



October 7, 2019

Annual Tax Increment District Report – TID No. 3 / (MLG Industrial Park)

Village of Waunakee, Wisconsin



Prepared by:

Todd Taves, CIPMA
Senior Municipal Advisor

Philip L. Cosson, CIPMA
Senior Municipal Advisor

Annual Tax Increment District Report

Village of Waunakee, Wisconsin
Tax Increment District No. 3 (MLG Industrial Park)

Purpose: State law requires municipalities with an active Tax Incremental District (TID) to electronically file an Annual Report for each TID by July 1 of each calendar year. This is a summary of that filing to be used at the annually required meeting of the standing Joint Review Board.

District Summary: Tax Increment District No. 3 (“District”) was created on June 5, 2000 as an Industrial District. On September 27, 2004, the Village Board approved a project plan amendment that added certain costs and cost categories to the Plan. The District’s expenditure period ended on June 5, 2018 and it must terminate not later than June 5, 2023. The final year of revenue will be 2024.

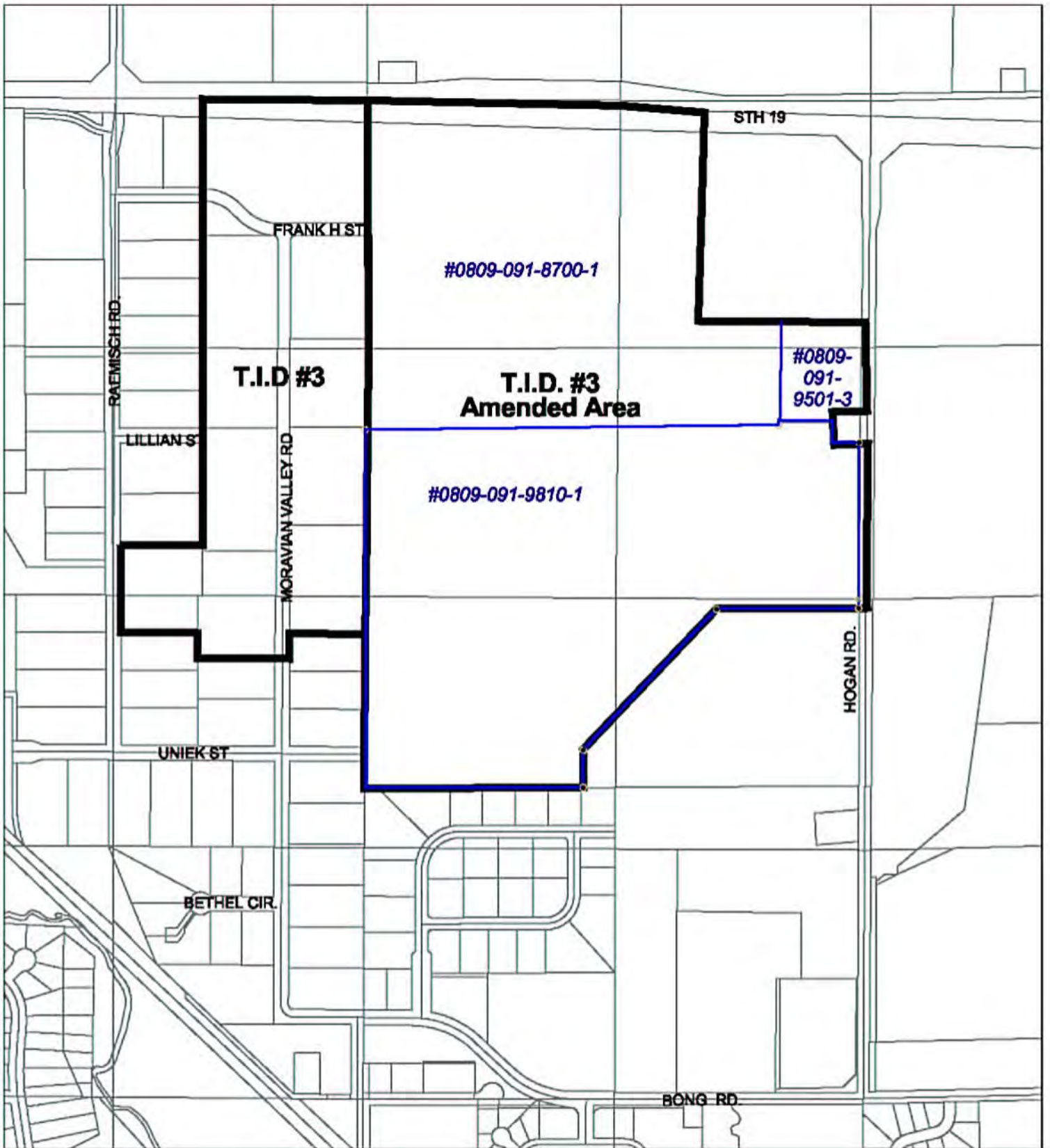
| | | |
|------------------------|---|--------------|
| Financial Data: | Base Value | \$634,700 |
| | Incremental Value (1/1/2019) | \$40,057,200 |
| | Year End Fund Balance (2018), as adjusted for advance | (\$321,324) |
| | Projected Closure (based on current cash flow) | 2024 |

Notes: In 2018 Hellenbrand Glass completed an expansion of their facility. Secure Storage completed buildings. St. John Properties constructed a new building on the extended portion of Frank H Street. Finally, Octopi Brewing started an expansion to be completed in 2019. In 2019, it is anticipated that a Pet Wellness Complex will also be completed.

Joint Review Board Action: Resolution acknowledging filing of Annual TID Report and compliance with annual meeting requirements.

Attachments:

- TID Boundary Map
- TID Cash Flow Projection (Detail)
- State Submittal
- Prior Year’s Tax Increment Projection and Cash Flow



**Boundary Map
T.I.D. #3 Amendment
Village of Waunakee**

Page 2
June 29, 2004



Stockham Consulting
Madison, WI

Village of Waunakee

Tax Increment District # 3 MLG / Ind Park

Development Assumptions²

| Construction Year | Actual ¹ | Octopi Brewing Exp. | Zen Dogs | Annual Total | Construction Year |
|-------------------|---------------------|---------------------|----------------|-------------------|-------------------|
| 16 | 29,568,500 | | | 29,568,500 | 2015 |
| 17 | 1,507,100 | | | 1,507,100 | 2016 |
| 18 | 3,500,200 | | | 3,500,200 | 2017 |
| 19 | 5,481,400 | | | 5,481,400 | 2018 |
| 20 | | 900,000 | 900,000 | 1,800,000 | 2019 |
| 21 | | | | 0 | 2020 |
| 22 | | | | 0 | 2021 |
| 23 | | | | 0 | 2022 |
| Totals | 40,057,200 | 900,000 | 900,000 | 41,857,200 | |

Notes:

¹Actual incremental valuation change per Wis. Dept. of Revenue. Figure shown for 2015 reflects incremental valuation change for the period of 2000-2015.

²Projected valuation additions for the 2019 construction year as reported by the Village on 5-3-2019.

Village of Waunakee

Tax Increment District # 3 MLG / Ind Park

Tax Increment Projection Worksheet

| | | | |
|--------------------------------|-------------------|--------------------------|---------|
| Type of District | Ind (Pre 10-1-04) | Base Value | 634,700 |
| District Creation Date | June 5, 2000 | Appreciation Factor | 0.05% |
| Valuation Date | Jan 1, 2000 | Base Tax Rate | \$20.74 |
| Max Life (Years) | 23 | Rate Adjustment Factor | |
| Expenditure Period/Termination | 18 6/5/2018 | | |
| Revenue Periods/Final Year | 23 2024 | | |
| Extension Eligibility/Years | Yes 3 | | |
| Recipient District | No | Tax Exempt Discount Rate | |
| | | Taxable Discount Rate | |

| Construction Year | Value Added | Valuation Year | Inflation Increment | Total Increment | Revenue Year | Tax Rate ¹ | Tax Increment | |
|-------------------|-------------|----------------|---------------------|-----------------|--------------|-----------------------|----------------------------------|------------------|
| | | | | | | | | |
| 16 | 29,568,500 | 2016 | | 29,568,500 | 2017 | \$21.81 | 644,795 | |
| 17 | 1,507,100 | 2017 | | 31,075,600 | 2018 | \$21.57 | 670,256 | |
| 18 | 3,500,200 | 2018 | | 34,575,800 | 2019 | \$20.74 | 717,125 | |
| 19 | 5,481,400 | 2019 | | 40,057,200 | 2020 | \$20.74 | 830,813 | |
| 20 | 1,800,000 | 2020 | 20,029 | 41,877,229 | 2021 | \$20.74 | 868,561 | |
| 21 | 0 | 2021 | 20,939 | 41,898,167 | 2022 | \$20.74 | 868,996 | |
| 22 | 0 | 2022 | 20,949 | 41,919,116 | 2023 | \$20.74 | 869,430 | |
| 23 | 0 | 2023 | 20,960 | 41,940,076 | 2024 | \$20.74 | 869,865 | |
| Totals | | | | | | | Future Value of Increment | 6,339,840 |

Notes:

¹Rate shown for 2019 and preceding revenue years is actual per DOR Form PC-202 (Tax Increment Collection Worksheet)

Village of Waunakee

Tax Increment District # 3 MLG / Ind Park

Cash Flow Projection

| Year | Actual & Projected Revenues ¹ | | | | | Actual & Expenditures ³ | | | | | | | | | | | Balances | | | Year | | | | |
|--------------|--|---------------------------------|----------------------|---|-------------------|---|--------|----------------|-----------------------|------------------------------------|--|--|--|-----------|---------------|----------------|------------------------|---------------|-----------------------|-----------|-----------|-----------------|-------------------------|---------------------------------------|
| | Tax Increments | Interest Earnings/ (Cost) | Computer & PP Aid | LOC or Developer Payment ² | Total Revenues | 2012 GO Refunding Bonds 13,245,000 Dated Date: 04/18/12 | | | Tormach PAYGO Bond | St John PAYGO Bond ⁴ | Octopi Brewing PAYGO Bond ⁴ | Octopi Expansion PAYGO Bond ⁴ | Repay Village Adv. for Roadwork 437,000 Dated Date: 09/01/17 | | | Capital Exp. | Repay Developer LOC | Admin. | Total Expenditures | | Annual | Plus Advance | Cumulative ⁵ | Principal Outstanding ⁶ |
| | | | | | | Principal | Rate | Interest | | | | | Principal | Est. Rate | Interest | | | | | | | | | |
| 2017 | 644,795 | 8 | 12,077 | 56,904 | 713,785 | 535,000 | 4.000% | 166,700 | 20,000 | 16,411 | 26,928 | | | | 314,061 | | 19,599 | 1,098,699 | (384,914) | 437,000 | (253,599) | 4,674,523 | 2017 | |
| 2018 | 670,256 | 8 | 12,254 | 63,944 | 746,462 | 590,000 | 4.000% | 144,200 | | 20,607 | 26,205 | | | 11,220 | | 21,955 | 814,187 | (67,725) | | (321,324) | 4,037,711 | 2018 | | |
| 2019 | 717,125 | | 14,957 | 126,695 | 858,777 | 635,000 | 4.000% | 119,700 | | 22,757 | 26,336 | | | | | 1,650 | 894,563 | (35,787) | | (357,111) | 3,297,991 | 2019 | | |
| 2020 | 830,813 | | 14,000 | | 844,813 | 640,000 | 4.000% | 94,200 | | | 26,467 | 21,569 | 70,333 | 4.000% | 15,255 | | 1,650 | 869,474 | (24,661) | | (381,772) | 2,539,622 | 2020 | |
| 2021 | 868,561 | | 14,000 | | 882,561 | 670,000 | 4.000% | 68,000 | | | 26,600 | 21,579 | 71,746 | 4.000% | 12,442 | | 1,650 | 872,017 | 10,545 | | (371,227) | 1,749,697 | 2021 | |
| 2022 | 868,996 | | 14,000 | | 882,996 | 685,000 | 4.000% | 40,900 | | | 26,733 | 21,590 | 78,216 | 4.000% | 9,572 | | 1,650 | 863,661 | 19,335 | | (351,893) | 938,158 | 2022 | |
| 2023 | 869,430 | | 14,000 | | 883,430 | 680,000 | 4.000% | 13,600 | | | 26,866 | 21,601 | 79,744 | 4.000% | 6,433 | | 1,650 | 829,894 | 53,536 | | (298,357) | 129,947 | 2023 | |
| 2024 | 869,865 | | 14,000 | | 883,865 | | | | | | 27,001 | 21,612 | 81,334 | 4.000% | 3,253 | 447,308 | 5,000 | 585,508 | 298,357 | 0 | 0 | 0 | 2024 | |
| Total | 6,339,840 | 16 | 109,288 | 247,543 | 6,696,688 | 4,435,000 | | 647,300 | 20,000 | 59,775 | 213,136 | 107,951 | 437,000 | | 80,448 | 325,281 | 447,308 | 54,804 | 6,828,003 | | | | Total | |

Projected TID Closure

Notes:
¹Revenues shown for 2017 and 2018 are actual per the Village's audited financial statements. 2019 revenues reflect budgeted figures except tax increment has been adjusted to actual amount collected.
²Letter of Credit payment provided by Finance Director on 7-17-2019.
³Expenditures shown for 2017 and 2018 are actual per the Village's audited financial statements. 2019 expenditures reflect budgeted figures except for the repayment of the Village advance.
⁴PAYGO schedules provided by Finance Director 7-17-2019.
⁵Balances shown for 2017 and 2018 per the Village's audited financial statements. (Year end 2018 balance per audit is -\$758,324 but is offset by a \$437,000 advance scheduled for repayment).
⁶Includes outstanding principal amount of G.O. debt, advances and PAYGO payments.

| | | |
|------------------------|--------------------------|-----------------------------------|
| Form PE-300 | TID Annual Report | 2018 WI Dept of Revenue |
|------------------------|--------------------------|-----------------------------------|

| Municipality/TID | | | | | |
|------------------------------|---------------------------------|------------------------|------------------------------------|---|---|
| Co-muni code 13191 | Municipality WAUNAKEE | County DANE | Due date 07-01-2019 | Report type ORIGINAL | |
| TID number 003 | TID type 4 | TID name N/A | Creation date 06-05-2000 | Mandatory termination date 06-05-2023 | Expected termination date N/A |

| | |
|---|-------------------|
| Section 1 : Beginning Balance | |
| TID fund balance at beginning of fiscal year | \$-690,599 |

| | |
|--|--|
| Section 2. Revenue | |
| Does this TID receive allocated funds from another TID? | No |
| Allocation from another TID | Allocation amount |
| N/A | \$0 |
| Subtotal allocation from another TID amount | \$0 |
| Developer guarantee name | Developer guarantee amount |
| MLG INVESTMENTS LLC | \$63,944 |
| Subtotal developer guarantee amount | \$63,944 |
| Transfer from other fund source | Transfer from other fund amount |
| Subtotal transfer from other fund amount | \$0 |
| Other grant sources | Other grant amount |
| Subtotal other grant source amount | \$0 |
| Other revenue sources | Other revenue amount |
| Subtotal other revenue source amount | \$0 |
| Tax increment | \$670,256 |
| Investment income | \$8 |
| Debt proceeds | |
| Special assessments | |
| Exempt computer aid | \$12,254 |
| Sale of property | |
| Total Revenue (deposits) | \$746,462 |

| | | |
|------------------------|--------------------------|-----------------------------------|
| Form PE-300 | TID Annual Report | 2018 WI Dept of Revenue |
|------------------------|--------------------------|-----------------------------------|

| Section 3. Expenditures | |
|---|--------------------------------------|
| Developer grant name | Developer grant amount |
| OCTOPI BREWING, LLC | \$26,205 |
| ST JOHN PROPERTIES, INC | \$20,607 |
| Subtotal developer grant amount | \$46,812 |
| Does this TID allocate funds to another TID? | No |
| Allocation to another TID | Allocation amount |
| N/A | \$0 |
| Subtotal allocation to another TID | \$0 |
| Transfer to other fund name | Transfer to other fund amount |
| Subtotal transfer to other fund amount | \$0 |
| Other expenditure name | Other expenditure amount |
| Subtotal other expenditures amount | \$0 |
| Capital expenditures | \$11,220 |
| Administration | \$500 |
| Professional services | \$21,305 |
| Interest and fiscal charges | \$144,200 |
| DOR fees | \$150 |
| Discount on long-term debt | |
| Debt issuance costs | |
| Principal on long-term debt | \$590,000 |
| Environmental costs | |
| Real property assembly costs | |
| Total Expenditures | \$814,187 |

| Section 4. Ending Balance | |
|---|--------------------|
| TID fund balance at end of fiscal year | \$-758,324 |
| Future costs | \$4,704,421 |
| Future revenue | \$5,462,745 |
| Surplus or deficit | \$0 |

| | | |
|------------------------|--------------------------|-----------------------------------|
| Form PE-300 | TID Annual Report | 2018 WI Dept of Revenue |
|------------------------|--------------------------|-----------------------------------|

| Preparer/Contact Information | |
|---|---|
| Preparer name RENEE MEINHOLZ | Preparer title FINANCE DIRECTOR |
| Preparer email rmeinholz@waunakee.com | Preparer phone (608) 850-6622 |
| Contact name RENEE MEINHOLZ | Contact title FINANCE DIRECTOR |
| Contact email rmeinholz@waunakee.com | Contact phone (608) 850-6622 |

| Submission Information | |
|--|-------------------------------------|
| You successfully submitted your form. Save and/or print a copy for your records. | |
| Co-muni code | 13191 |
| TID number | 003 |
| Recording time | 05-28-2019 10:56 AM |
| Confirmation | TIDAR201813191O1556809735908 |
| Submission type | ORIGINAL |

Village of Waunakee

Tax Increment District # 3 MLG / Ind Park

Tax Increment Projection Worksheet

| | | |
|--------------------------------|-------------------|----------|
| Type of District | Ind (Pre 10-1-04) | |
| District Creation Date | June 5, 2000 | |
| Valuation Date | Jan 1, 23 | 2000 |
| Max Life (Years) | 18 | 6/5/2018 |
| Expenditure Period/Termination | 23 | 2024 |
| Revenue Periods/Final Year | Yes | 3 |
| Extension Eligibility/Years | No | |
| Recipient District | | |

| | |
|--------------------------|---------|
| Base Value | 634,700 |
| Appreciation Factor | 0.05% |
| Base Tax Rate | \$20.00 |
| Rate Adjustment Factor | |
| Tax Exempt Discount Rate | 2.90% |
| Taxable Discount Rate | 4.40% |

Apply to Base Value

| Construction Year | Value Added | Valuation Year | Inflation Increment | Total Increment | Revenue Year | Tax Rate | Tax Increment | Tax Exempt NPV | | |
|-------------------|-------------|----------------|---------------------|-----------------|--------------|----------|------------------|----------------|----------------------------------|------------------|
| | | | | | | | | Calculation | Calculation | |
| 15 | 0 | 2015 | 0 | 0 | 2016 | \$20.00 | 0 | 0 | | |
| 16 | 0 | 2016 | 0 | 29,568,500 | 2017 | \$21.81 | 644,795 | 626,623 | | |
| 17 | 1,507,100 | 2017 | | 31,075,600 | 2018 | \$21.57 | 670,256 | 1,259,632 | | |
| 18 | 1,700,000 | 2018 | 15,538 | 32,791,138 | 2019 | \$21.57 | 707,257 | 1,908,761 | | |
| 19 | 4,116,133 | 2019 | 16,396 | 36,923,666 | 2020 | \$21.57 | 796,390 | 2,619,098 | | |
| 20 | 0 | 2020 | 18,462 | 36,942,128 | 2021 | \$21.57 | 796,788 | 3,309,761 | | |
| 21 | 0 | 2021 | 18,471 | 36,960,599 | 2022 | \$21.57 | 797,187 | 3,981,295 | | |
| 22 | 0 | 2022 | 18,480 | 36,979,079 | 2023 | \$21.57 | 797,585 | 4,634,229 | | |
| 23 | 0 | 2023 | 18,490 | 36,997,569 | 2024 | \$21.57 | 797,984 | 5,269,079 | | |
| Totals | | | | | | | 7,323,233 | 105,836 | Future Value of Increment | 6,008,243 |

Notes:

Actual results will vary depending on development, inflation of overall tax rates.
 NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).

Version 3



Village of Waunakee

Tax Increment District # 3 MLG / Ind Park

Cash Flow Projection WITH Overlay of New TID 9

| Year | Projected Revenues | | | | | Expenditures | | | | | | | | | | Balances | | | Year | | | | | | |
|-------|--------------------|---------------------------------|---|----------------------------------|-------------------|---------------------------------------|-------|----------|---------------------------------|--------------------------|---|-----------|---|---------------|------------------------|--------------------------|---------|---------|--------|-----------------------|----------|------------|--------------------------|-----------|------|
| | Tax Increments | Interest Earnings/ (Cost) | Computer Aid/ Inter- governmental | LOC or Developer Payment * | Total Revenues | 2012 GO Refunding Bonds 13,245,000 | | | St John PAYGO Bond ** 59,775 | | Octopi Brewing PAYGO Bond ** 271,071 | | Repay Village Advance for Roadwork 437,000 | | | Octopi Brewing Expansion | | | | Total Expenditures | Annual | Cumulative | Principal Outstanding | | |
| | | | | | | Dated Date: Principal | Rate | Interest | Dated Date: Principal | Dated Date: Principal | Dated Date: Principal | Est. Rate | Interest | PAYGO 7 /1/18 | Repay Developer LOC | Admin. | | | | | | | | | |
| 2017 | | | | | | 590,000 | 4.00% | 144,200 | | 20,607 | | 32,829 | | | | | | | | | | | | 2017 | |
| 2018 | 670,256 | | 12,255 | 63,944 | 746,455 | 635,000 | 4.00% | 119,700 | | 20,607 | | 33,024 | 55,627 | 4.00% | 33,493 | | | | | 3,150 | 790,786 | (44,331) | (297,930) | 4,078,780 | 2018 |
| 2019 | 707,257 | | 5,000 | 136,563 | 848,820 | 635,000 | 4.00% | 119,700 | | 20,607 | | 33,024 | 55,627 | 4.00% | 33,493 | | | | 650 | 898,101 | (49,281) | (347,211) | 3,334,522 | 2019 | |
| 2020 | 796,390 | | 5,000 | 23,398 | 824,788 | 640,000 | 4.00% | 94,200 | | 2,150 | | 33,219 | 70,333 | 4.00% | 15,255 | 21,569 | | | 650 | 877,376 | (52,588) | (399,799) | 2,567,251 | 2020 | |
| 2021 | 796,788 | | 5,000 | 25,399 | 827,188 | 670,000 | 4.00% | 68,000 | | | | 33,416 | 71,746 | 4.00% | 12,442 | 21,579 | | | 650 | 877,833 | (50,645) | (450,444) | 1,770,510 | 2021 | |
| 2022 | 797,187 | | 5,000 | 16,501 | 818,688 | 685,000 | 4.00% | 40,900 | | | | 33,614 | 78,216 | 4.00% | 9,572 | 21,590 | | | 650 | 869,542 | (50,854) | (501,298) | 952,090 | 2022 | |
| 2023 | 797,585 | | 5,000 | | 802,585 | 680,000 | 4.00% | 13,600 | | | | 33,812 | 79,744 | 4.00% | 6,433 | 21,601 | | | 650 | 835,840 | (33,255) | (534,553) | 136,933 | 2023 | |
| 2024 | 797,984 | | 5,000 | | 802,984 | | | | | | | 33,987 | 81,334 | 4.00% | 3,253 | 21,612 | 123,245 | 5,000 | | 268,431 | 534,553 | (0) | 0 | 0 | 2024 |
| Total | 5,363,448 | 0 | 42,255 | 265,805 | 5,671,508 | 3,900,000 | | 480,600 | | 43,364 | | 233,901 | 437,000 | | 80,448 | | 107,951 | 123,245 | 11,400 | 5,417,909 | | | | Total | |

Notes:

* LOC Payment schedule from Finance Director 6/8/17 email for 2012 issue + Calculated amount on proposed 2017 issue.

** PAYGO Schedules from Finance Director 6/8/17

*** The 2017 YE balance per audit is -690,599 but is offset here by the scheduled principal amount of the advance (\$437,000) shown as being scheduled for repayment.

Projected TID Closure

YE UnAudited Balance

Version 3