

**Project Plan
for the Creation of
Tax Incremental District No. 4
in the
VILLAGE OF UNION GROVE, WISCONSIN**



January 20, 2006 **[DRAFT]**

Organizational Joint Review Board Meeting Held:

Public Hearing Held:

Adopted by Planning Commission:

Adopted by Village Board:

Anticipated Approval by Joint Review Board:



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Tax Incremental District No. 4 Creation Project Plan

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TABLE OF CONTENTS

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS.....	4
EQUALIZED VALUE TEST	7
ECONOMIC FEASIBILITY STUDY	8
DETAILED LIST OF PROJECT COSTS.....	15
A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED	17
ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS.....	22
ANNEXED PROPERTY.....	22
A LIST OF ESTIMATED NON-PROJECT COSTS	22
PROPOSED CHANGES IN ZONING ORDINANCES.....	22
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF UNION GROVE ORDINANCES.....	22
RELOCATION	23
ORDERLY DEVELOPMENT OF THE VILLAGE OF UNION GROVE	23
PRELIMINARY PARCEL LIST.....	24
BOUNDARIES INCLUDE ONLY WHOLE PARCELS AND THE DISTRICT IS CONTIGUOUS.	24
MAP OF PROPOSED DISTRICT BOUNDARY	25
MAP SHOWING EXISTING USES AND CONDITIONS	26
MAP SHOWING PROPOSED IMPROVEMENTS AND USES	27
OPINION OF ATTORNEY FOR THE VILLAGE OF UNION GROVE ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105.....	30

1

STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS

Tax Incremental District No. 4 (the “District”) is being created by the Village of Union Grove under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a “Mixed Use District” based upon a finding that at least 50%, by area, of the real property within the District is suitable for a combination of commercial and residential uses within the meaning of Wisconsin Statute Section 66.1105(2)(cm). Lands proposed for newly platted residential development comprise 33.57% of the area of the District. To the extent that project costs will be incurred by the Village for newly platted residential development, the residential development will have a density of at least 3 units per acre as defined in Wisconsin Statutes.

The District is located largely on the east and west side of Main Street from 15th Avenue north past 7th Avenue, including a portion of the Canopy Hills development annexed August 13, 2005. The Village of Union Grove intends that tax increment financing (TIF) will be used to assure that a combination of commercial and residential development occurs within the District consistent with the Village’s development objectives. This will be accomplished by installing public improvements, and making necessary related expenditures, to promote development and redevelopment within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the Village.

The following is a list of public works projects that the Village expects to implement in conjunction with this District. Any costs directly or indirectly related to the public works are considered "project costs" and eligible to be paid with tax increment revenues of the District.

- **PROPERTY ACQUISITION AND DEMOLITION.** Project will include property acquisition and demolition of to-be-determined structures within the TID area.
- **RELOCATION COSTS.** In the event that any property is acquired for the project, expenses including the cost of a relocation plan, staff, publications, appraisals, land and property costs and relocation benefits as required by Wisconsin Statute 66.1333 and section 32.05, Wisconsin Statutes.
- **PROPERTY REDEVELOPMENT COSTS.** Subsequent to property acquisition and demolition, the Village may prepare sites for mixed-use development, including but not limited to, dividing land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with development needs and standards.
- **UTILITIES AND ASSOCIATED INFRASTRUCTURE.** This project will include the installation of new utility services that may include, but is not limited to, extensions and/or upgrade of existing sanitary sewer, water, and storm sewer. Water system improvements may also include a new well and new tower. Additional infrastructure improves may include, but is not limited to, burying of electric lines and curb, gutter and sidewalk reconstruction.

- **STREETS/SIGNALIZATION.** Streets to service the developing properties will need to be constructed. In addition, existing streets may need to be improved to meet traffic demands. To maintain good traffic flow inside the area and control ingress and egress, it may be necessary to provide boulevards, cul de sacs, traffic control signs and signals, and other street amenities.
- **STREETSCAPE.** Additionally, the project may also include the installation of landscape and hardscape improvements such as wayfinding signage, lighting, trash receptacles and benches.
- **REVOLVING LOAN FUND PROGRAM/FAÇADE GRANT PROGRAM.** To encourage private redevelopment consistent with the goals and objectives found in the areas Redevelopment Plan, the Village may establish a revolving loan fund (RLF) and/or matching grant program using TID funds.
- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There are no environmental problems known to exist within the proposed District. If, however, it becomes necessary to evaluate properties, the costs related to all environmental audits and remediation will be considered eligible project costs. In order to insure that properties are suitable for development, the CDA may require environmental audits and remediation.
- **PROPERTY TAX PAYMENTS TO TOWN.** Property tax payments due to the Town under s.66.1105(4)(gm)1. as a result of the inclusion of lands annexed after January 1, 2004 within the boundaries of the District are an eligible project cost.
- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** The Village may provide funds to its CDA to be used for administration, planning and operations related to the purposes for which it was established.
- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The Village may enter into agreements with property owners, leases, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until a developer agreement is executed with the recipient of the cash grant.
- **ADMINISTRATIVE COSTS.** These include, but are not limited to, a portion of the salaries of Village staff involved with the projects throughout the project plan implementation. Audit expenses and any expenses associated with dissolving the TID are also considered eligible costs.
- **ORGANIZATIONAL COSTS.** These costs include, but are not limited to, fees of the financial consultant, attorney, engineers, surveyors, and other contracted services.
- **FINANCE COSTS.** Interest, financing fees and other financing fees are included as project costs.

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

In the event any of the public works project expenditures are not reimbursable out of the special TIF fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the Village for such purpose or a court of record so rules in a final order, then such project or projects shall be deleted herefrom and the remainder of the projects hereunder shall be deemed the entirety of the projects for purposes of this Project Plan (the "Plan").

The Village reserves the right to implement only those projects that remain viable as the Plan period proceeds.

Project costs are any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and as outlined in this Plan. Project costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the municipality outside the District, a proportionate share of the cost is not a project cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Proration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

2 EQUALIZED VALUE TEST

The following calculations demonstrate that the Village is in compliance with s.66.1105(4)(gm)4.c. Wis. Stats., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing Tax Incremental Districts, does not exceed 12% of the total equalized value of taxable property within the Village.

STEP 1. Calculation of Maximum Equalized Property Value Allowed within Tax Incremental Districts in the Village of Union Grove

Equalized Value (as of January 1, 2005)		Maximum Allowable TID Property Value
\$275,153,500	X 12% =	\$33,018,420

STEP 2. Calculation of Equalized Property Value Currently Located and Proposed to be Located within Tax Incremental Districts

Tax Incremental Districts	Equalized Value
TID No. 3 Increment	\$1,778,600
Total Existing Increment	\$1,778,600
Proposed Base Value of New District	<u>\$26,204,600</u>
Total Existing Increment Plus Proposed Base Value	\$27,983,200

The equalized value of the increment of existing Tax Incremental Districts within the Village, plus the base value of the proposed District, totals \$27,983,200. This value is less than the maximum of \$33,018,420 in equalized value that is permitted for the Village of Union Grove. The Village is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

3

ECONOMIC FEASIBILITY STUDY

The Village of Union Grove, located in the central part of Racine County is a community of approximately 4,504 in population.

The charts and exhibits on the following pages demonstrate that the Village will be able to obtain the funds necessary to implement the projects in this Plan and that the revenue from the District will be sufficient to pay for them. Charts I and II on the following page project, respectively, the Village's equalized value, and the full faith and credit borrowing capacity of the Village. Equalized valuation projections were made using two methods. The first projects the future valuation of the Village using the average annual percentage of valuation growth experienced between 2001 and 2005. The second method projects the future valuation based upon the average annual increment between 2001 and 2005. This method is identified as the straight-line method. Chart II projects the general obligation borrowing capacity of the Village utilizing the straight-line valuation projection and considering the existing debt of the Village. The chart demonstrates that the Village is likely to have sufficient general obligation capacity during the implementation period of the District.

In addition to general obligation bonds, the Village can issue revenue bonds to be repaid from revenues of the sewer and/or water systems, including revenues paid by the Village that represent service of the system to the Village. There is no statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the Village must demonstrate to bond underwriters its ability to repay revenue debt with the assigned rates.

Special assessments may be levied against benefited properties to pay part of the street, curb, gutter, sewer and water extension costs. The Village can issue special assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the Village's general obligation ("G.O.") debt limit.

The Village also has the authority to issue Lease Revenue Bonds through a Community Development Authority ("CDA") should this financing vehicle be useful in accomplishing the objectives of the Plan. These obligations are secured by lease payments to be made by the Village and are not to be counted against the Village's G.O. debt limit.

Based on the economic characteristics and the financing resources of the Village, all projects outlined in this Plan can be financed and are feasible.

EQUALIZED VALUATION PROJECTION Village of Union Grove, Wisconsin

CHART I

|----PERCENTAGE METHOD----|

|--STRAIGHT LINE METHOD--|

HISTORICAL DATA

2001	195,014,000			2001	195,014,000	
2002	211,243,500			2002	211,243,500	
2003	221,643,000			2003	221,643,000	
2004	256,673,700			2004	256,673,700	
2005	275,153,500	10.27%		2005	275,153,500	10.27%

Straight Line Method Value Increment

\$20,034,875

PROJECTED VALUATIONS

2006	303,421,552	10.27%		2006	295,188,375	7.28%
2007	334,593,739	10.27%		2007	315,223,250	6.79%
2008	368,968,419	10.27%		2008	335,258,125	6.36%
2009	406,874,601	10.27%		2009	355,293,000	5.98%
2010	448,675,096	10.27%		2010	375,327,875	5.64%
2011	494,769,989	10.27%		2011	395,362,750	5.34%
2012	545,600,467	10.27%		2012	415,397,625	5.07%
2013	601,653,044	10.27%		2013	435,432,500	4.82%
2014	663,464,214	10.27%		2014	455,467,375	4.60%

CHART II

<u>BUDGET YEAR</u>	<u>EQUALIZED VALUE</u>	<u>GROSS DEBT LIMIT</u>	<u>NET BORROWING CAPACITY</u>
2006	275,153,500	13,757,675	13,757,675
2007	295,188,375	14,759,419	14,759,419
2008	315,223,250	15,761,163	15,761,163
2009	335,258,125	16,762,906	16,762,906
2010	355,293,000	17,764,650	17,764,650
2011	375,327,875	18,766,394	18,766,394
2012	395,362,750	19,768,138	19,768,138
2013	415,397,625	20,769,881	20,769,881
2014	435,432,500	21,771,625	21,771,625
2015	455,467,375	22,773,369	22,773,369
2016	475,502,250	23,775,113	23,775,113
2017	495,537,125	24,776,856	24,776,856
2018	515,572,000	25,778,600	25,778,600
2019	535,606,875	26,780,344	26,780,344
2020	555,641,750	27,782,088	27,782,088
2021	575,676,625	28,783,831	28,783,831
2022	595,711,500	29,785,575	29,785,575
2023	615,746,375	30,787,319	30,787,319
2024	635,781,250	31,789,063	31,789,063
2025	655,816,125	32,790,806	32,790,806
2026	675,851,000	33,792,550	33,792,550
2027	695,885,875	34,794,294	34,794,294
2028	715,920,750	35,796,038	35,796,038
2029	735,955,625	36,797,781	36,797,781
2030	755,990,500	37,799,525	37,799,525
2031	776,025,375	38,801,269	38,801,269
2032	796,060,250	39,803,013	39,803,013

PROJECTED REVENUE

Exhibit 1 estimates the TIF revenues that will be available to retire the debt incurred to finance project costs. This Exhibit also projects revenues sufficient to retire the debt proposed to finance all projects of the District. This Exhibit is based on the following assumptions:

- The base value of the District is \$26,204,600
- Tax base will be generated as of January 1 each year as follows:

2006	\$5,500,000
2007	9,700,000
2008	13,130,000
2009	5,670,000
2010	4,200,000
2011	3,400,000
2012	1,000,000
2013	1,000,000
2014	1,000,000
2015	1,000,000
2016	1,000,000

- The equalized tax rate in 2006 is projected to be \$20.95 per thousand. It is projected to decline at a rate of .050% each year throughout the pro forma.
- Valuations are projected to increase 3.00% each year reflecting ordinary inflation of property values within District.

DEVELOPMENT ASSUMPTIONS



Proposed Tax Increment District No. 4
Development Assumptions Mixed Use District

Const. Year	Hill Property Condos ¹	Hill Property Commercial ²	Hill Property Residential ³	CPI Redevelopment	Misc. Redevelopment ⁵	Annual Total
2006	5,500,000					5,500,000
2007	5,500,000	500,000	2,700,000		1,000,000	9,700,000
2008	5,500,000	500,000	2,700,000	3,430,000	1,000,000	13,130,000
2009		500,000	2,700,000	1,470,000	1,000,000	5,670,000
2010		500,000	2,700,000		1,000,000	4,200,000
2011			2,400,000		1,000,000	3,400,000
2012					1,000,000	1,000,000
2013					1,000,000	1,000,000
2014					1,000,000	1,000,000
2015					1,000,000	1,000,000
2016					1,000,000	1,000,000
2017						0
2018						0
2019						0
2020						0
2021						0
2022						0
2023						0
2024						0
2025						0
TOTAL	16,500,000	2,000,000	13,200,000	4,900,000	10,000,000	46,600,000



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NOTES:

- ¹ Assumes 66 Condo Units at \$250,000 per unit built out over 3 years
- ² Assumes \$2 million in commercial development built out over 4 years
- ³ Assumes 44 residential units at \$300,000 per unit built out over 5 years
- ⁴ Assumes 70 Senior Apartment Units at \$70K per unit
- ⁵ Assumes \$10 million over 10 years



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Exhibit 1



Proposed Tax Increment District No. 4 ("Area D")

Projected Tax Increment

Base Value ¹	26,204,600	Inflation Factor	3.00%
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Proposed Mixed Use District	Tax Rate Adjustment Factor	0.50%
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Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Removed	Value Added	Valuation Increment	Tax Rate	Tax Increment	
1	2006	2007	2008	786,138	-401,820	5,500,000	5,884,318	20.95	123,276
2	2007	2008	2009	962,668	-401,820	9,700,000	16,145,166	20.85	336,550
3	2008	2009	2010	1,270,493	-401,820	13,130,000	30,143,839	20.74	625,214
4	2009	2010	2011	1,690,453	-401,820	5,670,000	37,102,472	20.64	765,696
5	2010	2011	2012	1,899,212	-401,820	4,200,000	42,799,864	20.53	878,858
6	2011	2012	2013	2,070,134		3,400,000	48,269,998	20.43	986,227
7	2012	2013	2014	2,234,238		1,000,000	51,504,236	20.33	1,047,045
8	2013	2014	2015	2,331,265		1,000,000	54,835,501	20.23	1,109,194
9	2014	2015	2016	2,431,203		1,000,000	58,266,704	20.13	1,172,706
10	2015	2016	2017	2,534,139		1,000,000	61,800,843	20.03	1,237,617
11	2016	2017	2018	2,640,163		1,000,000	65,441,006	19.93	1,303,962
12	2017	2018	2019	2,749,368		0	68,190,374	19.83	1,351,951
13	2018	2019	2020	2,831,849		0	71,022,224	19.73	1,401,055
14	2019	2020	2021	2,916,805		0	73,939,028	19.63	1,451,302
15	2020	2021	2022	3,004,309		0	76,943,337	19.53	1,502,720
16	2021	2022	2023	3,094,438		0	80,037,775	19.43	1,555,340
17	2022	2023	2024	3,187,271		0	83,225,046	19.34	1,609,190
18	2023	2024	2025	3,282,889		0	86,507,936	19.24	1,664,303
19	2024	2025	2026	3,381,376		0	89,889,312	19.14	1,720,709
20	2025	2026	2027	3,482,817		0	93,372,129	19.05	1,778,442

----- EXPENDITURE PERIOD -----



Totals	48,781,229	-2,009,100	46,600,000	23,621,357
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NET PRESENT VALUE OF INCREMENT @ 5.0% **13,199,264**

NOTES:

¹ Base Value taken from value spreadsheet provided by RCEDC 12/8/05.

CASH FLOW

Exhibit 2 summarizes the District's cash position throughout its potential life. It shows revenues, expenses and balances by year.

Revenues include tax increments from Exhibit 1, capitalized interest, and interest earned investing year-end balances. This Exhibit is based on the same assumptions as used for Exhibit 1.

Expenditures represent payments for contract agreements with developers, and principal and interest payments on this District's share of debt issued to finance projects listed in the Plan. The tentative proposed issues are identified as follows:

Issue No.	Year	Description	Amount
1	2006	General Obligation Community Development Bonds	\$560,000
2	2007	General Obligation Community Development Bonds	\$5,800,000
3	2008	General Obligation Community Development Bonds	\$4,510,000
4	2009	General Obligation Community Development Bonds	\$3,000,000

Revenues anticipated will be sufficient to meet all obligations in a timely manner and produce a \$383,463 accumulated surplus by the year 2027.

Exhibit 2



Proposed Tax Increment District No. 4



Cash Flow Proforma

Year	Revenues				Issue #1 (2006 Projects) G.O. Comm Dev Bonds Dated 2-1-06				Issue #2 (2007 Projects) G.O. Comm Dev Bonds Dated 2-1-07				Issue #3 (2008 Projects) G.O. Comm Dev Bonds Dated 2-1-08				Issue #4 (2009-10 Projects) G.O. Comm Dev Bonds Dated 2-1-09				Fund Balance		Principal Outstanding	Year
	Increment	Interest ¹	Cap. Int.	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Prin (2/1)	Rate ²	Interest	TOTAL	Annual	Cumulative		
2006	0	0	30,942	30,942			10,314	10,314													20,628	20,628	13,870,000	2006
2007	0	413	471,818	472,230	0	3.600%	20,628	20,628			157,273	157,273									294,329	314,958	13,870,000	2007
2008	123,276	6,299	362,344	491,919	0	3.750%	20,628	20,628	0	4.100%	314,545	314,545									156,746	471,704	13,870,000	2008
2009	336,550	9,434	240,780	586,764	0	3.940%	20,628	20,628	0	4.250%	314,545	314,545	0	4.100%	241,563	241,563					10,028	481,732	13,870,000	2009
2010	625,214	9,635		634,849	0	4.100%	20,628	20,628	0	4.440%	314,545	314,545	0	4.250%	241,563	241,563	0	4.100%	160,520	160,520	(102,407)	379,325	13,870,000	2010
2011	765,696	7,586		773,282	0	4.230%	20,628	20,628	0	4.600%	314,545	314,545	0	4.440%	241,563	241,563	0	4.250%	160,520	160,520	36,026	415,351	13,870,000	2011
2012	878,858	8,307		887,165	0	4.350%	20,628	20,628	50,000	4.730%	313,363	363,363	50,000	4.600%	240,413	290,413	0	4.440%	160,520	160,520	52,242	467,593	13,770,000	2012
2013	986,227	9,352		995,578	35,000	3.945%	19,938	54,938	75,000	4.850%	310,361	385,361	100,000	4.730%	236,898	336,898	0	4.600%	160,520	160,520	57,862	525,455	13,560,000	2013
2014	1,047,045	10,509		1,057,554	40,000	4.520%	18,344	58,344	100,000	4.445%	306,320	406,320	100,000	4.850%	232,108	332,108	50,000	4.730%	159,338	209,338	51,446	576,901	13,270,000	2014
2015	1,109,194	11,538		1,120,732	45,000	4.600%	16,405	61,405	150,000	5.020%	300,333	450,333	150,000	4.445%	226,349	376,349	75,000	4.850%	156,336	231,336	1,310	578,211	12,850,000	2015
2016	1,172,706	11,564		1,184,270	45,000	4.670%	14,319	59,319	200,000	5.100%	291,468	491,468	150,000	5.020%	219,250	369,250	100,000	4.445%	152,295	252,295	11,939	590,149	12,355,000	2016
2017	1,237,617	11,803		1,249,420	45,000	4.720%	12,206	57,206	250,000	5.170%	279,905	529,905	200,000	5.100%	210,385	410,385	100,000	5.020%	147,563	247,563	4,361	594,511	11,760,000	2017
2018	1,303,962	11,890		1,315,852	45,000	4.770%	10,071	55,071	300,000	5.220%	265,613	565,613	200,000	5.170%	200,115	400,115	125,000	5.100%	141,865	266,865	28,189	622,699	11,090,000	2018
2019	1,351,951	12,454		1,364,405	65,000	4.810%	7,434	72,434	350,000	5.270%	248,560	598,560	200,000	5.220%	189,725	389,725	125,000	5.170%	135,446	260,446	43,240	665,939	10,350,000	2019
2020	1,401,055	13,319		1,414,374	75,000	4.850%	5,871	80,871	375,000	5.310%	229,381	604,381	200,000	5.270%	179,235	379,235	150,000	5.220%	128,300	278,300	71,587	737,526	9,550,000	2020
2021	1,451,302	14,751		1,466,053	75,000	4.890%	4,052	79,052	400,000	5.350%	208,725	608,725	250,000	5.310%	167,328	417,328	150,000	5.270%	120,433	270,433	90,515	828,041	8,675,000	2021
2022	1,502,720	16,561		1,519,281	90,000	4.930%	2,219	92,219	425,000	5.390%	186,571	611,571	250,000	5.350%	154,003	404,003	200,000	5.310%	111,170	311,170	100,319	928,360	7,710,000	2022
2023	1,555,340	18,567		1,573,907	450,000	5.430%	162,900	612,900	450,000	5.390%	137,883	487,883	350,000	5.390%	116,233	566,233	200,000	5.350%	100,510	300,510	172,614	1,100,974	6,710,000	2023
2024	1,609,190	22,019		1,631,210	465,000	5.500%	137,895	602,895	465,000	5.430%	116,233	566,233	450,000	5.430%	87,075	387,075	300,000	5.390%	87,075	387,075	75,007	1,175,981	5,495,000	2024
2025	1,664,303	23,520		1,687,822	550,000	5.600%	109,708	659,708	550,000	5.500%	89,578	614,578	525,000	5.500%	70,845	370,845	300,000	5.430%	70,845	370,845	42,692	1,218,674	4,120,000	2025
2026	1,720,709	24,373		1,745,083	625,000	5.650%	76,651	701,651	625,000	5.600%	59,040	634,040	575,000	5.600%	59,040	634,040	300,000	5.500%	54,450	354,450	54,942	1,273,615	2,620,000	2026
2027	1,778,442	25,472		1,803,915	1,035,000	5.700%	29,498	1,064,498	760,000	5.650%	21,470	781,470	760,000	5.650%	21,470	781,470	825,000	5.600%	23,100	848,100	(890,153)	383,463	0	2027
	23,621,357	279,367	1,105,884	25,006,607	560,000		244,941	804,941	5,800,000		4,872,703	10,672,703	4,510,000		3,404,696	7,914,696	3,000,000		2,230,805	5,230,805				

NOTES:
¹ Interest earnings projection equal to 2% of preceding year's estimated fund balance.
² Estimated Rates are 8-5-05 MMD "A" Scale +50 BP for 2007 Issue and +100 BP for 2+A18008 and 2012 Issues

4 DETAILED LIST OF PROJECT COSTS

All costs are based on 2006 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2006 and the time of construction. The Village also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The Village retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without amending the Plan.

PROPOSED TIF PROJECT COST ESTIMATES



Proposed Tax Increment District No. 4

Project Costs¹

PROJECT LIST	PHASE I PROJECTS 2006	PHASE II PROJECTS 2007	PHASE III PROJECTS 2008	PHASE IV PROJECTS 2010
Infrastructure additions and improvements ¹				
Water Main Improvements between State Hwy 11 and 7th Ave.			1,030,000	
New 12" Water Main from 7th Ave to 58th Drive & on Hill Property	417,000			673,000
TID Portion of New Water Storage Facility and New Well				
Sanitary Sewer Improvements 7th Ave & Vine		1,340,000		
New 21" Sanitary Sewer US 45 North of 7th Avenue		533,690		
New 18" Sanitary Sewer to Canopy Hills at 58th Street		164,010		
Storm Water - Main Street/7th Avenue/Vine Street - 50% TID			758,500	
Flood Control Detention Basin - Hill Property - 21% TID		322,350		
Mill Avenue Drainage Improvement (54') - 50% TID				277,500
Mill Avenue Extension			538,000	
Street scaping - 50% TID		567,000		
Village Share of State Hwy 11 improvements and inspection Engineering		306,475		
Controlled Intersection Hwy 45 & 58th Drive - 50% TID		150,000		
Subtotal	417,000	3,383,525	2,326,500	950,500
Property Acquisition, demolition & renovation ²				
Acquisition, Demolition and renovation ³		1,670,318	1,670,318	1,670,318
Subtotal	0	1,670,318	1,670,318	1,670,318
TIF Creation, general consulting and administration costs	96,325	96,325	96,325	96,325
Subtotal	96,325	96,325	96,325	96,325
Contingency and façade improvements		112,500		
TOTAL ESTIMATED PROJECT COSTS	513,325	5,262,668	4,093,143	2,717,143
Financing Expenses				
Fees (Advisory, Bond Counsel, Discount, Rating)	19,400	99,500	83,600	61,500
Capitalized Interest (2 yr 2006 (2 yr 2007) (2.5 yr 2008) (2.5yr 2009)	30,942	471,818	362,344	240,780
Subtotal	50,342	571,318	445,944	302,280
TOTAL CAPITAL REQUIRED	563,667	5,833,985	4,539,086	3,019,423
Less Rounding/Interest Earnings	(3,667)	(33,985)	(29,086)	(19,423)
NET BOND SIZE	560,000	5,800,000	4,510,000	3,000,000

NOTES:

- ¹ Source of project cost information City Engineers
- ² Project costs based upon ratio of assessed values
- ³ Total cost of acquisition exclusive of any grant funds which may be received.



5

A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED

PLAN IMPLEMENTATION

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the Village and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The Village reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities issued.

If financing as outlined in this Plan proves unworkable, the Village reserves the right to use alternate financing solutions for the projects as they are implemented.

Issue No. 1
\$560,000 General Obligation Community Development Bonds

Proposed Maturity Schedule

The 2006 projects are anticipated to be financed with general obligation to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 3.60% - 4.93%.

<i>Issue #1 (2006 Projects)</i>				
G.O. Comm Dev Bonds Dated 2-1-06				
Year	Prin (2/1)	Rate ²	Interest	TOTAL
2006			10,314	10,314
2007	0	3.600%	20,628	20,628
2008	0	3.750%	20,628	20,628
2009	0	3.940%	20,628	20,628
2010	0	4.100%	20,628	20,628
2011	0	4.230%	20,628	20,628
2012	0	4.350%	20,628	20,628
2013	35,000	3.945%	19,938	54,938
2014	40,000	4.520%	18,344	58,344
2015	45,000	4.600%	16,405	61,405
2016	45,000	4.670%	14,319	59,319
2017	45,000	4.720%	12,206	57,206
2018	45,000	4.770%	10,071	55,071
2019	65,000	4.810%	7,434	72,434
2020	75,000	4.850%	5,871	80,871
2021	75,000	4.890%	4,052	79,052
2022	90,000	4.930%	2,219	92,219
	560,000		244,941	804,941

Issue No. 2
\$5,800,000 General Obligation Community Development Bonds

Proposed Maturity Schedule

The 2007 projects are anticipated to be financed with general obligation to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 4.73% - 5.70%.

<i>Issue #2 (2007 Projects)</i>				
G.O. Comm Dev Bonds Dated 2-1-07				
Year	Prin (2/1)	Rate ²	Interest	TOTAL
2007			157,273	157,273
2008	0	4.100%	314,545	314,545
2009	0	4.250%	314,545	314,545
2010	0	4.440%	314,545	314,545
2011	0	4.600%	314,545	314,545
2012	50,000	4.730%	313,363	363,363
2013	75,000	4.850%	310,361	385,361
2014	100,000	4.445%	306,320	406,320
2015	150,000	5.020%	300,333	450,333
2016	200,000	5.100%	291,468	491,468
2017	250,000	5.170%	279,905	529,905
2018	300,000	5.220%	265,613	565,613
2019	350,000	5.270%	248,560	598,560
2020	375,000	5.310%	229,381	604,381
2021	400,000	5.350%	208,725	608,725
2022	425,000	5.390%	186,571	611,571
2023	450,000	5.430%	162,900	612,900
2024	465,000	5.500%	137,895	602,895
2025	550,000	5.600%	109,708	659,708
2026	625,000	5.650%	76,651	701,651
2027	1,035,000	5.700%	29,498	1,064,498
	5,800,000		4,872,703	10,672,703

Issue No. 3
\$4,510,000 General Obligation Community Development Bonds

Proposed Maturity Schedule

The 2008 projects are anticipated to be financed with general obligation to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 4.60% - 5.65%.

<i>Issue #3 (2008 Projects)</i>				
G.O. Comm Dev Bonds Dated 2-1-08				
Year	Prin (2/1)	Rate ²	Interest	TOTAL
2009	0	4.100%	241,563	241,563
2010	0	4.250%	241,563	241,563
2011	0	4.440%	241,563	241,563
2012	50,000	4.600%	240,413	290,413
2013	100,000	4.730%	236,898	336,898
2014	100,000	4.850%	232,108	332,108
2015	150,000	4.445%	226,349	376,349
2016	150,000	5.020%	219,250	369,250
2017	200,000	5.100%	210,385	410,385
2018	200,000	5.170%	200,115	400,115
2019	200,000	5.220%	189,725	389,725
2020	200,000	5.270%	179,235	379,235
2021	250,000	5.310%	167,328	417,328
2022	250,000	5.350%	154,003	404,003
2023	350,000	5.390%	137,883	487,883
2024	450,000	5.430%	116,233	566,233
2025	525,000	5.500%	89,578	614,578
2026	575,000	5.600%	59,040	634,040
2027	760,000	5.650%	21,470	781,470
	4,510,000		3,404,696	7,914,696

Issue No. 4
\$3,000,000 General Obligation Community Development Bonds

Proposed Maturity Schedule

The 2009-10 projects are anticipated to be financed with general obligation to be issued under authority of Wisconsin Statutes Chapter 67. The interest rate used for this is 4.73% - 5.60%.

Issue #4 (2009-10 Projects)				
G.O. Comm Dev Bonds Dated 2-1-09				
Year	Prin (2/1)	Rate ²	Interest	TOTAL
2010	0	4.100%	160,520	160,520
2011	0	4.250%	160,520	160,520
2012	0	4.440%	160,520	160,520
2013	0	4.600%	160,520	160,520
2014	50,000	4.730%	159,338	209,338
2015	75,000	4.850%	156,336	231,336
2016	100,000	4.445%	152,295	252,295
2017	100,000	5.020%	147,563	247,563
2018	125,000	5.100%	141,865	266,865
2019	125,000	5.170%	135,446	260,446
2020	150,000	5.220%	128,300	278,300
2021	150,000	5.270%	120,433	270,433
2022	200,000	5.310%	111,170	311,170
2023	200,000	5.350%	100,510	300,510
2024	300,000	5.390%	87,075	387,075
2025	300,000	5.430%	70,845	370,845
2026	300,000	5.500%	54,450	354,450
2027	825,000	5.600%	23,100	848,100
	3,000,000		2,230,805	5,230,805

6

ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Section 66.1105(5)(b) of the Wisconsin State Statutes the Village estimates that 50% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

7

ANNEXED PROPERTY

Properties proposed for inclusion within the District were annexed by the Village on or after January 1, 2005. To satisfy the requirements of s.66.1105(4)(gm)1. Wis. Stats., the Village pledges to pay to the Town of Yorkville for the next five years an amount equal to the property taxes levied on the annexed properties by the Town at the time of annexation.

8

A LIST OF ESTIMATED NON-PROJECT COSTS

Anticipated construction by private parties: \$46,600,000

9

PROPOSED CHANGES IN ZONING ORDINANCES

The Village of Union Grove anticipates that the District may require changes in the zoning ordinances, due to potential redevelopment of existing parcels.

10

PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF UNION GROVE ORDINANCES

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

11

RELOCATION

It is not anticipated there will be a need to relocate any persons or businesses in conjunction with this Plan.

In the event relocation becomes necessary at some time during the implementation period, the Village will take the following steps and actions:

Before negotiations begin for the acquisition of property or easements, all property owners will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on "Relocation Rights". The Village will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of all or at least ten neighboring landowners to whom offers are being made. The Village will file a relocation plan with the Department of Commerce and shall keep records as required in Wisconsin Statute Section 32.27.

12

ORDERLY DEVELOPMENT OF THE VILLAGE OF UNION GROVE

The District contributes to the orderly development of the Village by providing the opportunity for continued growth in tax base, housing and job opportunities, and improvements to the Village's infrastructure.

13

PRELIMINARY PARCEL LIST

Boundaries include only whole parcels and the District is contiguous.

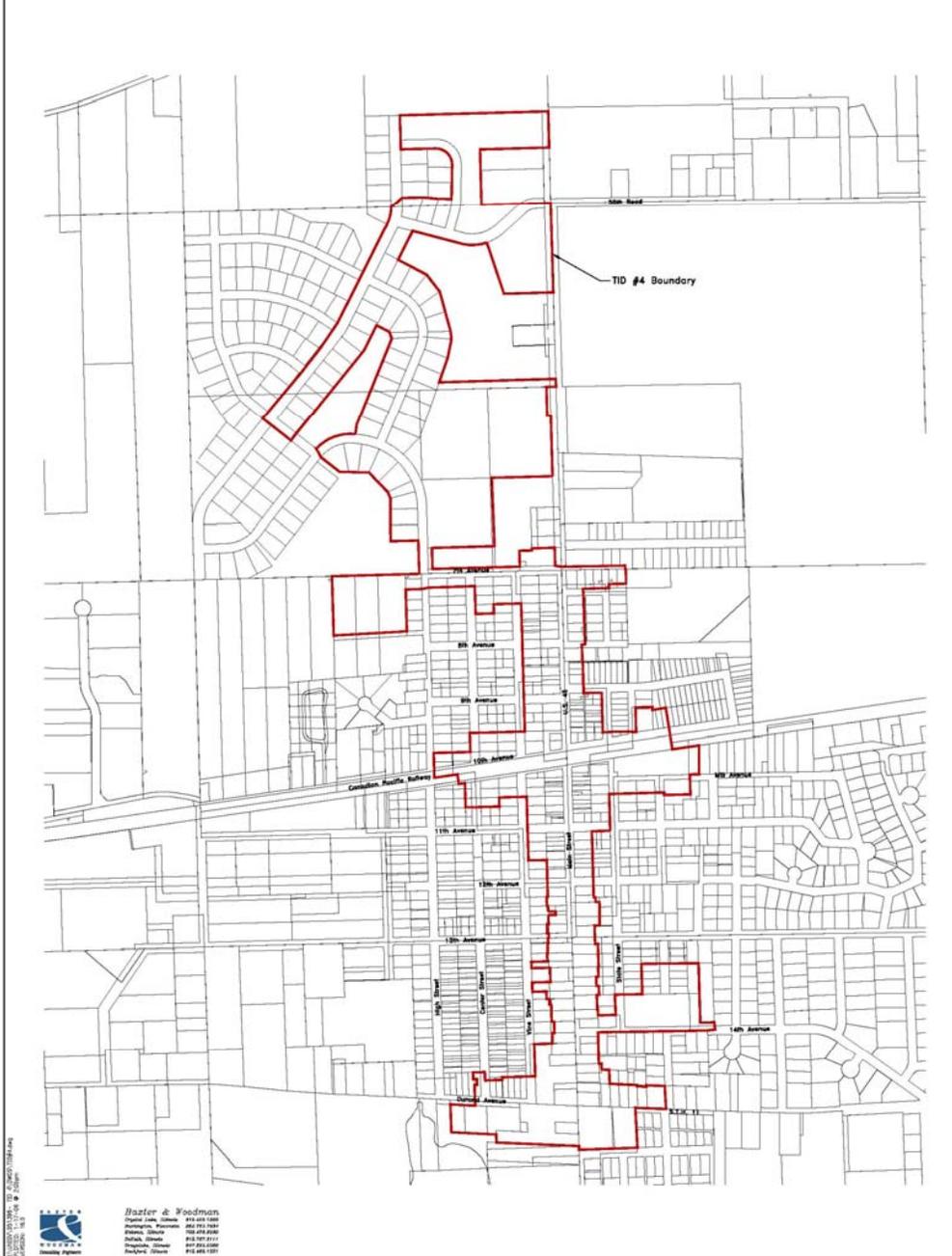
PARCEL	TOTAL	Acres in District	PARCEL	TOTAL	Acres in District	PARCEL	TOTAL	Acres in District
32129001000	\$ 96,800	0.23	32130032000	\$ 93,000	0.06	*		8.90
32129002000	\$ 431,900	0.18	32130033000	\$ 84,400	0.09	*		27.56
32129003000	\$ 107,300	0.12	32130034000	\$ 239,800	0.15			0.47
32129004000	\$ 89,100	0.18	32130035000	\$ 100,500	0.06	32129219000	\$ -	14.70
32129005000	\$ 128,800	0.20	32130036000	\$ 132,100	0.08	32130004010	\$ -	0.27
32129006000	\$ 192,300	0.40	32130037000	\$ -	0.17	32130153000	\$ 143,100	0.19
32129007000	\$ 124,500	0.25	32130039000	\$ 101,400	0.20	32130152000	\$ 20,300	0.61
32129008000	\$ -	0.03	32130040000	\$ 95,800	0.20	32130082000	\$ 222,000	0.20
32129009000	\$ 160,800	0.12	32130041000	\$ 22,100	0.20	32130048002	\$ 122,900	0.20
32129010000	\$ 82,200	0.07	32130042000	\$ -	0.21	32130046001	\$ 82,100	0.10
32129011000	\$ 127,400	0.10	32130042010	\$ -	0.23	32130048000	\$ 82,000	0.20
32129012000	\$ 97,100	0.08	32130043000	\$ 148,900	0.20	32130055000	\$ 77,700	0.14
32129013000	\$ 146,400	0.10	32130044000	\$ 146,400	0.30	32130053000	\$ 151,900	0.36
32129014000	\$ -	0.10	32130045000	\$ 187,600	0.20	32130052000	\$ 185,200	0.36
32129015000	\$ 83,800	0.11	32130047000	\$ 280,000	0.49	32130064000	\$ 124,400	0.18
32129016000	\$ 76,100	0.09	32130048000	\$ 348,300	0.44	32130063000	\$ 124,100	0.15
32129017000	\$ 140,700	0.10	32130049000	\$ 97,200	0.33	32130062000	\$ 118,500	0.15
32129018000	\$ 96,900	0.10	32130050000	\$ 138,300	0.22	32130061000	\$ 104,600	0.20
32129021000	\$ 196,200	0.20	32130056000	\$ 212,400	0.51	32130060000	\$ 113,800	0.20
32129023000	\$ 81,900	0.10	32130056003	\$ 237,200	0.49	32130059000	\$ 139,700	0.20
32129025000	\$ 110,700	0.10	32130057000	\$ -	0.80	32131140010	\$ 2,310,400	2.73
32129027000	\$ 101,500	0.10	32130058000	\$ -	0.04	32131135200	\$ 433,000	1.09
32129029000	\$ 10,500	0.10	32130058001	\$ 146,000	0.42	32131135100	\$ 195,000	0.73
32129033000	\$ 394,500	0.40	32130068000	\$ 137,800	0.60	32131135110	\$ 98,200	0.46
32129049000	\$ -	0.27	32130089000	\$ 2,500	0.92	32131053000	\$ 99,900	0.18
32129050000	\$ -	0.27	32130147000	\$ 14,200	0.17	32131020000	\$ 148,300	0.28
32129054000	\$ 78,100	0.17	32130172010	\$ 139,800	0.20	32131021000	\$ 76,200	0.14
32129055000	\$ 62,900	0.17	32130172012	\$ 132,400	0.20	32131019000	\$ -	
32129056000	\$ 62,000	0.06	32131069000	\$ 125,300	0.27	32131018000	\$ -	
32129057000	\$ 4,500	0.05	32131070000	\$ 26,500	0.16	32131017000	\$ 78,500	0.16
32129058000	\$ 20,000	0.05	32131071000	\$ 613,700	0.28	32130176005	\$ 137,300	0.20
32129059000	\$ 91,600	0.18	32131074000	\$ 144,500	0.22	32130176010	\$ 3,272,100	5.03
32129060000	\$ 112,300	0.17	32131076000	\$ 134,800	0.28			
32129061000	\$ 94,500	0.13	32131077000	\$ 112,300	0.25	Total	\$ 26,204,600	14.35
32129062000	\$ 120,900	0.15	32131079000	\$ 145,600	0.24			
32129063000	\$ 81,900	0.11	32131081000	\$ 128,500	0.22			
32129064000	\$ 96,700	0.11	32131082000	\$ 160,400	0.41			
32129065000	\$ 113,000	0.18	32131083000	\$ 130,800	0.31			
32129066000	\$ 113,500	0.10	32131085000	\$ 138,700	0.27			
32129075000	\$ 117,000	0.16	32131086000	\$ 109,000	0.20			
32129078000	\$ 147,500	0.20	32131088000	\$ 125,000	0.22			
32129129002	\$ 4,800	0.09	32132001000	\$ 152,900	0.15			
32129129003	\$ 69,300	0.09	32132003000	\$ 106,200	0.24			
32129129004	\$ 82,500	0.18	32132005000	\$ 145,400	0.33			
32129129009	\$ 129,800	0.18	32132007000	\$ 114,600	0.24			
32129129010	\$ 141,700	0.18	32132008000	\$ 111,800	0.20			
32129129018	\$ 138,500	0.17	32132009000	\$ 97,400	0.23			
32129129019	\$ 124,400	0.18	32132010000	\$ 135,700	0.31			
32129151000	\$ 131,000	0.28	32132013000	\$ 39,700	0.26			
32129167000	\$ 413,900	0.11	32132014000	\$ 111,100	0.21			
32129171000	\$ -	0.41	32132015000	\$ 137,600	0.21			
32129174000	\$ 152,500	0.26	32132016000	\$ -	3.29			
32129178000	\$ 123,800	0.25	32132024000	\$ 24,800	0.25			
32129215000	\$ 28,200	0.41	32132025000	\$ 128,300	0.16			
32129218000	\$ 127,400	2.03	32132026000	\$ 124,100	0.20			
32130001000	\$ 177,500	0.20	32132027000	\$ 122,900	0.85			
32130003000	\$ 225,900	0.20	32132028000	\$ 104,800	0.20			
32130005000	\$ 98,700	0.20	32132029000	\$ 130,800	0.22			
32130007000	\$ 178,800	0.20	32132030000	\$ 72,300	0.24			
32130009000	\$ 139,300	0.20	32132031000	\$ 172,200	0.38			
32130011000	\$ 515,900	0.20	32132032000	\$ 148,500	0.25			
32130013000	\$ 27,500	0.20	32132034000	\$ 137,000	0.20			
32130015000	\$ 128,900	0.18	32132036000	\$ 143,100	0.20			
32130016000	\$ 104,500	0.20	32132037000	\$ 115,300	0.19			
32130017000	\$ 76,100	0.12	32132038000	\$ 137,100	0.40			
32130018000	\$ 62,700	0.10	32132063000	\$ -	0.65			
32130019000	\$ 68,600	0.10	32132071000	\$ -	1.87			
32130020000	\$ 155,800	0.10	32132075000	\$ -	1.66			
32130021000	\$ -	0.40	32132075020	\$ 3,300	0.03			
32130022000	\$ 74,200	0.05	32132075030	\$ 221,900	1.52			
32130023000	\$ 171,600	0.08	32130094000	\$ 20,800	0.35			
32130024000	\$ 96,400	0.11	32130092000	\$ -	0.20			
32130025000	\$ 166,900	0.15	32130093000	\$ 60,900	0.20			
32130028000	\$ 131,800	0.20	32129067000	\$ 2,200	0.04			
32130028000	\$ 106,700	0.10	32129068000	\$ 1,700	0.03			
32130030000	\$ 116,100	0.10	32129084000	\$ 71,900	0.39			
32130031000	\$ 107,800	0.05						

* Property annexed from Town of Yorkville. An amount equal to the Town's tax will be paid to the town for each of the next five years.

14

MAP OF PROPOSED DISTRICT BOUNDARY

**VILLAGE OF UNION GROVE, WISCONSIN
TAX INCREMENT DISTRICT #4**

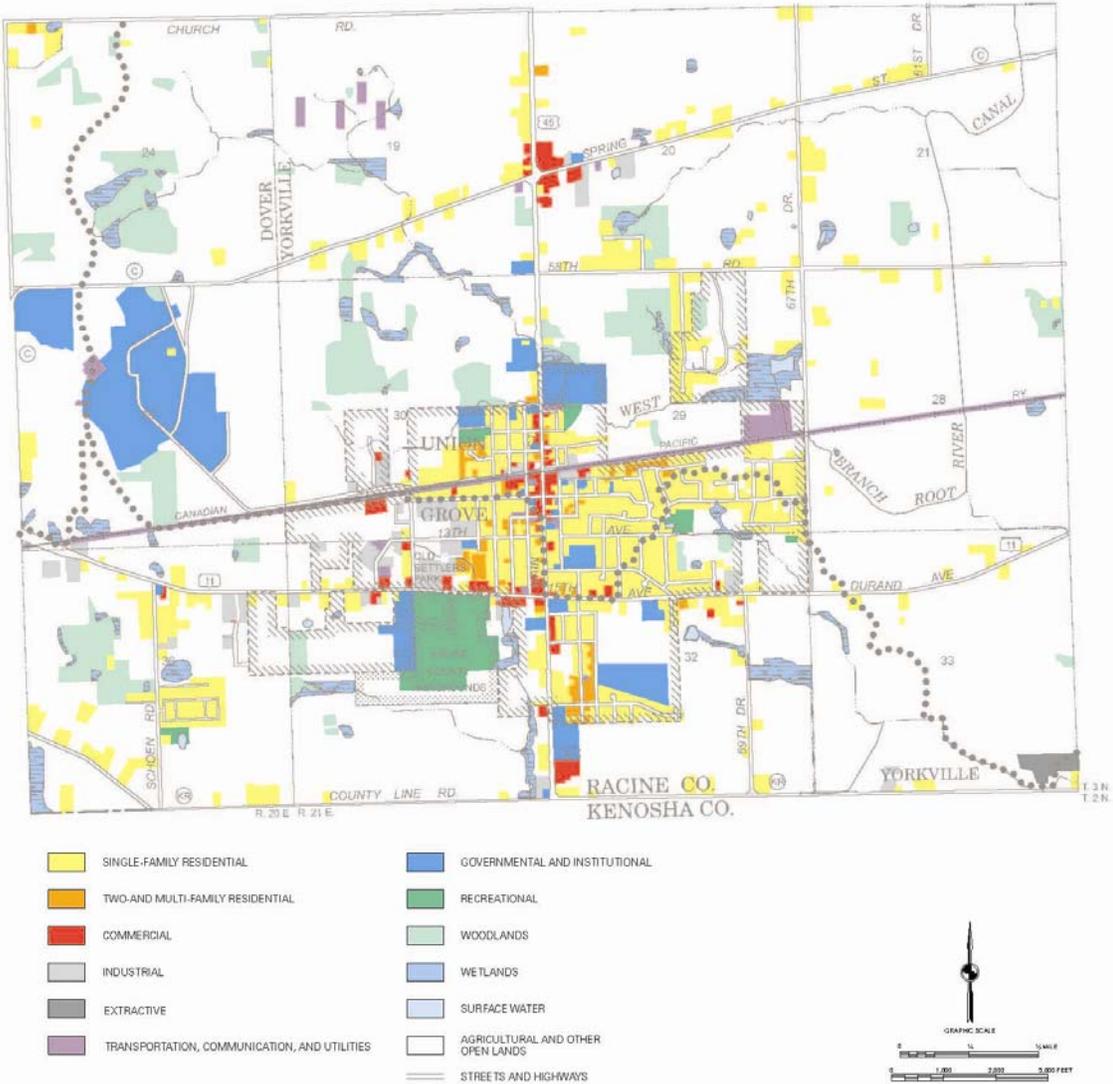


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Overland Park, KS 66214
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www.hazlerwoodman.com

15

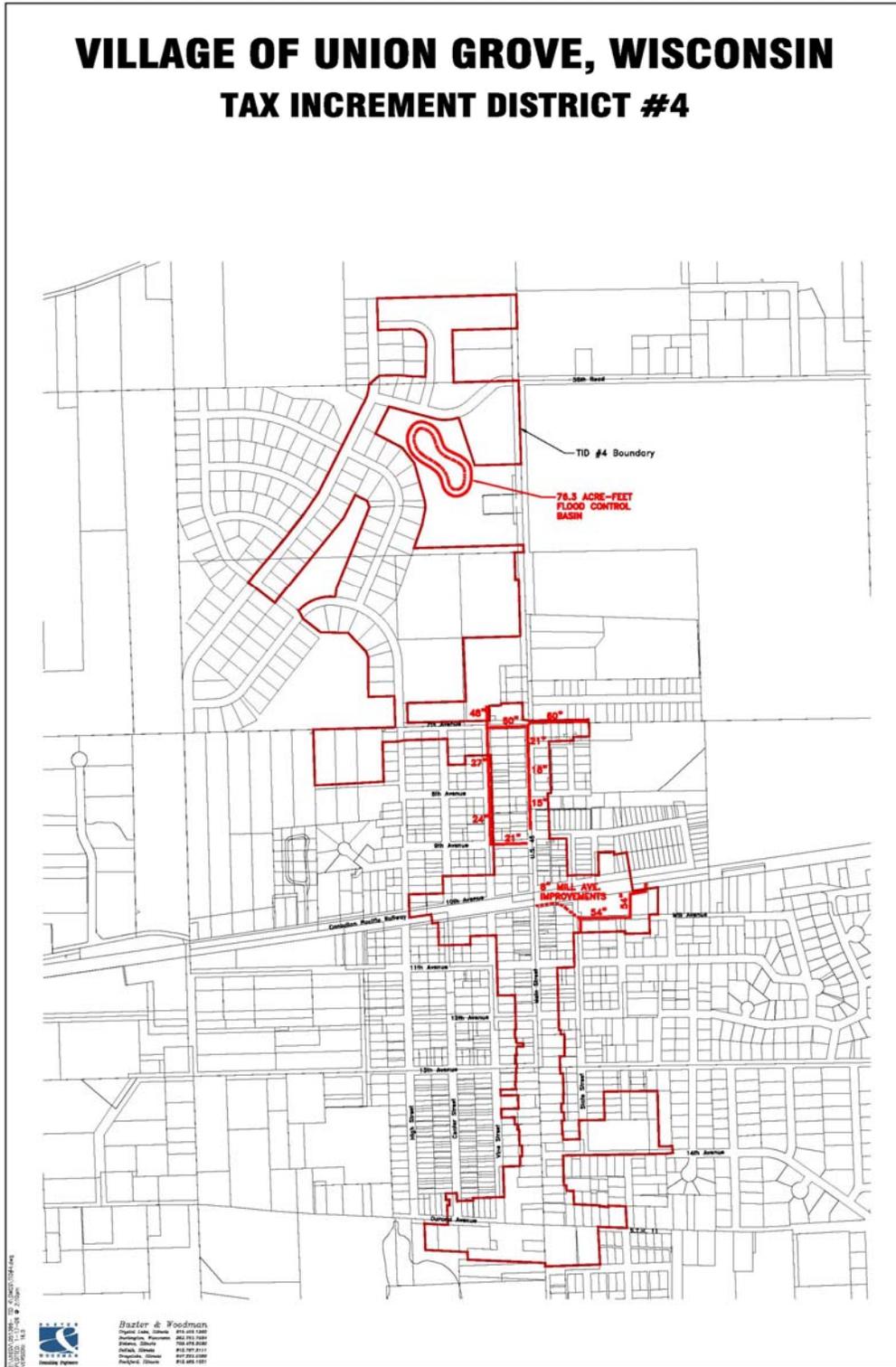
MAP SHOWING EXISTING USES AND CONDITIONS

EXISTING LAND USES IN THE VILLAGE OF UNION GROVE PLANNING AREA: 2000



Stormwater Improvements

**VILLAGE OF UNION GROVE, WISCONSIN
TAX INCREMENT DISTRICT #4**



17

**OPINION OF ATTORNEY FOR THE VILLAGE OF UNION GROVE
ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH
WISCONSIN STATUTES, SECTION 66.1105**

January 20, 2006

SAMPLE

Mark Hoefs, Village President
Village of Union Grove
925 15th Ave.
Union Grove, Wisconsin 53182

RE: Village of Union Grove, Wisconsin Tax Incremental District No. 4

Dear Village President:

As Village Attorney for the Village of Union Grove, I have reviewed the Project Plan and various resolutions passed by the Village Board, Planning Commission and Joint Review Board regarding Tax Incremental District No. 4 located in the Village of Union Grove. In my opinion, the Project Plan is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Sincerely,

Attorney Julie Gay
Village of Union Grove