

December 2, 2021

ANNUAL TAX INCREMENT DISTRICT REPORT FOR:

City of Mequon, WI

Tax Increment District No. 3



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

Annual Tax Increment District Report

City of Mequon, Wisconsin Tax Increment District No. 3

Purpose: State law requires municipalities with an active Tax Incremental District (TID) to electronically file an Annual Report for each TID by July 1 of each calendar year. This is a summary of that filing to be used at the annually required meeting of the standing Joint Review Board.

District Summary: Tax Increment District No. 3 (“District”) was created on April 15, 2008 as a Mixed-Use District.

In 2013, the District was amended to add territory to the District, providing incentive and opportunities for private development and redevelopment. This amendment also allowed project costs to incur outside of but within ½ mile of the boundaries and modified the categories and/or locations of the Projects to be undertaken and to provide incentives and opportunities for additional private development and redevelopment.

In 2018, the District was amended to add and updated projects costs to be undertaken within the district to provide for additional development opportunities.

The TID has an expenditure period that ends on April 15, 2023 and has a mandatory termination date of April 15, 2028.

Background Data:	Base Value	\$41,330,300
	Incremental Value (as of January 1, 2021)	\$122,853,400
	Year End Fund Balance (2020)	\$(2,650,233)
	Projected Closure (based on current cash flow*)	2025-2028

* The City may make additional projects costs through the end of the District’s expenditure period. The Council will be meeting in 2022 to evaluate which project costs they would still like to undertake. Projected closure does not include the additional projects.

Notes:

As of 1/1/2020, Spur 16, a 13-acre redevelopment site previously owned by the City and tax exempt was completed and achieved a full assessment including 156 dwelling units with clubhouse and pool, a public market hosting 11 vendors, a yoga and Pilates studio and St. Paul's Fish company as a standalone restaurant. The project's anticipated value was \$26M but exceeded expectations and is assessed at \$35M. In addition, a master planned 17-acre mixed use development, Foxtown, initiated its multiple phased construction in 2019. At the close of 2019, Foxtown Brewery was complete and open for business. In 2020, it is anticipated that an additional restaurant and lounge will be open, a 96-unit apartment complex, with clubhouse and pool facilities, will be complete (currently 48 units are open) and a three-story office and retail complex will be complete. In the future years, spanning between 2021 and 2023, a beer hall and rental for catering events, an office development and 23 single-family homes will be completed to finalize the construction of the Foxtown development. The following highlights the assessed and anticipated values of each phase:

Completed as of Jan 2020:

Foxtown Brewery -	\$3M
Foxtown Apartments - partial	\$13M
Foxtown office and retail complex- partial	\$3M
Foxtown additional restaurant - partial	\$2.15M

2021 Estimates as follows:

Foxtown Apartments- as complete	\$24M
Foxtown office and retail complex - as complete	\$10M
Foxtown additional restaurant - as complete	\$3.55M

Future Estimates as follows:

Beer Hall and Rental - as complete	\$2.6M
23 Single-Family Homes - as complete	\$11M
Foxtown office - as complete	\$1.7M

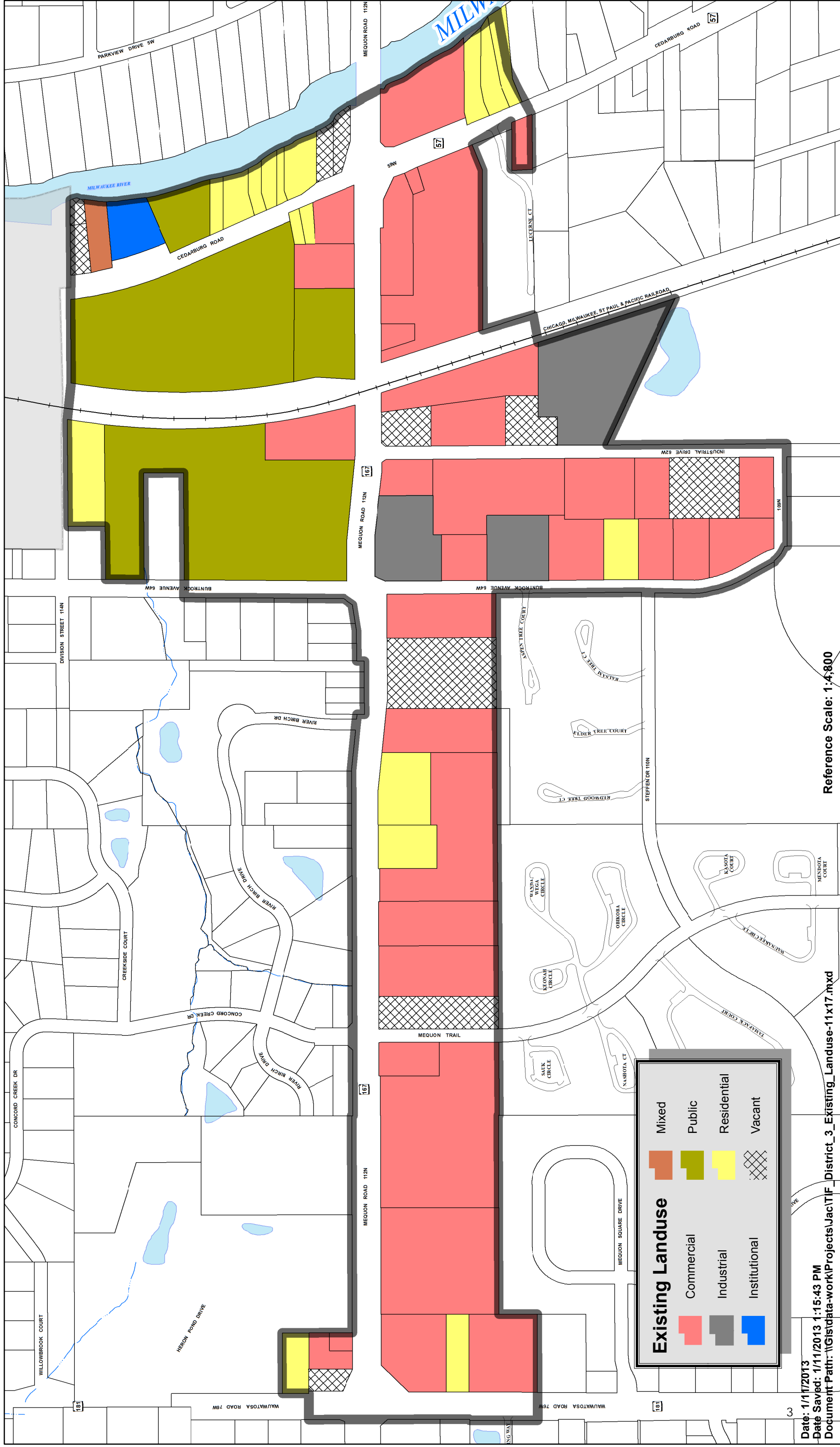
Action Item:

Resolution acknowledging filing of Annual TID Report (DOR Form PE-300) and compliance with annual meeting requirements.

Attachments:

- TID Boundary Map
- TID Increment Projection
- TID Cash Flow Projection (Detail)
- DOR Form PE-300

Proposed TIF #3 District - Existing Landuse



City of Mequon, Wisconsin

Tax Increment District #3

Estimated Project List

Project ID	Project Name/Type	Phase I 2018-2020	Phase II 2020-2023	Total (Note 1)
1	Zone 5			0
2	Zone 6 Mequon Road (Cedarburg to Buntrock)		2,500,000	2,500,000
3	Zone 7 Mequon Road (Buntrock to Wauwatosa)		470,000	470,000
4	Zone Industrial/Buntrock Loop		1,200,000	1,200,000
5	Civic Campus	290,000	200,000	490,000
6	Riverfront park		210,000	210,000
7	Developer Incentives	4,400,000	0	4,400,000
8	Interest on Long Term Debt			0
9	Administration & Professional Services			0
10	Land Acquisition for Conservancy		550,000	550,000
11	Environmental Review & Demo		100,000	100,000
12	Trail Crossing & Streetscaping Improvements		1,300,000	1,300,000
				0
Total Projects		<u>4,690,000</u>	<u>6,530,000</u>	<u>11,220,000</u>

Notes:

Note 1 Project costs are estimates and are subject to modification

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City of Mequon, Wisconsin

Tax Increment District #3

Development Assumptions

Construction Year		Actual	Foxtown Comm/Bldgs E1-E2	Foxtown Apartments	Foxtown Restaurant Bldg B	Foxtown Brewery Bldg D	Foxtown Mixed Use Bldg E3	Foxtown Single Family	Bach Development ¹	Annual Total	Construction Year	
1	2008									0	2008	1
2	2009									0	2009	2
3	2010									0	2010	3
4	2011									0	2011	4
5	2012									0	2012	5
6	2013	1,404,600								1,404,600	2013	6
7	2014	7,479,600								7,479,600	2014	7
8	2015	25,849,000								25,849,000	2015	8
9	2016	6,916,600								6,916,600	2016	9
10	2017	9,792,700								9,792,700	2017	10
11	2018	48,081,000								48,081,000	2018	11
12	2019	40,598,900								40,598,900	2019	12
13	2020	(17,269,000)								(17,269,000)	2020	13
14	2021					1,600,000		3,441,500		5,041,500	2021	14
15	2022					100,000	1,700,000	5,500,000	0	7,300,000	2022	15
16	2023							5,000,000		5,000,000	2023	16
17	2024									0	2024	17
18	2025									0	2025	18
19	2026									0	2026	19
Totals		122,853,400	0	0	0	1,700,000	1,700,000	13,941,500	0	140,194,900		

Notes:

¹Developer estimate of between \$8M and \$10M in value completed by the end of 2022.

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City of Mequon, Wisconsin

Tax Increment District #3

Tax Increment Projection Worksheet

Type of District	Mixed Use	Base Value	41,330,300
District Creation Date	April 15, 2008	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2008	Base Tax Rate	\$20.00
Max Life (Years)	20	Rate Adjustment Factor	
Expenditure Period/Termination	15 4/15/2023	Tax Exempt Discount Rate	
Revenue Periods/Final Year	19 2028	Taxable Discount Rate	1.50%
Extension Eligibility/Years	Yes 6		
Eligible Recipient District	No		

Construction		Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment
Year								
6	2013	1,404,600	2014	0	1,404,600	2015	\$15.58	21,890
7	2014	7,479,600	2015	0	8,884,200	2016	\$16.38	145,512
8	2015	25,849,000	2016	0	34,733,200	2017	\$14.38	499,425
9	2016	6,916,600	2017	0	41,649,800	2018	\$15.87	660,971
10	2017	9,792,700	2018	0	51,442,500	2019	\$15.44	794,030
11	2018	48,081,000	2019	0	99,523,500	2020	\$15.05	1,497,776
12	2019	40,598,900	2020	0	140,122,400	2021	\$15.22	2,133,037
13	2020	-17,269,000	2021	0	122,853,400	2022	\$15.22	1,870,156
14	2021	5,041,500	2022	0	127,894,900	2023	\$15.22	1,946,901
15	2022	7,300,000	2023	0	135,194,900	2024	\$15.22	2,058,027
16	2023	5,000,000	2024	0	140,194,900	2025	\$15.22	2,134,140
17	2024	0	2025	0	140,194,900	2026	\$15.22	2,134,140
18	2025	0	2026	0	140,194,900	2027	\$15.22	2,134,140
19	2026	0	2027	0	140,194,900	2028	\$15.22	2,134,140
Totals		140,194,900		0		Future Value of Increment		20,164,287

Notes:

Actual results will vary depending on development, inflation of overall tax rates.

City of Mequon, Wisconsin

Tax Increment District #3

Cash Flow Projection

Year	Projected Revenues								Expenditures														Balances			Year			
	Tax Increments	Interest Earnings/ (Cost)	Computer Aid	Other Revenue	Other Taxes	Rotary Repayment	BAB Reveue	Total Revenues	Taxable W/BAB Designation 6,950,000 Dated Date: 08/05/09		GO Refunding Bonds 5,030,000 Dated Date:		Paying Agent & BAB fee	Outpost Development Incentive	Dermond Development Incentive	Spur 16 Shaffer	Reserve Development Incentive	Artesa	Foxtown Development Incentive	Loan to Rotary Foundation	Bach Incentive ¹	Capital Expenditures	Adjustment to Fund Balance	Admin./ Prof Services	Total Expenditures		Annual	Cumulative	Principal Outstanding & Developer Incentive
									Principal	Interest	Principal	Interest																	
2015	21,890	0.50%					21,890	8/1																0	21,890	(1,195,901)		2015	
2016	145,512	546	4,305	2,000			152,363	250,000	370,875				25,270									2,225	37,150	685,520	(412,178)	(1,608,079)		2016	
2017	499,425	1,915	6,906	7,506			505,752	250,000	359,625				500										90,058	725,453	(92,517)	(1,700,596)		2017	
2018	660,969	1,541	7,008	221,136			890,654	300,000	347,750				500		150,000							40,926	147,842	1,012,287	(7,954)	(1,708,550)		2018	
2019	794,030	5,117	7,177	400,747			1,207,061	350,000	332,750				25,270		89,455	114,024	41,119					992,846	80,266	2,025,732	(709,419)	(2,417,969)		2019	
2020	1,497,776	13,959	7,177	174,278	21,312		1,714,502	400,000	174,263				25,270	49,802	5,000	115,585	41,682	112,491	205,000			879,004	150	2,004,160	(232,264)	(2,650,233)		2020	
2021	2,133,037		6,818				2,139,855			440,000	129,050		25,270	49,802		20,391		494,463					10,000	1,168,976	970,879	(1,679,354)	9,067,256	2021	
2022	1,870,156		6,477			205,000	2,081,634			540,000	115,850		25,270	49,802				560,928					10,000	1,301,850	779,783	(899,571)	7,881,255	2022	
2023	1,946,901		6,153				1,953,055			585,000	99,650		25,270	49,802				521,102					10,000	1,290,824	662,230	(237,341)	6,690,081	2023	
2024	2,058,027		5,846				2,063,873			630,000	82,100		25,270	49,802				521,102					10,000	1,318,274	745,598	508,258	5,453,907	2024	
2025	2,134,140	2,541	5,553				2,142,235			650,000	63,200		25,270	49,802				521,102					10,000	1,319,374	822,861	1,331,118	4,197,732	2025	
2026	2,134,140	6,656	5,276				2,146,072			695,000	43,700		25,270	49,802				521,102					10,000	1,344,874	801,197	2,132,316	2,896,558	2026	
2027	2,134,140	10,662	5,012				2,149,814			730,000	29,800		25,270	49,802				521,102					15,000	1,370,974	778,839	2,911,155	1,555,383	2027	
2028	2,134,140	14,556	4,761				2,153,457			760,000	15,200		25,270	249,011				521,102						1,570,583	582,874	3,494,029	(0)	2028	
Total	16,544,683	34,414	45,897	0	0	205,000	16,829,994			5,030,000	578,550		0	202,163	597,625	0	20,391	0	4,182,003	0	0	0	0	75,000	10,685,732			Total	

Notes: 2019 other revenues include \$355,763 Green Grant from MMSD for parking lot improvements
 2019 other revenues include \$43,302 from Secure Funds
 2020 other revenues includes \$216,539.82 from Secure Funds
¹Estimated incentive based upon an \$8M Development with increment being paid up to \$600K.

Projected TID Closure

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Form PE-300	TID Annual Report	2020 WI Dept of Revenue
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Section 1 - Municipality and TID					
Co-muni code 45255	Municipality MEQUON		County OZAUKEE	Due date 07/01/2021	Report type ORIGINAL
TID number 003	TID type 6	TID name TOWN CENTER	Creation date 04/15/2008	Mandatory termination date 04/15/2028	Expected termination date N/A

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	\$-2,414,617

Section 3 - Revenue	Amount
Tax increment	\$1,519,088
Investment income	\$13,959
Debt proceeds	\$5,030,000
Special assessments	
Shared revenue	\$7,177
Sale of property	
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Source Build America Bond Rebates	\$57,394
Source Bond Premium Amortization	\$271,209
Source Lokre-Mequon Managing - Parking Lot Contrib	\$173,208
Source Spur 16 Forfeited Deposit for Expenditures	\$1,070
Total Revenue (deposits)	\$7,073,105

Form PE-300	TID Annual Report	2020 WI Dept of Revenue
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Section 4 - Expenditures	Amount
Capital expenditures	\$879,004
Administration	
Professional services	\$73,189
Interest and fiscal charges	\$238,562
DOR fees	\$150
Discount on long-term debt	
Debt issuance costs	\$80,279
Principal on long-term debt	\$5,650,000
Environmental costs	
Real property assembly costs	
Allocation to another TID	
Developer grants	
Developer name Outpost Natural Foods	\$25,270
Developer name Artesa LLC	\$41,682
Developer name Mequon Reserve Dakota LLC	\$115,585
Transfer to other funds	
Other expenditures	
Name Loan to Rotary Foundation	\$205,000
Total Expenditures	\$7,308,721

Section 5 - Ending Balance	Amount
TID fund balance at end of year	\$-2,650,233
Future costs	\$15,670,011
Future revenue	\$21,103,198
Surplus or deficit	\$2,782,954

Section 6 - Preparer/Contact Information	
Preparer name Kaitlyn Krueger	Preparer title Finance Director
Preparer email kkrueger@ci.mequon.wi.us	Preparer phone (262) 236-2948
Contact name Kaitlyn Krueger	Contact title Finance Director
Contact email kkrueger@ci.mequon.wi.us	Contact phone (262) 236-2955

Form PE-300	TID Annual Report	2020 WI Dept of Revenue
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Submission Information	
Co-muni code	45255
TID number	003
Submission date	05-19-2021 05:20 PM
Confirmation	TIDAR20201225O1621281066364
Submission type	ORIGINAL