August 30, 2018

PROJECT PLAN FOR THE CREATION OF

TAX INCREMENTAL DISTRICT NO. 5

Organizational Joint Review Board Hearing Held:	June 7, 2018
Public Hearing Held	June 25, 2018
Approval by Plan Commission	June 25, 2018
Adoption by Common Council	July 10, 2018
Approval by Joint Review Board	August 8, 2018

August 30, 2018

TAX INCREMENTAL DISTRICT NO. 5 CREATION
PROJECT PLAN

City of South Milwaukee Common Council

Mayor Erik Brooks
Ramon Navarro
R. Patrick Stoner
Brett Briesemeister
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Joe Bukowski
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August 30, 2018

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SECTION 1:
EXECUTIVE SUMMARY

Description of the District
Tax Incremental District ("TID") No. 5 ("District") is a proposed 59.06-acre blight TID that will be created to pay the costs of public infrastructure, land acquisition, brownfield remediation, development incentives, and other expenses needed to facilitate reinvestment in existing properties and encourage new construction. The District is delineated to encompass two key economic drivers in the city of South Milwaukee: 1) the 28.19-acre former Bucyrus campus, and 2) portions of Downtown South Milwaukee along Milwaukee Avenue and the Chicago Avenue Corridor. In creating this District, the City of South Milwaukee identified a specific set of goals for properties within the District:

- Proactively attract and facilitate reinvestment in manufacturing facilities, specifically the former Bucyrus campus, to mitigate and avoid the negative effects of potential vacancies that may result in the deterioration and obsolescence of the site's facilities and infrastructure;
- Encourage investment in and occupancy of underutilized and vacant properties, including parking lots and former gas stations; and,
- Focus general reinvestment in the District on revitalization and, where appropriate, expansion of the existing building stock to capitalize on South Milwaukee's distinct downtown character.

Consistent with the *City of South Milwaukee Comprehensive + Downtown Plan Update 2035*, the District is delineated to capture the economic potential of Downtown South Milwaukee as an Opportunity Area. South Milwaukee Opportunity Areas are defined as specific sites and areas within the city limits that represent strategic and catalytic reinvestment and re/development opportunities. These sites and areas hold the potential to increase the value – environmental, social, and economic – of the surrounding properties in which they are located. Consistent with Wis. Stats. § 66.1105, the economic impact of the District will support investments both within the District's boundaries and within a one-half mile radius of the District's boundaries. Objectives for investments made within a one-half mile radius of the District include:

- Support ongoing revitalization efforts in Downtown South Milwaukee, including the funding of the Downtown Revitalization Grant Program and the creation of a revolving loan fund (RLF) for small businesses and redevelopment projects; and,
- Support reinvestment in the neighborhoods surrounding the District through the creation and administration of a residential grant program or revolving loan fund.

Estimated Total Project Cost Expenditures
The City anticipates making total expenditures in the high range of $5,745,000 to undertake the projects listed in this Project Plan. Project costs include the cost of acquiring land within the District, provision of necessary public infrastructure and public services, development incentives, and other costs related to the creation and administration of the District. Project costs will be funded through the available financing methods referenced in Section 10.

Incremental Valuation
The City projects that incremental land and improvements value of approximately $24 million may be created by the year 2035 because of the activities proposed in each Project Area of the District. This additional value will be created due to the improvements made and project costs incurred within the District.

Expected Termination of District
Based on the Economic Feasibility Study included in this Plan, the City recognizes it could recover all project costs by the year 2029, or 17 years prior to the end of the District's maximum allowable term of twenty-seven years. This expectation will fluctuate commensurate with changing project costs and assessed values over the life of the District.

Summary of Findings
As required by Wis. Stats. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That "but for" the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered that making the District suitable for development activity will require a substantial investment to pay for the costs of property, right-of-way and easement acquisition or modification, installation/improvement/modification of utilities, development incentive payments for purposes of land reimbursement or other costs, operating costs, professional/legal/financing costs and expenses, and other costs. The City has determined that development of the area as proposed in the Project Areas will not occur solely from private investment. Consequently, the City finds that absent the use of tax increment financing, the activities in the Project Areas as proposed would not proceed.

2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the District's economic benefits which include an estimated $24 million increase in property valuation, renewed manufacturing space, renewed and new housing units, construction jobs, property maintenance jobs, and economic impacts generated by a) an increase in the number of consumers living in the City's downtown and/or b) the induced effects of employees spending locally for goods and services.

3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in Appendix A of this plan. However, because development in the Project Areas would not occur without the use of tax increment financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth above outweigh the value of the tax increments to be invested in the Project.

4. Not less than 50% by area of the real property within the District is a blighted area within the meaning of Wis. Stats. § 66.1105(2)(ae)1.

5. Based upon the findings, as stated above, the District is declared to be a blighted area district based on the identification and classification of the property included within the District.

6. The project costs relate directly to promoting the elimination of blight consistent with the purpose for which the District is created.

7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.

8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.

9. Given that approximately 18% of the building area (or approximately 21% of the land area) within the District is devoted to retail business, the City projects that roughly 30% of the building area would be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stats. § 66.1105(5)(b) and 66.1105(6)(am)1.

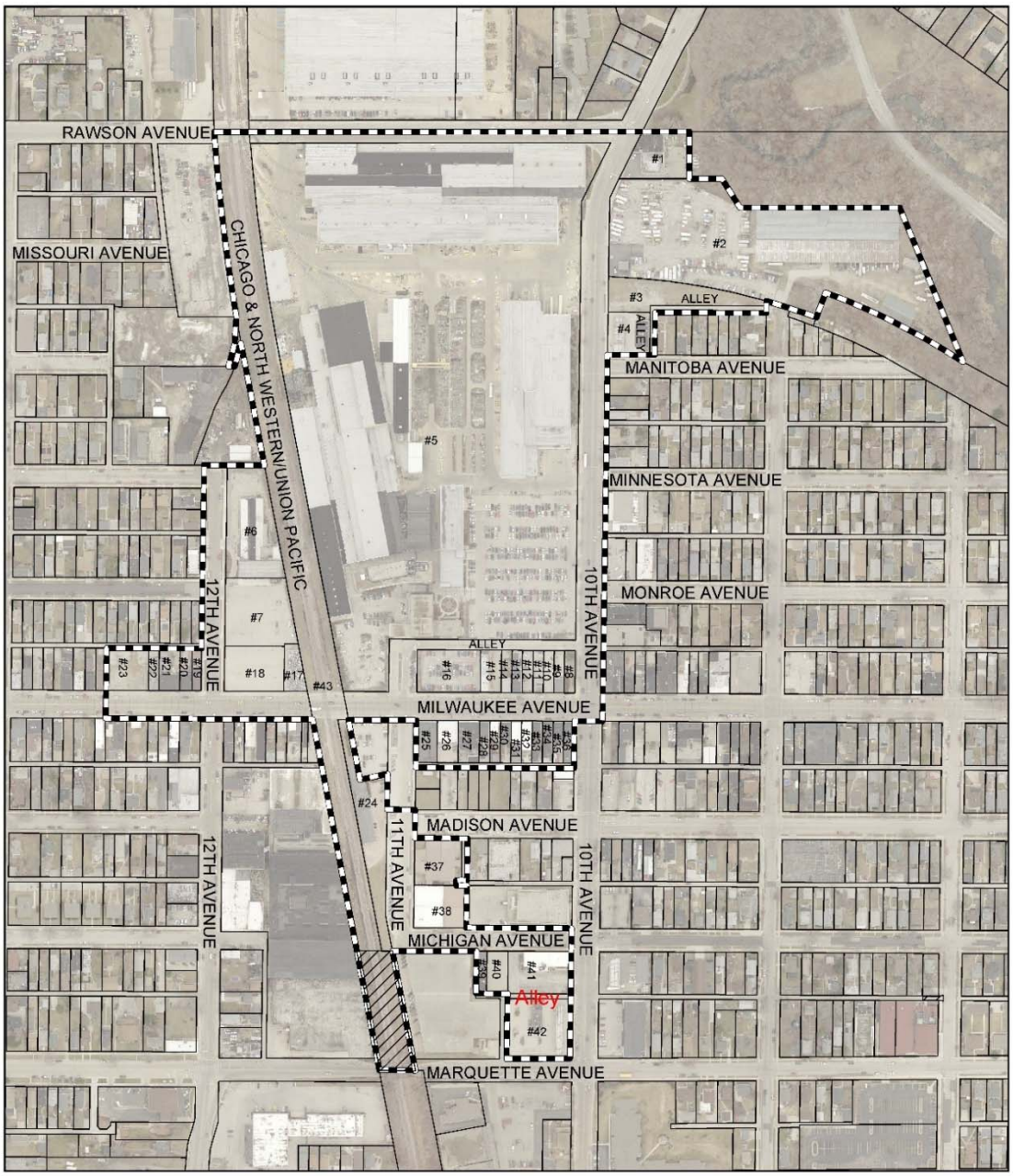
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City – i.e. the *City of South Milwaukee Comprehensive + Downtown Plan Update 2035*.

SECTION 2:
TYPE AND GENERAL DESCRIPTION OF DISTRICT

Encompassing 59.06 acres around the former Bucyrus campus, Downtown South Milwaukee along Milwaukee Avenue, and parts of the Chicago Avenue Corridor, the District is being created by the City under the authority provided by Wis. Stats. § 66.1105 and will be classified as a blighted area district based on a finding that at least 50%, by area, of the real property within the District is a blighted area as defined in Wis. Stats. § 66.1105(2)(ae)(1). Creation of the District will facilitate the rehabilitation, redevelopment, or development of up to 43 parcels in order to maximize the potential economic activity of the District. The project costs included in this Project Plan relate directly to the elimination of blight and are consistent with the purpose for which the District has been created.

SECTION 3:
PRELIMINARY MAP AND LEGAL DESCRIPTION OF PROPOSED DISTRICT BOUNDARY

PRELIMINARY MAP OF PROPOSED DISTRICT BOUNDARY



Tax Incremental District No. 5
Draft Boundary

City of South Milwaukee, Wisconsin

TID Boundary
TIF 1 Overlap

0 250 500 1,000 Feet

Map ID	Parcel Number	Address
1	7719989000	1523 N CHICAGO AVE
2	7719988000	1601 N CHICAGO AVE
3	7710382000	1701 10TH AVE
4	7710383000	1715 10TH AVE
5	7709999000	1100 MILWAUKEE AVE
6	7709993000	1919 12TH AVE
7	7700204001	2001 12TH AVE
8	7710034000	1000 MILWAUKEE AVE
9	7710035000	1002 MILWAUKEE AVE
10	7710036000	1004 MILWAUKEE AVE
11	7710037000	1006 MILWAUKEE AVE
12	7710038000	1008 MILWAUKEE AVE
13	7710039000	1010 MILWAUKEE AVE
14	7710040000	1012 MILWAUKEE AVE
15	7710041002	1016 MILWAUKEE AVE
16	7710041001	1022 MILWAUKEE AVE
17	7700206001	1114 MILWAUKEE AVE
18	7700205001	1130 MILWAUKEE AVE
19	7700235000	1200 MILWAUKEE AVE
20	7700234000	1202 MILWAUKEE AVE
21	7700233000	1208 MILWAUKEE AVE
22	7700232000	1210 MILWAUKEE AVE
23	7700231000	1214 MILWAUKEE AVE
24	7709991000	1111 MILWAUKEE AVE
25	7710053000	1029 MILWAUKEE AVE
26	7710052000	1025 MILWAUKEE AVE
27	7710051000	1021 MILWAUKEE AVE
28	7710050000	1017 MILWAUKEE AVE
29	7710049000	1015 MILWAUKEE AVE
30	7710048000	1013 MILWAUKEE AVE
31	7710047000	1011 MILWAUKEE AVE
32	7710046000	1009 MILWAUKEE AVE
33	7710045000	1007 MILWAUKEE AVE
34	7710044000	1005 MILWAUKEE AVE
35	7710043000	1003 MILWAUKEE AVE
36	7710042000	1001 MILWAUKEE AVE
37	7710157000	1021 MADISON AVE
38	7710342001	1020 MICHIGAN AVE
39	7710346000	1015 MICHIGAN AVE
40	7710345001	1011 MICHIGAN AVE
41	7710344001	2300 10TH AVE
42	7710465000	2318 10TH AVE
43	7709998001	Chicago & Northwestern / Union Pacific

LEGAL DESCRIPTION FOR THE PROPOSED DISTRICT BOUNDARY

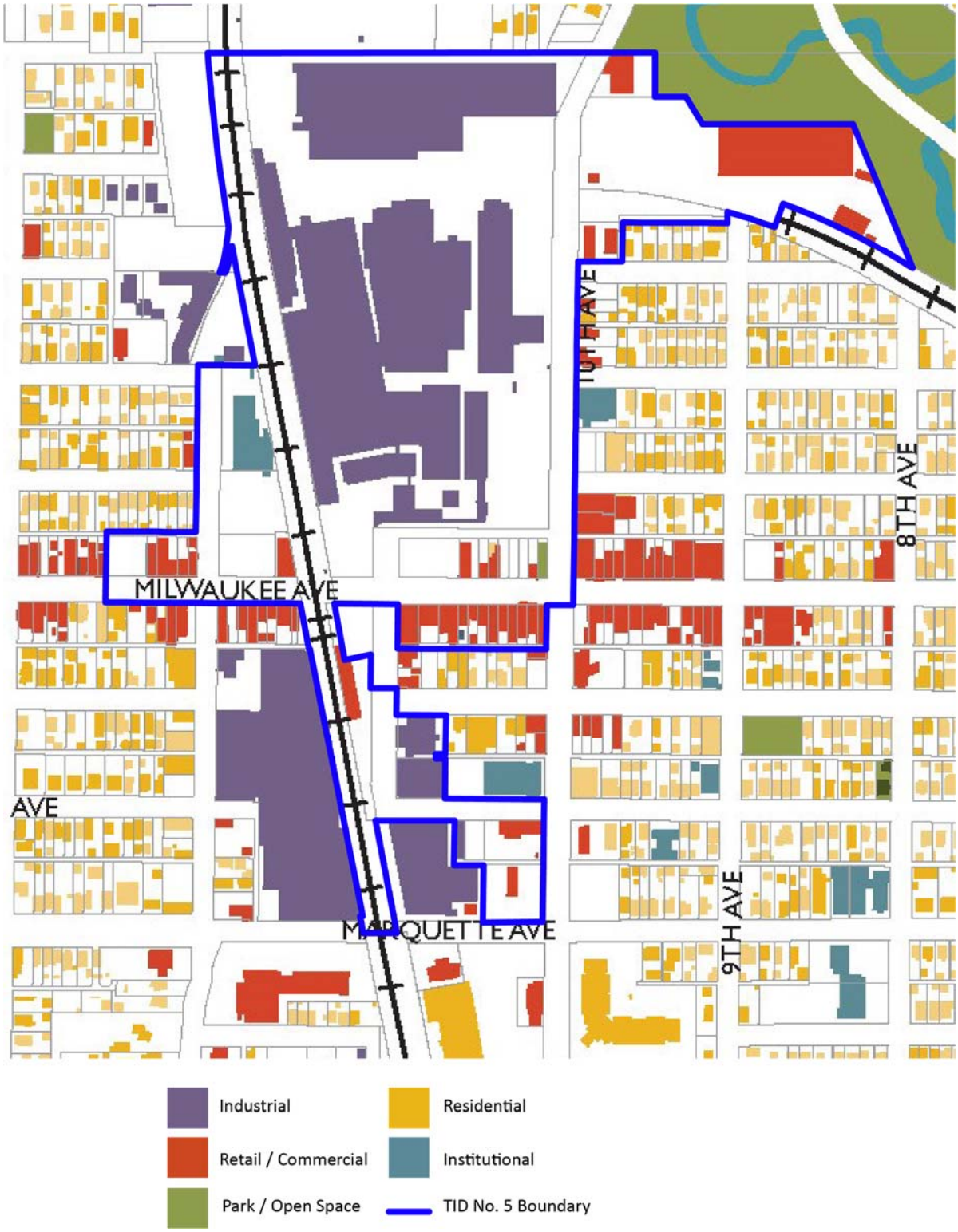
That part of the Northeast 1/4, the Southeast 1/4, the Southwest 1/4 and the Northwest 1/4 of Section 11, Township 5 North, Range 22 East, in the City of South Milwaukee, Milwaukee County, Wisconsin, more particularly described as follows:

Beginning at the northwest corner of said Northeast 1/4; thence Easterly, on and along the north line of said Northeast 1/4 to the northeast corner of a parcel with a tax key no. of 771-9989; thence Southerly, on and along the east line of said parcel to the north line of a parcel with a tax key no. of 771-9988; thence Easterly, on and along the north line of said parcel, 93.53 feet, more or less; thence Southeasterly, on and along said north line, 96.60 feet more or less; thence Easterly, on and along said north line, 454.77 feet, more or less, to the east line of said parcel; thence Southeasterly, on and along said east line, 472.40 feet, more or less, to the north line of the Chicago & Northwestern railroad right of way; thence Northwesterly, on and along said north right of way line, 438.44 feet, more or less; thence Southerly, on and along the westerly line of said right of way line to the northerly line of a parcel with a tax key no. of 771-0490; thence Northwesterly, on and along the north line of said parcel and its extension to the point that it intersects with the west right of way of 9th Avenue; thence Southerly, on and along said west right of way line, 14 feet more or less to a point on the north line of a public alley; thence westerly, on and along said north line to the west line of said public alley; thence southerly, on and along said west line, to a point on the north right of way line of Manitoba Avenue; thence Westerly, on and along said north right of way line to the east right of way line of 10th Avenue; thence Southerly, on and along said east right of way line to the south right of way line of Milwaukee Avenue; thence Westerly, on and along said north right of way line to the west right of way line of 10th Avenue; thence Southerly, on and along said west right of way line, 134.00 feet, more or less, to the south line of a public alley; thence Westerly, on and along said south line to the east right of way line of 11th Avenue; thence Northerly, on and along said east right of way line to the south right of way line of Milwaukee Avenue; thence Westerly, on and along said south right of way line to the northwest corner of a parcel with a tax key no. of 770-9992; thence Southerly, on and along the west line of said parcel, 173 feet more or less, to the southwest corner of said parcel; thence Northeasterly, on and along the south line of said parcel, 87.5 feet more or less, to the west right of way line of 11th Avenue; thence Southerly, on and along said west right of way line to the intersection of the north right of way line and its extension of Madison Avenue; thence Easterly, on and along said north right of way line and its extension, to the east right of way line of 11th Avenue; thence Southerly, on and along said east right of way line to the south right of way line of Madison Avenue; thence Easterly, on and along said south right of way line, to the east line of Lot 11, Block 12 of The Townsite of South Milwaukee; thence Southerly, on and along the east line of said Lot 11 to the southeast corner of said Lot 11; thence Westerly, on and along the south line of said Lot 11 to the southwest corner of said Lot 11; thence Southerly, on and long the west line of a public alley to the northwest corner of Lot 11 of Block 29 of Addition No. 2 to The Townsite of South Milwaukee; thence Easterly, on and along the north line of said Lot 11 to the northeast corner of said Lot 11; thence southerly, on and along the east line of said Lot 11 to the north right of way line of Michigan Avenue; thence Easterly, on and along said north right of way line to the west right of way line of 10th Avenue; thence Southerly, on and along said west right of way line to the north right of way line of Marquette Avenue; thence Westerly, on and along said north right of way line to the west line of Lot 8, Block 115 of Addition No. 10 to The Townsite of South Milwaukee; thence Northerly, on and along the west line of said Lot 8 to the south line of a public alley; thence Westerly, on and along said public alley

to the intersection of the west line and its extension of Lot 9, Block 30 of Addition No. 2 of Townsite of South Milwaukee; thence Northerly, on and along said west line and its extension to the south right of way line of Michigan Avenue; thence Westerly, on and along said south right of way line to the east right of way line of the Chicago & Northwestern Railroad; thence Southeasterly, on and along said east right of way line to the centerline of Marquette Avenue; thence Westerly, on and along said centerline to the west right of way line of said Chicago & Northwestern Railroad; thence Northwesterly, on and along said west right of way line to the south right of way line of Milwaukee Avenue; thence Westerly, on and along said south right of way line to the west line of Lot 9, Block 68 of Addition No. 4 of The Townsite of South Milwaukee; thence Northerly to the southwest corner of Lot 28, Block 63 of Addition No. 4 of The Townsite of South Milwaukee; thence Northerly, on and along the west line of said Lot 28 to the north line of a public alley in said Block 63; thence Easterly, on and along said north line to the west right of way line of 12th Avenue; thence Northerly, on and along said west right of way line to the north right of way line of Minnesota Avenue; thence Easterly, on and along said north right of way line and its extension to the west right of way line of the Chicago & Northwestern Railroad; thence Northwesterly, on and along said west right of way line, 367 feet more or less to an angle point of said west right of way line; thence Southwesterly, on and along said west right of way line to the north line of Certified Survey Map No. 6888; thence Westerly, on and along said north line and said west right of way line, 19 feet more or less; thence Northeasterly, on and along said west right of way line 145 feet more or less to an angle point in said west right of way line; thence Northwesterly, on and along said west right of way line to the north line of said Northwest 1/4 of Section 11; thence Easterly, on and along said north line to the point of beginning.

Containing 2,572,654 square feet (59.06 acres), more or less.

SECTION 4:
MAP SHOWING EXISTING USES AND CONDITIONS



SECTION 5:
PRELIMINARY PARCEL LIST AND ANALYSIS

City of South Milwaukee - Tax Incremental District No. 5 - Base Property Information

TAXKEY	PROPADDRESS	OWNERNAME1	OWNERNAME2	OWNERNAME3	ACREAGE	LAND	IMP	TOTAL	EQ VALUE RATIO	ELAND	EIMP	ETOTAL	BLIGHTED
7710346000	1015 MICHIGAN AVE	RMB LLC			0.08	$ 25,000	$ 120,000	$ 145,000	98.1683	$ 25,466	$ 122,239	$ 147,706	
7710345001	1011 MICHIGAN AVE	BHAGAT	RAVI		0.17	$ 38,000	$ -	$ 38,000	98.1683	$ 38,709	$ -	$ 38,709	0.17
7710342001	1020 MICHIGAN AVE	ANCAR CORPORATION			0.41	$ 73,300	$ 285,600	$ 358,900	98.1683	$ 74,668	$ 290,929	$ 365,597	
7710344001	2300 10TH AVE	BHAGAT	RAVI		0.50	$ 120,000	$ 252,000	$ 372,000	98.1683	$ 122,239	$ 256,702	$ 378,941	
7710382000	1701 10TH AVE	CITY OF SOUTH MILWAUKEE			0.64	$ -	$ -	$ -	98.1683	$ -	$ -	$ -	0.64
7710383000	1715 10TH AVE	PATEL	ROSHANKUMAR		0.33	$ 85,000	$ 340,000	$ 425,000	98.1683	$ 86,586	$ 346,344	$ 432,930	0.33
7710465000	2318 10TH AVE	NORTH MILWAUKEE STATE BANK			0.71	$ 185,000	$ 225,000	$ 410,000	98.1683	$ 188,452	$ 229,198	$ 417,650	0.71
7710157000	1021 MADISON AVE	WAIT PROPERTIES LLC			0.45	$ 73,300	$ 243,500	$ 316,800	98.1683	$ 74,668	$ 248,043	$ 322,711	
7700204001	2001 12TH AVE	BUCYRUS INTERNATIONAL			0.84	$ 140,900	$ 22,000	$ 162,900	98.1683	$ 143,529	$ 22,410	$ 165,940	0.84
7700205001	1130 MILWAUKEE AVE	BECOR WESTERN INC			0.50	$ 115,000	$ 18,300	$ 133,300	98.1683	$ 117,146	$ 18,641	$ 135,787	0.50
7700206001	1114 MILWAUKEE AVE	CAB INVESTMENTS LLC			0.16	$ 38,000	$ 89,000	$ 127,000	98.1683	$ 38,709	$ 90,661	$ 129,370	
7700231000	1214 MILWAUKEE AVE	CITY OF SOUTH MILWAUKEE			0.33	$ -	$ -	$ -	98.1683	$ -	$ -	$ -	0.33
7700233000	1208 MILWAUKEE AVE	MICHALS LC	ROBERT J JONATHAN R	JULIE E MICHALS	0.17	$ 40,000	$ 122,000	$ 162,000	98.1683	$ 40,746	$ 124,276	$ 165,023	0.17
7700234000	1202 MILWAUKEE AVE	U&V MARICHUCK LLC			0.09	$ 24,000	$ 155,000	$ 179,000	98.1683	$ 24,448	$ 157,892	$ 182,340	
7700235000	1200 MILWAUKEE AVE	MACIEJEWSKI	MARGARET		0.07	$ 25,000	$ 112,000	$ 137,000	98.1683	$ 25,466	$ 114,090	$ 139,556	
7700232000	1210 MILWAUKEE AVE	MICHALS LC	ROBERT J JONATHAN R	JULIE E MICHALS	0.08	$ 25,000	$ 103,000	$ 128,000	98.1683	$ 25,466	$ 104,922	$ 130,388	0.08
7710037000	1006 MILWAUKEE AVE	GUARDIAN CREDIT UNION			0.08	$ 25,000	$ -	$ 25,000	98.1683	$ 25,466	$ -	$ 25,466	0.08
7710038000	1008 MILWAUKEE AVE	GUARDIAN CREDIT UNION			0.08	$ 25,000	$ -	$ 25,000	98.1683	$ 25,466	$ -	$ 25,466	0.08
7710039000	1010 MILWAUKEE AVE	D&H PROPERTIES LLC			0.08	$ 25,000	$ 1,000	$ 26,000	98.1683	$ 25,466	$ 1,019	$ 26,485	0.08
7710040000	1012 MILWAUKEE AVE	OSTASZEWSKI	MARIUSZ		0.08	$ 25,000	$ 56,000	$ 81,000	98.1683	$ 25,466	$ 57,045	$ 82,511	
7710044000	1005 MILWAUKEE AVE	1007 MILWAUKEE AVENUE LLC			0.08	$ 25,000	$ 49,000	$ 74,000	98.1683	$ 25,466	$ 49,914	$ 75,381	
7710045000	1007 MILWAUKEE AVE	1007 MILWAUKEE AVENUE LLC			0.08	$ 25,000	$ 70,000	$ 95,000	98.1683	$ 25,466	$ 71,306	$ 96,773	
7710034000	1000 MILWAUKEE AVE	CITY OF SOUTH MILWAUKEE			0.09	$ -	$ -	$ -	98.1683	$ -	$ -	$ -	
7710046000	1009 MILWAUKEE AVE	KARABELAS	GARY J	CAROL A JACKSON	0.08	$ 25,000	$ 149,000	$ 174,000	98.1683	$ 25,466	$ 151,780	$ 177,247	
7710048000	1013 MILWAUKEE AVE	*PRH2 PROPERTIES LLC // MLM HOLDINGS INC*			0.08	$ 25,000	$ 135,000	$ 160,000	98.1683	$ 25,466	$ 137,519	$ 162,985	0.08
7710053000	1029 MILWAUKEE AVE	SO MILW HUMAN CONCERNS			0.17	$ -	$ -	$ -	98.1683	$ -	$ -	$ -	
7710047000	1011 MILWAUKEE AVE	TVHF 1011 LLC			0.08	$ 25,000	$ 187,000	$ 212,000	98.1683	$ 25,466	$ 190,489	$ 215,956	
7710035000	1002 MILWAUKEE AVE	SALIU LC	VEIS	GZIME SALIU	0.08	$ 25,000	$ 46,000	$ 71,000	98.1683	$ 25,466	$ 46,858	$ 72,325	
7710036000	1004 MILWAUKEE AVE	2005 A LLC AND 2005B LLC		LIMITED PARTENRSHI	0.08	$ 25,000	$ -	$ 25,000	98.1683	$ 25,466	$ -	$ 25,466	0.08
7710050000	1017 MILWAUKEE AVE	MILW AVE HOLDINGS LLC			0.08	$ 25,000	$ 103,000	$ 128,000	98.1683	$ 25,466	$ 104,922	$ 130,388	
7710052000	1025 MILWAUKEE AVE	GUARDIAN		CREDIT UNION	0.17	$ 42,000	$ 238,000	$ 280,000	98.1683	$ 42,784	$ 242,441	$ 285,224	
7710041001	1022 MILWAUKEE AVE	OLP JV MILWAUKEE LLC		C/O ONE LIBERTY PRO	0.50	$ 103,100	$ 9,800	$ 112,900	98.1683	$ 105,024	$ 9,983	$ 115,007	0.50
7710041002	1016 MILWAUKEE AVE	GUARDIAN CREDIT UNION			0.17	$ 41,000	$ 432,000	$ 473,000	98.1683	$ 41,765	$ 440,061	$ 481,826	0.17
7710042000	1001 MILWAUKEE AVE	JOHNSON	CARLY M	LEAH MANTHEY	0.08	$ 25,000	$ 170,000	$ 195,000	98.1683	$ 25,466	$ 173,172	$ 198,638	
7710043000	1003 MILWAUKEE AVE	OSMANI	SAMI	LIRIJE OSMANI	0.08	$ 25,000	$ 162,000	$ 187,000	98.1683	$ 25,466	$ 165,023	$ 190,489	
7710049000	1015 MILWAUKEE AVE	CASTLE	GREGORY G		0.08	$ 25,000	$ 60,000	$ 85,000	98.1683	$ 25,466	$ 61,120	$ 86,586	0.08
7710051000	1021 MILWAUKEE AVE	BARBIERE'S ITALIAN INN WALKERS POINT INC			0.17	$ 42,000	$ 250,000	$ 292,000	98.1683	$ 42,784	$ 254,665	$ 297,448	
7709991000	1111 MILWAUKEE AVE	BENKOWSKI BUILDERS INC			0.82	$ 71,000	$ 161,000	$ 232,000	98.1683	$ 72,325	$ 164,004	$ 236,329	
7709999000	1100 MILWAUKEE AVE	OLP JV MILWAUKEE LLC		C/O ONE LIBERTY PRO	28.19	$ 1,233,000	$ 12,337,300	$ 13,570,300	98.1683	$ 1,256,006	$ 12,567,499	$ 13,823,505	28.19
7709993000	1919 12TH AVE	1919 12TH AVE LLC			1.02	$ 160,000	$ 165,000	$ 325,000	98.1683	$ 162,985	$ 168,079	$ 331,064	1.02
7709998001		C&NW TRANSPORTATION CO.		ATTN: PROPERTY TAX	5.69	$ -	$ -	$ -	98.1683	$ -	$ -	$ -	
7719989000	1523 N CHICAGO AVE	GIRARD	TONY D	PAM GIRARD	0.51	$ 127,000	$ 136,000	$ 263,000	98.1683	$ 129,370	$ 138,538	$ 267,907	
7719988000	1601 N CHICAGO AVE	PUBLIK PARKING INC			6.06	$ 340,000	$ 340,000	$ 680,000	98.1683	$ 346,344	$ 346,344	$ 692,688	
				TOTALS	50.30	$ 3,541,600.00	$ 17,344,500.00	$ 20,886,100.00		$ 3,607,681.91	$ 17,668,127.08	$ 21,275,808.99	34.12
													68%

NOTES: Ownership Data from GCS Assessment as of May 17, 2018 and MCAMLIS as of May 24, 2018.
Assessment Data from South Milwaukee GIS Property Reports as of May 27, 2018.
Equalization ratio for 2018 per Wisconsin DOR, Accessed May 24, 2018.

The above total excludes right-of-way acreage

SECTION 6:
EQUALIZED VALUE TEST

The equalized value of the taxable property in the District plus the value increment of all existing TIDs is not able to exceed 12% of the total equalized value of taxable property in South Milwaukee as per State Statute § 66.1105(4)(gm)4.c.

TID No. 1 (Blight) – Increment Value *	$7,548,900
TID No. 2 (Blight) – Increment Value *	$21,020,900
TID No. 3 (Mixed-Use) – Increment Value *	$15,363,200
TID No. 4 (Industrial) – Increment Value *	$9,625,100
Proposed TID No. 5 (Blight) – Projected Base Value	$20,886,100
Total Value Subject to 12% Test	$74,444,200

* 2017 Statement of Changes in TID Value, Wisconsin Department of Revenue. Accessed May 27, 2018.

South Milwaukee Total Municipal Equalized Value **	**$1,201,596,000**
Existing TIDs as Percent of City Equalized Value	**6.20%**

** Tax Incremental Financing Value Limitation Report for 2017, Wisconsin Department of Revenue. Accessed May 27, 2018.

Establishment of this District complies with the <12% standard as set by State Statute per the most recent available data. These calculations also indicate that the boundaries of this District could expand in the future to accommodate additional eligible territory. The City is therefore in compliance with the statutory equalized valuation test.

SECTION 7:
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

TID No. 5 is created with the intent to eliminate blighted properties in and near South Milwaukee's downtown core as authorized by State Statute §66.52. The desired outcome of addressing blight in the city is to increase value within the District, impact improvements near TID No. 5, and expand the property tax base. The City will need to expend funds to support the expansion, improvement, or modification of infrastructure such as roads and paths, utilities, and sewers while funding the planning and implementation associated with this District.

Real Estate Acquisition / Land Assembly

Such costs include, but are not limited to: purchase of fee title, easements, legal descriptions, master planning, surveying and mapping, appraisals, consultant fees, the lease and/or sale of property, and closing costs.

Site Preparation

Project costs associated with the altering of land for a new use include, but are not limited to: environmental studies, environmental remediation, stripping and/or replacement of soil, grading, relocation of utilities, landscaping and screening, paving, stormwater management and green infrastructure, and the modification and enhancement of obsolete structures. The razing of structures (improvements) must receive Common Council approval for project funds.

Infrastructure Costs

Infrastructure costs benefitting the TID but outside of its boundaries may be dispersed proportionately between the District and other parties. Proposed infrastructure improvements crucial to the development of the District may include:

- Street reconstruction to improve capacity, enhance on-road accommodations for all travel modes, and meet the expected need of proposed development.
- Sidewalk, pathway, and public place improvements to maintain downtown pedestrian environment and create new pedestrian connections and amenities where there is a need based on development.
- Sanitary sewer expansion or creation
- Stormwater facility / green infrastructure expansion or creation
- Water utility expansion or creation
- Electric utility expansion and creation
- Natural gas utility expansion and creation

Other costs not expressly listed in this Project Plan but serving the creation and successful operation of development and revitalization in TID No. 5 are eligible for project funds.

Promotion of the District

Eligible costs include professional services for the promotion of the District such as marketing, advertising, administrative costs, support for development organizations, and realtor fees.

Organizational and Administrative Costs

These include fees derived from the following professionals: consultants, attorneys, engineers, planners, surveyors, appraisers, and urban designers. Administrative costs would include portions of the salaries of City employees and elected officials, professional fees for audits, professional assistance with administration, and any other service rendered by an individual or group for the District during its expenditure period.

Financing Costs

These costs include, but are not limited to: interest, debt insurance expenses, finance fees, bond discounts, redemption premiums, legal opinions, ratings, bond insurance or other fees associated with the financing of projects regarding TID No. 5.

Relocation Costs

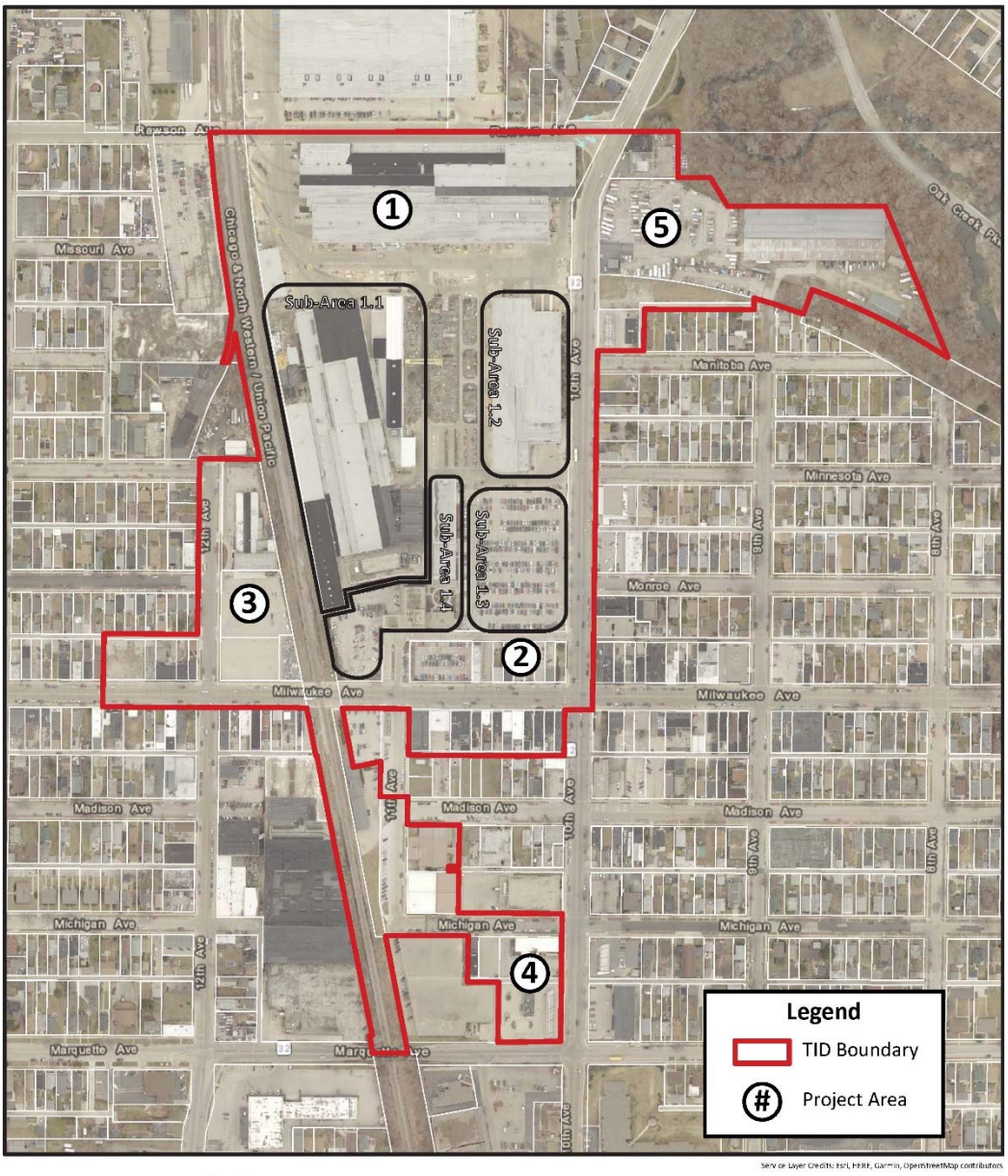
Costs for planning, staffing, pamphlets, appraisals, acquisition, and benefits for relocation should this process be necessary as outlined in Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Developer Incentives / Cash Grants

Costs to provide owners, lessees, or developers of land that is located within the District with funds for physical changes to property per a development agreement. Developer incentives and cash grants were listed in the public hearing notice for the establishment of this District.

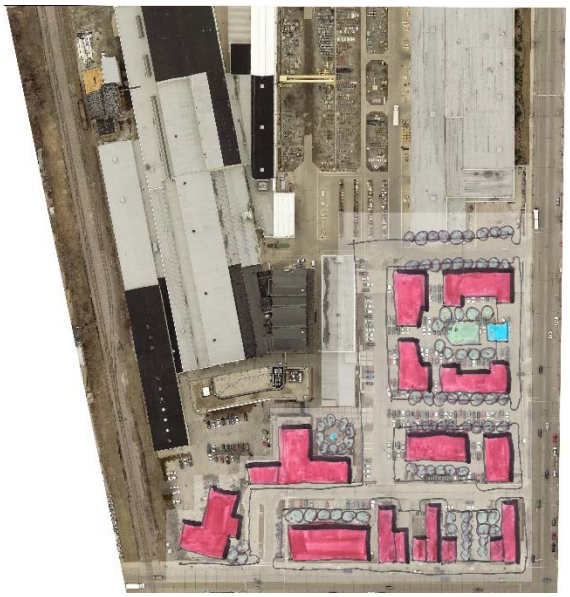
SECTION 8:
MAP SHOWING PROPOSED IMPROVEMENTS AND USES

For proposed uses within this District, visit the "Zoning Guide for Future Land Use" section of the *Comprehensive Plan + Downtown Plan Update: 2035* (page 54 of the May 2016 Plan version), available on the City website and at City Hall. Proposed, or rather, "envisioned" improvements are outlined through the following diagrams, and through the subsequent table in Section 9.



Tax Incremental District No. 5
Preliminary Project Areas
City of South Milwaukee, Wisconsin

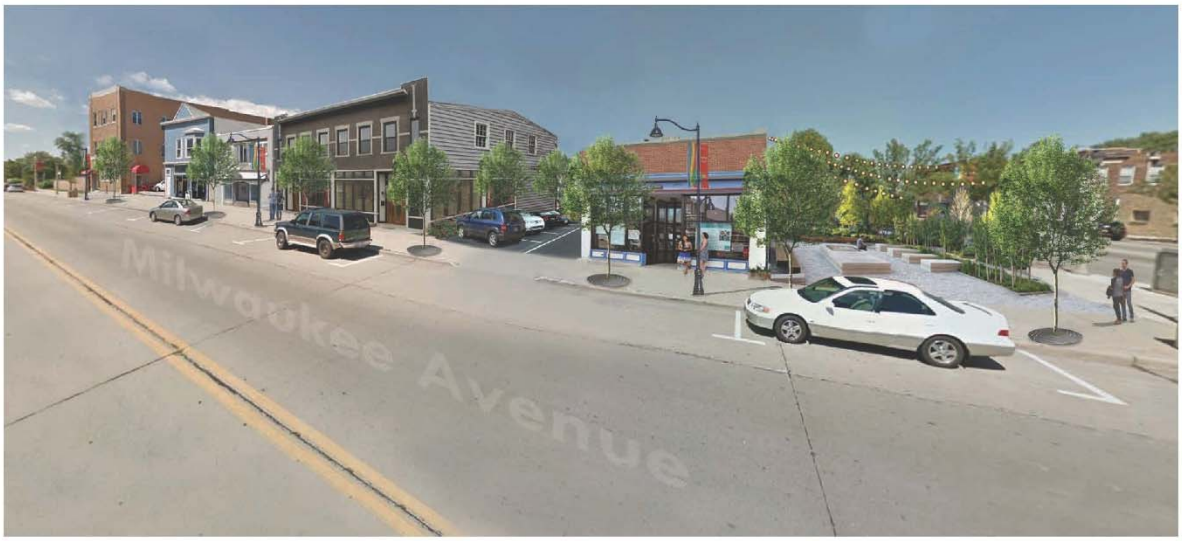
Project Areas No. 1 and 2: Envisioned Improvements



Project Area No. 2: Envisioned Improvements

Before

GRāEF City of South Milwaukee - Milwaukee Avenue & 10th Avenue (Looking North) *January 26, 2016*



After

GRāEF City of South Milwaukee - Milwaukee Avenue & 10th Avenue (Looking North) *January 26, 2016*

Project Area No. 5 Envisioned Improvements

SECTION 9:
DETAILED LIST OF PROJECT COSTS

The following list identifies the Project Costs that the City currently expects to incur in implementing the Project Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates, and therefore may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 7 details the general categories of eligible Project Costs, Section 10 outlines additional information on financing costs and specific improvements paid with TIF increments, and Section 17 offers information on improvements not paid with tax increments or "non-project costs").

Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is neither a firm budget nor an appropriation of funds for specific Project Costs, but is rather a framework within which to manage Project Costs.

The District has been divided into Project Areas to further target investment. The sub-areas include:

Project Area No. 1 – 1022 and 1100 Milwaukee Avenue
In this Project Area, the TID may support investments for reuse or tenancy of buildings and use of the 28-acre property through utility separation, site access such as interior roads, or other needs as determined through lease negotiations between owner and new tenants. Potential project costs (expenses) to be identified; increment developed.

Project Area No. 2 – 1000 Block of Milwaukee Avenue (north side)
Investments in this Project Area could include acquisition of 1010 and 1012 Milwaukee Avenue for rehabilitation or redevelopment; financial incentives for the revitalization and reuse of 1016 Milwaukee Avenue; and, possible support of improvements to Heritage Park at 1000 Milwaukee Avenue.

Project Area No. 3 – 1130 Milwaukee Avenue, 2001 12th Avenue, 1919 12th Avenue, and 1200-1214 Milwaukee Avenue
This Project Area could include the division of land or incentives to make reuse of 1919 12th Avenue viable for commercial use; and, possible acquisition of 1130 and 2001 12th Avenue. The TID may incentivize development on the City-owned former water tower site at 1214 Milwaukee Avenue, and may also support rehabilitation or redevelopment of the currently-unoccupied structure at 1208 and 1210 Milwaukee Avenue.

Project Area No. 4 – 2300 and 2318 10th Avenue
In this Project Area, the TID may provide financial incentives for redevelopment of 2318 10th Avenue and resources for repurposing or site improvements of 2300 10th Avenue.

Project Area No. 5 – 1523-1601 N. Chicago Avenue, 1701-1715 10th Avenue
The TID may support site redevelopment or site improvement costs to support future occupancy at 1701-1715 10th Avenue, and contribute to the rehabilitation or redevelopment of 1523-1601 N. Chicago Avenue.

PROPOSED TID 5 - CITY OF SOUTH MILWAUKEE, WI
PRELIMINARY PROJECT COSTS

PROJECT AREA	ADDRESS		PRELIMINARY COST RANGES			Of the Mid-Range Values:		
No. 1	**1022 and 1100 Milwaukee Avenue**	**Anticipated Completion Year**	**Low**	**Mid**	**High**	**Paid w/ Increment**	**Non-Project Cost Amount**	**Notes on Source for Non-Project Costs**
Cost 1.1	Real Estate Acquisition: Site Due Diligence Architectural Structural Engineering Mechanical Engineering Plumbing Engineering Electrical Engineering Civil Engineering Environmental	2019	$ -	$ -	$ -	$ -	$ -	
Cost 1.2	Real Estate Acquisition: Master Plan	2019	$ 50,000	$ 75,000	$ 90,000	$ -	$ 75,000	Bucyrus Foundation through City (Awarded)
Cost 1.3	Site Preparation: Brownfield Remediation	2020	$ -	$ 250,000	$ 500,000	$ 150,000	$ 100,000	WEDC IISG (Potential)
Cost 1.4	Site Preparation: Façade & Exterior Revitalization	2021		$ 30,000	$ 60,000		$ 30,000	Bucyrus Downtown Rev. Grant
Cost 1.5	Infrastructure Costs: Utility Relocation and Construction	2022	$ -	$ -	$ -	$ -	$ -	
Cost 1.6	Infrastructure Costs: Road Construction	2023	$ -	$ -	$ -	$ -	$ -	
Cost 1.7	Promotion of the District	2024	$ 10,000	$ 15,000	$ 20,000	$ 15,000	$ -	
Cost 1.8	Developer Incentives / Cash Grants	2024	$ 500,000	$ 1,000,000	$ 1,500,000	$ 1,000,000	$ -	
	Sub-Total	-	**$ 560,000**	**$ 1,370,000**	**$ 2,170,000**	$ 1,165,000	$ 205,000	
No. 2	**1000 Block of Milwaukee Avenue (north side)**		**Low**	**Mid**	**High**			
Cost 2.1	Real Estate Acquisition / Land Assembly	2025	$ 250,000	$ 400,000	$ 550,000	$ 400,000	$ -	
Cost 2.2	Site Preparation: Brownfield Remediation, Deconstruction	2025	$ 200,000	$ 400,000	$ 600,000	$ 400,000	$ -	
Cost 2.3	Site Preparation: Façade & Exterior Revitalization	2025	$ 60,000	$ 120,000	$ 180,000	$ -	$ 120,000	Bucyrus Downtown Rev. Grant (@ 4)
Cost 2.4	Infrastructure Costs: Public Place (Heritage Park)	2025	$ 25,000	$ 75,000	$ 125,000	$ 75,000	$ -	
Cost 2.5	Promotion of the District	2027	$ 10,000	$ 15,000	$ 20,000	$ 15,000	$ -	
Cost 2.6	Developer Incentives / Cash Grants	2027	$ 50,000	$ 100,000	$ 150,000	$ 100,000	$ -	
	Sub-Total	-	**$ 595,000**	**$ 1,110,000**	**$ 1,625,000**	$ 990,000	$ 120,000	
No. 3	**1130 Milwaukee Avenue, 2001 12th Avenue, 1919 12th Avenue, and 1200-1214 Milwaukee Avenue**		**Low**	**Mid**	**High**			
Cost 3.1	Real Estate Acquisition / Land Assembly	2020	$ 100,000	$ 150,000	$ 200,000	$ 150,000	$ -	
Cost 3.2	Site Preparation: Façade & Exterior Revitalization	2023	$ 60,000	$ 120,000	$ 180,000	$ -	$ 120,000	Bucyrus Downtown Rev. Grant (@ 4)
Cost 3.3	Promotion of the District	2027	$ 10,000	$ 15,000	$ 20,000	$ 15,000	$ -	
Cost 3.4	Developer Incentives / Cash Grants	2027	$ 125,000	$ 200,000	$ 275,000	$ 100,000	$ 100,000	WEDC CDI Grant (Potential)
	Sub-Total	-	**$ 295,000**	**$ 485,000**	**$ 675,000**	$ 265,000	$ 220,000	
No. 4	**2300 and 2318 10th Avenue**		**Low**	**Mid**	**High**			
Cost 4.1	Site Preparation: Façade & Exterior Revitalization	2027	$ 30,000	$ 60,000	$ 90,000	$ -	$ 60,000	Bucyrus Downtown Rev. Grant (@ 2)
Cost 4.2	Promotion of the District	2027	$ 10,000	$ 15,000	$ 20,000	$ 15,000	$ -	
Cost 4.3	Developer Incentives / Cash Grants	2028	$ 165,000.00	$ 200,000.00	$ 235,000.00	$ 200,000	$ -	
	Sub-Total	-	**$ 205,000.00**	**$ 275,000.00**	**$ 345,000.00**	$ 215,000	$ 60,000	
No. 5	**1523-1601 N. Chicago Avenue, 1701-1715 10th Avenue**		**Low**	**Mid**	**High**			
Cost 5.1	Site Preparation: Façade & Exterior Revitalization	2028	$ 30,000	$ 60,000	$ 90,000	$ -	$ 60,000	Bucyrus Downtown Rev. Grant (@ 2)
Cost 5.2	Promotion of the District	2029	$ 10,000	$ 15,000	$ 20,000	$ 15,000	$ -	
Cost 5.3	Developer Incentives / Cash Grants	2029	$ 200,000	$ 250,000	$ 300,000	$ 250,000	$ -	
	Sub-Total	-	**$ 240,000**	**$ 325,000**	**$ 410,000**	$ 265,000	$ 60,000	
Overall District	**District-Wide**		**Low**	**Mid**	**High**			
Cost A	Organizational and Administrative, Financing Costs	2040	$ 300,000	$ 410,000	$ 520,000	$ 410,000	$ -	
	Sub-Total	-	**$ 300,000**	**$ 410,000**	**$ 520,000**	$ 410,000	$ -	
	TOTAL	-	**$ 2,195,000**	**$ 3,975,000**	**$ 5,745,000**	$ 3,310,000	$ 665,000	

SECTION 10:
ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of "Available Financing Methods" follows.
- A table identifying the financing method for the project improvements and the time at which that financing is expected to be incurred is included.
- The development expected to occur from the implementation of this Plan is anticipated to generate sufficient tax increments to pay for the cost of the projects. This Section contains tables identifying: 1) a projection of tax increments to be collected resulting from development and other economic growth within the District, and 2) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all project costs.
- The City must prepare and make available an annual financial report detailing the activity for the given year. This report will also contain historical project cost and increment information for the TID to ensure compliance with the approved plan.

See Section 9 for a general forecast of when the City expects to complete each project within the District.

Available Financing Methods

Implementation of this Plan may require that the City issue debt obligations to provide direct or indirect financing for the Projects to be undertaken. The following is a list of the types of obligations that City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the City may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN).

Bonds Issued to Developers ("Pay as You Go" Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer and is subject to annual appropriations by the Common Council. To the extent that the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City's obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations

issued to developers in this fashion are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by a Community Development Authority (CDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity and payments are subject to further annual appropriation by the Common Council.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible project costs in an equal amount.

Special Assessment "B" Bonds

The City is able to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

Projects identified are intended to provide the necessary anticipated services to the area. The majority of public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses.

It is anticipated that developer agreements between the City and property owners will be in place prior to major public expenditures, as required in order for TIF funds to be applied to developer incentives or cash grants. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of development agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of

municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

Key Assumptions

Increase in District valuation will occur because of: 1) sale of municipal-owned land in the District to taxable entities; 2) renovation of 684,469 square feet of buildings (and 1,408,734 square feet of land) throughout the Project Areas as listed in Section 9; and 3) construction of new buildings on 462,465 square feet of land in the District as listed in Section 9. With the assumptions shown in the following Summary of Increment table, the Project would generate $11,706,432 in incremental tax revenue over the 27-year term of the District. Table 10.1 and Table 10.2 included hereafter include the assumptions as to timing and values of the development and projections of tax increment collections. Table 10.3 includes the assumptions as to debt service coverage.

Financing methods for this Project Plan include the assumption that TID No. 5 will be a recipient of positive tax increment from another TID (currently TID No. 2) in the city of South Milwaukee. The forecast for receiving these positive tax increments is between 2019 and 2023. Should the City seek to allocate positive tax increment from TID No. 2 in the City to the TID No. 5 beyond 2023, the City would need to follow the allocation amendment process approximately in 2022 per 66.1105(6).

Table 10.1

City of South Milwaukee
Tax Increment District No. 5
Summary of Increment

HSE &CO
HutchinsonShockeyErley&Co

Assumptions

Base Value =	$21,000,000
Creation Date =	Sept. 30, 2018
Estimated Tax Rate =	$23.00
Estimated Inflation Rate =	0.50%

Tax Increment Summary

Improvement Year	Tax Value - Jan. 1	Value - Beginning of Year	Value of Development	Inflation Increment	Tax Increment Value	Value - End of Year	Tax Rate ($1,000)	Tax Increment Collected	Collection Year
2017	2018	$21,000,000	-	-	$0	$21,000,000	23.00	-	2019
2018	2019	$21,000,000	-	105,000	105,000	21,105,000	23.00	2,415	2020
2019	2020	21,105,000	-	105,525	210,525	21,210,525	23.00	4,842	2021
2020	2021	21,210,525	750,000	106,053	1,066,578	22,066,578	23.00	24,531	2022
2021	2022	22,066,578	1,000,000	110,333	2,176,911	23,176,911	23.00	50,069	2023
2022	2023	23,176,911	1,500,000	115,885	3,792,795	24,792,795	23.00	87,234	2024
2023	2024	24,792,795	1,750,000	123,964	5,666,759	26,666,759	23.00	130,335	2025
2024	2025	26,666,759	2,000,000	133,334	7,800,093	28,800,093	23.00	179,402	2026
2025	2026	28,800,093	2,000,000	144,000	9,944,093	30,944,093	23.00	228,714	2027
2026	2027	30,944,093	2,500,000	154,720	12,598,814	33,598,814	23.00	289,773	2028
2027	2028	33,598,814	3,000,000	167,994	15,766,808	36,766,808	23.00	362,637	2029
2028	2029	36,766,808	2,500,000	183,834	18,450,642	39,450,642	23.00	424,365	2030
2029	2030	39,450,642	2,500,000	197,253	21,147,895	42,147,895	23.00	486,402	2031
2030	2031	42,147,895	2,500,000	210,739	23,858,635	44,858,635	23.00	548,749	2032
2031	2032	44,858,635	1,000,000	224,293	25,082,928	46,082,928	23.00	576,907	2033
2032	2033	46,082,928	500,000	230,415	25,813,342	46,813,342	23.00	593,707	2034
2033	2034	46,813,342	350,000	234,067	26,397,409	47,397,409	23.00	607,140	2035
2034	2035	47,397,409	250,000	236,987	26,884,396	47,884,396	23.00	618,341	2036
2035	2036	47,884,396	-	239,422	27,123,818	48,123,818	23.00	623,848	2037
2036	2037	48,123,818	-	240,619	27,364,437	48,364,437	23.00	629,382	2038
2037	2038	48,364,437	-	241,822	27,606,259	48,606,259	23.00	634,944	2039
2038	2039	48,606,259	-	243,031	27,849,291	48,849,291	23.00	640,534	2040
2039	2040	48,849,291	-	244,246	28,093,537	49,093,537	23.00	646,151	2041
2040	2041	49,093,537	-	245,468	28,339,005	49,339,005	23.00	651,797	2042
2041	2042	49,339,005	-	246,695	28,585,700	49,585,700	23.00	657,471	2043
2042	2043	49,585,700	-	247,928	28,833,628	49,833,628	23.00	663,173	2044
2043	2044	49,833,628	-	249,168	29,082,796	50,082,796	23.00	668,904	2045
2044	2045	50,082,796	-	250,414	29,333,210	50,333,210	23.00	674,664	2046
		Estimated New Increment =	$24,100,000	$5,233,210				$11,706,432	

City of South Milwaukee

Tax Increment District No. 5

Summary of Sources & Uses

HSE &CO
HutchinsonShockeyErley&Co

Assumptions

Est. Int. on Investments =	1.00%
Est. PV Rate =	5.00%

Orange Cells = Requires another amendment ~2022 to occur

	Sources of Funds				Uses of Funds							
Collection Year	Tax Increment	Transfer from T.I.D. No. 2	Investment Income	Proceeds of L.T. Debt	Capital Expenditures	Admin.	Development Incentives	Debt Service	Net Cash Flow	TID Balance	Principal Balance - Debt	PV TID Cashflow -as of 2018
2019	-	570,311	-	2,065,000	240,000	5,000	-	-	2,390,311	2,390,311		2,390,311
2020	-	570,311	23,903	-	850,000	15,000	150,000	256,200	(676,986)	1,713,325		1,662,441
2021	2,415	570,311	17,133		775,000	15,000	350,000	253,600	(803,741)	909,584	2,065,000	968,139
2022	4,842	570,311	9,096		200,000	15,000	500,000	256,200	(386,951)	522,633	1,930,000	649,793
2023	24,531	570,311	5,226		-	15,000	500,000	253,500	(168,431)	354,202	1,750,000	517,823
2024	50,069	570,311	3,542		-	15,000	500,000	255,500	(146,578)	207,624	1,560,000	408,444
2025	87,234	570,311	2,076		-	15,000	460,000	257,100	(72,478)	135,145	1,365,000	356,935
2026	130,335	570,311	1,351		-	15,000	-	258,300	428,698	563,843	1,160,000	647,095
2027	179,402	570,311	5,638		-	15,000	-	254,200	486,152	1,049,995	945,000	960,472
2028	228,714	-	10,500		-	15,000	-	254,800	(30,586)	1,019,409	720,000	941,695
2029	289,773	-	10,194		-	15,000	-	255,000	29,967	1,049,376	490,000	959,216
2030	362,637	-	10,494		-	15,000	-	-	358,130	1,407,506	250,000	1,158,637
2031	424,365	-	14,075		-	15,000	-	-	423,440	1,830,946	-	1,383,196
2032	486,402	-	18,309		-	15,000	-	-	489,711	2,320,657	-	1,630,533
2033	548,749	-	23,207		-	15,000	-	-	556,955	2,877,612	-	1,898,438
2034	576,907	-	28,776		-	15,000	-	-	590,683	3,468,296	-	2,169,037
2035	593,707	-	34,683		-	15,000	-	-	613,390	4,081,685	-	2,436,657
2036	607,140	-	40,817		-	15,000	-	-	632,957	4,714,643	-	2,699,664
2037	618,341	-	47,146		-	15,000	-	-	650,488	5,365,130	-	2,957,084
2038	623,848	-	53,651		-	15,000	-	-	662,499	6,027,629	-	3,206,773
2039	629,382	-	60,276		-	15,000	-	-	674,658	6,702,288	-	3,448,936
2040	634,944	-	67,023		-	15,000	-	-	686,967	7,389,255	-	3,683,776
2041	640,534	-	73,893		-	15,000	-	-	699,426	8,088,681	-	3,911,489
2042	646,151	-	80,887		-	15,000	-	-	712,038	8,800,719	-	4,132,269
2043	651,797	-	88,007		-	15,000	-	-	724,804	9,525,523	-	4,346,306
2044	657,471	-	95,255		-	15,000	-	-	737,726	10,263,250	-	4,553,784
2045	663,173	-	102,632		-	15,000	-	-	750,806	11,014,056	-	4,754,887
2046	668,904	-	110,141		-	15,000	-	-	764,045	11,778,100	-	4,949,790
	11,031,768	5,132,799	1,037,933	2,065,000	2,065,000	410,000	2,460,000	2,554,400	11,778,100			

HSE &CO

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City of South Milwaukee

Tax Increment District No. 5

Summary of Debt Service

	$2,065,000 G.O. Notes - Dated: 4/1/19		$0 G.O. Notes - Dated:		$0 G.O. Notes - Dated:		Debt Service Summary		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2020	135,000	121,200	-	-	-	-	135,000	121,200	256,200
2021	180,000	73,600	-	-	-	-	180,000	73,600	253,600
2022	190,000	66,200	-	-	-	-	190,000	66,200	256,200
2023	195,000	58,500	-	-	-	-	195,000	58,500	253,500
2024	205,000	50,500	-	-	-	-	205,000	50,500	255,500
2025	215,000	42,100	-	-	-	-	215,000	42,100	257,100
2026	225,000	33,300	-	-	-	-	225,000	33,300	258,300
2027	230,000	24,200	-	-	-	-	230,000	24,200	254,200
2028	240,000	14,800	-	-	-	-	240,000	14,800	254,800
2029	250,000	5,000	-	-	-	-	250,000	5,000	255,000
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-
	2,065,000	489,400	-	-	-	-	2,065,000	489,400	2,554,400

Note: Interest is estimated at 4.00%.

SECTION 11:
ANNEXED PROPERTY

This section is not applicable to proposed Tax Incremental District No. 5.

SECTION 12:
ESTIMATE OF PROPERTY TO BE DEVOTED TO RETAIL BUSINESS

Pursuant to Wis. Stats. § 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that approximately 30% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

Approximation of Property Currently Devoted to Retail Business	
By Building Size	
Building SF Devoted to Retail	141,021.5 SF
Total Building SF	769,900 SF
Percent of Building SF Devoted to Retail	18%
By Lot Size	
Lot SF Devoted to Retail	449,303 SF
Total Lot SF	2,139,589 SF
Percentage of Lot SF Devoted to Retail	21%

SECTION 13:
PROPOSED ZONING ORDINANCE CHANGES

With the upcoming vacation of the largest parcel in the District, i.e. the 28.19-acre parcel known as the former Bucyrus campus (tax key 7709999), the City anticipates reevaluating the parcel's zoning classification. Other rezoning is likely to occur throughout the District, although the former Bucyrus campus represents the most significant potential rezone.

Additionally, the City anticipates revisiting its zoning ordinance in 2018 and 2019, specifically the districts that currently touch Downtown South Milwaukee and therefore TID No. 5.

There are discrepancies between existing land use classifications on file with the City of South Milwaukee. Proposed zoning ordinance changes in this District should be preceded by efforts for cohesion between these classifications.

To closer align with the intended future uses of land in the South Milwaukee (i.e integrated or 'mixed-use' development), the City anticipates:

- Creating a "Mixed-Use, Residential/Commercial/Manufacturing" district so the City may better stipulate future development throughout the District.
- Implementing a new zoning district (overlay or otherwise) which establishes a form based code for the development of the former Bucyrus campus.

- Facilitating a Planned Unit Development or comparable zoning designation for the former Bucyrus campus.
- Correcting dated classifications assigned to buildings that are currently and prospectively more aligned with other uses.

These zoning ordinance changes would follow any necessary modifications to the *Comprehensive Plan + Downtown Plan Update: 2035* as required by §66.1001.

SECTION 14:
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF SOUTH MILWAUKEE ORDINANCES

Because the City updated its *Comprehensive Plan + Downtown Plan Update: 2035* in 2016, it is expected that this Plan can complement the City's Master Plan. Accordingly, there are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this plan.

SECTION 15:
RELOCATION

There are no current business or residential uses of property within the District that would necessitate relocation. If relocation were to become necessary, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 16:
ORDERLY DEVELOPMENT OF THE CITY OF SOUTH MILWAUKEE

The creation of TID No. 5 contributes to the orderly development of the city by providing the infrastructure necessary for both renovations and new construction that enhances the blighted and otherwise underutilized properties within the District. In establishing this TID, the City is acting to promote the health, safety, and general welfare of the downtown area and the greater community. The development proposed in this Plan is anticipated to bring a long-term increase to the City's tax base and spur adjacent development, with a focus on utilizing (and improving) existing infrastructure and building stock over directing investment to undeveloped areas of the community.

A majority of TID No. 5 is included in the Downtown District Funding Area as defined by the City's *Comprehensive Plan + Downtown Plan Update: 2035*. Maintaining the overall appearance and character of South Milwaukee's downtown is cited in the Comprehensive Plan as being a key for future development of the area. District funding would help to rehabilitate the parcels along Milwaukee Avenue and 10th Avenue, thus increasing building occupancy and preserving the character of downtown. The City anticipates that redevelopment of the former Bucyrus campus will similarly advance the downtown mission established in the Comprehensive Plan. Repurposing this expansive site

can increase manufacturing, commercial, and even residential uses Downtown while partially replacing industrial jobs lost to the former occupant's recent changes.

TID No. 5 may serve as a primary catalyst to the continued orderly development of South Milwaukee, as the District covers the community's Downtown and a top location of deepest heritage for citizens.

SECTION 17:
LIST OF ESTIMATED NON-PROJECT COSTS

Per Wisconsin Department of Revenue's Form PE-215 (as of April 2018), project plans are required to list and estimate non-project costs. Subheaders within this requirement include "allowable project costs", "non-project costs", and "examples of non-project costs".

Allowable project costs, per PE-215, are limited to the project amount that benefits the TID. Because of the interconnected nature of property, rights-of-way, multimodal transportation, and the like, the City anticipates the following allowable project costs being presented in conjunction with the implementation of this Project Plan:

- The portion of project costs attributed to improvements to the Oak Creek parkway which directly benefit properties in the District,
- The portion of project costs attributed to physical enhancements and access improvements adjacent a) STH 32, b) the Chicago & Northwestern / Union Pacific line, and c) all local rights-of-way which directly benefit the properties in the District,
- The portion of project costs attributed to community-wide wayfinding signage which directly benefit or navigate visitors to properties in the District.

Non-project costs are public works projects that only partly benefit the District or are costs not eligible for payment by District tax increments. If a project benefits property outside the district, that part of the cost is a non-project cost.

Examples of non-project costs as listed in PE-215 are as follows:

- *"Partially "non-project" – interceptor sewer or water tower serving property both in and out of the TID*
- *Ineligible costs – costs paid by special assessments to property owners or paid with user fees; general government operating expenses not related to the project"*

The City will only bring forth to this District the eligible portions of expenses that can be funded by District tax increments.

SECTION 18:
OPINION OF ATTORNEY FOR THE CITY OF SOUTH MILWAUKEE ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105

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May 29, 2018

Mayor Erik Brooks
City of South Milwaukee
2424 15th Avenue
South Milwaukee, WI 53172

RE: Tax Increment District No. 5-Project Plan
Opinion Letter Regarding Compliance with Wis. Stat. § 66.1105

Dear Mayor Brooks:

As City Attorney for the City of South Milwaukee, I have reviewed the Project Plan for the proposed City of South Milwaukee Tax Increment District No. 5 and, in my opinion, have determined that it complies with Wis. Stat. §66.1105. This opinion is prepared pursuant to Wis. Stat. §66.1105(4)(f).

Sincerely,

Christopher R. Smith

Christopher R. Smith
City Attorney
City of South Milwaukee