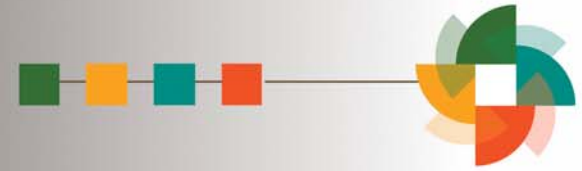




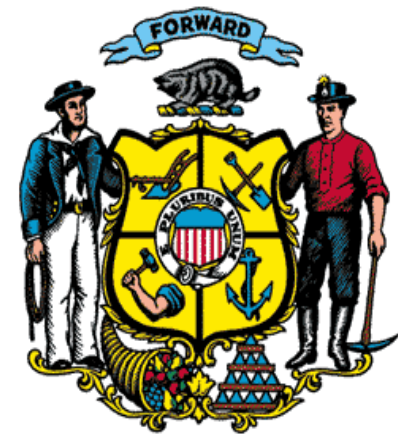
Village of Oregon Tax Increment District Updates and Proposed Amendments

October 19, 2009

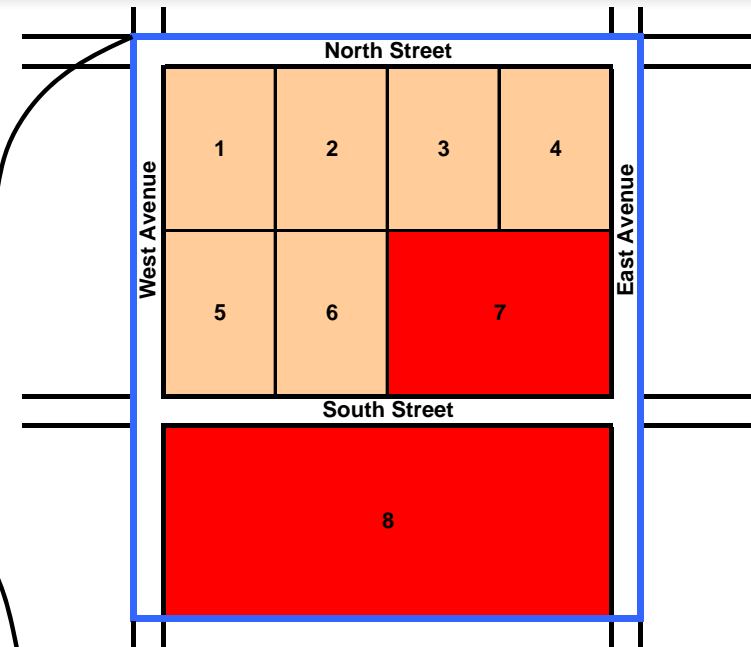
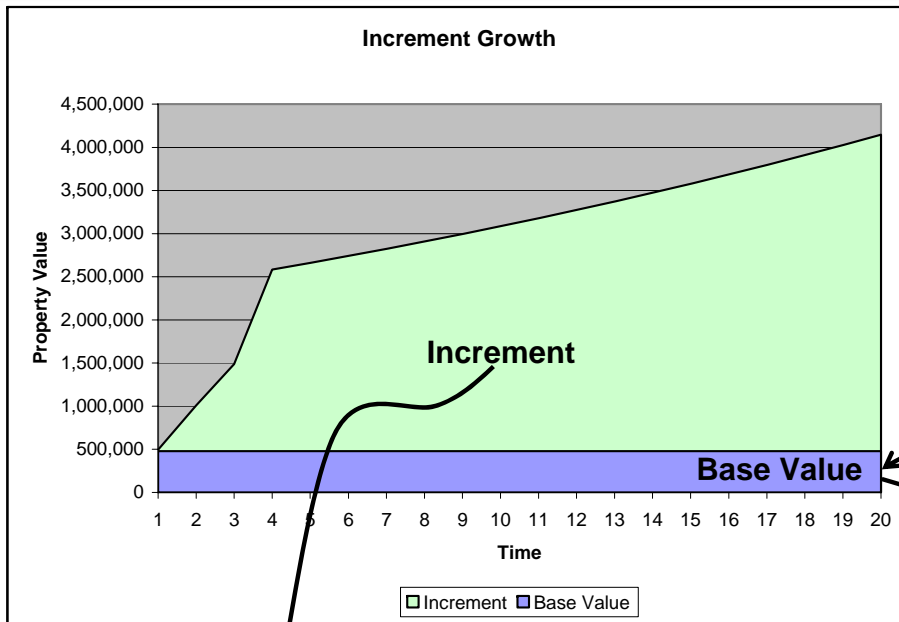
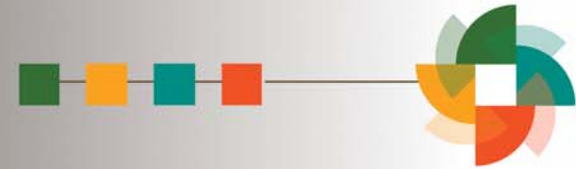
What is Tax Increment Financing?



- Wisconsin's principal economic development financing tool for local governments
- Program created by legislature in 1975



Tax Increment Financing – How it Works



	Mill Rate
TID	20.00
Total	20.00

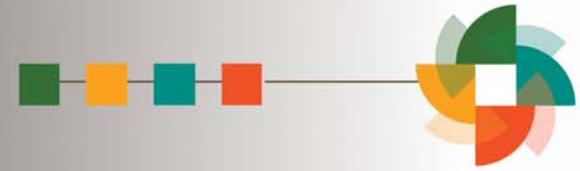
The TID receives taxes on the increment value at the combined rate of all taxing entities

	Mill Rate
Local	6.50
County	4.00
School	7.50
VTAE	2.00
Total	20.00

All taxing jurisdictions continue to receive their share of the tax levy on the base value of the TID



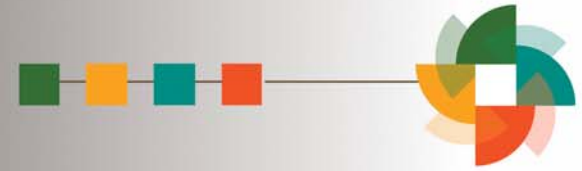
The “But For” Test



- Key underpinning of the TIF program is referred to as the “but for” test
 - “But for” the use of TIF, the proposed development would not occur:
 - as proposed
 - within the same time frame
 - with the same level of value
 - Property
 - Jobs
 - amenities



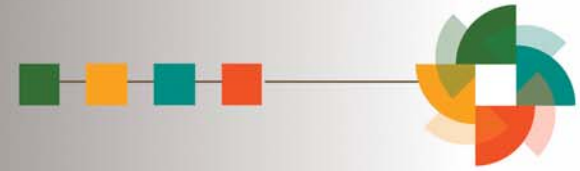
The “But For” Test



- Who is responsible for determining if the test is met?
 - Governing body must assert that the test is met in the resolution it adopts forming the TID
 - Ongoing application
 - Joint Review Board must also find that the test is met before it may permit creation of a TID



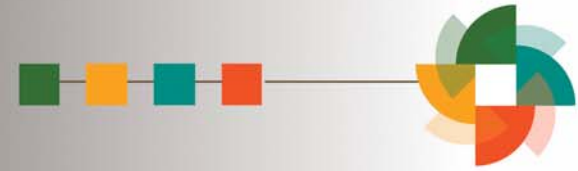
The “But For” Test



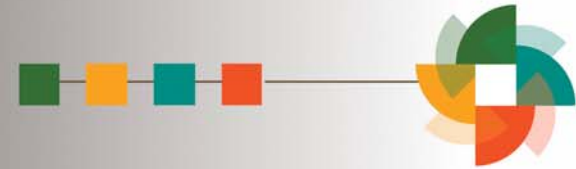
- How to determine compliance with “but for”
 - Developer *pro forma* review (sources and uses)
 - Extensive public infrastructure investment
 - Problematic sites
 - “Nothing has happened here in 20 years!”
 - Ultimately, a judgment and policy call – no statutory standard



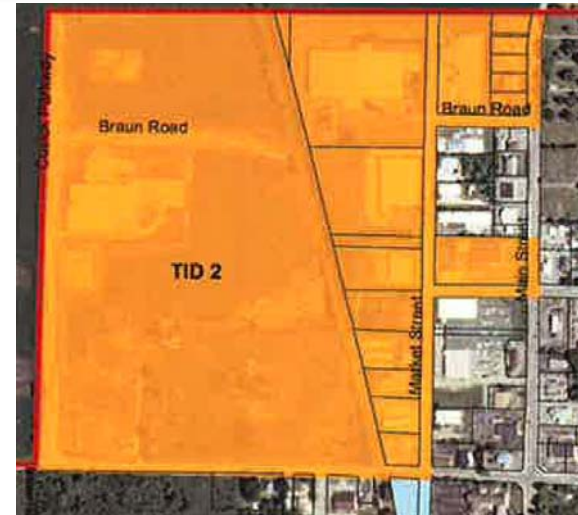
Village TIDs



TID #2



- Created – Sep 30, 1993
- Type – Industrial
- Positive Cash Flow
- Projected Closure

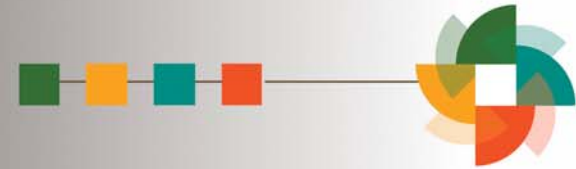


- 2014 Pre-Amendment
- 2016 Post-Amendment

Year	Revenues			Expenditures					Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Investment Earnings	Total Revenues	G.O. Promissory Note \$1,100,000 Dated			Used for Projects	Revenue Share w/TID #3	Total Expenditures	Annual			Cumulative
		3.00%		Prin (3/1)	Est. Rate	Interest							
2009	210,077	5,703	215,780				268,190		268,190	(52,410)	190,106	1,100,000	2009
2010	276,066	4,131	280,197		4.000%	22,000	250,000		272,000	8,197	145,893	1,100,000	2010
2011	282,768	4,377	287,145	0	4.000%	44,000			44,000	243,145	389,038	1,100,000	2011
2012	286,707	11,671	298,379	0	4.000%	44,000			44,000	254,379	643,416	1,100,000	2012
2013	290,674	19,302	309,976	125,000	4.000%	41,500			166,500	143,476	786,893	975,000	2013
2014	294,668	23,607	318,274	125,000	4.000%	36,500			161,500	156,774	943,667	850,000	2014
2015	298,689	28,310	326,999	125,000	4.000%	31,500			156,500	170,499	1,114,166	725,000	2015
2016	302,739	33,425	336,164	125,000	4.000%	26,500			151,500	184,664	1,298,830	600,000	2016
2017	306,817	38,965	345,781	150,000	4.000%	21,000			171,000	174,781	1,473,611	450,000	2017
2018	310,923	44,208	355,132	150,000	4.000%	15,000			165,000	190,132	1,663,743	300,000	2018
2019	315,059	49,912	364,972	150,000	4.000%	9,000			159,000	205,972	1,869,715	150,000	2019
2020	319,225	56,091	375,317	150,000	4.000%	3,000			153,000	222,317	2,092,032	0	2020
2021	323,421	62,761	386,182						0	386,182	2,478,213	0	2021
Total	3,817,833	391,350	4,209,183	1,100,000		294,000	518,190	0	1,912,190	2,296,993			



TID #2 Closure Impact



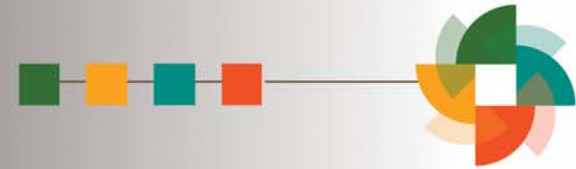
■ Impact

- Reduce TID #3 Revenue Share by \$186,000
 - Shortfall to be made up by Village
- Increase Village costs by \$1.4 M (P&I)
 - Project costs falls 100% on Village taxpayers vs. 25.38% by TID (remaining 74.62% falls to other taxing jurisdictions)

Year	\$1,100,000 G.O. Bonds dated 11/0/09 1-Mar		Total Debt Payments	ADD TID #3 Shortfall	Tax Levy	Equalized Value Tax Base	Equalized Tax Rate	Avg Home Value (000)	Annual Cost	Year
2008			0		0	831,529,100	0.00	225.00	0.00	2008
2009			0		0	897,526,119	0.00	230.63	0.00	2009
2010	4.000%	22,000	22,000	186,000	22,000	963,523,138	0.02	236.39	5.40	2010
2011	4.000%	44,000	44,000		44,000	1,029,520,156	0.22	242.30	54.13	2011
2012	4.000%	44,000	44,000		44,000	1,095,517,175	0.04	248.36	9.97	2012
2013	125,000	41,500	166,500		166,500	1,161,514,194	0.14	254.57	36.49	2013
2014	125,000	36,500	161,500		161,500	1,227,511,213	0.13	260.93	34.33	2014
2015	125,000	31,500	156,500		156,500	1,293,508,231	0.12	267.45	32.36	2015
2016	125,000	26,500	151,500		151,500	1,359,505,250	0.11	274.14	30.55	2016
2017	150,000	21,000	171,000		171,000	1,425,502,269	0.12	280.99	33.71	2017
2018	150,000	15,000	165,000		165,000	1,491,499,288	0.11	288.02	31.86	2018
2019	150,000	9,000	159,000		159,000	1,557,496,306	0.10	295.22	30.14	2019
2020	150,000	3,000	153,000	153,000	1,623,493,325	0.09	302.60	28.52	2020	
2021			0		0	1,689,490,344	0.00	310.16	0.00	2021
TOTAL	1,100,000	294,000	1,394,000	186,000	1,580,000					



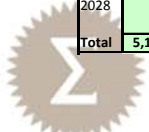
TID #3



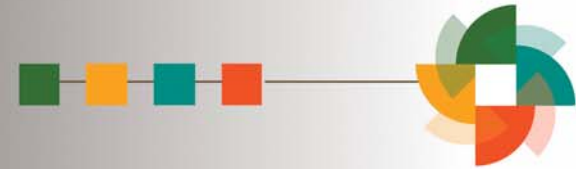
- Created – August 16, 2005
- Type – Blighted
- Struggling Cash Flow
 - 2008 Borrowing
 - Projects Delayed
- Projected Closure
 - Maximum Life



Year	Revenues						Expenditures										Incentive	Expenditures	Principal Outstanding	Year		
	Tax Increments	Investment Earnings	Capitalized Interest	Gorman Guarantee	TID #2 Revenue Share	Total Revenues	2006 Notes \$187,195			State Trust Fund Loan \$2,000,000			2008 Bonds \$4,240,000			Admin.						
		3.00%					16-Oct-09	Est. Rate	Interest	Prin (3/1)	Est. Rate	Interest	01-Mar-09	Est. Rate	Interest							
2005		0				0														6,427,195	2005	
2006		0				0														6,427,195	2006	
2007	0	0				0														6,427,195	2007	
2008	42,070	0	145,007			187,077											3,510	3,510	183,567	183,567	6,427,195	2008
2009	108,700	5,507		194,241	50,000	358,448	5,698	7.210%	13,804	46,070	5.500%	128,670		4.200%	203,518	10,000	49,530	457,289	(98,841)	84,726	6,375,428	2009
2010	94,149	2,542		194,241	70,000	360,932	6,116	7.210%	13,386	67,274	5.500%	107,466	0	4.200%	181,353	10,000	56,700	442,294	(81,362)	3,364	6,302,038	2010
2011	101,015	101		194,241	210,000	505,357	6,565	7.210%	12,937	70,974	5.500%	103,766	60,000	4.200%	180,093	10,000	57,256	501,590	3,767	7,131	6,164,500	2011
2012	107,888	214		194,241		302,343	7,011	7.210%	12,491	74,604	5.500%	100,136	75,000	4.200%	177,258	10,000	57,817	514,316	(211,973)	(204,842)	6,007,885	2012
2013	114,770	0		194,241		309,011	7,561	7.210%	11,940	78,980	5.500%	95,759	110,000	4.200%	173,373	10,000	58,384	545,997	(236,986)	(441,828)	5,811,344	2013
2014	195,191	0		194,241		389,432	8,116	7.210%	11,385	83,324	5.500%	91,415	125,000	4.200%	168,438	10,000	58,956	556,635	(167,203)	(609,031)	5,594,903	2014
2015	260,328	0		194,241		454,570	8,712	7.210%	10,790	87,907	5.500%	86,833	150,000	4.200%	162,663	10,000	59,534	576,437	(121,868)	(730,898)	5,348,284	2015
2016	290,774	0		328,034		618,808	143,115	7.210%	10,179	92,517	5.500%	82,222	150,000	4.200%	156,363	10,000	60,117	704,514	(85,706)	(816,604)	4,962,652	2016
2017	305,120	0		174,740		479,860				97,831	5.500%	76,909	190,000	4.200%	149,223	10,000	60,706	584,669	(104,809)	(921,413)	4,674,821	2017
2018	328,212	0		174,740		502,952				103,211	5.500%	71,529	190,000	4.200%	141,243	10,000	61,301	577,283	(74,332)	(995,744)	4,381,610	2018
2019	338,380	0		174,740		513,120				108,888	5.500%	65,852	250,000	4.200%	132,003	10,000	61,902	628,644	(115,525)	(1,111,269)	4,022,722	2019
2020	348,578	0		174,740		523,318				114,713	5.500%	60,027	270,000	4.250%	121,015	10,000	62,509	638,263	(114,946)	(1,226,215)	3,638,009	2020
2021	363,883	0		174,740		538,623				121,186	5.500%	53,554	295,000	4.250%	109,009	10,000	63,121	651,870	(113,246)	(1,339,461)	3,221,823	2021
2022	415,909	0		174,740		590,649				127,851	5.500%	46,889	315,000	4.250%	96,046	10,000	63,740	659,526	(68,877)	(1,408,338)	2,778,972	2022
2023	425,253	0		174,740		599,992				134,883	5.500%	39,857	310,000	4.250%	82,765	10,000		577,505	22,488	(1,385,851)	2,334,089	2023
2024	434,635	0		174,740		609,375				142,213	5.500%	32,527	315,000	4.250%	69,484	10,000		569,224	40,151	(1,345,700)	1,876,877	2024
2025	452,185	0		174,740		626,925				150,123	5.500%	24,617	340,000	4.350%	55,395	10,000		580,135	46,790	(1,298,910)	1,386,753	2025
2026	461,728	0		174,740		636,468				158,381	5.500%	16,360	360,000	4.350%	40,170	10,000		584,910	51,558	(1,247,352)	868,373	2026
2027				146,719						139,070	5.500%	7,649	360,000	4.400%	24,420							2027
2028													375,000	4.400%	8,250							2028
Total	5,188,766	8,364	145,007	3,435,121	330,000	9,107,258	187,195	96,911	2,000,000	1,292,037	4,240,000	2,432,077	180,000	835,082	10,354,610	(1,247,352)						



TID #4



- Created – Sep 15, 2008
- Type – Rehabilitation
- Limited Cash Flow
 - Hotel Development
- Projected Closure - 2034



Year	Revenues				Expenditures						Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Investment Earnings	Capitalized Interest	Total Revenues	G.O. Bond \$1,080,000 Dated 5/1/2011			G.O. Bond \$2,775,000 Dated 5/1/2014			Admin. Expenses	Total Expenditures			Annual
		3.00%			Prin (3/1)	Est. Rate	Interest	Prin (3/1)	Est. Rate	Interest					
2008		0		0							0	0	0		2008
2009		0		0							0	0	0		2009
2010	10,416	0		10,416							0	10,416	10,416		2010
2011	57,916	312	108,000	166,228		5.000%	54,000				8,000	62,000	104,228	114,644	1,080,000
2012	64,137	3,439		67,576		5.000%	54,000				8,000	62,000	5,576	120,220	1,080,000
2013	71,676	3,607		75,283		5.000%	54,000				8,000	62,000	13,283	133,503	1,080,000
2014	79,372	4,005	346,875	430,252		5.000%	54,000	5.000%	138,750	10,000	202,750	227,502	361,005	3,855,000	
2015	110,904	10,830		121,734	25,000	5.000%	54,000	5.000%	138,750	10,000	227,750	(106,016)	254,989	3,830,000	
2016	143,529	7,650		151,179	25,000	5.000%	52,750	5.000%	138,750	8,000	224,500	(73,321)	181,668	3,805,000	
2017	172,792	5,450		178,242	50,000	5.000%	51,500	5.000%	138,750	8,000	248,250	(70,008)	111,660	3,755,000	
2018	199,368	3,350		202,718	50,000	5.000%	49,000	5.000%	138,750	8,000	245,750	(43,032)	68,628	3,705,000	
2019	230,992	2,059		233,051	50,000	5.000%	46,500	5.000%	138,750	8,000	243,250	(10,199)	58,428	3,655,000	
2020	263,686	1,753		265,438	60,000	5.000%	44,000	5.000%	138,750	8,000	250,750	14,688	73,117	3,595,000	
2021	318,550	2,194		320,743	60,000	5.000%	41,000	65,000	5.000%	138,750	8,000	312,750	7,993	81,110	3,470,000
2022	332,149	2,433		334,582	75,000	5.000%	38,000	65,000	5.000%	135,500	8,000	321,500	13,082	94,192	3,330,000
2023	346,057	2,826		348,883	75,000	5.000%	34,250	85,000	5.000%	132,250	8,000	334,500	14,383	108,575	3,170,000
2024	360,283	3,257		363,540	75,000	5.000%	30,500	110,000	5.000%	128,000	8,000	351,500	12,040	120,615	2,985,000
2025	374,834	3,618		378,452	80,000	5.000%	26,750	125,000	5.000%	122,500	8,000	362,250	16,202	136,817	2,780,000
2026	389,718	4,105		393,823	80,000	5.000%	22,750	150,000	5.000%	116,250	8,000	377,000	16,823	153,640	2,550,000
2027	404,945	4,609		409,554	80,000	5.000%	18,750	180,000	5.000%	108,750	8,000	395,500	14,054	167,694	2,290,000
2028	420,522	5,031		425,553	80,000	5.000%	14,750	210,000	5.000%	99,750	8,000	412,500	13,053	180,747	2,000,000
2029	436,459	5,422		441,882	100,000	5.000%	10,750	215,000	5.000%	89,250	8,000	423,000	18,882	199,629	1,685,000
2030	452,765	5,989		458,754	115,000	5.000%	5,750	225,000	5.000%	78,500	8,000	432,250	26,504	226,133	1,345,000
2031	469,448	6,784		476,232				300,000	5.000%	67,250	8,000	375,250	100,982	327,115	1,045,000
2032	486,519	9,813		496,332				345,000	5.000%	52,250	8,000	405,250	91,082	418,197	700,000
2033	503,987	12,546		516,533				350,000	5.000%	35,000	8,000	393,000	123,533	541,729	350,000
2034	521,862	16,252		538,114				350,000	5.000%	17,500	8,000	375,500	162,614	704,343	0
2035	540,154	21,130		561,285							8,000	561,285	1,265,628		0
Total	7,763,039	148,464	454,875	8,366,378	1,080,000		757,000	2,775,000		2,292,750	204,000	7,100,750	1,265,628		



Questions?



Jim Mann

262-796-6162

jmann@ehlers-inc.com

