18	0.00
23	884-9999-000	7220 W. Ryan Road	3.72	\$ 387,300	0.00	3.72	0.00
	Less: Wetland Acreage	-	(7.27)	-	-	-	-
	Totals		243.01	\$8,055,000	39.24	73.09	54.49
	Estimated Assessment Ratio			99.69%			
	Estimated Equalized Value			\$ 8,079,668			

Of the 243.01 acres to be included in the District, a total of 166.83 acres, or 68.65%, are suitable for mixed-use development. Areas expected to be developed as newly-platted residential total to 22.42% of the District. The District meets the requirement that at least 50% of the area be suitable for mixed use development, and that no more than 35% of the area be developed with newly-platted residential uses. The areas to be developed as newly-platted residential qualify as average density will be at least three units per acres.

Acres Suitable for Industrial Development	39.24	16.15%
Acres Suitable for Commerical Development	73.09	30.08%
Acres Suitable for Newly Platted Residential Development	54.49	22.42%
Total Acres Suitable for Mixed Use Development	166.83	68.65%
Acres Not Suitable for Mixed Use Development	76.19	31.35%
Total Acres	243.01	100.00%

SECTION 5: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 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 City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$178,173,400. This value is less than the maximum of \$735,488,268 in equalized value that is permitted for the City.

Calculation of City Equalized Value Limit

City TID IN Equalized Value (Jan. 1, 2023)	\$ 6,129,068,900
TID Valuation Limit @ 12% of Above Value	\$ 735,488,268

Calculation of Value Subject to Limit

Estimated Base Value of Added Territory	\$ 8,079,700
Incremental Value of Existing Districts (Jan. 1, 2023)	\$ 170,093,700
Total Value Subject to 12% Valuation Limit	\$ 178,173,400

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory 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, design and construction is completed.

With all Project Costs, 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 City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number, and location of potential Project Costs.

Property, Right-of-Way, and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City 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 to make the property suitable for development. Any revenue received by the City 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 City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1. c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

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

Acquisition of Easements

The City 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 City 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 Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

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

Site Grading

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

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild, or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding, or expansion of collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City 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 City 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

To allow development to occur, the City 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 City 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 City 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. To manage this stormwater runoff, the City 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 riverbanks; 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 City 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 City construct, alter, rebuild, or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the City 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 City to undertake this work are eligible Project Costs.

Gas Service

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

Communications Infrastructure

To create sites suitable for development, the City 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 City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct 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

To attract development consistent with the objectives of this Plan, the City 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 City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for 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 City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Miscellaneous

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 City 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 City employees relating to 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.

SECTION 7: **Map Showing Proposed Improvements and Uses**

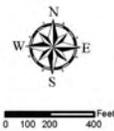
Map Found on Following Page.



GIS Department
 9229 W Loomis Rd
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Franklin Proposed TID 9 Future Project and Costs

- Future Water
- Future Road Improvements
- Future Sidewalk
- Future Sanitary
- TID 9 Boundary and Area
- Included Properties



This map shows the approximate relative location of property boundaries but was not prepared by a professional land surveyor. This map is provided for informational purposes only and may not be sufficient or appropriate for legal, engineering, or surveying purposes.

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SECTION 8: Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District’s Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Franklin, Wisconsin				
Tax Increment District #9				
Estimated Project List				
Project #	Project Name/Type	Phase I	Phase II	Total
1	Public Infrastructure			
	Sanitary Sewer Extensions	269,100	1,800,000	2,069,100
	Acceleration/Deceleration Lanes	1,430,000		1,430,000
	Sidewalk	212,160		212,160
	Paid by Company	(102,260)		(102,260)
	Water Extensions		550,000	550,000
2	Public Infrastructure (Taxable Financing)			0
	Sanitary Sewer Service		470,000	470,000
3	Development Incentives			0
	Carma Labs	1,500,000		1,500,000
	Other Commercial or Industrial		2,338,371	2,338,371
4	Interest on Long Term Debt	894,363	1,503,637	2,398,000
5	Financing Costs	88,925	99,113	188,038
6	Interest on Advances	3,678		3,678
7	Administrative Costs	340,000		340,000
Total Projects		4,635,966	6,761,120	11,397,086
Notes:				

SECTION 9: Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create approximately \$102.2 million in incremental value by January 1, 2035. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$18.83 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate approximately \$28.1 million in incremental tax revenue over the 20-year term of the District as shown in **Table 2**.

City of Franklin, Wisconsin

Tax Increment District #9

Development Assumptions

Construction Year	Carma ¹	Other Comm. & Industrial ²	Residential ³	Annual Total	Construction Year
1 2024	10,000,000	0	0	10,000,000	2024 1
2 2025	4,000,000	2,000,000	0	6,000,000	2025 2
3 2026		0	0	0	2026 3
4 2027		5,419,700	2,142,857	7,562,557	2027 4
5 2028		9,840,090	8,185,714	18,025,804	2028 5
6 2029		2,250,950	8,185,714	10,436,664	2029 6
7 2030		393,705	8,185,714	8,579,419	2030 7
8 2031		3,634,670	9,310,714	12,945,384	2031 8
9 2032		1,235,910	9,310,714	10,546,624	2032 9
10 2033		293,020	9,310,714	9,603,734	2033 10
11 2034		5,307,120	3,267,857	8,574,977	2034 11
12 2035		0	0	0	2035 12
13 2036				0	2036 13
14 2037				0	2037 14
15 2038				0	2038 15
16 2039				0	2039 16
17 2040				0	2040 17
18 2041				0	2041 18
19 2042				0	2042 19
20 2043				0	2043 20
Totals	<u>14,000,000</u>	<u>30,375,165</u>	<u>57,900,000</u>	<u>102,275,165</u>	

Notes:

¹Reflects proposed minimum value guarantee per term sheet received from J. Regetz 7-12-2023.

²Assumes 436,000 sq. ft. of commercial or industrial development valued at an average of \$65/sq. ft.

³Assumes 193 total units of residential development with an average value of \$300,000 per unit.

Table 1 - Development Assumptions

City of Franklin, Wisconsin

Tax Increment District #9

Tax Increment Projection Worksheet

Type of District	Mixed Use	Base Value	8,079,700
District Creation Date	October 17, 2023	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2024	Base Tax Rate	\$18.83
Max Life (Years)	20	Rate Adjustment Factor	0.00%
Expenditure Period/Termination	15 10/17/2038		
Revenue Periods/Final Year	20 2045		
Extension Eligibility/Years	Yes 3		
Eligible Recipient District	No		

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
1 2024	10,000,000	2025	0	10,000,000	2026	\$18.83	188,281
2 2025	6,000,000	2026	0	16,000,000	2027	\$18.83	301,250
3 2026	0	2027	0	16,000,000	2028	\$18.83	301,250
4 2027	7,562,557	2028	0	23,562,557	2029	\$18.83	443,639
5 2028	18,025,804	2029	0	41,588,361	2030	\$18.83	783,031
6 2029	10,436,664	2030	0	52,025,026	2031	\$18.83	979,534
7 2030	8,579,419	2031	0	60,604,445	2032	\$18.83	1,141,069
8 2031	12,945,384	2032	0	73,549,829	2033	\$18.83	1,384,806
9 2032	10,546,624	2033	0	84,096,454	2034	\$18.83	1,583,379
10 2033	9,603,734	2034	0	93,700,188	2035	\$18.83	1,764,200
11 2034	8,574,977	2035	0	102,275,165	2036	\$18.83	1,925,650
12 2035	0	2036	0	102,275,165	2037	\$18.83	1,925,650
13 2036	0	2037	0	102,275,165	2038	\$18.83	1,925,650
14 2037	0	2038	0	102,275,165	2039	\$18.83	1,925,650
15 2038	0	2039	0	102,275,165	2040	\$18.83	1,925,650
16 2039	0	2040	0	102,275,165	2041	\$18.83	1,925,650
17 2040	0	2041	0	102,275,165	2042	\$18.83	1,925,650
18 2041	0	2042	0	102,275,165	2043	\$18.83	1,925,650
19 2042	0	2043	0	102,275,165	2044	\$18.83	1,925,650
20 2043	0	2044	0	102,275,165	2045	\$18.83	1,925,650
Totals	102,275,165		0		Future Value of Increment		28,126,942

Notes:

¹Tax rate shown is actual TID interim rate for the 2022/23 levy per DOR Form PC-202 (Tax Increment Collection Worksheet).

Table 2 - Tax Increment Projection Worksheet

Financing and Implementation

The first phase of the Project will be construction of the new facility by the Company. The City will issue approximately \$2.01 million in General Obligation bonds in 2024 to fund Phase 1 public infrastructure projects. Additionally, a pay-as-you go (“PAYGO”) developer incentive will be paid to the Company up to a cap of \$1.5 million leveraging the tax increment generated by the District. City debt service will have priority of payment, with PAYGO payments limited to remaining funds available. The Company has agreed to a minimum valuation of \$14 million to ensure that tax increments collected will be sufficient to pay City debt.

Phase 2 will include additional public infrastructure projects, which will be funded by approximately \$3.15 million in General Obligation bonds to be issued by the City. These projects will require a mix of tax-exempt and taxable financing. For purpose of the Project Plan, Phase 2 financing is assumed to occur in 2026. Actual timing will be based on development and the need to extend sanitary sewer to the west. The Plan also includes the potential for PAYGO incentives related to Phase 2 development. Whether incentives are provided will be dependent on the City’s evaluation of such requests and determination that an incentive is needed to allow for the development to occur.

The City may need to advance funds to the District prior to the availability of tax increment and will recover those advance amounts with interest from tax increments as they become available. These advances, along with the proceeds of long-term debt will fund the public infrastructure costs and District administrative costs. PAYGO incentives will be funded from tax increment as it is collected from the associated development, with payments limited to those collections less any other obligations related to the corresponding development agreement.

This summary is intended to provide a general explanation of the District plan of finance. Specific terms and conditions pertaining to development projects will be detailed in related development agreements.

Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds by the year 2036 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

City of Franklin, Wisconsin

Tax Increment District #9

Cash Flow Projection

Year	Projected Revenues				Expenditures										Balances			Year	
	Tax Increments	Interest Earnings/ (Cost)	Proceeds of LT Debt	Advance From Other Fund ¹	Total Revenues	Tax-Exempt G.O. Bonds 2024 Est. P&I	Tax-Exempt G.O. Bonds 2026 Est. P&I	Taxable G.O. Loan 2026 Est. P&I	PAYGO Develop.		Sewer Extension & Onsite Inf.	Cost of Issuance & Discount	Repayment of Advance ¹	Admin.	Total Expenditures	Annual	Cumulative		Liabilities Outstanding ²
2024			2,010,000	25,000	2,035,000						1,809,000	88,925		25,000	1,922,925	112,075	112,075	2,010,000	2024
2025				10,808	10,808	107,883								15,000	122,883	(112,075)	0	2,010,000	2025
2026	188,281		3,150,000		3,338,281	145,647			27,634		2,820,000	99,113	0	15,000	3,107,394	230,888	230,888	6,585,000	2026
2027	301,250				301,250	148,032	141,738	41,402	100,562				0	15,000	446,734	(145,484)	85,404	6,391,098	2027
2028	301,250			12,834	314,084	145,372	94,492	41,402	103,222				0	15,000	399,488	(85,404)	0	8,531,175	2028
2029	443,639				443,639	147,607	94,492	41,402	81,729	22,604				15,000	428,994	14,645	14,645	8,325,831	2029
2030	783,031				783,031	149,767	222,315	41,402	79,569	51,328				15,000	585,540	197,491	212,136	7,958,003	2030
2031	979,534				979,534	146,977	217,992	41,402	101,617	74,679				15,000	597,667	381,867	594,003	7,543,802	2031
2032	1,141,069				1,141,069	149,086	218,552	41,402	99,508	78,106				15,000	601,654	539,415	1,133,417	7,117,315	2032
2033	1,384,806				1,384,806	146,046	224,010	41,402	102,548	109,594				15,000	638,600	746,206	1,879,624	6,645,153	2033
2034	1,583,379				1,583,379	147,852	219,515	41,402	100,742	123,476				15,000	647,987	935,392	2,815,016	6,154,764	2034
2035	1,764,200				1,764,200	149,417	219,905	41,402	99,177	126,040				15,000	650,940	1,113,259	3,928,275	5,652,159	2035
2036	1,925,650				1,925,650	145,716	220,023	41,402	102,878	175,942				15,000	700,961	1,224,689	5,152,964	5,089,711	2036
2037	1,925,650				1,925,650	146,792	224,782	41,402	101,802	173,563				15,000	703,341	1,222,310	6,375,273	4,514,312	2037
2038	1,925,650				1,925,650	147,628	224,170	41,402	100,966	173,869				15,000	703,035	1,222,616	7,597,889	3,928,004	2038
2039	1,925,650				1,925,650	148,192	218,177	41,402	100,402	176,865				15,000	700,038	1,225,612	8,823,501	3,332,741	2039
2040	1,925,650				1,925,650	148,525	216,881	41,402	100,069	177,513				15,000	699,390	1,226,260	10,049,761	2,725,585	2040
2041	1,925,650				1,925,650	143,718	225,125	41,402	97,575	173,392				15,000	696,212	1,229,439	11,279,200	2,108,312	2041
2042	1,925,650				1,925,650	143,765	222,857	41,402	0	174,525				15,000	597,549	1,328,101	12,607,301	1,575,681	2042
2043	1,925,650				1,925,650	148,479	220,332	41,402	0	175,788				15,000	601,000	1,324,650	13,931,951	1,024,883	2043
2044	1,925,650				1,925,650	147,864	222,449	41,402	0	174,730				15,000	601,444	1,324,206	15,256,158	458,143	2044
2045	1,925,650				1,925,650		219,193	41,402	0	176,358				15,000	451,952	1,473,698	16,729,856	27,634	2045
Total	28,126,942	0	5,160,000	48,642	33,335,584	2,904,363	3,866,996	786,641	1,500,000	2,338,371	4,629,000	188,038	52,320	340,000	16,605,728				Total

Projected TID Closure

Notes:
¹Assumes the City will advance funds to the TID to pay for costs incurred in advance of the availability of tax increment, and to any debt service not covered by annual tax increment collections. Advance to be repaid with interest as cash flow permits.
²G.O. debt principal and PAYGO payments outstanding.

Table 3 - Cash Flow

SECTION 10: Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11: Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City 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 Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for mixed use development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by creating new industrial sites, creating opportunities for mixed use development, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as employment opportunities, increased income and sales tax collection, development of housing, increased commercial and manufacturing activity, and other benefits to the local economy resulting from the purchase of goods and services related to construction and operation of the Project.

SECTION 15:

List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- 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 property 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.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 16:
**Legal Opinion Advising Whether the Plan is Complete
and Complies with Wis. Stat. § 66.1105(4)(f)**

Legal Opinion Found on Following Page.

SAMPLE

Mayor
City of Franklin
9229 W Loomis Rd
Franklin, Wisconsin 53132

RE: Project Plan for Tax Incremental District No. 9

Dear Mayor:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As City Attorney for the City of Franklin, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of Franklin Tax Incremental District No. 9 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

City Attorney

SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

Revenue Year	Milwaukee County	MMSD	City of Franklin	Franklin School District	Milwaukee Area Technical College	Total	Revenue Year
2026	46,859	16,619	53,234	60,598	10,972	188,281	2026
2027	74,974	26,591	85,174	96,957	17,555	301,250	2027
2028	74,974	26,591	85,174	96,957	17,555	301,250	2028
2029	110,411	39,159	125,432	142,784	25,852	443,639	2029
2030	194,877	69,117	221,390	252,016	45,630	783,031	2030
2031	243,782	86,462	276,949	315,260	57,081	979,534	2031
2032	283,984	100,721	322,620	367,250	66,494	1,141,069	2032
2033	344,644	122,235	391,533	445,696	80,697	1,384,806	2033
2034	394,064	139,763	447,677	509,606	92,269	1,583,379	2034
2035	439,066	155,724	498,801	567,803	102,806	1,764,200	2035
2036	479,247	169,975	544,449	619,765	112,214	1,925,650	2036
2037	479,247	169,975	544,449	619,765	112,214	1,925,650	2037
2038	479,247	169,975	544,449	619,765	112,214	1,925,650	2038
2039	479,247	169,975	544,449	619,765	112,214	1,925,650	2039
2040	479,247	169,975	544,449	619,765	112,214	1,925,650	2040
2041	479,247	169,975	544,449	619,765	112,214	1,925,650	2041
2042	479,247	169,975	544,449	619,765	112,214	1,925,650	2042
2043	479,247	169,975	544,449	619,765	112,214	1,925,650	2043
2044	479,247	169,975	544,449	619,765	112,214	1,925,650	2044
2045	479,247	169,975	544,449	619,765	112,214	1,925,650	2045
Total	7,000,109	2,482,728	7,952,477	9,052,578	1,639,050	28,126,942	