

INTERGOVERNMENTAL COOPERATION AGREEMENT BETWEEN THE TOWN OF PARIS AND VILLAGE OF SOMERS

The Parties to this Intergovernmental Cooperation Agreement are the Town of Paris and the Village of Somers.

RECITALS

WHEREAS, on or about April 24th, 2015, the Secretary of State for the State of Wisconsin issued an incorporation certificate, recognizing the Village of Somers as an independent Wisconsin municipality consisting of lands that were formerly located in the Town of Somers; and,

WHEREAS, the Village and Town of Somers entered into an Intergovernmental Cooperation Agreement, effective December 31, 2015, that annexed a portion of the remnant Town of Somers into the Village; and,

WHEREAS, the Town of Paris (the "Town") and the Village of Somers (the "Village") now share a common boundary along Interstate 94 in Kenosha County, and have expressed their mutual desire to enter into an intergovernmental cooperation agreement ("Agreement") under Wis. Stat. § 66.0301 for the purpose of establishing a planning process, management structure, marketing plan and revenue-sharing plan to encourage sound economic development of a 2,572.6 acre area currently within the Town and designated as the I-94 Corridor Neighborhood Planning Area, as delineated on the attached **Exhibit A-1** and legally described in **Exhibit A-2**, and incorporated herein by reference (the "I-94 Planning Area"). To the extent that there is any discrepancy between the depiction and the legal description on **Exhibits A-1 and A-2**, the legal description will control. Both the Village and Town believe that this approach will provide mutual benefits to the citizens of both communities and to Kenosha County in general; and,

WHEREAS, the Town and Village wish to adjust and establish a mutually agreeable jurisdictional boundary line separating the Town and Village as depicted in the map attached as **Exhibit B**, and incorporated herein by reference; and,

WHEREAS, it is the intent of the Parties that this Agreement shall be construed so that it is consistent with the provisions of the May 13, 2014 "Intergovernmental Cooperation Agreement Between the County of Kenosha, the City of Kenosha, and the Town of Paris Under Section 66.0301, Wisconsin Statutes Respecting Jurisdiction" ("May 13, 2014 Agreement"); and

WHEREAS, Wisconsin Statute § 66.0235 requires the Town and Village to apportion assets and liabilities when territory is transferred in any manner provided by law; and,

WHEREAS, Wisconsin Statute § 66.0301 allows municipalities to cooperate and contract in a binding fashion for the receipt and furnishing of services, for the joint exercise of powers or duties required or authorized by law, for the apportionment of expenses involved, for the

adjustment of boundary lines, for the sharing of revenues, and for the exercises of other duties and rights as stated in § 66.0301; and

WHEREAS, a joint public hearing was held on the proposed Agreement on April 7, 2016, and said public hearing was noticed in accordance with Wisconsin Statute § 66.0301(6)(c).

NOW THEREFORE, the Town and Village hereby enter into an Intergovernmental Cooperation Agreement pursuant to the authority granted to them by Wis. Stat. § 66.0301 on the following terms:

I. **Term of Agreement.**

The Term of this Agreement shall be 10 years from the Effective Date. The Effective Date is April 15, 2016. If, prior to the termination of this Agreement, the Parties do not approve a new agreement to take effect upon the termination of this Agreement ("Subsequent Agreement"), reimbursement shall be made in accordance with the provisions of Section VII below. Except for annexations authorized by the Commission pursuant to Section VI below, the boundary line adjustment set forth herein shall be permanent in accordance with Section IV below.

II. **Agreement Procedure.**

Prior to approving this Agreement by resolution, the Town and Village held a joint public hearing in accordance with Wisconsin Statute § 66.0301(6)(c), and the Town and Village provided notice of a pending agreement and public hearing by publishing a class 1 notice and by giving notice to property owners by certified mail at least 20 days before the public hearing in accordance with Wisconsin Statute § 66.0301(6)(c).

III. **Apportionments of Assets and Liabilities.**

Unless stated herein, the apportionment of assets and liabilities between the Town and Village shall be determined pursuant to Wisconsin statutes § 66.0235.

- a. The Apportionment Board, consisting of representatives of the Town and Village, shall convene immediately to begin discussions regarding apportionment of assets between the Town and Village, in accordance with § 66.0235.
- b. Notwithstanding the foregoing subparagraph (a), because the boundary line between the Town and Village will change (due to operation of this Agreement) before a proper apportionment of assets and liabilities could be completed by the Apportionment Board, the Apportionment Board shall wait until the new boundary line is established before completing the apportionment process. After a boundary change ordinance is adopted, filed, and recorded by the Village/Town under § 66.0301(6)(e), the Apportionment Board shall finalize the apportionment process in accordance with § 66.0235.

IV. Adjustment to Boundary Line between Town and Village.

- a. Prior to the Effective Date, the boundary line between the Town and Village is/was as indicated in **Exhibit A**.
- b. On or after the Effective Date, the Town and Village will alter the boundary line between the Town and Village so that the boundary line between the Town and Village becomes the line reflected in **Exhibit B**. As of the Effective Date, that portion of the “City Growth Area” that has not been annexed to the City of Kenosha in accord with the terms of the May 13, 2014 Agreement shall remain in the Town and continue to be subject to the terms of the May 13, 2014 Agreement. On May 13, 2019, or such later date to which the term of the May 13, 2014 Agreement may be extended by mutual agreement of the parties thereto, the boundary line between the Town and Village established by this Agreement shall be adjusted, as provided in subsection (c) below, so as to incorporate into the Village any part of the City Growth Area that has not, by that time, been annexed into the City of Kenosha.
- c. On or within 14 days of the Effective Date, the Village Board shall adopt and file an ordinance to trigger the boundary line change in accordance with Wisconsin Statute § 66.0301(6). Said ordinance shall be adopted, filed and recorded immediately (or as soon thereafter as reasonably possible) in accordance with Wisconsin Statute § 66.0301(6), to effectuate the boundary line alteration between the Town and Village.
- d. Except for annexations authorized by the Commission pursuant to Section VI below, the new boundary line established in this Agreement may not be subsequently modified, via annexation, detachment, or via any other mechanism for adjusting or altering municipal boundaries, without the mutual agreement of both the Town and Village. To the extent that, notwithstanding the terms of this Agreement or any extensions thereof, the boundaries established by this Agreement are subsequently modified without the authorization of the Commission, the Village shall immediately repay to the Town all payments made by the Town to the Village under paragraph VII(c) hereof.
- e. Notwithstanding anything herein to the contrary, this Agreement is expressly conditioned by the parties on the boundary line adjustment described in this Section IV. If the boundary line adjustment described in the Agreement does not become effective for any reason, this Agreement shall become null and void.

V. I-94 Corridor Neighborhood Plan.

- a. The Town and Kenosha County have approved the Town’s I-94 Corridor Neighborhood Plan, dated November 24, 2015 as incorporated into the Multi-Jurisdictional Comprehensive Plan for Kenosha County: 2035 (“Plan”). On or after the Effective Date, the Village shall continue to follow and implement the Plan. References within the Plan to the Town and Kenosha County shall be

substituted by the “Village” where appropriate. Amendments to the Plan shall follow the procedural process set forth in Wis. Stat. § 66.1001 in addition to securing the approval of the Intergovernmental Commission discussed below.

VI. Intergovernmental Commission.

- a. Commission. The Parties agree that there is hereby created a commission within the meaning of Wis. Stat. § 66.0301(3), to administer the joint land use development activities within the I-94 Planning Area, to be referred to in this Agreement as the “Commission.” This Commission shall operate as a governmental body under Wis. Stat. § 19.82(1).
- b. Purpose, Authority and Primary Responsibilities of the Commission. The Commission shall implement the Plan referred to above, working with Town, Village and County representatives to ensure that its purposes are carried out. The primary responsibilities of the Commission with respect to the I-94 Planning Area and areas annexed thereto with the permission of the Commission, shall include the following: (i) Review of proposed revenue and expense sharing allocations and determination by the Commission as to whether the same are approved; (ii) Review of proposed annexations to the boundaries established herein and determination by the Commission as to whether the same are approved; (iii) Review of proposed tax incremental financing districts and related project plans, including any amendments to the TIDs or project plans, and determination by the Commission as to whether the same are approved; (iv) Review of any developments that require a rezoning, conditional use permit, comprehensive plan amendment, or development agreement and determination by the Commission as to whether the same are approved; (v) Review and approval of any loans to the Village under VII (e).
- c. Powers. The Commission shall have the following powers:
 - i. To sue, and be sued, complain and defend in all courts, and also, appear in or before applicable governmental agencies.
 - ii. To make, amend and repeal bylaws, rules, regulations, rates, charges and other rules of service.
 - iii. To invest funds not required for immediate disbursement in properties or securities as permitted by state law.
 - iv. To acquire, purchase, hold, lease and use any property, real or personal or mixed, tangible or intangible, or any interest therein, necessary or desirable for carrying out the purposes of the Commission, and to sell, lease, transfer or dispose of any property or interest therein acquired by it.
 - v. To establish rates and charges for services provided by the Commission, if any.

- vi. To make and execute contracts and other instruments of any name or type necessary or convenient for the exercise of the other powers granted herein,
 - vii. To conduct or contract for studies and planning concerning the area under its jurisdiction.
 - viii. To borrow money and issue evidences of indebtedness and to accept contributions of capital from the Town or Village.
 - ix. To do all acts and things necessary or convenient for the conduct of its business and the general welfare of the Commission and the Parties and to carry out the purposes and powers granted to it by this Agreement.
 - x. To contract for professional services including planners, attorneys, engineers and financial consultants.
 - xi. As specified in Section VIII, to consider and grant approvals related to proposed tax incremental financing districts and related project plans, including any amendments to the TIDs or project plans, within the I-94 Planning Area and in other areas annexed to the Village with the consent of the Commission.
 - xii. To consider and grant approvals related to applications for rezoning, conditional use permits, comprehensive plan amendments, and development agreements within the I-94 Planning Area and in other areas annexed to the Village with the consent of the Commission. In so doing, the Commission shall have the power to add reasonable conditions to said approvals.
 - xiii. To consider and grant approvals related to revenue and expense sharing allocations as described in this Agreement. The general process by which revenues and expenses shall be allocated is set forth in **Exhibits C-1 and C-2**. An annual report showing the audited revenues and expenses for the prior year shall be presented to the Commission for approval by August 31.
 - xiv. To consider and grant approvals related to proposed annexations to the boundaries established herein.
- d. Taxation. The Commission shall not have the power of taxation.
- e. Limitation on financial commitments. Notwithstanding any other provisions in this Agreement, the Commission shall not have the authority to commit the Town or Village to any financial responsibility, whether by contract or otherwise, that would exceed the amount budgeted by the Town and Village to fund the Commission's operations. This Agreement shall not in any way limit the Village

Board's authority to budget the amount needed to provide equal services to the territory transferred to the Village by operation of the Agreement as that provided throughout the Village.

- f. Meetings. The Commission shall meet within 30 days of receiving a complete submittal and notice from the Village or Town that action is needed on a matter within the jurisdiction of the Commission, and not less than once every calendar year. The Village shall provide a suitable location for meetings of the Commission, as well as a secure area for the storage of documents and public records, as defined in Wis. Stat. § 19.32.
- g. No compensation. The members of the Commission shall serve without compensation, provided, however, that the Commission shall have discretion to reimburse members of the Commission for reasonable expenses incurred in carrying out their duties and responsibilities.
- h. Membership. The Commission shall consist of 3 representatives from the Town and 3 representatives from the Village. The representatives from the Town, who shall be appointed by and serve at the pleasure of the Town Board, shall include at least 1 Town Board member, 1 Plan Commission member and 1 additional member. The composition of Village representation on the Commission shall be as determined periodically by the Village Board, provided, however, that at least one Village Trustee shall be appointed to the Commission at all times. The Town and Village have the authority to appoint alternate members to act in the absence of the appointed representatives.
- i. Voting. Four members of the Commission shall constitute a quorum. Except for those items identified below that require a super-majority vote, all actions of the Commission shall require passage by a majority of the Commissioners present. All actions related to (i) the approval of revenue and expense sharing allocations, (ii) the approval of annexations, (iii) the approval of the formation or amendment to a TID or project plan, (iv) approvals related to any development that requires a rezoning, conditional use permit, comprehensive plan amendment, or development agreement or (v) any loans to the Village under VII (e) shall require passage by vote of 5/6 of the members of the Commission. Vacancies must be filled within 60 days of occurrence or the super-majority voting requirement shall be reduced accordingly. For example, if one vacancy exists on the Commission that has not been filled by the appointing body within 60 days, all actions of the Commission that require a super-majority vote shall require passage by a vote of 4/5 of the remaining Commissioners until said vacancy is filled. A failure to fill a vacancy after 60 days have elapsed shall, at the option of either Party, trigger the dispute resolution process in Section X. Commissioners may participate in meetings by conference call or video conferencing as long as the conference is broadcast through speakers and/or monitors at one or more sites that are open to the public and otherwise complies with the Wisconsin Open Meetings Law, as may be amended.

j. Officers.

- i. Officers of the Commission. The Officers of the Commission are a President, a Vice-President, a Secretary, a Treasurer and such other Officers as the Commission may designate. The President, Vice-President, Secretary and Treasurer shall be elected by the members of the Commission from among the members of the Commission and shall serve indefinitely until the Commission calls for a new election of officers, or the Commission adopts Bylaws that call for some other term of office. The Commission, by separate agreement with the Town and Village, may delegate the duties of the Secretary and/or Treasurer to an employee or officer of the Village or Town.
- ii. Dual Signature Required. The signatures of two officers shall be required on all forms of payment, and all legally binding documents executed in the name of the Commission.
- iii. President. The President:
 - a. Shall be the principal executive officer of the Commission and shall preside at all meetings of the Commission;
 - b. Shall sign any contracts or other instruments authorized by the Commission to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Commission or by this Agreement or the Commission's bylaws to some other officer or agent of the Commission, or shall be required by law to be otherwise signed or executed; and
 - c. Shall perform all duties incident to the office of the President and such other duties as may be assigned by the Commission from time to time.
- iv. Vice-President. The Vice-President, in the absence of the President, or in the event of his or her inability or refusal to act, shall perform the duties of the President, and when so acting, shall have powers of and be subject to all the restrictions upon the President. The Vice-President also shall perform such other duties as from time to time may be assigned by the Commission from time to time.
- v. Secretary. The Secretary shall:
 - a. Keep minutes of the meetings of the Commission in one or more books provided for that purpose; Draft minutes are to be distributed within 14 days of a meeting to each Commissioner to be reviewed before formal approval at the Commission's next meeting.

- b. See that all notices are duly given in accordance with this Agreement, the Commission's bylaws or as required by law;
 - c. Be custodian of the Commission's records;
 - d. Keep a register of the names and post office addresses of all members and of all members of the Commission and alternate members of the Commission;
 - e. Keep on file at all times a complete copy of this Agreement and the Commission's bylaws containing all amendments thereto and at the expense of the Commission, forward a copy of this Agreement, the Commission's bylaws and of all amendments thereto to each member of the Commission;
 - f. Take and count all votes taken by the Commission at any meeting; and
 - g. In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Commission.
- vi. Treasurer. The Treasurer shall:
- a. Have charge and custody of and be responsible for all funds and securities of the Commission;
 - b. Be responsible for the receipt of and the issuance of receipts for all monies paid to the Commission in such bank or banks as shall be selected by the Commission;
 - c. Have charge of the financial records of the Commission; and
 - d. In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Commission.

VII. Revenue and Cost-Sharing, Payments and Loans.

- a. The Village agrees to share revenues arising out of the I-94 Planning Area and any areas annexed thereto with the permission of the Commission in accordance with a schedule to be approved but generally consistent with the following formula:

If any portion of the area becomes part of a Tax Incremental District ("TID") approved under Wis. Stat. § 66.1105, 100% of the Tax Increment, as that phrase

is defined in Wis. Stat. § 66.1105, that is generated within said area will be paid into the TID Fund until the TID is retired. For increment generated below the base amount certified for properties within a TID, for any parcel not included within a TID boundary, or for any parcel that was once within a TID that is now retired, the municipal portion of the levy attributable to said area will be shared with the Town on a 50/50 basis applied to any amount over and above the cost of governmental services and capital costs attributable to said area. This revenue sharing arrangement shall last during the Term of this Agreement and Subsequent Agreements. In the event the Village does not recover 100% of its costs from revenues generated within the I-94 Planning Area and/or during the life of a TID, the revenue sharing arrangement contemplated herein shall not apply until the costs are recovered by the Village. Additional unforeseen revenues received that are attributable to the I-94 Planning Area (e.g., payments in lieu of taxes, but not including impact fees/entitlements, building/inspection fees or the like) shall be shared by the Parties on the same 50/50 basis described herein. Attached as **Exhibits C-1 and C-2** and incorporated herein by reference are (1) an itemization of the governmental services and capital costs to be recovered by the TID and/or the Village before revenue sharing obligations are triggered and (2) a spreadsheet illustrating, conceptually, how the revenue-sharing process will work. Project costs identified in an approved TID Project Plan shall supplement the initial costs identified in **Exhibit C-1 and C-2**. Following completion of the Village's financial audit for a given year, the Town and Village shall preliminarily determine the appropriate mechanisms and amounts of Village revenues and expenses to be allocated to the I-94 Planning Area for such audited year, which allocation shall then be referred to the Commission for review and final approval.

- b. Any dispute between the Village and Town regarding the collection or distribution of tax increment from the I-94 Planning Area shall first be submitted to an independent financial advisor or auditor agreed to by the Parties for an opinion on the disputed issues, before any Party may invoke the dispute resolution process set forth below in Section X.
- c. The Town, in recognition of (i) the long-term revenue sharing contemplated in this Agreement, (ii) the boundary protection, subject to annexations approved by the Commission, afforded by the Village, and (iii) the ability of the Town to permit development to occur in the remainder of the Town without sharing the revenues generated, shall make a one time payment to the Village in the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00). The payment by the Town to the Village shall be made by December 31, 2016. In addition, the Town shall commit to reimburse the Village up to \$500,000 in non-TID eligible costs arising out of the approval and implementation of this Agreement, and steps required to adequately serve the area transferred to the Village by the Town. Any such costs incurred in excess of \$500,000 shall be reimbursed to the Parties before any revenue sharing allocation is made.
- d. During the Term of this Agreement, the Town agrees to implement and fund a \$5 Million "Revolving Loan Fund" to be utilized by the Village for such lawful

expenditures as the Village deems appropriate and necessary. An independent financial advisor shall be retained by the Parties to prepare the necessary loan documents, assist in obtaining the necessary approvals from the Town and Village, and assist at the closing on loans issued pursuant to this section. Interest shall be paid to the Town, along with the underlying principal, utilizing the AAA rates per the Municipal Market Data (MMD) Yield Curve published by Thomson Reuters, but adjusted for Bank Qualification by the independent financial advisor retained by the Village and Town maturing in accord with the terms of the loan (e.g., 20 years). The terms of the debt instrument shall allow for the prepayment of the loan by the Somers to Paris at any time. The loan proceeds described in this paragraph shall not be available to the Village until after completion of the requirements and limitations of Wis. Stat. § 66.0301.

In addition to the interest received, as well as the underlying principal, the Town shall receive a revenue sharing credit. The revenue sharing credit shall be equivalent to the interest savings realized by the Village based upon the difference between the interest rate charged to the Village in accordance with this section, and the interest rate that the Village would have paid according to the adjusted MMD Yield Curve based upon the Village's rating at the time of the closing on the loan. The revenue sharing credit shall be paid to the Town from revenues generated in the I-94 Planning Area after payment of costs of service to Somers but prior to Somers' share of the 50/50 revenue split referenced in Section VII (a) above. The revenue sharing credit payments shall begin in the 11th year after the loan to the Village and shall be amortized as to principal only over a 20-year period. In calculating the net benefit to the Town, consideration will be given to the total interest that the Town would have been projected to receive had the Town invested the funds rather than loan them to the Village. For purposes of this analysis, the parties shall utilize the 5-year investment return rate on the Town's portfolio as of April 1 prior to the analysis. To the extent that the total interest earnings projection using the Town's 5-year investment return rate would exceed the revenue sharing credit amount as calculated above, the revenue sharing credit amount shall be increased by such difference.

- e. During the term of this Agreement, the Town agrees to implement and fund a \$3 Million "Zero Interest Loan Fund" to be utilized by the Village for (i) non-reimbursed costs incurred by the Village attributable to the I-94 Planning Area, (ii) to be utilized when a TID that includes territory within the I-94 Planning Area is not performing adequately to cover committed approved project costs of the TID, and/or (iii) for non-TID eligible costs arising out of the approval and implementation of this Agreement, and steps required to adequately serve the area transferred to the Village by the Town. With respect to loans under (iii), however, the Village shall first demonstrate to the reasonable satisfaction of a super-majority of the Commission that, but for this Agreement, the Village would not have realized the cost or expense underlying the loan request. An independent financial advisor shall be retained by the Parties to prepare the necessary loan documents, assist in obtaining the necessary approvals from the Town and Village, and assist at the closing on loans issued pursuant to this section and, if

necessary, to assist with the Commission determination necessary for loans under (iii). The terms of the debt instrument shall allow for the prepayment of the loan by the Somers to Paris at any time. The loan proceeds described in this paragraph shall not be available to the Village until after completion of the requirements and limitations of Wis. Stat. § 66.0301.

While the Town shall receive the principal, but no interest on such loans, the Town shall also receive a revenue sharing credit. The revenue sharing credit shall be equivalent to the interest savings realized by the Village based upon the difference between the interest rate charged to the Village in accordance with this section, and the interest rate that the Village would have paid according to the adjusted MMD Yield Curve based upon the Village's rating at the time of the closing on the loan. The revenue sharing credit shall be paid to the Town from revenues generated in the I-94 Planning Area after payment of costs of service to Somers but prior to Somers' share of the 50/50 revenue split referenced in Section VII (a) above. The revenue sharing credit payments shall begin in the 11th year after the loan to the Village and shall be amortized as to principal only over a 20-year period. In calculating the net benefit to the Town, consideration will be given to the total interest that the town would have been projected to receive had the Town invested the funds rather than loan them to the Village. For purposes of this analysis, the parties shall utilize the 5-year investment return rate on the Town's portfolio as of April 1 prior to the analysis. To the extent that the total interest earnings projection using the Town's 5-year investment return rate would exceed the revenue sharing credit amount as calculated above, the revenue sharing credit amount shall be increased by such difference.

Attached as **Exhibits D, E-1, and E-2** and incorporated herein by reference are examples demonstrating the flow of funds for loans extended under this Agreement, and repayment schedules.

- f. Due to unique circumstances, the Town currently has no municipal tax levy and also makes an annual payment to Kenosha County to reduce the annual County property taxes for its residents and property owners. In order to ease the transition of those current Town residents and property owners located within the I-94 Planning Area on the Effective Date of this Agreement ("Affected Owners") into the Village of Somers, which does have a local tax levy and which does not subsidize County property taxes, the Town will continue, during the Term of this Agreement, to pay the same percentage of Affected Owners' County property taxes as it pays for Town residents and property owners in said years. Any payments made by the Town under this paragraph shall be made directly to Kenosha County. The transition period described in this paragraph shall begin with the issuance of the first annual property tax bill reflecting the Affected Owners' properties' transfer into the Village, and the period shall not be extended beyond the Term of this Agreement. If, prior to the expiration of the Term of this Agreement, any Affected Owner conveys, divides, develops, changes the current use, rezones, or seeks an amendment to the comprehensive plan designation for parcel(s) in the I-94 Planning Area, all payments made by the Town under this

paragraph with respect to such parcel(s), or part(s) thereof, shall cease. The Town Board shall adopt a resolution further defining the criteria for continued payments to Affected Owners under this section, as well as exceptions to the listing of triggers set forth above that will cause payments to cease

- g. In the event the Village does not enter into a Subsequent Agreement setting forth substantially the same terms as this Agreement, except as modified by the Parties, the Village shall, upon termination of the Agreement:
 - i. Reimburse the Town in the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) plus compounded interest from the date of receipt by the Village of said funds at the greater of the rate of Seven (7%) percent per annum or a rate equal to the interest rate from the most current general obligation borrowing by the Village. Interest shall be calculated monthly on a compound basis based on the actual number of days that have elapsed from the date of receipt by the Village of said funds. Any outstanding loan obligations of the Village shall continue to be satisfied according to the terms of the loan-related documents. The Village shall also pay to the Town the balance of the revenue sharing credits described in Section VII (e) and (f).
 - ii. Reimburse the Town for sums paid by the Town for those non-TID eligible legal costs discussed above, plus compounded interest from the date said costs were paid by the Town at the greater of the rate of Seven (7%) percent per annum or a rate equal to the interest rate from the most current general obligation borrowing by the Village. Interest shall be calculated monthly on a compound basis based on the actual number of days that have elapsed from the date of receipt by the Village of said funds. Any outstanding loan obligations of the Village shall continue to be satisfied according to the terms of the loan-related documents.
 - iii. In addition to the above reimbursements, and prior to the termination date, the Village shall pay to the Town the net present value of twenty years worth of revenue sharing payments projected for the Town. In arriving at this amount, the Parties shall consult with an independent financial consultant in accord with Section VII (b) above, before invoking the dispute resolution process set forth below in Section X. Any outstanding loan obligations of the Village shall continue to be satisfied according to the terms of the loan-related documents.
 - iv. In the event the Town chooses not to enter into a Subsequent Agreement setting forth substantially the same terms as this Agreement, except as modified by the Parties, the Town shall, upon termination of the Agreement, repay any revenue sharing payments received from the Village from the Effective Date of this Agreement until the date of termination. Any outstanding loan obligations of the Village shall continue to be satisfied according to the terms of the loan-related

documents. The Town shall also forego the right to any revenue sharing credits described in Section VII (e) and (f), and the Village shall not be required to repay any part of or any interest on the One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) paid by the Town under this Agreement.

VIII. TID Creation and Oversight.

- a. On or after the Effective Date, it is agreed that the Village will have the responsibility for serving and managing the development of the I-94 Planning Area, and any annexations thereto that have been approved by the Commission. It is also anticipated that the Village will consider the use of Tax Incremental Financing as a tool to foster the type of development sought by both the Town and Village within said area. To this end, it is agreed that in addition to the statutory steps required for approval of a TID by the Village, the Village Board shall not approve or amend any TID or project plan for this area without the review and approval of the Commission. In addition, should other lands adjacent to the I-94 Planning Area be contemplated for a TID, the Communities shall consider the creation of a Multijurisdictional TID in a manner consistent with Wis. Stat. §66.1105 if amended to allow the Town to so participate.

IX. Provision of Municipal Services.

- a. Village Municipal Services to the I-94 Planning Area. Except as modified in this Agreement, the Village shall extend all municipal services offered throughout the Village as of the Effective Date to those properties contained within the I-94 Planning Area.
- b. Public Works. All public works and related services that were previously provided by the Town in the I-94 Planning Area and areas annexed thereto with the approval of the Commission shall hereafter be provided by the Village. Said public works services shall include, but are not necessarily limited to, road maintenance, snowplowing, ditch and culvert work, wood chipping, signage, minor storm water management projects, mowing, park maintenance, equipment replacement, salting, utility maintenance, and other daily and special maintenance. Within the I-94 Planning Area and prior to the Effective Date, the only Town road is 128th Avenue (a/k/a Silver Nail Road) between County Hwys K and N. Within the first 10-year period of this Agreement, the Village may, at its discretion, fully reconstruct 128th Avenue. The Town will partially reimburse the Village for said cost based upon the per lineal foot cost of a typical rural profile road utilizing the Town's road construction specifications, equating to the cost of a three-inch overlay plus shouldering work.
- c. Public Safety. The Village shall provide police protection to the I-94 Planning Area. For a minimum of 5 years and such longer period of time as the Parties shall mutually agree, the Town shall provide fire and rescue services to the I-94 Planning Area, although the Village shall provide ladder truck service as

necessary. The Town and Village shall re-examine the continued provision of fire and rescue services by the Town to the I-94 Planning Area at the end of the 5-year transition period to ascertain how best to service the area going forward. The Town and Village shall also work together and with other interested communities to provide a comprehensive analysis of fire and rescue operations, and to consider the feasibility of developing a combined fire and rescue operation (e.g., joint, metro, or other form of combined fire and rescue operation). The Town and Village shall share in the cost of this evaluation on a per capita basis, and will attempt to gain the participation of surrounding municipalities in undertaking and financially sharing said cost.

- d. Refuse and Recycling Services. The Village shall take the necessary steps to have refuse and recycling services extended to the area transferred to the Village, to the same extent as such services are provided in the remainder of the Village.
- e. Water and Sewer Service. The Village shall endeavor to provide municipal water and sewer service within the I-94 Planning Area, as well as any additional areas annexed thereto with the permission of the Commission. Additionally, to the extent the Village extends water to other areas of the Town, such water service shall be provided to the Town at the same rates as such water service is provided to Village residents, without the imposition of any additional surcharges.

X. Modification and Dispute Resolution.

This Agreement may be modified in writing by the mutual agreement of the Town and Village. In the event of a breach of this Agreement, each Party has a responsibility to mitigate damages. All claims, disputes, or other matters arising out of or related to this agreement or breach thereof shall be subject to mediation as a condition precedent to the institution of binding arbitration. The Party making a demand for mediation shall submit along with the demand, a written statement of the claim, dispute, or other matter in question to the other party. Within fourteen (14) days from the date of the initial demand for mediation, the Village and Town shall each select one person to serve on a mediation panel, notifying the other in writing of that selection. Within seven (7) days thereafter, the two persons selected shall confer and select a third member, notifying the Village and Town of that selection. This third mediation panel member shall act as chairperson for all mediation panel activities. The mediation hearing shall be informal and the mediators shall have the right to hear and review all testimony and evidence presented by either party. The mediators shall fix their own reasonable compensation and shall assess the cost and charges of the mediation equally to both of the parties. The mediators shall issue a written finding which shall state how they propose to resolve the dispute between the parties. The mediators' decision shall be rendered within thirty (30) days after the completion of the mediation hearings and shall not be binding on either party; however, neither party shall have the right to commence arbitration proceedings until the dispute has been mediated and the mediators have issued their written findings. No work related to this Agreement shall be interrupted or delayed during any mediation proceedings except upon written agreement of both parties. Failure or refusal of a party to attend or respond to mediation may be deemed a waiver by such party to any right to recover any

litigation expenses or attorney's fees awarded in any arbitration. In the event mediation does not provide resolution, binding arbitration shall occur, with both parties waiving settlement in court. The Town and Village agree that payments will continue to be made, and services will continue to be provided, regardless of the nature of the dispute, with any settlement to occur only as provided by this dispute resolution process. It is intended that the written notice requesting mediation provided to the other party shall waive the respective statutory right to any further notice pursuant to Wis. Stat. §893.80(1)(a), to the extent that such subsection is applicable. The arbitration shall be governed by the Wisconsin Arbitration Act set forth in Chapter 788 of the Wisconsin Statutes, and shall utilize the Wisconsin Ad Hoc Arbitration Rules ("Rules") in the form in effect on the date of this Agreement. The arbitration shall be conducted by one neutral arbitrator to be appointed by agreement of the Parties. If the Parties cannot agree on said appointment, the matter shall be heard by three neutral arbitrators, of whom each party shall appoint one, with the third to be selected as provided in the Rules.

XI. Amendment. This Agreement may be amended by mutual agreement approved by the governing bodies of the Parties to this Agreement and signed by appropriate and duly-authorized officers of the parties. Except as is specifically provided to the contrary in this Agreement, any party to this Agreement may withhold its consent to any amendment for any reason.

XII. Construction of Agreement.

Any court of competent jurisdiction that is interpreting and reviewing this Agreement, shall review it in the context that most favors enforceability. If a reviewing court interprets the statutes so as to require separate agreements for sharing of services under § 66.0301(1-5), boundary agreements under § 66.0301(6), and revenue-sharing agreements under § 66.0305, then a reviewing court shall read this Agreement as three separate agreements, with one agreement addressing the issues addressed in § 66.0301(1-5), the other agreement addressing the issues presented in § 66.0301(6), and the third agreement addressing the issues presented in § 66.0305. If, however, a reviewing court believes that this Agreement is most enforceable if interpreted as a single agreement, then it should interpret this Agreement as a single agreement. The below-signed authorized individuals certify that this Intergovernmental Cooperation Agreement has been duly approved by their respective governing bodies in accordance with state and local laws, rules and regulations, and that each have caused their duly authorized officers to execute this Agreement on the dates written before their respective signatures.

XIII. Good Faith. The parties to this Agreement hereby acknowledge that this Agreement imposes upon them a duty of good faith and fair dealing.

XIV. Severability. The provisions of this Agreement, and the individual parts of each such provision, shall be severable. In the event that any provision of this Agreement, or any part thereof, is held either by arbitration or by a court of competent jurisdiction to be invalid or ineffective, the balance of this Agreement shall survive. In such event, the parties shall promptly meet to discuss how they might satisfy the intent of this Agreement by alternative means. The parties shall use their best efforts to find, design and

implement a means of successfully accomplishing the intent of this Agreement. If necessary, the parties shall negotiate appropriate amendments of this Agreement to maintain, as closely as possible, the original terms, intent and balance of benefits and burdens of this Agreement. In the event the parties are not able to reach an agreement in such situation, any party may submit such dispute to mediation and ultimately to arbitration, if necessary, as described above.

XV. Invalid or Ineffective Ordinance or Decision. In the event that any ordinance which either party is required to enact and/or enforce by this Agreement is adjudged by any court of competent jurisdiction to be invalid or ineffective, in whole or in part, the Parties shall promptly meet to discuss how they might satisfy the intent of this Agreement by alternative means, including, without limitation, enacting another ordinance designed to satisfy the court's objections. If necessary, the Parties shall negotiate appropriate amendments of this Agreement to maintain, as closely as possible, the original terms, intent and balance of benefits and burdens of this Agreement.

XVI. Successors and Assigns. This Agreement shall benefit and be binding upon the successors and assigns of both the Village and the Town.

XVII. Interpretation. This Agreement shall be interpreted as though jointly drafted by the Parties.

XVIII. Minor Changes. Clerical changes that do not impact the spirit or intent of this agreement may be made by the Administration without approval of the Village or Town Board.

Exhibits:

- A-1 I-94 Planning Area
- A-2 Legal Description of I-94 Planning Area
- B Map Showing New Boundary Line Between the Village and Town
- C-1 Somers/Paris Cost Allocation to Transferred Territory
- C-2 Somers/Paris Revenue Distribution and Sharing Projections
- D Somers/Paris IGA Flow of Funds Examples
- E Loan Repayment Schedules

Dated at Bristol, Wisconsin, this 7 day of April, 2016.

TOWN OF PARIS

By: Virgil Gentz
Virgil Gentz
Town Chairperson

Attest: Beverly McCumber
Beverly McCumber
Town Clerk/Treasurer


STATE OF WISCONSIN)
) SS:
COUNTY OF KENOSHA)

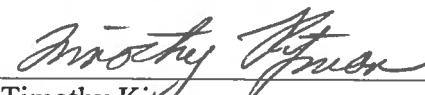
Personally came before me this 7 day of April, 2016, Virgil Gentz and Beverly McCumber, Chairperson and Clerk/Treasurer of the Town of Paris, to me known to be the persons who executed the foregoing instrument, and acknowledged the same as the act and deed of said Town.

Christopher A. Gentry
Notary Public, Kenosha County, WI
Name: Christopher A. Gentry
My Commission Expires 12/31/2017

Dated at Brookfield, Wisconsin, this 7th day of April, 2016.

VILLAGE OF SOMERS

By: 
George Stoner
Village President

Attest: 
Timothy Kitzman
Village Clerk/Treasurer

STATE OF WISCONSIN)
) SS:
COUNTY OF KENOSHA)

Personally came before me this 7 day of April, 2016, George Stoner and Timothy Kitzman, President and Clerk/Treasurer of the Village of Somers, to me known to be the persons who executed the foregoing instrument, and acknowledged the same as the act and deed of said Village.

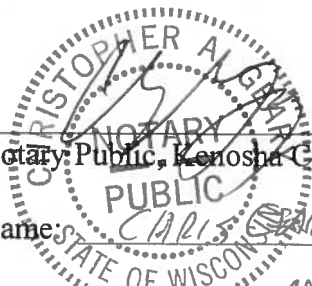
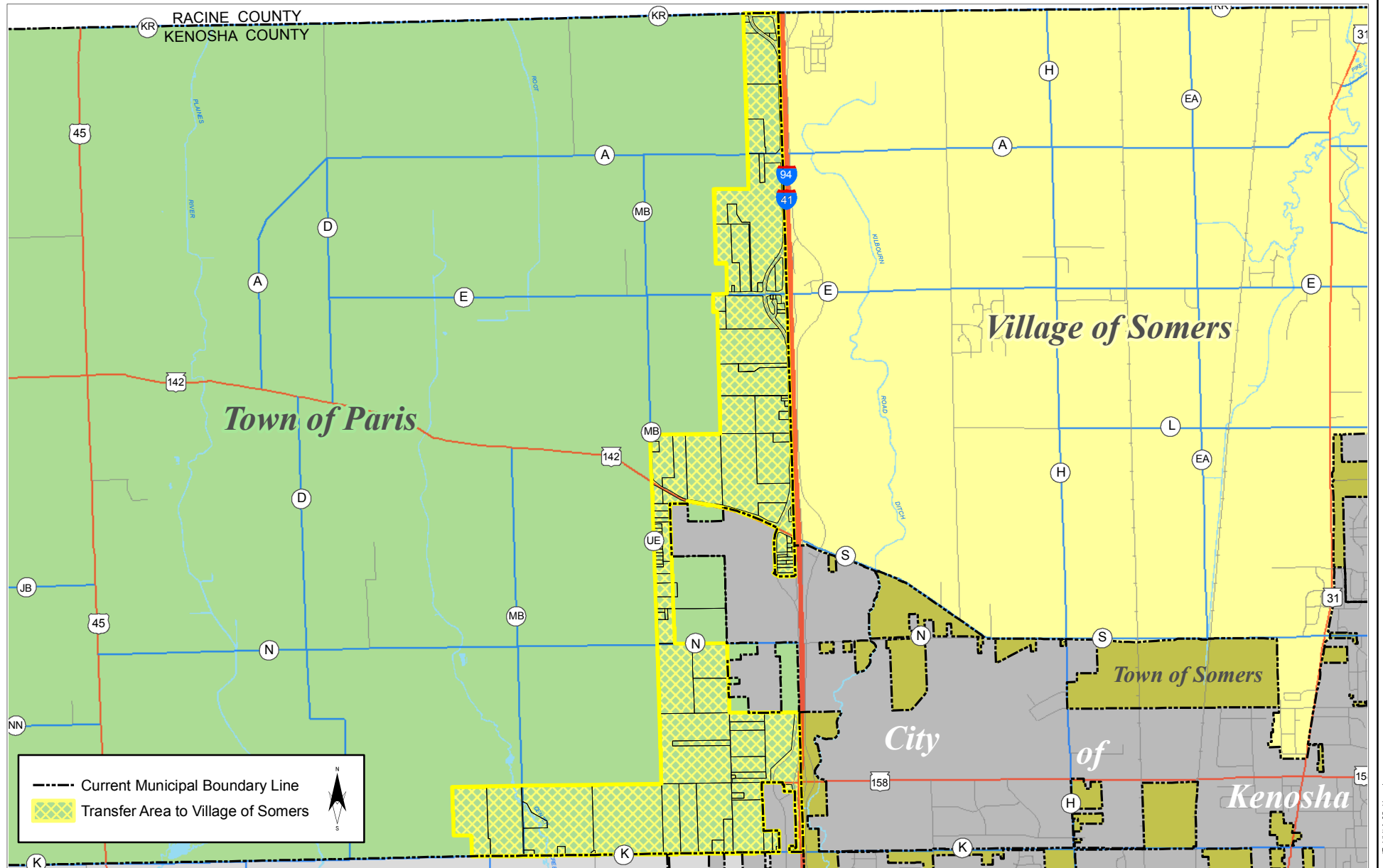

Notary Public, Kenosha County, WI
Name: CAROL ANN
My Commission: 15 PERMANENT

EXHIBIT A-1

I-94 PLANNING AREA

KENOSHA COUNTY, WISCONSIN



Map developed by the KENOSHA COUNTY LAND INFORMATION OFFICE

Map Printed: 03/29/2016

GrowthAreaGeneralExhibitA 48x11.mxd

EXHIBIT A-2

Legal Description Paris / Somers IGA

April 6, 2016

That portion of Sections 1, 12, 13, 24, 25, 34, 35 and 36 in Town 2 North, Range 21 East of the Fourth Principal Meridian being located in the Town of Paris, County of Kenosha, State of Wisconsin, described as follows:

Begin at the northeast corner of the Northeast $\frac{1}{4}$ of Section 1, Town 2 North, Range 21 East of the Fourth Principal Meridian; thence west along the north line of said Northeast $\frac{1}{4}$ of Section 1, said line being the centerline of County Trunk Highway "KR" and the boundary line between the Town of Yorkville in Racine County and the Town of Paris in Kenosha County to a point being the northwest corner of the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of Section 1, Town 2, Range 21; thence south along the west line of the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ and the west line of the East $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 1 to the south line of said Section, said point also being the north line of Section 12, Town 2 North, Range 21 East of the Fourth Principal Meridian; thence south along the east line of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 12, 1327.18 feet to the Southeast corner of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 12; thence west along the south line of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 12 to the west line of the Northeast $\frac{1}{4}$ of said section; thence south along the west line of the Northeast $\frac{1}{4}$ of said Section 12 and the west line of the Southeast $\frac{1}{4}$ of said Section 12 to the south line of Section, said point being the southwest corner of the Southeast $\frac{1}{4}$ of Section 12 and the northwest corner of the Northeast $\frac{1}{4}$ of Section 13, Town 2 North, Range 21 East of the Fourth Principal Meridian; thence west along the north line of the Northwest $\frac{1}{4}$ of said Section 13, 140 feet; thence south parallel with the east line of the Northwest $\frac{1}{4}$ of Section 13, 661 feet; thence east parallel with the north line of said $\frac{1}{4}$ section, 140 feet to the west line of the Northeast $\frac{1}{4}$ of Section 13; thence south along the west line of the Northeast $\frac{1}{4}$ and the west line of the Southeast $\frac{1}{4}$ of Section 13 to the southwest corner of the Southeast $\frac{1}{4}$ of said Section 13 also being the northeast corner of the Northwest $\frac{1}{4}$ of Section 24, Township 2 North, Range 21 East of the Fourth Principal Meridian; thence west along the north line of the Northwest $\frac{1}{4}$ of said Section 24 to the northwest corner of the Northwest $\frac{1}{4}$ of said Section 24; thence continue west along the north line of the Northeast $\frac{1}{4}$ of Section 23, Town 2 North, Range 21 East of the Fourth Principal Meridian 33 feet to the west line of 136th Avenue also known as County Trunk Highway "MB"; thence south on the west line of 136th Avenue being parallel with and 33 feet west of the Northwest $\frac{1}{4}$ of Section 24 to the intersection of said right of way with the south right of way line of State Trunk Highway 142 also known as Burlington Road thence continue south along the west right of way line of 136th Avenue also being known as County Trunk Highway "UE" at a point which is 33 feet west of and parallel with the west line of the Northwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of Section 24 and the Northwest $\frac{1}{4}$ of Section 25 to the intersection of 136th Avenue right of way line with the south right of way line of County Trunk

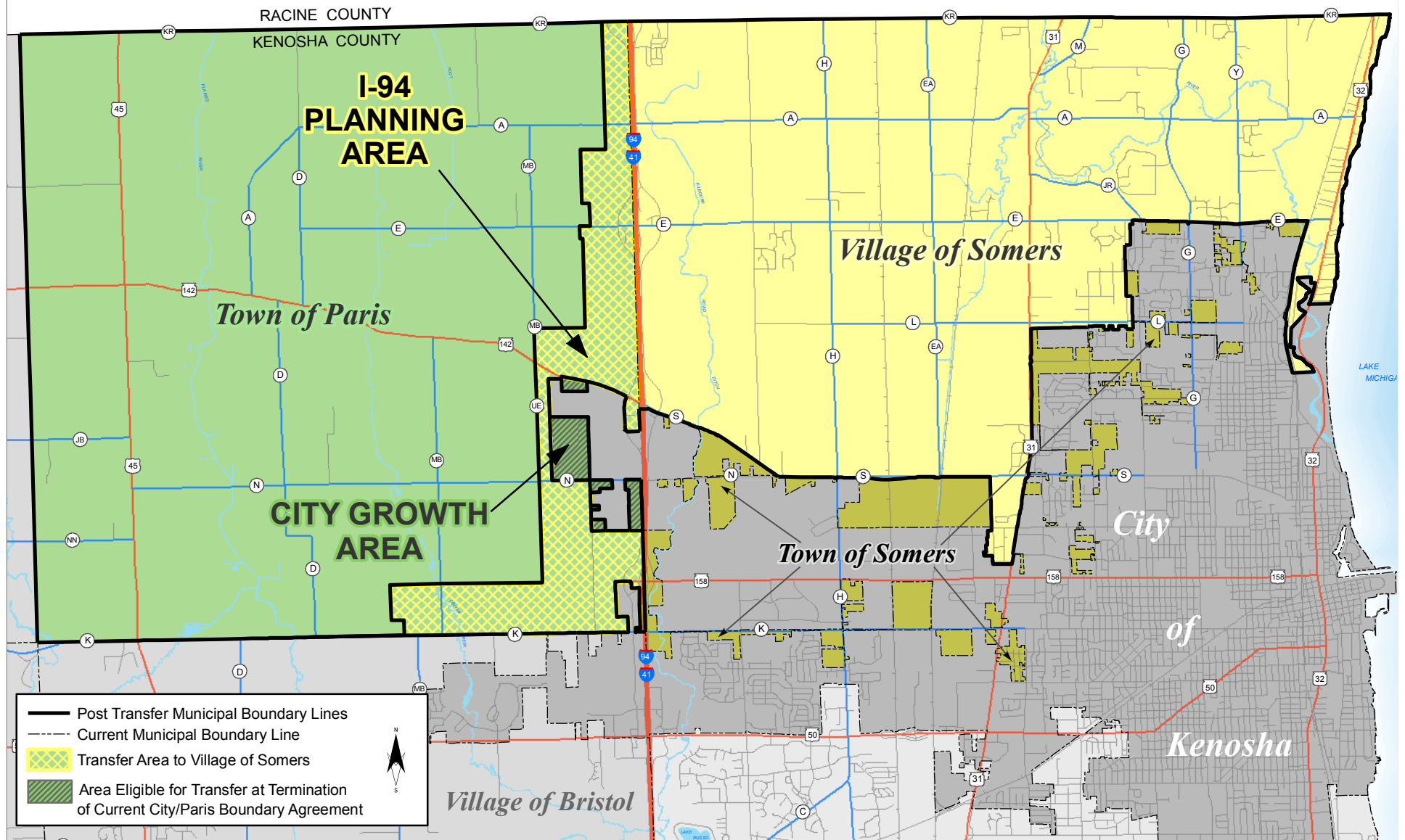
Highway "N"; thence east along the south line of County Trunk Highway "N" approximately 33 feet to the intersection with the west line of the Southwest $\frac{1}{4}$ of Section 25; thence south along the west line of the Southwest $\frac{1}{4}$ of said Section 25 to the southwest corner of the Southwest $\frac{1}{4}$ of said Section 25 also being the northwest corner of the Northwest $\frac{1}{4}$ of Section 36; thence south along the west line of the Northwest $\frac{1}{4}$ of said Section 36 to the southwest corner of the Northwest $\frac{1}{4}$ of Section 36, said point also being the northeast corner of the Southeast $\frac{1}{4}$ of Section 35, Township 2 North, Range 21 East of the Fourth Principal Meridian; thence west along the north line of the Southeast $\frac{1}{4}$ and the north line of the Southwest $\frac{1}{4}$ of said Section 35 to the northwest corner of the Southwest $\frac{1}{4}$ of said Section 35, also being the northeast corner of the Southeast $\frac{1}{4}$ said Section 34; thence west along the north line of the Southeast $\frac{1}{4}$ of said Section 34 to the northwest corner of the Southeast $\frac{1}{4}$ of said Section; thence south along the west line of the Southeast $\frac{1}{4}$ of said Section 34 to a point being 783.61 feet north along said west line from southwest corner of said Southeast $\frac{1}{4}$ of Section 35; thence east parallel to the south line of said Section 34; 658 feet; thence south parallel to the west line of the Southeast $\frac{1}{4}$ of said Section to a point on the south line of Section 34 being the centerline of County Trunk Highway "K", said point also being the northerly boundary line of the Village of Bristol; thence east along the south line of the Southeast $\frac{1}{4}$ of Section 34 being the centerline of County Trunk Highway "K" to a point being the southwest corner of the Southwest $\frac{1}{4}$ of Section 35, Township 2 North, Range 21 East of the Fourth Principal Meridian; thence east along the south line of the Southwest $\frac{1}{4}$ and the south line of the Southeast $\frac{1}{4}$ of said Section 35 also being the centerline of County Trunk Highway "K" to the southwest corner of the Southwest $\frac{1}{4}$ of said Section 36; thence east along the south line of the Southwest $\frac{1}{4}$ of said Section 36 and the south line of the Southeast $\frac{1}{4}$ of said Section 36 to a point on the south line of the Southeast $\frac{1}{4}$ of said Section 36 being 906.56 feet west of the southeast corner of the Southeast $\frac{1}{4}$ of said Section; thence N 01° 50' 13" W 810.02 feet; thence west parallel with the south line of said Section 577.50 feet; thence north parallel with the east line of said Section 1180.26 feet; thence west parallel to the north line of the Southeast $\frac{1}{4}$ of Section 36, 10.73 feet; thence N 01° 34' 34" W 661.39 feet to a point on the north line of the Southeast $\frac{1}{4}$ of said Section 36 being 1148.49 feet east along the said north line of the Southeast $\frac{1}{4}$ from the center of Section 36; thence east along the north line of the Southeast $\frac{1}{4}$ of said Section 36, 795.42 feet; thence south parallel to the east line of said Section 36, 100.02 feet; thence east parallel to the north line of the Southeast $\frac{1}{4}$ of Section 36, 40.17 feet; thence south parallel to the east line of Section 36, 246.48 feet thence east parallel to the north line of said Southeast $\frac{1}{4}$ of Section 36, 380.13 feet to the west line of Interstate I-94; thence southerly along a curve to the left having a radius of 17433.76 feet and an arc length of 373.86 feet, being subtended by a chord of S 00° 04' 13" E for a distance of 373.85 feet, along said west right of way line of Interstate 94, to a point on the south line of the prorated north 15 acres of the prorated east 55 acres of said Southeast $\frac{1}{4}$ of Section 36; thence southerly along the west line of Interstate I-94 along and upon the arc of a curve having a central angle of S 0° 48' 10" W a radius of 17,212.68 feet and a chord which bears S 0° 35' 25" W a distance of 224.43 feet and to the end of said curve; thence S 0° 00' 30" W along and upon said right of way line 1560.89 feet to a vision triangle at the intersection of said Interstate Highway I-94 and 60th Street; thence S 45° 31' 07" W along and upon vision triangle 16.69 feet; thence north parallel to the east line of said Section 90.85 feet ; thence N 88° 58' 20" W parallel to the south line of the Southeast $\frac{1}{4}$ of Section 36, 214.00 feet; thence south parallel to the east

line of said $\frac{1}{4}$ section to the south line of the Southeast $\frac{1}{4}$ of said Section 36 being the centerline of County Trunk Highway "K"; thence east along the south line of said Southeast $\frac{1}{4}$ of Section 36 to the southeast corner of Southeast $\frac{1}{4}$ of said Section; thence north along the east line of the Southeast $\frac{1}{4}$ and the east line of the Northeast $\frac{1}{4}$ of said Section 36 to the northeast corner of the Northeast $\frac{1}{4}$ of said Section 36; also being the southeast corner of the Southeast $\frac{1}{4}$ Section 25, Township 2 North, Range 21 East of the Fourth Principal Meridian; thence west along the south line of the Southeast $\frac{1}{4}$ of Section 25 to the southwest corner of said Southeast $\frac{1}{4}$; thence west along the south line of the Southeast $\frac{1}{4}$ of said Section 25 to the southwest corner of the Southeast $\frac{1}{4}$ of said Section; thence north along the west line of the Southeast $\frac{1}{4}$ of Section 25 to the center of Section 25; thence west along the south line of the Northwest $\frac{1}{4}$ of Section 25, also being the centerline of County Trunk Highway "N" to a point being 660 feet east of the southwest corner of the Northwest $\frac{1}{4}$ of said Section 25; thence north parallel with and 660 feet east of the west line of Section 25 to the north line of the Northwest $\frac{1}{4}$ of said Section said point being 660 feet east of the northwest corner of the Northwest $\frac{1}{4}$ of said Section 25 said point also being 660 feet east of the southwest corner of the Southwest $\frac{1}{4}$ of Section 24, Township 2 North, Range 21 East of the Fourth Principal Meridian; thence north parallel with and 660 feet east of the west line of the Southwest $\frac{1}{4}$ of said Section 24 to the north line of the Southwest $\frac{1}{4}$ of said Section; thence Easterly along the North line of the Southwest $\frac{1}{4}$ of said Section 24 to the West line of Certified Survey Map 2487 recorded in the Kenosha County Register of Deeds Office on August 24th 2005 as document number 1447062; thence North along the West line of Certified Survey Map 2487 and the northerly extension thereof to the centerline of State Trunk Highway 142 also known as Burlington Road; thence Southeasterly along the center line of State Trunk Highway 142 to the intersection of State Trunk Highway 142 with the Center line of West Frontage Road as described on State Transportation Project Plat Number: 1030-22-20 recorded at the Kenosha County Register of Deeds Office on September 30th 2008; thence Southerly along the center line of West Frontage Road to a point being on the south line of the Southeast $\frac{1}{4}$ of Section 24; thence west along the south line of said Section 24 to the west line of West Frontage road; thence southeasterly to a point being the southeast corner of lot 20 as described on the State of Wisconsin Transportation Project Plat Number: 1030-22-20-4.05 recorded at the Kenosha County Register of Deeds Office on September 30th 2008 as document number 1568910; thence east parallel with the north line of the Northeast $\frac{1}{4}$ of said Section 25 to the East line of the Northeast $\frac{1}{4}$ of Section 25; thence north along the east line of Section 25, Section 24, Section 13, Section 12 and Section 1 to the place of beginning.

EXHIBIT B

I-94 PLANNING AREA

KENOSHA COUNTY, WISCONSIN



Map developed by the KENOSHA COUNTY LAND INFORMATION OFFICE

Map Printed: 03/29/2016

GrowthAreaGeneral\Exhibit B\85x11.mxd

Somers/Paris Cost Allocation to I-94 Planning Area

EXHIBIT C-1

										Scenario 1 <u>General</u> <u>Operation</u> <u>Allocation to</u> <u>I-94 Planning</u>		Scenario 2 <u>General</u> <u>Operation</u> <u>Allocation to</u> <u>I-94 Planning</u>		For Illustration and Discussion Only	
		<u>Somers</u>		<u>Cost / Unit</u>						<u>Combined</u>		<u>Cost / Unit</u>			
						<u>Area</u>		<u>Area</u>							
Full Cost Allocation	Population	9,512	People	\$402	/ Person	166	66,654	9,678	395	65,511					
	Land Area	26 Sq Mi	16,640	Acres	\$230	/ Acre	2,533	19,173	199						
	Portion developed in TID				12.00%	304	69,760	16,944	225	68,509					
	Valuation	712,492,500	EV	\$5.36	/ 1,000 EV	31,406,100	168,355	743,898,600	\$5.13	161,247	Full Cost				
									\$2.20		Full Cost less Fire & Hwy				
Average						101,590				98,422					
Alloc w/o Fire & Hwy	Population			\$172			28,499		169	28,010					
	Land Area														
	Portion developed in TID			\$98	12.00%		29,827		96	29,292					
	Valuation			\$2.29			71,982		\$2.20	68,943					
	Average						43,436				42,081				

<u>Somers General Operating Budget</u>	2015 Full Budgeted Amount	Subject to Allocation
General Government	880,779	880,779
Fire Protection	1,596,067	(Assumes Paris Continues to Provide Fire Service for some period)
Building Inspection	122,150	122,150
Animal Control	18,000	18,000
Highways	590,297	(The Potential costs of upgrading the only town road in the I-94 Planning Area is addressed within the agreement.)
Solid Waste	536,168	536,168
Parks & Recreation	22,838	22,838
Planning & Development	53,074	53,074
Total General Operations *	3,819,373	1,633,009

Somer Utility Budgets

Somers KR Sewer District	205,136	Initial Capital Costs for Utilities in the I-94 Planning Area, to the extent such costs are not reimbursed out of the TID increment, shall be paid by the Village but the costs thereof or payments of Principal and interest thereon shall be added to the annual cost of General Operations noted above and be deducted from available revenues prior to distribution of revenue sharing . The costs of annual utility operations may be either added to overall costs of General Operations above or charged as user fees based upon the final determination of the Commission.
Somers UD #1 Sewer District	2,355,886	
Somers Water Utility	1,154,517	

* Note: Police Costs are expected to be budgeted for the first time in 2017 and would be added to the total.

THIS EXHIBIT IS PROVIDED AS AN EXAMPLE OF HOW THE COST ALLOCATIONS COULD BE APPLIED. IT IS INTENDED TO PROVIDE GUIDANCE FOR THE FINAL FORMULA DRIVEN METHODOLOGY TO BE ADOPTED BY THE COMMISSION. THE INTENT IS THAT SOMERS WOULD BE MADE WHOLE FOR THE FULL COST OF PROVIDING ALL VILLAGE SERVICES AND CAPITAL EXPENSES TO THE I-94 PLANNING AREA. WHERE ACTUAL COSTS CANNOT IMMEDIATELY BE DETERMINED, REASONABLE ESTIMATES MAY BE USED . (E.G. FIRE COSTS-- WHEN ALLOCATED, COULD BE BASED ON POPULATION, VALUATION , TYPE OF LAND USE ETC.)

Somers / Paris Analysis
Tax Distribution and Revenue Sharing Projection

EXHIBIT C-2

For Illustration and Discussion Only

Table with 4 columns: Item, Value, Item, Value. Rows include Paris Land Total Value, Less Base Value in TID(s), Net Tax Base Available subject to Appreciation, Est Somers EV 1/1/16, Tax Rate Growth, Cost of Service Growth, Tax Base Appreciation, Assumed Year of TID Closure, and Assumed Increment at TID Close.

Up to 50% Capture per Levy Limit Statute * 194,827,903 Estimated Upon TID Closure

Main data table with 25 columns: Taxes During TID Existence (2017-2037), Taxes after TID Closes (2038-2042). Rows include Somers Municipal Tax Rate, Somers TID Out Tax Base, Somers ID IN Tax Base after Closure, Estimated Cost to Service Area by Somers Rate, Balance to be shared 50/50, Shared with Paris, Retained by Somers, Total Retained by Somers, Tax Base (Paris Transfer), Paris Revenue Sharing Credit, Paris Revenue Share, Sommers Revenue Share, Somers Portion for Services, Total Levy Revenues Collected from I-94 Planning Ar, Somers Tax Levy on Non I-94 Planning Area Lands, and TOTAL SOMERS LEVY.

Note: Costs of Service area in Paris are assumed at 50% of Tax Rate & Levy for purpose of Illustration only. Amount of costs to be allocated on budgeted and actual experience.
* Simplified calculation used for 50% Levy Limit formula... Actual formula must take into account overall Somers Tax Base year of TID closure
** Assumed Tax Increment based upon 75% of prior analysis of Pleasant Prairie Lakeview Corporate Park absorption rates
*** Payment to Paris from Somers may take the form of a Debt Obligation so that payments would not be subject to levy limit restrictions
The form of the Debt Obligation shall be developed by the Village of Somers' Bond Attorney and reviewed by the Town of Paris Bond attorney.
**** The Revenue Sharing Credit Payment represents the credit to Paris to offset any loss of investment income resulting from lending to Somers at AAA rates

Annexed Tax Base 50% incr + Base

Table with 4 columns: Description, Net to distribute after 50/50 Distribution, Tax base, 1,000's Gross Levy, Levy less Service Cost Split to Share. Rows show values for 242,347, 1,443,245, 1,266,719, and 633,359.

Table with 4 columns: Description, Letter, Levy Limit Calc. at TID Closure to Capture 50% for Levy, Value. Rows include Terminating TID Value, EV TID Out, Adjustment %, City Tax Levy - Before TIF Adjustment, Levy Limit Adjustment (50%), Levy Amount, Total Tax Base, Tax Base, 1,000's, and Tax Rate Adjustment at TID Closure.

UNDER CURRENT LEVY LIMIT STATUTES, MUNICIPALITIES ARE LIMITED TO CAPTURING 50% OF THE INCREMENT TAX BASE IN ADDITIONAL LEVY. THE REMAINING 50% IS APPLIED TO REDUCE THE TAX RATE FOR THE COMMUNITY AT LARGE. IN THIS SCENARIO THE REDUCTION IN RATE IS HIGHLIGHTED IN YELLOW.

Somers / Paris IGA -- Flow of Funds Examples**EXHIBIT D**

		Year 1 <u>Scenario 1</u>	Year 1 <u>Scenario 2</u>	Year 10 <u>Scenario 3</u>	<u>Scenario 4</u>
	Revenues Net of TID ^{1.}	160,171	160,171	226,201	303,023
Priority					
1	Cost of General Operations ^{2.}	80,086	80,086	118,797	163,077
2	Capital Costs				
	Highway	0	30,000		75,000
	Water	0	15,000		75,000
	Sewer	0	15,000		75,000
	Storm	0			10,000
	Equipment	0			15,000
	Available for Revenue Sharing	80,086	20,086	107,404	(110,054) ^{3.}
3	Revenue Sharing Credit to Paris			25,192 ^{4.}	0
3	Revenue Share Split				
	Paris	40,043	10,043	53,702	0
	Somers	40,043	10,043	28,510	0

^{1.} In the event of creation of Tax Increment Districts within the I-94 planning area, all incremental revenues generated in the TIDs will be deducted from the revenue prior to payment of costs of operations, capital costs or revenue sharing.

^{2.} The planning area will be charged costs based upon the annual budget. Audited costs will be used to "true up" on a 2 year lagging basis. For example, initial charges would be based on the 2017 budget which will be audited in 2018. If audited costs exceeded budgeted charges for 2017 the difference will be assessed in the 2019 allocation. Similarly, if 2017 audited costs are less than the 2017 budgeted charge, the difference will be credited to 2019.

^{3.} In a year with a negative balance per the agreement, the Town of Paris will provide a 0% interest loan to Somers to cover the cost of the difference so as to avoid the need by the Village to levy a tax on Village residents to cover the shortfall.

^{4.} Revenue Sharing Credit is an amount to be paid to Paris in consideration for any loss of interest earnings based upon the rate they could have invested in based upon a historic 5 year return rate and the AAA rate that they received from Somers for the \$5 M revolving loan fund.

\$ 5,000,000 Paris / Somers Revolving Loan Fund Example

EXHIBIT E-1

Total Loan Fund Balance Prior to Current Loan 5,000,000

Current Loan Dated Date: 8/1/2016

Current Loan Purpose: Fund Hypothetical Legal and Engineering Costs Related to Sewer Improvements for Carthage Lift Station or other projects.

Current Loan Amount: 5,000,000

Loan Fund Balance After Current Loan 0

Payment Schedule Using Aaa Rate Scale							Payment Schedule Using Baa Rate (Somers Current Moodys Rating)							Somers Interest Savings Benefit Aaa vs Baa Rate	Assumed Paris Investment Rate		Paris Interest Earning Benefit Loan vs. Investment
Year	Principal (8/1)	Rate*	BQ Adjustment	Adj Rate	Interest	Total	Year	Principal (8/1)	Rate*	BQ Adjustment	Adj Rate	Interest	Total		Year End Loan Balance	2.50%	
2016							2016								5,000,000		
2017	225,000	0.55%	0.00%	0.55%	72,446	297,446	2017	225,000	1.10%	0.00%	1.10%	115,592	340,592	43,146	4,775,000	125,000	(52,554)
2018	225,000	0.67%	-0.05%	0.62%	71,209	296,209	2018	225,000	1.28%	-0.05%	1.23%	113,117	338,117	41,909	4,550,000	119,375	(48,167)
2019	225,000	0.83%	-0.05%	0.78%	69,814	294,814	2019	225,000	1.49%	-0.05%	1.44%	110,350	335,350	40,536	4,325,000	113,750	(43,937)
2020	230,000	0.98%	-0.05%	0.93%	68,059	298,059	2020	230,000	1.68%	-0.05%	1.63%	107,110	337,110	39,051	4,095,000	108,125	(40,067)
2021	230,000	1.12%	-0.10%	1.02%	65,920	295,920	2021	230,000	1.87%	-0.10%	1.77%	103,361	333,361	37,441	3,865,000	102,375	(36,456)
2022	230,000	1.25%	-0.15%	1.10%	63,574	293,574	2022	230,000	2.04%	-0.15%	1.89%	99,290	329,290	35,716	3,635,000	96,625	(33,052)
2023	235,000	1.40%	-0.20%	1.20%	61,044	296,044	2023	235,000	2.26%	-0.20%	2.06%	94,943	329,943	33,899	3,400,000	90,875	(29,832)
2024	235,000	1.57%	-0.25%	1.32%	58,224	293,224	2024	235,000	2.46%	-0.25%	2.21%	90,102	325,102	31,878	3,165,000	85,000	(26,777)
2025	240,000	1.71%	-0.25%	1.46%	55,122	295,122	2025	240,000	2.62%	-0.25%	2.37%	84,908	324,908	29,787	2,925,000	79,125	(24,004)
2026	245,000	1.82%	-0.35%	1.47%	51,618	296,618	2026	245,000	2.74%	-0.35%	2.39%	79,220	324,220	27,603	2,680,000	73,125	(21,508)
2027	250,000	1.94%	-0.40%	1.54%	48,016	298,016	2027	250,000	2.88%	-0.40%	2.48%	73,365	323,365	25,349	2,430,000	67,000	(18,984)
2028	250,000	2.02%	-0.45%	1.57%	44,166	294,166	2028	250,000	2.97%	-0.45%	2.52%	67,165	317,165	22,999	2,180,000	60,750	(16,584)
2029	255,000	2.10%	-0.50%	1.60%	40,241	295,241	2029	255,000	3.05%	-0.50%	2.55%	60,865	315,865	20,624	1,925,000	54,500	(14,259)
2030	260,000	2.18%	-0.50%	1.68%	36,161	296,161	2030	260,000	3.13%	-0.50%	2.63%	54,362	314,362	18,201	1,665,000	48,125	(11,964)
2031	265,000	2.26%	-0.50%	1.76%	31,793	296,793	2031	265,000	3.21%	-0.50%	2.71%	47,524	312,524	15,731	1,400,000	41,625	(9,832)
2032	270,000	2.33%	-0.50%	1.83%	27,129	297,129	2032	270,000	3.28%	-0.50%	2.78%	40,343	310,343	13,214	1,130,000	35,000	(7,871)
2033	275,000	2.39%	-0.50%	1.89%	22,188	297,188	2033	275,000	3.34%	-0.50%	2.84%	32,837	307,837	10,649	855,000	28,250	(6,062)
2034	280,000	2.44%	-0.50%	1.94%	16,991	296,991	2034	280,000	3.39%	-0.50%	2.89%	25,027	305,027	8,036	575,000	21,375	(4,385)
2035	285,000	2.49%	-0.50%	1.99%	11,559	296,559	2035	285,000	3.43%	-0.50%	2.93%	16,935	301,935	5,376	290,000	14,375	(2,817)
2036	290,000	2.53%	-0.50%	2.03%	5,887	295,887	2036	290,000	3.46%	-0.50%	2.96%	8,584	298,584	2,697	0	7,250	(1,363)
TOTALS	5,000,000				921,156	5,921,156		5,000,000				1,424,994	6,424,994	503,838		1,371,625	(450,470)
TIC		2.09%		1.66%					2.95%		2.58%						

* Uses published MMD Scales from 3/28/16.

NOTE: It is anticipated that Promissory Notes or Bonds will be issued by the Village of Somers evidencing its obligation to the Town of Paris for repayment of the loan obligations referenced in this exhibit. The form of said notes or bonds shall be developed by the bond attorney for the Village of Somers and reviewed by the bond attorney for the Town of Paris prior to approval by the Town Board.

Revenue Sharing Credit to Paris to offset the loss of interest earnings resulting from return at AAA rate vs Town 5 yr historic Investment Return.

Paris Net Benefit 503,838 (450,470) = 53,369

\$ 3,000,000 Paris / Somers 0% Interest Loan Fund Example

EXHIBIT E-2

Total Loan Fund Balance Prior to Current Loan¹ 3,000,000

Current Loan Dated Date: 9/1/2018

Current Loan Purpose: Fund Hypothetical TID Shortfall in 2018

Current Loan Amount: 500,000

Loan Fund Balance After Current Loan 2,500,000

Payment Schedule Using Aaa Rate Scale					Payment Schedule Using Baa Rate (Somers Current Moodys Rating)						Somers Interest Savings Benefit Aaa vs Baa Rate	Assumed Paris Investment Rate		Paris Interest Earning Benefit Loan vs. Investment
Year	Principal ²	Rate	Interest	Total	Year	Principal (9/1)	Rate*	BQ Adjustment	Adj Rate	Interest	Total	Year End Loan Balance	2.50%	
2018					2018							500,000		
2019	25,000	0.00%	0	25,000	2019	25,000	1.10%	0.00%	1.10%	11,345	36,345	475,000	12,500	(12,500)
2020	25,000	0.00%	0	25,000	2020	25,000	1.28%	-0.05%	1.23%	11,070	36,070	450,000	11,875	(11,875)
2021	25,000	0.00%	0	25,000	2021	25,000	1.49%	-0.05%	1.44%	10,763	35,763	425,000	11,250	(11,250)
2022	25,000	0.00%	0	25,000	2022	25,000	1.68%	-0.05%	1.63%	10,403	35,403	400,000	10,625	(10,625)
2023	25,000	0.00%	0	25,000	2023	25,000	1.87%	-0.10%	1.77%	9,995	34,995	375,000	10,000	(10,000)
2024	25,000	0.00%	0	25,000	2024	25,000	2.04%	-0.15%	1.89%	9,553	34,553	350,000	9,375	(9,375)
2025	25,000	0.00%	0	25,000	2025	25,000	2.26%	-0.20%	2.06%	9,080	34,080	325,000	8,750	(8,750)
2026	25,000	0.00%	0	25,000	2026	25,000	2.46%	-0.25%	2.21%	8,565	33,565	300,000	8,125	(8,125)
2027	25,000	0.00%	0	25,000	2027	25,000	2.62%	-0.25%	2.37%	8,013	33,013	275,000	7,500	(7,500)
2028	25,000	0.00%	0	25,000	2028	25,000	2.74%	-0.35%	2.39%	7,420	32,420	250,000	6,875	(6,875)
2029	25,000	0.00%	0	25,000	2029	25,000	2.88%	-0.40%	2.48%	6,823	31,823	225,000	6,250	(6,250)
2030	25,000	0.00%	0	25,000	2030	25,000	2.97%	-0.45%	2.52%	6,203	31,203	200,000	5,625	(5,625)
2031	25,000	0.00%	0	25,000	2031	25,000	3.05%	-0.50%	2.55%	5,573	30,573	175,000	5,000	(5,000)
2032	25,000	0.00%	0	25,000	2032	25,000	3.13%	-0.50%	2.63%	4,935	29,935	150,000	4,375	(4,375)
2033	25,000	0.00%	0	25,000	2033	25,000	3.21%	-0.50%	2.71%	4,278	29,278	125,000	3,750	(3,750)
2034	25,000	0.00%	0	25,000	2034	25,000	3.28%	-0.50%	2.78%	3,600	28,600	100,000	3,125	(3,125)
2035	25,000	0.00%	0	25,000	2035	25,000	3.34%	-0.50%	2.84%	2,905	27,905	75,000	2,500	(2,500)
2036	25,000	0.00%	0	25,000	2036	25,000	3.39%	-0.50%	2.89%	2,195	27,195	50,000	1,875	(1,875)
2037	25,000	0.00%	0	25,000	2037	25,000	3.43%	-0.50%	2.93%	1,473	26,473	25,000	1,250	(1,250)
2038	25,000	0.00%	0	25,000	2038	25,000	3.46%	-0.50%	2.96%	740	25,740	0	625	(625)
TOTALS	500,000		0	500,000	TIC	500,000	2.95%		2.55%	134,928	634,928	131,250		(131,250)

* Uses published MMD Scales from 3/28/16.

¹ 0% interest loans can be made for the following purposes:
1.) Non -reimbursed costs attributable to the I-94 planning area.
2.) Reimburse for cash flow shortfalls in a poorly performing TID.
3.) Non-TID eligible costs arising out of the approval and implementation of the IGA.

² During the initial 10 year period of a loan, Principal payments will not be made unless they can be made from Somers' share of the 50% revenue sharing provision of the IGA. After the initial 10 years any unpaid balance on the loan will be structured to be paid in full within a remaining 10 year period from any funds available to the Village, including tax levy, so that no loan will extend beyond a maximum of 20 years.

Revenue Sharing Credit to Paris to offset the loss of interest earnings resulting from return at 0% vs Town 5 yr historic Investment Return.

Paris Net Benefit 3,678

NOTE: It is anticipated that Promissory Notes or Bonds will be issued by the Village of Somers evidencing its obligation to the Town of Paris for repayment of the loan obligations referenced in this exhibit. The form of said notes or bonds shall be developed by the bond attorney for the Village of Somers and reviewed by the bond attorney for the Town of Paris prior to approval by the Town Board.