

May 8, 2025

PROJECT PLAN AMENDMENT #1

City of Sheboygan, Wisconsin

Tax Incremental District No. 21



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	Held on April 7, 2025
Public Hearing Held:	Held on April 7, 2025
Approval by Plan Commission:	April 7, 2025
Action by Common Council:	May 5, 2025
Action by the Joint Review Board:	May 8, 2025

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 21 (“District”) is a 250.67-acre rehabilitation or conservation district created on March 25, 2024. The District was created to:

1. Pay the costs of new public infrastructure, cleanup and demolition costs and land acquisition costs;
2. Pay for development incentives and other Project Costs, all of which are required to rehabilitate and conserve the area within the District with needed development and redevelopment of a variety of housing developments, and to develop and redevelop a variety of housing developments; and
3. Encourage retail and commercial uses and ancillary public uses (collectively, the “Project”)

Purpose of Amendment

The purpose of this amendment (the “Plan Amendment”) to the District’s original Project Plan approved on March 27, 2024 (the “Plan”) is to:

- Add territory to the District as permitted under Wis. Stat. § 66.1105(4)(h)2. This is the first of four permitted territory amendments available to the District.
- Amend the definition of Project (and expand approved Project Costs) to include property acquisition costs related to the territory being added to the District by this Amendment as permitted under as permitted under Wis. Stat. § 66.1105(4)(h)1.

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$182,478,239 (“Project Costs”) (an increase of \$895,000) to undertake the projects listed in this Plan Amendment. Project Costs are associated with the proposed redevelopment of sites, land acquisition, necessary public infrastructure, development incentives, and administrative costs are detailed on Page 34 of this Plan Amendment. To date, the City has spent \$5,631,625 on Project Costs.

Incremental Valuation

The City projects that new land and improvements value of approximately \$328,500,000 will result from the Project. Creation of this additional value will be made possible by the expenditure of Project Costs within the District. A table detailing assumptions as to the development timing and associated

values is included in the Economic Feasibility Study located within this Plan Amendment.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan Amendment, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within the District's 27-year term. To cashflow the proposed Project Costs, we have included TID revenue sharing from TID #22 and TID #24. Future revenue sharing will need to be approved in future amendments.

Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. That "but for" the creation of this District, the development projected to occur as detailed in this Plan Amendment: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has considered:

(a) Representations from various developers that the extraordinary costs associated with demolition of structures and redevelopment of existing sites makes the proposed redevelopment projects not economically viable without public involvement and incentives; and

(b) The substantial investment needed to finance the public infrastructure necessary to allow for development and redevelopment within the District.

Absent the use of tax increment financing, the City is unable to fully-fund the necessary infrastructure improvements.

2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:

The expectation that the Project will provide new employment and housing opportunities and benefits to local businesses as the developers will likely purchase goods and services from local suppliers, retailers, restaurants and service companies during the construction of the various projects that make up the Project.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As

required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan Amendment. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for the creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.

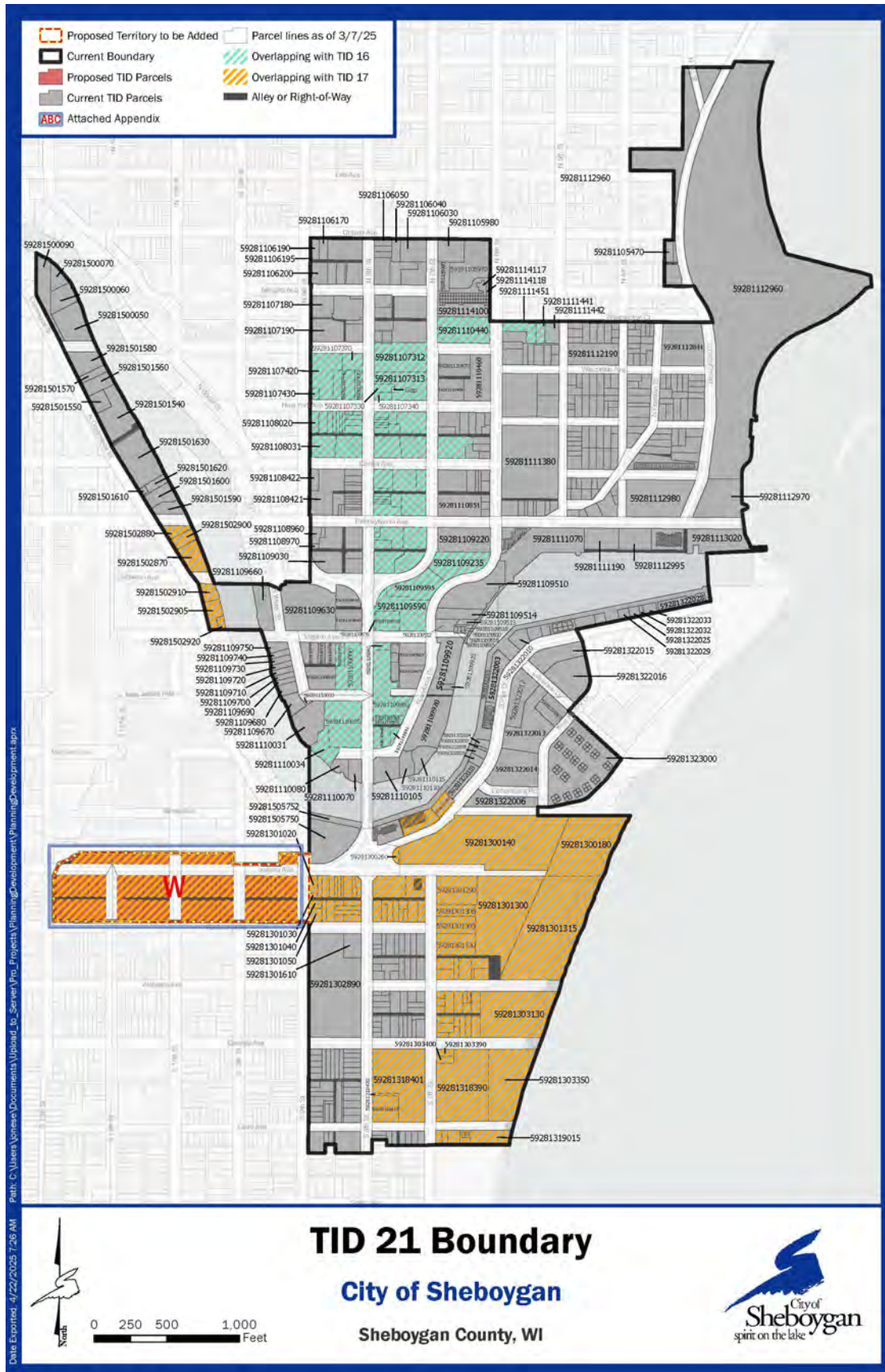
4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a).
5. Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.
6. The Project Costs relate directly to the rehabilitation or conservation of property and improvements in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately 30% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2:

Preliminary Map of Original District Boundary and Territory to be Added

Maps Found on Following Page.

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



Appendix W

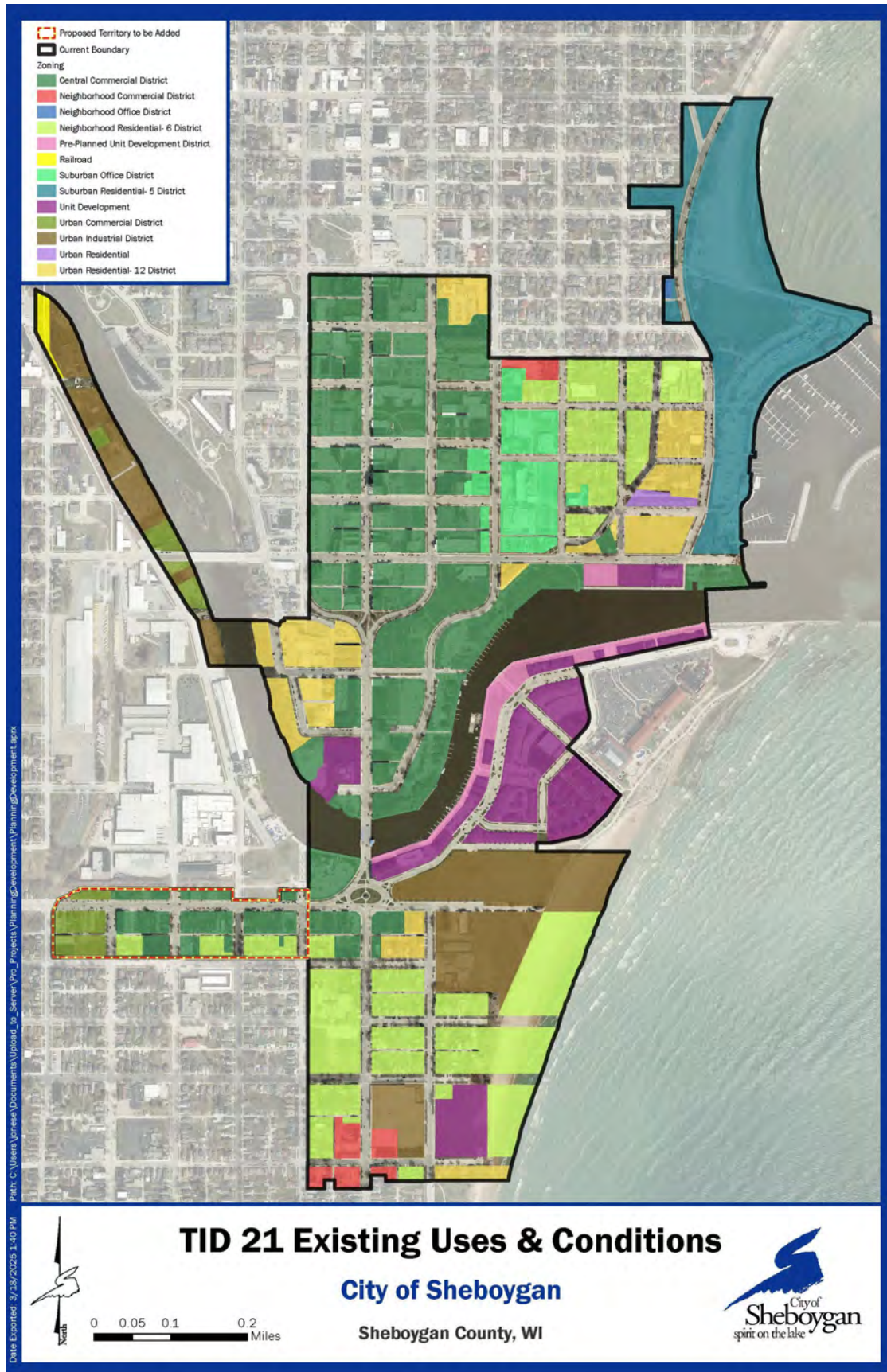
The diagram illustrates the layout of Appendix W, which contains three tables of numbers. The tables are arranged in a grid-like fashion with various dimensions and labels. The first table is 100x100, the second is 100x100, and the third is 100x100. The tables are labeled with numbers like 59281506200, 59281506210, 59281506130, 59281505970, 59281506040, 59281507720, 59281507700, 59281507690, 59281507680, 59281507670, 59281507660, 59281300390, 59281300370, 59281300350, 59281300360, 59281300340, 59281300330, 59281300320, 59281300310, 59281300590, 59281300580, 59281300570, 59281300560, 59281300550, 59281300540, 59281300530, 59281300520, 59281300510, 59281300500, 59281300490, 59281300480, 59281300470, 59281300460, 59281300450, 59281300440, 59281300430, 59281300420, 59281300410, 59281300400, 59281300390, 59281300380, 59281300370, 59281300360, 59281300350, 59281300340, 59281300330, 59281300320, 59281300310, 59281300300, 59281300290, 59281300280, 59281300270, 59281300260, 59281300250, 59281300240, 59281300230, 59281300220, 59281300210, 59281300200, 59281300190, 59281300180, 59281300170, 59281300160, 59281300150, 59281300140, 59281300130, 59281300120, 59281300110, 59281300100, 59281300090, 59281300080, 59281300070, 59281300060, 59281300050, 59281300040, 59281300030, 59281300020, 59281300010, 59281300000.

- City of Sheboygan
TID 21 - Appendix W

SECTION 3:

Map Showing Existing Uses and Conditions Within the Territory to be Added

Map Found on Following Page.



SECTION 4:

Preliminary Identification of Parcels to be Added

Parcel Number	Acres	Designated Acres		
		Commercial/ Business	Previously- Platted Residential	Newly-Platted Residential
Existing TID Area	11.89	9.38	2.51	0.00
ROW Areas	0.62			
59281300640	0.05	0.05		
59281300580	0.15		0.15	
59281300880	0.10		0.10	
59281300790	0.10		0.10	
59281300420	0.14		0.14	
59281300400	0.14		0.14	
59281300780	0.05		0.05	
59281300890	0.16		0.16	
59281300850	0.10		0.10	
59281300840	0.10		0.10	
59281300830	0.10		0.10	
59281300820	0.10		0.10	
59281300810	0.10		0.10	
59281300800	0.10		0.10	
59281300770	0.05		0.05	
59281300630	0.10		0.10	
59281300620	0.10		0.10	
59281300610	0.21		0.21	
59281300600	0.17		0.17	
59281300570	0.16	0.16		
59281300270	0.04	0.04		
59281300765	0.07	0.07		
59281300440	0.07	0.07		
59281300280	0.06	0.06		
59281300560	0.10	0.10		
59281300450	0.07	0.07		
59281300700	0.10	0.10		
59281300710	0.10	0.10		
59281300720	0.10	0.10		
59281300730	0.10	0.10		
59281300740	0.10	0.10		
59281300750	0.10	0.10		
59281300760	0.14	0.14		
59281300460	0.07	0.07		
59281300470	0.11	0.11		
59281300480	0.10	0.10		
59281300490	0.11	0.11		
59281300500	0.10	0.10		
59281300510	0.10	0.10		
59281300520	0.10	0.10		
59281300530	0.10	0.10		
59281300540	0.10	0.10		
59281300550	0.10	0.10		
59281300290	0.11	0.11		
59281300310	0.10	0.10		
59281300320	0.10	0.10		
59281300330	0.10	0.10		
59281300340	0.10	0.10		
59281300360	0.12	0.12		
59281505920	0.04	0.04		
59281506150	0.10	0.10		
59281507730	1.24	1.24		
59281507720	0.34	0.34		
59281507700	0.14	0.14		
59281507690	0.14	0.14		
59281507680	0.21	0.21		
59281507670	0.21	0.21		
59281507660	0.21	0.21		
59281300671	0.16	0.16		
59281300871	0.10		0.10	
59281506210	0.17	0.17		
59281506200	0.27	0.27		
59281506080	0.12	0.12		
59281300680	0.29	0.29		
59281506040	0.31	0.31		
59281505970	0.31	0.31		
59281300590	0.14	0.14		
59281506140	0.07	0.07		
59281506130	0.40	0.40		
59281300350	0.19	0.19		
59281300370	0.16	0.16		
59281300410	0.14		0.14	
59281300430	0.62	0.62		
59281300380	0.16	0.16		
59281300390	0.22	0.22		
59281300690	0.17		0.17	
59281505910	0.06	0.06		
59281505900	0.04	0.04		
59281505890	0.07	0.07		
	24.39	18.76	5.01	0.00

SECTION 5: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property proposed to be added to the District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City. The value of those parcels located within Tax Incremental District Nos. 16 and 17 that are overlapped are not included as part of the base value of the territory addition as that value is reflected within the total of existing incremental value.

The equalized value of the increment of existing tax incremental districts within the City, plus the value of the territory proposed to be added to the District, totals \$151,654,500. This value is less than the maximum of \$565,963,260 in equalized value that is permitted for the City.

City of Sheboygan, Wisconsin

Tax Increment District No. 21

Valuation Test Compliance Calculation

Calculation of City Equalized Value Limit

City TID IN Equalized Value (Jan. 1, 2024)	\$	4,716,360,500
TID Valuation Limit @ 12% of Above Value	\$	565,963,260

Calculation of Value Subject to Limit

Estimated Base Value of Territory to be Included in District	\$	13,393,700
Plus: Assumed change for Jan. 1, 2025 assessment	\$	-
Incremental Value of Existing Districts (Jan. 1, 2024)	\$	151,654,500
Less: Value of Parcels Removed from District	\$	-
Less: Value of Underlying TID Parcels	\$	(13,393,700)
Total Value Subject to 12% Valuation Limit	\$	151,654,500
Total Percentage of TID IN Equalized Value		3.22%
Residual Value Capacity of TID IN Equalized Value	\$	414,308,760

SECTION 6:

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

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan Amendment. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan Amendment. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs and Project Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

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

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

The "Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District" set forth in Section 6 of the Plan is amended to add the following Project Costs that the City has made, expects to make, or may need to make, in conjunction with the implementation of the Plan as modified by this Plan Amendment.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make

the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan Amendment will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered “real property assembly costs” as defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

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

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

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

Demolition

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

Site Grading

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

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Plan Amendment, are eligible Project Costs. Implementation of the Plan Amendment may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Plan Amendment are eligible Project Costs.

Water System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion

of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Plan Amendment, are eligible Project Costs. Implementation of the Plan Amendment may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Plan Amendment are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Plan Amendment, are eligible Project Costs. Implementation of the Plan Amendment may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Plan Amendment are eligible Project Costs.

Electric Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

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

Communications Infrastructure

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development consistent with the objectives of this Plan Amendment, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes

a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Contribution to Redevelopment Authority (RDA)

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its RDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the RDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan Amendment, the City, through its RDA, may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the RDA in the program manual. Any funds returned to the RDA from the repayment of loans made are not considered revenues to the District and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the RDA for purposes of implementing this program are considered eligible Project Costs.

Municipal Revenue Obligations (MRO's) (Development Incentives)

The City may enter into agreements with property owners, lessees or developers of land located within the District for sharing costs to encourage the desired kind of improvements and a guaranteed increment value through a Municipal Revenue Obligation ("MRO"). Terms of an MRO may be negotiated specifically with each property owner, lessee or developer, as applicable, and approved by the City Council. No MRO payments will be provided until the City executes a development agreement with the applicable party(ies) and the agreed upon increment is generated. Any payments related to an MRO executed by the City are eligible Project Costs.

Miscellaneous

Rail Spur

To allow for development, the City may incur costs for installation of a rail spur or other railway improvements to serve development sites located within the District.

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District, provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible Project Costs and may include any Project Cost that would otherwise be eligible if undertaken within the District. The City intends to make the following Project Cost expenditures outside the District:

- 1) Pennsylvania Avenue Bridge - \$120,000

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, amendment, administration or termination of the District, and the undertaking of the projects contained within this Plan Amendment, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation or amendment of the District and the implementation of the Plan and this Plan Amendment.

Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan and this Plan Amendment.

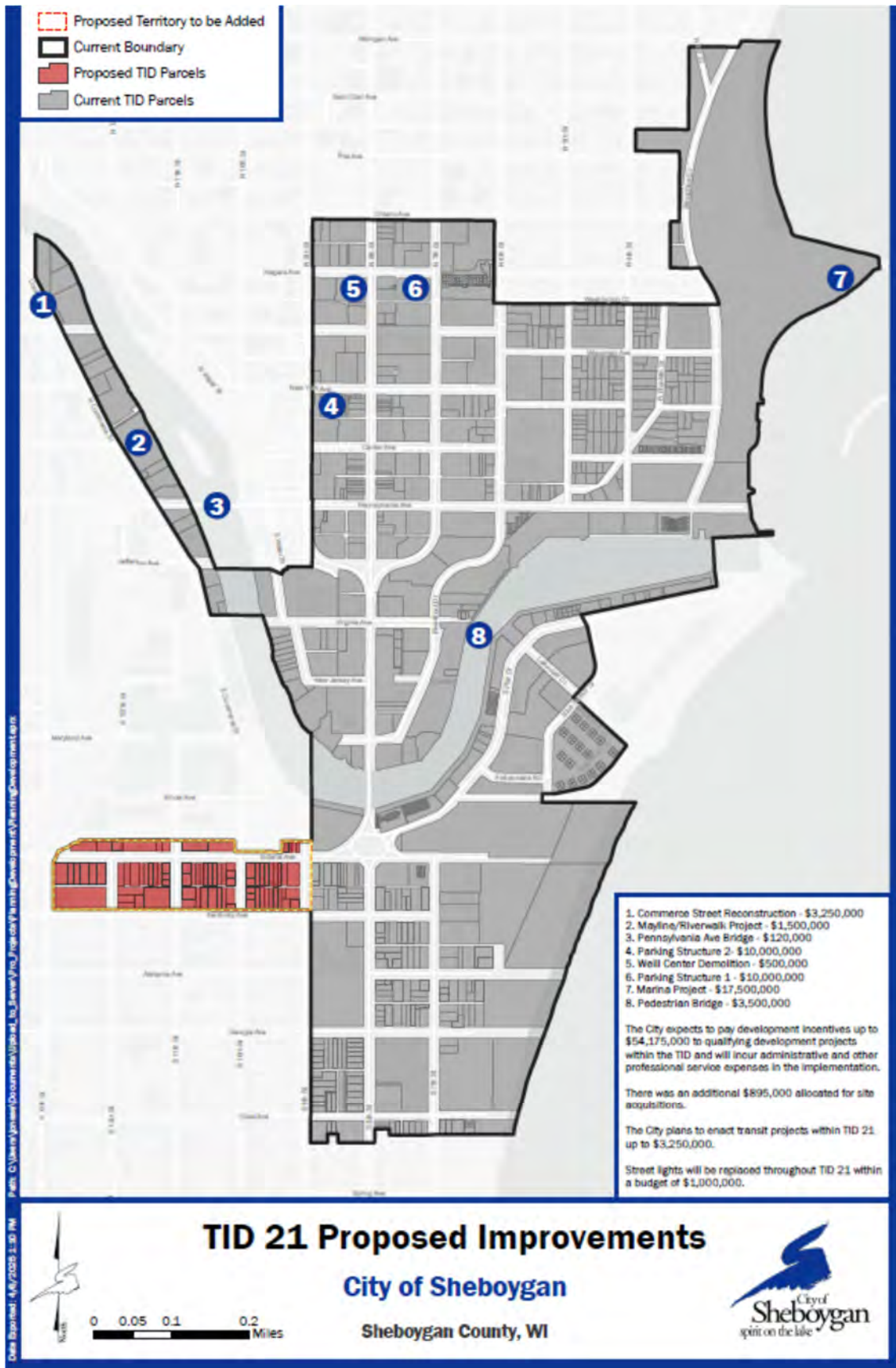
Financing Costs

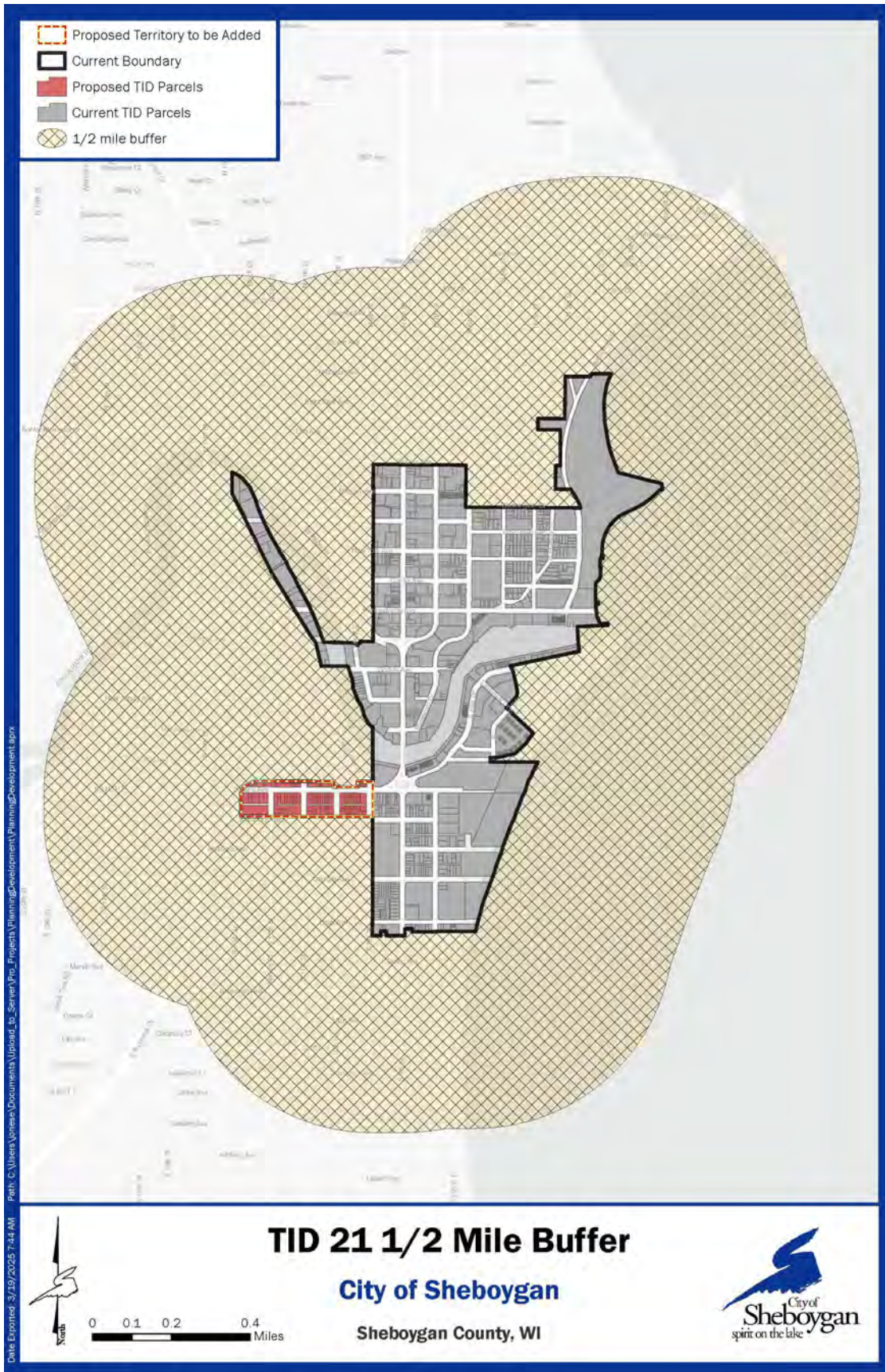
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan Amendment are eligible Project Costs.

SECTION 7:

Map Showing Proposed Improvements and Uses Within the Territory to be Added

Maps Found on Following Page.





SECTION 8:

Detailed List of Estimated Project Costs

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

City of Sheboygan, Wisconsin

Tax Increment District No. 21

Detailed List of Estimated Project Costs

Project Name/Type	Prior Plan	To Date Spent	2025 Added Projects	Non-Project Costs	Total Remaining	Est. Timing
Vacant Commercial Building	4,000,000				4,000,000	2025
Vacant Manufacturing Building	4,000,000				4,000,000	2025
Parking Structure No. 1	10,000,000				10,000,000	2025
Commercial Space (Hotel)	4,000,000				4,000,000	2025
Parking Structure No. 2	10,000,000				10,000,000	2045
Mayline Site Clean Up	3,000,000				3,000,000	2025
Pedestrian Bridge	3,500,000	17,587			3,482,413	2025
Development Incentives2	54,175,000				54,175,000	2027-2042
South Point Land Purchases	10,000,000	5,204,434			4,795,566	2026
Mayline River Walk/Shoreline Restoration	1,500,000				1,500,000	2025
Weil Center Site Demo	500,000				500,000	2025
Marina Project	17,500,000				17,500,000	2030
Penn Ave. Bridge	120,000			60,000	120,000	2025
City Costs (Reimbursments)	1,400,000				1,400,000	Ongoing
Street Lights (Place Making)	1,000,000				1,000,000	2025
Commerce Street Reconstruction	3,250,000	159,220			3,090,780	2025
Property Acquisition/Demotlition			895,000		895,000	2025
Interest on Long Term Debt	52,611,675				52,611,675	Ongoing
Financing Costs	481,500	88,532			392,968	Ongoing
Ongoing Planning & Administrative Costs	545,064	161,852			383,212	Ongoing
	181,583,239	5,631,625	895,000	60,000	176,846,614	

SECTION 9:

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

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

Key Assumptions

The Project Costs the City plans to make are expected to create \$328.5M in incremental value by 2031. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$15.878316 per thousand of equalized value, a 2% economic appreciation, the Project would generate approximately \$157 million in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

Table 1 – Development Assumptions

City of Sheboygan, Wisconsin

Tax Increment District No. 21

Development Assumptions

Construction Year		North Downtown	Downtown	South Downtown	River Front	Blue Harbor Area	South Lake Front	Annual Total	Construction Year	
1	2024				7,800,000	6,700,000	15,000,000	29,500,000	2024	1
2	2025	15,000,000	8,000,000		35,000,000		15,000,000	73,000,000	2025	2
3	2026	15,000,000	25,000,000		14,000,000		10,000,000	64,000,000	2026	3
4	2027		20,000,000		12,000,000			32,000,000	2027	4
5	2028							0	2028	5
6	2029	15,000,000					25,000,000	40,000,000	2029	6
7	2030			30,000,000			30,000,000	60,000,000	2030	7
8	2031			30,000,000				30,000,000	2031	8
9	2032							0	2032	9
10	2033							0	2033	10
Totals		<u>45,000,000</u>	<u>53,000,000</u>	<u>60,000,000</u>	<u>61,000,000</u>	<u>6,700,000</u>	<u>95,000,000</u>	<u>328,500,000</u>		

Table 2 – Tax Increment Projection Worksheet

City of Sheboygan, Wisconsin Tax Increment District No. 21 Tax Increment Projection Worksheet							
Type of District	Rehabilitation			Base Value	13,393,700		
District Creation Date	April 25, 2025			Economic Change Factor	2.00%		
Valuation Date	Jan 1,	2025		Apply to Base Value			
Max Life (Years)	27			Base Tax Rate	\$15.88		
End of Expenditure Period	22	4/25/2047		Rate Adjustment Factor	0.00%		
Revenue Periods/Final Year	27	2053					
Extension Eligibility/Years	Yes	3					
Eligible Recipient District	Yes						

	Construction	Valuation	Economic	Total	Revenue		
	Year	Value Added	Year	Change	Increment	Year	Tax Rate ¹
1	2024	29,500,000	2025	0	29,500,000	2026	\$15.88
2	2025	73,000,000	2026	590,000	103,090,000	2027	\$15.88
3	2026	64,000,000	2027	2,061,800	169,151,800	2028	\$15.88
4	2027	32,000,000	2028	3,383,036	204,534,836	2029	\$15.88
5	2028	0	2029	4,090,697	208,625,533	2030	\$15.88
6	2029	40,000,000	2030	4,172,511	252,798,043	2031	\$15.88
7	2030	60,000,000	2031	5,055,961	317,854,004	2032	\$15.88
8	2031	30,000,000	2032	6,357,080	354,211,084	2033	\$15.88
9	2032	0	2033	7,084,222	361,295,306	2034	\$15.88
10	2033	0	2034	7,225,906	368,521,212	2035	\$15.88
11	2034	0	2035	7,370,424	375,891,636	2036	\$15.88
12	2035	0	2036	7,517,833	383,409,469	2037	\$15.88
13	2036	0	2037	7,668,189	391,077,658	2038	\$15.88
14	2037	0	2038	7,821,553	398,899,212	2039	\$15.88
15	2038	0	2039	7,977,984	406,877,196	2040	\$15.88
16	2039	0	2040	8,137,544	415,014,740	2041	\$15.88
17	2040	0	2041	8,300,295	423,315,035	2042	\$15.88
18	2041	0	2042	8,466,301	431,781,335	2043	\$15.88
19	2042	0	2043	8,635,627	440,416,962	2044	\$15.88
20	2043	0	2044	8,808,339	449,225,301	2045	\$15.88
21	2044	0	2045	8,984,506	458,209,807	2046	\$15.88
22	2045	0	2046	9,164,196	467,374,003	2047	\$15.88
23	2046	0	2047	9,347,480	476,721,483	2048	\$15.88
24	2047	0	2048	9,534,430	486,255,913	2049	\$15.88
25	2048	0	2049	9,725,118	495,981,031	2050	\$15.88
26	2049	0	2050	9,919,621	505,900,652	2051	\$15.88
27	2050	0	2051	10,118,013	516,018,665	2052	\$15.88
Totals		328,500,000		187,518,665		Future Value of Increment	157,067,538

Notes:

1) Tax rates shown through the 2025 revenue year are actual per DOR Form PC-202 (Tax Increment Collection Worksheet).

Financing and Implementation

Major Project Costs, including public infrastructure and land acquisitions will be financed through General Obligation Promissory Notes or Bonds. Development incentives may be financed as a MRO and paid on a Pay-As-You-GO basis.

Table 3 provides a summary of the District's financing plan.

Based on the Project Cost expenditures as included within the cash flow exhibit below (**Table 4**), the District is projected to accumulate sufficient funds by the year 2052 to pay off all Project Cost liabilities and obligations. The projected closure is based on the various assumptions including future revenue sharing from TID #22 and TID #24 as noted in this Plan Amendment and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Table 3 – Financing Plan

City of Sheboygan, Wisconsin						
Tax Increment District No. 21						
Estimated Financing Plan						
	DEBT ISSUES				REVENUE OBLIGATIONS	
	G.O. Promissory Note 2025	G.O. Promissory Note 2030	G.O. Bond 2035	G.O. Promissory Note 2045	Municipal Revenue Obligation (MRO) 2025	Totals
Projects						
Phase I	25,120,000				19,175,000	44,295,000
Phase II	895,000	27,750,000				28,645,000
Phase III			10,300,000			10,300,000
Phase IV						0
Phase V				10,300,000		10,300,000
Total Project Funds	26,015,000	27,750,000	10,300,000	10,300,000	19,175,000	93,540,000
Other Funds						
Capitalized Interest	2,450,550	1,481,750	552,750			
Estimated Finance Related Expenses	148,500	158,000	90,000	85,000		
Total Financing Required	29,106,010	29,911,370	11,666,350	10,594,700		
Estimated Interest	4.25% (276,409)	4.00% (277,500)	3.50% (120,167)	3.50% (120,167)	0.25%	
Assumed spend down (months)	3	3	4	4	6	
Rounding	399	1,130	3,817	467		
Net Issue Size	28,830,000	29,635,000	11,050,000	10,475,000	19,175,000	99,165,000

Table 4 - Cash Flow

City of Sheboygan, Wisconsin																										
Tax Increment District No. 21																										
Cash Flow Projection																										
Year	Projected Revenues					Projected Expenditures														Balances			Year			
	Future TID Revenue	Future TID Revenue	Capitalized Interest	Total Revenues	2025 G.O. Promissory Note \$28,830,000			2030 G.O. Promissory Note \$29,635,000			2035 G.O. Bond \$11,050,000			2045 G.O. Promissory Note \$10,475,000			Total Debt Service	Kite Beach MRO Payment \$8M 75% of Increment	Mayline MRO Payment \$10.8M 75% of Increment	Hotel MRO Payment \$375K 75% of Increment	Ongoing Planning & Administration	Total Expenditures		Liabilities		
	Tax Increments	Sharing TID 22			Sharing TID 24	Dated Date: 06/01/25	Principal	Est. Rate	Interest	Dated Date: 06/01/30	Principal	Est. Rate	Interest	Dated Date: 06/01/35	Principal	Est. Rate								Interest	Dated Date: 06/01/45	Principal
2024				0													0					0	0	0	2024	
2025				0													0					0	0	28,830,000	2025	
2026	468,410			1,693,685		4.25%	1,225,275										1,225,275				15,000	1,240,275	453,410	453,410	28,830,000	2026
2027	1,636,896			2,862,171		4.25%	1,225,275										1,225,275	512,047	691,264	32,003	15,300	2,475,889	386,282	839,692	48,005,000	2027
2028	2,685,846		20,000	2,705,846		4.25%	1,225,275										1,575,275	512,047	691,264	32,003	15,606	2,826,195	(120,349)	719,343	46,419,686	2028
2029	3,247,669		20,000	3,267,669		4.25%	1,210,400										2,060,400	512,047	691,264	32,003	15,918	3,311,632	(43,963)	675,380	44,334,373	2029
2030	3,312,622		20,000	3,332,622		4.25%	1,174,275										2,224,275	512,047	691,264	32,003	16,236	3,475,825	(143,203)	532,176	71,684,059	2030
2031	4,014,007		20,000	5,515,757		4.25%	1,129,650		250,000	5.00%	1,481,750						4,361,400	512,047	691,264	32,003	16,561	5,613,275	(97,518)	434,659	68,698,745	2031
2032	5,046,986		20,000	5,066,986		4.25%	1,065,900		250,000	5.00%	1,469,250						3,785,150	512,047	691,264	32,003	16,892	5,037,356	29,630	464,289	66,213,431	2032
2033	5,624,276		20,000	5,644,276		4.25%	1,023,400		250,000	5.00%	1,456,750						4,430,150	512,047	691,264	32,003	17,230	5,682,694	(38,419)	425,870	63,028,117	2033
2034	5,736,761		20,000	6,309,261		4.25%	951,150		250,000	5.00%	1,444,250						4,445,400	512,047	691,264	32,003	17,575	5,698,289	610,972	1,036,842	59,742,803	2034
2035	5,851,496		20,000	5,871,496		4.25%	874,650		250,000	5.00%	1,431,750			5.00%	552,500		4,908,900	512,047	691,264	32,003	17,926	6,162,140	(290,644)	746,198	67,507,489	2035
2036	5,968,526		20,000	5,988,526		4.25%	798,150		250,000	5.00%	1,419,250			5.00%	552,500		4,714,900	512,047	691,264	32,003	18,285	5,968,499	20,027	766,225	64,332,175	2036
2037	6,087,897		20,000	6,107,897		4.25%	726,325		200,000	5.00%	1,406,750			5.00%	552,250		4,790,325	512,047	691,264	32,003	18,651	6,044,289	63,607	829,833	60,991,862	2037
2038	6,209,655	50,000	20,000	6,279,655		4.25%	645,575		200,000	5.00%	1,396,750		100,000	5.00%	552,000		4,794,325	512,047	691,264	22,968	19,024	6,039,628	240,027	1,069,860	57,651,548	2038
2039	6,333,848	50,000	20,000	6,403,848		4.25%	564,825		200,000	5.00%	1,386,750		100,000	5.00%	547,000		4,873,575	512,047	691,264		19,404	6,096,290	307,558	1,377,417	54,050,269	2039
2040	6,460,525	50,000	20,000	6,530,525		4.25%	476,638		140,000	5.00%	1,376,750		100,000	5.00%	542,000	5,000	5,464,138	512,047	691,264		19,792	6,687,241	(156,716)	1,220,701	60,781,958	2040
2041	6,589,735	50,000	20,000	6,659,735		4.25%	378,888		105,000	5.00%	1,369,750		100,000	5.00%	537,000	5,000	5,819,138	512,047	691,264		20,188	7,042,636	(382,901)	837,800	56,568,647	2041
2042	6,721,530	125,000	100,000	6,946,530		4.25%	259,888		400,000	5.00%	1,364,500		100,000	5.00%	532,000	5,000	6,084,638			431,044	20,592	6,855,565	90,965	928,765	51,960,336	2042
2043	6,855,960	250,000	100,000	7,205,960		4.25%	136,638		1,300,000	5.00%	1,344,500		100,000	5.00%	527,000	5,000	7,151,138				21,004	7,172,141	33,819	962,584	46,590,000	2043
2044	6,993,080	200,000	100,000	7,293,080					3,270,000	5.00%	1,279,500		700,000	5.00%	522,000	250,000	6,544,250				21,424	6,565,674	727,406	1,689,990	43,215,000	2044
2045	7,132,941	725,000	100,000	7,957,941					3,900,000	5.00%	1,116,000		700,000	5.00%	487,000	250,000	6,963,250				21,852	6,985,102	972,839	2,662,829	38,365,000	2045
2046	7,275,600		100,000	7,375,600					3,550,000	5.00%	921,000		760,000	5.00%	452,000	250,000	6,430,750				22,289	6,453,039	922,561	3,585,390	33,865,000	2046
2047	7,421,112		100,000	7,521,112					3,550,000	5.00%	743,500		1,000,000	5.00%	414,000	250,000	6,442,750				22,735	6,465,485	1,055,627	4,641,017	29,305,000	2047
2048	7,569,534		100,000	7,669,534					3,700,000	5.00%	566,000		1,000,000	5.00%	364,000	500,000	6,602,750				23,190	6,625,940	1,043,595	5,684,612	24,355,000	2048
2049	7,720,925		100,000	7,820,925					3,750,000	5.00%	381,000		1,000,000	5.00%	314,000	1,000,000	6,892,750				23,653	6,916,403	904,522	6,589,133	19,105,000	2049
2050	7,875,344		100,000	7,975,344					3,870,000	5.00%	193,500		1,245,000	5.00%	264,000	1,000,000	6,970,250				24,127	6,994,377	980,967	7,570,100	13,235,000	2050
2051	8,032,850		100,000	8,132,850									2,000,000	5.00%	201,750		3,355,000				24,609	5,929,109	2,203,741	9,773,841	10,990,000	2051
2052	8,193,507		120,000	8,313,507									2,035,000	5.00%	101,750		3,600,000				40,000	5,956,750	2,356,757	12,130,599	5,635,000	2052
Totals	157,067,538	1,500,000	1,400,000	4,484,800	164,452,338	28,830,000	15,092,175		29,635,000	23,549,250		11,050,000	8,014,750	10,475,000	5,955,500	132,601,675	8,000,000	10,800,000	375,000	545,064	152,321,739					Totals

SECTION 10:

Annexed Property

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

SECTION 11:

Estimate of Property to be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that 30% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12:

Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

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

Master (Comprehensive) Plan and Map

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

Building Codes and Ordinances

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

SECTION 13:

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

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

SECTION 14:

How Amendment of the Tax Incremental District Promotes the Orderly Development of the City

Creation of and amendments to the District and the implementation of the projects in its Plan as amended by this Plan Amendment will promote the orderly development of the City by rehabilitating and conserving property, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment and housing opportunities.

SECTION 15:

List of Estimated Non-Project Costs

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

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to 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 Pennsylvania Avenue Bridge project will be located outside of the District and only partially (50%) benefit the District. The cost of the Pennsylvania Avenue Bridge project is approximately \$120,000, so 50% of such cost (approximately \$60,000) will be a non-project cost.

SECTION 16:

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



TAGLaw International Lawyers

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As of May 5, 2025

Mayor
City of Sheboygan
828 Center Avenue
Sheboygan, Wisconsin 53081

RE: Project Plan Amendment #1 for City of Sheboygan Tax Incremental District No. 21

Dear Mayor:

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

We have acted as counsel for the City of Sheboygan in connection with the proposed creation of Tax Incremental District No. 21 of the City of Sheboygan (the "District") and the review of the project plan for the District dated March 25, 2024 (the "Project Plan") for compliance with applicable statutory requirements. We have also acted as counsel for the City of Sheboygan with regard to the review of the "Project Plan Amendment #1" that amends the Project Plan.

Based upon our review, relying upon the accuracy of the statements set forth in the Project Plan (as amended by Project Plan Amendment #1), it is our opinion that the Project Plan is complete and complies with the provisions of Wisconsin Statute §66.1105.

Very truly yours,

von BRIESEN & ROPER, s.c.

A handwritten signature in black ink, appearing to read "Brion T. Winters".

Brion T. Winters

42545439.2

111 East Wisconsin Avenue, Suite 1000 Milwaukee, WI 53202 Phone 414-276-1122 Fax 414-276-0281

SECTION 17:

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

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

City of Sheboygan, Wisconsin						
Tax Increment District No. 21						
Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlying district would pay by jurisdiction.						
Revenue Year	Sheboygan County	City of Sheboygan	Sheboygan School District	Lakeshore Technical College	Total	Revenue Year
2026	103,017	195,107	154,553	15,733	468,410	2026
2027	360,000	681,818	540,098	54,981	1,636,896	2027
2028	590,693	1,118,738	886,202	90,213	2,685,846	2028
2029	714,254	1,352,754	1,071,576	109,084	3,247,669	2029
2030	728,539	1,379,810	1,093,008	111,266	3,312,622	2030
2031	882,793	1,671,958	1,324,432	134,824	4,014,007	2031
2032	1,109,975	2,102,226	1,665,266	169,520	5,046,986	2032
2033	1,236,937	2,342,685	1,855,744	188,910	5,624,276	2033
2034	1,261,676	2,389,538	1,892,859	192,688	5,736,761	2034
2035	1,286,909	2,437,329	1,930,716	196,542	5,851,496	2035
2036	1,312,647	2,486,076	1,969,330	200,473	5,968,526	2036
2037	1,338,900	2,535,797	2,008,717	204,482	6,087,897	2037
2038	1,365,678	2,586,513	2,048,891	208,572	6,209,655	2038
2039	1,392,992	2,638,243	2,089,869	212,744	6,333,848	2039
2040	1,420,852	2,691,008	2,131,666	216,998	6,460,525	2040
2041	1,449,269	2,744,828	2,174,300	221,338	6,589,735	2041
2042	1,478,254	2,799,725	2,217,786	225,765	6,721,530	2042
2043	1,507,819	2,855,719	2,262,141	230,280	6,855,960	2043
2044	1,537,975	2,912,834	2,307,384	234,886	6,993,080	2044
2045	1,568,735	2,971,091	2,353,532	239,584	7,132,941	2045
2046	1,600,110	3,030,512	2,400,603	244,375	7,275,600	2046
2047	1,632,112	3,091,123	2,448,615	249,263	7,421,112	2047
2048	1,664,754	3,152,945	2,497,587	254,248	7,569,534	2048
2049	1,698,049	3,216,004	2,547,539	259,333	7,720,925	2049
2050	1,732,010	3,280,324	2,598,489	264,520	7,875,344	2050
2051	1,766,650	3,345,930	2,650,459	269,810	8,032,850	2051
2052	1,801,983	3,412,849	2,703,468	275,206	8,193,507	2052
Totals	34,543,582	65,423,485	51,824,830	5,275,641	157,067,538	