

***Tax Incremental District No. 1  
Project Plan Amendment  
Within the  
VILLAGE OF FONTANA-ON-GENEVA LAKE,  
WISCONSIN***



*September 2, 2008*

<i>Joint Review Board Organizational Meeting Held:</i>	<i>August 25, 2008</i>
<i>Public Hearing Held:</i>	<i>August 25, 2008</i>
<i>Adopted by Plan Commission:</i>	<i>August 25, 2008</i>
<i>Adopted by Village Board:</i>	<i>September 2, 2008</i>
<i>Anticipated to be Considered for Approval by Joint Review Board:</i>	<i>September 23, 2008</i>



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# Tax Incremental District No. 1 Project Plan Amendment

## Village of Fontana-on-Geneva Lake Officials

### *Village Board*

Ronald Pollitt	Village President
Patrick Kenny	Village Trustee
Merilyce "Micki" O'Connell	Village Trustee
Arvid "Pete" Petersen	Village Trustee
George J. Spadoni, Jr.	Village Trustee
William Turner	Village Trustee
Diane Lewis	Village Trustee

### *Village Staff*

Dennis L. Martin	Clerk
Kelly E. Hayden-Staggs	Administrator
Joe McHugh	Village Executive Director
Dale L. Thorpe	Attorney

### *Plan Commission*

Trustee Chairperson George Spadoni	Citizen Mike Poivey
Village President Ron Pollitt	Citizen Derek D'Auria
Trustee Micki O'Connell	Citizen Tom McGreevy
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Jessica Lanser	Walworth County
Mark Zlevor	Gateway Technical College District
Ellen Zitzler	Fontana J8 School District
Dorothy Kaufmann	UHS District of Big Foot School District
Jacqueline Berg	Public Member

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# 1

## EXECUTIVE SUMMARY

### ***DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED AMENDMENT***

- Original District Purpose. Tax Incremental District (“TID”) No. 1 (“The District”) is an existing blighted area district, created by a resolution of the Village Board adopted on September 26, 2001.
- The Purpose of This Amendment.
  - Modify the categories, locations and/or costs of the projects to be undertaken within the District through the remainder of its expenditure period.
  - Restatement and clarification of the Fontana Tourism & Waterfront Activity Center project
  - The Village proposes to allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as allowed under Wisconsin Statutes s.66.1105(2)(f)1.n.
- Additional Amendments.
  - The District was amended on March 3, 2003, a resolution was adopted to amend the list of projects to be undertaken.
  - The District was amended on October 4, 2004, a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.
- Estimated Total Project Expenditures.

The current Project Plan provides for estimated total project cost expenditures of \$31.7 million, not including administrative expenses. To date, project costs have totaled approximately \$10,750,000. This amendment would provide for updated estimated expenditures of \$500,000, however, it is not anticipated that the overall expenditures would be amended.

Specific details as to the types, locations and cost estimates are found in Sections 7, 8 and 9 of this plan. It is anticipated that the remaining and updated projects will be completed in several phases as increment is projected to be sufficient. The projects are expected to be financed with General Obligation Bonds. A discussion and listing of other possible financing mechanisms, as well as a summary of project financing by phase is located in Section 10 of this plan. The Expenditure Period of this District terminates on September 26, 2023.

The updated projects include costs for the reconstruction of Kinzie Avenue, which is an ancillary project to the STH 67 reconstruction project.

- Economic Development.

The Village projects that updated land and improvements value of approximately \$0 will be created as a result of new development, redevelopment, and appreciation in the value of existing properties

The restatement and clarification of the scope of the Fontana Tourism & Waterfront Activity Center will provide an additional catalyst to the economic development initiatives already included within the original and amended project plans.

- Expected Termination of District.

The District has a maximum statutory life of 27 years, and must close not later than September 19, 2028, resulting in a final collection of increment in budget year 2029. Pre-amendment cash flow projections indicate that the entire available life of the District will be required to retire current and projected District liabilities.

## **SUMMARY OF FINDINGS**

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

1. **That “but for” amendment of the District’s Project Plan, the remaining development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the Village.** In making this determination, the Village has considered the following information:

- The updated expenditures contemplated by the plan amendment are necessary to fully achieve the original goals of the District Project Plan, as the Stormwater problems were created by another TID project.
- These updated expenditures are associated with projects that were unanticipated at the time of District creation, but have now been determined necessary to enable the District to fully implement its Project Plan.

2. **The economic benefits of amending the Tax Incremental 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 Village has considered the following information:

- As demonstrated in the Economic Feasibility Section of this Project Plan amendment, the tax increments projected to be collected are more than sufficient to pay for the remaining proposed project costs. On this basis alone, the finding is supported.

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

Given that it is not likely that the District will achieve all of the objectives of its Project Plan without the continued use of tax incremental financing (see finding # 1), and since the

District is expected to generate additional economic benefits that are more than sufficient to compensate for the updated cost of the improvements (see Finding #2), the Village reasonably concludes that the overall additional benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not amended.

4. The boundaries of the District are not being amended. At the time of creation, and any subsequent additions of territory, not less than 50%, by area, of the real property within the District was a blighted area within the meaning of Section 66.1105(2)(a) of the Wisconsin Statutes. At the time of adoption of the creation resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Section 66.1105(4)(gm)1 of the Wisconsin State Statutes.
5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the boundaries of the District, the District remains a blighted area district based on the identification and classification of the property included within the district.
6. The Project Costs as amended relate directly to promoting the elimination of blight of the area with the purpose for which the District was created.
7. The additional improvements to be installed, and project costs to be incurred, are likely to enhance significantly the value of substantially all of the other real property in the District.
8. The Village estimates that approximately 50% of the territory within the District will be devoted to retail business at the end of the District’s maximum expenditure period. This finding is made to fulfill the reporting requirement as contained in Sections 66.1105(5)(b) and 66.1105(6)(am)1 of the Wisconsin Statutes.
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the Village.

## 2

### TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 1 (The “ District”) was created under the authority provided by Wisconsin Statutes Section 66.1105 on September 26, 2001 by resolution of the Village Board. The District’s valuation date, for purposes of establishing base value, was January 1, 2001.

The District is a “Blighted Area District,” created on a finding that at least 50%, by area, of the real property within the District was blighted, as defined in Section 66.1105(2)(a)1. of the Wisconsin State Statutes. At the time of adoption of the creation resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Section 66.1105(4)(gm)1 of the Wisconsin State Statutes. Since this amendment does not add any territory to the District, the District remains in compliance with these provisions.

The District was amended on March 3, 2003, a resolution was adopted to amend the list of projects to be undertaken.

The District was amended on October 4, 2004, a resolution was adopted to add additional territory to the District, and to amend the list of projects to be undertaken. This amendment was the first of four territory amendments permitted for this District.

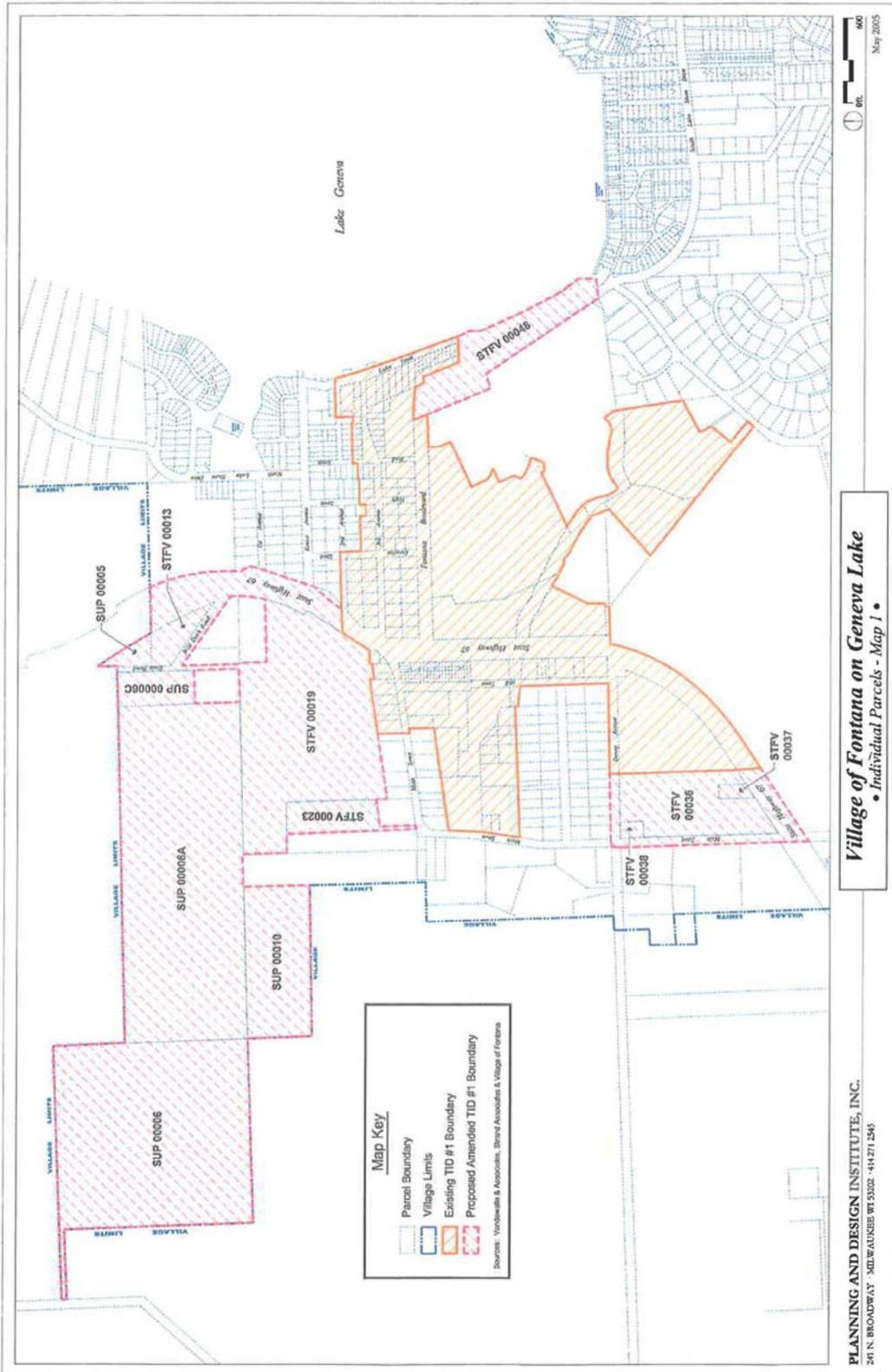
Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a Village to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of TID No. 1 have been amended once. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available amendments.

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

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

# 3

## MAP OF CURRENT DISTRICT BOUNDARIES



## 4

### MAP SHOWING EXISTING USES & CONDITIONS

A copy of the Existing Uses and Conditions Map can be found in the Original and Amendment Project Plan documents.

## 5

### EQUALIZED VALUE TEST

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

## 6

### STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

The Village proposes modifying the categories, locations and/or costs of the projects to be undertaken within the District through the remainder of its expenditure period as follows:

- Restatement & Clarification of the Fontana Tourism & Waterfront Activity Center project scope based on the “Draft Project Initiation Plan” developed by the Community Development Authority as revised on July 31, 2008 (included as part of this plan by reference).
- Reconstruction of Kinzie Avenue as detailed in the engineer’s letter of clarification dated July 22, 2008 (included as part of this plan by reference).

The Village proposes to allow for the District to incur project costs outside of, but within ½ mile of, the boundaries of the District as allowed under Wisconsin Statutes s.66.1105(2)(f)1.n.

The following is a summary list of public works and other projects that the Village has implemented, or expects to implement, within the District, to include the modifications detailed above. Any costs directly or indirectly related to the public works and other projects are considered "Project Costs" and are eligible to be paid with tax increment revenues of the District.

## **PROPERTY, RIGHT-OF-WAY AND EASEMENT ACQUISITION**

- **PROPERTY ACQUISITION FOR DEVELOPMENT AND/OR REDEVELOPMENT.** In order to promote and facilitate development and/or redevelopment the Village 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 in order to make the property suitable for development and/or redevelopment. Any revenue received by the Village from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the Village to acquire property and make it suitable for development and/or redevelopment 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 State Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.
- **PROPERTY ACQUISITION FOR CONSERVANCY.** In order to promote the objectives of this Plan, the Village intends to 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 Village 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 Village to identify, negotiate and acquire rights-of-way are eligible Project Costs.
- **ACQUISITION OF EASEMENTS.** The Village 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 Village 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 Wisconsin Statutes Sections 32.19 and 32.195.

## **SITE PREPARATION ACTIVITIES**

- **ENVIRONMENTAL AUDITS AND REMEDIATION.** There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the Village related to environmental audits, testing, and remediation are eligible Project Costs.
- **DEMOLITION.** In order to make sites suitable for development and/or redevelopment, the Village may incur costs related to demolition and removal of structures or other land

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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 and/or redevelopment, to provide access, and to control stormwater runoff. The Village may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the Village for site grading are eligible Project Costs.

## UTILITIES

- **SANITARY SEWER SYSTEM IMPROVEMENTS.** There are inadequate sanitary sewer facilities serving the District. To allow development and/or redevelopment to occur, the Village may 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 Village 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 Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village 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 Project Plan are eligible Project Costs.
- **WATER SYSTEM IMPROVEMENTS.** There are inadequate water distribution facilities serving the District. To allow development and/or redevelopment to occur, the Village may 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 Village 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 Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village 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 Project Plan are eligible Project Costs.
- **STORMWATER MANAGEMENT SYSTEM IMPROVEMENTS.** Development and/or redevelopment within the District will cause stormwater runoff and pollution. To manage this stormwater runoff, the Village may 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 Village will make an allocation of costs based on such benefit. Those costs corresponding to the

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benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the Village 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 Project Plan are eligible Project Costs.

- **ELECTRIC SERVICE.** In order to create sites suitable for development and/or redevelopment, the Village 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 Village to undertake this work are eligible Project Costs.
- **GAS SERVICE.** In order to create sites suitable for development and/or redevelopment, the Village may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the Village to undertake this work are eligible Project Costs.
- **COMMUNICATIONS INFRASTRUCTURE.** In order to create sites suitable for development and/or redevelopment, the Village 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 Village to undertake this work are eligible Project Costs.

### **STREETS AND STREETScape**

- **STREET IMPROVEMENTS.** There are inadequate street improvements serving the District. To allow development and/or redevelopment to occur, the Village may need to construct and/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.** In order to attract development and/or redevelopment consistent with the objectives of this Plan, the Village 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 Village are eligible Project Costs.

### **CDA TYPE ACTIVITIES**

- **CONTRIBUTION TO COMMUNITY DEVELOPMENT AUTHORITY.** As provided for in Wisconsin Statutes Sections 66.1105(2)(f)1.h and 66.1333(13), the Village may provide

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funds to its CDA to be used for administration, planning and operations related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

- **REVOLVING LOAN/GRANT PROGRAM.** To encourage private redevelopment consistent with the objectives of this Plan, the Village, through its CDA, will provide loans and/or matching grants to eligible property owners in the District. Loan and/or matching grant recipients will be required to sign an agreement specifying the nature of the property improvements to be made. 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 CDA in the program manual. Any funds returned to the CDA 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 will be placed into a revolving loan fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

### **MISCELLANEOUS**

- **CASH GRANTS (DEVELOPMENT INCENTIVES).** The Village may enter into agreements with property owners, lessees, 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 the Village executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the Village are eligible Project Costs.
- **PROJECTS OUTSIDE THE TAX INCREMENT DISTRICT.** Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the Village 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 Village'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 Village intends to make the following project cost expenditures outside the District:
- **PROFESSIONAL SERVICE AND ORGANIZATIONAL COSTS.** The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, 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 of the District and the implementation of the Plan.
- **ADMINISTRATIVE COSTS.** The Village 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 Village employees in connection with the implementation of the Plan.
- **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 are eligible Project Costs.

With all projects the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, site preparation, legal and other consultant fees, testing, environmental studies, permits, updating Village of Fontana-on-Geneva Lake ordinances and plans, judgments or claims for damages, and other expenses are included as Project Costs.

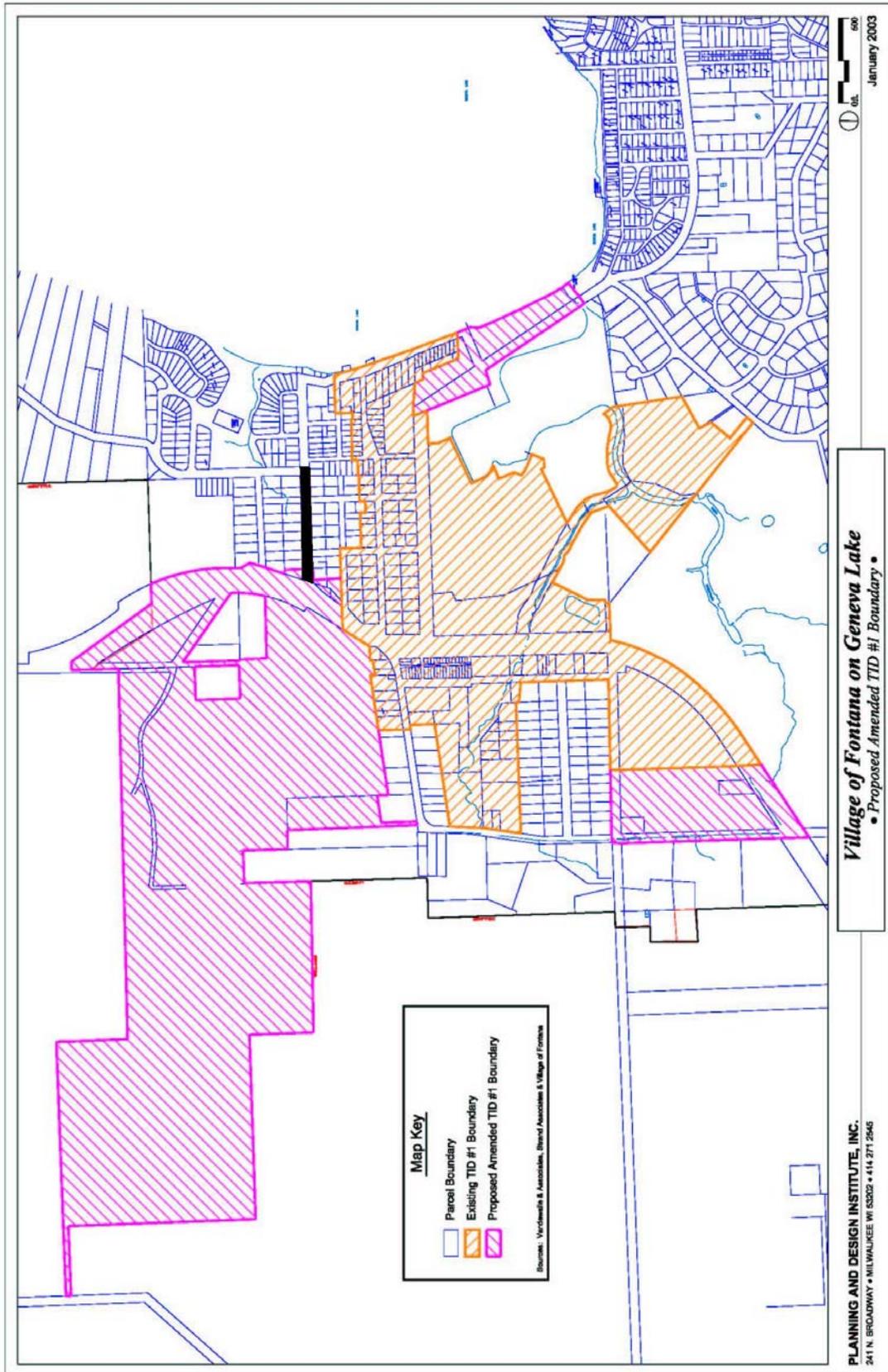
In the event any of the public works project expenditures are not reimbursable out of the special tax increment finance fund under Wisconsin Statute Section 66.1105, in the written opinion of nationally recognized bond counsel retained by the Village of Fontana-on-Geneva Lake for such purpose or a court 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 Amendment (this "Plan").

**The Village of Fontana-on-Geneva Lake reserves the right to implement only those projects that remain viable as the Plan period proceeds.**

Project Costs or any expenditures made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the Village and listed in this Plan or the original Project Plan. To the extent the costs benefit the Village of Fontana-on-Geneva Lake 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. Prorating of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments. 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 by the Village in connection with the implementation of this Plan.

# 7

## MAP SHOWING PROPOSED IMPROVEMENTS AND USES



# 8

## DETAILED LIST OF UPDATED PROJECT COSTS

This Section contains information relative to the specific projects and expenditures that the Village anticipates it will undertake as part of this amendment and previous project plan amendments within the District during the remainder of the expenditure period.

All costs are based on 2008 prices and are preliminary estimates. The Village reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2008 and the time of construction. However, for increases in excess of 25% of total Project Costs, the Village would pursue an amendment to the Plan in accordance with the amendment procedures specified in Section 66.1105(4)(h) of the Wisconsin Statutes, which include review by the Joint Review Board. 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 further amending this Plan.**

**PROPOSED TIF PROJECT COST ESTIMATES**

<i>Village of Fontana Sizing</i>				
PROJECT COSTS	Amended TID Portion	Existing TID Portion		
Utility Projects				
Sewer Projects				
Water Projects				
Parks & Playgrounds	\$0	\$180,000	2008	
Streets & Roads	\$444,447	\$2,823,716	2009	0
Refunding			2010	148,388
			2011	148,388
			2012	144,975
Contingency			2013	139,200
			2014	132,375
			2015	195,000
<b>Total Project Costs</b>	<b>\$444,447</b>	<b>\$3,003,716</b>	2016	125,648
			2017	190,000
Issuance Expenses (FA, Legal & Rating)	\$4,835	\$32,678	2018	118,140
			2019	190,000
Discount Allowance	\$5,625	\$38,125	2020	185,000
			2021	110,635
Debt Service Reserve			2022	185,000
			2023	102,940
Capitalized Interest - Varies			2024	95,263
			2025	185,000
<b>Total Capital Requirements</b>	<b>\$454,907</b>	<b>\$3,074,519</b>	2026	87,400
			2027	185,000
Less Interest Earnings	(\$4,907)	(\$24,519)	2028	79,353
				71,213
<b>TOTAL BOND/NOTE ISSUE</b>	<b>\$450,000</b>	<b>\$3,050,000</b>	<b>Total</b>	<b>3,500,000</b>
				<b>1,766,365</b>

**Note 1** - Rates based on 7-15-08 Combined Locks Sale +25 bps

**9**

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

This amendment modifies the specific projects and expenditures that the Village anticipates it will undertake within the District during the remainder of the expenditure period.

The information and exhibits contained within this Section demonstrate that the District, as proposed to be amended, will remain economically feasible insofar as:

- The Village has available to it the means to secure the necessary financing required to accomplish the remaining projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The Village expects to complete the remaining projects in one or more phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to incur is included.
- The development anticipated to occur as a result of the continued implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the development expected to occur, 2) an updated projection of tax increments to be collected resulting from that development and other economic growth within the District, and 3) an updated cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

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## **AVAILABLE FINANCING METHODS**

Implementation of this Plan will require that the Village issue obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations the Village may choose to utilize.

### General Obligation (G.O.) Bonds or Notes

The Village may issue G.O. Bonds or Notes to finance the cost of Projects included within this Plan. Wisconsin Statutes limit the principal amount of G.O. debt that a community may have outstanding at any point in time to an amount not greater than five-percent of its total equalized value (including increment values). The tables on page 21 provide a calculation of the Village's current and projected G.O. debt capacity. Tables 1 and 2 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 future valuation of the Village using the average annual percentage of valuation growth experienced between 2003 and 2007. This method is identified as the percentage method. The second method projects the future valuation based upon the average annual increment between 2003 and 2007. This method is identified as the straight-line method. Table 2 projects the G.O. borrowing capacity of the Village utilizing the straight-line valuation projection and considering the existing debt of the Village, demonstrating that the Village will have sufficient G.O. debt capacity during the implementation period of the District to finance projects using this method if it chooses.

### Bonds Issued to Developers ("Pay as You Go" Financing)

The Village may issue a bond to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the Village's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds issued to developers in this fashion are not general obligations of the Village and therefore do not count against the Village's borrowing capacity.

### Tax Increment Revenue Bonds

The Village has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the Village, or as a Lease Revenue Bond by its Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the Village and therefore do not count against the Village's borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the Village may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

### Utility Revenue 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 neither a 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. To the extent the Village utilizes utility revenues other than tax

increments to repay a portion of the bonds, the Village must reduce the total eligible Project Costs in an equal amount.

#### Special Assessment "B" Bonds

The Village has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the Village determines that special assessments are appropriate, 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 G.O. debt limit. If special assessments are levied, the Village must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

EQUALIZED VALUATIONS

<i>Village of Fontana</i>		
<b>Tax Increment District No. 1</b>		
<b>Valuation Test Compliance Calculation</b>		
<b>Anticipated Creation Date:</b>	<b>9/2/2008</b>	<b>Valuation Data</b>
<b>Property Appreciation Factor:</b>	<b>5.00%</b>	<b>Establishing 12% Limit</b>
		<b>Based on Anticipated</b>
		<b>Creation Date</b>
		<b>ACTUAL</b>
As of January 1,		<b>2008</b>
Total Equalized Value (TID IN)		1,359,065,700
<b>Limit for 12% Test</b>		<b>163,087,884</b>
Increment Value of Existing TID's		
TID No. 1 Increment		90,792,500
Total Existing Increment		90,792,500
<b>Projected Base Value of New District</b>		<b>0</b>
<b>Existing TID New Construction Factor</b>		
TOTAL VALUE SUBJECT TO TEST/LIMIT		<b>90,792,500</b>
<b>COMPLIANCE</b>		<b>PASS</b>
		

## **PLAN IMPLEMENTATION**

Projects identified will provide the necessary anticipated governmental services and/or development incentives to the district. It is anticipated these expenditures will be made during 2008. However, public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The order in which expenditures 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. In any event, all updated Project Costs are to be incurred within the period specified in Section 66.1105(6)(am) of the Wisconsin Statutes.

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 expenditures 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 of Fontana-on-Geneva Lake reserves the right to use alternate financing solutions for the projects as they are implemented.**

**INCREMENT REVENUE PROJECTIONS**

**Village of Fontana  
Tax Increment District # 1**

**Tax Increment Forecast**

**100.00%**

Base Value		29,658,300		Property Appreciation Factor		3.00%	
				Tax Rate Adjustment Factor		-1.00%	
Construction Year	Valuation Year	Revenue Year	Inflation Increment	Value Added	Valuation Increment	Tax Rate	Tax Increment
1	2001	2002	2003		(2,589,700)	17.75	0
2	2002	2003	2004	15,891,400	18,481,100	17.82	329,333
3	2003	2004	2005	(9,536,100)	8,945,000	17.04	152,462
4	2004	2005	2006	3,719,200	12,664,200	15.65	198,142
5	2005	2006	2007	51,163,400	63,827,600	13.94	889,634
6	2006	2007	2008	(2,389,100)	61,438,500	12.92	793,772
7	2007	2008	2009	29,354,000	90,792,500	12.79	1,161,289
8	2008	2009	2010	3,613,524	104,941,024	12.66	1,328,834
9	2009	2010	2011	4,037,980	118,979,004	12.54	1,491,526
10	2010	2011	2012	4,459,119	124,538,123	12.41	1,545,604
11	2011	2012	2013	4,625,893	129,164,016	12.29	1,586,984
12	2012	2013	2014	4,764,669	133,928,685	12.16	1,629,070
13	2013	2014	2015	4,907,610	138,836,295	12.04	1,671,877
14	2014	2015	2016	5,054,838	143,891,132	11.92	1,715,421
15	2015	2016	2017	5,206,483	149,097,615	11.80	1,759,716
16	2016	2017	2018	5,362,677	154,460,293	11.68	1,804,778
17	2017	2018	2019	5,523,558	159,983,851	11.57	1,850,624
18	2018	2019	2020	5,689,265	165,673,115	11.45	1,897,271
19	2019	2020	2021	5,859,942	171,533,058	11.34	1,944,735
20	2020	2021	2022	6,035,741	177,568,798	11.22	1,993,033
21	2021	2022	2023	6,216,813	183,785,611	11.11	2,042,182
22	2022	2023	2024	6,403,317	190,188,929	11.00	2,092,201
23	2023	2024	2025	6,595,417	196,784,345	10.89	2,143,107
24	2024	2025	2026	6,793,279	203,577,625	10.78	2,194,919
25	2025	2026	2027	6,997,078	210,574,703	10.67	2,247,656
26	2026	2027	2028	7,206,990	217,781,693	10.57	2,301,337
27	2027	2028	2029	7,423,200	225,204,892	10.46	2,355,982
<b>Totals</b>				<b>109,837,800</b>			<b>41,121,488</b>

Present value at 5.5% **17,380,173**

NOTE: All Values are Equalized (Full Market) Values. Tax Rate is Full Value (Equalized Rate) as reported by Village on its Tax Increment Calculation Worksheets. Value Added Column derived from increment worksheets provided by Village

MAXIMUM DOLLAR AMOUNT OF DEBT THAT TID WOULD SUPPORT

CASH FLOW

FONTANA TID # 1 CASH FLOW PROJECTION SUMMARY

**Option 1**

<u>Years of Increment</u>	<u>Revenue Year</u>	<u>Tax Increment</u>	<u>Total DSR</u>	<u>Capitalized Interest</u>	<u>Interest Earned</u>	<u>Total Revenue</u>	<u>Existing Debt</u>	<u>2008 Issue</u>		<u>Planned DEBT</u>	<u>Admin. Expenses</u>	<u>Total Expense</u>	<u>Annual Balance</u>	<u>Cummulative Balance</u>	<u>Revenue Year</u>
								<u>Principal</u>	<u>Interest</u>						
6	2008	793,772	19,907		23,336	837,014	574,038	0	0	574,038	125,000	699,038	137,976	1,304,760	2008
7	2009	1,161,289	19,907		26,095	1,207,291	734,942	0	148,388	883,330	125,000	1,008,330	198,961	1,503,721	2009
8	2010	1,328,834	19,907		30,074	1,378,815	752,536	105,000	148,388	1,005,923	125,000	1,130,923	247,892	1,751,613	2010
9	2011	1,491,526	19,907		35,032	1,546,466	808,230	165,000	144,975	1,118,205	125,000	1,243,205	303,261	2,054,874	2011
10	2012	1,545,604	19,907		41,097	1,606,608	841,480	195,000	139,200	1,175,680	125,000	1,300,680	305,928	2,360,803	2012
11	2013	1,586,984	19,907		47,216	1,654,107	877,580	195,000	132,375	1,204,955	20,000	1,224,955	429,152	2,789,955	2013
12	2014	1,629,070	19,907		55,799	1,704,776	886,930	195,000	125,648	1,207,577	20,000	1,227,577	477,199	3,267,154	2014
13	2015	1,671,877	19,907		65,343	1,757,127	924,405	190,000	118,140	1,232,545	20,000	1,252,545	504,583	3,771,737	2015
14	2016	1,715,421	19,907		75,435	1,810,762	1,003,530	190,000	110,635	1,304,165	20,000	1,324,165	486,598	4,258,334	2016
15	2017	1,759,716	19,907		85,167	1,864,789	1,131,727	185,000	102,940	1,419,667	20,000	1,439,667	425,122	4,683,456	2017
16	2018	1,804,778	19,907		93,669	1,918,354	862,653	185,000	95,263	1,142,916	20,000	1,162,916	755,439	5,438,895	2018
17	2019	1,850,624	19,907		108,778	1,979,309	837,978	185,000	87,400	1,110,378	20,000	1,130,378	848,931	6,287,826	2019
18	2020	1,897,271	19,907		125,757	2,042,935	837,626	185,000	79,353	1,101,979	20,000	1,121,979	920,956	7,208,782	2020
19	2021	1,944,735	19,907		144,176	2,108,817	919,312	180,000	71,213	1,170,525	20,000	1,190,525	918,293	8,127,075	2021
20	2022	1,993,033	19,907		162,542	2,175,481	952,225	180,000	63,203	1,195,428	20,000	1,215,428	960,054	9,087,129	2022
21	2023	2,042,182	19,907		181,743	2,243,832	967,575	180,000	55,103	1,202,678	20,000	1,222,678	1,021,154	10,108,283	2023
22	2024	2,092,201	19,907		202,166	2,314,273	931,775	180,000	46,913	1,158,688	20,000	1,178,688	1,135,586	11,243,868	2024
23	2025	2,143,107	517,581		224,877	2,885,565	1,042,438	205,000	38,633	1,286,070	20,000	1,306,070	1,579,495	12,823,364	2025
24	2026	2,194,919	0		256,467	2,451,387	510,500	200,000	29,100	739,600	20,000	759,600	1,691,787	14,515,150	2026
25	2027	2,247,656	0		290,303	2,537,959	0	200,000	19,600	219,600	20,000	239,600	2,298,359	16,813,510	2027
26	2028	2,301,337	0		336,270	2,637,607	0	200,000	9,900	209,900	20,000	229,900	2,407,707	19,221,217	2028
27	2029	2,355,982	0		384,424	2,740,406	0				20,000	20,000	2,720,406	21,941,623	2029
<b>Total</b>		<b>41,121,488</b>	<b>912,397</b>	<b>513,150</b>	<b>3,029,271</b>	<b>45,576,305</b>	<b>17,253,317</b>	<b>3,500,000</b>	<b>1,707,765</b>	<b>21,350,582</b>	<b>1,035,000</b>	<b>23,634,682</b>	<b>21,941,623</b>		

## **10** ANNEXED PROPERTY

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

## **11** PROPOSED CHANGES IN ZONING ORDINANCES

The Village of Fontana-on-Geneva Lake does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment.

## **12** PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND VILLAGE OF FONTANA-ON-GENEVA LAKE 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 of Fontana-on-Geneva Lake ordinances for the implementation of this Plan.

## **13** 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 or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the Village will follow applicable state statutes as required in Wisconsin Statutes chapter 32.

## 14

### ORDERLY DEVELOPMENT AND REDEVELOPMENT OF THE VILLAGE OF FONTANA-ON-GENEVA LAKE

This project plan amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and redevelopment of the Village.

## 15

### A LIST OF ESTIMATED NON-PROJECT COSTS

Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds. Examples would include:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The Village does not expect to incur any non-Project Costs in the implementation of this Project Plan.

16

**OPINION OF ATTORNEY FOR THE VILLAGE OF FONTANA-ON-GENEVA LAKE ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105**



1624 Hobbs Drive, Suite 1 | PO Box 386 | Delavan, Wisconsin 53115  
tel 262.740.1971 | fax 262.740.1090 | web ThorpeChristian.com

September 2, 2008

Ronald Pollitt  
Village President  
Village of Fontana  
P.O. Box 200  
Fontana, WI 53125

**Re: Village of Fontana-on-Geneva Lake, Wisconsin  
Tax Incremental District No. 1 Amendment**

Dear Mr. Pollitt:

As Village Attorney for the Village of Fontana-on-Geneva Lake, I have reviewed the Project Plan Amendment document and various resolutions passed by the Village Board, Plan Commission and Joint Review Board regarding the amendment of Tax Incremental District No. 1 located in the Village of Fontana-on-Geneva Lake. In my opinion, the Project Plan, including the proposed amendment, is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Very truly yours,

**THORPE & CHRISTIAN, S.C.**

A handwritten signature in dark ink, appearing to read "Dale L. Thorpe".

By: Dale L. Thorpe  
Email: [dthorpe@ThorpeChristian.com](mailto:dthorpe@ThorpeChristian.com)

DLT:kml

cc: Village Board  
Kelly Hayden-Staggs, Village Administrator  
Dennis Martin, Village Clerk  
Community Development Authority

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**Dale L. Thorpe – Scott T. Christian**  
Kelly C. Nickel | Jennifer L. Riemer | Rebecca G. Lyall | Elizabeth R. Olson\*  
Joshua B. Czuta | Donald E. Robison | John K. Bartosz – of Counsel | \*also licensed in Illinois

## EXHIBIT A - CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING

### Estimated Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District

Revenue Year	Village	County	School District	School District	Tech College	Total
	17.25%	29.65%	19.35%	24.48%	9.27%	
2003	0	0	0	0	0	0
2004	56,816	97,647	63,723	80,621	30,526	329,333
2005	26,302	45,205	29,500	37,323	14,132	152,462
2006	34,183	58,749	38,339	48,505	18,366	198,142
2007	153,478	263,777	172,137	217,783	82,459	889,634
2008	136,940	235,354	153,589	194,316	73,574	793,772
2009	200,343	344,323	224,700	284,284	107,639	1,161,289
2010	229,248	394,000	257,119	325,299	123,168	1,328,834
2011	257,315	442,238	288,599	365,126	138,248	1,491,526
2012	266,644	458,272	299,062	378,364	143,260	1,545,604
2013	273,783	470,541	307,069	388,494	147,096	1,586,984
2014	281,044	483,020	315,213	398,797	150,997	1,629,070
2015	288,429	495,712	323,495	409,276	154,965	1,671,877
2016	295,941	508,623	331,921	419,936	159,001	1,715,421
2017	303,582	521,756	340,491	430,779	163,106	1,759,716
2018	311,356	535,117	349,211	441,811	167,283	1,804,778
2019	319,266	548,711	358,082	453,034	171,532	1,850,624
2020	327,313	562,542	367,107	464,453	175,856	1,897,271
2021	335,501	576,615	376,291	476,072	180,255	1,944,735
2022	343,834	590,935	385,637	487,895	184,732	1,993,033
2023	352,313	605,508	395,147	499,927	189,288	2,042,182
2024	360,942	620,338	404,825	512,172	193,924	2,092,201
2025	369,724	635,432	414,675	524,634	198,642	2,143,107
2026	378,663	650,794	424,700	537,317	203,445	2,194,919
2027	387,761	666,431	434,904	550,227	208,333	2,247,656
2028	397,022	682,347	445,291	563,368	213,309	2,301,337
2029	406,449	698,549	455,864	576,745	218,374	2,355,982
	7,094,190	12,192,537	7,956,693	10,066,559	3,811,508	41,121,488

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