

DEPARTMENT

TAX INCREMENT DISTRICT (TID) #4
FUND 504

Program Description

TID #4 was created on August 3, 2015 as the Village's first mixed-use district. The district is composed of approximately 12 parcels located along the I-41/STH 60 interchange. The potential projects listed in the TID plan include acquisition of property, easements or right-of-way, site preparation activities, utilities infrastructure, street improvements, and economic development activities.

With the TID's creation taking place before September 30, 2015, the base value for the district was set at the January 1, 2015 assessment level. This gave the district a base value of \$3,546,200 or 0.7% of the Village's equalized value of \$466,487,200. The district's 2019 assessment resulted in an equalized value of \$12,642,400 which gives the district a 2019 increment of \$9,096,200. This is an increase of \$1,887,900 or 18% over the district's 2018 increment level. The growth of this district is continuing at a consistently strong pace.

The existing development within the district includes recapture agreements that will return a portion of the increment revenue generated by the project to the developer. The district also committed to reimbursing the costs, up to a specified amount, related to the construction of a public street for the project. This street was completed in late 2016; since reimbursement was due prior to increment creation, the Redevelopment Authority (RDA) has funded the cost temporarily. The district was able to begin repayment of this advance in 2018 and will continue repaying this advance as quickly as possible.

Completed and ongoing TID projects are shown in the report "Status of TID #4 Projects" included in this budget information. There is little development activity at this time due to the lack of available increment and the fact that so much of the area's infrastructure was installed prior to this district's creation. In addition, one of the larger undeveloped parcels in the district has some access challenges that are proving to be a deterrent.

The report titled "2019 Statement of Changes in TID Value" is provided by the Department of Revenue and shows the additional increment generated by the district over the previous year.

2019 Accomplishments

- The parcel that was subdivided in 2018 for present and future development continues to experience new construction. The last portion of the original parcel is now the subject of another possible development project.
- Another parcel in the district was sold in 2019 for the future construction of an animal hospital.
- The Village continues to receive inquiries from interested parties exploring the possibility of further development of vacant parcels in the district.

2020 Objectives

- The Village will contact officials with the Wisconsin Department of Transportation to revisit the topic of increased access to Commerce Boulevard/STH 60 from parcels within the district.
- The district will maintain the repayment schedules for recapture agreements in effect for 2020.

Account Detail

504-41123 – Tax Increment #4: The amount shown here is an estimate based on information received from the Department of Revenue at the time of budget development and using a very preliminary estimate for the 2019 mill rate.

504-51310-210 – Financial & Legal Services: This account reports the costs associated with legal review of TID-related documents such as developer agreements and recapture bonds.

504-51510-210 – Admin Support Services: This account shows costs that include staff time dedicated to TID-related assignments.

504-51510-300 – Admin Supplies & Expenses: This account includes the annual TID fee charged by the Department of Revenue.

504-58301 – Recapture Notes: The amount shown for 2020 is an estimate based on the assessed value of the subject parcels. As discussed in the Tax Increment explanation, the amount here is also based on a preliminary calculation of possible mill rate for 2019.

STATUS OF TID #4 PROJECTS

As of 31Dec18

PROJECT COSTS

| Proposed Projects | Specific Projects | Estimated Cost | 2018 Costs | Cumulative Costs | Project Plan Estimate |
|---|---|----------------|------------|------------------|-----------------------|
| Property Acquisition | | | - | - | |
| Acquisition of Easements & Right of Way | | | - | - | |
| Relocation Costs | | | - | - | |
| Site Preparation Activities | Traffic Impact Study | 17,300 | - | 17,300 | |
| Sanitary Sewer System Improvements | | | - | - | |
| Water System Improvements | | | - | - | |
| Stormwater Management System Improvements | | | - | - | |
| Electric System Improvements | | | - | - | |
| Street Improvements | Sidewalk - American Eagle | 5,000 | - | 3,023 | |
| | Cedar Bluffs Way Completion | 150,000 | - | 150,000 | |
| Grant and Loan Programs | | | - | - | |
| | TOTAL ESTIMATED COSTS | 172,300 | | | |
| | TOTAL DEVELOPMENT COSTS FOR YEAR | | - | | |
| | TOTAL DEVELOPMENT COSTS CUMULATIVE | | | 170,323 | 10,497,750 |

ADMINISTRATIVE COSTS

| | Estimated Cost | Prior Costs | 2018 Costs | Cumulative Costs | Project Plan Estimate |
|------------------------|-----------------------------------|----------------|---------------|------------------|-----------------------|
| Financing Costs | | 6,198 | 4,264 | 10,462 | 4,569,158 |
| Professional Services | | 29,644 | 500 | 30,144 | |
| Administrative Support | | 21,599 | 6,894 | 28,493 | 275,000 |
| | TOTAL ADMINISTRATIVE COSTS | 57,441 | 11,658 | 69,099 | 4,844,158 |
| Recapture Payment | Hillside Terrace II | 670,000 | 35,191 | 57,813 | 93,004 |
| | Hillside Terrace III | 258,000 | - | - | - |
| | TOTAL RECAPTURE PAYMENTS | 928,000 | - | 57,813 | 93,004 |
| TOTAL TID COSTS | | | 69,471 | 332,426 | 15,341,908 |

2019 Statement of Changes in TID Value
 Wisconsin Department of Revenue
 Equalization Bureau

| | | | | |
|-----------------|------|----------------------|----------------------|------|
| County | 66 | Washington | Special District - 1 | None |
| Village | 181 | Slinger | Special District - 2 | None |
| TID # | 004 | TID Type - Mixed-Use | Special District - 3 | None |
| School District | 5390 | Sch D of Slinger | Union High | None |

Current Year Value

| | Assessed Value * | Ratio | DOR Full Value | Amended Full Value ** | Final Full Value |
|---|------------------|--------|----------------|-----------------------|------------------|
| Non-Manufacturing Real Estate and Personal Property | \$12,153,400 | 95.50% | \$12,726,100 | | \$12,726,100 |
| Manufacturing Real Estate | | | \$0 | | \$0 |
| Manufacturing Personal Property | | | \$0 | | \$0 |
| Prior Year Corrections: | | | | | |
| Non-Manufacturing Real Estate and Personal Property | | | -\$83,700 | | -\$83,700 |
| Manufacturing Real Estate | | | \$0 | | \$0 |
| Manufacturing Personal Property | | | \$0 | | \$0 |
| Frozen Overlap Value | | | \$0 | | \$0 |
| Current Year TID Value | | | | | |
| 2015 TID Base Value | | | | | \$12,642,400 |
| TID Increment Value | | | | | \$3,546,200 |
| | | | | | \$9,096,200 |

* Municipal Assessor's final values filed on 06/07/2019

** Amended Full Value based on information from Municipal Assessor

Changes in TID Equalized Values

| | | | |
|-----------------------|-----------------------|----------------------|-----------------|
| 2018 TID Value | 2019 TID Value | Dollar Change | % Change |
| \$10,754,500 | \$12,642,400 | \$1,887,900 | 18 |

DEPARTMENT

TAX INCREMENT DISTRICT (TID) #5
FUND 505

Program Description

TID #5 was established on May 10, 2016 as a rehabilitation-conservation district to encourage and support the rehabilitation of a section of the Village's older manufacturing area. The district is comprised of 7 parcels located near the intersections of Kettle Moraine Drive S, Hartford Road and Storck Street.

The base value for the district was set by the Department of Revenue at the January 1, 2016 equalized level, which was \$784,400. The TID's value as of January 1, 2019 is \$5,479,400 which equals an increment value of \$4,695,000. This was an increase of \$1,272,500 during 2018 or 30%, which was still a very strong growth. Since the main project for this district is nearing completion, the high growth rate experienced so far should level off beginning in 2020.

The project just referred to involves the significant cleanup of a large portion of the district, grading and utilities improvements, and the construction of warehouse and office buildings. It includes a recapture agreement that will return a portion of the increment revenue generated by the project to the developer to help offset the tremendous costs incurred through the environmental and geographical challenges presented with the project. The company developing this project purchased another parcel adjacent to the district in 2019 and is exploring the possibility of amending the district to include this new property.

Activity related to TID projects are shown in the report "Status of TID #5 Projects" included in this budget information. There is still little activity in the district due to the lack of increment revenue available. Minor utility projects were accomplished in support of the main development; those projects were financed through advances from the Electric and Water Utilities.

The report titled "2019 Statement of Changes in TID Value" is provided by the Department of Revenue and shows the additional increment generated by the district over the previous year.

2019 Accomplishments

- The district's main project celebrated its grand opening on November 2, 2019.

2020 Objectives

- The Village will continue to work with property owners to complete the infrastructure improvements planned for this district.
- The Village will remain in communication with the business and property owner in the district to assist with a possible expansion of the district if it is deemed feasible.

Account Detail

505-41123 – Tax Increment #5: The amount shown here is a preliminary estimate based on information received from the Department of Revenue at the time of budget development and using an estimate of the 2019 mill rate.

505-51310-210 – Financial & Legal Services: This account monitors the minimal legal and financial support costs associated with the district.

505-51510-210 – Admin Support Services: This account shows costs that include staff time dedicated to TID-related assignments.

505-58301 – Recapture Notes: Like the tax increment calculation, the number listed here is a preliminary estimate using 2019 assessment values and past mill rate information.

STATUS OF TID #5 PROJECTS

As of 31Dec18

PROJECT COSTS

| Proposed Projects | Specific Projects | Estimated Costs | Prior Costs | 2018 Costs | Cumulative Costs |
|---|-----------------------------|--------------------|-------------|------------|---------------------|
| Property Acquisition | | - | | - | - |
| Acquisition of Easements & Right of Way | | - | | - | - |
| Relocation Costs | | - | | - | - |
| Site Preparation Activities | | - | | - | - |
| Sanitary Sewer System Improvements | | - | | - | - |
| Water System Improvements | | - | | - | - |
| | Relocate Main- Wolf project | 170,000 | 54,855 | 528 | 55,383 |
| Stormwater Management System Improvements | | - | | - | - |
| Electric System Improvements | | - | | - | - |
| | Service Extension - Wolf | 30,000 | 28,597 | 2,291 | 28,597 |
| Street Improvements | | 330,000 | - | 15,529 | 15,529 |
| Rail Spur | | - | | - | - |
| Grant and Loan Programs | | | | - | - |

TOTAL ESTIMATED COSTS 530,000 83,452

TOTAL DEVELOPMENT COSTS FOR YEAR 18,348

TOTAL DEVELOPMENT COSTS CUMULATIVE 99,509

ADMINISTRATIVE COSTS

| | | Prior Costs | 2018 Costs | Cumulative Costs |
|------------------------|-----------------------------------|---------------|--------------|---------------------|
| Financing Costs | | - | - | - |
| Professional Services | | 14,873 | 500 | 15,373 |
| Administrative Support | | 6,245 | 1,338 | 7,583 |
| | TOTAL ADMINISTRATIVE COSTS | 21,118 | 1,838 | 22,956 |

| | | Estimated Cost | Prior Costs | 2018 Costs | Cumulative Costs |
|--------------------|---------------------------------|-------------------|-------------|------------|---------------------|
| Recapture Payments | E H Wolf project | 1,018,481 | - | 8,488.00 | 8,488 |
| | | | - | - | - |
| | TOTAL RECAPTURE PAYMENTS | 1,018,481 | - | - | - |

TOTAL TID COSTS 104,570 20,186 122,465

2019 Statement of Changes in TID Value
 Wisconsin Department of Revenue
 Equalization Bureau

| | | | | |
|-----------------|------|-----------------------------|----------------------|------|
| County | 66 | Washington | Special District - 1 | None |
| Village | 181 | Slinger | Special District - 2 | None |
| TID # | 005 | TID Type - Reh/Cons post-95 | Special District - 3 | None |
| School District | 5390 | Sch D of Slinger | Union High | None |

Current Year Value

| | Assessed Value * | Ratio | DOR Full Value | Amended Full Value ** | Final Full Value |
|---|------------------|--------|----------------|-----------------------|------------------|
| Non-Manufacturing Real Estate and Personal Property | \$5,264,100 | 95.50% | \$5,512,100 | | \$5,512,100 |
| Manufacturing Real Estate | | | \$0 | | \$0 |
| Manufacturing Personal Property | | | \$0 | | \$0 |
| Prior Year Corrections: | | | | | |
| Non-Manufacturing Real Estate and Personal Property | | | -\$32,700 | | -\$32,700 |
| Manufacturing Real Estate | | | \$0 | | \$0 |
| Manufacturing Personal Property | | | \$0 | | \$0 |
| Frozen Overlap Value | | | | | \$0 |
| Current Year TID Value | | | | | \$5,479,400 |
| 2016 TID Base Value | | | | | \$784,400 |
| TID Increment Value | | | | | \$4,695,000 |

* Municipal Assessor's final values filed on 06/07/2019

** Amended Full Value based on information from Municipal Assessor

Changes in TID Equalized Values

| | | | |
|-----------------------|-----------------------|----------------------|-----------------|
| 2018 TID Value | 2019 TID Value | Dollar Change | % Change |
| \$4,206,900 | \$5,479,400 | \$1,272,500 | 30 |

PROPOSED 2020 BUDGET
TID #4 FUND 504 - REVENUES

| | 2018 ACTUAL 7/31/2018 | 2019 ACTUAL 07/31/2019 | PROJECTED YEAR-END | 2019 AMENDED BUDGET | 2020 PROPOSED BUDGET | % CHANGE |
|------------------------------------|-----------------------------|---------------------------|-----------------------|---------------------------|----------------------------|---------------|
| 504-41123-000-000 TAX INCREMENT #4 | 92,964.67 | 119,641.50 | 119,641.50 | 115,069.62 | 144,158.00 | 25.28% |
| 504-48110-000-000 INTEREST INCOME | 190.57 | 542.76 | 930.45 | 300.00 | 900.00 | 200.00% |
| TOTAL FUND REVENUE | 93,155.24 | 120,184.26 | 120,571.95 | 115,369.62 | 145,058.00 | 25.73% |

PROPOSED 2020 BUDGET
TID #4 FUND 504 - EXPENDITURES

| | 2018 ACTUAL 7/31/2018 | 2019 ACTUAL 07/31/2019 | PROJECTED YEAR-END | 2019 AMENDED BUDGET | 2020 PROPOSED BUDGET | % CHANGE |
|--|-----------------------------|---------------------------|-----------------------|---------------------------|----------------------------|---------------|
| 504-51310-210-000 FINANCIAL & LEGAL SERVICES | 4,005.75 | 500.00 | 1,000.00 | 2,500.00 | 2,500.00 | 0.00% |
| 504-51510-210-000 ADMIN SUPPORT SERVICES | - | - | 5,000.00 | 5,000.00 | 5,000.00 | 0.00% |
| 504-51510-300-000 ADMIN SUPPLIES & EXPENSES | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 0.00% |
| 504-58200-000-000 INTEREST & FISCAL CHARGES | - | - | 3,590.04 | 3,590.00 | 2,082.00 | -42.01% |
| 504-58301-000-000 RECAPTURE NOTES | - | - | 66,363.00 | 69,382.00 | 80,772.00 | 16.42% |
| TOTAL FUND EXPENDITURES | 4,155.75 | 650.00 | 76,103.04 | 80,622.00 | 90,504.00 | 12.26% |
| NET REVENUE OVER EXPENDITURES | 88,999.49 | 119,534.26 | 44,468.91 | 34,747.62 | 54,554.00 | |

PROPOSED 2020 BUDGET
TID #5 FUND 505 - REVENUES

| | 2018 ACTUAL 7/31/2018 | 2019 ACTUAL 07/31/2019 | PROJECTED YEAR-END | 2019 AMENDED BUDGET | 2020 PROPOSED BUDGET | % CHANGE |
|------------------------------------|-----------------------------|---------------------------|-----------------------|---------------------------|----------------------------|---------------|
| 505-41123-000-000 TAX INCREMENT #5 | 16,171.20 | 56,794.86 | 56,794.86 | 54,635.06 | 74,395.00 | 36.17% |
| 505-48110-000-000 INTEREST INCOME | 41.66 | 267.61 | 458.76 | 100.00 | 400.00 | 300.00% |
| TOTAL FUND REVENUE | 16,212.86 | 57,062.47 | 57,253.62 | 54,735.06 | 74,795.00 | 36.65% |

PROPOSED 2020 BUDGET
TID #5 FUND 505 - EXPENDITURES

| | 2018 ACTUAL 7/31/2018 | 2019 ACTUAL 07/31/2019 | PROJECTED YEAR-END | 2019 AMENDED BUDGET | 2020 PROPOSED BUDGET | % CHANGE |
|--|-----------------------------|---------------------------|-----------------------|---------------------------|----------------------------|---------------|
| 505-51310-210-000 FINANCIAL & LEGAL SERVICES | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 0.00% |
| 505-51510-210-000 ADMIN SUPPORT SERVICES | - | - | 2,000.00 | 2,000.00 | 2,000.00 | 0.00% |
| 505-51510-300-000 ADMIN SUPPLIES & EXPENSES | 150.00 | 150.00 | 150.00 | 150.00 | 150.00 | 0.00% |
| 505-57100-000-950 WATER MAIN RELAY - WOLF | 15,528.55 | - | - | - | - | |
| 505-57100-000-951 ELECTRIC EXTENSION - WOLF | 1,637.20 | - | - | - | - | |
| 505-57100-000-952 ROAD IMPROVEMENTS - WOLF | - | - | - | - | - | |
| 505-58301-000-000 RECAPTURE NOTES | - | - | 28,329.49 | 28,330.00 | 39,753.00 | 40.32% |
| TOTAL FUND EXPENDITURES | 17,815.75 | 650.00 | 30,979.49 | 30,980.00 | 42,403.00 | 36.87% |
| NET REVENUE OVER EXPENDITURES | (1,602.89) | 56,412.47 | 26,274.13 | 23,755.06 | 32,392.00 | |

DEPARTMENT REDEVELOPMENT AUTHORITY (RDA)
FUND 54

Program Description

The RDA was established in February 1994 to provide funding for redevelopment projects within the Village and particularly within the Village's Tax Increment Finance district (TID) #3. The RDA was especially active from 2001 to 2005 as TID #3 developed several projects in the area of East Commerce Boulevard and STH 60 and US 41. After 2005, RDA activity decreased since the majority of TID #3's projects were completed and the TID's focus shifted to debt service for those projects.

RDA activity resumed in 2010 when the Village obtained a United States Department of Agriculture (USDA) Rural Economic Development Grant to begin a revolving loan program to promote economic development and job creation programs. This program turned out to be fairly restrictive and there was a great deal of difficulty finding applicants that would qualify under the complex criteria. The RDA explored the possibility of working with Economic Development/Washington County (ED/WC) to turn over management of the loan program and expand its effectiveness, but that was also not possible under the program's guidelines. The one active loan through the Revolving Loan Fund was paid in full in May 2019.

With no outstanding loans and no prospect of finding a more productive manner of utilizing the Revolving Loan Fund to more actively promote economic development, the Village Board decided to terminate the fund and return the original USDA contribution. The RDA is in the process of transferring the USDA funds equaling \$300,000 over to another municipality for the establishment of their program. The balance of the Revolving Loan Fund, which amounts to just over \$125,000, will be returned to the RDA for the potential creation of local development efforts such as a façade improvement program.

The RDA provides support for Economic Development/Washington County to further development and business support within the area and maintains the Slinger Economic Development Corporation (SEDC), a 501(c)4 organization set up to assist with fundraising efforts as needed. The SEDC is not active at this time, however the RDA completes the annual filing required to keep the corporation's registration valid should this tool be needed for community development in the future.

The RDA is presently in a standby mode. It collects repayments from TID #4 for an advances made for various projects in that district, but any other activity is severely limited by the fact that the RDA was linked to a TIF district that no longer exists. Research will be needed in 2020 to investigate possible ways to reinvigorate this fund in addition to the potential façade improvement program.

2019 Accomplishments

- The RDA is maintaining the advances it issued to TID #4 for a number of costs related to development within that district.
- The RDA obtained sufficient information to determine that dissolution of the Revolving Loan Fund is the appropriate course of action. The termination process is ongoing at the time of budget development.

2019 Objectives

- The Village needs to determine the RDA's role and scope going forward. With the RDA's creation so closely tied to a specific Tax Increment District which is now closed, a new role and parameters for the RDA must be identified. Once these have been established, specific objectives can be set.
- While the RDA is examining its overall scope and mission, we will explore the possibility of setting up some type of façade improvement fund to encourage property improvements and development.

Account Detail

540-48120 – RDA Interest Income: This is currently the interest earned on cash held by the RDA. Earnings in 2019 were higher than estimated because the TID #4 repayment was more than originally projected.

540-48129 – Revolving Fund Interest: This account will be eliminated since the Revolving Loan Fund itself is in the process of termination.

540-51510-300 – Financial Admin Supplies & Expense: This account has been increased significantly in anticipation of possible expenses that may be incurred through the development and creation of the potential façade development program. Accounts to track actual costs and revenues for that program will need to be established once the program has been created and more information is available.

540-52500 – Economic Development: This account includes the \$1,000 contribution to the Economic Development/Washington County program with additional funds available for other economic development efforts.

PROPOSED 2020 BUDGET

REDEVELOPMENT AUTHORITY - FUND 54 REVENUES

| | 2018 ACTUAL | 2019 ACTUAL | PROJECTED | 2019 | 2020 | |
|---|--------------------|--------------------|------------------|-----------------|-----------------|-----------------|
| | 7/31/2018 | 7/31/2019 | YEAR-END | AMENDED | PROPOSED | % CHANGE |
| | | | | BUDGET | BUDGET | |
| 540-46111-000-000 ADMINISTRATIVE FEES | 221.14 | 27.76 | 27.76 | 66.00 | - | -100.00% |
| 540-48120-000-000 RDA INTEREST INCOME | 178.56 | 655.85 | 4,714.35 | 2,700.00 | 3,206.00 | 18.74% |
| 540-48129-000-000 REVOLVING FUND INTEREST | 1,650.27 | 1,418.64 | 2,431.95 | 100.00 | - | -100.00% |
| TOTAL FUND REVENUE | 2,049.97 | 2,102.25 | 7,174.06 | 2,866.00 | 3,206.00 | 11.86% |

PROPOSED 2020 BUDGET

REDEVELOPMENT AUTHORITY - FUND 54 EXPENDITURES

| | 2018 ACTUAL | 2019 ACTUAL | PROJECTED | 2019 | 2020 | |
|---|--------------------|--------------------|------------------|-----------------|-----------------|-----------------|
| | 7/31/2018 | 7/31/2019 | YEAR-END | AMENDED | PROPOSED | % CHANGE |
| | | | | BUDGET | BUDGET | |
| 540-51510-300-000 FINANCIAL ADMIN SUPPLIES & EXPENS | 10.00 | 10.00 | 10.00 | 50.00 | 500.00 | 900.00% |
| 540-51520-300-000 RLF ADMIN SUPPLIES & EXPENSE | - | - | - | 500.00 | - | -100.00% |
| 540-52500-000-000 ECONOMIC DEVELOPMENT | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,500.00 | 50.00% |
| TOTAL FUND EXPENDITURES | 1,010.00 | 1,010.00 | 1,010.00 | 1,550.00 | 2,000.00 | 29.03% |
| NET REVENUE OVER EXPENDITURES | 1,039.97 | 1,092.25 | 6,164.06 | 1,316.00 | 1,206.00 | |