

VILLAGE OF MUKWONAGO, WISCONSIN

AMENDMENT NO. 1

TO

TAX INCREMENTAL DISTRICT NO. 3

PROJECT PLAN

PREPARED BY:

VILLAGE OF MUKWONAGO

AND

HUTCHINSON, SHOCKEY, ERLEY & CO.

MAY , 2014

Introduction

Tax Incremental District No. 3 was created in January of 2003 under the Authority of Wisconsin Statutes 66.1105 to promote development in the lands to the South of the Interchange of Highway 43 and STH 83. These lands and development are commonly referred to as the Gateway District.

The District is comprised of approximately 270 acres of primarily commercial/industrial property with a base value of \$2,389,500. The current total value for 2013 is \$43,162,300.

The purpose of this Amendment is to update/reallocate the costs of infrastructure and include a land purchase, development grants, and real property development costs within the District. Since its creation in 2003 the subsequent development and planning effort has resulted in a better defined project in terms of cost and type of development.

Village of Mukwonago Tax Incremental District No. 3 and the supporting project plan are hereby amended as follows:

1. Section IV – Estimated Project and Non-Project Costs.
2. Section VII – Economic Feasibility Study.

EXCEPT AS SUPPLEMENTED OR CLARIFIED HEREING, ALL OTHER SECTIONS OF THE ORIGINAL PROJECT PLAN REMAIN IN FULL FORCE AND EFFECT.

1. SECTION IV – Estimated Project and Non-Project Costs.

Estimated Project and Non-Project Costs and Schedule.

The enclosed Gateway District infrastructure Budget is a detailed list of project costs and is intended as an update and clarification to the same Section in the Original Project Plan.

The Village reserves the right to increase these costs to reflect inflationary increases beyond what is anticipated over a 5-year period from the date of this Amendment and other uncontrollable circumstances between 2014 and the time of construction. However, to the extent project costs exceed an increase of 10% over the current estimate the Village shall require an Amendment to the Plan to be commenced. The Village also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Plan.

Each project undertaken will first meet the “financial feasibility test”, which is dictated by the development value increment commitment by the developer and a 6-year payback

Development grants will only be provided pursuant to written development agreements with owners, lessees or developers of land within the District.

It is anticipated the listed Projects Costs may be undertaken in the territory located within a one-half mile radius of the District and within the Village, and if so, will be similar to the Detailed List of Estimated Project Costs in nature and type.

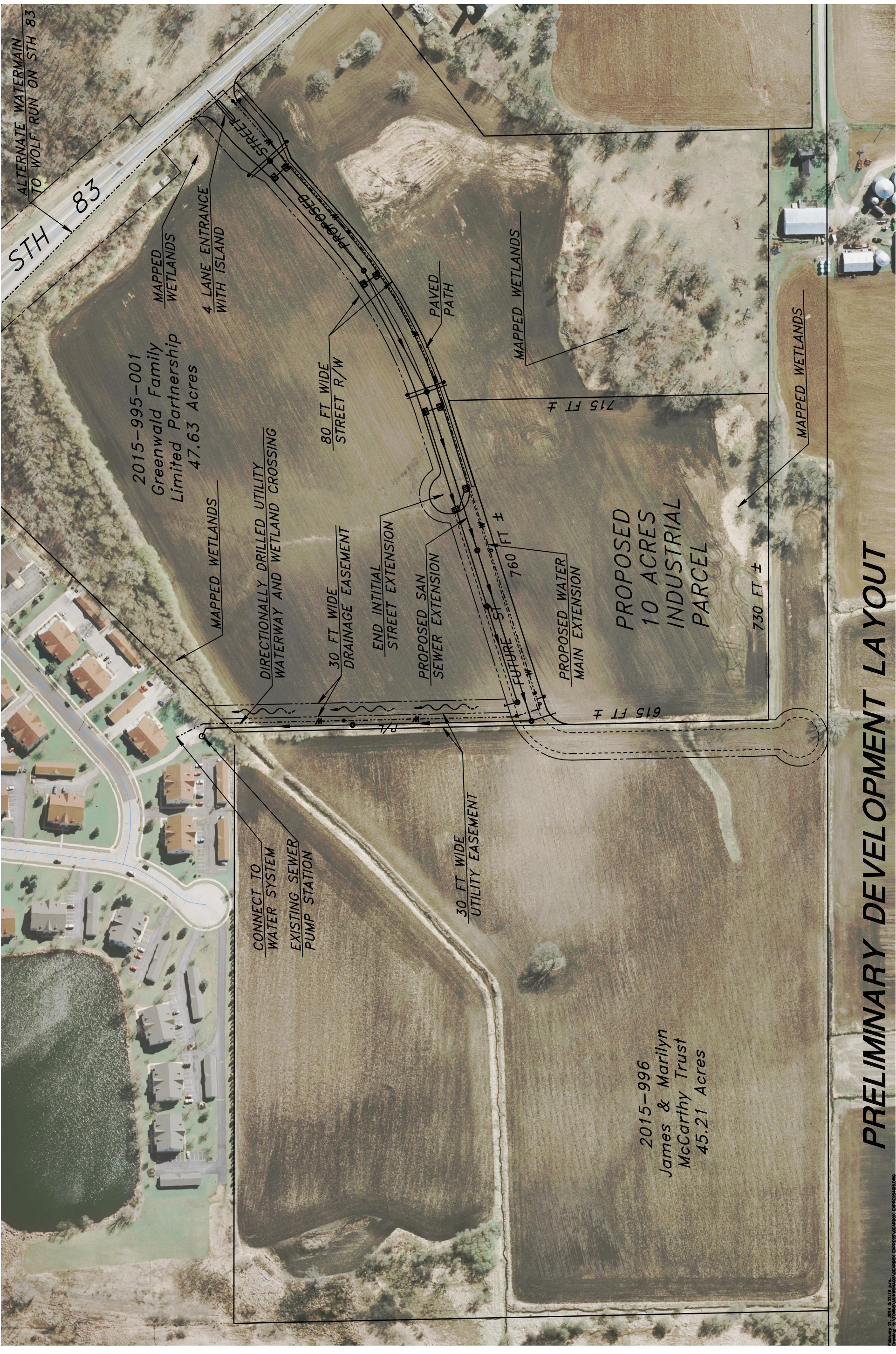
The 4-Acre land purchase is expected to be funded from cash. The infrastructure improvements will be funded from a borrowing of \$2,300,000 (the Debt Service Schedule is included) as detailed in the Economic Feasibility Study – Section VII.

Attached is a map of the Public Works Improvement Locations.

**Table 1 – Amended
Village of Mukwonago TID No. 3
Project Costs ⁽¹⁾**

| | Total Costs | Expenditures To Date | 10+ Years |
|-------------------------------------|--------------|-------------------------|-------------|
| Infrastructure Costs | | | |
| Water Main | \$ 653,883 | \$ 240,639 | \$ 413,244 |
| Sanitary Sewer | 993,104 | 993,104 | 0 |
| Storm Water | 3,939,634 | 2,588,641 | 1,350,993 |
| Roads | 4,671,366 | 2,941,628 | 1,729,738 |
| Subtotal Infrastructure Costs | \$10,257,987 | \$6,764,012 | \$3,493,975 |
| Land Acquisition/Development Grants | \$ 3,000,000 | | \$3,000,000 |
| Total Project Costs | \$13,257,987 | \$6,764,012 | \$6,493,975 |

⁽¹⁾ Costs include 25% engineering, finance, administration, and contingency.



2015-996
James & Marilyn
McCarthy Trust
45.21 Acres

2015-995-001
Greenwald Family
Limited Partnership
47.63 Acres

PROPOSED
10 ACRES
INDUSTRIAL
PARCEL

PRELIMINARY DEVELOPMENT LAYOUT

VILLAGE OF MUKWONAGO
GREENWALD LAND DEVELOPMENT
PROJECT LAYOUT

PROJECT: #-
DATE: JANUARY 2014
DRAWN BY: BAO
APPROVED BY: BAO
REVISIONS: 2/21/2014

1/2 SIZE
SCALE: 1" = 100'
0 50 100
SCALE

KUNKEL
engineering
group
107 Parallel Street
Beaver Dam, WI 53916
(920)356-9447
Fax (920)356-9454
SHEET 1 OF 1



Village of Muckwonago
Preliminary Estimate of Cost
Industrial Infrastructure Costs
Greenwald Land Development

Revised 2/24/2014

First Phase Development STH 83 to NE Corner of Parcel

Project Scope: Build street extension from STH 83 to NE cor of 10 acre parcel
Install utilities to serve 10 acre parcel and along proposed street frontage

Development Summary

Sanitary Sewer Service

Extend 10" gravity sewer south from existing lift station in Legend Meadows Sub'd
Crossing of wetlands & waterway to be by directional drilling.

Sewer to extend NE along proposed street to serve all street frontage in this phase
A 10" gravity sewer at minimum grade has an effective capacity of 0.70 mgd

Water Service

Extend 8" watermain from stub adjacent to lift station in Legend Meadows Sub'd
for initial water service to Greenwald lands. 8" watermain to continue in proposed
street to STH 83 to be part of a future arterial watermain.

Costs of installing an offsite 8" watermain loop running NW along STH 83
to the existing 16" watermain at Wolf Run & STH 83 are attached as an alternate

Initial Street Extension -1100 LF in 80 Ft wide Right of Way

47 ft back to back curb and gutter urban street section with 42 ft asphalt pavement
provides two 14 ft driving lanes and one 14 ft turning lane on center of roadway
Pavement to be 5" hot mix asphalt on 6" base aggregate dense on 8" sub-base
8 ft wide HMA paved path on a 10' wide base provided on one side along street length
STH 83 Intersection - Four 16 ft lanes with 10 ft wide island

Drainage and Storm Sewer

Street section to be provided with storm sewer & outlet to north.

Estimate includes a stormwater quality structure at the end of the storm sewer

Onsite storm water management per NR 151 and Local Ordinance
to be by developers of individual sites

Estimated Infrastructure Costs for Phase 1 - Greenwald Lands

| | |
|--|--------------------|
| Sanitary Sewer Extension | \$204,316 |
| Watermain Extension | \$263,088 |
| Drainage and Storm Sewers | \$159,488 |
| Street Extension with STH 83 intersection to WDOT Std | \$408,190 |
| Phase 1 Construction Costs | \$1,035,082 |
| 3.2 Land Req'd for Right of Way | \$320,000 |
| \$100,000 Per acre valuation | |
| Phase 1 Total Base Construction (without alternate) | \$1,355,082 |

Alternate consists of construction of off-site watermain from Wolf Run to the Proposed
Street Extension for this development within the STH 83 right of way

| | |
|--|-----------|
| Alternate 8" Watermain Loop along STH 83 | \$200,000 |
|--|-----------|

Please note this estimate does not include environmental remediation,
wetland permitting or mitigation, installation of street lighting or street trees.

Sanitary Sewer Extension

| Quantity | Unit | Work Item | Unit Cost | Item Cost |
|----------------------------------|------|---------------------------------|-----------|-----------|
| 1965 | LF | 10" Gravity San Sewer | \$45 | \$88,425 |
| 160 | LF | 10" Sewer Directionally Drilled | \$300 | \$48,000 |
| 900 | LF | Granular Backfill San Sewer | \$15 | \$13,500 |
| 7 | EA | San Sewer Manholes | \$3,500 | \$24,500 |
| 200 | LF | 6"/8" Sewer Branch Services | \$40 | \$8,000 |
| Engineering & Contingencies | | | | \$21,891 |
| Total for Phase 1 Sanitary Sewer | | | | \$204,316 |

Watermain Extension

| Quantity | Unit | Work Item | Unit Cost | Item Cost |
|-----------------------------|------|------------------------------------|-----------|-----------|
| 2480 | LF | 8" Watermain | \$50 | \$124,000 |
| 160 | LF | 8" Watermain Directionally Drilled | \$250 | \$40,000 |
| 900 | LF | Granular Backfill Watermain | \$10 | \$9,000 |
| 2 | EA | 8" Gate Valve & Box | \$2,800 | \$5,600 |
| 3 | EA | 12" Gate Valve & Box | \$3,600 | \$10,800 |
| 5 | EA | Hydrant w/ Aux Valve & 6" Lead | \$5,500 | \$27,500 |
| 200 | LF | 6"/8" Water Branch Services | \$40 | \$8,000 |
| 5 | EA | Branch Service Valves | \$2,000 | \$10,000 |
| Engineering & Contingencies | | | | \$28,188 |
| Total for Phase 1 Watermain | | | | \$263,088 |

Storm Sewer

| Quantity | Unit | Work Item | Unit Cost | Item Cost |
|-------------------------------|------|-------------------------------|-----------|-----------|
| 480 | LF | 36" to 48" Storm Sewer w/ MH | \$75 | \$36,000 |
| 420 | LF | Granular Backfill Storm Sewer | \$20 | \$8,400 |
| 1070 | LF | 12" to 18" Storm Sewer | \$40 | \$42,800 |
| 6 | EA | Storm Sewer Manholes | \$2,500 | \$15,000 |
| 4 | EA | Inlets | \$1,300 | \$5,200 |
| 1 | EA | Stormwater Outlet Structures | \$25,000 | \$25,000 |
| 1 | LS | Outlet Swale & Stabilization | | \$10,000 |
| Engineering & Contingencies | | | | \$17,088 |
| Total for Phase 1 Storm Sewer | | | | \$159,488 |

Street Grading and Construction

| Quantity | Unit | Work Item | Unit Cost | Item Cost |
|---------------------------------------|------|------------------------------------|-----------|-----------|
| 1 | LS | Unclassified Excavation | | \$75,000 |
| 1600 | CY | EBS & Sub -Base Material | \$24 | \$38,400 |
| 4100 | SY | Geotextile Fabric | \$2 | \$8,200 |
| 7100 | SY | 8" Sub-Base Course (breaker run) | \$4 | \$24,850 |
| 7100 | SY | 6" Base Aggregate Dense | \$3 | \$21,300 |
| 1950 | TN | 5" Hot Mix Asphalt Pavement E-3 | \$55 | \$107,250 |
| 2440 | LF | 30" Curb & Gutter | \$9 | \$21,960 |
| 1045 | LF | 8 ft Path 2.5" HMA on 6" Agg Base | \$11 | \$11,495 |
| 9200 | SY | Topsoil, Fertilizer, Seed, & Mulch | \$5 | \$46,000 |
| 1 | LS | Erosion Control | | \$10,000 |
| Engineering & Contingencies | | | | \$43,735 |
| Total for Phase 1 Street Construction | | | | \$408,190 |

2. SECTION VII – Economic Feasibility Study.

The estimated total tax increments for the remainder of the District are \$13,614,271.

The District is projected to cash flow and pay out in 2024, four years early, returning \$54,100,491 in tax base.

Village of Mukwonago, Wisconsin
 Tax Increment District No. 3
 Summary of Sources & Uses
 District Total as of 12/31/13

Assumptions

| | |
|----------------------------|-------|
| Est. Int. on Investments = | 0.20% |
| Est. PV Rate = | 3.50% |

| Collection Year | Sources of Funds | | | | Uses of Funds | | | | Net Cash Flow | TID Balance | Principal Balance - Debt | PV TID Cashflow - as of 2013 |
|-----------------|------------------|---------------|-------------------|-----------------------|----------------------|---------|--------------------------|--------------|---------------|-------------|--------------------------|------------------------------|
| | Tax Increment | Other Revenue | Investment Income | Proceeds of L.T. Debt | Capital Expenditures | Admin. | Transfers to Other Funds | Debt Service | | | | |
| 2002 - 12 | 4,124,465 | 103 | 440,941 | 35,156,834 | 6,764,012 | 290,558 | 622,089 | 31,286,206 | 759,478 | 759,478 | | 759,478 |
| 2013 | 623,238 | 4,014 | 1,676 | - | - | 40,244 | 34,333 | 492,979 | 61,372 | 820,850 | 7,983,304 | 791,087 |
| 2014 | 844,669 | - | 1,642 | 2,300,000 | 800,000 | 78,498 | 2,500 | 586,657 | 1,678,656 | 2,499,506 | 7,983,304 | 2,305,138 |
| 2015 | 811,143 | - | 4,999 | - | 2,000,000 | 78,498 | 2,500 | 803,625 | (2,068,481) | 431,025 | 7,551,444 | 502,577 |
| 2016 | 813,261 | - | 862 | - | - | 37,000 | 2,500 | 869,092 | (94,469) | 336,556 | 6,919,584 | 423,036 |
| 2017 | 867,183 | - | 673 | - | - | 20,000 | 2,500 | 871,679 | (26,323) | 310,234 | 6,210,319 | 401,623 |
| 2018 | 1,014,481 | - | 620 | - | - | 20,000 | 2,500 | 747,214 | 245,387 | 555,621 | 5,483,026 | 594,495 |
| 2019 | 1,017,106 | - | 1,111 | - | - | 20,000 | - | 735,436 | 262,782 | 818,403 | 4,866,901 | 794,055 |
| 2020 | 1,019,739 | - | 1,637 | - | - | 20,000 | - | 736,793 | 264,582 | 1,082,985 | 4,250,776 | 988,187 |
| 2021 | 1,022,377 | - | 2,166 | - | - | 20,000 | - | 1,538,561 | (534,018) | 548,968 | 3,620,538 | 609,612 |
| 2022 | 1,025,023 | - | 1,098 | - | - | 20,000 | - | 578,813 | 427,308 | 976,275 | 2,175,000 | 902,294 |
| 2023 | 1,027,675 | - | 1,953 | - | - | 20,000 | - | 566,719 | 442,908 | 1,419,184 | 1,650,000 | 1,195,404 |
| 2024 | 1,030,333 | - | 2,838 | - | - | 20,000 | - | 553,656 | 459,516 | 1,878,700 | 1,125,000 | 1,489,220 |
| 2025 | 1,032,999 | - | 3,757 | - | - | 20,000 | - | 314,625 | 702,131 | 2,580,831 | 600,000 | 1,922,984 |
| 2026 | 1,035,671 | - | 5,162 | - | - | 20,000 | - | 307,500 | 713,332 | 3,294,163 | 300,000 | 2,348,765 |
| | 17,309,364 | 4,117 | 471,135 | 37,456,834 | 9,564,012 | 724,798 | 668,922 | 40,989,555 | 3,294,163 | | | |

TID Costs excluding Debt Service: 10,957,732
 TID Project Cap: 12,757,987

*Calculated Increment modified to show an annual reduction of \$35,781 based on Clerk's calculation of WCTC's reclassification of Property Tax to State Aid. This adjustment would move the potential early close-out of the TID from 2023 to 2024.



Village of Mukwonago, Wisconsin
Tax Increment District No. 3
Summary of Debt Service
District Total as of 12/31/13

| | \$4,075,000 G.O. Notes - Dated: 4/01/07 | | \$3,675,000 G.O. Notes - Dated: 11/01/11 | | \$3,620,000 G.O. Notes - Dated: 11/01/12 | | PROPOSED NEW DEBT \$ 2,300,000 | | Debt Service Summary | | |
|------|--|------------------|---|-------------------|---|-------------------|--------------------------------|------------------------|----------------------|---------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest (assume 2.5%) | Principal | Interest | Debt Service |
| 2014 | 93,960.00 | 15,503.00 | 112,900.00 | 49,747.00 | 225,000.00 | 64,313.00 | 200,000.00 | 25,234.00 | 431,860.00 | 154,797.00 | 586,657.00 |
| 2015 | 93,960.00 | 11,745.00 | 112,900.00 | 47,489.00 | 225,000.00 | 62,063.00 | 200,000.00 | 50,468.00 | 631,860.00 | 171,765.00 | 803,625.00 |
| 2016 | 121,365.00 | 7,439.00 | 112,900.00 | 45,231.00 | 250,000.00 | 58,688.00 | 225,000.00 | 48,469.00 | 709,265.00 | 159,827.00 | 869,092.00 |
| 2017 | 125,280.00 | 2,506.00 | 127,013.00 | 42,973.00 | 250,000.00 | 54,938.00 | 225,000.00 | 43,969.00 | 727,293.00 | 144,386.00 | 871,679.00 |
| 2018 | - | - | 141,125.00 | 40,432.00 | 250,000.00 | 51,188.00 | 225,000.00 | 39,469.00 | 616,125.00 | 131,089.00 | 747,214.00 |
| 2019 | - | - | 141,125.00 | 36,904.00 | 250,000.00 | 47,438.00 | 225,000.00 | 34,969.00 | 616,125.00 | 119,311.00 | 735,436.00 |
| 2020 | - | - | 155,238.00 | 33,023.00 | 250,000.00 | 43,063.00 | 225,000.00 | 30,469.00 | 630,238.00 | 106,555.00 | 736,793.00 |
| 2021 | - | - | 945,538.00 | 28,366.00 | 275,000.00 | 38,688.00 | 225,000.00 | 25,969.00 | 1,445,538.00 | 93,023.00 | 1,538,561.00 |
| 2022 | - | - | - | - | 275,000.00 | 33,188.00 | 250,000.00 | 20,625.00 | 525,000.00 | 53,813.00 | 578,813.00 |
| 2023 | - | - | - | - | 275,000.00 | 27,344.00 | 250,000.00 | 14,375.00 | 525,000.00 | 41,719.00 | 566,719.00 |
| 2024 | - | - | - | - | 275,000.00 | 21,156.00 | 250,000.00 | 7,500.00 | 525,000.00 | 28,656.00 | 553,656.00 |
| 2025 | - | - | - | - | 300,000.00 | 14,625.00 | 250,000.00 | - | 300,000.00 | 14,625.00 | 314,625.00 |
| 2026 | - | - | - | - | 300,000.00 | 7,500.00 | 2,300,000.00 | - | 300,000.00 | 7,500.00 | 307,500.00 |
| | <u>434,565.00</u> | <u>37,193.00</u> | <u>1,848,739.00</u> | <u>324,165.00</u> | <u>3,400,000.00</u> | <u>524,192.00</u> | <u>2,300,000.00</u> | <u>341,516.00</u> | <u>7,983,304.00</u> | <u>1,227,066.00</u> | <u>9,210,370.00</u> |



HutchinsonShockeyErley&Co

Village of Mukwonago, WI

AA G.O. NOTES

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Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|-----------------------|----------|---------------------|-----------------------|--------------|
| 04/01/2014 | - | - | - | - | - |
| 10/01/2014 | - | - | 25,234.38 | 25,234.38 | 25,234.38 |
| 04/01/2015 | - | - | 25,234.38 | 25,234.38 | - |
| 10/01/2015 | 200,000.00 | 1.000% | 25,234.38 | 225,234.38 | 250,468.76 |
| 04/01/2016 | - | - | 24,234.38 | 24,234.38 | - |
| 10/01/2016 | 225,000.00 | 2.000% | 24,234.38 | 249,234.38 | 273,468.76 |
| 04/01/2017 | - | - | 21,984.38 | 21,984.38 | - |
| 10/01/2017 | 225,000.00 | 2.000% | 21,984.38 | 246,984.38 | 268,968.76 |
| 04/01/2018 | - | - | 19,734.38 | 19,734.38 | - |
| 10/01/2018 | 225,000.00 | 2.000% | 19,734.38 | 244,734.38 | 264,468.76 |
| 04/01/2019 | - | - | 17,484.38 | 17,484.38 | - |
| 10/01/2019 | 225,000.00 | 2.000% | 17,484.38 | 242,484.38 | 259,968.76 |
| 04/01/2020 | - | - | 15,234.38 | 15,234.38 | - |
| 10/01/2020 | 225,000.00 | 2.000% | 15,234.38 | 240,234.38 | 255,468.76 |
| 04/01/2021 | - | - | 12,984.38 | 12,984.38 | - |
| 10/01/2021 | 225,000.00 | 2.375% | 12,984.38 | 237,984.38 | 250,968.76 |
| 04/01/2022 | - | - | 10,312.50 | 10,312.50 | - |
| 10/01/2022 | 250,000.00 | 2.500% | 10,312.50 | 260,312.50 | 270,625.00 |
| 04/01/2023 | - | - | 7,187.50 | 7,187.50 | - |
| 10/01/2023 | 250,000.00 | 2.750% | 7,187.50 | 257,187.50 | 264,375.00 |
| 04/01/2024 | - | - | 3,750.00 | 3,750.00 | - |
| 10/01/2024 | 250,000.00 | 3.000% | 3,750.00 | 253,750.00 | 257,500.00 |
| Total | \$2,300,000.00 | - | \$341,515.70 | \$2,641,515.70 | - |

Yield Statistics

| | |
|-----------------------------------|-------------|
| Bond Year Dollars | \$14,175.00 |
| Average Life | 6.163 Years |
| Average Coupon | 2.4092818% |
| Net Interest Cost (NIC) | 2.0077192% |
| True Interest Cost (TIC) | 1.9658958% |
| Bond Yield for Arbitrage Purposes | 1.9658958% |
| All Inclusive Cost (AIC) | 1.9658958% |

IRS Form 8038

| | |
|---------------------------|-------------|
| Net Interest Cost | 1.9607496% |
| Weighted Average Maturity | 6.158 Years |

Village of Mukwonago, WI

AA G.O. NOTES

TID est

MUNEX

Sources & Uses

Dated 04/01/2014 | Delivered 04/01/2014

Sources Of Funds

| | |
|---------------------|----------------|
| Par Amount of Bonds | \$2,300,000.00 |
|---------------------|----------------|

| | |
|--------------------|-----------|
| Reoffering Premium | 56,921.50 |
|--------------------|-----------|

| | |
|----------------------|-----------------------|
| Total Sources | \$2,356,921.50 |
|----------------------|-----------------------|

Uses Of Funds

| | |
|-----------------|--------------|
| Rounding Amount | 2,356,921.50 |
|-----------------|--------------|

| | |
|-------------------|-----------------------|
| Total Uses | \$2,356,921.50 |
|-------------------|-----------------------|