

VII. ESTIMATED PROJECT COST AND TIMING

Project Costs with Capitalized Interest and Debt Issuance

It is estimated that the improvements proposed for TID #3 will be designed and constructed according to the schedule in Table 4. The actual timing associated with the listed projects including the length of the expenditure period may vary depending on the timing of private sector initiatives and public approvals of developments and capital expenditures. It is the intent of the Project Plan to complete the listed projects within the expenditure period required under Wisconsin Statutes. As described previously, certain public improvements are listed in Table 2 as "conditional improvements" and have not been assigned a specific anticipated completion date or included as project costs. If the private developments that support the identified "conditional improvement" materialize and are reasonably estimated to produce tax increments adequate to pay the project costs associated with the "conditional improvements", then the District public improvement costs would be adjusted accordingly. If the private developments that specifically support the identified "conditional improvement" do not materialize, then the corresponding public improvements will not be necessary.

Any costs directly or indirectly related to public improvements benefiting TID #3 are considered "project costs" as defined by Wisconsin Statutes 66.1105 and are eligible to be paid for with tax increment revenues of the District. Project costs may include capital costs for public infrastructure improvements; the demolition, alteration, remodeling, repair or reconstruction of existing buildings; the construction of parking facilities; the acquisition of equipment to service the District; the removal or containment of, or restoration of soil or groundwater affected by, environmental pollution; the clearing and grading of land; financing costs; real property assembly; professional service costs; imputed administrative costs for the time spent by City employees in connection with implementing the Project Plan¹; relocation costs; organizational costs; costs related to redevelopment or urban renewal as authorized by Wisconsin Statutes 66.1333(13), and any other costs which are deemed necessary or convenient for the creation of a district, as listed in Wisconsin Statutes 66.1105(2)(f)1.a through L. Project costs are costs that will be recovered through tax incremental revenues generated by the District and may not exceed the proportionate share of costs that benefit the District.

Table 4 shows the project cost projections for TID #3, excluding capitalized interest and debt issuance costs. Total project costs within the District are estimated at \$20,242,000, not including capitalized interest, debt issuance, and "conditional public improvements".

¹ This category of project cost includes estimates for administrative, professional, organizational, and legal costs. Project costs may include salaries, including fringe benefits, of employees engaged in the planning, engineering, implementing, and administering activities, supplies and materials, contract and consultant services, and those costs of City departments such as the Treasurer, Finance, Legal, Public Works, Parks, Community Development, and the Office of the Mayor, inasmuch as such costs are directly related to the planning and administration of TID #3.

**TABLE 4
CITY OF BROOKFIELD TID #3
PROJECT COSTS AND TIMING**

Infrastructure Costs	Total Costs	2004	2005	2006	2007	2008	2009	2010
Sanitary Sewer	\$ 1,918,000	\$ -	\$ -	\$ 608,000	\$ 1,180,000	\$ -	\$ -	\$ 130,000
Water Distribution	\$ 422,000	\$ -	\$ -	\$ 136,000	\$ 101,000	\$ -	\$ -	\$ 185,000
Storm Sewer	\$ 2,984,000	\$ -	\$ -	\$ 1,122,000	\$ 1,536,000	\$ -	\$ -	\$ 326,000
Streets and Streetscape Improvements	\$ 4,727,000	\$ -	\$ -	\$ 1,041,000	\$ 598,000	\$ 859,000	\$ 1,422,000	\$ 807,000
Parking Lot Reconstruction ⁽²⁾	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,000	\$ -
Parking Deck(s) ⁽²⁾	\$ 3,980,000	\$ -	\$ -	\$ 3,980,000	\$ -	\$ -	\$ -	\$ -
Public Park	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Possible Property Acquisition and Relocation Expense	\$ 1,217,000	\$ -	\$ 740,000	\$ 477,000	\$ -	\$ -	\$ -	\$ -
Contingency (~10%)	\$ 1,562,000	\$ -	\$ 74,000	\$ 766,000	\$ 342,000	\$ 86,000	\$ 149,000	\$ 145,000
Design Engineering and Engineering Consulting (~15%)	\$ 2,160,000	\$ -	\$ 1,078,000	\$ 512,000	\$ 129,000	\$ 224,000	\$ 217,000	\$ -
Planning, Construction Inspection, Marketing, Legal, TID Administration (~5%)	\$ 900,000	\$ 100,000	\$ 150,000	\$ 150,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
TOTAL	\$ 20,242,000	\$ 100,000	\$ 2,042,000	\$ 9,092,000	\$ 4,011,000	\$ 1,294,000	\$ 1,985,000	\$ 1,718,000

Notes:

1) Project costs include projected 3.0% annual inflation through the year of anticipated installation.

2) Assumed to be funded via taxable debt issues

The costs identified in this Project Plan are preliminary estimates made prior to completion of final project element design and bidding. The City reserves the right to reallocate funds among the various project element categories, or fund any additional project elements directly or indirectly related to the project elements listed, except as noted for "conditional improvements" (which require corresponding private developments) so long as the District costs, excluding the costs of financing, do not exceed \$20,242,000 and the costs associated with "conditional public improvements" referenced below. The actual TIF-eligible project costs may vary or other TIF-eligible projects may be substituted for the project costs listed in this plan without a plan amendment so long as the District costs, excluding the costs of financing, do not exceed \$20,242,000. Project costs can exceed \$20,242,000 for costs incurred under those listed in Table 2 as "conditional public improvements" without a plan amendment but not in excess of the additional amount listed in Table 2 (excluding the cost of debt financing) provided that a corresponding source of financing (tax revenue, grants or other) would be created by the "conditional development" equal to the public cost of the improvement, including costs of financing. The City further reserves the right to omit certain project elements if development within TID #3 does not occur at the pace or in the manner anticipated in this Project Plan. In addition, the expenditure period may be extended as permitted by Wisconsin Statutes without a plan amendment.

Costs Located Outside the Project Area

Selected public improvement costs are anticipated for public facilities which are located outside the project area that benefit projects located in TID #3. These costs will be financed by tax increments to the extent of the eligible apportionment of costs under Wisconsin Statutes 66.1105(2)(f)1.k.

See Table 5 for costs located outside the project area and apportioned to District costs. Such costs also appear as part of the related line items in Table 4.

**TABLE 5
CITY OF BROOKFIELD TID #3
PROJECT COSTS LOCATED OUTSIDE OF THE DISTRICT AND APPORTIONED TO THE DISTRICT**

Infrastructure Costs	Total Costs	2004	2005	2006	2007	2008	2009	2010
Sanitary Sewer Upgrades	\$ 943,000							
-- Brookfield Square Interceptor Upgrade (Downstream)					\$ 943,000			
Storm System Upgrades	\$ 1,076,000							
-- Deer Creek Sub-Watershed					\$ 1,076,000			
TOTAL	\$ 2,019,000	\$ -	\$ -	\$ -	\$ 2,019,000	\$ -	\$ -	\$ -

Notes:

- 1) Source: "Brookfield Square Area Redevelopment Strategy Report - Ruekert & Mielke Engineering Analysis."
- 2) These project costs are included in Tables 1 and 4, in Sanitary Sewer and Storm Sewer figures.

Costs Financed by Private Sector or Other Sources

Certain public improvement costs are anticipated for public facilities located within or outside the project area that benefit projects located in TID #3 that the Project Plan presently anticipates will be financed by the private sector. Additional private sector participation and cost sharing will be sought in the administration of the Project Plan as development projects proceed or are proposed.

Table 6 outlines public improvement costs that are anticipated to be financed by the private sector or other sources. In some cases, due to extraordinary public improvement costs, certain public improvement costs related to a development project are funded through a combination of private sector funding and public sector funding through TID #3. Tables 1, 4 and 6 list all public improvements necessary to achieve District goals and objectives, as known at the time of Project Plan preparation.

The proportions of public sector funding of public improvements associated with a development project depends on the specific nature of the project, the level of need for rehabilitation of the property and, in some cases, the specific location of the project relative to the sometimes complex nature of infrastructure systems. The type of "infill" development envisioned for TID #3 under the City Master Plan requires detailed coordination of the needs of existing properties, existing infrastructure, and future demands generated by the "infill" project. Each development project will be reviewed on an individual basis to determine appropriate levels of public funding of public improvements.

**TABLE 6
CITY OF BROOKFIELD TID #3
COSTS OF PUBLIC IMPROVEMENTS FINANCED BY OTHERS**

Project	Owner / Developer	Description of Public Improvements	Total Costs
Georgetown Square	Mandel Group	Construction of Wisconsin Avenue extension from current terminus east to Executive Drive (1,320' +/-).	\$ 513,050
		Construction of Ruf Road extension north to Wisconsin Avenue.	\$ 147,000
		Sanitary sewer improvements.	\$ 400,000
		Streetscaping/Landscaping improvements (1,320' +/-).	\$ 120,000
		Construction of sidewalks/bikepath (Wisconsin Ave. - 1,320' +/-; and Greenway Corridor Path - 315' +/-).	\$ 60,000
Subtotal			\$ 1,240,050
Fountain Square ⁽¹⁾	Continental Properties	Construction of Wisconsin Avenue from Executive Drive to Main Street (860' +/-).	\$ 270,000
		Construction of Main Street from Bluemound Road to Wisconsin Avenue.	\$ 676,000
		Construction of intersection of Main Street/Brookfield Square Drive and Bluemound Road.	\$ 845,000
		Streetscaping/Landscaping improvements (860' +/-).	\$ 78,200
		Construction of sidewalks / bikepaths (860' +/-).	\$ 31,600
Subtotal			\$ 1,900,800
TOTAL			\$ 3,140,850

Notes:

1) Continental Properties has also offered to dedicate the northernmost 230' +/- of Executive Drive to the City. The street segment has an estimated market value of \$138,000.

VIII. PROJECT FINANCING, TAX INCREMENT PROJECTION, AND ECONOMIC FEASIBILITY ANALYSIS

FINANCING METHODS

It is anticipated that the City will need to borrow a total of approximately \$21,000,000 to complete the public improvements described in Table 4 – TID #3 Project Costs. When including the cost of borrowing over the life of TID #3, the total cost for the District will be approximately \$32,076,695. The City intends to utilize one or more of the available financing options under Wisconsin Statutes 66.1105(9), including general obligation bonds, lease revenue bonds, and bond anticipation notes. Capitalized interest is assumed for financing project costs. The schedule shown in Table 7 assumes that the bond issues would be amortized over the 23-year life of the District.

See Table 7 for the bond issuance and debt service schedule.

Tax Increment Financing

The project expenditures identified within this plan are anticipated to be paid for by the tax increment revenues generated by economic growth within TID #3. When a tax increment district is created, the value of real and personal property within the District at the time of creation is established as the "base value" of the District. Any increase in the value of district property over the base value is considered "value increment". Property tax collected on the base value is distributed to all taxing jurisdictions according to the normal distribution of tax revenue, but property tax collected on any value increment is "tax incremental revenue" and accrues entirely to the City to be applied against project expenditures associated with the District.

Project expenditures are commonly financed by the issuance of debt obligations. Tax increment revenues pay the principal and interest on the debt. The City has a limited period in which to repay debt obligations incurred for the District.

Upon termination of TID #3, all tax revenue generated after the termination by property within what had been TID #3 is distributed to the taxing jurisdictions in a proportional manner according to the normal distribution of tax revenue. It is only during the existence of the tax incremental district that the tax increment revenue flows exclusively to the City for the purpose of financing the District project costs.

This section of the report is intended to demonstrate whether or not the tax incremental revenues generated by anticipated development within the proposed TID #3 will be sufficient to pay for the project costs relating to the District within the time period allowed by Wisconsin Statutes 66.1105. Included in this section are schedules showing the anticipated value increments from new development, projected tax rates, and the projected tax increment revenues to be generated within the District. This information, as well as that from the debt service schedules from Table 7, is summarized in a cash flow statement later in this section to illustrate whether the amounts and timing of anticipated tax increment revenues will match the principal and interest payments required for the debt obligations.

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Other Sources of Funding

Other potential sources of financing the project costs may be pursued in addition to tax increment revenue, such as grants or loans. If alternative forms of financing are secured, the financing structure and life of TID #3 would be adjusted.

Base Valuation

According to Wisconsin Statutes 66.1105, the value of City property within existing and proposed tax incremental districts must be within statutorily defined limits as of the date of creation. The City has no other tax incremental districts at this time.

The City's total equalized value as of January 1, 2003 was \$5,095,795,500. The equalized base value of TID #3 has been estimated by the City to be \$115,382,259 as of January 1, 2004². The total equalized value of all property within TID #3 represents 2.264% of the City's total equalized value; therefore the statutory requirements of Wisconsin Statutes 66.1105 are met. (Final figures subject to verification and update by City Assessor).

Value of New Development

The expectations for development in TID #3 have been prepared and are predicated upon input from a series of planning exercises and studies conducted for the City and the redevelopment area. These exercises involved citizen participation, including a citizen task force for both the City Master Plan and the Calhoun Road South Neighborhood Plan, and were later supplemented by strategic planning goals established by the Common Council. Map 4 has been developed which indicates preferences for housing, restaurant, retail, service, and office uses in selected areas within the proposed TID #3.

Studies were prepared to provide an independent analysis of the market conditions and real estate economics associated with the redevelopment strategies suggested for TID #3 and the surrounding area. These reports suggest that TID #3 could absorb 69 to 133 apartment units per year after an existing supply-demand imbalance in the apartment market is corrected. According to this report, this correction will be achieved in approximately four years from the date of the report – so by 2007. Annual apartment absorption could be accelerated with a decline in rents to induce demand or attracting residents from older, less competitive products. The projected number of units contemplated under this Project Plan does not necessarily rely upon these factors to accelerate absorption and are consistent with the results of the Gruen Gruen + Associates report.

² This base value is subject to change up until creation of the District due to possible revisions to boundaries of existing tax parcels.

Based upon current factors, development proposals, and the market study for TID #3, the Project Plan could expect 350-400 urban-styled housing units to be constructed within the next six to ten years in TID #3³.

The Gruen Gruen + Associates reports also suggest that future market demands within TID #3 could support the addition of restaurant, entertainment and "life-style" uses to add to the appeal of the retail base that exists in the area.⁴ A minimum of five (5) restaurant/entertainment uses are included in the projections of future development assumptions of TID #3, as well as several "lifestyle" uses, such as bookstores, specialty grocers, coffee shops, and other similar uses recommended in the Gruen Gruen + Associates report. Other significant amounts of retail uses included in the development assumptions for TID #3 could be considered as "community shopping center" level uses and were built into assumptions used in the Gruen Gruen + Associates analysis of the retail market TID #3.

The Gruen Gruen + Associates report suggests that future market demands within TID #3 could support the addition of approximately 32,000 square feet of office space annually once the existing supply-demand imbalance in the office market is corrected.⁵ According to this report, this correction will be achieved in approximately three years from the date of the report – so by 2006. The amount of square feet of new office included in the development assumptions for TID #3 clearly can be accommodated in the marketplace according to the Gruen Gruen + Associates report. The assumptions include new office development in year 2012 and represent only a fraction of what the report indicates that the market could support.

The development assumptions also include several areas that currently contain obsolete uses thereon or have buildings or uses in need of rehabilitation in order to meet District goals and objectives. The redevelopment or rehabilitation of those properties will spur new interest into the area for office and other retail projects. Additional investment potential may evolve as implementation progresses.

The actual time period within which these areas will develop or redevelop depends upon many economic and market variables. The combined housing, restaurant, retail, and office value growth during the life of TID #3 is expected to total approximately \$94 million, as shown in Table 8. The projected value from new development listed in Table 8 result from a projection of total equalized real estate values based upon an estimate of project value from a variety of sources. These sources include estimated cost of construction, projected net income from rent, or other similar sources. The methodologies utilized to prepare the projected values have been reviewed by City officials and Gruen Gruen + Associates, who found the approach reasonable. See Appendix 5 for commentary from Gruen Gruen + Associates.

³ The Market for Apartment Units at the Brookfield Square Mall/Executive Drive Redevelopment Area, Gruen Gruen + Associates, March 2003.

⁴ The Market for Retail Uses at the Brookfield Square Mall/Executive Drive Redevelopment Area, Gruen Gruen + Associates, March 2003.

⁵ The Market for Office Uses at the Brookfield Square Mall/Executive Drive Redevelopment Area, Gruen Gruen + Associates, March 2003; The Market for Apartment Uses at the Brookfield Square Mall/Executive Drive Redevelopment Area, Gruen Gruen + Associates, March 2003.

**TABLE 8
CITY OF BROOKFIELD TID #3
PROJECTED VALUE FROM NEW DEVELOPMENT**

Property Owner(s) / Developer	Description of New Development	Total Equalized Value	2005	2006	2007	2008	2009	2010	2011	2012
Continental Properties	Fountain Square -- retail development.	\$ 28,960,000	\$ 28,960,000							
Gold Creations	Gold Creations -- mixed use development.	\$ 1,250,000	\$ 1,250,000							
Mandel Group	Georgetown Square, Phase I -- residential apartments.	\$ 13,725,000	\$ 13,725,000							
P A Bergner & Co. of Illinois	Outparcel restaurant development.	\$ 3,015,000		\$ 3,015,000						
TIAA Realty, Inc.	Residential condominium/apartment development.	\$ 13,675,000		\$ 13,675,000						
Brookfield Square Jt Venture	Construction of new public park.	\$ -		\$ -						
Mandel Group	Georgetown Square, Phase II -- residential townhomes.	\$ 14,725,000			\$ 14,725,000					
Brookfield Investment Company & J C Penney	New mixed-use retail and residential development.	\$ 10,200,000						\$ 10,200,000		
VK Executive LLC	New office development.	\$ 3,745,000								\$ 3,745,000
M&I Support Services Corporation	New office development.	\$ 4,745,000								\$ 4,745,000
TOTAL		\$ 94,040,000	\$ 43,935,000	\$ 16,690,000	\$ -	\$ 14,725,000	\$ -	\$ 10,200,000	\$ -	\$ 8,490,000

Notes:
1) Values are listed as net new.
2) Estimate of value of development completed as of December 31 of each year.

Projected Tax Rates

For purposes of calculating future tax increment revenue generated by development, it is projected that the equalized property tax rates will be \$18.5934 per \$1,000 of equalized value for the life of TID #3 which reflects the 2003 equalized tax rate for properties within the City (payable in 2004).

Projected Tax Increment Revenues

Table 9 sets forth the tax increment revenues that are projected to be generated from the entire TID #3. Column 1 indicates the year of the expected life of the District.

**TABLE 9
CITY OF BROOKFIELD TID #3
PROJECTED TAX INCREMENT REVENUES FROM NEW DEVELOPMENT**

Year	1	2	3	4	5	6	7	8	9	10	11
		Base Value ⁽¹⁾	Beginning of Year Equalized Value	Current Year Value Increment	Improvements	Net Improv't Value after Demolition	Inflation ⁽²⁾	Year End Value	Tax Rate per \$1,000 Equalized Value ⁽³⁾	Current Year Tax Increment	Annual Cumulative TID Revenue
2004		\$ 115,382,159	\$ 115,382,159	\$ -	\$ -	\$ -	\$ -	\$ 115,382,159	\$ 18.5934	\$ -	\$ -
2005		\$ 115,382,159	\$ 115,382,159	\$ -	\$ 49,935,000	\$ 42,347,000	\$ -	\$ 157,729,159	\$ 18.5934	\$ -	\$ -
2006		\$ 115,382,159	\$ 157,729,159	\$ 42,347,000	\$ 16,690,000	\$ 16,690,000	\$ -	\$ 174,419,159	\$ 18.5934	\$ -	\$ -
2007		\$ 115,382,159	\$ 174,419,159	\$ 16,690,000	\$ -	\$ -	\$ -	\$ 174,419,159	\$ 18.5934	\$ 787,375	\$ 787,375
2008		\$ 115,382,159	\$ 174,419,159	\$ -	\$ 14,725,000	\$ 14,725,000	\$ -	\$ 189,144,159	\$ 18.5934	\$ 310,324	\$ 1,097,699
2009		\$ 115,382,159	\$ 189,144,159	\$ 14,725,000	\$ -	\$ -	\$ -	\$ 189,144,159	\$ 18.5934	\$ -	\$ 1,097,699
2010		\$ 115,382,159	\$ 189,144,159	\$ -	\$ 10,200,000	\$ 9,100,000	\$ -	\$ 198,244,159	\$ 18.5934	\$ 273,788	\$ 1,371,487
2011		\$ 115,382,159	\$ 198,244,159	\$ 9,100,000	\$ -	\$ -	\$ -	\$ 198,244,159	\$ 18.5934	\$ -	\$ 1,371,487
2012		\$ 115,382,159	\$ 198,244,159	\$ -	\$ 8,490,000	\$ 8,490,000	\$ -	\$ 206,734,159	\$ 18.5934	\$ 169,200	\$ 1,540,687
2013		\$ 115,382,159	\$ 206,734,159	\$ 8,490,000	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,540,687
2014		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ 157,858	\$ 1,698,545
2015		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2016		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2017		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2018		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2019		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2020		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2021		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2022		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2023		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2024		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2025		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2026		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
2027		\$ 115,382,159	\$ 206,734,159	\$ -	\$ -	\$ -	\$ -	\$ 206,734,159	\$ 18.5934	\$ -	\$ 1,698,545
ESTIMATED TOTAL TID REVENUE:										\$	32,586,751

Notes:
 1) This base value is subject to change up until creation of the District due to new property values anticipated to be established by the City Assessor in June 2004 and possible revisions to boundaries of existing tax parcels.
 2) Assumes no annual inflation.
 3) Assumes constant 2003 City Tax Rate per \$1,000 Equalized Value over projected life of TID.
 4) Assumes constant 2003 City Tax Rate per \$1,000 Equalized Value over projected life of TID.

Column 2 shows the base value of the District, while Column 3 shows the total equalized value as of the beginning of each year. The current year value increment, which is the beginning of year value minus the base value, is shown in Column 4. The value of the current year's new construction is shown in Column 5, while Column 6 deducts the value lost through demolition of existing uses. No inflationary increase is shown in Column 7. The beginning of year value plus the current year's improvements is shown as year-end value in Column 8. Column 9 shows the tax rate and Column 10 shows the current year tax increment, which is based on the prior year value increment and the tax rate. Column 11 shows the projected cumulative tax increment revenue of \$32,586,751. New construction that takes place in year one will be recognized as current year value increment in year two and the tax increment revenue from that construction will be collected in year three.

Cost Recovery – Cash Flow Statement

The projected tax revenues generated from the projected increment within TID #3 are intended to retire the debt service on bonds issued to finance project costs. In order for the proposed projects to be economically feasible, it must be demonstrated that the anticipated tax increment revenues from TID #3 will be sufficient to meet the debt service obligations of the District and recover all project costs within the statutory time limits.

Table 10 shows the projected cash flow for TID #3, assuming the project costs, bond issues, debt service schedules, and tax incremental revenues as described in prior sections of this plan. Column 2 shows the amounts and timing of proposed bond issues. Column 3 indicates the anticipated tax increment revenues from TID #3, from Table 9. Other sources of revenue for TID #3 are shown in Column 4. Column 5 shows the total cash received from all sources. The timing and amounts of expenditures for project costs from Table 4 are shown in Column 6. Column 7 shows the principal and interest payments on the debt, as outlined in Table 7. Column 8 shows the bond issuance costs from Table 7. Total annual cash outlays are shown in Column 9. In Column 10, the net annual cash flow is the total cash in minus the total cash out for each year. Column 11 displays the end of the year cash balance for the District. The final column shows the debt balance of TID #3. As this schedule demonstrates, the tax increment revenues are expected to be sufficient to support debt service costs associated with the projects.

**TABLE 10
CITY OF BROOKFIELD TID #3
CASH FLOW STATEMENT**

Year	CASH SOURCES			CASH USES			NET CASH		DEBT BALANCE	
	Bond Issues ⁽¹⁾	TID Revenue ⁽²⁾	Total Cash In	Project Costs ⁽³⁾	P & I ⁽⁴⁾	Bond Issuance	Total Cash Out	Net Cash	Cash Balance	TID Debt Balances
2004	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ (100,000)	\$ (100,000)	\$ -
2005	\$ 2,285,000	\$ -	\$ 2,285,000	\$ 2,042,000	\$ 34,275	\$ 40,175	\$ 2,116,450	\$ 168,550	\$ 68,550	\$ 2,285,000
2006	\$ 9,440,000	\$ -	\$ 9,440,000	\$ 9,092,000	\$ 231,100	\$ 113,450	\$ 9,436,550	\$ 3,450	\$ 72,000	\$ 11,725,000
2007	\$ 5,360,000	\$ 787,375	\$ 6,147,375	\$ 4,011,000	\$ 785,650	\$ 55,000	\$ 4,851,650	\$ 1,295,725	\$ 1,367,725	\$ 16,685,000
2008	\$ -	\$ 1,097,699	\$ 1,097,699	\$ 1,294,000	\$ 1,093,150	\$ -	\$ 2,387,150	\$ (1,289,451)	\$ 78,274	\$ 16,160,000
2009	\$ 3,695,000	\$ 1,097,699	\$ 4,792,699	\$ 1,985,000	\$ 1,093,350	\$ 64,000	\$ 3,142,350	\$ 1,650,349	\$ 1,728,623	\$ 19,240,000
2010	\$ 220,000	\$ 1,371,487	\$ 1,591,487	\$ 1,718,000	\$ 1,367,438	\$ 220,000	\$ 3,305,438	\$ (1,713,951)	\$ 14,672	\$ 18,575,000
2011	\$ -	\$ 1,371,487	\$ 1,371,487	\$ -	\$ 1,371,603	\$ -	\$ 1,371,603	\$ (116)	\$ 14,556	\$ 18,400,000
2012	\$ -	\$ 1,540,687	\$ 1,540,687	\$ -	\$ 1,512,197	\$ -	\$ 1,512,197	\$ 28,490	\$ 43,046	\$ 17,720,000
2013	\$ -	\$ 1,540,687	\$ 1,540,687	\$ -	\$ 1,514,985	\$ -	\$ 1,514,985	\$ 25,702	\$ 68,748	\$ 17,005,000
2014	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,648,133	\$ -	\$ 1,648,133	\$ 50,412	\$ 119,160	\$ 16,120,000
2015	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,646,500	\$ -	\$ 1,646,500	\$ 52,045	\$ 171,205	\$ 15,195,000
2016	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,647,899	\$ -	\$ 1,647,899	\$ 50,646	\$ 221,851	\$ 14,225,000
2017	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,652,108	\$ -	\$ 1,652,108	\$ 46,437	\$ 268,288	\$ 13,205,000
2018	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,649,123	\$ -	\$ 1,649,123	\$ 49,422	\$ 317,710	\$ 12,140,000
2019	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,648,944	\$ -	\$ 1,648,944	\$ 49,601	\$ 367,311	\$ 11,025,000
2020	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,646,463	\$ -	\$ 1,646,463	\$ 52,082	\$ 419,393	\$ 9,860,000
2021	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,651,422	\$ -	\$ 1,651,422	\$ 47,123	\$ 466,516	\$ 8,635,000
2022	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,648,713	\$ -	\$ 1,648,713	\$ 49,832	\$ 516,348	\$ 7,355,000
2023	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,653,220	\$ -	\$ 1,653,220	\$ 45,325	\$ 561,673	\$ 6,010,000
2024	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,644,945	\$ -	\$ 1,644,945	\$ 53,600	\$ 615,273	\$ 4,610,000
2025	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,643,888	\$ -	\$ 1,643,888	\$ 54,657	\$ 669,930	\$ 3,145,000
2026	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,649,569	\$ -	\$ 1,649,569	\$ 48,976	\$ 718,906	\$ 1,605,000
2027	\$ -	\$ 1,698,545	\$ 1,698,545	\$ -	\$ 1,642,020	\$ -	\$ 1,642,020	\$ 56,525	\$ 775,431	\$ -
TOTALS	\$ 21,000,000	\$ 32,586,751	\$ 53,586,751	\$ 20,242,000	\$ 32,076,695	\$ 492,625	\$ 52,811,320	\$ -	\$ 775,431	\$ -

Notes:
1) Gross amount of bonds issued; 2010 represents net new debt from permanent refunding of earlier issues.
2) Projected revenues from Tax Incremental Revenues from New Development (Table 9).
3) Project costs excluding capitalized interest, bond issuance and interest payments due on bonds.
4) From Bond Issuance and Debt Service Schedule (Table 7).

Based upon the assumptions made in this plan, TID #3 will be able to retire the anticipated debt service and accumulate a cash balance which would be sufficient to retire all outstanding District debt in the 23rd year of TID #3, at which time the District would be terminated. Any cash balance remaining after TID #3 is terminated will be returned to each of the taxing jurisdictions on a proportionate basis. Table 10 does project a cash balance prior to the end of the 23rd year of the life of the District.

Project expenditures will be contingent upon development actually occurring or committed to occur⁶. The performance of actual developments will be secured under development agreements between the City of Brookfield and the developer of the project. Since the vast majority of project costs are to be financed with long-term debt, borrowing would be undertaken only when sufficient development has actually occurred or is planned to occur to support each borrowing segment and the expenditure of such funds. Borrowing will be contingent upon such development agreements or other assurance.

The method of financing and the individual debt issues will require Common Council approval. It is the City's intent to closely monitor all planned and actual development within TID #3 to insure cost recovery compliance with the assumptions of the Project Plan.

IX. LEGAL REVIEW

An opinion of the legal representative of the City that states the Project Plan is complete and complies with the applicable requirements of the Wisconsin Statutes is incorporated as Appendix 5.

⁶ Project expenditures listed as "conditional public improvements" must be financed by the corresponding development benefiting from the public improvement, as previously described.