



YOUR GROWTH. OUR PASSION.

# DEVELOPMENT PLAN TID 7 COMMERCIAL (WI HWY 60 & RIDGEWAY)

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This document provides the Village of Jackson, developers and interested end-users with important understanding surrounding proposed commercial development opportunities for property currently owned by the Village within TID #7. This proposal includes information on the subject real estate, the development vision, the proposed project(s), market feasibility, financial analysis, risks and economic / fiscal impacts.

Prepared by EDWC and the Village of Jackson.

# Development Proposal & Plan



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## EXECUTIVE SUMMARY

### THE DEVELOPMENT

Village of Jackson, as owner, wishes to develop this prime commercial property as the eastern gateway and a destination point for the community. In so doing they wish to leverage the new mainstream residential development to the south, positioning the site as a desired location for high touch businesses offering “experiences” and a more premium ascetic. Overall plan is to establish a destination anchor with one or two smaller compatible additional developments.

### CASE



#### Uniques

- High growth
- High wealth & disposable income
- Major adjacent housing development
- "Family-Building" community with associated needs



#### Village Considerations

- Creates vibrant "center" for the community & gateway
- Serves adjacent housing with quality experiences
- Establishes a sense of destination
- Hurdle - development may require all its increment to serve build-out and thus not provide surplus back to TID



#### End-User / Developer Considerations

- Built in demand from adjacent new housing development
- Village ownership and in a TID (flexible deal structuring)
- Opportunity to co-leverage public and private needs
- Hurdle - material % of property is undevelopable

### RECOMMENDATIONS

**Initial Village Goal:** Market TID #7 commercial parcel to a “master developer” who would purchase the land, receive negotiated incentives and develop the parcel on their own.

#### Pro’s

- Provides more immediate cash to the village.
- Removes village from the role of developer, which is not its core competency.
- Allows the “expert” to manage the development most cost effectively.

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- May develop more quickly given financial motivations to rapidly translate upfront investment into cash return.
- May generate increment more quickly

### Con's

- Village loses control of the site.
- Developer will develop to “market” not necessarily to “vision.”
- May not result in “highest and best use.”
- May not maximize increment potential.

**Issue:** Beyond the con's noted above, financial analysis suggests it will be difficult to find a “master developer” for the site given (1) site limitations and (2) difficulty of getting sufficient ROI and cash flow off the project under current financial and construction market conditions.

### Resulting Pivot:

1. Village of Jackson retains the role of “master developer” for this site, building an expert outsourced team to execute the actual duties associated with this role.
2. Market the development to specific end-users who would either control the site through a related-party real estate company or lease space from an independent developer / real estate investor.
3. For end-users who wish to lease, the village and EDWC would leverage the pre-identified end-user to solicit specific developer interest through a request for proposals; allowing site occupants to better control the development process.

### Accomplishes:

- Optimizes economics to the end-user / occupant and navigates to best terms for the occupant within tenant-landlord relationship by choosing among a landscape of developer options.
- Allows the village to retain control and decision-making over this prime development location.
- Developers and real estate investors can limit their risk / exposure to a custom-configured site within the development and thus focus on their area of specialty and relationships with minimal sunk costs on non-revenue-producing real estate (such as the pipeline easement).
- Maximizes the site's potential by blending sales to both respected real estate investors and desired end-users.
- Keeps more options and opportunities on the table by allowing for more flexible configurations and solutions under the village's control.
- Allows for immediately responsive deal structures on a case-by-case basis.
- Increases likelihood the village realizes its development objectives and ultimate vision.

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## DISCLAIMER

The information within contains proforma estimates and analysis utilizing assumptions that reflect the best information and market conditions available at the time of this writing. Actual results will differ at varying levels depending on eventual circumstances versus those anticipated in the analysis.



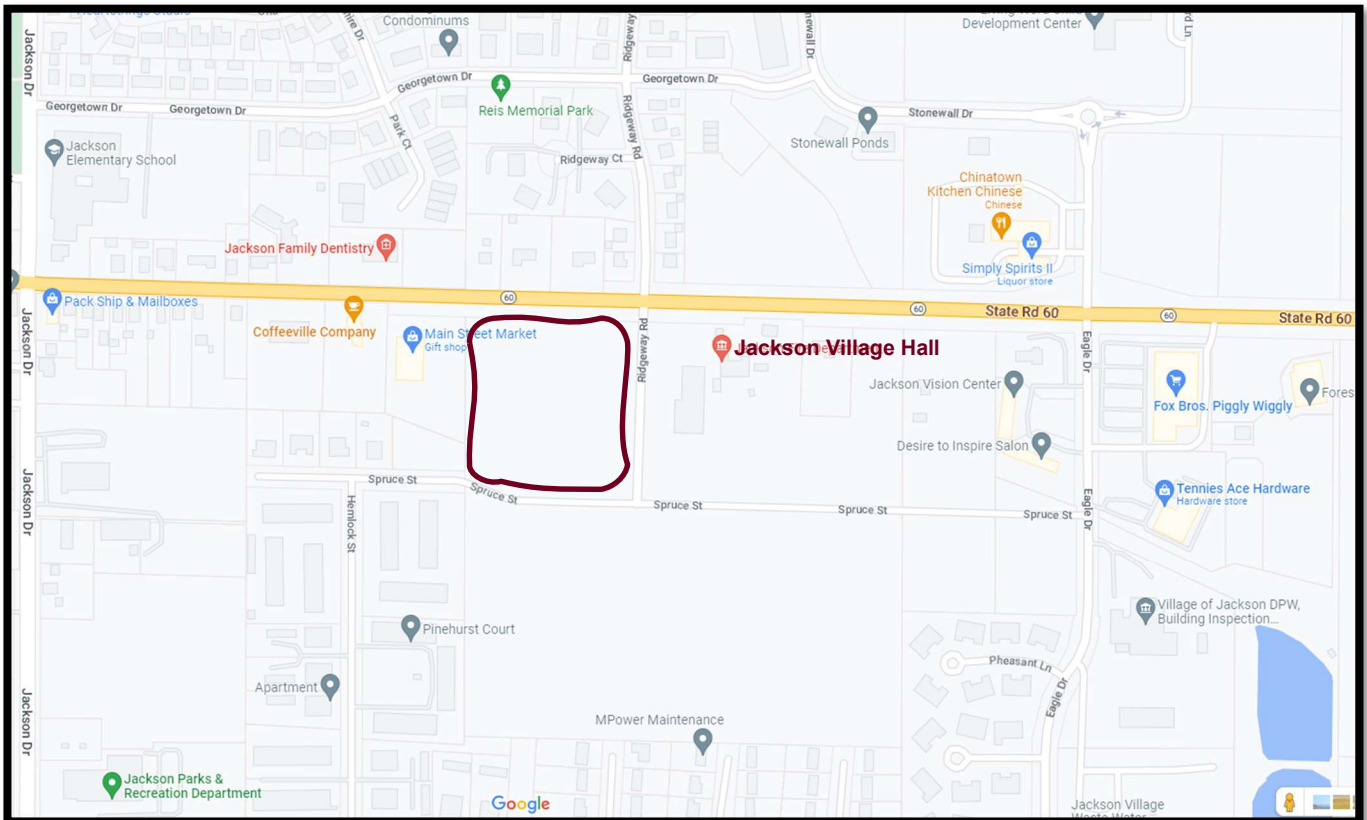
SITE OVERVIEW

LOCATION PROFILE

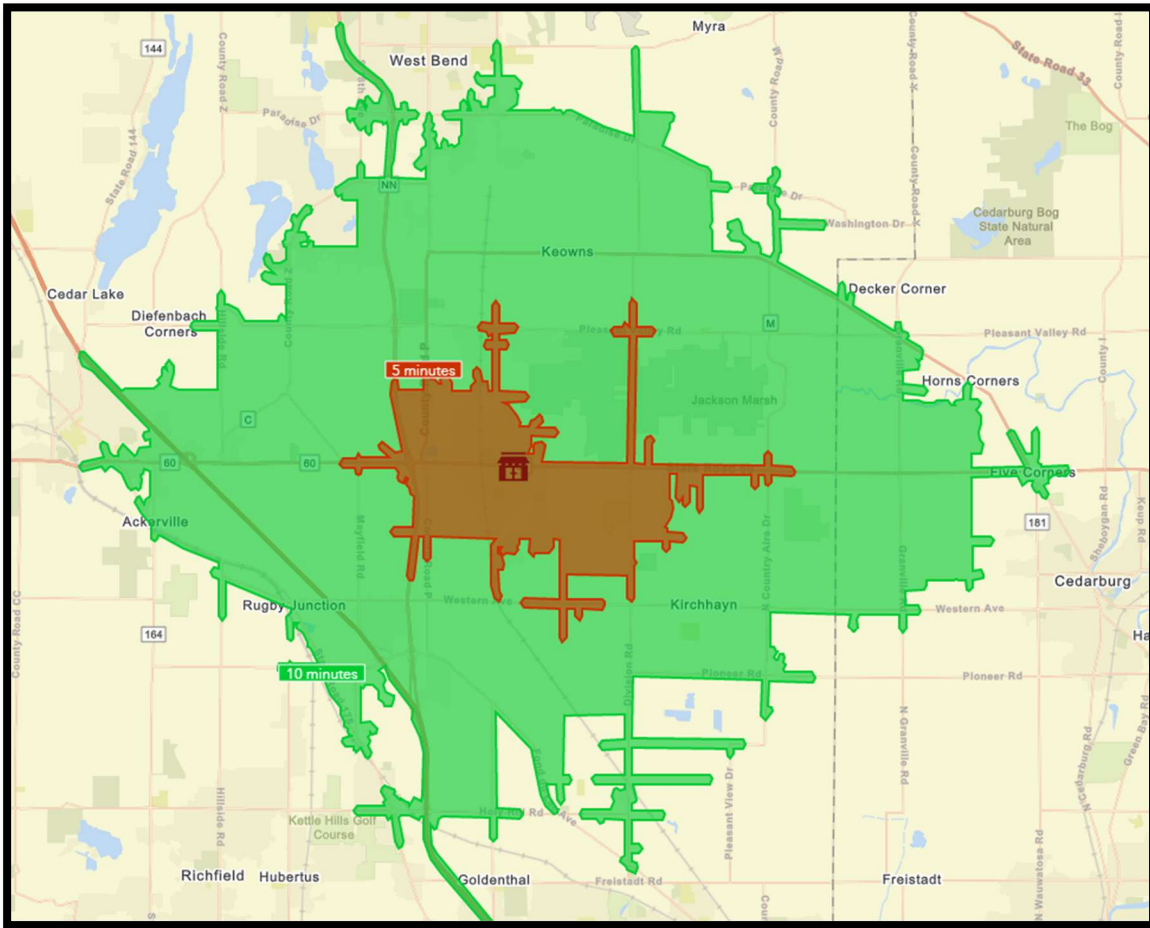
PROPERTY DESCRIPTION

- **Municipality:** Village of Jackson
- **County:** Washington County
- **State:** Wisconsin
- **Address:** 2351-2365 E Main Street
- **ZIP Code:** 53037
- **Census Tract:** 55131450104
- **Census Block Group:** 551314501042
- **CBSA:** Milwaukee-Waukesha, WI Metropolitan Statistical Area
- **Special Incentive Districts:** Tax Increment District #7

SITE MAPS



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### SITE PROFILE

**Acres:** 5.76

**Zoning:** B-1: Community Business District. Lots shall have a minimum of one acre and not less than 150 feet wide. No building can exceed 35 feet in height. All uses are conditional.

**Known Limitations:** ANR Pipeline easement running roughly north/south in the middle of the property; concrete, asphalt or grass allowed on top. Creek along southern property edge limits access and may also affect developable area.

**Access:** Assume access only from Ridgeway Dr. WisDOT restricts STH 60 access. Spruce Street access is limited from a cost-efficacy / timing standpoint. A box culvert and floodway review of creek on southside of property would cost ~\$100k and a year to get a permit from DNR.

**Parking Requirements:** Include 1 parking spot for every 300 SF and 1 space for each 3 employees.

#### **Setback Requirements:**

*Building* - ROW 50 feet, side yard on either side of the principal structure 15 feet, rear yard 25 feet (3 sides ROW, 1 side yard) building must stay out of setback. Landscaping allowed within setbacks.

*Parking* - Asphalt/concrete up to 2 feet from lot line.

**Other Notes:** An asphalt path now runs along the northern lot line, within the ROW, which promotes bike/ped traffic. Ridgeway and Spruce Street are improved. The stormwater pond on Spruce Street is

## Development Proposal & Plan



designed to handle the water from this site; so, allowance for onsite stormwater management is not required.

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### ADJACENT PROPERTIES

Direction	Current Uses	Notes
<b>North</b>	Residential, single family & planned multi-family to the northeast	Demand opportunity for services; connects to significant additional residential along Georgetown Drive
<b>South</b>	Vacant land	Residential, mixed (see TID #7 notes below)
<b>East</b>	Village Hall	New facility; creates limited traffic to the area; however, much higher traffic volumes during special events, public meetings and trainings
<b>West</b>	Mixed commercial	<ul style="list-style-type: none"> <li>• Coffeerville, second parcel to the west, is a unique, established destination for breakfast and lunch (go-to spot for leisure and business meetings); high volume through 2pm; draws visitors from across the region</li> <li>• Main Street Market is a gift shop featuring various local artisans, crafters and other small, local businesses.</li> </ul>

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### NEARBY DEVELOPMENT ACTIVITY

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#### TID #7

The proposed development is part of TID #7, which comprises of approximately 68 acres broken out roughly as follows:

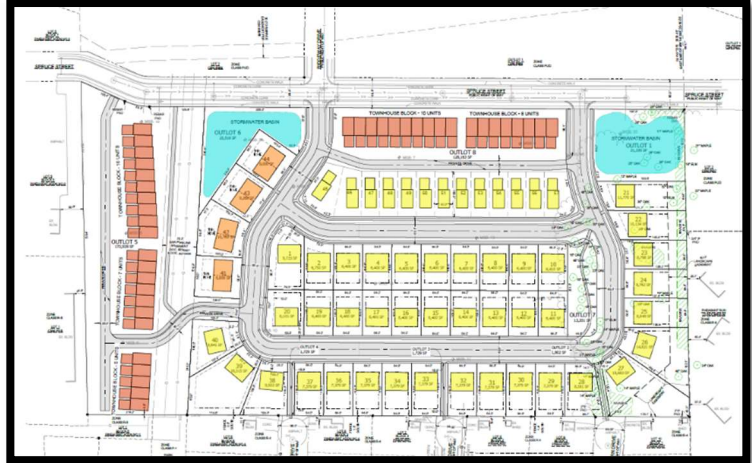
Use	Acreage	TID 7 Share
<b>Village Hall</b>	8.95	13%
<b>Residential</b>	20.48	30%
<b>Commercial – This Proposal</b>	5.76	9%
<b>Commercial – Other</b>	23.19	34%
<b>Unbuildable</b>	9.77	14%

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The largest development project within TID #7 is the residential component “The Oaks of Jackson,” which is part of Washington County’s novel “Next Generation Housing” initiative. This project is located just south of the subject site and will generate significant on-site demand opportunities for the proposed commercial development. Construction is slated to begin in 2023 and comprises of the following:

Housing Type	Units
Small Lot, Single Family	13
Single Family	40
Condo / Duplex	8
Townhomes	40



In addition to the subject commercial development site and the above residential development, there are three other commercial parcels within the TID: one owned by the village and two privately held. The two privately owned parcels are currently listed for sale at over \$120,000 per acre. While there have been unspecified expressions of interest in the sites, there are as of this writing no applications for and / or approvals underway for any specific proposed projects.

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### EAGLE DRIVE

Current development activity at the intersection of State Highway 60 (Main Street) and Eagle Drive and heading south has included limited unspecified expressions of varying interest, however, there is no new commercial project activity in the public domain. There is a \$1.5M roundabout to be constructed in 2024 in conjunction with the State Highway 60 resurfacing plan from WisDOT.

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### STONEWALL DRIVE

There is no new current commercial development activity on land north of State Highway 60 and Eagle Drive; however, the developer of new condos off Stonewall Drive is nearly complete with several new housing units.

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### MAIN STREET / STATE HIGHWAY 60

Development activity along State Highway 60 near to the subject site has been limited in the last year. Main Street has a resurfacing project from WisDOT occurring in 2024. The project does not widen or alter the footprint of the roadway. Main street will have newly upgraded utilities at the conclusion of 2023, including a new series of Main Street streetlights in which the Village is investing.



## AERIAL VIEWS



Current Aerial View



Aerial with Mock 50,000 SF Building

## OWNERSHIP HISTORY

Current owner: Village of Jackson

Formerly part of the historically significant Rueben Schmahl Farm and Homestead.

### Washington County Landmark Commission

The land was purchased from the United States government on April 11, 1846, by Jacob Moersfelder, who later deeded the parcel to his son Peter and wife Juliana on September 1, 1860. Following Peter's death (1861), Juliana married John Schmahl, Sr. in 1864, who subsequently took ownership of the Moersfelder land in 1865 including the original log home.

In 1886, John Sr. and Juliana built this two-story cream city solid brick four-bedroom home, with its field stone basement and cistern to replace the log house. Since that time, the families of John Schmahl, Sr., John Schmahl, Jr., and Reuben John Schmahl have all called it home for a period of over 122 years.

Reuben John Schmahl dedicated his life to public service. Beginning at the local level and continuing over the years, he served 20 years on the Jackson School Board, 44 years on the Town of Jackson Town Board, including 38 years as Town Chairman. At the county level, Reuben was a Washington County Board Supervisor for 45 years, including 22 years as County Board Chairman and Administrative Coordinator.



The Schmahl Living Trust granted the Village of Jackson the deed to their homestead in February 2019. A little over 1 year later, the Village created Certified Survey Map 6969, which includes the subject commercial site.

MARKET PROFILE

TRAFFIC COUNTS



TOP OBSERVATIONS

- Sandwiched among three major retail nodes (West Bend, Cedarburg, and Germantown), all three have greater population density, higher levels of commercialization and larger industrial bases.
- Virtually all workers commute by vehicle (and most to locations outside of the Jackson area).
- Nearly all are driving alone.
- Nearly half have a commute over 30 minutes to and from work.
- **Approximately half those commuting in the trade area are driving by the target site.**

IMPLICATIONS

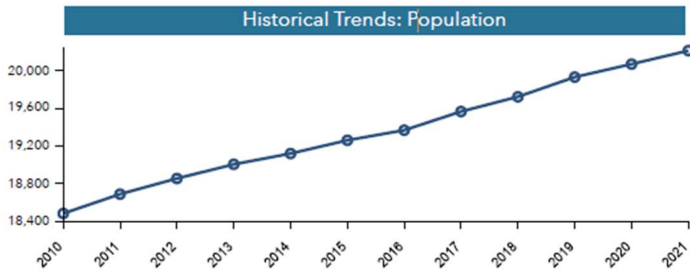
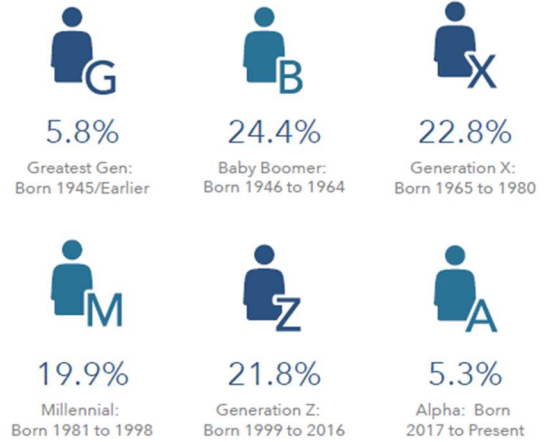
Unique opportunity for retail segments that leverage both local residential and pass-through commuter traffic.



**POPULATION TRENDS AND PROFILE**

**KEY DATA POINTS**

Data Point	10-minute Drive
Population	20,211
Households	7,966
Average Household Size	2.53
Median Age	43.3
Median Household Income	\$87,569
Wealth Index	123
Median Home Value	\$289,833
Housing Affordability Index	150



**TOP OBSERVATIONS**

- Population growth is consistent, steady, and ongoing.
- Strong representation of family building generations (Millennial and Generation Z) in trade area.
- Wealthier population with high concentrations of disposable income and net worth.
- “Middleburg” and “Green Acres” ESRI tapestry segments
  - Value local foods and purchasing.
  - Demand for family-oriented expenditures and experiences strong.
  - Value quality foods, goods and experiences.
- Household budgets are above the national average in nearly all categories.
- Low level of diversity / homogenous demographically.

**IMPLICATIONS**

- Highly focused market segmentation.
- Site directly adjacent to census tracts with high growth, high wealth, lots of disposable income.
- Growing market with money to spend.
- Niche, daily life-oriented opportunities in retail and healthcare to capture disposable income.

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### TOP AREA EMPLOYERS

Private Employers	Estimated # Employees
Universal Strap	120
Rytec Corp	100
COST of Wisconsin	90
Piggly Wiggly	75
Refractory Service Inc	75
Supplyone Inc	70
Kettle Moraine Coatings	60
Kettle Moraine Lutheran High	59
Willer Tool Corp	55
Wisconsin Pharmacal Co	55
Germantown Iron and Steel	50

### MARKET COMPETITION

#### Benchmark Trade Area: Cedarburg

### RETAIL MARKET COMPARISON

Variable	Cedarburg Retail Center (10 minutes)	TID 7 Commercial Parcel (10 minutes)		West Bend Retail Center (10 minutes)		Germantown Retail Center (10 minutes)	
		value	difference	value	difference	value	difference
2022-2027 Population: Compound Annual Growth Rate	0.32%	0.20%	-37.50%	0.11%	-65.63%	0.01%	-96.88%
2022 Population Density (Pop per Square Mile)	737.9	256.6	-65.23%	620.1	-15.96%	717.2	-2.81%
2022 Annual Budget Expenditures	\$1,496,677,126	\$820,281,718	-45.19%	\$1,431,556,088	-4.35%	\$1,504,919,750	+0.55%
2022 Average Disposable Income	\$90,049	\$87,363	-2.98%	\$72,596	-19.38%	\$82,719	-8.14%
2022 Average Disposable Income (Index)	115	112	-2.61%	93	-19.13%	106	-7.83%
2022 Retail Goods	\$451,193,751	\$250,319,348	-44.52%	\$433,701,555	-3.88%	\$454,438,739	+0.72%
2022 Alcoholic Beverages	\$12,222,385	\$6,626,939	-45.78%	\$11,503,076	-5.89%	\$12,193,894	-0.23%
2022 Alcoholic Beverages Away from Home	\$4,926,888	\$2,616,310	-46.90%	\$4,620,202	-6.22%	\$4,932,016	+0.10%
2022 Alcoholic Beverages Away from Home (Index)	119	109	-8.40%	90	-24.37%	106	-10.92%
2022 Alcoholic Beverages Away from Home (Avg)	\$343.48	\$314.46	-8.45%	\$258.99	-24.60%	\$306.01	-10.91%
2022 Entertainment/Recreation	\$61,882,020	\$34,073,262	-44.94%	\$59,111,692	-4.48%	\$62,181,597	+0.48%
2022 Alcoholic Beverages (Index)	120	112	-6.67%	91	-24.17%	106	-11.67%
2022 Entertainment/Recreation (Index)	118	112	-5.08%	90	-23.73%	105	-11.02%
2022 Entertainment/Recreation (Avg)	\$4,314.14	\$4,095.34	-5.07%	\$3,313.62	-23.19%	\$3,858.14	-10.57%
2022 Water Sports Equipment	\$158,566	\$100,844	-36.40%	\$157,529	-0.65%	\$157,888	-0.43%
2022 Water Sports Equipment (Index)	117	128	+9.40%	93	-20.51%	104	-11.11%

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### FOOD AND BEVERAGE MARKET COMPARISON

Variable	Cedarburg Retail Center (10 minutes)	TID 7 Commercial Parcel (10 minutes)		West Bend Retail Center (10 minutes)		Germantown Retail Center (10 minutes)	
		value	difference	value	difference	value	difference
2022-2027 Population: Compound Annual Growth Rate	0.32%	0.20%	-37.50%	0.11%	-65.63%	0.01%	-96.88%
2022 Population Density (Pop per Square Mile)	737.9	256.6	-65.23%	620.1	-15.96%	717.2	-2.81%
2022 Owner Occupied Housing Units	10,587	6,823	-35.55%	13,177	+24.46%	12,255	+15.76%
2022 Renter Occupied Housing Units	3,757	1,497	-60.15%	4,662	+24.09%	3,862	+2.79%
2022 Average Disposable Income	\$90,049	\$87,363	-2.98%	\$72,596	-19.38%	\$82,719	-8.14%
2022 Total Crime Index	30	35	+16.67%	63	+110.00%	69	+130.00%
2022 Food Srv & Drinking Places (NAICS722) Sales	\$49,386	\$24,476	-50.44%	\$63,621	+28.82%	\$109,309	+121.34%
2022 Meals at Restaurants/Other	\$66,908,588	\$36,720,914	-45.12%	\$64,746,599	-3.23%	\$67,909,241	+1.50%
2027 Meals at Restaurants/Other	\$78,531,086	\$43,382,826	-44.76%	\$75,831,448	-3.44%	\$77,654,866	-1.12%
2022 Alcoholic Beverages Away from Home	\$4,926,888	\$2,616,310	-46.90%	\$4,620,202	-6.22%	\$4,932,016	+0.10%
2027 Alcoholic Beverages Away from Home	\$5,783,854	\$3,093,062	-46.52%	\$5,410,598	-6.45%	\$5,643,431	-2.43%
2022 Went to Family Restaurant/Steak House Last 6 Mo	18,675	11,388	-39.02%	22,839	+22.30%	20,827	+11.52%
2022 Went to Fast Food or Drive-In Restaurant Last 6 Mo	24,438	14,708	-39.82%	29,845	+22.13%	27,207	+11.33%
2022 Ordered Home Delivery Fast Food Last 6 Mo	2,817	1,628	-42.21%	3,556	+26.23%	3,312	+17.57%
2022 Ordered Take-Out/Walk-In Fast Food Last 6 Mo	6,027	3,317	-44.96%	6,509	+8.00%	6,497	+7.80%
2022 Went to Fine Dining Restaurant Last Mo	2,600	1,337	-48.58%	2,486	-4.38%	2,599	-0.04%
2022 Went to Buffalo Wild Wings Last 6 Mo	2,382	1,690	-29.05%	3,009	+26.32%	2,736	+14.86%
2022 Went to Cracker Barrel Last 6 Mo	2,852	1,943	-31.87%	3,820	+33.94%	3,373	+18.27%
2022 Went to Texas Roadhouse Last 6 Mo	3,162	2,098	-33.65%	4,100	+29.66%	3,507	+10.91%
2022 Went to Olive Garden Last 6 Mo	4,001	2,760	-31.02%	5,484	+37.07%	4,881	+21.99%
2022 Bought Chick-Fil-A Last 6 Mo	8,917	5,318	-40.36%	9,920	+11.25%	9,214	+3.33%
2022 Bought Panera Bread Last 6 Mo	4,489	2,342	-47.83%	4,344	-3.23%	4,479	-0.22%
2022 Bought Panda Express Last 6 Mo	2,761	1,645	-40.42%	3,094	+12.06%	3,142	+13.80%

### MARKET STRATEGY

#### UNIQUE SELLING PROPERTIES

- High growth
- High wealth & disposable income
- Lots of family building residential development with associated needs and opportunities
- Near total levels of private health insurance
- Values local and driven by family, faith and America

#### TARGET MARKETS

1. Financial / professional
2. Boutique retail
3. Medical
4. Pet supply & vet
5. Specialty grocery / liquor
6. Upscale Americana taproom / distillery / destination restaurant
7. Bike, watersport, outfitter
8. Faith-based boutique
9. Shoe store



Typical Building Requirements					
	<i>Upscale Distillery / Restaurant</i>	<i>Vet / Pet Hospital</i>	<i>Professional / Clinic / Chiropractic</i>	<i>Shoe Store / Pet Store / Retail</i>	Boutique Retail Center
Total SF	4,000	5,000	1,200	6,000	800 *3
Peak Time Employment	15	12	10	7	9
Peak Time Customers	100	7	8	30	12
Peak Time Parking	30	19	18	22	20
Notes					
<ul style="list-style-type: none"> <li>• The above datapoints represent reasonable assumptions rooted in industry specific research and design standards. Various subjective judgements were required in their formulation; therefore, these are for illustrative purposes only.</li> <li>• While access to the site is off Ridgeway, most of the targeted uses would want to maximize visibility to the high traffic counts off Hwy 60 / Main. As such, any site concept plans should position structures for maximum visibility to Hwy 60.</li> <li>• Centralized parking area – per solution for pipeline easement – potentially co-owned / shared by “condo’d” structures. 100-year floodplain, setbacks and right-of-way also to remain publicly owned.</li> </ul>					

**RECOMMENDATIONS**

Comprehensively plan, structure and recruit for an integrated commercial development that...

- Plays off the surrounding and growing residential;
- Leverages commuter traffic;
- Establishes itself as a community cultural center; and
- Serves as a developmental “center of gravity” in its own right.

**CUSTOM END-USER MARKET ANALYTICS**

EDWC has the expertise and tools (including ESRI Business Analyst) to offer prospective end-users with curated market and consumer intelligence tailored to determining this site’s suitability for their project. This information delivers critical knowledge of consumer behaviors and preferences, market voids (opportunity), demand and supply, target markets (demographics) workforce, and traffic specific to this site and the end-user’s business.

[www.edwc.org](http://www.edwc.org)



**DEVELOPMENT PLAN**

**DEVELOPMENT OVERVIEW**

<b>Desired Future State</b>	
<b>Land Use</b>	B1 Community Business District: Retail / Restaurant / Medical / Health / Services
<b>Assessed Value</b>	\$4.7M (TID Plan = \$2.4M) – approximately 4.8 buildable acres, of which ~40,506 would constitute SF under roof due to limitations imposed by pipeline easement constraints; total CapEx of \$5.3M
<b>Market Position</b>	Raise the profile by leveraging the commuter population and proximity to Cedarburg. Position for high touch businesses offering an “experience” and a more premium ascetic. Serves and complements families living in the mainstream residential development beyond this central gateway.
<b>Site Profile</b>	Establish a destination anchor with one or two smaller compatible additional developments. Market supported themes include: (1) vet with higher-end pet retail, (2) family food business with adjacent unique family entertainment, (3) boutique retail, shoe store, taproom/distillery with food service, (4) health/physical therapy clinic, (5) professional / financial services.
<b>Significance</b>	Focal point for village; sense of place; destination point; draw visitors & family
<b>Impact</b>	Gets commuters to pause and spend money in Jackson, creates tax base, establishes a niche for the village; provides a new service or market; attracts spenders seeking “something more” from their visit.
<b>ROI Goal</b>	Contribute net positive increment (revenue) to TID 7 inclusive of site’s share of infrastructure costs, land discounts and any other incentive costs; engender a new generation of pride in the community.

The concept plan and financial analysis below assumes the site can accommodate four commercial projects of approximately equal size.

# Development Proposal & Plan

## SITE CONCEPT PLAN & BUILD-OUT



Lot Number	Lot Acreage	% Not Improvable	Net Building Acres	Use	Building Type	Contour Rating	SF Under Roof	Construction Cost
1	1.64	86%	0.23	Commercial	Retail (Excludes TI)	Light	10,028	\$ 1,303,588
2	1.13	79%	0.24	Commercial	Retail (Excludes TI)	Light	10,373	\$ 1,348,539
3	0.96	76%	0.23	Commercial	Retail (Excludes TI)	Light	10,077	\$ 1,310,010
4	1.64	86%	0.23	Commercial	Retail (Excludes TI)	Light	10,028	\$ 1,303,588
Public (Parking, Floodplain, Right-of-Way, Set-Back)	0.28	100%	0.0				-	\$ -
<b>TOTALS / AVG</b>	<b>5.67</b>	<b>85%</b>	<b>0.93</b>				<b>40,506</b>	<b>\$ 5,265,724</b>

SF Under Roof	40,506
Construction Cost (/SF)	\$ 130.00
Pace of Absorption	Rapid
Annual New Investment	\$ 1,755,241
Year	Cumulative12
1	\$ 1,755,241
2	\$ 3,510,483
3	\$ 5,265,724

SF Under Roof	40,506
Construction Cost (/SF)	\$ 130.00
Pace of Absorption	Rapid
Annual New EAV	\$ 1,579,717
Year	EAV6
1	\$ 1,579,717
2	\$ 3,159,435
3	\$ 4,739,152



**FINANCIAL ANALYSIS**

**END-USER / REAL ESTATE COMPANY SITE ACQUISITION**

<b>Market Price (per acre):</b>	<b>\$ 120,000.00</b>
<b>Mean Village Lot Price (per acre):</b>	<b>\$ 100,000.00</b>
<b>Rate Choice:</b>	<b>Village Mean</b>

<b>Under Roof Cost Calculation</b>	<b>Market</b>	<b>Village Mean</b>	<b>Target Mean</b>
Land Acres	5.39	5.39	<b>\$ 5.4</b>
Asking Price (Per Acre)	\$ 120,000.00	\$ 100,000.00	<b>\$ 100,000.00</b>
Total Land Cost	\$ 646,380.00	\$ 538,650.00	<b>\$ 538,650.00</b>
Square Feet Under Roof			<b>40,505.57</b>
<b>Land Under Roof Cost (Per SF)</b>			<b>\$ 13.30</b>

**HARD COSTS**

**VILLAGE**

Significant infrastructure investments have already been made as part of making TID #7 “shovel-ready” as a whole. Incremental new investment specific to this project is limited to an approximately 320 feet access drive with side parking at a cost of \$146,000. This would allow access to all four planned parcels in the development.

**END-USERS / REAL ESTATE COMPANIES**

End-users and / or real estate companies of the four lots in the proposed concept plan will assume – for the purposes of this analysis – the following estimated hard costs to develop each of their sites. The table that follows is proforma profile of hard costs for one of the four lots based on the best available assumptions at the time of this writing. This proposal assumes each development is roughly similar in size and therefore these estimates would approximate costs for each of the four developments. Actual costs will vary depending on the true lot and project size of each development deal as designed and subsequently built out.

<b>Line Item</b>	<b>Cost / Lot</b>
<b>Grading &amp; Pavement</b>	\$159,096
<b>Storm Sewer</b>	\$31,466
<b>Sanitary Sewer</b>	\$45,545
<b>Building Construction</b>	\$1,300,000



**SOFT COSTS**

**VILLAGE**

As “master developer,” the village will incur various potential soft costs in an effort to recruit and secure developers and negotiate and consummate deals. What follows are estimates for proforma purposes only and therefore may not reflect actual expenses and investment needs required to get all necessary development projects for the entire commercial parcel across the finish line.

Line Item	Fees
<b>Additional Engineering</b>	\$20,000
<b>Marketing</b>	\$25,000
<b>Development</b>	\$30,000
<b>Legal</b>	\$28,000
<b>Incentives</b>	\$777,000

**END-USERS / REAL ESTATE COMPANIES**

End-users and / or real estate companies of the four lots in the proposed concept plan will assume – for the purposes of this analysis – the following estimated soft costs to develop each of their sites. The table that follows is proforma profile of soft costs for one of the four lots based on the best available assumptions at the time of this writing. This proposal assumes each development is roughly similar in size and therefore these estimates would approximate costs for each of the four developments. Actual costs will vary depending on the true lot and project size of each development deal as designed and subsequently built out.

Line Item	Cost / Lot
<b>Design &amp; Engineering</b>	\$49,000
<b>Permitting Fees</b>	\$5,130
<b>Impact Fees</b>	\$9,330
<b>Contingency</b>	\$16,000
<b>Development Fees</b>	Waived (wholly owned)
<b>Management Fees (15 years)</b>	Waived (wholly owned)
<b>Replacement Reserve (15 years)</b>	\$129,115

## Development Proposal & Plan

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### VILLAGE PROFORMA

#### CASH INFLOWS

Period (Year)	CASH INFLOWS					
	Tax Increment	Land Sale	Total Revenue	Total PV	Total PV Cumulative	Total FV Cumulative
0	\$ -	\$ 179,550	\$ 179,550	\$ 179,550	\$ 179,550	\$ 179,550
1	\$ -	\$ 179,550	\$ 179,550	\$ 171,237	\$ 350,787	\$ 359,100
2	\$ 20,550	\$ 179,550	\$ 200,100	\$ 182,000	\$ 532,787	\$ 559,200
3	\$ 41,100		\$ 41,100	\$ 35,652	\$ 568,438	\$ 600,301
4	\$ 61,651		\$ 61,651	\$ 51,002	\$ 619,440	\$ 661,951
5	\$ 61,651		\$ 61,651	\$ 48,640	\$ 668,080	\$ 723,602
6	\$ 61,651		\$ 61,651	\$ 46,388	\$ 714,468	\$ 785,252
7	\$ 61,651		\$ 61,651	\$ 44,240	\$ 758,709	\$ 846,903
8	\$ 61,651		\$ 61,651	\$ 42,192	\$ 800,901	\$ 908,553
9	\$ 61,651		\$ 61,651	\$ 40,239	\$ 841,139	\$ 970,204
10	\$ 61,651		\$ 61,651	\$ 38,376	\$ 879,515	\$ 1,031,854
11	\$ 61,651		\$ 61,651	\$ 36,599	\$ 916,114	\$ 1,093,505
12	\$ 61,651		\$ 61,651	\$ 34,904	\$ 951,018	\$ 1,155,155
13	\$ 61,651		\$ 61,651	\$ 33,288	\$ 984,306	\$ 1,216,806
14	\$ 61,651		\$ 61,651	\$ 31,747	\$ 1,016,053	\$ 1,278,456
15	\$ 61,651		\$ 61,651	\$ 30,277	\$ 1,046,330	\$ 1,340,107
16	\$ 61,651		\$ 61,651	\$ 28,875	\$ 1,075,205	\$ 1,401,757

#### CASH OUTFLOWS

Period (Year)	CASH OUTFLOWS						
	Administration	Soft Costs	Infrastructure Debt Serv.	Developer Incentive	Total Investment	Total Investment PV	Total Investment PV Cumulative
0	\$ (25,000)	\$ (34,333)			\$ (59,333)	\$ (59,333)	\$ (59,333)
1	\$ (5,000)	\$ (34,333)	\$ (13,045)		\$ (52,378)	\$ (49,953)	\$ (109,286)
2	\$ (5,000)	\$ (34,333)	\$ (13,045)	\$ (18,495)	\$ (70,873)	\$ (64,462)	\$ (173,749)
3	\$ (5,000)		\$ (13,045)	\$ (36,990)	\$ (55,035)	\$ (47,739)	\$ (221,488)
4	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (60,829)	\$ (282,317)
5	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (58,013)	\$ (340,330)
6	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (55,327)	\$ (395,657)
7	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (52,765)	\$ (448,422)
8	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (50,322)	\$ (498,744)
9	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (47,992)	\$ (546,737)
10	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (45,770)	\$ (592,507)
11	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (43,651)	\$ (636,158)
12	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (41,630)	\$ (677,788)
13	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (39,703)	\$ (717,491)
14	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (37,864)	\$ (755,355)
15	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (36,111)	\$ (791,466)
16	\$ (5,000)		\$ (13,045)	\$ (55,485)	\$ (73,530)	\$ (34,439)	\$ (825,905)

Development Proposal & Plan



**NET OF CASH FLOWS**

Period (Year)	NET FLOWS		
	Net Flows	Net Flows PV	NPV Cumulative
0	\$ (59,333)	\$ 120,217	\$ 120,217
1	\$ (52,378)	\$ 121,284	\$ 241,501
2	\$ (50,323)	\$ 117,538	\$ 359,038
3	\$ (13,935)	\$ (12,087)	\$ 346,951
4	\$ (11,880)	\$ (9,828)	\$ 337,123
5	\$ (11,880)	\$ (9,373)	\$ 327,750
6	\$ (11,880)	\$ (8,939)	\$ 318,811
7	\$ (11,880)	\$ (8,525)	\$ 310,287
8	\$ (11,880)	\$ (8,130)	\$ 302,156
9	\$ (11,880)	\$ (7,754)	\$ 294,403
10	\$ (11,880)	\$ (7,395)	\$ 287,008
11	\$ (11,880)	\$ (7,052)	\$ 279,956
12	\$ (11,880)	\$ (6,726)	\$ 273,230
13	\$ (11,880)	\$ (6,414)	\$ 266,815
14	\$ (11,880)	\$ (6,117)	\$ 260,698
15	\$ (11,880)	\$ (5,834)	\$ 254,864
16	\$ (11,880)	\$ (5,564)	\$ 249,300

## Development Proposal & Plan

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### REALCO SINGLE 10K SF PROJECT PROFORMA (WHOLLY OWNED BY OCCUPANT)

#### CASH INFLOWS

Period (Year)	CASH INFLOWS				
	Lease Revenue	Incentives	Total Income	Increment PV	Increment PV Cumulative
0	\$ -	\$ -	\$ -	\$ -	\$ -
1	\$ 170,469	\$ -	\$ 170,469	\$ 160,966	\$ 160,966
2	\$ 170,469	\$ 13,736	\$ 184,205	\$ 164,239	\$ 325,205
3	\$ 170,469	\$ 13,736	\$ 184,205	\$ 155,083	\$ 480,289
4	\$ 170,469	\$ 13,736	\$ 184,205	\$ 146,438	\$ 626,726
5	\$ 170,469	\$ 13,736	\$ 184,205	\$ 138,274	\$ 765,000
6	\$ 170,469	\$ 13,736	\$ 184,205	\$ 130,565	\$ 895,566
7	\$ 170,469	\$ 13,736	\$ 184,205	\$ 123,287	\$ 1,018,852
8	\$ 170,469	\$ 13,736	\$ 184,205	\$ 116,414	\$ 1,135,266
9	\$ 170,469	\$ 13,736	\$ 184,205	\$ 109,924	\$ 1,245,189
10	\$ 170,469	\$ 13,736	\$ 184,205	\$ 103,796	\$ 1,348,985
11	\$ 170,469	\$ 13,736	\$ 184,205	\$ 98,009	\$ 1,446,994
12	\$ 170,469	\$ 13,736	\$ 184,205	\$ 92,545	\$ 1,539,539
13	\$ 170,469	\$ 13,736	\$ 184,205	\$ 87,386	\$ 1,626,926
14	\$ 170,469	\$ 13,736	\$ 184,205	\$ 82,514	\$ 1,709,440
15	\$ 170,469	\$ 13,736	\$ 184,205	\$ 77,914	\$ 1,787,354
16	\$ 170,469	\$ 13,736	\$ 184,205	\$ 73,571	\$ 1,860,925
17	\$ 170,469		\$ 170,469	\$ 64,289	\$ 1,925,214
18	\$ 170,469		\$ 170,469	\$ 60,705	\$ 1,985,919
19	\$ 170,469		\$ 170,469	\$ 57,321	\$ 2,043,240
20	\$ 170,469		\$ 170,469	\$ 54,125	\$ 2,097,365

#### CASH OUTFLOWS

Period (Year)	CASH OUTFLOWS							
	Land	Site Prep / Utilities	Soft Costs	Construction Debt Serv.	Replacement Reserve	Permitting / Impact Fees	Total Investment PV	Total Investment PV Cumulative
0	\$ (164,430)	\$ (236,108)	\$ (65,393)		\$ -	\$ (14,150)	\$ (480,080)	\$ (480,080)
1	\$ -			\$ (109,827)	\$ (8,523)		\$ (111,753)	\$ (591,833)
2	\$ -			\$ (109,827)	\$ (8,523)		\$ (105,523)	\$ (697,356)
3				\$ (109,827)	\$ (8,523)		\$ (99,640)	\$ (796,996)
4				\$ (109,827)	\$ (8,523)		\$ (94,085)	\$ (891,081)
5				\$ (109,827)	\$ (8,523)		\$ (88,840)	\$ (979,921)
6				\$ (109,827)	\$ (8,523)		\$ (83,888)	\$ (1,063,809)
7				\$ (109,827)	\$ (8,523)		\$ (79,211)	\$ (1,143,020)
8				\$ (109,827)	\$ (8,523)		\$ (74,795)	\$ (1,217,815)
9				\$ (109,827)	\$ (8,523)		\$ (70,625)	\$ (1,288,440)
10				\$ (109,827)	\$ (8,523)		\$ (66,688)	\$ (1,355,128)
11				\$ (109,827)	\$ (8,523)		\$ (62,970)	\$ (1,418,099)
12				\$ (109,827)	\$ (8,523)		\$ (59,460)	\$ (1,477,558)
13				\$ (109,827)	\$ (8,523)		\$ (56,145)	\$ (1,533,703)
14				\$ (109,827)	\$ (8,523)		\$ (53,015)	\$ (1,586,718)
15				\$ (109,827)	\$ (8,523)		\$ (50,060)	\$ (1,636,778)
16				\$ (109,827)	\$ (8,523)		\$ (47,269)	\$ (1,684,047)
17				\$ (109,827)	\$ (8,523)		\$ (44,634)	\$ (1,728,680)
18				\$ (109,827)	\$ (8,523)		\$ (42,145)	\$ (1,770,826)
19				\$ (109,827)	\$ (8,523)		\$ (39,796)	\$ (1,810,621)
20				\$ (109,827)	\$ (8,523)		\$ (37,577)	\$ (1,848,199)

Development Proposal & Plan

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**NET OF CASH FLOWS**

Period (Year)	NET FLOWS		
	Net Flows	Net Flows PV	NPV Cumulative
0	\$ (480,080)	\$ (480,080)	\$ (480,080)
1	\$ 52,118	\$ 49,213	\$ (430,867)
2	\$ 65,854	\$ 58,717	\$ (372,151)
3	\$ 65,854	\$ 55,443	\$ (316,707)
4	\$ 65,854	\$ 52,352	\$ (264,355)
5	\$ 65,854	\$ 49,434	\$ (214,921)
6	\$ 65,854	\$ 46,678	\$ (168,243)
7	\$ 65,854	\$ 44,076	\$ (124,168)
8	\$ 65,854	\$ 41,619	\$ (82,549)
9	\$ 65,854	\$ 39,298	\$ (43,251)
10	\$ 65,854	\$ 37,108	\$ (6,143)
11	\$ 65,854	\$ 35,039	\$ 28,896
12	\$ 65,854	\$ 33,085	\$ 61,981
13	\$ 65,854	\$ 31,241	\$ 93,222
14	\$ 65,854	\$ 29,499	\$ 122,722
15	\$ 65,854	\$ 27,855	\$ 150,576
16	\$ 65,854	\$ 26,302	\$ 176,878
17	\$ 52,118	\$ 19,655	\$ 196,534
18	\$ 52,118	\$ 18,560	\$ 215,093
19	\$ 52,118	\$ 17,525	\$ 232,618
20	\$ 52,118	\$ 16,548	\$ 249,166

## Development Proposal & Plan



### CONSTRUCTION FINANCING

To be determined.





### PERMANENT FINANCING

Assumed at 5.75% with a 20-year term.





### FEASIBILITY SUMMARY

Analysis Period: 16 years for the village and 20 years for the end-users / real estate company. Hurdle rates for the end-user / real estate company feasibility analysis is adjusted over typical developer hurdle rates to account for the fact that the real estate company is wholly owned by the operating company (occupant / tenant). Deal structure and profit objectives are different for this targeted situation.

#### VILLAGE / TID #7

Variable	Outcome	Actual	Hurdle Rate
Break Even (Year Project Makes Money)		Immediately	15 years
Internal Rate of Return (IRR) (Annual Rate of Growth)			
Return on Investment (ROI) (Return over Cost)		27%	3%
Spread Over Cost of Capital (IRR – Financing Rate)			0%

#### END-USERS / REAL ESTATE COMPANY

Variable	Outcome	Actual	Hurdle Rate
Break Even (Year Project Makes Money)		10.08 years	7 years
Internal Rate of Return (IRR) (Annual Rate of Growth)		11.76%	
Return on Investment (ROI) (Return over Cost)		13%	10%
Spread Over Cost of Capital (IRR – Financing Rate)		6.01%	5%



**RISK ANALYSIS**

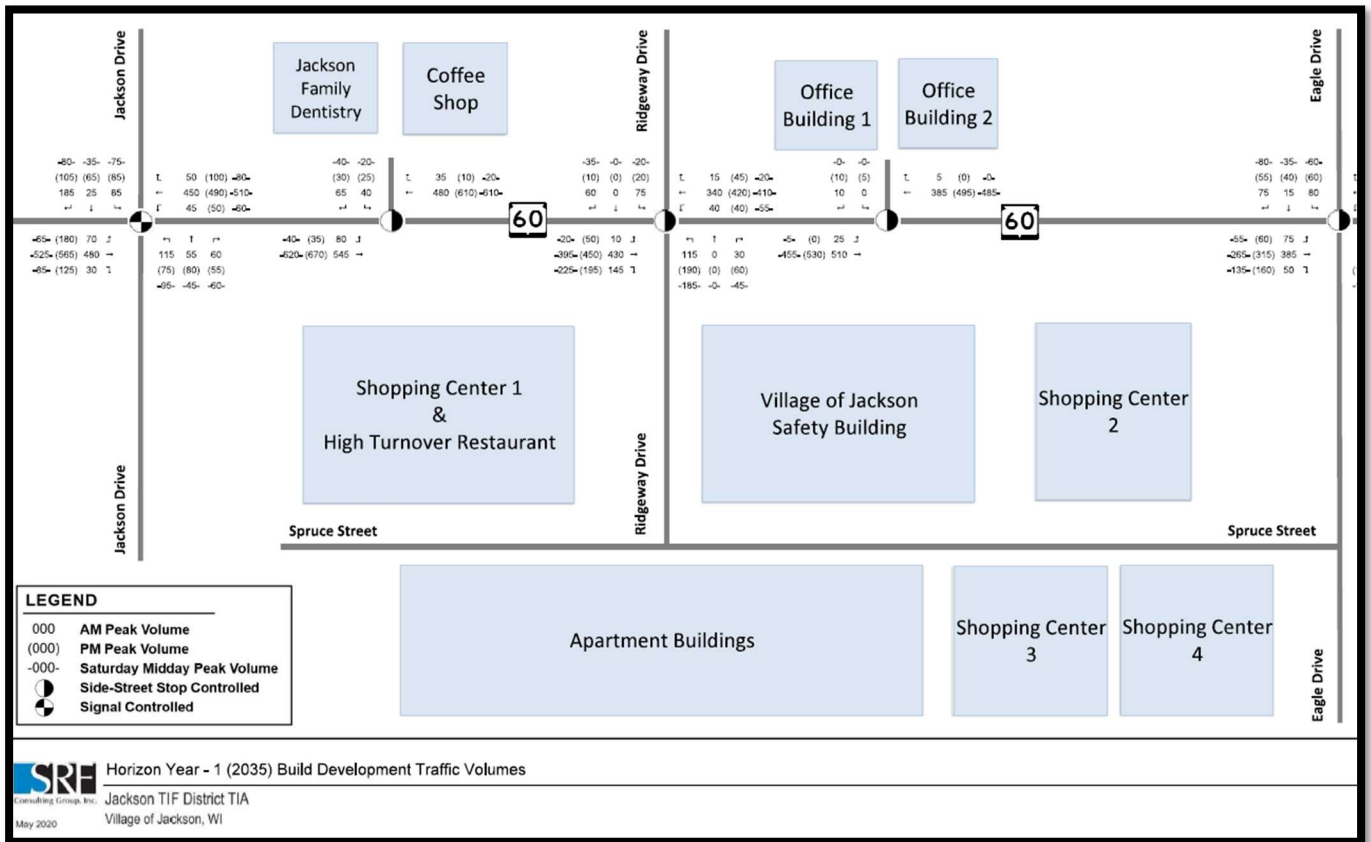
**SITE RISK**

**HIGH PRESSURE PIPELINE**

A pipeline easement basically cuts right down the middle of the property. With no structures allowed on the easement, it would need to be preserved for either greenspace or parking. Given the desired future state and building requirements, more likely than not, the easement's best use would be parking. Couple this with limited access to the site, and maximum use of the site will undoubtedly require more creative site concepts and solutions. The pipeline easement could, for example, be converted to parking and greenspace and be either individually or collectively owned with shared access / use agreements between the private end-users and village. The required creek setbacks could become buffer / green space to the residential development south of the commercial parcel.

**TRAFFIC LOAD**

Full build out of TID #7 is anticipated to cause (per a 2020 Traffic Impact Study) poor operations at State Road 60 and Ridgeway. Signalized mitigation is not projected to be warranted until around 2035; so, either less-than-desirable traffic flow will need to be tolerated for some time or consideration of a modern roundabout in the interim.





## MARKET RISK

1. Geographically located between three strong and centers of employment, retail, and food gravity
2. Commuter-focused...disconnected from the local community
3. Low population density
4. Daily commute to jobs located adjacent to major competing retail trade centers
5. Getting folks out of their cars when hurrying to and from work
6. Competing with the “centers of gravity” in West Bend (Paradise Dr) and Germantown (CR-Q)
7. Lack of a community center / culture

## FINANCE & CONSTRUCTION COST RISK

1. Rising interest rates (Prime was 3.25% in 2021 and has risen 138% to 7.75% today)
2. Cost of money is high relative to developer return on investment (ROI)
3. ROI is below traditional “hurdle rate” for developers
4. Rapid inflation has created a situation where the cost of construction is out of alignment with current leasing market conditions. This plan’s assumptions of \$130 / SF construction cost (excluding material tenant improvements) with a commercial lease rate of \$17 / SF makes for a longer than desired runway to breakeven.
5. Supply chain issues are causing delays in obtaining construction materials or causing change orders (and often increased costs) in the types of materials used due to unavailability of supply.
6. Contractors are busy and don’t need the work.



## DEVELOPMENT TEAM

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### ARCHITECTS AND DESIGN

TBD

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### ENGINEERING

- Brian W. Kober, P.E., Director of Public Works/Village Engineer, Village of Jackson
  - Cedar Corporation
  - TBD
- 

### PERMITS AND APPROVALS

- Collin Johnson, CFM, Director of Inspections/Zoning, Village of Jackson
  - Jen Keller, Village Administrator, Village of Jackson
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### CONSTRUCTION

TBD

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### PROJECT MANAGEMENT

- Jen Keller, Village Administrator, Village of Jackson
  - Christian Tscheschlok, Executive Director, EDWC
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### SALES AND MARKETING

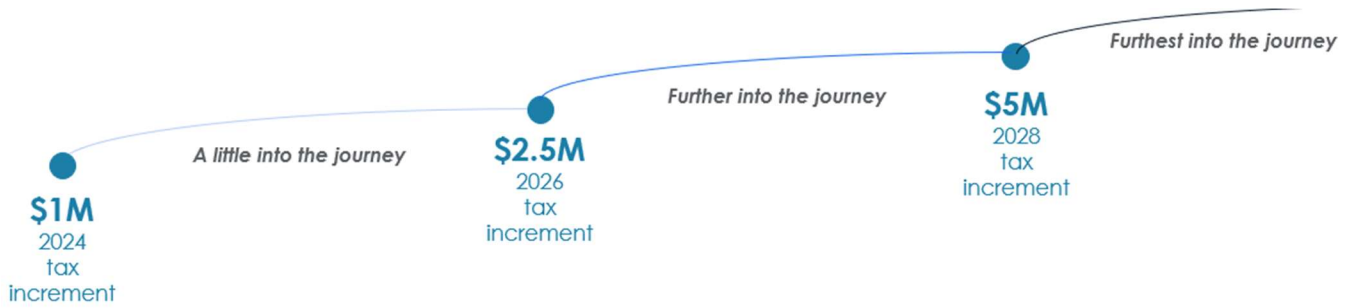
- Christian Tscheschlok, Executive Director, EDWC
- 

### REAL ESTATE

TBD



**GO-TO-MARKET STRATEGY**



	2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Village	Site Plan Options		Site Preparation					
	Development Plan	Recruitment Package						
EDWC	End-User / Real Estate Company Recruitment							
		Market Strategy						
	Deal Structuring							
End-User			Announce 1 <sup>st</sup> Deal	Land Sale				
				Buildout				

**Project Development Strategy (vs. Listing Strategy)**

**PHASE 1**

1. Recruit and secure “first-mover(s)” and their project(s).
2. Select marketing and real estate / developer partners and build specific marketing campaign.
3. Build the site’s “Catalyst” (SE WI commercial property database) presence through EDWC.
4. Create a “micro-website” capturing the development plan and the opportunity it offers for targeted markets.



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## PHASE 2

1. Prep local media with “embargoed” announcement story / event and campaign launch.
2. Coordinate with “first-mover” projects and Oaks of Jackson “first home build” and other area development events (if timing works) to coincide their announcements / events with this site’s marketing campaign’s launch.
3. **Host “first-mover” announcement and development launch event aligned per above. Unveil signage and development information at the site.**

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## PHASE 3

1. Construct the access road and perform other necessary site preparation activities.
2. Partner with one of the region’s business news publications via event and media sponsorship to garner primary editorial exposure for the development plan, current development projects and opportunity for targeted end-users.
3. In concert with selected professional real estate development partner(s), engage in direct outreach to and marketing tactics with:
  - a. Select members of the commercial development community with a track record of success within the targeted markets;
  - b. Influencers;
  - c. Desired “anchor” end-user.
4. Leverage milestones and project developments for ongoing social media posting and primary editorial content in local media.
5. **Recruit and secure “anchor” development.**

Continue Phase 3 tactics and activities – structuring and securing deals – for the remaining available development space within the parcel.