

**\*\*\*ATTACHMENTS\*\*\***

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

---

**ITEM DESCRIPTION:** Res. No. 68-19-20 by Alderpersons Donohue and Bohren approving an amendment to the Project Plan for Tax Incremental District No. 12, City of Sheboygan, Wisconsin.

---

**REPORT PREPARED BY:** Chad Pelishek, Director of Planning and Development

---

**REPORT DATE:** August 20, 2019

**MEETING DATE:** August 26, 2019

---

**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

---

**BACKGROUND / ANALYSIS:**

The City is interested in amending TID 12, which was established for the office building at the corner of N. 8<sup>th</sup> Street and Niagara Avenue and the GrandStay as blight district. Under state law excess increment in a TID may be shared with recipient district of like kind. Under the project plan amendment, TID 12 would share excess increment with TID 17 for about \$174,000 per year. At this time, there is not expansion of TID 12 planned and no outstanding debt payments to cover.

**STAFF COMMENTS:**

TID 17 is known as Indiana Avenue Redevelopment Corridor. Due to the amount of infrastructure needed in this area as well redevelopment of the large parcels of land, city staff thinks the need to share increment from TID 12 to cover upcoming debt payments the city will incur.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 68-19-20 approving an amendment to the Project Plan for Tax Incremental District No. 12, City of Sheboygan, Wisconsin.

**ATTACHMENTS:**

- I. Res. No. 68-19-20
- II. Project Plan Amendment

III

4.1

Res. No. 68 - 19 - 20. By Alderpersons Donohue and Bohren.  
August 19, 2019.

A RESOLUTION approving an amendment to the Project Plan of Tax Incremental District No. 12, City of Sheboygan, Wisconsin.

WHEREAS, the City of Sheboygan (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 12 (the "District") was created by the City on February 21, 2000 as a blighted area district; and

WHEREAS, the City now desires to amend the Project Plan of the District (the "Amendment") in accordance with the provisions of § 66.1105, Wis. Stats. (the "Tax Increment Law"); and

WHEREAS, such Amendment will allow excess revenue to be transferred to Tax Incremental District No. 17 (the "Recipient District") as permitted under § 66.1105(6)(f)2, Wis. Stats.; and

WHEREAS, an amended Project Plan for the District has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in §§ 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., Wis. Stats., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the Project Plan is complete and complies with § 66.1105(4)(f), Wis. Stats.; and

Finance  
Personnel

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Sheboygan County, the Sheboygan Area School District, and the Lakeshore Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on August 13, 2019 held a public hearing concerning the proposed amendment to the Project Plan of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the Plan Commission adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan, and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Sheboygan that:

1. The boundaries of the District named "Tax Incremental District No. 12, City of Sheboygan" remain unchanged.
2. That this Amendment is effective as of the date of adoption of this resolution.
3. The Common Council finds and declares that:
  - (a) There are no additional improvements as a result of this amendment.
  - (b) The amount of retail business will not change as a result of this amendment.
  - (c) Under the amended Project Plan, excess tax increments will be transferred to the Recipient District.
  - (d) The District and the Recipient District lie within the same overlapping taxing jurisdictions.
  - (e) The District has sufficient revenue to pay for all current Project Costs and has sufficient excess revenue to pay for eligible project costs of the Recipient District.
  - (f) The Recipient District is a blighted area district which qualifies it as an eligible recipient of excess revenue.

4. The Project Plan for "Tax Incremental District No. 12, City of Sheboygan" (attached as Exhibit A), as amended, is approved, and the City further finds the Project Plan is feasible and in conformity with the master plan of the City.

*James A. Bohren*  
\_\_\_\_\_  
*James A. Bohren*  
\_\_\_\_\_

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor



August 5, 2019

# Project Plan for the Project Plan Amendment of Tax Incremental District No. 12 In Order to Share Increment With Tax Incremental District No. 17



Organizational Joint Review Board Meeting Held:	Scheduled for: August 13, 2019
Public Hearing Held:	Scheduled for: August 13, 2019
Consideration for Adoption by Plan Commission:	Scheduled for: August 13, 2019
Consideration for Adoption by Common Council:	Scheduled for: September 3, 2019
Consideration for Approval by the Joint Review Board:	Scheduled for: TBD

# Tax Incremental District No. 12 Project Plan Amendment

## City of Sheboygan Officials

### Common Council

Mike Vandersteen

Barb Felde

Todd Wolf

Mary Lynne Donohue

Betty Ackley

Markus Savaglio

Dean Dekker

Rose Phillips

Ryan Sorenson

Trey Mitchell

Jim Bohren

City Mayor

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

### City Staff

Meredith DeBruin

Darrell Hofland

Chad Pelishek

Marty Halverson

Charles C. Adams

City Clerk

Administrator

Director of Planning & Development

Finance Director

City Attorney

### Joint Review Board

City Representative

Sheboygan County

Lakeshore Technical College District

Sheboygan Area School District

Public Member

# Table of Contents

**EXECUTIVE SUMMARY.....4**

**TYPE AND GENERAL DESCRIPTION OF DISTRICT .....6**

**MAPS OF CURRENT DISTRICTS BOUNDARY.....8**

**MAP SHOWING EXISTING USES AND CONDITIONS.....10**

**EQUALIZED VALUE TEST.....10**

**STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS .....10**

**MAP SHOWING PROPOSED IMPROVEMENTS AND USES .....10**

**DETAILED LIST OF UPDATED PROJECT COSTS .....11**

**ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED .....11**

**ANNEXED PROPERTY .....18**

**PROPOSED ZONING ORDINANCE CHANGES .....18**

**PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF SHEBOYGAN ORDINANCES .....18**

**RELOCATION.....18**

**ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF SHEBOYGAN.....19**

**LIST OF ESTIMATED NON-PROJECT COSTS .....19**

**OPINION OF ATTORNEY FOR THE CITY OF SHEBOYGAN ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105.....20**

**CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS .....21**

## SECTION 1: Executive Summary

---

### Description of District

#### Type of District, Size and Location

Tax Incremental District ("TID") No. 12 (The "TID" or "Donor District" or "District") is an existing blighted area district, created by a resolution of the City of Sheboygan ("City") Common Council adopted on February 21, 2000 (the "Creation Resolution").

#### Type of District, Size and Location

Tax Incremental District ("TID") No. 17 (The "Recipient District") is an existing rehabilitation - conservation district, created by a resolution of the Common Council adopted on August 20, 2018.

#### Amendments

The Donor District was previously amended on August 6, 2007, whereby a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.

The Donor District was also previously amended on August 6, 2012, whereby a resolution was adopted to allow the District to share surplus increment with TID No. 6.

#### Purpose of this Amendment

Allow for the Donor District to share surplus increments with the Recipient District under the provisions of Wisconsin Statutes Section 66.1105(6)(f)2.

#### Estimated Total Project Expenditures.

The additional project costs to be incurred under this amendment are limited to the sharing of surplus increment with the Recipient District. It is expected that the Donor District will generate approximately \$1.9 million in increment that can be shared with the Recipient District during the eligible sharing period.

#### Economic Development

Authorizing the Donor District to share increments with the Recipient District will provide additional resources needed to assist the Recipient District in accomplishing the economic development goals set forth in its Project Plan. Without this assistance, it is unlikely this will happen, or will happen within the timeframe, or at the levels projected. The application of the Donor District's surplus increment, as permitted by Wisconsin Statutes, promotes the overall economic development of the City to the benefit of all overlapping taxing jurisdictions.

#### Expected Termination of District

The Donor District has a maximum statutory life of 27 years, and must close not later than February 21, 2027, resulting in a final collection of increment in budget year 2027. Considering only existing increment value and assuming no additional projects are undertaken the anticipated total cumulative revenues will exceed total liabilities by the year 2019, enabling the District to close eight years earlier than its maximum life. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from 2019 to 2027.

## Summary of Findings

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

1. **That “but for” amendment of the Donor District’s Project Plan, the remaining 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 City. In making this determination, the City has considered the following information:**

- Current and projected tax increment collections for the Recipient District will be insufficient to pay for project costs already incurred and/or the additional projects that need to be completed in that District to achieve the objectives of its Project Plan.
- In order to cover the increased expenses, in Recipient District, and to meet its goals, it is likely that revenue sharing from the Donor District will be necessary. Therefore, the City expects that “but for” this revenue sharing, the planned development in the Recipient District will not be fully realized.
- **That “but for” amendment of the Donor District’s Project Plan, the economic development objectives of the Recipient District’s Project Plan will not be achieved.** In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing,” customarily referred to as the “but for” test. Since the purpose of this amendment is solely to allow for the sharing of the Donor District’s increment with the Recipient District, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded, in the case of both the Donor District and the Recipient District, that the “but for” test was met. As demonstrated in the Economic Feasibility section of this Project Plan Amendment, the Recipient District is not likely to recover its Project Costs without the receipt of shared increment from the Donor District. This would create a significant financial burden for City taxpayers, and since all taxing jurisdictions will ultimately share in the benefit of the redevelopment projects and increased tax base, it is appropriate for all taxing jurisdictions to continue to share in the costs to implement them. Accordingly, the City finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.a.*

2. **The economic benefits of amending the Donor 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 the following information:**

- As demonstrated in the Economic Feasibility Section of this Project Plan amendment, the tax increments projected to be collected are more than sufficient to pay for the remaining proposed project costs. On this basis alone, the finding is supported.
- Approval of the ability to share increment with the Recipient District is necessary to enable that District to fully realize the economic benefits projected in its Project Plan. Since the Donor District is generating sufficient increment to pay for its project costs, and has surplus increment available to pay for some of the project costs of the Recipient District, the economic benefits that have already been generated are more than sufficient to compensate for the cost of improvements in the Donor and Recipient Districts.

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
  - Given that it is likely that the Recipient District will not achieve all of the objectives of its Project Plan or in the same manner without the ability to share in the surplus increments of the Donor District (see finding # 1), and since the District is expected to generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional 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 Project Plan is not amended. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.c.*
4. The boundaries of the District are not being amended. At the time of creation, and any subsequent additions of territory, not less than 50%, by area, of the real property within the District, as amended, is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1.
5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the boundaries of the District, the District remains declared a blighted area district based on the identification and classification of the property included within the District.
6. The Project Costs will not change as a result of this amendment.
7. There are no additional improvements as a result of this amendment.
8. 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 Wisconsin Statutes Section 66.1105(5)(b).
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## SECTION 2: Type and General Description of District

---

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on February 21, 2000 by resolution of the Common Council. The District’s valuation date, for purposes of establishing base value, was January 1, 2000.

The District is a “Blighted Area District,” created on a finding that at least 50%, by area, of the real property within the District was blighted, as defined in Wisconsin Statutes Section 66.1105(2)(ae)1.

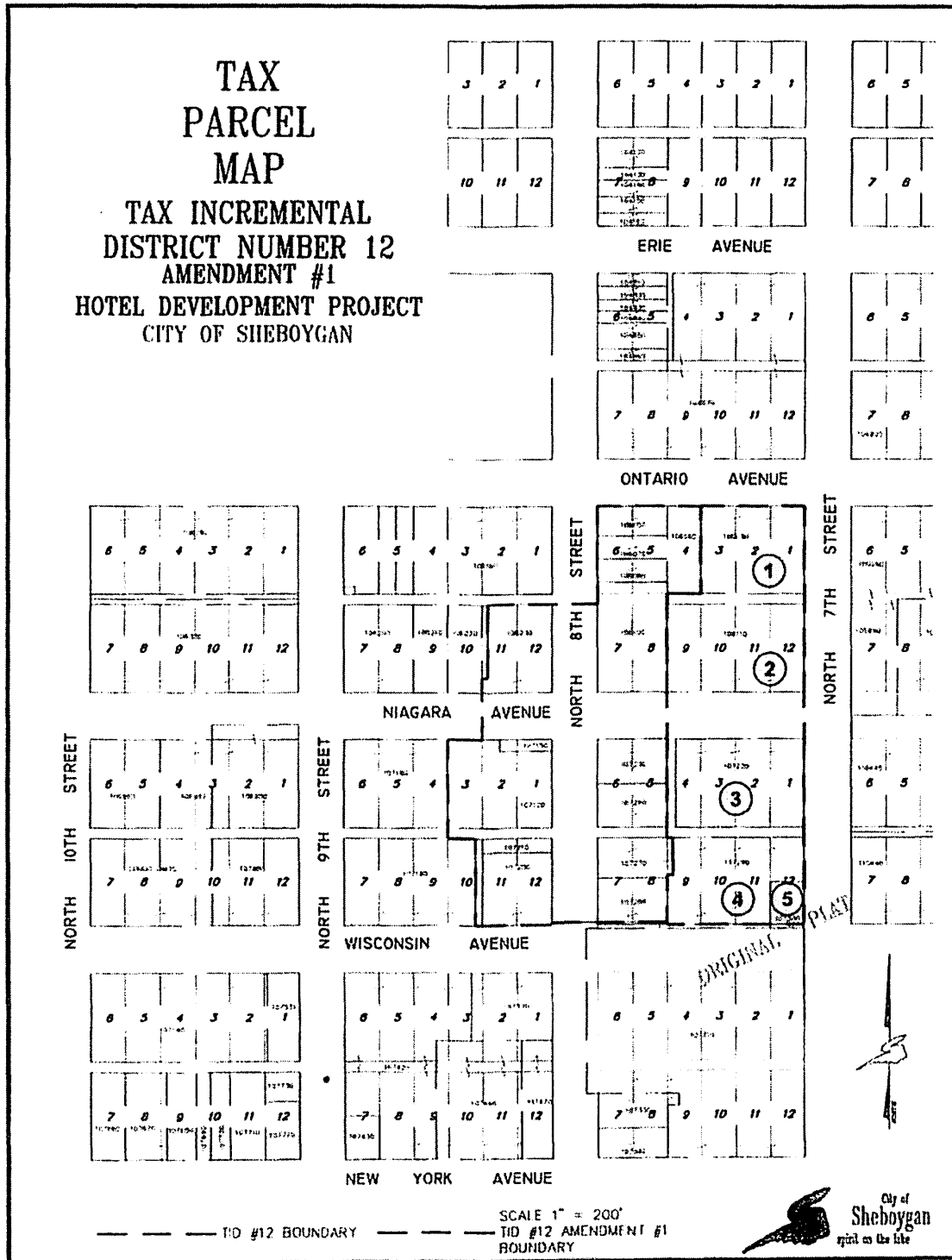
Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four

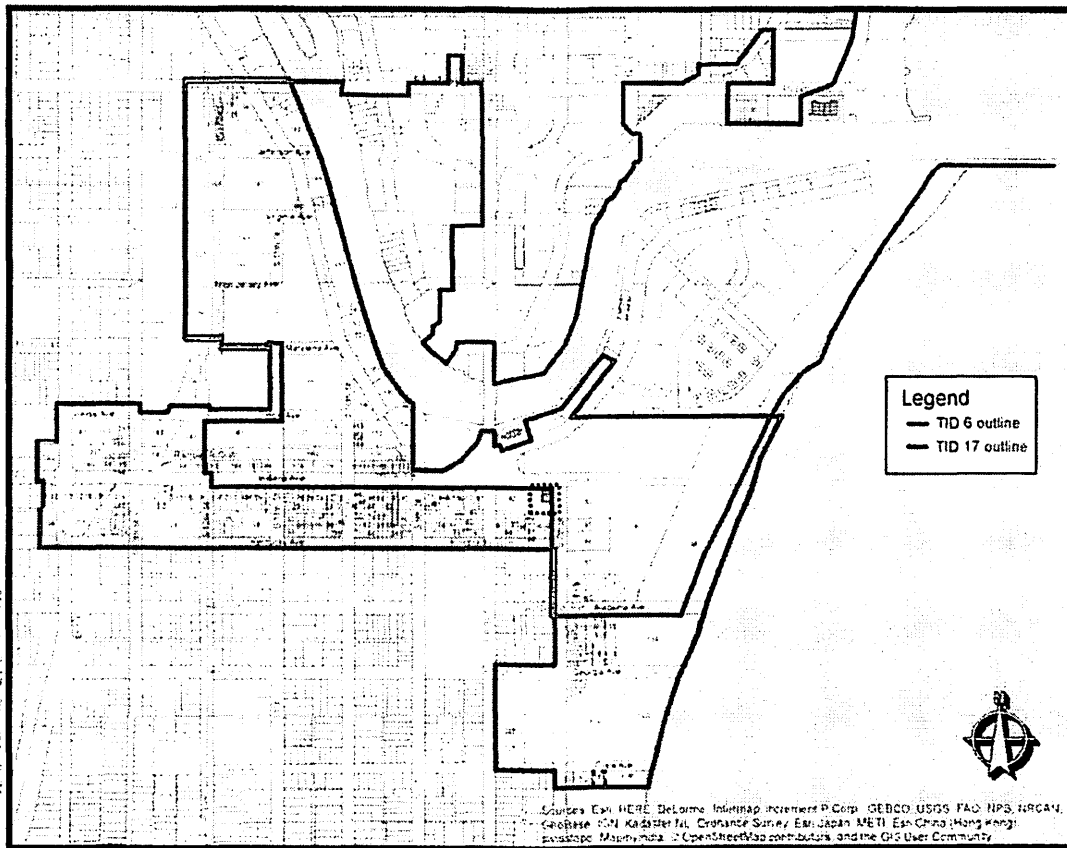
times during the life of the District. The boundaries of the Donor District have been amended once prior to this Amendment. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available boundary amendments.

This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in any subsequent resolution adding territory to the District, the District remains a blighted area district based on the identification and classification of the property included within the District.

SECTION 3:  
 Maps of Current Districts Boundary





## **SECTION 4: Map Showing Existing Uses and Conditions**

---

There will be no change to District boundaries, nor any changes to the existing uses and conditions within the District as a result of this amendment. A copy of this map can be found in the Original and/or Amended Project Plan Documents.

## **SECTION 5: Equalized Value Test**

---

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

## **SECTION 6: Statement of Kind, Number and Location of Proposed Public Works and Other Projects**

---

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No other additional project costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the Original and/or Amended Project Plan Documents remains in effect.

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

---

There will be no change to District boundaries, nor any changes to the proposed improvements or uses within the District as a result of this amendment. A copy of this map can be found in the Original and/or Amended Project Plan Documents.

## **SECTION 8: Detailed List of Updated Project Costs**

---

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No other additional project costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the Original and/or Amended Project Plan Documents remains in effect.

## **SECTION 9: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred**

---

This Project Plan Amendment allows the Donor District to allocate positive tax increments to the Recipient District. The authority for this Amendment is Wisconsin Statutes Section 66.1105 which provides for the allocation of increments providing that the following are true:

- The Donor District, the positive tax increments of which are to be allocated, and the Recipient District have the same overlying taxing jurisdictions.
- The allocation of tax increments is approved by the Joint Review Board.
- The amendment takes place before collecting tax increments in excess of project costs, but not later than the allowable maximum life.
- The Exhibits following this section demonstrate that the Donor District is generating sufficient tax increments to pay for its project costs, and that surplus increments remain that can be allocated to pay some of the project costs of the Recipient District. Accordingly, the statutory criteria under which this amendment can be approved are met.

This amendment further allows for the Donor District to share surplus increments with the Recipient District under the provisions of Wisconsin Statutes Section 66.1105(6)(f)2. The authority for this Amendment provides that the following are true:

- The Donor District cannot request or receive an extension to its maximum life.
- The Recipient District was created on a finding that not less than 50 percent, by area, of the real property within the District was in need or rehabilitation - conservation.

Development Assumptions

City of Sheboygan, Wisconsin Tax Increment District # 12 Development Assumptions					
Construction Year		Actual	Annual Total	Construction Year	
17	2000-2016	6,347,100	6,347,100	2000-2016	17
18	2017	667,800	667,800	2017	18
19	2018		0	2018	19
20	2019		0	2019	20
21	2020		0	2020	21
22	2021		0	2021	22
23	2022		0	2022	23
24	2023		0	2023	24
25	2024		0	2024	25
26	2025		0	2025	26
Totals		<u>7,014,900</u>	<u>7,014,900</u>		

Notes:

# Increment Revenue Projections

City of Sheboygan, Wisconsin Tax Increment District # 12 Tax Increment Projection Worksheet								
Type of District	Blighted Area			Base Value	3,825,700			
District Creation Date	February 21, 2000			Appreciation Factor	0.00%			
Valuation Date	Jan 1,	2000		Current Tax Rate	\$24.87			
Max Life (Years)	27			Rate Adjustment Factor	0.00%			
Expenditure Period/Termination	22	2/21/2022		Tax Exempt Discount Rate	0.00%			
Revenue Periods/Final Year	26	2027		Taxable Discount Rate	0.00%			
Extension Eligibility/Years	Yes	7						
Eligible Recipient District	Yes							

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
17	2000-2016	6,347,100	2017	0	6,347,100	2018	\$25.89	164,337
18	2017	677,800	2018	0	7,024,900	2019	\$24.87	174,704
19	2018	0	2019	0	7,024,900	2020	\$24.87	174,704
20	2019	0	2020	0	7,024,900	2021	\$24.87	174,704
21	2020	0	2021	0	7,024,900	2022	\$24.87	174,704
22	2021	0	2022	0	7,024,900	2023	\$24.87	174,704
23	2022	0	2023	0	7,024,900	2024	\$24.87	174,704
24	2023	0	2024	0	7,024,900	2025	\$24.87	174,704
25	2024	0	2025	0	7,024,900	2026	\$24.87	174,704
26	2025	0	2026	0	7,024,900	2027	\$24.87	174,704
<b>Totals</b>		<b>7,024,900</b>		<b>0</b>		<b>Future Value of Increment</b>		<b>1,735,674</b>

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

Cash Flow

City of Sheboygan, Wisconsin																
Tax Increment District # 12																
Cash Flow Projection Before Increment Sharing with TID 17																
Year	Projected Revenues				Series 2010B Taxable Series GO Bonds					Expenditures			Balances			Year
	Tax Increments	Interest Earnings/ (Cost)	Exempt Computer Aid	Total Revenues	Dated Date: 06/23/10	Principal	Interest	Admin.	Share Payments to TID #17	Total Expenditures	Annual	Cumulative	Principal Outstanding			
2018	164,337	2,295	1,953	168,585	90,000	1,710	650	0	92,360	76,225	341,690		2018			
2019	174,704			174,704			650		650	174,054	515,744		2019			
2020	174,704			174,704			650		650	174,054	689,798		2020			
2021	174,704			174,704			650		650	174,054	863,852		2021			
2022	174,704			174,704			650		650	174,054	1,037,907		2022			
2023	174,704			174,704			650		650	174,054	1,211,961		2023			
2024	174,704			174,704			650		650	174,054	1,386,015		2024			
2025	174,704			174,704			650		650	174,054	1,560,069		2025			
2026	174,704			174,704			650		650	174,054	1,734,123		2026			
2027	174,704			174,704			5,650		5,650	169,054	1,903,177		2027			
<b>Total</b>	<b>1,736,674</b>	<b>2,295</b>	<b>1,953</b>	<b>1,740,922</b>			<b>11,500</b>	<b>0</b>	<b>103,210</b>				<b>Total</b>			

Notes: Projected TID Closure

# City of Sheboygan, Wisconsin

Tax Increment District # 12

Cash Flow Projection After Sharing with TID 17

Year	Projected Revenues				Expenditures					Billed/PAI			Year
	Tax Increments	Interest Earnings/ (Cost)	Exempt Computer Aid	Total Revenues	Series 2010B Taxable Series GO Bonds Dated Date: 06/23/10		Share Payments to Admin.	TID #17	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2018	164,337	2,295	1,953	168,585	90,000	1,710	650	0	92,360	76,225	341,690		2018
2019	174,704			174,704			650	515,744	516,394	(341,690)	0		2019
2020	174,704			174,704			650	174,054	174,704	0	0		2020
2021	174,704			174,704			650	174,054	174,704	0	0		2021
2022	174,704			174,704			650	174,054	174,704	0	1		2022
2023	174,704			174,704			650	174,054	174,704	0	1		2023
2024	174,704			174,704			650	174,054	174,704	0	1		2024
2025	174,704			174,704			650	174,054	174,704	0	1		2025
2026	174,704			174,704			650	174,054	174,704	0	1		2026
2027	174,704			174,704			5,650	169,054	174,704	0	1		2027
<b>Total</b>	<b>1,736,674</b>	<b>2,295</b>	<b>1,953</b>	<b>1,740,922</b>			<b>11,500</b>	<b>1,903,176</b>	<b>2,006,386</b>				<b>Total</b>
Notes										Projected TID Closure			





## **SECTION 10: Annexed Property**

---

No territory will be added or subtracted from the District as a result of this amendment.

## **SECTION 11: Proposed Zoning Ordinance Changes**

---

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment.

## **SECTION 12: Proposed Changes in Master Plan, Map, Building Codes and City of Sheboygan Ordinances**

---

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

## **SECTION 13: 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 City will follow applicable Wisconsin Statutes chapter 32.

**SECTION 14:  
Orderly Development and/or Redevelopment of the City of  
Sheboygan**

---

This Project Plan Amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and/or redevelopment of the City.

**SECTION 15:  
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 tax incremental finance 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 City does not expect to incur any non-project costs in the implementation of this Project Plan.

**SECTION 16:  
Opinion of Attorney for the City of Sheboygan Advising  
Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105**

---

August 6, 2019

**SAMPLE**

Mayor Mike Vandersteen  
City of Sheboygan  
828 Center Avenue  
Sheboygan, Wisconsin 53081

**RE: City of Sheboygan, Wisconsin Tax Incremental District No. 12 Amendment**

Dear Mayor:

As City Attorney for the City of Sheboygan, 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).

Sincerely,

Attorney Charles C. Adams  
City of Sheboygan

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

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlying district would pay by jurisdiction.						
Statement of Taxes Data Year:				2018	Percentage	
County				13,587,854	20.16%	
Technical College				2,114,616	3.14%	
Municipality				27,724,221	41.14%	
School District of Sheboygan Area				23,970,770	35.57%	
Total				67,397,461		

Revenue Year	County	Technical College	Municipality	School District of Sheboygan Area	Total	Revenue Year	
2018	33,132	5,156	67,601	58,449	164,337	2018	
2019	35,222	5,481	71,865	62,136	174,704	2019	
2020	35,222	5,481	71,865	62,136	174,704	2020	
2021	35,222	5,481	71,865	62,136	174,704	2021	
2022	35,222	5,481	71,865	62,136	174,704	2022	
2023	35,222	5,481	71,865	62,136	174,704	2023	
2024	35,222	5,481	71,865	62,136	174,704	2024	
2025	35,222	5,481	71,865	62,136	174,704	2025	
2026	35,222	5,481	71,865	62,136	174,704	2026	
2027	35,222	5,481	71,865	62,136	174,704	2027	
		350,127	54,489	714,388	617,670	1,736,674	

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

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

---

**ITEM DESCRIPTION:** Res. No. 69-19-20 by Alderpersons Donohue and Bohren approving an amendment to the Project Plan of Tax Incremental District No. 13, City of Sheboygan, Wisconsin.

---

**REPORT PREPARED BY:** Chad Pelishek, Director of Planning and Development

---

**REPORT DATE:** August 20, 2019

**MEETING DATE:** August 26, 2019

---

**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

---

**BACKGROUND / ANALYSIS:**

The City is interested in amending TID 13, which was established for the Landmark Square Development and the Sheboygan Senior Community (now Founders Club) as a blight district. Under state law excess increment in a TID may be shared with recipient district of like kind. Under the project plan amendment, TID 13 would share excess increment with TID 17 for about \$387,000 per year. At this time, there is no expansion of TID 13 planned.

**STAFF COMMENTS:**

TID 17 is known as Indiana Avenue Redevelopment Corridor. Due to the amount of infrastructure needed in this area as well redevelopment of the large parcels of land, city staff feels the need to share increment from TID 13 to cover upcoming debt payments the city will incur.

**ACTION REQUESTED:**

Motion to recommend the Common Council adopt Res. No. 69-19-20 approving an amendment to the Project Plan for Tax Incremental District No. 13, City of Sheboygan, Wisconsin.

**ATTACHMENTS:**

- I. Res. No. 69-19-20
- II. Project Plan Amendment

III

4.2

Res. No. 69 - 19 - 20. By Alderpersons Donohue and Bohren.  
August 19, 2019.

A RESOLUTION approving an amendment to the Project Plan of Tax Incremental District No. 13, City of Sheboygan, Wisconsin.

WHEREAS, the City of Sheboygan (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 13 (the "District") was created by the City on November 21, 2005 as a blighted area district; and

WHEREAS, the City now desires to amend the Project Plan of the District (the "Amendment") in accordance with the provisions of § 66.1105, Wis. Stats. (the "Tax Increment Law"); and

WHEREAS, such Amendment will allow excess revenue to be transferred to Tax Incremental District No. 17 (the "Recipient District") as permitted under § 66.1105(6)(f)2, Wis. Stats.; and

WHEREAS, an amended Project Plan for the District has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in §§ 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., Wis. Stats., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the amendment of the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the Project Plan is complete and complies with § 66.1105(4)(f), Wis. Stats.; and

Finances  
Personnel

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to the chief executive officers of Sheboygan County, the Sheboygan Area School District, and the Lakeshore Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

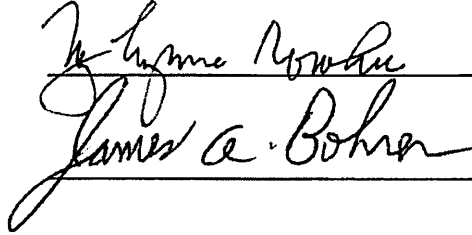
WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on August 13, 2019 held a public hearing concerning the proposed amendment to the Project Plan of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the Plan Commission adopted the Project Plan, and recommended to the Common Council that it amend the Project Plan.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Sheboygan that:

1. The boundaries of the District named "Tax Incremental District No. 13, City of Sheboygan" remain unchanged.
2. That this Amendment is effective as of the date of adoption of this resolution.
3. The Common Council finds and declares that:
  - (a) There are no additional improvements as a result of this amendment.
  - (b) The amount of retail business will not change as a result of this amendment.
  - (c) Under the amended Project Plan, excess tax increments will be transferred to the Recipient District.
  - (d) The District and the Recipient District lie within the same overlapping taxing jurisdictions.
  - (e) The District has sufficient revenue to pay for all current Project Costs and has sufficient excess revenue to pay for eligible project costs of the Recipient District.
  - (f) The Recipient District is a blighted area district which qualifies it as an eligible recipient of excess revenue.

4. The Project Plan for "Tax Incremental District No. 13, City of Sheboygan" (attached as Exhibit A), as amended, is approved, and the City further finds the Project Plan is feasible and in conformity with the master plan of the City.

  
\_\_\_\_\_

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

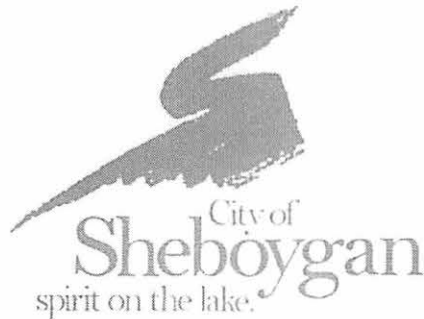
Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor



August 5, 2019

# Project Plan for the Project Plan Amendment of Tax Incremental District No. 13 In Order to Share Increment With Tax Incremental District No. 17



Organizational Joint Review Board Meeting Held:	Scheduled for: August 13, 2019
Public Hearing Held:	Scheduled for: August 13, 2019
Consideration for Adoption by Plan Commission:	Scheduled for: August 13, 2019
Consideration for Adoption by Common Council:	Scheduled for: September 3, 2019
Consideration for Approval by the Joint Review Board:	Scheduled for: TBD

# Tax Incremental District No. 13 Project Plan Amendment

## City of Sheboygan Officials

### Common Council

Mike Vandersteen

Barb Felde

Todd Wolf

Mary Lynne Donohue

Betty Ackley

Markus Savaglio

Dean Dekker

Rose Phillips

Ryan Sorenson

Trey Mitchell

Jim Bohren

City Mayor

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

Council Member

### City Staff

Meredith DeBruin

Darrell Hofland

Chad Pelishek

Marty Halverson

Charles C. Adams

City Clerk

Administrator

Director of Planning & Development

Finance Director

City Attorney

### Joint Review Board

City Representative

Sheboygan County

Lakeshore Technical College District

Sheboygan Area School District

Public Member

# Table of Contents

<b>EXECUTIVE SUMMARY.....</b>	<b>4</b>
<b>TYPE AND GENERAL DESCRIPTION OF DISTRICT .....</b>	<b>6</b>
<b>MAPS OF CURRENT DISTRICTS BOUNDARY.....</b>	<b>8</b>
<b>MAP SHOWING EXISTING USES AND CONDITIONS.....</b>	<b>10</b>
<b>EQUALIZED VALUE TEST.....</b>	<b>10</b>
<b>STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS .....</b>	<b>10</b>
<b>MAP SHOWING PROPOSED IMPROVEMENTS AND USES .....</b>	<b>10</b>
<b>DETAILED LIST OF PROJECT COSTS.....</b>	<b>11</b>
<b>ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED .....</b>	<b>11</b>
<b>ANNEXED PROPERTY .....</b>	<b>18</b>
<b>PROPOSED ZONING ORDINANCE CHANGES .....</b>	<b>18</b>
<b>PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF SHEBOYGAN ORDINANCES .....</b>	<b>18</b>
<b>RELOCATION.....</b>	<b>18</b>
<b>ORDERLY DEVELOPMENT AND/OR REDEVELOPMENT OF THE CITY OF SHEBOYGAN.....</b>	<b>19</b>
<b>LIST OF ESTIMATED NON-PROJECT COSTS .....</b>	<b>19</b>
<b>OPINION OF ATTORNEY FOR THE CITY OF SHEBOYGAN ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105.....</b>	<b>20</b>
<b>CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS .....</b>	<b>21</b>

## **SECTION 1: Executive Summary**

---

### **Description of District**

#### **Type of District, Size and Location**

Tax Incremental District ("TID") No. 13 (The "TID" or "Donor District" or "District") is an existing blighted area district, created by a resolution of the City of Sheboygan ("City") Common Council adopted on November 21, 2005 (the "Creation Resolution").

#### **Type of District, Size and Location**

Tax Incremental District ("TID") No. 17 (The "Recipient District") is an existing rehabilitation - conservation district, created by a resolution of the Common Council adopted on August 20, 2018.

#### **Amendments**

The Donor District was previously amended on September 18, 2017, whereby a resolution was adopted to amend the list of projects to be undertaken.

#### **Purpose of this Amendment**

Allow for the Donor District to share surplus increments with the Recipient District under the provisions of Wisconsin Statutes Section 66.1105(6)(f)2.

#### **Estimated Total Project Expenditures.**

The additional project costs to be incurred under this amendment are limited to the sharing of surplus increment with the Recipient District. It is expected that the Donor District will generate approximately \$6 million in increment that can be shared with the Recipient District during the eligible sharing period.

#### **Economic Development**

Authorizing the Donor District to share increments with the Recipient District will provide additional resources needed to assist the Recipient District in accomplishing the economic development goals set forth in its Project Plan. Without this assistance, it is unlikely this will happen, or will happen within the timeframe, or at the levels projected. The application of the Donor District's surplus increment, as permitted by Wisconsin Statutes, promotes the overall economic development of the City to the benefit of all overlapping taxing jurisdictions.

#### **Expected Termination of District**

The Donor District has a maximum statutory life of 27 years, and must close not later than November 21, 2032, resulting in a final collection of increment in budget year 2033. Considering only existing increment value and assuming no additional projects are undertaken the anticipated total cumulative revenues will exceed total liabilities by the year 2019, enabling the District to close fourteen years earlier than its maximum life. Based on the Economic Feasibility Study located in Section 10 of this Plan, amendment of the District would shift the projected closure year from 2019 to 2033.

## Summary of Findings

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

1. **That “but for” amendment of the Donor District’s Project Plan, the remaining 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 City. In making this determination, the City has considered the following information:**
  - Current and projected tax increment collections for the Recipient District will be insufficient to pay for project costs already incurred and/or the additional projects that need to be completed in that District to achieve the objectives of its Project Plan.
  - In order to cover the increased expenses, in Recipient District, and to meet its goals, it is likely that revenue sharing from the Donor District will be necessary. Therefore, the City expects that “but for” this revenue sharing, the planned development in the Recipient District will not be fully realized.
  - **That “but for” amendment of the Donor District’s Project Plan, the economic development objectives of the Recipient District’s Project Plan will not be achieved. In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “whether the development expected in the tax incremental district would occur without the use of tax incremental financing,” customarily referred to as the “but for” test. Since the purpose of this amendment is solely to allow for the sharing of the Donor District’s increment with the Recipient District, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded, in the case of both the Donor District and the Recipient District, that the “but for” test was met. As demonstrated in the Economic Feasibility section of this Project Plan Amendment, the Recipient District is not likely to recover its Project Costs without the receipt of shared increment from the Donor District. This would create a significant financial burden for City taxpayers, and since all taxing jurisdictions will ultimately share in the benefit of the redevelopment projects and increased tax base, it is appropriate for all taxing jurisdictions to continue to share in the costs to implement them. Accordingly, the City finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.a.***
2. **The economic benefits of amending the Donor 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 the following information:**
  - As demonstrated in the Economic Feasibility Section of this Project Plan amendment, the tax increments projected to be collected are more than sufficient to pay for the remaining proposed project costs. On this basis alone, the finding is supported.
  - Approval of the ability to share increment with the Recipient District is necessary to enable that District to fully realize the economic benefits projected in its Project Plan. Since the Donor District is generating sufficient increment to pay for its project costs, and has surplus increment available to pay for some of the project costs of the Recipient District, the economic benefits that have already been generated are more than sufficient to compensate for the cost of improvements in the Donor and Recipient Districts.

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
  - Given that it is likely that the Recipient District will not achieve all of the objectives of its Project Plan or in the same manner without the ability to share in the surplus increments of the Donor District (see finding # 1), and since the District is expected to generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional 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 Project Plan is not amended. *Finding Required by Wisconsin Statutes Section 66.1105(4m)(c)1.c.*
4. The boundaries of the District are not being amended. At the time of creation, and any subsequent additions of territory, not less than 50%, by area, of the real property within the District, as amended, is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1.
5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the boundaries of the District, the District remains declared a blighted area district based on the identification and classification of the property included within the District.
6. The Project Costs will not change as a result of this amendment.
7. There are no additional improvements as a result of this amendment.
8. 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 Wisconsin Statutes Section 66.1105(5)(b).
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## SECTION 2: Type and General Description of District

---

The District was created under the authority provided by Wisconsin Statutes Section 66.1105 on November 21, 2005 by resolution of the Common Council. The District’s valuation date, for purposes of establishing base value, was January 1, 2006.

The District is a “Blighted Area District,” created on a finding that at least 50%, by area, of the real property within the District was blighted, as defined in Wisconsin Statutes Section 66.1105(2)(ae)1.

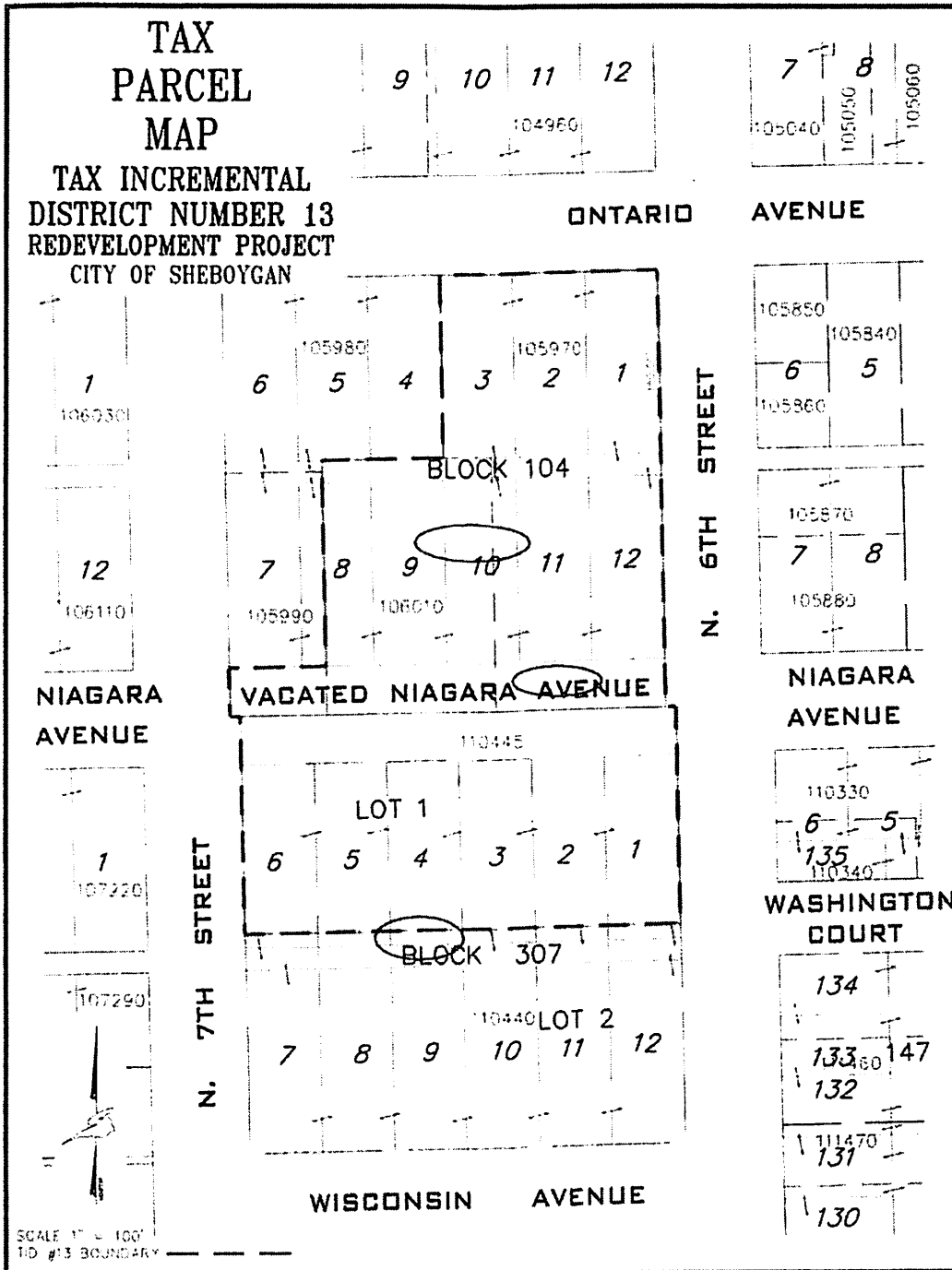
Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the Donor District have not previously been

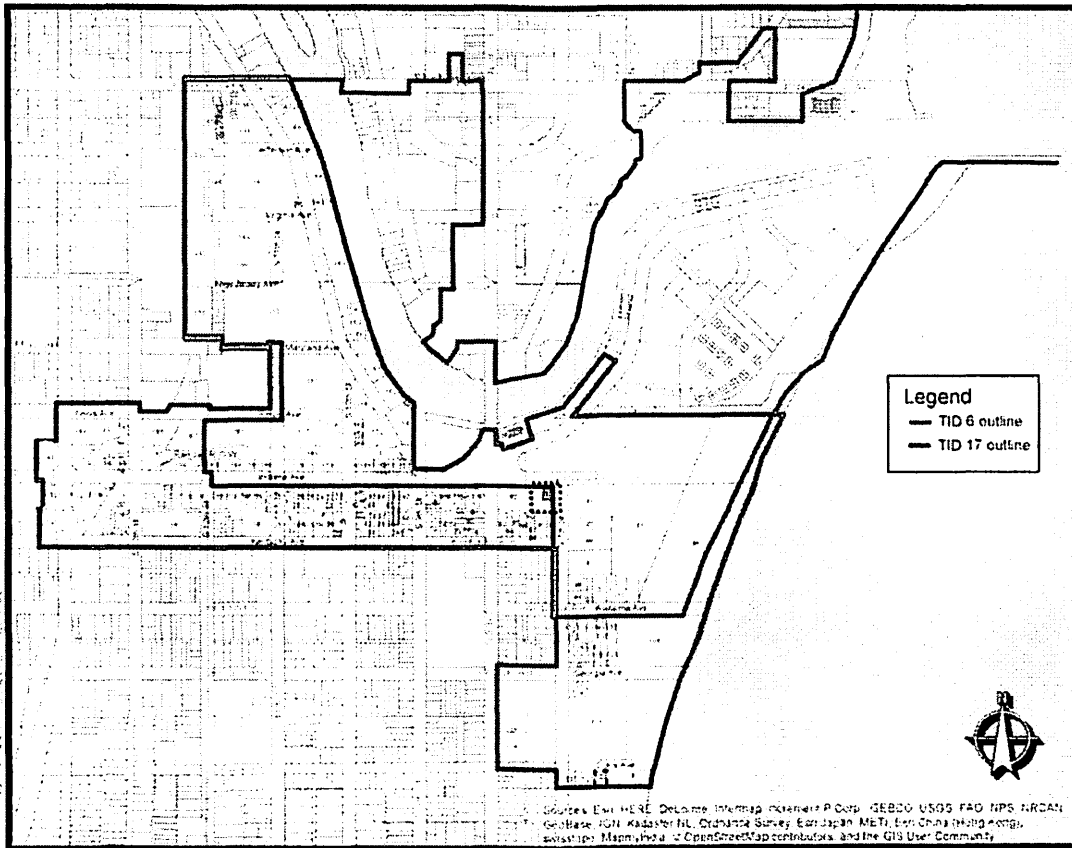
amended. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available boundary amendments.

This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in any subsequent resolution adding territory to the District, the District remains a blighted area district based on the identification and classification of the property included within the District.

SECTION 3:  
 Maps of Current Districts Boundary





## **SECTION 4: Map Showing Existing Uses and Conditions**

---

There will be no change to District boundaries, nor any changes to the existing uses and conditions within the District as a result of this amendment. A copy of this map can be found in the Original and/or Amended Project Plan Documents.

## **SECTION 5: Equalized Value Test**

---

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

## **SECTION 6: Statement of Kind, Number and Location of Proposed Public Works and Other Projects**

---

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No other additional project costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the Original and/or Amended Project Plan Documents remains in effect.

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

---

There will be no change to District boundaries, nor any changes to the proposed improvements or uses within the District as a result of this amendment. A copy of this map can be found in the Original and/or Amended Project Plan Documents.

## **SECTION 8: Detailed List of Project Costs**

---

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No other additional project costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the Original and/or Amended Project Plan Documents remains in effect.

## **SECTION 9: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred**

---

This Project Plan Amendment allows the Donor District to allocate positive tax increments to the Recipient District. The authority for this Amendment is Wisconsin Statutes Section 66.1105 which provides for the allocation of increments providing that the following are true:

- The Donor District, the positive tax increments of which are to be allocated, and the Recipient District have the same overlying taxing jurisdictions.
- The allocation of tax increments is approved by the Joint Review Board.
- The amendment takes place before collecting tax increments in excess of project costs, but not later than the allowable maximum life.
- The Exhibits following this section demonstrate that the Donor District is generating sufficient tax increments to pay for its project costs, and that surplus increments remain that can be allocated to pay some of the project costs of the Recipient District. Accordingly, the statutory criteria under which this amendment can be approved are met.

This amendment further allows for the Donor District to share surplus increments with the Recipient District under the provisions of Wisconsin Statutes Section 66.1105(6)(f)2. The authority for this Amendment provides that the following are true:

- The Donor District cannot request or receive an extension to its maximum life.
- The Recipient District was created on a finding that not less than 50 percent, by area, of the real property within the District was in need of rehabilitation - conservation.

Development Assumptions

**City of Sheboygan, Wisconsin**  
**Tax Increment District # 13**  
**Development Assumptions**

Construction Year		Actual	Annual Total	Construction Year	
11	2006-2016	12,800,800	12,800,800	2006-2016	11
12	2017	2,800,200	2,800,200	2017	12
13	2018		0	2018	13
14	2019		0	2019	14
15	2020		0	2020	15
16	2021		0	2021	16
17	2022		0	2022	17
18	2023		0	2023	18
19	2024		0	2024	19
20	2025		0	2025	20
21	2026		0	2026	21
22	2027		0	2027	22
23	2028		0	2028	23
24	2029		0	2029	24
25	2030		0	2030	25
26	2031		0	2031	26
Totals		<u>15,601,000</u>	<u>15,601,000</u>		

Notes:

# Increment Revenue Projections

City of Sheboygan, Wisconsin																						
Tax Increment District # 13																						
Tax Increment Projection Worksheet																						
Type of District District Creation Date Valuation Date Max Life (Years) Expenditure Period/Termination Revenue Periods/Final Year Extension Eligibility/Years Eligible Recipient District	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Blighted Area</td></tr> <tr><td style="text-align: center;">November 21, 2005</td></tr> <tr><td style="text-align: center;">Jan 1, 2005</td></tr> <tr><td style="text-align: center;">27</td></tr> <tr><td style="text-align: center;">22 11/21/2027</td></tr> <tr><td style="text-align: center;">26 2033</td></tr> <tr><td style="text-align: center;">Yes 6</td></tr> <tr><td style="text-align: center;">Yes</td></tr> </table>	Blighted Area	November 21, 2005	Jan 1, 2005	27	22 11/21/2027	26 2033	Yes 6	Yes	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: right;">Base Value</td><td style="text-align: center;">0</td></tr> <tr><td style="text-align: right;">Appreciation Factor</td><td style="text-align: center;">0.00%</td></tr> <tr><td style="text-align: right;">Current Tax Rate</td><td style="text-align: center;">\$24.87</td></tr> <tr><td style="text-align: right;">Rate Adjustment Factor</td><td style="text-align: center;">0.00%</td></tr> <tr><td style="text-align: right;">Tax Exempt Discount Rate</td><td style="text-align: center;">0.00%</td></tr> <tr><td style="text-align: right;">Taxable Discount Rate</td><td style="text-align: center;">0.00%</td></tr> </table>	Base Value	0	Appreciation Factor	0.00%	Current Tax Rate	\$24.87	Rate Adjustment Factor	0.00%	Tax Exempt Discount Rate	0.00%	Taxable Discount Rate	0.00%
Blighted Area																						
November 21, 2005																						
Jan 1, 2005																						
27																						
22 11/21/2027																						
26 2033																						
Yes 6																						
Yes																						
Base Value	0																					
Appreciation Factor	0.00%																					
Current Tax Rate	\$24.87																					
Rate Adjustment Factor	0.00%																					
Tax Exempt Discount Rate	0.00%																					
Taxable Discount Rate	0.00%																					
Construction	Valuation	Inflation	Total																			
Year	Value Added	Year	Increment	Increment	Revenue Year	Tax Rate	Tax Increment															
11	2015	12,800,800	2017	0	12,800,800	2018	\$25.89	331,434														
12	2017	2,800,200	2018	0	15,601,000	2019	\$24.87	387,985														
13	2018	0	2019	0	15,601,000	2020	\$24.87	387,985														
14	2019	0	2020	0	15,601,000	2021	\$24.87	387,985														
15	2020	0	2021	0	15,601,000	2022	\$24.87	387,985														
16	2021	0	2022	0	15,601,000	2023	\$24.87	387,985														
17	2022	0	2023	0	15,601,000	2024	\$24.87	387,985														
18	2023	0	2024	0	15,601,000	2025	\$24.87	387,985														
19	2024	0	2025	0	15,601,000	2026	\$24.87	387,985														
20	2025	0	2026	0	15,601,000	2027	\$24.87	387,985														
21	2026	0	2027	0	15,601,000	2028	\$24.87	387,985														
22	2027	0	2028	0	15,601,000	2029	\$24.87	387,985														
23	2028	0	2029	0	15,601,000	2030	\$24.87	387,985														
24	2029	0	2030	0	15,601,000	2031	\$24.87	387,985														
25	2030	0	2031	0	15,601,000	2032	\$24.87	387,985														
26	2031	0	2032	0	15,601,000	2033	\$24.87	387,985														
<b>Totals</b>		<b>15,601,000</b>		<b>0</b>		<b>Future Value of Increment</b>		<b>6,151,214</b>														
<b>Notes:</b>																						
Actual results will vary depending on development, inflation of overall tax rates.																						
NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).																						

Cash Flow

City of Sheboygan, Wisconsin											
Tax Increment District # 13											
Cash Flow Projection Before Sharing with TID 17											
Year	Projected Revenues			Expenditures				Balances			Year
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	Developer Grants	Admin.	Share Payments to TID #17	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2018	331,434	1,782	333,216	390,000	650		390,650	(57,434)	220,983		2018
2019	387,985		387,985		650		650	387,335	608,318		2019
2020	387,985		387,985		650		650	387,335	995,654		2020
2021	387,985		387,985		650		650	387,335	1,382,989		2021
2022	387,985		387,985		650		650	387,335	1,770,324		2022
2023	387,985		387,985		650		650	387,335	2,157,659		2023
2024	387,985		387,985		650		650	387,335	2,544,995		2024
2025	387,985		387,985		650		650	387,335	2,932,330		2025
2026	387,985		387,985		650		650	387,335	3,319,665		2026
2027	387,985		387,985		650		650	387,335	3,707,001		2027
2028	387,985		387,985		650		650	387,335	4,094,336		2028
2029	387,985		387,985		650		650	387,335	4,481,671		2029
2030	387,985		387,985		650		650	387,335	4,869,006		2030
2031	387,985		387,985		650		650	387,335	5,256,342		2031
2032	387,985		387,985		650		650	387,335	5,643,677		2032
2033	387,985		387,985		5,650		5,650	382,335	6,026,012		2033
<b>Total</b>	<b>6,151,214</b>	<b>1,782</b>	<b>6,152,996</b>	<b>390,000</b>	<b>15,400</b>	<b>0</b>	<b>405,400</b>				<b>Total</b>
Notes:										Projected TID Closure	

# City of Sheboygan, Wisconsin

## Tax Increment District # 13

### Cash Flow Projection After Sharing with TID 17

Year	Projected Revenues			Expenditures				Balances			Year
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	Developer Grants	Admin.	Share Payments to TID #17	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2018	331,434	1,782	333,216	390,000	650		390,650	(57,434)	220,983		2018
2019	387,985		387,985		650	608,318	608,968	(220,983)	0		2019
2020	387,985		387,985		650	387,335	387,985	(0)	0		2020
2021	387,985		387,985		650	387,335	387,985	0	0		2021
2022	387,985		387,985		650	387,335	387,985	(0)	0		2022
2023	387,985		387,985		650	387,335	387,985	(0)	0		2023
2024	387,985		387,985		650	387,336	387,986	(0)	(0)		2024
2025	387,985		387,985		650	387,335	387,985	0	0		2025
2026	387,985		387,985		650	387,335	387,985	(0)	0		2026
2027	387,985		387,985		650	387,335	387,985	(0)	0		2027
2028	387,985		387,985		650	387,335	387,985	0	0		2028
2029	387,985		387,985		650	387,335	387,985	(0)	0		2029
2030	387,985		387,985		650	387,335	387,985	0	0		2030
2031	387,985		387,985		650	387,335	387,985	(0)	0		2031
2032	387,985		387,985		650	387,335	387,985	(0)	0		2032
2033	387,985		387,985		5,650	382,335	387,985	0	0		2033
<b>Total</b>	<b>6,151,214</b>	<b>1,782</b>	<b>6,152,996</b>	<b>390,000</b>	<b>15,400</b>	<b>6,026,012</b>	<b>6,431,412</b>				<b>Total</b>

Notes:

Projected TID Closure





## **SECTION 10: Annexed Property**

---

No territory will be added or subtracted from the District as a result of this amendment.

## **SECTION 11: Proposed Zoning Ordinance Changes**

---

The City does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment.

## **SECTION 12: Proposed Changes in Master Plan, Map, Building Codes and City of Sheboygan Ordinances**

---

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

## **SECTION 13: 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 City will follow applicable Wisconsin Statutes chapter 32.

**SECTION 14:  
Orderly Development and/or Redevelopment of the City of  
Sheboygan**

---

**This Project Plan Amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and/or redevelopment of the City.**

**SECTION 15:  
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 tax incremental finance 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 City does not expect to incur any non-project costs in the implementation of this Project Plan.**

**SECTION 16:  
Opinion of Attorney for the City of Sheboygan Advising  
Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105**

---

August 6, 2019

**SAMPLE**

Mayor Mike Vandersteen  
City of Sheboygan  
828 Center Avenue  
Sheboygan, Wisconsin 53081

**RE: City of Sheboygan, Wisconsin Tax Incremental District No. 13 Amendment**

Dear Mayor:

As City Attorney for the City of Sheboygan, 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).

Sincerely,

Attorney Charles C. Adams  
City of Sheboygan

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

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlying district would pay by jurisdiction.						
Statement of Taxes Data Year:				2018		
					Percentage	
	County			13,587,854	20.16%	
	Technical College			2,114,616	3.14%	
	Municipality			27,724,221	41.14%	
	School District of Sheboygan Area			23,970,770	35.57%	
	Total			67,397,461		
				School District of Sheboygan Area		
Revenue Year	County	Technical College	Municipality	School District of Sheboygan Area	Total	Revenue Year
2018	66,820	10,399	136,337	117,879	331,434	2018
2019	78,221	12,173	159,599	137,992	387,985	2019
2020	78,221	12,173	159,599	137,992	387,985	2020
2021	78,221	12,173	159,599	137,992	387,985	2021
2022	78,221	12,173	159,599	137,992	387,985	2022
2023	78,221	12,173	159,599	137,992	387,985	2023
2024	78,221	12,173	159,599	137,992	387,985	2024
2025	78,221	12,173	159,599	137,992	387,985	2025
2026	78,221	12,173	159,599	137,992	387,985	2026
2027	78,221	12,173	159,599	137,992	387,985	2027
2028	78,221	12,173	159,599	137,992	387,985	2028
2029	78,221	12,173	159,599	137,992	387,985	2029
2030	78,221	12,173	159,599	137,992	387,985	2030
2031	78,221	12,173	159,599	137,992	387,985	2031
2032	78,221	12,173	159,599	137,992	387,985	2032
2033	78,221	12,173	159,599	137,992	387,985	2033
	1,240,133	192,996	2,530,327	2,187,758	6,151,214	
Notes:						
The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.						

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

---

**ITEM DESCRIPTION:** Benchmark Measurements for Information Technology (IT) Department, for period commencing January 1, 2019 and ending June 30, 2019

---

**REPORT PREPARED BY:** Eric Bushman, Director of Information Technology

---

**REPORT DATE:** August 21, 2019

**MEETING DATE:** August 26, 2019

---

**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

---

**BACKGROUND / ANALYSIS:**

These are the benchmark measurements as defined in the 2019 strategic plan for IT.

**STAFF COMMENTS:**

The following are the YTD measurements and 2019 goals.

<b>Measurements</b>	<b>2017 Actual</b>	<b>2018 YTD</b>	<b>2018 Actual</b>	<b>2019 YTD</b>	<b>2019 Goals</b>
<b><u>Efficiency</u></b>					
Average close time of Critical/High IT Help Tickets (Days)	N/A	6.85	4.8	3.02	5
<b><u>Effectiveness</u></b>					
Percent closed within timeframe	N/A	70%	75%	83%	90%
<b><u>Efficiency</u></b>					
Maintain core server/network at current -1 firmware	N/A	93%	98%	99%	100%
<b><u>Workload</u></b>					
Percentage of Computers Installed with FortiGate Client Installed	75%	98%	99%	100%	100%
Number of legacy applications retired	N/A	N/A	N/A	3	3
Number of Security Audits Performed	1	0	0	1	2
System Availability	N/A	94%	97%	99%	99%

**ACTION REQUESTED:**

For informational purposes only.

**ATTACHMENTS:**

None

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

---

**ITEM DESCRIPTION:** Benchmark Measurements for Cable TV (WSCS) Department, for period commencing January 1, 2019 and ending June 30, 2019.

---

**REPORT PREPARED BY:** Eric Bushman, Director of Information Technology

---

**REPORT DATE:** August 21, 2019

**MEETING DATE:** August 26, 2019

---

**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

---

**BACKGROUND / ANALYSIS:**

These are the benchmark measurements as defined in the 2019 strategic plan for WSCS

**STAFF COMMENTS:**

The following are the YTD measurements and 2019 goals.

<b>Measurements</b>	<b>2017 Actual</b>	<b>2018 YTD</b>	<b>2018 Actual</b>	<b>2019 YTD</b>	<b>2019 Goals</b>
<b><u>Workload</u></b>					
Number of Programs Produced	480	268	622	280	500
Number PSAs Produced	5	0	0	0	9
Number of televised Common Council and Committee of the Whole meetings	29	16	29	16	29
<b><u>Effectiveness</u></b>					
On-Demand Viewing	8,298	1,988	3,778	2,847	9,500
On-Demand Unique Visitors	3,252	1,702	3,254	2,359	3,500
Number of Film Awards	3	8	8	7	8

**ACTION REQUESTED:**

For informational purposes only.

**ATTACHMENTS:**

None

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

---

**ITEM DESCRIPTION:** Status of PC's Windows 7 Operating System

---

**REPORT PREPARED BY:** Eric Bushman, Director of Information Technology

---

**REPORT DATE:** August 22, 2019

**MEETING DATE:** August 26, 2019

---

**FISCAL SUMMARY:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

**STATUTORY REFERENCE:**

Wisconsin Statutes: N/A  
Municipal Code: N/A

---

**BACKGROUND / ANALYSIS:**

Microsoft will stop supporting Windows 7 on January 14, 2020, and at that point this popular operating system will become increasingly unsafe to use. All versions of Windows have a limited shelf life. While they do not disappear, a lack of new features and security updates leave them woefully outdated. In January of 2019 the IT staff conducted an analysis and discovered approximately 145 PCs were running the Windows 7 operating system. After reviewing the 2019 budget for replacing PCs, IT staff estimated the replacement of 45 PCs this year. For the 2020 budgeting cycle, IT staff provided a spreadsheet to the department heads identifying the city's Windows 7 PCs that would need to be replaced in 2020. For PCs that were purchased prior to 2014, IT staff requested that the PC be replaced with a new one, thus upgrading the operating system to Windows 10. For PCs purchased in 2014 or 2015 IT staff gave the departments the option to replace the PC with a new one or upgrade the operating system to Windows 10 at a cost of approximately \$120.

**STAFF COMMENTS:**

Although Windows 7 support ending on January 14, 2020 will not render the PC inoperable, it will become increasingly unsafe to use. IT staff recommends that the city update all of the Windows 7 operating systems on the PCs connected to the city's network no later than the end of the second quarter of 2020. For 2017, 2018 city staff replaced approximately 50 PCs each year and estimates the same for 2019. Replacing the remaining PCs by the end of the second quarter is an aggressive goal. IT staff will need the cooperation of each department to accomplish this. After reviewing each department's 2020 budget for PC replacement IT staff estimates the city has budgeted enough dollars to replace the remaining Windows 7 PCs utilizing a combination of replacing the PC or upgrading the operating system.

**ACTION REQUESTED:**

For informational purposes only.

**ATTACHMENTS:**

- I. Win 7 PC Replacements

<b>Option 1 - Replace existing Win 7 PCs</b>					
Department	Win7 PCs	Estimated Replacement Cost	Estimated Upgrade OS Cost	Estimated Total Cost	Notes
Assessors	3	\$ 2,760	\$ -	\$ 2,760	3 desktops, 4 monitors, 3 wireless Keyboard/mouse
Attorney	0	\$ -	\$ -	\$ -	
Building Inspection	2	\$ 2,040	\$ -	\$ 2,040	2 desktops, 4 monitors, 2 wireless Keyboard/mouse
City Admin	1	\$ 1,995	\$ -	\$ 1,995	1 laptop with docking station, 2 monitors, 1 wireless Keyboard/mouse
Clerks	3	\$ 3,060	\$ -	\$ 3,060	3 desktops, 6 monitors, 3 wireless Keyboard/mouse
Development	2	\$ 2,040	\$ -	\$ 2,040	2 desktops, 4 monitors, 2 wireless Keyboard/mouse
Engineering	5	\$ 14,100	\$ -	\$ 14,100	5 workstations, 10 monitors, 5 wireless Keyboard/mouse
Finance	0	\$ -	\$ -	\$ -	
Fire	13	\$ 11,050	\$ -	\$ 11,050	13 desktops, 13 monitors
Human Resources	3	\$ 3,060	\$ -	\$ 3,060	3 desktops, 6 monitors, 3 wireless Keyboard/mouse
I/T	0		\$ -	\$ -	
Mayor	1	\$ 1,995	\$ -	\$ 1,995	1 laptop with docking station, 2 monitors, 1 wireless Keyboard/mouse
Maywood	5	\$ 4,650	\$ -	\$ 4,650	5 desktops, 7 monitors, 5 wireless Keyboard/mouse
MEG Unit	0		\$ -	\$ -	
MSB	10	\$ 9,450		\$ 9,450	10 desktops, 15 monitors, 10 wireless Keyboard/mouse
Municipal Court	1	\$ -	\$ -	\$ -	1 laptop
Senior Center	0		\$ -	\$ -	
Police In-House	34	\$ 31,850	\$ -	\$ 31,850	34 desktops, 51 monitors, 20 wireless Keyboard/mouse
Police Squads	23	\$ 73,600	\$ -	\$ 73,600	23 Tough books with squad car mounts
Transit	4	\$ 3,780	\$ -	\$ 3,780	4 desktops, 6 monitors, 4 wireless Keyboard/mouse
WSCS	\$ -		\$ -	\$ -	
<b>Totals</b>	<b>110</b>	<b>\$ 165,430</b>	<b>\$ -</b>	<b>\$ 165,430</b>	

**Option 2 - Replace existing Win7 PCs or upgrade the Operating System to Win 10 for PCs Purchased in 2014 and 2015**

Department	Win7 PCs	Est Replacment Cost	Upgrade OS Cost		Notes
Assessors	3	\$ 2,040	\$ 120	\$ 2,160	2 desktops, 4 monitors, 2 wireless Keyboard/mouse, upgrade 1 PC's OS
Attorney	0	\$ -	\$ -	\$ -	
Building Inspection	2	\$ 2,040	\$ -	\$ 2,040	2 desktops, 4 monitors, 2 wireless Keyboard/mouse
City Admin	1	\$ 1,995	\$ -	\$ 1,995	1 laptop with docking station, 2 monitors, 1 wireless Keyboard/mouse
Clerks	3	\$ 3,060	\$ -	\$ 3,060	3 desktops, 6 monitors, 3 wireless Keyboard/mouse
Development	2	\$ 1,020	\$ 120	\$ 1,140	1 desktops, 2 monitors, 1 wireless Keyboard/mouse, upgrade 1 PC's OS
Engineering	5	\$ 11,280	\$ 120	\$ 11,400	4 workstations, 8 monitors, 4 wireless Keyboard/mouse, upgrade 1 PC's OS
Finance	0	\$ -		\$ -	
Fire	13	\$ 9,350	\$ 240	\$ 9,590	13 desktops, 13 monitors, upgrade 2 PC's OS
Human Resources	3	\$ 3,060		\$ 3,060	3 desktops, 6 monitors, 3 wireless Keyboard/mouse
I/T	0			\$ -	
Mayor	1	\$ 1,995		\$ 1,995	1 laptop with docking station, 2 monitors, 1 wireless Keyboard/mouse
Maywood	5	\$ 1,860	\$ 360	\$ 2,220	5 desktops, 7 monitors, 5 wireless Keyboard/mouse, upgrade 3 PC's OS
MEG Unit	0			\$ -	
MSB	10	\$ 7,410	\$ 240	\$ 7,650	8 desktops, 11 monitors, 8 wireless Keyboard/mouse, upgrade 2 PC's OS
Municipal Court	1	\$ -	\$ 120	\$ 120	upgrade 1 PC's OS
Senior Center	0			\$ -	
Police In-House	34	\$ 10,200	\$ 2,880	\$ 13,080	10 desktops, 20 monitors, 10 wireless Keyboard/mouse, upgrade 24 PC's OS
Police Squads	23	\$ -	\$ 2,760	\$ 2,760	upgrade 23 Tough Book's OS
Transit	4	\$ -	\$ 480	\$ 480	upgrade 4 PC's OS
WSCS	0	\$ -	\$ -	\$ -	
<b>Totals</b>	<b>110</b>	<b>\$ 55,310</b>	<b>\$ 7,440</b>	<b>\$ 62,750</b>	