

**PROJECT PLAN
TAX INCREMENT DISTRICT #1
PROJECT AREA REDEVELOPMENT PLAN
FOR PROJECT AREA #1**



**CITY OF
SOUTH MILWAUKEE
WISCONSIN**

**Project and Redevelopment Plan
Tax Increment District No. 1
and Redevelopment Project Area No. 1
City of South Milwaukee, WI**

**Prepared For:
City of South Milwaukee**

**Prepared By:
Vierbicher Associates, Inc.
6200 Mineral Point Road
Madison, WI 53705-4504**

**Adoptions:
TID Project Plan – July 5, 2000
Project Area Redevelopment Plan – September 5, 2000
Certified September 18, 2000**

South Milwaukee Common Council

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David Bartoshevich
John P. Baumgartner
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Project Manager – Gary Becker

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Financial Attachments

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- # 2: Analysis of Proposed Projects
- # 3: Planned Project Costs
- # 4: Financing Summary
- # 5: Debt Service Plan (Loan #1)
- # 6: Debt Service Plan (Loan #2)
- # 7: Tax Increment Pro Forma
- # 8: Cash Flow Worksheet
- # 9: Analysis of Overlying Taxing Jurisdictions

Resolutions, Notices & Minutes

- # 1: Authorizing Council Resolution
- # 2: Notice to Overlying Taxing Jurisdictions of Creation of Joint Review Board (JRB)
- # 3: Public Notice of Informational Meeting
- # 4: Blight Notification Letter
- # 5: JRB Organizational Meeting Notice
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- # 7: Public Hearing Notice Proof of Publication and Notice to Overlying Taxing Jurisdictions
- # 8: Plan Commission Meeting Notice
- # 9 : Public Hearing and Plan Commission Meeting Minutes
- #10: City Council Meeting Notice
- #11: City Council Meeting Minutes
- #12: Council Resolution Creating TID #1
- #13: JRB Final Meeting Notice
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- #17: CDA Resolution Designating Boundaries of
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Resolutions, Notices & Minutes (continued)

- #19: Notice of Public Hearing on the Redevelopment Plan for
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- #20: Minutes of Public Hearing on Redevelopment Plan for
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- #21: CDA Resolution Approving Project Area No. 1 Redevelopment Plan
- #22: City Council Resolution Approving Project Area No. 1 Redevelopment Plan
- #23: CDA Certification of Project Area Redevelopment Plan
- #24: City Council Resolution Forbidding Unauthorized Construction

Press Clippings

**PROJECT AND REDEVELOPMENT PLAN
TAX INCREMENT DISTRICT NO. 1
SOUTH MILWAUKEE, WISCONSIN**

I. INTRODUCTION

This project and redevelopment plan for Tax Increment District No. 1 (TID No. 1) in the City of South Milwaukee has been prepared in compliance with Wisconsin Statutes Chapter 66.46(4)(f). The project plan establishes a need for the district, the proposed improvements within the district, an estimated time schedule, and an estimated budget. This project plan also includes a detailed description of the Tax Increment District boundaries.

A. Approval Process

After three months of public discussion regarding boundaries and projects, the City of South Milwaukee Common Council met on May 2, 2000 and directed the City Plan Commission to prepare the project plan and boundaries for Public Hearing. Notice of the Public Hearing was published May 11, 2000 and May 18, 2000. Owners of property within the boundaries of TID #1 were notified by certified mail on May 5, 2000 of the proposed designation of a blighted area within TID #1 and of the Public Hearing.

A Public Hearing was held on May 30, 2000 where the Plan Commission recommended changing the boundaries to include additional properties. Approval of the project plan and boundary was made by the Plan Commission and recommended to the Common Council for adoption on May 30, 2000. This project plan was adopted by resolution of the City Council on July 5, 2000. Documentation of all resolutions, notices and minutes can be found as attachments to this Project Plan..

As required by Wisconsin Statutes Chapter 66.46(5)(b), a copy of the project plan will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of Tax Increment District No. 1 in the City of South Milwaukee.

This is to be used as the official plan that guides redevelopment activities within TID No. 1. Implementation of the project plan and construction of the proposed improvements will require a case-by-case authorization by the City Council. The City Council anticipates creating a Community Development Authority (CDA) in the year 2000. The CDA will be the primary agent for implementing this project plan. Public expenditures for projects listed in the project plan will be based on the development status of the land and economic conditions existing at the time the project is scheduled for construction. The City Council is not mandated to make expenditures described in this plan and is limited to implementing only those project cost categories identified. Changes in boundaries or additional project categories not identified here will require formal amendment to the project plan involving public review and City Council approval.

B. Joint Review Board

The TID No. 1 project plan was reviewed and approved by a Joint Review Board (JRB) as required by Wisconsin Statutes consisting of:

City of South Milwaukee

David Kieck, Mayor
City of South Milwaukee
2424 15th Ave.
South Milwaukee, WI
53172

Milwaukee County Board

David Zepecki
Milwaukee County Courthouse
901 N. 9th Street
Room 307-C
Milwaukee, WI 53233

Milwaukee Area Tech. College

Todd Poppe
MATC
700 West State Street
Milwaukee, Wisconsin 53233-1443

South Milwaukee School District

Mike Stritchko
903 N. Chicago Ave.
South Milwaukee, WI 53172

At-Large

Brett Briesemeister
718 Walnut St.
South Milwaukee, WI 53172

The JRB held its organizational meeting on May 23, 2000, at which members voted to accept Brett Briesemeister as the At-Large Member and Mayor Kieck as the JRB Chairman.

The final meeting of the JRB was held on August 1, 2000. The JRB approved the City's creation of TID #1.

C. Plan of Redevelopment

This area of South Milwaukee is characterized by underutilized and/ or blighted properties and vacant sites. Several redevelopment projects may be undertaken by private developers in the area as described later in this document. The City will assist with the redevelopment of vacant, blighted and underutilized properties by making public improvements to support new development and by creating a Community Development Authority and making funds available to the CDA to support redevelopment activities. The City will replace/improve/install public infrastructure in certain areas to improve the physical functioning of the area.

The TID #1 redevelopment area comprises 35.63 acres and has a mix of land uses. The predominant land use is commercial with several small residential properties and a senior housing project. A City fire station and public works garage is also located within the District. A listing of all parcels in TID #1, their use, value and condition is included on page 7 - 8. Map #1 (p. 5) shows the condition of property, Map #2 (p. 6) shows the parcel numbers which are keyed to the parcel list, Map #3 (p. 9) shows existing zoning, Map #4 (p. 10) shows existing land uses, Map #5 (p. 11) shows proposed improvements and Map #6 shows proposed land uses after redevelopment.

TID Redevelopment Area

	Area	%
Total Area Within TID #1	35.63 Acres	100%
Area of Real Property (parcels)	25.39 Acres	71.3%
Right-of-Way	10.24 Acres	28.7%
Blighted Property	17.11 Acres	67.4% of parcels
Blighted Area for Redevelopment	23.3 Acres	65.3% of TID Area
Vacant Parcels	2.7 Acres	10%
Vacant Parcels Vacant > 7 Years	1.24 Acres	5%

State Highway 32 cuts through the north end of the District. The remainder of the District is well served by local roads. Some of these roads are in poor condition and are in need of reconstruction to adequately serve the District after redevelopment. There are no truck terminals or distribution centers within the District. The Chicago and Northwestern Railway has a main line along the west edge of the District. There are no rail terminals or passenger stations in proximity to the District. A former rail passenger station is located just beyond the north edge of the District, but this facility has been converted to office use. A rail overpass bridging STH 32 is located in the northwest part of the District. This overpass is deteriorating, but still serviceable. The deteriorating condition of the overpass has a blighting influence on the area.

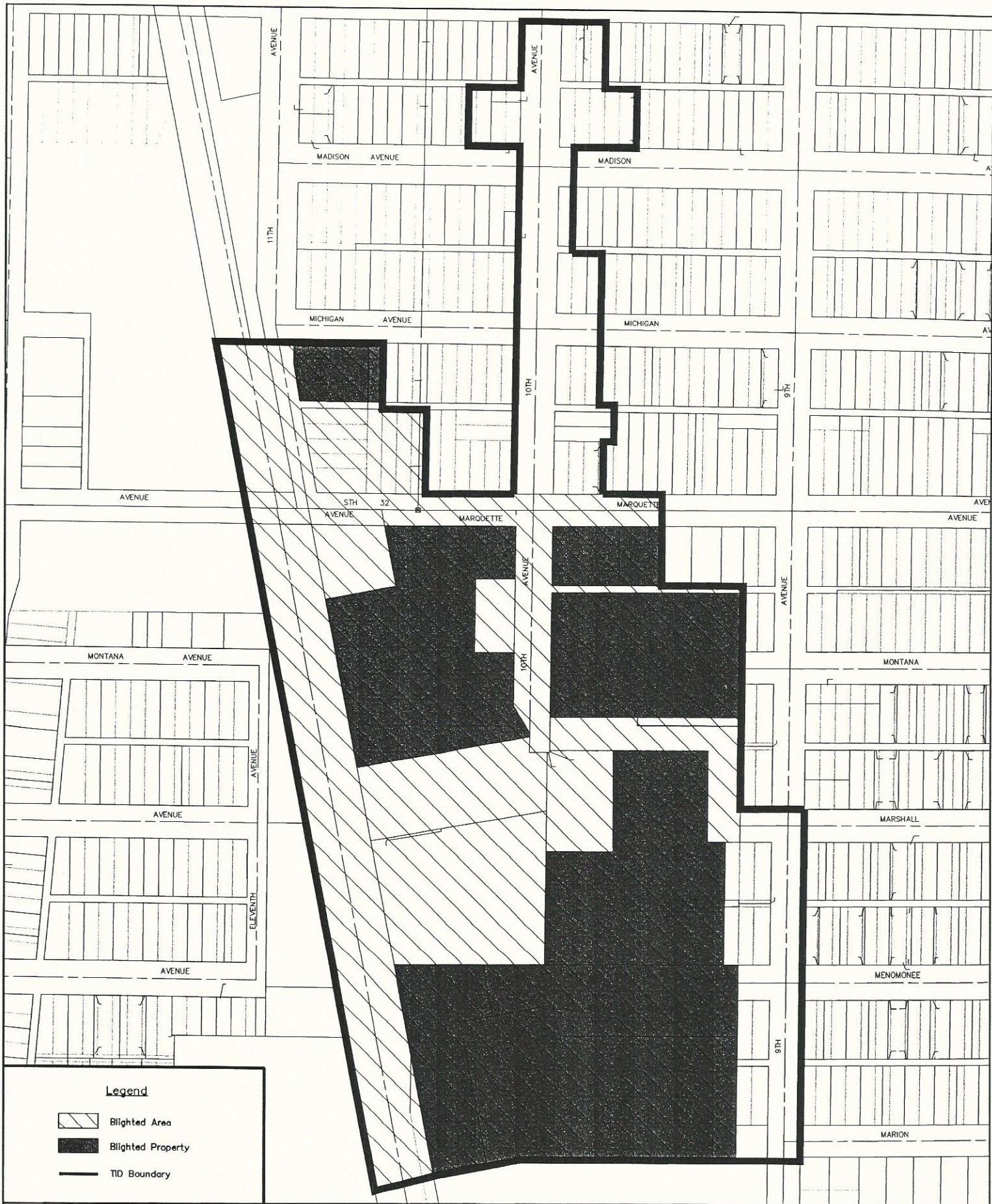
The entire District is served by City sanitary sewer and water service. A City storm sewer also serves the District. Electric power is provided by Wisconsin Electric Power Co. and gas service by Wisconsin Gas Co. Public utilities are adequate to serve proposed redevelopment of the District with the exception of older sanitary sewer and water lines which are in need of replacement as redevelopment occurs.

There are no recreational facilities within the District, however, the District is well served by Oak Creek Parkway (7 blocks to the north) and Grant Park - major regional parks with recreational opportunities. A beach is located in Grant Park 10 blocks to the east with swimming opportunities in Lake Michigan.




The only community facility within the District is a City fire station. The fire station has a public meeting room which is available for community meetings. Several schools and churches serve the District within a 10 block radius.

Planned redevelopment activities include the demolition of an obsolete shopping center and the construction of a second senior housing project. The shopping center across the street will be improved. A vacant lot in the northwest corner of the District will be redeveloped as an industrial use. Another vacant lot on the north edge of the District will be redeveloped for commercial use. Three parcels on the south end of the District provide good redevelopment opportunities, however, there are no specific proposals for redevelopment at this point in time. The City would like to encourage the redevelopment of those parcels through the creation of TID #1 and the creation of a Community Development Authority.

Population density, land coverage and building intensity are all at lesser levels than adjacent areas due to predominance of blighted, obsolete and underutilized parcels within the District. Redevelopment activities proposed for the District will help to bring population density, land coverage and building intensity up to a standard which is consistent with that of the surrounding areas.



Legend

-  Blighted Area
-  Blighted Property
-  TID Boundary



Scale 1"=250'

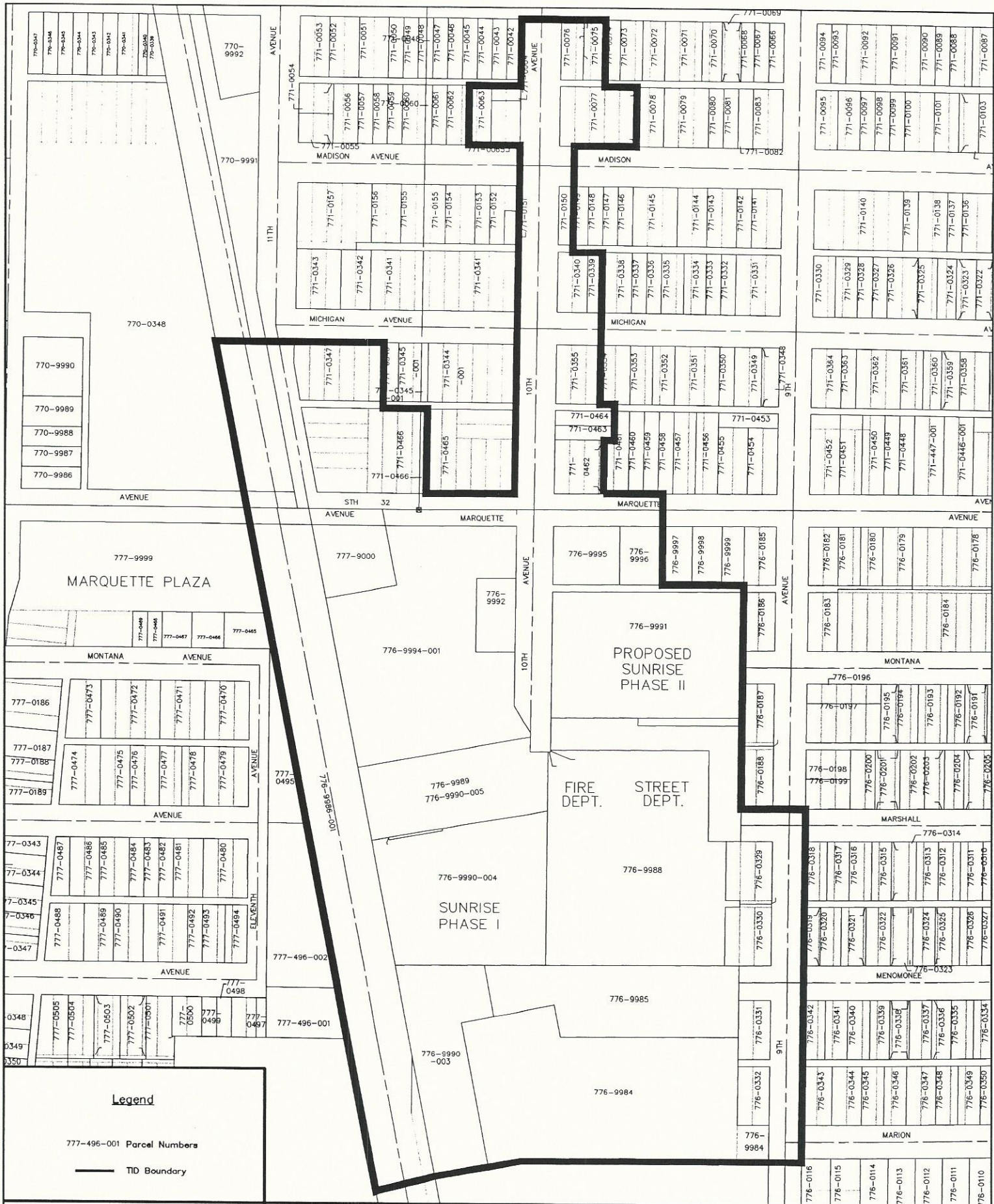
City of South Milwaukee
Tax Incremental District No. 1
Redevelopment Area

District Boundary and Condition of Property

Map No. 1



April 2000



**PARCEL DATA
CITY OF SOUTH MILWAUKEE
TID #1**

Reason for Finding of Blight

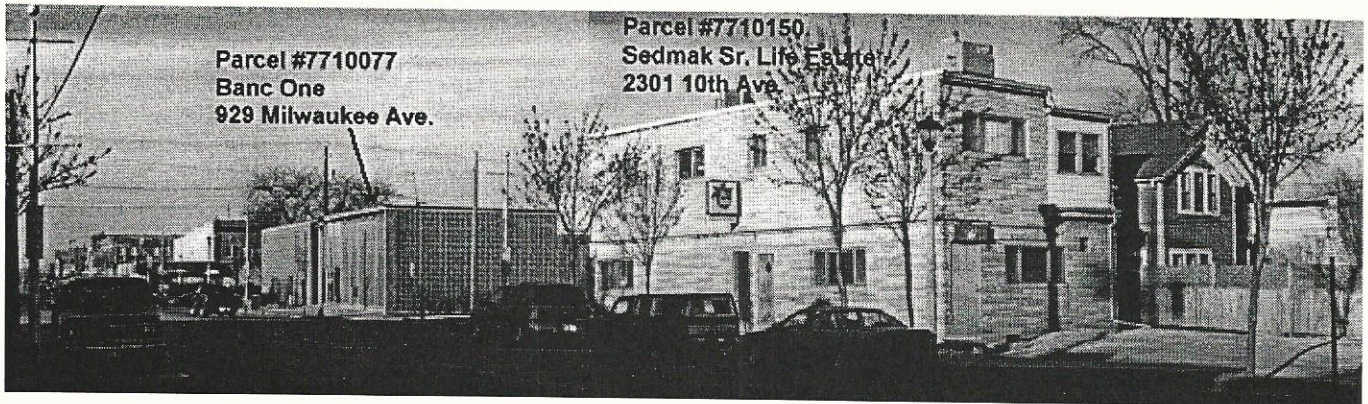
CITY OF SOUTH MILWAUKEE TID #1																Structures demolished on site?						
Parcel #	Owner Name	Prop. Address	Land Value	Improve. Value	Total Value	Use	Area (acres)	Vacant > 7 yrs	Property Blighted	W/in Blighted Are	Dilapidation	Deterioration	Age	Obsolescence	Ventilation, light, air, san., or open spaces	High density or overcrowding	Endanger life or property	Obsolete Platting	Diversity of Ownership	Deter. of Structures	Deter.of Site Improv.	Impairs sound growth
7710063	Bruening	1004 Madison Ave	25,700	41,600	67,300	Residential	0.12		No	N												
7710064	Powers Jeweler, Inc	2110 10Th Ave	10,000	28,700	38,700	Commercial	0.04		No	N												
7710065	Banc One Corporation	2114 10Th Ave	16,200	1,100	17,300	Parking Lot	0.12		No	N												
7710075	Musarra	925 Milwaukee Ave	16,200	60,000	76,200	Commercial	0.12		No	N												
7710076	Banc One Corporation	929 Milwaukee Ave	16,200	7,100	23,300	Bus Shelter/	0.13		No	N												
7710077	Banc One Corporation	929 Milwaukee Ave	55,800	148,200	204,000	Commercial	0.43		No	N												
7710150	Sedmak Sr. Life Estate	929 Madison Ave	10,800	35,700	46,500	Commercial	0.08		No	N												
7710339	Calvary Academy, Inc.	924 Michigan Ave	0	0	0	Group Home	0.18		No	N												
7710340	Zinov's	2211 10Th Ave	15,600	0	15,600	Vacant	0.18	No	No	N												
7710347	Wisconsin Electric	1019 Michigan Ave	0	0	0	Vacant	0.49	N	Yes	Y											X	
7710355	Speedway Superameric	2301 10Th Ave	32,400	58,400	90,800	Commercial	0.27		No	N												
7710462	Taco Bell No 1949	2315 10Th Ave	32,400	131,000	163,400	Commercial	0.27		No	N												
7710463	Kaprelian	2311 10Th Ave	17,000	47,500	64,500	Residential	0.09		No	N												
7710464	Palme	2309 10Th Ave	17,000	47,600	64,600	Residential	0.09		No	N												
7710466	Burger King	1010 Marquette Ave	124,600	259,400	384,000	Commercial	0.94		No	Y												
7769984	Derouin	2616 9Th Ave	76,200	26,000	102,200	Commercial	3.48		Yes	Y	X	X	X	X								
7769985	Schumacher	909 Menomonee Ave	65,300	48,000	113,300	Commercial	1.46		Yes	Y		X										
7769988	South Milwaukee	910 Marshall Ave	0	0	0	Government	4.28		Yes	Y	X											
7769989	Crosby	2430 10Th Ave	55,000	145,000	200,000	Commercial	1.28		No	Y												
7769991	Sunrise Milwaukee Lp	2409 10Th Ave	102,000	141,000	243,000	Commercial	2.35		Yes	Y				X								
7769992	M&I South Shore Bank	1001 Marquette Ave	36,000	372,000	408,000	Commercial	0.28		No	Y												
7769995	Sunrise Milwaukee Lp	931 Marquette Ave	49,000	0	49,000	Vacant	0.37	N	Yes	Y								X				
7769996	Sunrise Milwaukee Lp	917 Marquette Ave	31,000	0	31,000	Vacant	0.24	N	Yes	Y								X				
7779000	SM Savings Bank	1015 Marquette Ave	62,000	388,000	450,000	Commercial	0.58		No	Y												
776990003	Derouin	2500 10Th Ave	13,500	0	13,500	Vacant	1.24	Y	Yes	Y				X								
776990004	Sunrise Senior Hsng,Llc	2500 10Th Ave	215,000	1,185,000	1,400,000	Residential	2.19		No	Y												

Parcel Data
Page 1 of 2

**PARCEL DATA
CITY OF SOUTH MILWAUKEE
TID #1**

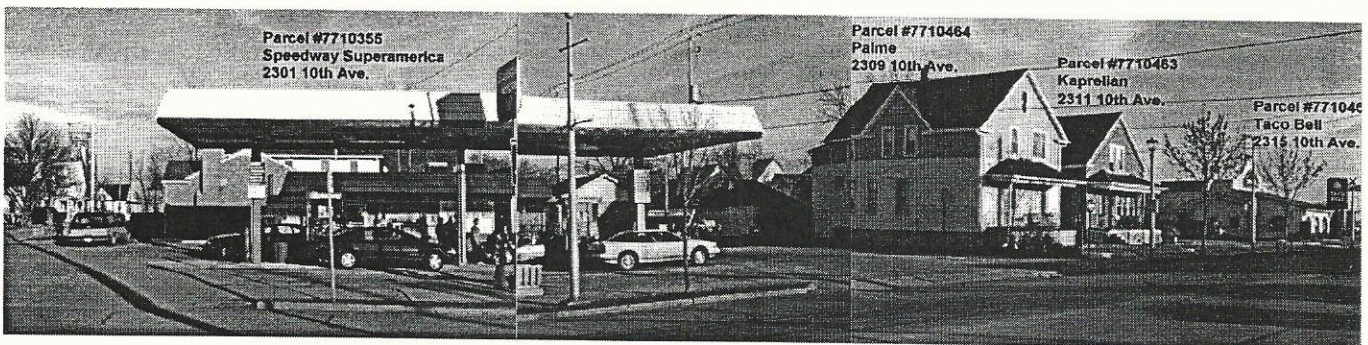
Reason for Finding of Blight

CITY OF SOUTH MILWAUKEE															Structures demolished on site?												
TID #1																											
Parcel #	Owner Name	Prop. Address	Land Value	Improve. Value	Total Value	Use	Area (acres)	Vacant > 7 yrs	Property Blighted	W/in Blighted Are	Dilapidation	Deterioration	Age	Obsolescence	Ventilation, light, air, san., or open spaces	High density or overcrowding	Endanger life or property	Obsolete Platting	Diversity of Ownership	Deter. of Structures	Deterior. of Site Improv.	Impairs sound growth					
7769990005	Crosby	2500 10Th Ave	200	0	200	Vacant	0.00		No	Y																	
7769994001	Sunrise Milwaukee Lp	2410 10Th Ave	146,000	251,000	397,000	Commercial	3.22		Yes	Y	X																
7760329	Crum	2500 9Th Ave	30,600	74,100	104,700	Residential	0.27		No	Y																	
7760330	Giering	2514 9Th Ave	30,600	54,500	85,100	Residential	0.27		No	Y																	
7760331	Pethes	2600 9Th Ave	25,100	46,500	71,600	Residential	0.18		No	Y																	
7760332	Derouin	2610 9Th Ave	24,300	0	24,300	Vacant	0.18		No	Y																	
							25.39	acres																			
			\$1,351,700	\$3,597,400	\$4,949,100	Right-of-Way										Area of Vacant Property		2.70 acres		10.6%							
							10.24	acres														Area Vacant >7 Years		1.24 acres		4.9%	
							35.63	acres														Area of Blighted Parcels		17.11 acres		67.4%	
							23.3	acres																			



Parcel #7710077
Banc One
929 Milwaukee Ave.

Parcel #7710150
Sedmak Sr. Life Estate
2301 10th Ave.

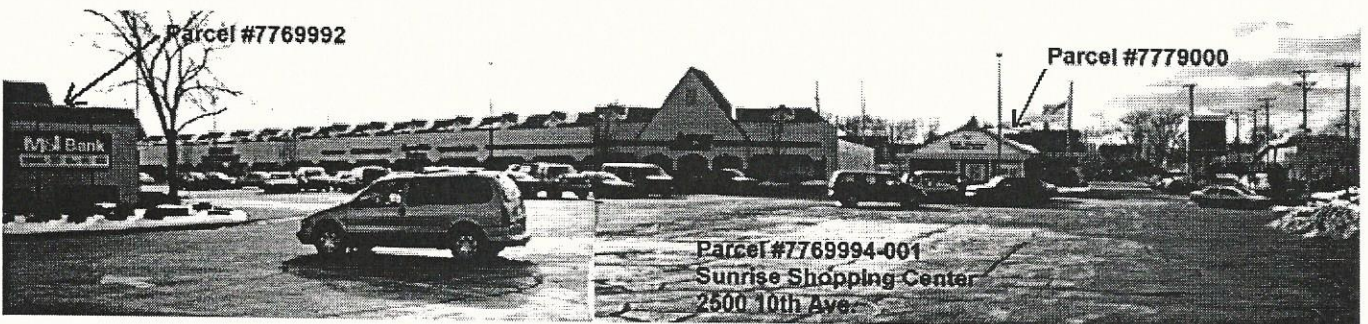


Parcel #7710355
Speedway SuperAmerica
2301 10th Ave.

Parcel #7710464
Palme
2309 10th Ave.

Parcel #7710463
Kaprelian
2311 10th Ave.

Parcel #7710465
Taco Bell
2315 10th Ave.



Parcel #7769992

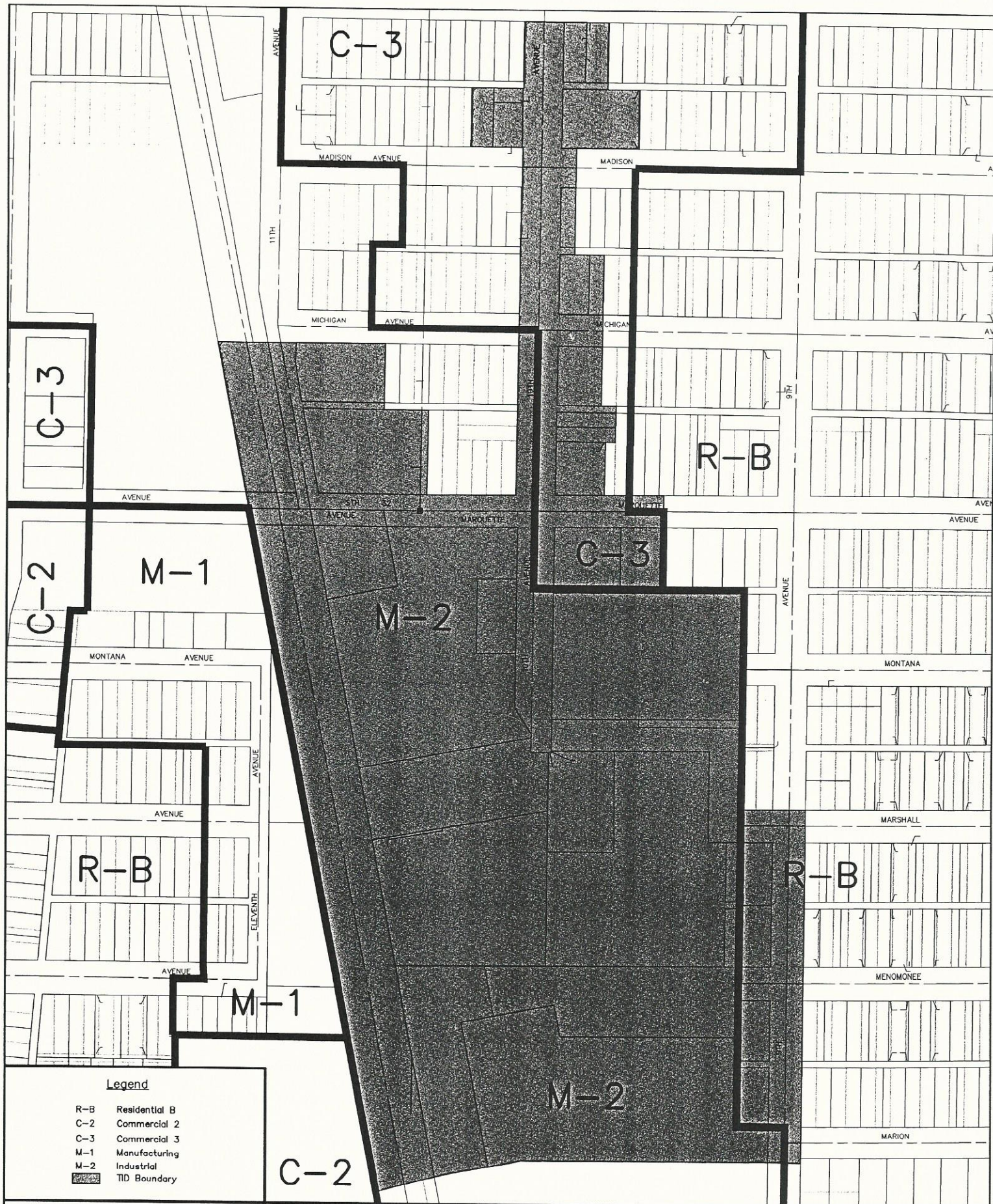
Parcel #7779000

Parcel #7769994-001
Sunrise Shopping Center
2500 10th Ave.



Parcel #7779989
Crosby
2430 10th Ave.

Parcel #7779994-001
Sunrise Shopping Center - South End
2500 10th Ave.



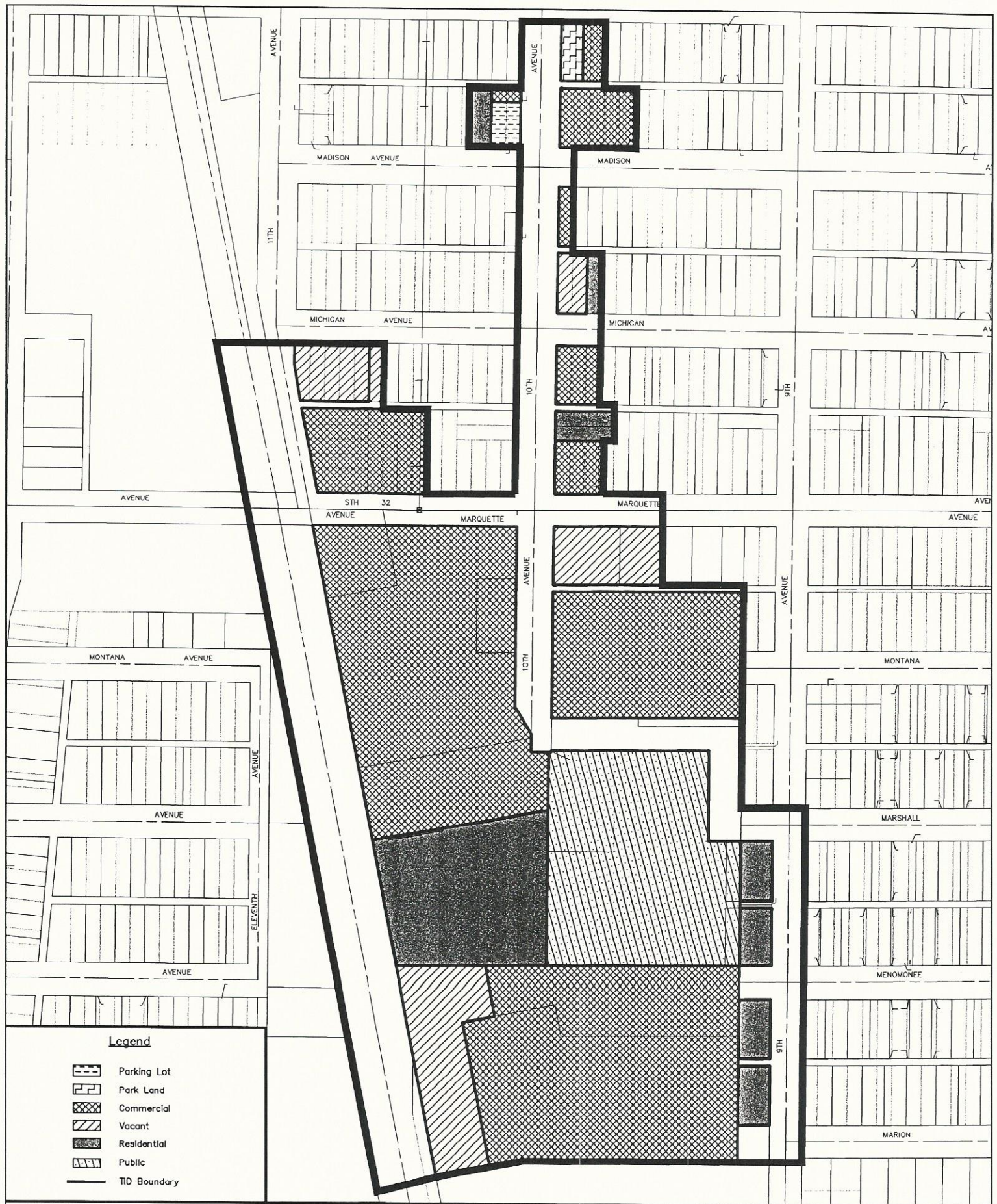
City of South Milwaukee
Tax Incremental District No. 1
Redevelopment Area

Existing Zoning

Map No. 3

VIERBACHER
ENGINEERS & ARCHITECTS

April 2000

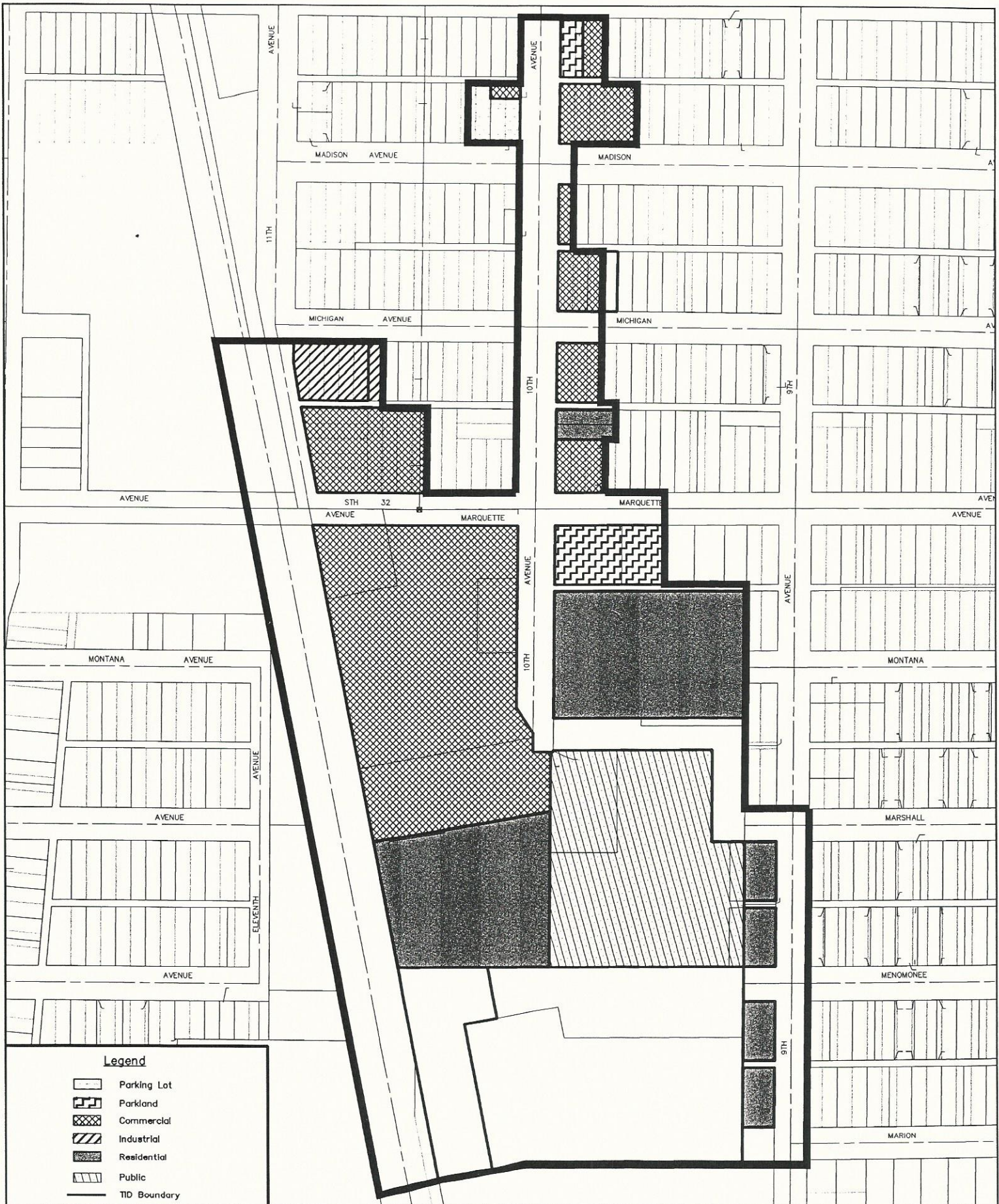


City of South Milwaukee
Tax Incremental District No. 1
Redevelopment Area
Existing Land Uses

Map No. 4

VIERBICHER
ASSOCIATES

April 2000



Scale 1"=250'

City of South Milwaukee
Tax Incremental District No. 1
Redevelopment Area

Proposed Land Uses

II. STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS WITHIN THE DISTRICT

TID No. 1 of the City of South Milwaukee is created primarily to eliminate blight as authorized in Wisconsin Statutes 66.52 in order to improve a portion of the City, enhance the value of said property, broaden the property tax base, and relieve the tax burden of residents and home owners. The City contemplates expending funds on planning, street, sewer and water improvements, and the redevelopment activities of a proposed Community Development Authority.

Any cost directly or indirectly related to achieving the objectives of blight elimination, rehabilitation, or conservation is considered a "project cost" and eligible to be paid from tax increments of this tax increment district, including but not limited to the list below. The costs of planning, engineering, design, surveying, legal and other consultant fees, testing, environmental studies, permits necessary for the public work, easements, judgements or claims for damages, and other expenses for all projects are included as project costs.

Listed below are major public improvement categories, which are necessary and standard improvements for eliminating blight and promoting redevelopment of blighted areas:

A. Infrastructure for Development of TID:

Infrastructure costs most often include projects located within the boundaries of the TID. Infrastructure costs for projects located outside the TID, benefiting or necessary for the development within the TID may also be eligible TID projects. Such costs must be shared in a reasonable manner relating to the amount of benefit to the District. Proposed infrastructure improvements may include:

1. Street reconstruction or upgrading and alley removal to facilitate development within the District.
2. Construct, upgrade and/or relocate sanitary sewer system components and related appurtenances.
3. Construct, upgrade and/or relocate storm water drainage facilities and related appurtenances.
4. Construct, upgrade and/or relocate water system components and related appurtenances.
5. Install or improve primary and secondary electric service including installing underground electric distribution lines and related appurtenances.
6. Install or improve natural gas service.

Other infrastructure projects unknown at this time, but consistent with the purpose of TID No. 1 may be eligible project costs. Such eligibility will be determined by the City Council and/or the CDA at the time the projects are being considered.

B. Site Preparation:

Site development activities required to make sites suitable for reuse include, but are not limited to: environmental studies, environmental cleanups, stripping topsoil, grading, compacted granular fill, topsoil replacement, access drives, parking areas, landscaping, storm water detention areas, razing existing structures, relocating power lines, utilities, signs, fencing, and related activities. Other site preparation activities, unknown at this time, may be eligible costs as long as they are consistent with the purpose of TID No. 1 and approved by the City Council.

C. CDA Redevelopment Funds:

The City may provide funds to a Community Development Authority or Redevelopment Authority for the purpose of acquiring property, entering into financial agreements and other contracts with property owners or developers or any other activity authorized by Wisconsin Statutes to be undertaken by such an Authority.

D. Promotion & Development:

Promotion and development of TID No. 1 including professional services for marketing, recruitment, Realtor commissions and fees in lieu of commissions, marketing services and materials, advertising costs, administrative costs and support of development organizations are all eligible costs under this section.

E. Real Estate Acquisition:

This may include, but is not limited to purchase of fee title, easements, appraisals, consultant fees, closing costs, surveying and mapping, lease and/ or sale of property at below market price to encourage or make feasible a blight elimination or redevelopment project.

F. Relocation Costs:

Relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plans, director, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 32.19 and 32.195.

G. Administrative Costs:

Imputed administrative costs including, but not limited to, a portion of the salaries of the City employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with the general administration of TID No. 1, and others directly involved with the projects over the seven year expenditure period.

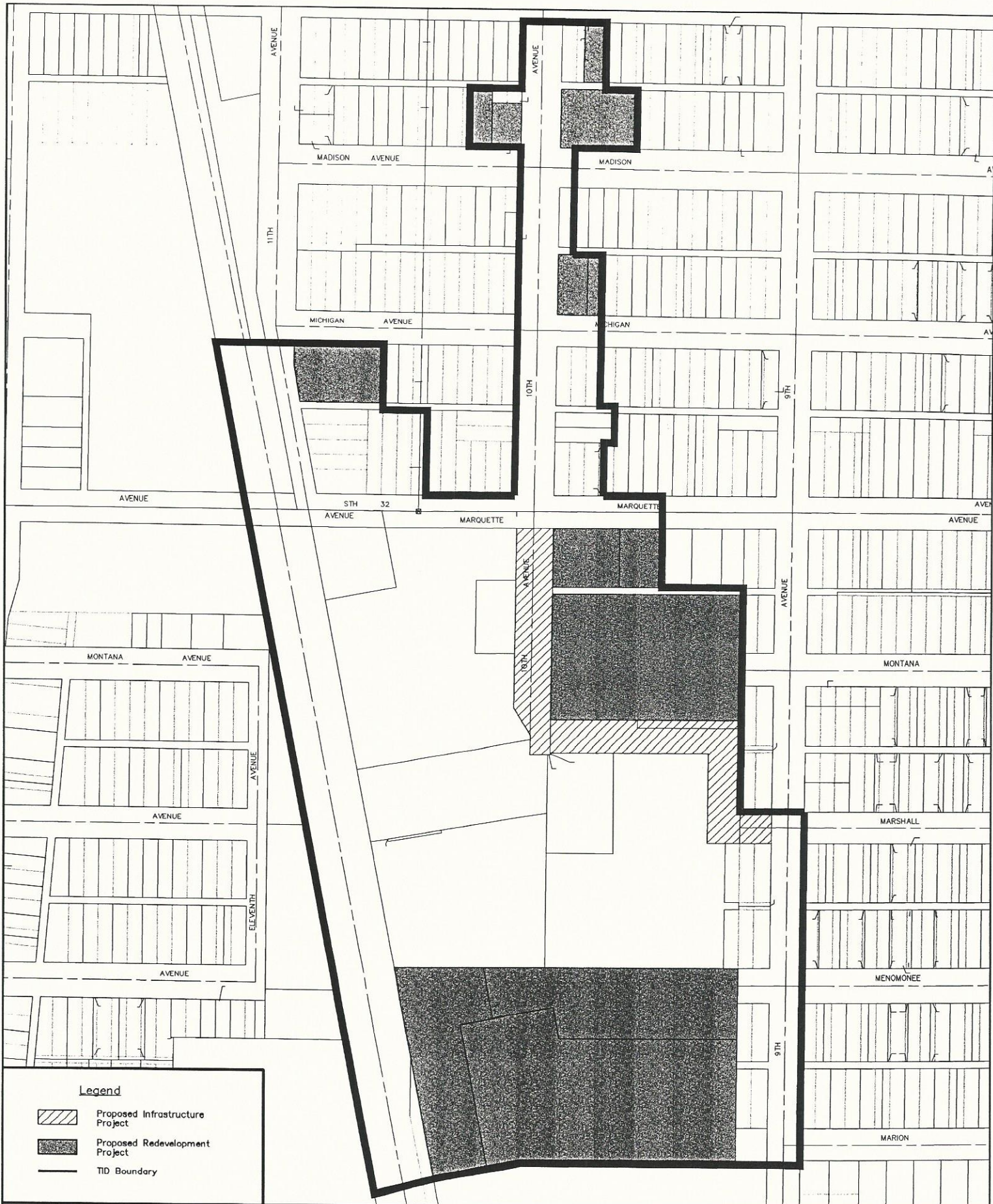
H. Organization Costs:

Organization costs including, but not limited to, the fees of the financial consultant, attorney, engineers, planners, surveyors, appraisers, title companies, map makers, and other contracted services related to the creation of the TID.




I. Financing Costs:

Interest, finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing.

The projects listed above will provide necessary facilities and support to enable and encourage the development of TID No. 1. These projects may be implemented in varying degrees in response to development needs.



Legend

-  Proposed Infrastructure Project
-  Proposed Redevelopment Project
-  TID Boundary



Scale 1"=250'

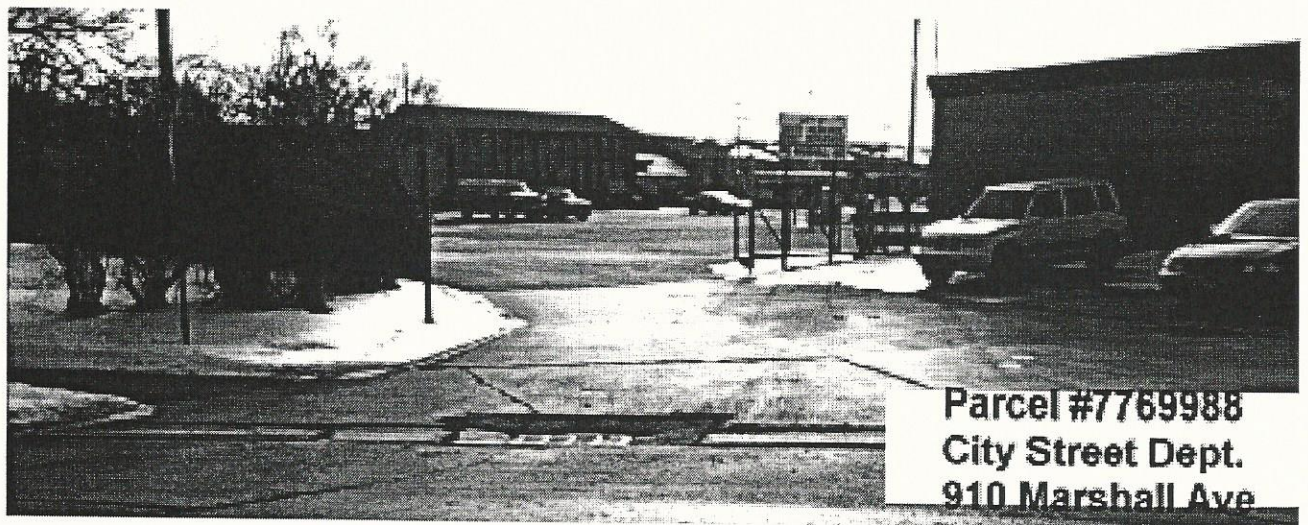
City of South Milwaukee
Tax Incremental District No. 1
Redevelopment Area

Proposed Improvements

Map No. 6



April 2000



III. DETAILED LIST OF PROJECT COSTS

The table below describes the detailed project costs for project categories anticipated to be implemented during the expenditure period of TID #1. This format follows Dept. of Revenue guidance on detailed project costs, which states "this list should show estimated expenditures expected for each major category of public improvements".

All costs listed are based on 2000 prices and are preliminary estimates. The City reserves the right to revise these cost estimates to reflect change in project scope, inflation and other unforeseen circumstances between 2000 and the time of construction or implementation. The City should pursue grant programs to help share project costs included in this project plan, as appropriate. Planned project costs are listed in the table below. A more detailed list of planned project costs is included as Attachment #3.

The City may fund specific project cost items shown below in significantly greater or lesser amounts in response to opportunities which will help the City accomplish the purposes of TID #1. The City will generally use overall benefit to the City and economic feasibility, i.e. the availability of future revenue to support additional project costs, in determining the actual budget for project cost items over the course of the TID's expenditure period.

SOUTH MILWAUKEE TID NO. 1 PLANNED PROJECT COSTS			
Proposed Improvements	Total Cost	Others Share	TID Share
A. Infrastructure Improvements	\$381,000	-0-	\$381,000
B. Site Preparation	\$0	-0-	\$0
C. CDA Redevelopment Funds	\$865,000	-0-	\$865,000
D. Promotion & Development	\$50,000	-0-	\$50,000
E. Real Estate Acquisition	\$0	-0-	\$0
F. Relocation Costs	\$0	-0-	\$0
E. Administration & Planning	\$70,000	-0-	\$70,000
F. Organizational Costs	\$50,000	-0-	\$50,000
TID SHARE SUBTOTAL	\$1,416,000	-0-	\$1,416,000
Inflation Cost Adjustment			\$50,204
Capitalized Interest			\$85,758
Financing Costs (<i>Interest less Capitalized Interest, Financing Fees</i>)			\$919,527
TOTAL TID EXPENDITURE			2,549,579

IV. ECONOMIC FEASIBILITY STUDY

In order to evaluate the economic feasibility of the TID, it is necessary to project the amount of tax incremental revenue that can reasonably be generated from the district. The ability of the municipality to finance proposed projects must also be determined. TID No. 1 is economically feasible if the tax incremental revenue projected to be generated over the life of the TID is sufficient to pay all project and financing costs incurred during the TID's expenditure period. The components of such an analysis include:

- A. The expected increase in property valuation due to inflation and the impact of general economic conditions on the TID.
- B. The expected increase in property valuation due to new development encouraged by the TID.
- C. Any change that may take place in the full value tax rate.

Following is a discussion of these components. Financing issues are discussed in the next section.

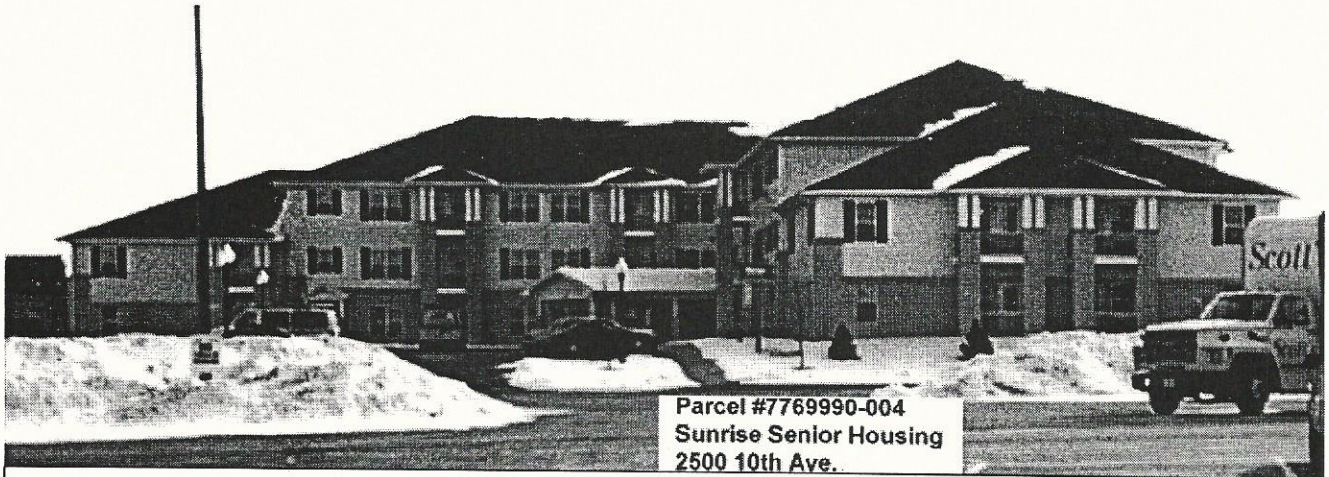
A. Inflation

Throughout the past twenty years, the annual rate of inflation has averaged under 6 percent. Currently the State of Wisconsin Department of Administration Office of Budget and Finance is using long term inflation rates of 3 percent to 5.5 percent. In order to account for a long term national trend toward lower rates of inflation, the inflation rate, for the purpose of making projections of equalized value, will be a very conservative 0 percent. Inflation for purposes of projecting future project costs is assumed to be 3%.

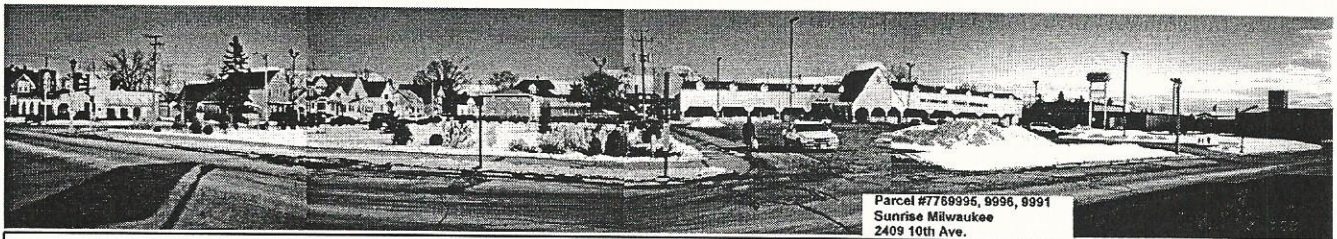
B. Increase in Property Value

The proposed plan for TID No. 1 will encourage the redevelopment of several properties within the TID. The formation of TID No. 1 will enable the City to make various improvements that will stimulate redevelopment in the area. This redevelopment will create increased property valuation. The increase in property valuation due to this redevelopment is estimated from the following projects. Other improvements and redevelopment projects, which were not anticipated at the time this Project Plan was prepared, may occur within the TID. An analysis of each proposed project below is included as Attachment #2.

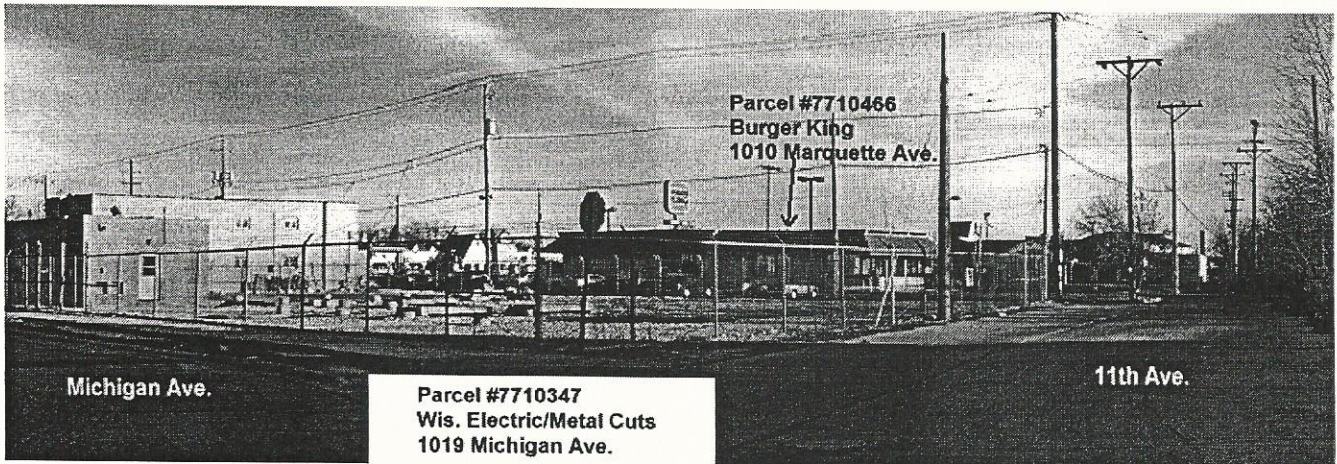
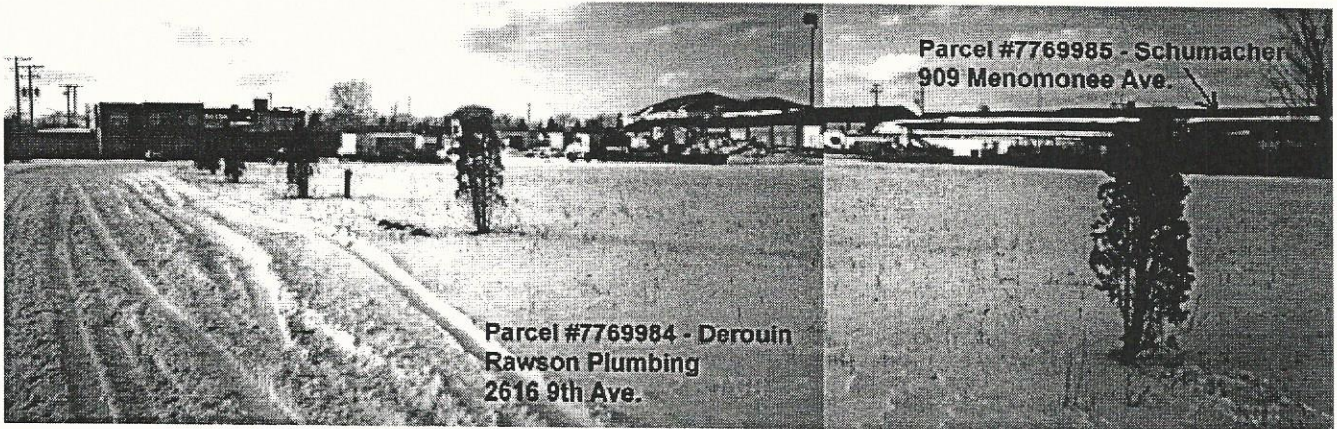
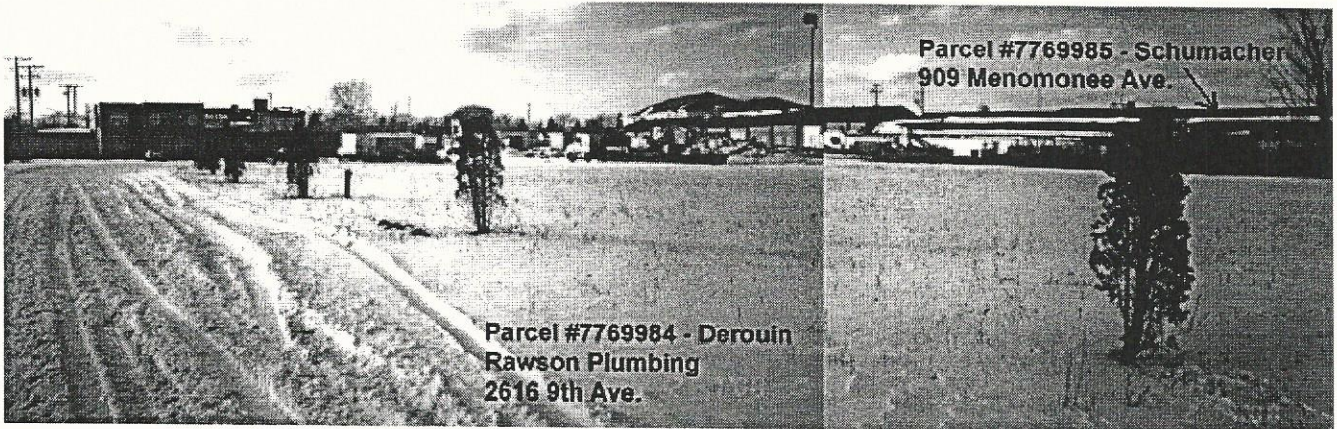
- 1) Sunrise Housing - Phase I \$300,000 - \$600,000
Parcel #776-9990-004 - Senior housing project constructed in 1999 and completed in 2000. Valuation at the end of 1999 was \$1,400,000. Remnant value expected to be created in 2000 is shown above. Total valuation per acre will be approximately \$750,000.



Sunrise Senior Housing Phase I



Site of Sunrise Senior Housing Phase II

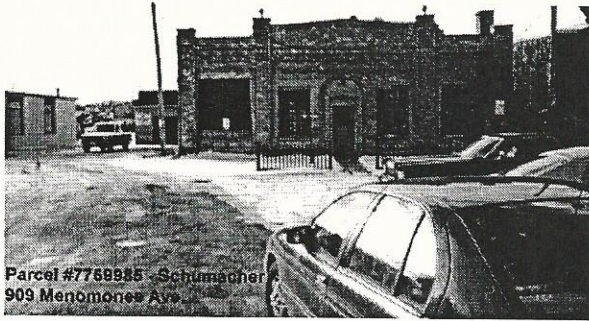


Michigan Ave.

Parcel #7710347
Wis. Electric/Metal Cuts
1019 Michigan Ave.

11th Ave.

- Sunrise - Phase II\$2,600,000
 Parcels #776-9991, #776-9995, #776-9996 - Senior housing project. Project will require assistance with parcel acquisition and assembly, demolition, business relocation, and infrastructure improvements. A portion of the site will be dedicated to greenspace. The entire site encompasses 2.95 acres. This project is currently being developed. Construction increment is expected to be created in 2000 and 2001. A total valuation of approximately \$860,000 per acre will be created, up from a current valuation of \$109,000 per acre.
- 2) Sunrise Shopping Center\$700,000
 Parcel #776-9994-001 - Project involves improvements to a strip shopping center and relocation of a business from the project described in item #2. Valuation will increase from current \$123,000 per acre to \$340,000 per acre. Construction increment is expected to be created in 2000.
- 3) Derouin Site – 2216 9th Ave. (Rawson Plumbing)\$2,690,000
 Parcels #776-9984, #776-9990-003, and #776-0332 - This is a 4.9 acre site with high redevelopment potential, but no current plans. Valuation of such property in the area averages \$549,000 per acre. The value after redevelopment was estimated after studying the value of non-blighted improved property in the area. A reasonable expectation for post-redevelopment value is \$2,500,000. The site is currently valued at \$140,000 or \$28,571 per acre. The City and CDA will use TID No. 1 to encourage redevelopment of this blighted parcel. This value is assumed to be created in 2003.
- 4) Schumacher Site – 909 Menomonee Ave.\$800,000
 Parcel #776-9985 - This is a 1.46 acre site. Valuation of non-blighted improved property in the area averages \$549,000 per acre. The City and CDA will use TID No. 1 to encourage redevelopment of this blighted parcel. This value is assumed to be created in 2005.
- 6) Metal Cuts Products – 1019 Michigan Ave.\$200,000
 Parcel #771-0324 - Project will involve making infrastructure improvements to support the redevelopment of a former electric transformer site for industrial usage. This project is currently being developed, and the valuation estimate is based upon plans being reviewed at the time TID No. 1 was being created. Construction increment is expected to be created in 2000 at a value of \$400,000 per acre.
- 7) 2211 10th Ave. and 924 Michigan Ave.\$120,000
 Parcels #771-0340 and #771-0339 - Project will involve the acquisition of property, parcel assembly, demolition and land write-down to encourage commercial redevelopment of the site. Project is currently being developed,



Parcel #7769985 - Schumacher
909 Menomonee Ave.



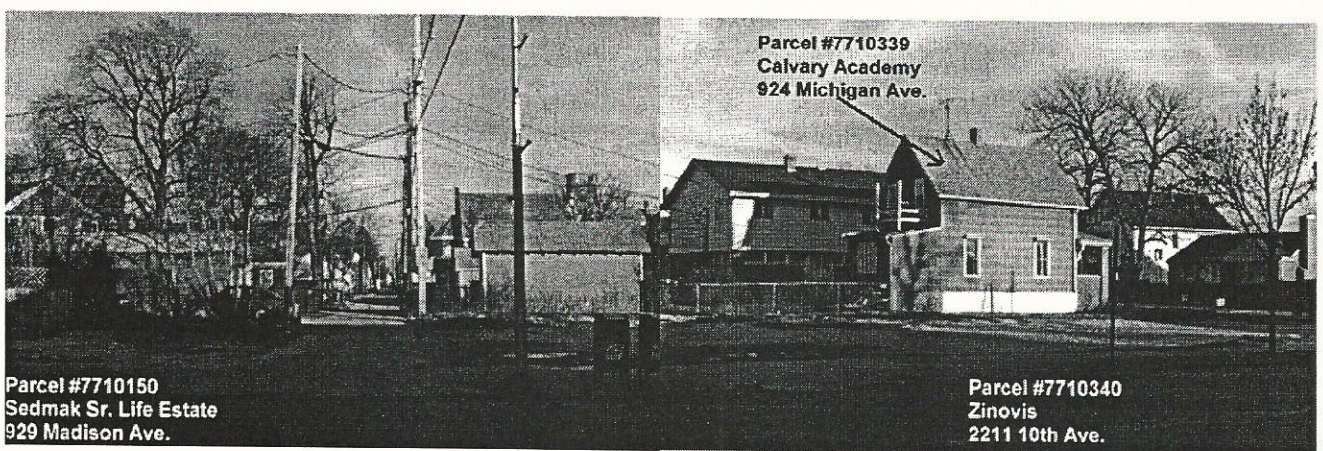
Parcel #7769985 - Schumacher
909 Menomonee Ave.



Parcel #7769985 - Schumacher
909 Menomonee Ave.



Parcel #7769985 - Schumacher
909 Menomonee Ave.

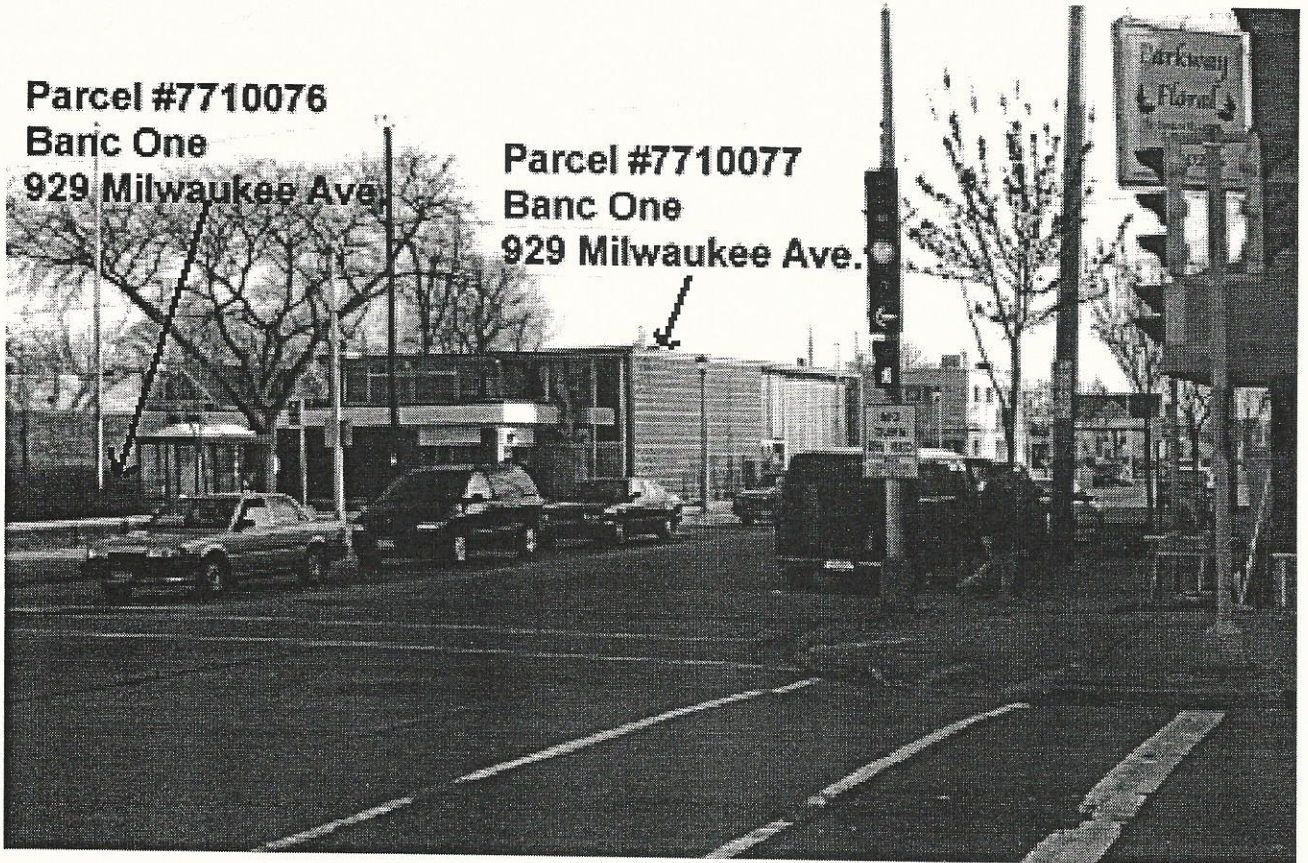
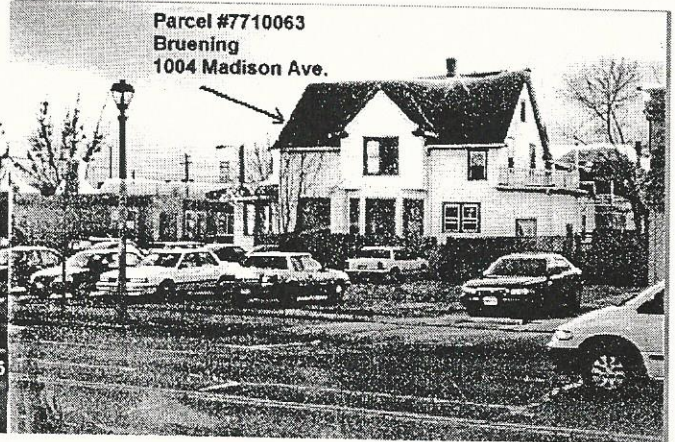


and estimate of valuation is based upon preliminary plans. Construction increment is expected to be created in 2000 at a value of \$300,000 per acre.

- 8) Tri-City Bank (formerly Banc One)\$700,500
 Parcels #771-0077, #771-0076, #771-0065 - Project will involve supporting the construction of a new bank building by creating additional parking in the area or other redevelopment activities. Valuation estimate is based upon plans currently being reviewed. This may require the acquisition of property, demolition of structures, parking lot construction, or other activities. Construction increment is expected to be created in 2000 at a value of \$950,000 per acre.

**Average Property Values TID #1
 Non-Blighted Property**

PARCEL Value	Total Value per Acre	Land Value per Acre	Improve. per Acre
7760332	\$137,622	\$137,622	\$0
7710340	\$86,667	\$86,667	\$0
7710065	\$152,477	\$130,694	\$21,782
7710076	\$262,731	\$128,977	\$133,754
7760330	\$317,727	\$114,247	\$203,480
7710355	\$336,296	\$120,000	\$216,296
7760331	\$406,106	\$142,364	\$263,742
7760329	\$390,875	\$114,239	\$276,637
7710466	\$409,766	\$132,961	\$276,806
7710063	\$542,906	\$207,321	\$335,585
7710150	\$562,656	\$130,681	\$431,975
7769990004	\$548,746	\$91,458	\$457,288
7710462	\$605,185	\$120,000	\$485,185
7710075	\$622,920	\$132,432	\$490,488
7710463	\$716,667	\$188,889	\$527,778
7710464	\$717,778	\$188,889	\$528,889
7779000	\$781,409	\$107,661	\$673,748
7710064	\$936,649	\$242,028	\$694,621
7710077	\$952,733	\$130,685	\$822,048
7769992	\$1,480,823	\$130,661	\$1,350,162
Average Value	\$548,437	\$138,924	\$409,513



C. Full Value Tax Rate

The third variable to consider in projecting TID revenues is the full value tax rate. The full value tax rate is adjusted annually based on property valuation and the amount of funds required by all taxing jurisdictions to support their adopted annual budgets. The following chart summarizes the historic full value tax rate in the City between 1993 and 1999.

Year	Full Value Rate	Percent Change
1993	.03177	N/A
1994	.02975	-6.36%
1995	.02945	-1.01%
1996	.02542	-13.68%
1997	.02437	-4.13%
1998	.02253	-7.55%
1999	0.2448	+8.3%

The full value rate has been historically decreasing since 1993. This decline is due to a number of factors, including property tax reform measures at the state level. The equalized value of the City of South Milwaukee has increased 19.8% since 1993. A full value tax rate of .02448 with 0% change will be used in this project plan to project TID revenues.

D. TIF Revenues

Utilizing an average inflation rate of 0 percent, projected construction increment of \$7,180,000 and an initial full-value tax rate of .02448, which is projected to remain constant, the projected TIF Revenue from TID No. 1 will be as shown in the Tax Increment Proforma in Attachment #7.

The total tax increment revenue is sufficient to pay all TID related costs for the projects and amounts shown in the Planned Project Costs on Page 6.

E. Cash Flow

Another consideration regarding the adequacy of TID revenues toward paying TID project costs is the relative timing of revenue and expenditure, or cash flow. As previously stated, there are sufficient TID revenues over the life of the TID to pay all costs. In addition, there are sufficient TID revenues in each year to pay all costs. The City anticipates borrowing additional funds to pay interest expense on borrowings (capitalized interest) to bridge temporary cash flow gaps caused by the two year lag in collecting tax revenue on new increment. The Tax Increment Cash Flow Worksheet shown on Attachment #8 summarizes the assumed cash flow.

V. FINANCING METHODS AND TIMETABLE

A. Financing Methods

An important aspect to consider in assessing the economic feasibility of TID No. 1, is the ability of the City to finance desired projects to encourage development. Financial resources available to the City include general obligation notes and bonds, revenue bonds, special assessments, and federal and state community development programs. Additionally, a Community Development Authority may finance project costs within a TID and the City may apply TID revenue to the CDA to service the debt incurred to finance eligible projects within the TID.

General obligations of the City are limited by state law to five percent of the equalized property value. The City has a current total debt capacity of \$40,581,610 and \$13,000,000 in existing General Obligation debt. Using this data, the current remaining debt capacity is \$34,481,610. This is more than adequate financing capacity to finance the planned project costs of approximately \$1.5 million.

The City has the capacity to finance some project costs through direct debt or bond instruments, utilizing the general revenue capacity of the City to secure those instruments. There are other mechanisms available to pay for some project costs that would not count against the City's constitutional debt capacity.

The City may utilize revenue bonds repaid from fees for services charged by the City. Common examples of such revenue are charges for sewer and water usage. There is no statutory limit on the amount of revenue bonds that can be issued, however, the City must demonstrate the ability to repay the debt from anticipated revenues. A further factor that could potentially limit revenues is that utility rates may be regulated by the Wisconsin Public Service Commission.

Some project costs can potentially be paid through special assessments levied on properties directly benefiting from the improvements. Costs of streets, curbs, gutters, and sewer and water extensions are commonly paid through special assessments. The City can issue special assessment bonds, pledging revenues from the special assessments on individual properties to repay the debt. Property owners are generally permitted to pay the special assessments in installments. These bonds are not counted against the City's constitutional debt limit.

The City anticipates the creation of a Community Development Authority to finance most of the redevelopment projects planned for TID #1. Infrastructure work is anticipated to be financed by the City.

B. Timetable

The City of South Milwaukee has a maximum of seven years, until July 2007, to incur TIF expenses for the projects outlined in this plan. The City Council is not mandated to make the improvements defined in this plan; each project will require case by case review and approval. The decision to proceed with a particular project will be based on the economic conditions and budgetary constraints at the time a project is scheduled for consideration. Actual implementation of the projects may be accelerated or deferred, depending on conditions existing at the time. Projects are expected to begin in 2000 and occur periodically throughout the seven year expenditure period.

Timing for each of the planned redevelopment projects is shown in Attachment #2. Additionally, the TID Pro Forma (Attachment # 7) and TID Cash Flow (Attachment #8) worksheets show the timing of increment, revenue, and debt for each year of the TID.

C. Description of Methods of Financing and Time Such Costs or Related Monetary Obligations are to be Incurred

Financing for the projects shown above will be done as summarized in the Financing Summary and the Debt Service plans for the borrowing shown in Attachments #4, #5 and #6. The actual number, timing, and amounts of debt issues will be determined by the City and the CDA at its convenience and as dictated by the nature of the projects as they are implemented. All monetary obligations will be incurred within the seven year expenditure period, unless a relocation requires extending beyond the seven year period.

VI. ANALYSIS OF OVERLYING TAXING DISTRICTS

Taxing Districts overlying the City of South Milwaukee TID No. 1 include Milwaukee County, South Milwaukee School District, Milwaukee Area Technical College, and the State of Wisconsin. Impact on the overlying taxing districts is based on the percentage of tax collections in TID No. 1 in 1999. Total TIF Increment over the life of the district is divided by a proportionate share of each taxing jurisdiction. An analysis of the impact on overlying taxing districts is included as Attachment #9.

Many of the projects planned for the TID would not occur or would occur at significantly lower values but for the availability of tax incremental financing. TID #1 is a mechanism to make improvements in an area of South Milwaukee which is experiencing blighting influences. All taxing jurisdictions will benefit from the increased property values and community vitality which will result from the projects planned in TID #1.

VII. MAPS SHOWING EXISTING LAND USES AND ZONING

SEE MAPS #3 and #4, pages 9 and 10.

VIII. MAPS SHOWING PROPOSED IMPROVEMENTS

SEE MAP #5, page 11.

IX. PROPOSED CHANGES IN THE MASTER PLAN, MAPS, BUILDING CODES AND CITY ORDINANCES

The City of South Milwaukee has a Community Master Plan. The City is just beginning a process of preparing a Comprehensive Plan to meet the new Wisconsin standards for Comprehensive Plans. Changes to the existing Master Plan, Official Map, Building Codes or City Ordinances may occur as a result of this planning process. The only change which is required for the implementation of this project plan is the re-zoning of Parcels #776-9991, #776-9995, and #776-9996 from commercial to residential. This property is currently in use as a shopping center. The shopping center has experienced high vacancy rates, is no longer economically viable and is beginning to have a blighting influence on the area. A developer has proposed construction of a senior housing complex on the site if the City or a CDA would assist financially with acquisition, demolition and site preparation costs that make this site non-competitive with other sites in the area. This change in use will require a zoning change.

X. A LIST OF ESTIMATED NON-PROJECT COSTS

There are no project costs planned for TID No. 1 which would directly benefit property outside the TID, therefore there are no "non-project" costs.

XI. PROPOSED METHOD FOR THE RELOCATION OF ANY DISPLACED PERSONS

No persons are expected to be displaced or relocated as a result of proposed projects in TID #1. The following is the method proposed to be followed by the City or CDA if future projects require displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statutes and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaces will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce (DOC). If any person is to be displaced as a result of the acquisition they will be given a pamphlet on "Relocation Benefits" as prepared by the DOC. The City will file a relocation plan with the DOC and shall keep records as required in Wisconsin Statutes 32.27. The City

will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

XII. STATEMENT INDICATING HOW CREATION OF THE TID PROMOTES THE ORDERLY DEVELOPMENT OF THE CITY OF SOUTH MILWAUKEE

The creation of TID No. 1 will encourage the development of blighted and otherwise economically distressed and underutilized property in the City. Creation of the TID will also, in general, promote the public health, safety and general welfare. Successful implementation of the projects planned in TID #1 will build tax base for the City and overlying taxing jurisdictions and improve the vitality of the neighborhood and downtown area by bringing more people to live in the neighborhood. This will provide a greater market for neighborhood businesses, which will improve the stability of those businesses.

XIII. DISTRICT BOUNDARIES

Prior to considering the specific area to include within the TID, the Planning Commission established criteria to act as guidelines in their work. The boundary criteria are as follows:

1. The aggregate value of equalized taxable property of the TID cannot exceed 7% of the total value of equalized taxable property in the City, or equalized value of district plus value increments of all other districts won't exceed 5% of the total value of equalized taxable property in the City.
2. A minimum of 50 percent of the TID must be a blighted area, in need of rehabilitation or conservation or suitable for industrial use.
3. All lands within the TID shall be contiguous.

Boundary Description:

City of South Milwaukee, Tax Increment District No. 1 follows:

Being located in part of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$, part of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$, part of the NW $\frac{1}{4}$ and SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ and part of the NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, all in Section 11, T5N, R22E, in the City of South Milwaukee, Milwaukee County, Wisconsin, described as follows:

Beginning at the Southeast corner of Lot 9, Block 115, Addition No. 10 to the Town Site of South Milwaukee; thence Easterly, 180 feet along the North line of Marquette Avenue to the Southeast corner of said Block 115; thence Northerly, along the West line of Tenth Avenue, 703.64 feet to the Southeast corner of Block 5, the Townsite of South Milwaukee; thence Westerly, along the Northerly line of Milwaukee Avenue, 105 feet to

the Southwest corner of the East ½ of Lot 27, Block 5, the Townsite of South Milwaukee; thence Northerly 120 feet to the Northwest corner of the said East ½ of Lot 27; thence Easterly, along the South line of an alley, 105 feet to the Northeast corner of Lot 30, Block 5, the Townsite of South Milwaukee; thence Northerly, along the West line of Tenth Avenue, 134 feet to the Northeast corner of said Block 5; thence Easterly, along the South line of Milwaukee Avenue, 170 feet to the Northeast Corner of Lot 13, Block 6, the Townsite of South Milwaukee; thence Southerly along the East line of said Lot 13, Block 6, 120 feet to the Southeast corner of said Lot 13, Block 6; thence Southerly, 14 feet, to the Northwest corner of Lot 19; Block 6, the Townsite of South Milwaukee; thence Easterly along the South line of an alley, 65 feet to the Northeast corner of the West 5 feet of Lot 21, Block 6, the Township of South Milwaukee; thence Southerly, 120 feet to the Southeast corner of the said West 5 feet of Lot 21, Block 6, the Townsite of South Milwaukee; thence Westerly, along the North line of Madison Avenue, 125 feet to the Southwest corner of Lot 17, Block 6, the Townsite of South Milwaukee; thence Southerly, 80 feet to the Northeast corner of Lot 15, Block 11, the Townsite of South Milwaukee; thence continuing Southerly, along the East line of said Lot 15, Block 11, 120 feet to the Southeast corner thereof; thence continuing Southerly, 14 feet to the Northeast corner of Lot 15, Block 28, Addition No. 2 to the Townsite of South Milwaukee; thence Easterly, 60 feet to the Northeast corner of Lot 13, Block 28, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly, 306 feet along the East lines of said Lot 13, Block 28 and Lot 13, Block 31 and their extension to the Southeast Corner of Lot 13, Block 31, Addition No. 2 to the Townsite of South Milwaukee; thence Easterly, 30 feet to the Southeast Corner of Lot 12, Block 31, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly, 74 feet to the Southeast corner of Lot 17, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence Westerly 20 feet to the Northeast corner of the West 10 feet of Lot 13, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence Southerly, 120 feet to the Southeast Corner of the West 10 feet of said Lot 13, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence Easterly along the North line of Marquette Avenue, 121 feet; thence Southerly 66 feet to a point on the South line of Marquette Avenue that is 165 feet Westerly of the Northwest corner of Lot 2, Block 5, South Milwaukee Boulevard Heights; thence Southerly, 120 feet to a point that is 165 feet Westerly of the Southwest corner of Lot 2, Block 5, South Milwaukee Boulevard Heights; thence Easterly, 165 feet to the said Southwest corner of Lot 2, Block 5, South Milwaukee Boulevard Heights, thence Southerly 454 feet along the West line of the plat of South Milwaukee Boulevard Heights to the Southwest corner of Lot 3, Block 6, South Milwaukee Boulevard Heights; thence Easterly, along the North line of Marshall Avenue, 130 feet to the Southwest corner of Block 7, South Milwaukee Boulevard Heights; thence Southerly, along the East line of Ninth Avenue, 706 feet to the Northwest corner of Lot 7, WM. J. Riley Subdivision; thence Westerly 66 feet to the Northwest corner of Lot K of Bogle's Park; thence Westerly 501.4 feet along the North line of said Bogle's Park; thence Southwesterly at right angles to the centerline of Union Pacific Railroad, 177 feet to the intersection with the Northeasterly right of way of the said Union Pacific Railroad and the Southwesterly corner of lands described as Parcel 2 in Reel 3967 image(s) 1170-1172 as document No. 7313991; thence Southwesterly, at right angles to the centerline of said

Union Pacific Railroad, 120 feet to the intersection with the Southwesterly right-of-way of the said Union Pacific Railroad; thence Northwesterly, 1747 feet, more or less, along the said southwesterly right-of-way of the Union Pacific Railroad; thence Easterly, 339 feet, more or less, along the South line of Michigan Avenue and it's Westerly extension to the Northeast corner of Lot 10, Block 30, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly along the East line and it's Southerly extension of said Lot 10, Block 30, 134 feet to the Northeast corner of Lot 12, Block 115, Addition No. 10 to the Town site of South Milwaukee; thence Easterly, along the South line of an alley, 90 feet to the Northeast corner of Lot 9, Block 115, Addition No. 10 to the Town Site of South Milwaukee; thence South , 171.80 to the point of beginning.

All distances are based upon documents of record.

XIV. ATTORNEY OPINION LETTER AND CITY COUNCIL RESOLUTION

See Attorney Opinion Letter and City Council Resolution on following pages.

G:\DATA\COMM.DEV\South Milwaukee\012008541 TIDs 1 & 2\TID #1\Project-Redev Plan-TID 1.doc

**CITY OF SOUTH MILWAUKEE
CITY ATTORNEY**

P. O. Box 308
South Milwaukee, WI 53172
phone: 414-764-4410
fax: 414-764-6769

June 28, 2000

Mayor David Kieck
City of South Milwaukee
2424 15th Avenue
South Milwaukee, WI 53172

**Re: Tax Increment District No. 1
Opinion Letter Regarding Compliance with SS 66.46(4)**

Dear Mayor Kieck:

As City Attorney for the City of South Milwaukee, I have been asked to review the TID No. 1 Project Plan, which will be submitted to the City of South Milwaukee City Council on July 5, 2000. In accordance with my duties, I have reviewed not only the Project Plan, but also the following documents:

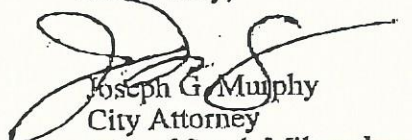
1. Notice of Public Hearing on the creation of Tax Increment District No. 1;
2. Notices to property owners within the area proposed to be found blighted;
3. Timetable for creation of TID No. 1 submitted by Vierbicher Associates, Inc.;
4. The District Boundary Maps;
5. Resolution to be adopted by the City Council.

There are no plats for parcels proposed for residential development.

Based upon the foregoing documents and the information submitted to me, it is my opinion that the Project Plan is complete and complies with W.S.A. 66.46(4).

I am providing you with a copy of this letter, which should be attached to the Project Plan, assuming it is adopted by the City Council. Any questions regarding this opinion may be directed to me.

Yours truly,


Joseph G. Murphy
City Attorney
City of South Milwaukee

JGM:hcf
Encl.

Ammy LaBorde

RESOLUTION NO. 00-23
RESOLUTION CREATING TAX INCREMENTAL DISTRICT NO. 1

WHEREAS, the Common Council of the City of South Milwaukee requested the Plan Commission to identify a boundary and prepare a Project Plan for the creation of Tax Incremental District (TID) No. 1; and

WHEREAS, the Plan Commission established boundaries for said TID No. 1 and caused a Project Plan to be prepared which identified a blighted area and public improvements necessary to eliminate blighting conditions and promote the redevelopment of said blighted area; and

WHEREAS, the Plan Commission conducted a public hearing on said boundary and Project Plan after duly notifying property owners and overlying taxing jurisdictions of said public hearing; and

WHEREAS, the Plan Commission approved said boundary and Project Plan for TID No. 1 and recommended the Common Council of the City of South Milwaukee create TID No. 1 as approved by the Plan Commission;

NOW, THEREFORE, BE IT RESOLVED, the Common Council of the City of South Milwaukee hereby creates a Tax Incremental District which shall be known as Tax Incremental District (TID) No. 1, City of South Milwaukee and said District shall be created effective January 1, 2000.

BE IT FURTHER RESOLVED, the boundaries for TID No. 1 shall be those attached and marked as Exhibit A (map) and B (description) to this Resolution and contains only whole units of property as are assessed for property tax purposes; and

BE IT FURTHER RESOLVED, the City hereby confirms that less than 25% of the real property within TID No. 1 has stood vacant for an entire 7 year period prior to the adoption of this resolution; and

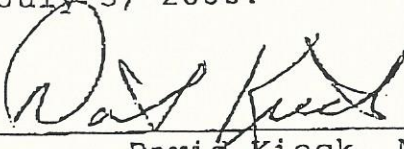
BE IT FURTHER RESOLVED, the City makes the following findings:

- A. Not less than 50 percent, by area, of the real property within the District is blighted as described on Exhibit A; and

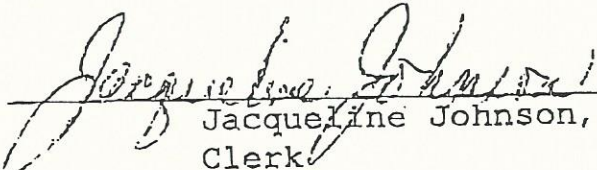
- B. The improvement of TID No. 1 is likely to enhance significantly the value of substantially all of the other real property in such District; and
- C. The project costs directly serve to eliminate blight and are consistent with the purpose for which the Tax Incremental District is created; and
- D. The aggregate value of equalized taxable property of the District plus all existing districts does not exceed seven percent of the total value of equalized taxable property within the City.

BE IT FURTHER RESOLVED, pursuant to Wisconsin Statutes 66.46(4)(g), the Common Council hereby approves the Project Plan as recommended by the Plan Commission, and finds that it is feasible and in conformity with the master plan of the City.

This Resolution is being adopted by the Common Council at a duly scheduled meeting on July 5, 2000.



David Kieck, Mayor



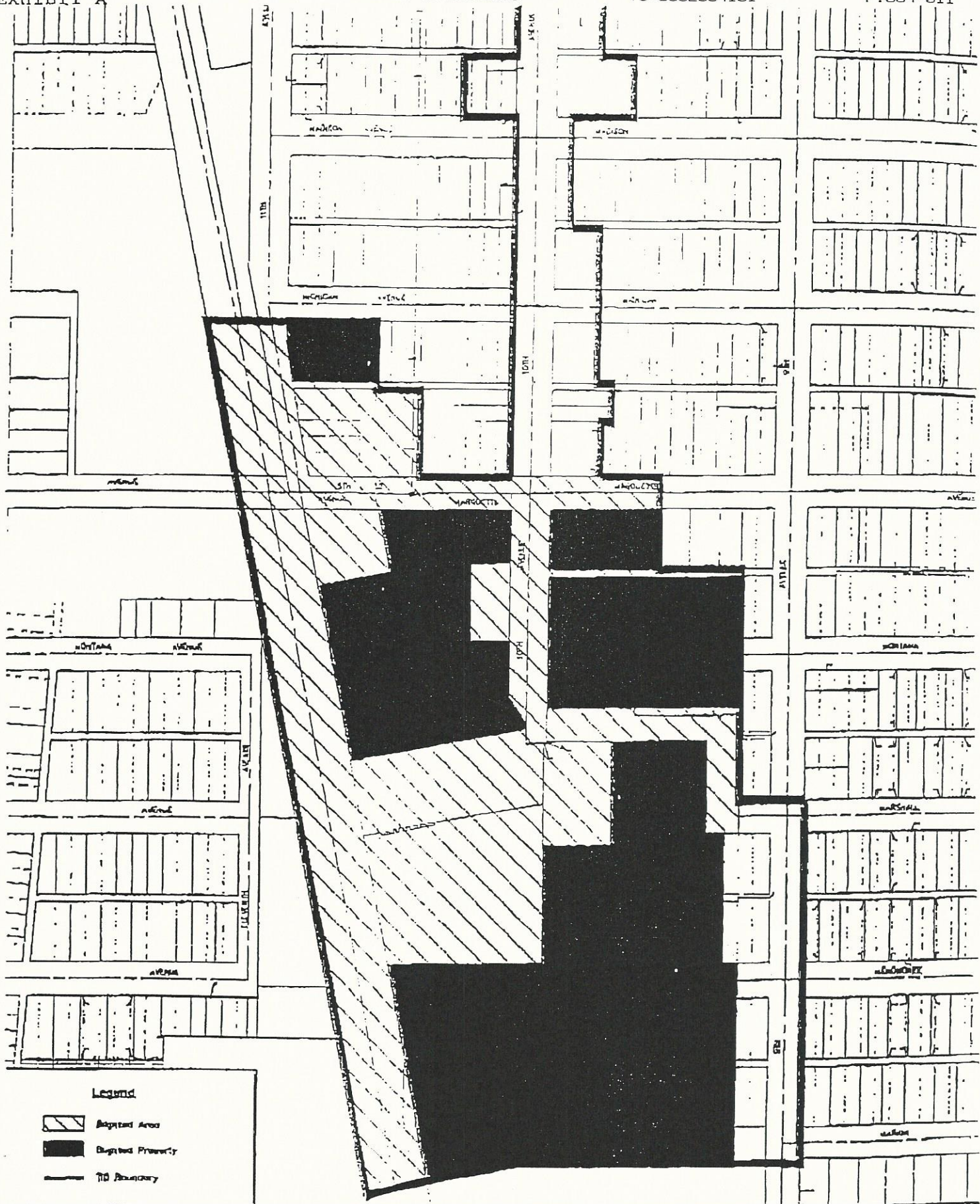
Jacqueline Johnson, City Clerk

CERTIFICATION

I, Jacqueline Johnson Clerk of the City of South Milwaukee, certify that the foregoing Resolution was duly and regularly adopted by the Common Council at a duly scheduled meeting held at the City Hall on July 5, 2000. Motion by Aldersperson Bartoshevich seconded by Aldersperson Kopaczewski to adopt the Resolution.

Vote: 8 Yes 0 No

Resolution Adopted.



Scale 1"=250'

City of South Milwaukee
Tax Increment District No. 1
Redevelopment Area

Map No. 1

VIERCHER

APRIL 2000

EXHIBIT B

Description of Boundary
South Milwaukee TID NO. 1

Being located in part of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$, part of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$, part of the NW $\frac{1}{4}$ and SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ and part of the NE $\frac{1}{4}$ and SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, all in Section 11, T5N, R22E, in the City of South Milwaukee, Milwaukee County, Wisconsin, described as follows:

Beginning at the Southeast corner of Lot 9, Block 115, Addition No. 10 to the Town Site of South Milwaukee; thence Easterly, 180 feet along the North line of Marquette Avenue to the Southeast corner of said Block 115; thence Northerly, along the West line of Tenth Avenue, 703.64 feet to the Southeast corner of Block 5, the Townsite of South Milwaukee; thence Westerly, along the Northerly line of Milwaukee Avenue, 105 feet to the Southwest corner of the East $\frac{1}{2}$ of Lot 27, Block 5, the Townsite of South Milwaukee; thence Northerly 120 feet to the Northwest corner of the said East $\frac{1}{2}$ of Lot 27; thence Easterly, along the South line of an alley, 105 feet to the Northeast corner of Lot 30, Block 5, the Townsite of South Milwaukee; thence Northerly, along the West line of Tenth Avenue, 134 feet to the Northeast corner of said Block 5; thence Easterly, along the South line of Milwaukee Avenue, 170 feet to the Northeast Corner of Lot 13, Block 6, the Townsite of South Milwaukee; thence Southerly along the East line of said Lot 13, Block 6, 120 feet to the Southeast corner of said Lot 13, Block 6; thence Southerly, 14 feet, to the Northwest corner of Lot 19; Block 6, the Townsite of South Milwaukee; thence Easterly along the South line of an alley, 65 feet to the Northeast corner of the West 5 feet of Lot 21, Block 6, the Township of South Milwaukee; thence Southerly, 120 feet to the Southeast corner of the said West 5 feet of Lot 21, Block 6, the Townsite of South Milwaukee; thence Westerly, along the North line of Madison Avenue, 125 feet to the Southwest corner of Lot 17, Block 6, the Townsite of South Milwaukee; thence Southerly, 80 feet to the Northeast corner of Lot 15, Block 11, the Townsite of South Milwaukee; thence continuing Southerly, along the East line of said Lot 15, Block 11, 120 feet to the Southeast corner thereof; thence continuing Southerly, 14 feet to the Northeast corner of Lot 15, Block 28, Addition No. 2 to the Townsite of South Milwaukee; thence Easterly, 60 feet to the Northeast corner of Lot 13, Block 28, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly, 306 feet along the East lines of said Lot 13, Block 28 and Lot 13, Block 31 and their extension to the Southeast Corner of Lot 13, Block 31, Addition No. 2 to the Townsite of South Milwaukee; thence Easterly, 30 feet to the Southeast Corner of Lot 12, Block 31, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly, 74 feet to the Southeast corner of Lot 17, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence Westerly 20 feet to the Northeast corner of the West 10 feet of Lot 13, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence Southerly, 120 feet to the Southeast Corner of the West 10 feet of said Lot 13, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence

EXHIBIT B

Easterly along the North line of Marquette Avenue, 121 feet; thence Southerly 66 feet to a point on the South line of Marquette Avenue that is 165 feet Westerly of the Northwest corner of Lot 2, Block 5, South Milwaukee Boulevard Heights; thence Southerly, 120 feet to a point that is 165 feet Westerly of the Southwest corner of Lot 2, Block 5, South Milwaukee Boulevard Heights; thence Easterly, 165 feet to the said Southwest corner of Lot 2, Block 5, South Milwaukee Boulevard Heights, thence Southerly 454 feet along the West line of the plat of South Milwaukee Boulevard Heights to the Southwest corner of Lot 3, Block 6, South Milwaukee Boulevard Heights; thence Easterly, along the North line of Marshall Avenue, 130 feet to the Southwest corner of Block 7, South Milwaukee Boulevard Heights; thence Southerly, along the East line of Ninth Avenue, 706 feet to the Northwest corner of Lot 7, WM. J. Riley Subdivision; thence Westerly 66 feet to the Northwest corner of Lot K of Bogle's Park; thence Westerly 501.4 feet along the North line of said Bogle's Park; thence Southwesterly at right angles to the centerline of Union Pacific Railroad, 177 feet to the intersection with the Northeasterly right of way of the said Union Pacific Railroad and the Southwesterly corner of lands described as Parcel 2 in Reel 3967 image(s) 1170-1172 as document No. 7313991; thence Southwesterly, at right angles to the centerline of said Union Pacific Railroad, 120 feet to the intersection with the Southwesterly right-of-way of the said Union Pacific Railroad; thence Northwesterly, 1747 feet, more or less, along the said southwesterly right-of-way of the Union Pacific Railroad; thence Easterly, 339 feet, more or less, along the South line of Michigan Avenue and it's Westerly extension to the Northeast corner of Lot 10, Block 30, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly along the East line and it's Southerly extension of said Lot 10, Block 30, 134 feet to the Northeast corner of Lot 12, Block 115, Addition No. 10 to the Town site of South Milwaukee; thence Easterly, along the South line of an alley, 90 feet to the Northeast corner of Lot 9, Block 115, Addition No. 10 to the Town Site of South Milwaukee; thence South, 171.80 to the point of beginning.

All distances are based upon documents of record.

CITY OF SOUTH MILWAUKEE
TID #1
SUMMARY

TAX PROFILE - 1999

County	Milwaukee
City Mill Rate (Assessed)	0.0274945
City Mill Rate (Equalized)	0.02448
Total Equalized Value in City	\$806,694,300
Percent Assessment Ratio	89.04%
Assessed Value of Taxable Property	\$718,269,600

DEBT CAPACITY

Statutory Debt Limit	\$40,334,715
Outstanding General Obligation Debt	\$6,100,000
Remaining Debt Capacity	\$34,234,715

ANALYSIS OF EXISTING TID CAPACITY

Equalized Value of Taxable Property in Existing TIDs	\$0
Percent of City's Equalized Value in Existing TIDs	0.00%

ANALYSIS OF PROPOSED TID

Projected Base Value of TID (Assessed)	\$4,949,100
Projected Base Value of TID (Equalized)	\$5,558,374
Percent of City's Equalized Value in Proposed TID	0.69%
Projected Equalized Value of Property in all TIDs	\$5,558,374
Percent of City's Equalized Value in all TIDs	0.69%
Total Area Within TID Boundary	35.63 acres
Land Area of Parcels Included in Proposed TID (acres)	25.39
Area of Parcels Considered Blighted (acres)	17.11
Percent of Parcels by Area Considered Blighted	67.4% (must be > 50%)
Area in TID Vacant >7 years	1.24 acres
Percent of area Vacant >7 years	3.49% (must be <25%)

SIGNIFICANT ASSUMPTIONS

Inflation Increment	0%
Annual Percent Increase in Tax Rate	0%
City's Cost of Borrowing	
Borrowing #1	6.0%
Borrowing #2	6.0%

**CITY OF SOUTH MILWAUKEE
TID #1
ANALYSIS OF PROPOSED PROJECTS**

<i>Sunrise Projects - Phase I, Phase II & Shopping Center</i>	
Costs	City/ CDA Costs
Redevelopment Incentives	
Land Costs	\$200,000
Demolition & Removal	\$100,000
Relocation of Business	\$25,000
Site Improvements	\$35,000
TIF Organization & Soft Costs	\$25,000
Total Redevelopment Incentives	\$385,000
Street Reconstruction	\$200,000
Sewer/ Water	\$56,000
Capitalized Interest	\$40,217
Total Costs to City/ CDA	\$681,217
<i>Base Value</i>	
Sunrise Phase I	\$1,400,000
Sunrise Phase II	\$323,000
Shopping Center	\$397,000
Total Base Value:	\$2,120,000
<i>Projected Valuation</i>	
Sunrise Phase I	\$1,850,000
Sunrise Phase II	\$2,600,000
Shopping Center	\$700,000
Total Projected Valuation:	\$5,150,000
<i>Projected TID Increment</i>	
Sunrise Phase I	\$450,000
Sunrise Phase II	\$2,277,000
Shopping Center	\$303,000
TOTAL INCREMENT CREATED:	\$3,030,000
Increment Created in Year:	2000/2001
Annual TIF Revenue:	\$74,177
Starting in Year:	2002/2003
Revenue Can Support Borrowing of:	\$850,000
for 20 Years @ 6% interest	
Remaining Money Available for Other Projects:	\$168,783

**CITY OF SOUTH MILWAUKEE
TID #1
ANALYSIS OF PROPOSED PROJECTS**

Derouin (Rawson Plumbing) Site - 2616 9th Ave.	
Parcels #776-9984, 776-9990-003, 776-0332	
Costs	City/ CDA Costs
Redevelopment Incentives (Demolition, Site Prep)	\$200,000
Capitalized Interest	\$13,000
Total Costs to City/ CDA	\$213,000
Base Value:	\$140,000
Projected Valuation (\$549,000/acre*4.9 acres):	\$2,690,000
Total Increment Created:	\$2,642,000
Increment Created in Year:	2003
Annual TIF Revenue:	\$64,678
Starting in Year:	2005
Revenue Can Support Borrowing of: for 17 Years @ 6% interest	\$675,000
Remaining Money Available for Other Projects:	\$462,000

Schumacher Site - 909 Menomonee Ave.	
Parcel #776-9985	
Costs	City/ CDA Costs
Redevelopment Incentives (Demolition, Site Prep)	\$100,000
Capitalized Interest	\$6,519
Total Costs to City/ CDA	\$106,519
Base Value:	\$102,200
Projected Valuation (\$549,000/acre*1.46 acres):	\$800,000
Total Increment Created:	\$774,000
Increment Created in Year:	2005
Annual TIF Revenue:	\$18,948
Starting in Year:	2007
Revenue Can Support Borrowing of: for 15 Years @ 6% interest	\$183,000
Remaining Money Available for Other Projects:	\$76,481

CITY OF SOUTH MILWAUKEE
TID #1
ANALYSIS OF PROPOSED PROJECTS

Metal Cuts Products - 1019 Michigan Ave.	
Parcel #771-0347	City/ CDA
Costs	Costs
Alley Reconstruction	\$25,000
Capitalized Interest	\$1,244
Total Costs to City/ CDA	\$26,244
Base Value:	\$0
Projected Valuation:	\$200,000
Total Increment Created:	\$200,000
Increment Created in Year:	2000
Annual TIF Revenue:	\$4,896
Starting in Year:	2002
Revenue Can Support Borrowing of:	\$55,000
for 20 Years @ 6% interest	
Remaining Money Available for Other Projects:	\$28,756

2211 10th Ave. & 924 Michigan Ave.	
Parcel #771-0340, 771-0339	City/ CDA
Costs	Costs
Redevelopment Incentives	
(Land Write-down, Demolition, Site Prep)	\$25,000
Capitalized Interest	\$1,500
Total Costs to City/ CDA	\$26,500
Base Value:	\$15,600
Projected Valuation:	\$120,000
Total Increment Created:	\$104,400
Increment Created in Year:	2000
Annual TIF Revenue:	\$2,556
Starting in Year:	2002
Revenue Can Support Borrowing of:	\$29,000
for 20 Years @ 6% interest	
Remaining Money Available for Other Projects:	\$2,500

Tri-City Bank - 2111 10th Ave.	
Parcels #771-0077, 771-0063, 771-0065	
Costs	City/ CDA Costs
Redevelopment Costs to Support Project (Land Acquisition, Demolition, Parking Lot)	\$105,000
Capitalized Interest	\$6,000
Total Costs to City/ CDA	\$111,000
Base Value:	\$288,600
Projected Valuation:	\$700,000
Total Increment Created:	\$411,400
Increment Created in Year:	2000
Annual TIF Revenue:	\$10,071
Starting in Year:	2002
Revenue Can Support Borrowing of:	\$115,000
for 20 Years @ 6% interest	
Remaining Money Available for Other Projects:	\$4,000

PLANNED PROJECT COSTS
CITY OF SOUTH MILWAUKEE TID #1

Planned Projects	AMOUNT	% Paid By		TOTAL TID COSTS	Priority ¹		
		TID	Other			Year(s)	
						Start	Finish
A. Infrastructure Improvements							
10th Ave. Reconstruction/ alley removal	\$200,000	100%	0%	\$200,000	A	2000	2000
10th Ave. Sewer/ Water	\$56,000	100%	0%	\$56,000	A	2000	2000
Metal Cuts Infrastructure Improvements	\$25,000	100%	0%	\$25,000	A	2000	200
Other Infrastructure Improvements	\$100,000	100%	0%	\$100,000	B	2003	2007
Total Infrastructure	\$381,000	100%	0%	\$381,000			
B. Site Preparation							
Demolition	\$0	100%	0%	\$0	A	2000	2000
Grading, Fill, Topsoil, etc.	\$0	100%	0%	\$0	A	2000	2000
Landscaping	\$0	100%	0%	\$0	A	2000	2000
Misc. Site Development Activities	\$0	100%	0%	\$0	A	2000	2000
Total Site Preparation	\$0	100%	0%	\$0			
C. CDA Redevelopment Funds							
Phase II - Sunrise	\$360,000	100%	0%	\$360,000	A	2000	2000
2211 10th Ave.	\$25,000	100%	0%	\$25,000	A	2000	2001
Derouin Site	\$200,000	100%	0%	\$200,000	A	2004	2007
Schumacher Site	\$100,000	100%	0%	\$100,000	A	2002	2007
Tri-City Bank	\$105,000	100%	0%	\$105,000	A	2000	2000
Misc. CDA Redevelopment Funding	\$75,000	100%	0%	\$75,000	C	2000	2007
Total CDA Redevelopment Funds	\$865,000	100%	0%	\$865,000			
D Promotion and Development	\$50,000	100%	0%	\$50,000	A	2000	2000
E Administration & Planning							
Development Planning and Review	\$50,000	100%	0%	\$50,000	A	2000	2006
Reports & Recordkeeping	\$20,000	100%	0%	\$20,000	A	2000	2006
Total Administrative Costs	\$70,000	100%	0%	\$70,000			
F Organizational Costs	\$50,000	100%	0%	\$50,000	A	2000	2000
Subtotal Projects A - G	\$1,416,000	100%	0%	\$1,416,000			
G Inflation Cost Adjustment				\$50,204			
H. Capitalized Interest				\$87,758			
I. Interest, Finance Fees, Etc.				\$948,207			
TOTAL TID EXPENDITURE				\$2,502,169			

¹ Project priority is indicated as "A", "B", or "C".

A = Highest priority, critical for development of TID

B = Critical for development of TID, but not an immediate need

C = Recommended to provide adequate service in the long run

FINANCING SUMMARY
CITY OF SOUTH MILWAUKEE
TID #1

TID Activities	Loan #1 August-00	Loan #2 June-03	Loan #3 June-07	Misc. TID Expenses*	Total
A. Property Acquisition	\$0	\$0	\$0	\$0	\$0
B. Relocation	\$0	\$0	\$0	\$0	\$0
C. Infrastructure	\$281,000	\$100,000	\$0	\$0	\$381,000
D. Site Preparation	\$0	\$0	\$0	\$0	\$0
E. Development Incentives	\$490,000	\$375,000	\$0	\$0	\$865,000
Loan Guarantees/ Revolving					
F. Loan Program	\$0	\$0	\$0	\$0	\$0
G. Promotion and Development	\$50,000	\$0	\$0	\$0	\$50,000
H. Administration and Planning	\$0	\$0	\$0	\$70,000	\$70,000
I. Organizational Costs	\$0	\$0	\$0	\$50,000	\$0
Subtotal	\$821,000	\$475,000	\$0	\$120,000	\$1,416,000
J. Inflation Factor Cost Adjustment	\$0	\$50,204	\$0	\$0	\$50,204
Total Project Cost	\$821,000	\$525,204	\$0	\$120,000	\$1,466,204
Finance Fees	\$17,490	\$11,189	\$0	\$0	\$28,679
Capitalized Interest	\$53,521	\$34,238	\$0	\$0	\$87,758
Less Interest Earned	\$0	\$0	\$0	\$0	\$0
BORROWING REQUIRED	\$892,011	\$570,630	\$0	\$0	\$1,462,641
Interest Payment	\$608,853	\$310,675	\$0	\$0	\$919,527
Total TID Expenditure	\$1,500,864	\$881,305	\$0	\$120,000	\$2,502,169

* Miscellaneous TID Expenses will not be financed. They will be paid with excess TID revenue at the end of the TID life.

**PRELIMINARY DEBT SERVICE PLAN
CITY OF SOUTH MILWAUKEE
TID #1**

Loan #1

Principal		\$892,011	Project Cost:		\$821,000
Interest		6.00%	Finance Fees:		\$17,490
Term		20 Years	Interest Earned		
# of Principal Payments		17			
Date of Issue		August 1, 2000	Capitalized		
Total TID Cost of Loan:		\$1,500,864	Interest:		\$53,521
YEAR	PRINCIPAL PMNT #	UNPAID PRINCIPAL	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT
2000	0	\$892,011	\$0	\$0	\$0
2001	0	\$892,011	\$0	\$53,521	\$53,521
2002	0	\$892,011	\$0	\$53,521	\$53,521
2003	1	\$892,011	\$31,617	\$53,521	\$85,138
2004	2	\$860,394	\$33,514	\$51,624	\$85,138
2005	3	\$826,880	\$35,525	\$49,613	\$85,138
2006	4	\$791,355	\$37,657	\$47,481	\$85,138
2007	5	\$753,698	\$39,916	\$45,222	\$85,138
2008	6	\$713,782	\$42,311	\$42,827	\$85,138
2009	7	\$671,471	\$44,850	\$40,288	\$85,138
2010	8	\$626,622	\$47,541	\$37,597	\$85,138
2011	9	\$579,081	\$50,393	\$34,745	\$85,138
2012	10	\$528,688	\$53,417	\$31,721	\$85,138
2013	11	\$475,272	\$56,622	\$28,516	\$85,138
2014	12	\$418,650	\$60,019	\$25,119	\$85,138
2015	13	\$358,631	\$63,620	\$21,518	\$85,138
2016	14	\$295,012	\$67,437	\$17,701	\$85,138
2017	15	\$227,574	\$71,483	\$13,654	\$85,138
2018	16	\$156,091	\$75,772	\$9,365	\$85,138
2019	17	\$80,319	\$80,319	\$4,819	\$85,138
2020	18	\$0	\$0	\$0	\$0
2021	19	\$0	\$0	\$0	\$0
2022	20	\$0	\$0	\$0	\$0
TOTAL			\$892,011	\$662,373	\$1,554,384

**PRELIMINARY DEBT SERVICE PLAN
CITY OF SOUTH MILWAUKEE
TID #1**

Loan #2

Principal	\$570,630	Project Cost:	\$525,204		
Interest	6.00%	Finance Fees:	\$11,189		
Term	17 Years	Interest Earned			
# of Principal Paymen	15				
Date of Issue	6/1/03	Capitalized			
Total TID Cost of Loa	\$881,305	Interest:	\$34,238		
YEAR	PRINCIPA PMNT #	UNPAID PRINCIPAL	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT
2000	0	\$0	\$0	\$0	\$0
2001	0	\$0	\$0	\$0	\$0
2002	0	\$0	\$0	\$0	\$0
2003	0	\$570,630	\$0	\$0	\$0
2004	0	\$570,630	\$0	\$34,238	\$34,238
2005	1	\$570,630	\$24,516	\$34,238	\$58,754
2006	2	\$546,114	\$25,987	\$32,767	\$58,754
2007	3	\$520,128	\$27,546	\$31,208	\$58,754
2008	4	\$492,582	\$29,199	\$29,555	\$58,754
2009	5	\$463,383	\$30,951	\$27,803	\$58,754
2010	6	\$432,432	\$32,808	\$25,946	\$58,754
2011	7	\$399,624	\$34,776	\$23,977	\$58,754
2012	8	\$364,848	\$36,863	\$21,891	\$58,754
2013	9	\$327,985	\$39,075	\$19,679	\$58,754
2014	10	\$288,911	\$41,419	\$17,335	\$58,754
2015	11	\$247,492	\$43,904	\$14,850	\$58,754
2016	12	\$203,588	\$46,538	\$12,215	\$58,754
2017	13	\$157,049	\$49,331	\$9,423	\$58,754
2018	14	\$107,719	\$52,291	\$6,463	\$58,754
2019	15	\$55,428	\$55,428	\$3,326	\$58,754
2020	16	\$0	\$0	\$0	\$0
2021	17	\$0	\$0	\$0	\$0
2022	18	\$0	\$0	\$0	\$0
TOTAL		\$570,630	\$344,913	\$915,543	

TAX INCREMENT PRO FORMA
CITY OF SOUTH MILWAUKEE

TID #1

6/30/2000

BASE VALUE	\$5,558,374
INITIAL TAX RATE	0.024480728
INFLATION INCREMENT	0.0%
ANNUAL INCREASE IN TAX RATE	0.0%

YEAR	PREVIOUS VALUATION	INFLATION INCREMENT	TIF INCREMENT		VALUATION DECREASE	TOTAL VALUATION	CUMULATIVE INCREMENT	TIF TAX RATE	REAL ESTATE SALES	TIF REVENUE
			Real Property	Personal						
2000	\$5,558,374	\$0	\$2,607,300	\$0	(\$141,000)	\$8,024,674	\$2,466,300	0.024481	\$0	\$0
2001	\$8,024,674	\$0	\$1,138,500	\$0	\$0	\$9,163,174	\$3,604,800	0.024481	\$0	\$0
2002	\$9,163,174	\$0	\$0	\$0	\$0	\$9,163,174	\$3,604,800	0.024481	\$0	\$60,377
2003	\$9,163,174	\$0	\$2,642,000	\$0	(\$113,300)	\$11,691,874	\$6,133,500	0.024481	\$0	\$88,248
2004	\$11,691,874	\$0	\$0	\$0	\$0	\$11,691,874	\$6,133,500	0.024481	\$0	\$88,248
2005	\$11,691,874	\$0	\$774,000	\$0	(\$102,200)	\$12,363,674	\$6,805,300	0.024481	\$0	\$150,153
2006	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$150,153
2007	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2008	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2009	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2010	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2011	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2012	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2013	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2014	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2015	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2016	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2017	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2018	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2019	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2020	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2021	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
2022	\$12,363,674	\$0	\$0	\$0	\$0	\$12,363,674	\$6,805,300	0.024481	\$0	\$166,599
TOTAL		\$0	\$7,161,800	\$0					\$0	\$3,202,757

CASH FLOW WORKSHEET
CITY OF SOUTH MILWAUKEE

TID #1
6/30/2000

All Projects

YEAR	BEGINNING BALANCE	REVENUES			EXPENSES		ANNUAL SURPLUS (DEFICIT)	ENDING BALANCE
		CAPITAL INTEREST	TIF REVENUES	INTEREST INCOME	TOTAL REVENUES	DEBT SERVICE	OTHER EXPENSES ¹	
2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2001	\$0	\$53,521	\$0	\$0	\$53,521	\$53,521	\$0	\$0
2002	\$0	\$0	\$60,377	\$0	\$60,377	\$53,521	\$0	\$6,856
2003	\$6,856	\$0	\$88,248	\$0	\$88,248	\$85,138	\$0	\$9,966
2004	\$9,966	\$34,238	\$88,248	\$0	\$122,486	\$119,376	\$0	\$13,077
2005	\$13,077	\$0	\$150,153	\$0	\$150,153	\$143,891	\$0	\$19,338
2006	\$19,338	\$0	\$150,153	\$0	\$150,153	\$143,891	\$0	\$25,599
2007	\$25,599	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$48,306
2008	\$48,306	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$71,013
2009	\$71,013	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$93,721
2010	\$93,721	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$116,428
2011	\$116,428	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$139,135
2012	\$139,135	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$161,842
2013	\$161,842	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$184,549
2014	\$184,549	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$207,257
2015	\$207,257	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$229,964
2016	\$229,964	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$252,671
2017	\$252,671	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$275,378
2018	\$275,378	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$298,085
2019	\$298,085	\$0	\$166,599	\$0	\$166,599	\$143,891	\$0	\$320,793
2020	\$320,793	\$0	\$166,599	\$0	\$166,599	\$0	\$0	\$487,391
2021	\$487,391	\$0	\$166,599	\$0	\$166,599	\$0	\$0	\$653,990
2022	\$653,990	\$0	\$166,599	\$0	\$166,599	\$0	\$120,000	\$700,589
TOTAL		\$87,758	\$3,202,757	\$0	\$3,290,516	\$2,469,927		

1) Includes reimbursing City for TID related expenses paid out of City budget and not included in TID borrowing:

Administration and Planning: \$70,000
Organizational Costs: \$50,000

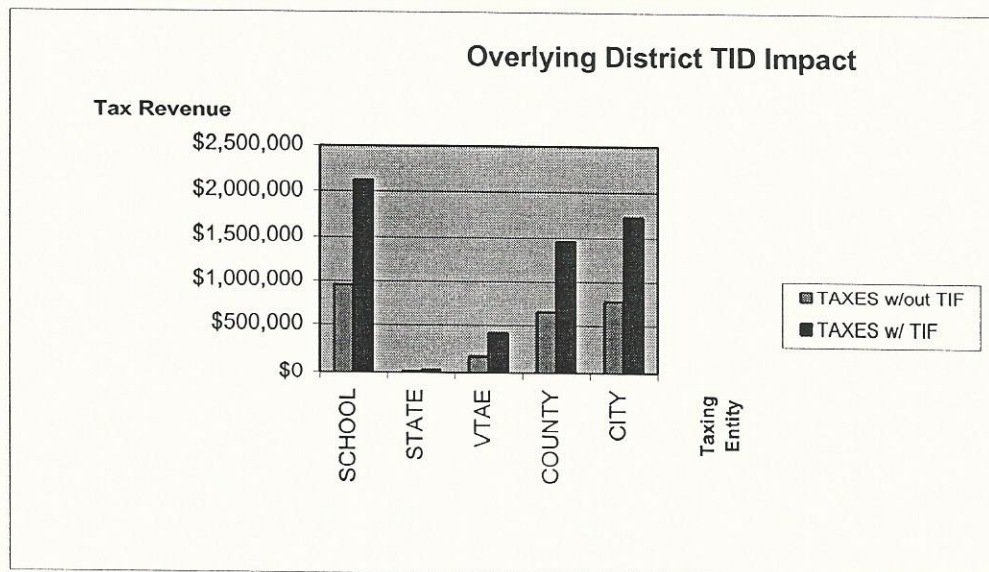
**TAX INCREMENT ANALYSIS - OVERLYING JURISDICTIONS
CITY OF SOUTH MILWAUKEE**

TID #1
6/30/2000

BASE VALUE	\$5,558,374
INITIAL TAX RATE	0.024481
INFLATION INCREMENT	0.0%
ANNUAL INCREASE IN TAX RATE	0.0%

OVERLYING JURISDICTIONS					
1999 Share	SCHOOL 36.9%	VTAE 7.4%	STATE 0.7%	COUNTY 25.2%	CITY 29.9%

ANALYSIS OF IMPACT ON OVERLYING JURISDICTIONS OVER LIFE OF TID				
	TAXES w/out TIF INCREMENT	TAXES w/ TIF INCREMENT	INCREASE PERCENTAGE	
SCHOOL	\$953,979	\$2,135,760	123.9%	
STATE	\$18,634	\$41,718	123.9%	
VTAE	\$190,165	\$425,740	123.9%	
COUNTY	\$650,716	\$1,456,817	123.9%	
CITY	\$771,894	\$1,728,111	123.9%	
TOTAL	\$2,585,388	\$5,788,147	123.9%	



**RESOLUTION NO. 00-11****RESOLUTION TO AUTHORIZE PROCEEDING WITH THE CREATION OF TAX
INCREMENTAL DISTRICTS #1 AND #2**

**Relating to the City of South Milwaukee's formation of two
Tax Incremental Districts for the purpose of promoting
redevelopment.**

WHEREAS, the Common Council of the City of South Milwaukee has determined a need to eliminate blighting influences within the City, revitalize deteriorating commercial, industrial and residential areas of the City, promote redevelopment projects within the City and generally sustain economic growth; and

WHEREAS, the City desires to encourage public and private partnerships as a means to encourage redevelopment projects, eliminate blighting influences, revitalize deteriorating areas and increase tax base in South Milwaukee; and

WHEREAS, the City has determined that the City's financial investment in redevelopment projects is not financially feasible without the use of Tax Incremental Financing; and

WHEREAS, the City Plan Commission has identified two areas of the City where potential exists for successful public private partnerships to promote redevelopment and revitalization projects utilizing Tax Incremental Financing; and

WHEREAS, the formation of a Tax Incremental District requires the City to create and convene a Joint Review Board to review, evaluate and approve or deny the creation of the proposed Tax Incremental District;

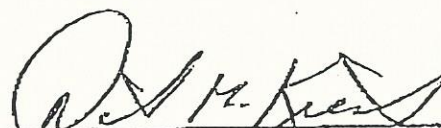
NOW, THEREFORE, BE IT RESOLVED, the Common Council of the City of South Milwaukee authorizes City staff, City Attorney and Vierblicher Associates, Inc. to proceed with the tasks necessary to form Tax Incremental Districts No. 1 and No. 2; and

BE IT FURTHER RESOLVED, that the Common Council hereby forms a Joint Review Board to be composed of one representative from each of the overlying taxing jurisdictions and one at-large member to be chosen at the Joint Review Board's first meeting; and

BE IT FURTHER RESOLVED, that the Mayor shall represent the City of South Milwaukee on the Joint Review Board; and

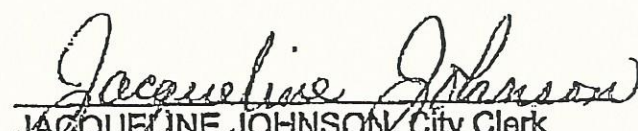
BE IT FURTHER RESOLVED, that appropriate public agencies be notified of the creation of a Joint Review Board for consideration of the proposed Tax Incremental Districts; and

BE IT FURTHER RESOLVED, that a public hearing for the proposed creation of Tax Incremental District No. 1 and No. 2 be held before the City Plan Commission on Tuesday, May 30, 2000, at 6:30 p.m.



DAVID M. KIECK, Mayor

Attest:



JACQUELINE JOHNSON, City Clerk

Adopted: May 2, 2000

Approved: May 3, 2000

May 3, 2000

F. Thomas Ament, County Executive
Milwaukee County Courthouse
901 N. 9th Street
Room 306
Milwaukee, WI 53233

Re: City of South Milwaukee Creation of Tax Increment Districts Nos.1 and 2

Dear Mr. Ament:

The City of South Milwaukee is proposing to create Tax Increment Districts (TIDs) Nos. 1 and 2. The City Council passed a resolution which authorized proceeding with the creation of the districts at its May 2, 2000, City Council meeting. The resolution also formed a Joint Review Board as required by ss 66.46(4m)(a).

TIDs 1 and 2 are being proposed to promote redevelopment and eliminate blighting influences within the proposed Districts. A map of the proposed boundary for each of the Districts is attached.

The function of the Joint Review Board is to review, evaluate, and approve or deny the proposed Tax Increment Districts. The Joint Review Board shall include a member appointed by your jurisdiction. Accordingly, you should appoint an individual and inform Kyle Vandercar, City Engineer, of your appointment, if you have not already done so. Kyle can be contacted at (414)762-2222. We would like to have you make your appointment as soon as possible.

The first meeting of the Joint Review Board is being scheduled for May 23, 2000, at 3:30 p.m., at the South Milwaukee City Hall, 2424 15th Ave. The purpose of this meeting will be to select a chairman and appoint a citizen member to the Board. We would like your appointed Joint Review Board member to be available for this meeting. Therefore, if there is a conflict with the meeting time, we may need to reschedule. We will contact your appointed representative to confirm the meeting.

During the upcoming weeks, the City will be developing the project plan. To accomplish this, the City Plan Commission will hold a public hearing to inform interested parties and to review the District project plans.

ENGINEERING
ARCHITECTURE
ENVIRONMENTAL
SURVEYING/GIS
COMMUNITY
DEVELOPMENT

400 VIKING DRIVE
P.O. BOX 379
REEDSBURG, WI 53959
(608) 524-6468
Fax (608) 524-8218

6200 MINERAL POINT RD.
MADISON, WI 53705-4504
(608) 233-5800
Fax (608) 233-4131

1521 METRO DRIVE, STE 205
P.O. BOX 650
SCHOFIELD, WI 54476-0650
(715) 359-2003
Fax (715) 359-2003

www.vierbicher.com

May 3, 2000
Page 2 of 2

The public hearings are scheduled for May 30, 2000, at 6:30 p.m. and 6:45 p.m., respectively. At these hearings, the Plan Commission will review the proposed project plans and boundaries for the Tax Increment Districts.

The members of the Joint Review Board are invited to attend the public hearing. Also, if you wish to have a presentation made to your governing body regarding the proposed TIDs, please let us know.

The City has retained Vierbicher Associates, Inc. to assist with the creation of the TIDs. Technical questions regarding the TID creation may be addressed to me at Vierbicher Associates, Inc., (608) 233-5800. The City of South Milwaukee has designated Kyle Vandercar, City Engineer, as the City's point of contact for this project. Kyle can be reached at (414) 762-2222.

Sincerely,
VIERBICHER ASSOCIATES, INC.



Gary Becker
Community Development Manager

cc: Kyle Vandercar, City Engineer, City of South Milwaukee
Gary Becker, file copy, Vierbicher Associates

Enclosures: Notice of Joint Review Board Meeting
Public Hearing Notice – TID No. 1
Public Hearing Notice – TID No. 2
TID Boundary Maps
Joint Review Board material

Z 005 700 159

Receipt for
Certified Mail



No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

F. Thomas Ament, City Eng.	
Milwaukee County Courthouse	
901 N. 9th St. 3rd Fl. Milwaukee WI 53233	
Postage	\$ 7.53
Certified Fee	2.33
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 9.86
Postmark or Date	

PS Form 3800, March 1993

F. Thomas Ament, County Executive
Milwaukee County Courthouse
901 N. 9th Street
Room 306
Milwaukee, WI 53233

John Birkholz, President
Milwaukee Area Technical College
700 West State Street
Milwaukee, Wisconsin 53233-1443

David Ewald, Superintendent
South Milwaukee School District
1225 Memorial Dr.
South Milwaukee, WI 53172

David M. Kieck, Mayor
City of South Milwaukee
2424 15th Ave.
South Milwaukee, WI 53172

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**CITY OF SOUTH MILWAUKEE
NOTICE OF JOINT REVIEW BOARD
ORGANIZATIONAL MEETING ON CREATION OF
TAX INCREMENT DISTRICT NOS. 1 AND 2**

NOTICE IS HEREBY GIVEN that on Tuesday, May 23, 2000, at 3:30 p.m. the City of South Milwaukee Joint Review Board will hold an Organizational Meeting. The purpose of this meeting is the review of proposed Project Plans of Tax Increment Districts No. 1 and 2, pursuant to Section 66.46 of the Wisconsin Statutes. The meeting will be held in the South Milwaukee City Hall, 2424 15th Ave., South Milwaukee, Wisconsin.

AGENDA

1. Call to Order
2. Roll Call
3. Appointment of Chairman
4. Appointment of At Large Member
5. Presentation of Proposed TID Project Plans and Boundaries
6. Schedule Meetings
7. Adjourn

CITY OF SOUTH MILWAUKEE
NOTICE OF PUBLIC HEARING ON BOUNDARY AND
PROJECT PLAN FOR TAX INCREMENTAL FINANCE DISTRICT (TID) NO. 1

NOTICE IS HEREBY GIVEN that on Tuesday, May 30, 2000, at 6:30 p.m., the City of South Milwaukee Plan Commission will hold a Public Hearing pursuant to sections 66.46(4)(a) and 66.46(4)(e) of the Wisconsin State Statutes at City Hall, 2424 15th Ave., South Milwaukee, Wisconsin. At that time a reasonable opportunity will be afforded all interested parties to express their view on the proposed TID #1 Project Plan, District Boundary, and creation of said Tax Increment District.

A copy of the Project Plan and boundary map will be available for inspection and will be provided upon request. Arrangements for either inspection or receipt of a copy of the Project Plan may be made by contacting Kyle Vandercar, City Engineer, City of South Milwaukee, 2424 15th Ave., South Milwaukee, Wisconsin; Phone (414) 762-2222.

A map showing the approximate boundaries of the area to be included in the proposed Tax Increment District follows:

[DISTRICT BOUNDARY MAP ATTACHED]

CITY OF SOUTH MILWAUKEE
NOTICE OF PUBLIC HEARING ON BOUNDARY AND
PROJECT PLAN FOR TAX INCREMENTAL FINANCE DISTRICT (TID) NO. 2

NOTICE IS HEREBY GIVEN that on Tuesday, May 30, 2000, at 6:45 p.m., the City of South Milwaukee Plan Commission will hold a Public Hearing pursuant to sections 66.46(4)(a) and 66.46(4)(e) of the Wisconsin State Statutes at City Hall, 2424 15th Ave., South Milwaukee, Wisconsin. At that time a reasonable opportunity will be afforded all interested parties to express their view on the proposed TID #2 Project Plan, District Boundary, and creation of said Tax Increment District.

A copy of the Project Plan and boundary map will be available for inspection and will be provided upon request. Arrangements for either inspection or receipt of a copy of the Project Plan may be made by contacting Kyle Vandercar, City Engineer, City of South Milwaukee, 2424 15th Ave., South Milwaukee, Wisconsin; Phone (414) 762-2222.

A map showing the approximate boundaries of the area to be included in the proposed Tax Increment District follows:

[DISTRICT BOUNDARY MAP ATTACHED]