



## 2024 TID #6 Creation

City of Cudahy, Wisconsin

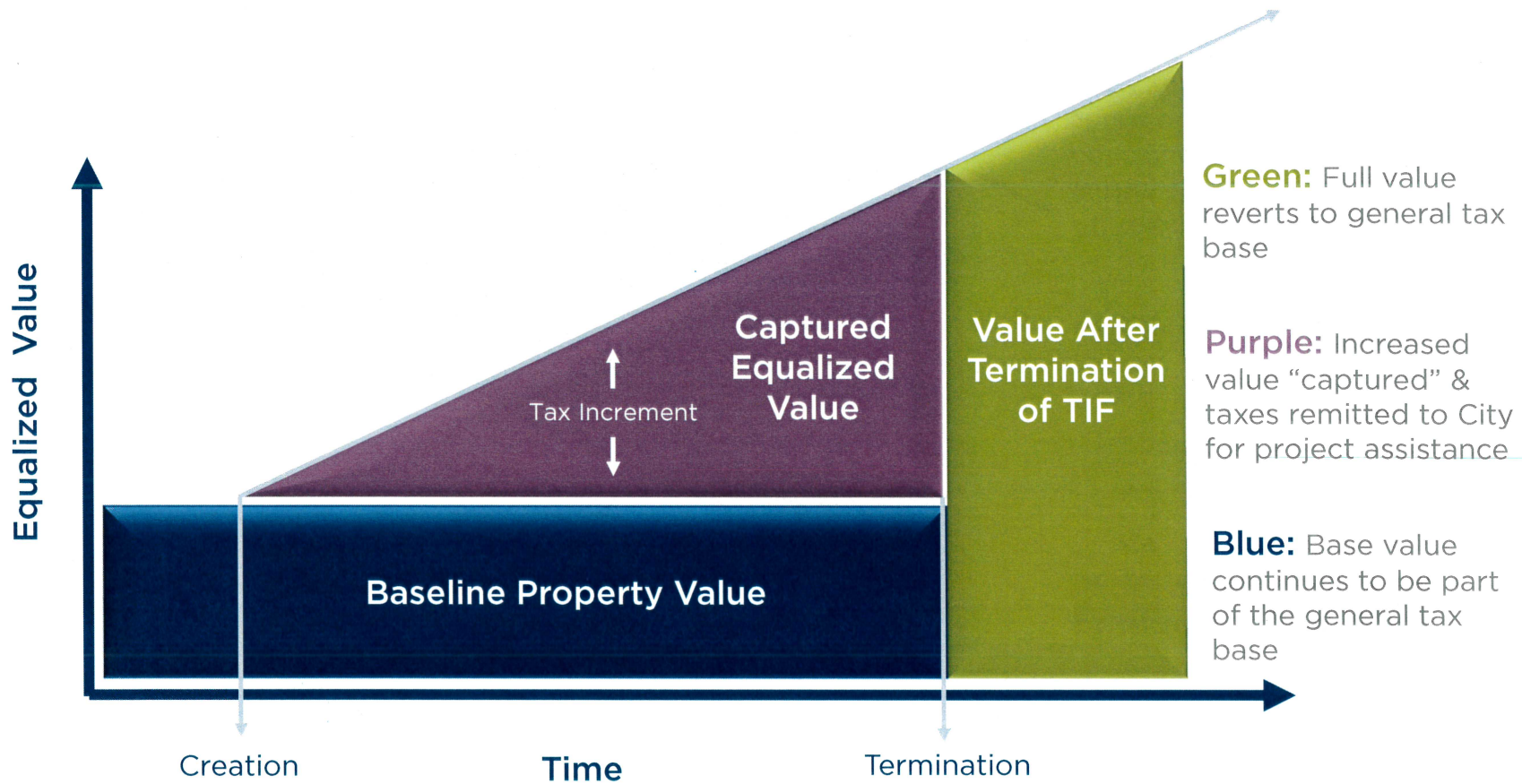
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# Timeline

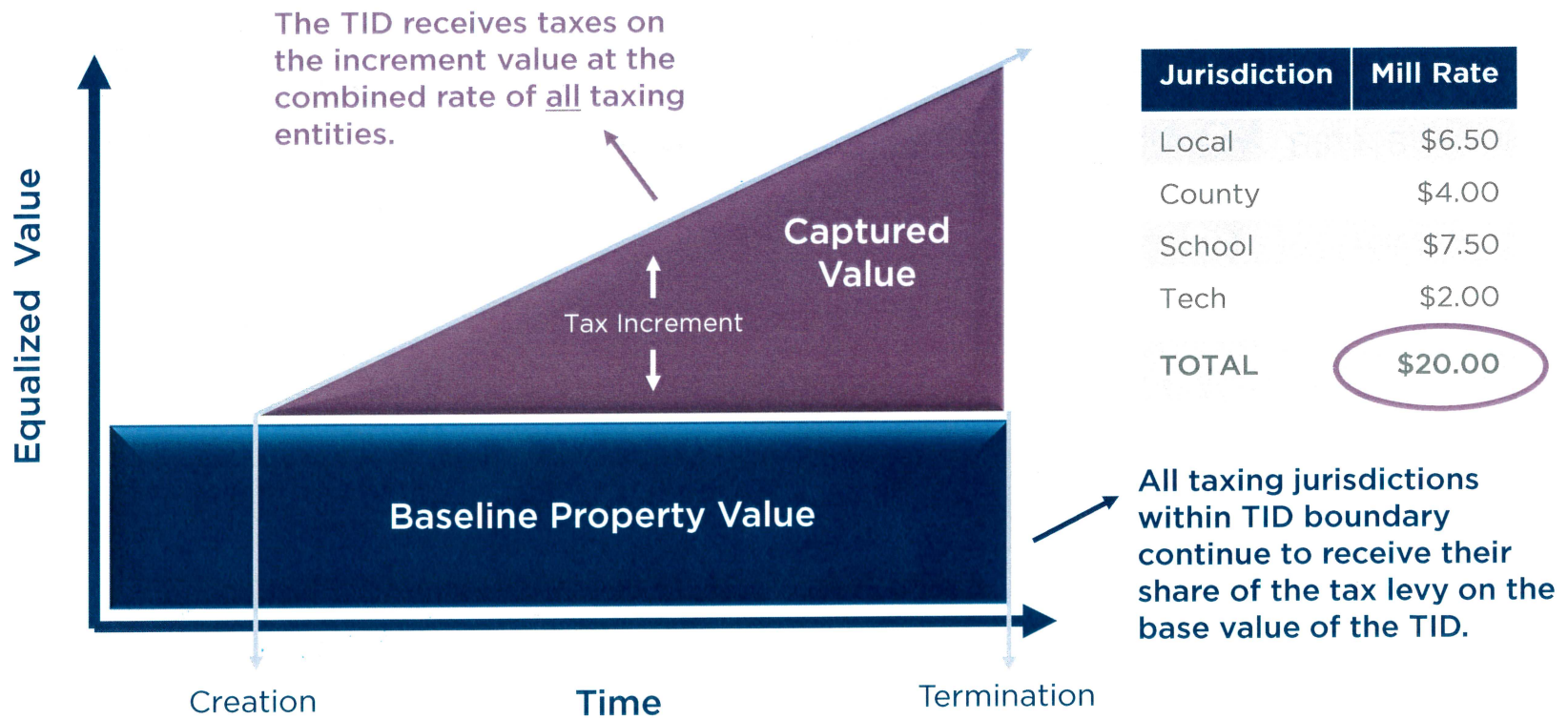
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- June 25, 2024
  - ✓ Initial Joint Review Board meeting (organizational)
- June 25, 2024
  - ✓ CDA public hearing.
  - ✓ Consider resolution creating the district.
- July 18, 2024
  - ✓ Common Council considers resolution creating districts
- August 5, 2024 to August 30, 2024
  - ✓ JRB meeting to vote on creating district.
  - ✓ Annual meeting and update on existing districts (all school districts).

# TIF Fundamentals



# TID Tax Levies





# 12% Equalized Value test

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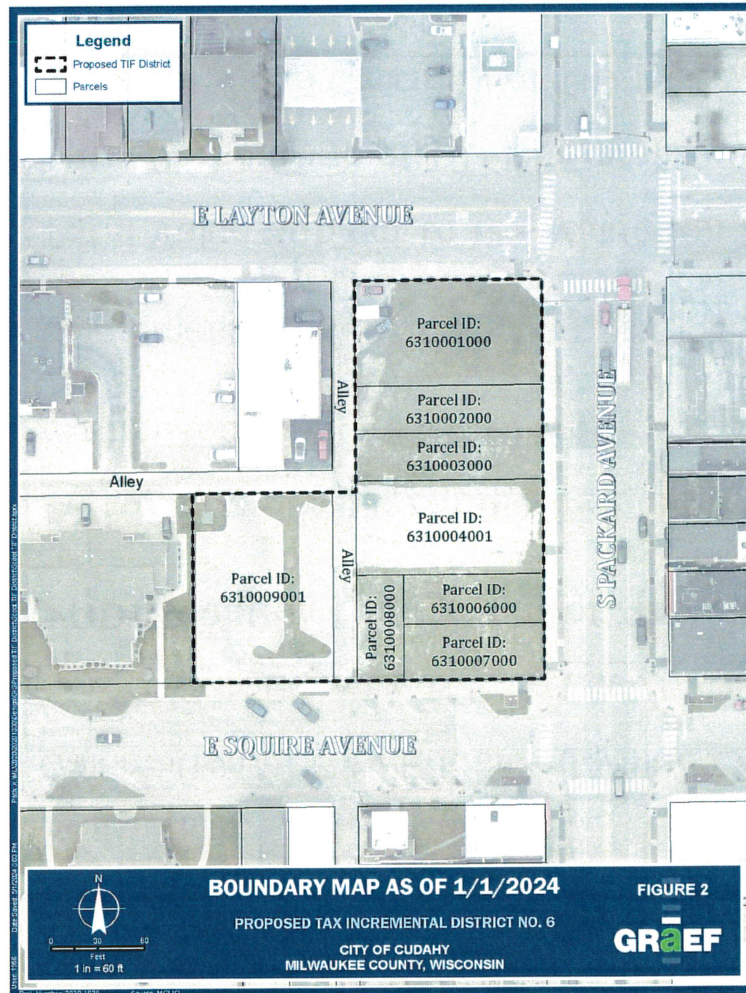
## Calculation of City Equalized Value Limit

|  |    |               |
|--|----|---------------|
| City TID IN Equalized Value (Jan. 1, 2023) | \$ | 1,731,179,100 |
| TID Valuation Limit @ 12% of Above Value   | \$ | 207,741,492   |

## Calculation of Value Subject to Limit

|  |    |             |
|--|----|-------------|
| Estimated Base Value of Territory to be Included in District | \$ | -           |
| Incremental Value of Existing Districts (Jan. 1, 2023)       | \$ | 7,893,900   |
| Total Value Subject to 12% Valuation Limit                   | \$ | 7,893,900   |
| Total Percentage of TID IN Equalized Value                   |    | 0.46%       |
| Residual Value Capacity of TID IN Equalized Value            | \$ | 199,847,592 |

# Tax Incremental District No. 6



## Purpose

- Facilitate development of “The Scoot” (“Project”) an 80 unit multi-family market rate apartment complex featuring a clubroom, roof deck, fitness center, co-working space, and 4,100 square feet of commercial space to be developed by Land by Label LLC

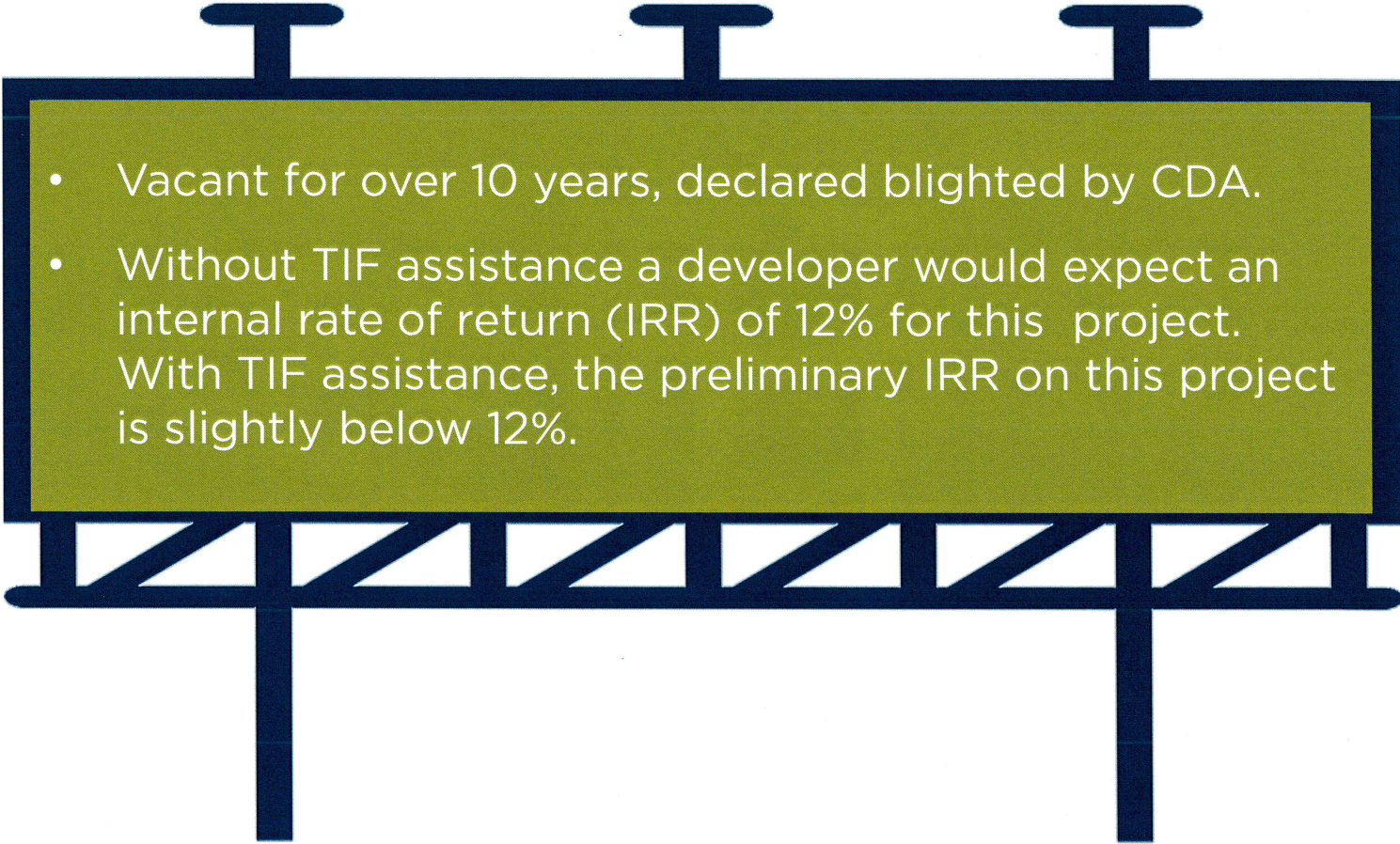
## Required Finding

- Not less than 50% by area meets statutory definition of an area in need of rehabilitation or conservation work.



# Site Challenges

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- A stylized graphic of a billboard with a dark blue frame and three support poles. The billboard has a greenish-yellow background with a dark blue border. Inside the billboard, there is a bulleted list of two items.
- Vacant for over 10 years, declared blighted by CDA.
  - Without TIF assistance a developer would expect an internal rate of return (IRR) of 12% for this project. With TIF assistance, the preliminary IRR on this project is slightly below 12%.







# General projects included in project plan

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## Preliminary Projects:

- Financing Costs.
- Developer incentives subject to approval of developer agreement by Common Council.
- Ongoing annual costs of City for audit, TID reporting, legal review, etc.

- Approval of TID project plan does not authorize incentive, it just makes it a TID eligible expense.




# Incentives & developer agreement

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Security provisions: shortfall payments, letters of credit, special assessments, and construction milestones.



Method of financing determined pending successful negotiation of a developer agreement.



Project Plan includes illustration of potential options.

# Detailed project list

| Project Name/Type                       | Est. Cost        |         | Totals    |
|---|------------------|---------|-----------|
|   | Project Specific | Ongoing |           |
| Deferred Loan (developer incentive)     | 700,000          |         | 700,000   |
| Cash Developer Incentive                | 3,350,000        |         | 3,350,000 |
| Interest on Long Term Debt              | 2,399,900        |         | 2,399,900 |
| Financing Costs                         | 119,000          |         | 119,000   |
| Ongoing Planning & Administrative Costs |                  | 210,000 | 210,000   |
| Totals                                  | 6,568,900        | 210,000 | 6,778,900 |



# TID #6 Financial Analysis Summary

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1. Estimated incremental value of \$19 million based on initial assessor input.

2. Estimated tax increment collected over life of district totals approximately \$8.5 million.

3. Cash flow model is illustration only of how costs could be funded. Projected closure 2041.

# Cash Flow Projection

| Year   | Projected Revenues                                 |               |               |               |                | Projected Expenditures  |  |                     |                 |                                   |                    |         | Balances   |                         |        | Year |
|--------|--|---------------|---------------|---------------|----------------|---|--|---------------------|-----------------|-----------------------------------|--------------------|---------|------------|-------------------------|--------|------|
|        | Funds Advanced to TID for Interest & Principal for |               |               |               | Total Revenues | 2025 State Trust Fund Loan (Short-term) \$3,350,000 Issue Total | 2026 Taxable G.O. Refunding Bond \$3,670,000 Issue Total | Developer Incentive | Financing Costs | Ongoing Planning & Administration | Total Expenditures | Annual  | Cumulative | Liabilities Outstanding |        |      |
|        | Tax Increments                                     | Deferred Loan | Debt Proceeds | Deferred Loan |                |   |  |                     |                 |                                   |                    |         |            |                         |        |      |
| 2024   | 700,000  |               |               |               | 700,000        | 0   | 0  | 700,000             |                 |                                   |                    | 700,000 | 0          | 0                       | 0      | 2024 |
| 2025   |  |               | 3,350,000     | 35,000        | 3,385,000      | 0   | 0  | 3,350,000           |                 | 7,500                             | 3,357,500          | 27,500  | 27,500     | 3,350,000               | 2025   |      |
| 2026   | 86,574   |               | 3,670,000     | 35,000        | 3,791,574      | 3,551,000   | 0  |                     | 119,000         | 7,500                             | 3,677,500          | 114,074 | 141,574    | 3,670,000               | 2026   |      |
| 2027   | 344,563  |               |               | 35,000        | 379,563        | 0   | 302,775  |                     |                 | 7,500                             | 310,275            | 69,288  | 210,861    | 3,670,000               | 2027   |      |
| 2028   | 342,840  |               |               | 35,000        | 377,840        | 0   | 372,038  |                     |                 | 7,500                             | 379,538            | (1,697) | 209,164    | 3,495,000               | 2028   |      |
| 2029   | 341,126  |               |               | 35,000        | 376,126        | 0   | 367,275  |                     |                 | 7,500                             | 374,775            | 1,351   | 210,515    | 3,315,000               | 2029   |      |
| 2030   | 339,420  |               |               | 35,000        | 374,420        | 0   | 362,238  |                     |                 | 7,500                             | 369,738            | 4,683   | 215,198    | 3,130,000               | 2030   |      |
| 2031   | 337,723  |               |               | 35,000        | 372,723        | 0   | 356,925  |                     |                 | 7,500                             | 364,425            | 8,298   | 223,496    | 2,940,000               | 2031   |      |
| 2032   | 336,034  |               |               | 35,000        | 371,034        | 0   | 346,475  |                     |                 | 7,500                             | 353,975            | 17,059  | 240,555    | 2,750,000               | 2032   |      |
| 2033   | 334,354  |               |               | 35,000        | 369,354        | 0   | 336,025  |                     |                 | 7,500                             | 343,525            | 25,829  | 266,384    | 2,560,000               | 2033   |      |
| 2034   | 332,683  |               |               | 735,000       | 1,067,683      | 0   | 330,438  |                     |                 | 7,500                             | 337,938            | 729,745 | 996,129    | 2,365,000               | 2034   |      |
| 2035   | 331,019  |               |               |               | 331,019        | 0   | 319,713  |                     |                 | 7,500                             | 327,213            | 3,807   | 999,936    | 2,170,000               | 2035   |      |
| 2036   | 329,364  |               |               |               | 329,364        | 0   | 313,850  |                     |                 | 7,500                             | 321,350            | 8,014   | 1,007,950  | 1,970,000               | 2036   |      |
| 2037   | 327,717  |               |               |               | 327,717        | 0   | 317,438  |                     |                 | 7,500                             | 324,938            | 2,780   | 1,010,730  | 1,755,000               | 2037   |      |
| 2038   | 326,079  |               |               |               | 326,079        | 0   | 305,613  |                     |                 | 7,500                             | 313,113            | 12,966  | 1,023,696  | 1,540,000               | 2038   |      |
| 2039   | 324,448  |               |               |               | 324,448        | 0   | 293,788  |                     |                 | 7,500                             | 301,288            | 23,161  | 1,046,857  | 1,325,000               | 2039   |      |
| 2040   | 322,826  |               |               |               | 322,826        | 0   | 286,825  |                     |                 | 7,500                             | 294,325            | 28,501  | 1,075,358  | 1,105,000               | 2040   |      |
| 2041   | 321,212  |               |               |               | 321,212        | 0   | 274,725  |                     |                 | 7,500                             | 282,225            | 38,987  | 1,114,345  | 885,000                 | 2041   |      |
| 2042   | 319,606  |               |               |               | 319,606        | 0   | 262,625  |                     |                 | 7,500                             | 270,125            | 49,481  | 1,163,825  | 665,000                 | 2042   |      |
| 2043   | 318,008  |               |               |               | 318,008        | 0   | 250,525  |                     |                 | 7,500                             | 258,025            | 59,983  | 1,223,808  | 445,000                 | 2043   |      |
| 2044   | 316,418  |               |               |               | 316,418        | 0   | 238,425  |                     |                 | 7,500                             | 245,925            | 70,493  | 1,294,301  | 225,000                 | 2044   |      |
| 2045   | 314,836  |               |               |               | 314,836        | 0   | 231,188  |                     |                 | 7,500                             | 238,688            | 76,148  | 1,370,449  | 0                       | 2045   |      |
| 2046   | 313,261  |               |               |               | 313,261        | 0   | 0  |                     |                 | 7,500                             | 7,500              | 305,761 | 1,676,211  | 0                       | 2046   |      |
| 2047   | 311,695  |               |               |               | 311,695        | 0   | 0  |                     |                 | 7,500                             | 7,500              | 304,195 | 1,980,406  | 0                       | 2047   |      |
| 2048   | 310,137  |               |               |               | 310,137        | 0   | 0  |                     |                 | 7,500                             | 7,500              | 302,637 | 2,283,042  | 0                       | 2048   |      |
| 2049   | 308,586  |               |               |               | 308,586        | 0   | 0  |                     |                 | 7,500                             | 7,500              | 301,086 | 2,584,128  | 0                       | 2049   |      |
| 2050   | 307,043  |               |               |               | 307,043        | 0   | 0  |                     |                 | 7,500                             | 7,500              | 299,543 | 2,883,671  | 0                       | 2050   |      |
| 2051   | 305,508  |               |               |               | 305,508        | 0   | 0  |                     |                 | 7,500                             | 7,500              | 298,008 | 3,181,679  | 0                       | 2051   |      |
| 2052   | 303,980  |               |               |               | 303,980        | 0   | 0  |                     |                 | 7,500                             | 7,500              | 296,480 | 3,478,160  | 0                       | 2052   |      |
| Totals | 8,507,060  | 700,000       | 7,020,000     | 1,050,000     | 17,277,060     | 3,551,000   | 5,868,900  | 4,050,000           | 119,000         | 210,000                           | 13,798,900         |         |            |                         | Totals |      |

Notes:

PROJECTED CLOSURE YEAR

LEGEND:

CALLABLE MATURITIES

END OF EXP. PERIOD