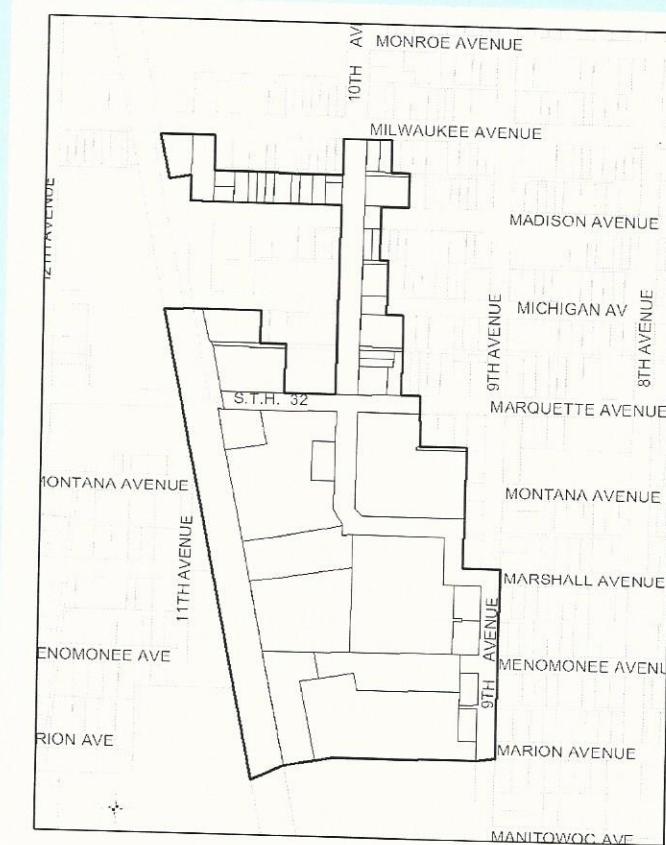


AMENDMENT OF TAX INCREMENT DISTRICT NO. 1 BOUNDARY, PROJECT PLAN, AND REDEVELOPMENT PLAN CITY OF SOUTH MILWAUKEE



Common Council Approval: October 19, 2004
Joint Review Board Approval: November 8, 2004
Effective Date: January 1, 2005

Prepared By:

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**AMENDMENT TO
BOUNDARIES OF TAX INCREMENT DISTRICT NO. 1
&
PROJECT AREA REDEVELOPMENT PLAN**

I. INTRODUCTION

A. Approval Process

On July 5, 2000, the City of South Milwaukee Common Council adopted Resolution No. 00-23 which created Tax Increment District (TID) No. 1 and approved the Project Plan. On August 1, 2000, the Joint Review Board approved said Resolution. On September 5, 2000, the Common Council adopted Resolution No. 00-31 approving the Project Area No. 1 (TID No. 1) Redevelopment Plan which allowed the Community Development Authority (CDA) to proceed with redevelopment projects under blighted area law. All applicable resolutions, maps and findings are published in the original Project Plan prepared by Vierbicher Associates. The Project Plan is used as the official plan to guide redevelopment activities within the TID. The original Project Plan for TID No. 1 is on file at the City Administration Building, 2424 15th Avenue.

This document shall be considered as fully incorporated and part of the original Project Plan, except where modified by this document.

TID No. 1 is designated as a blight elimination TID. The effective date is January 1, 2000. The City/CDA has a 22 year expenditure period and 27 years maximum to close the TID. The TID boundary can be amended pursuant to the number of times identified in the statutes. The Project Area Redevelopment Plan can be amended for additional projects within the boundary as long as costs are incurred within five years of termination (maximum of 22 years).

The Community Development Authority (CDA) is the primary agent for implementing the Project Plan. Wisconsin Statutes require that changes in district boundaries or additional projects require formal amendment to the Project Plan, involving public review and Council approval. On March 17, 2004, the Common Council adopted Resolution No. 04-18 authorizing the CDA to proceed with the steps to amend TID No. 1. A public hearing on the amended TID was held on September 28, 2004. Prior to the hearing, a presentation of completed projects in TID 1 and the proposed amendment was provided by City Engineer Kyle Vandercar and City Planner, Jac Zader. Following the hearing, the CDA recommended revising the boundary to exclude properties at 1011 and 1015 Michigan Avenue. The CDA adopted CDA Resolution No. 04-07 on October 13, 2004 recommending the amendment, and on October 19, 2004, the

Common Council adopted Resolution 04-50 amending the TID. (See Attachment B-8)

B. Joint Review Board

The TID No. 1 Project Plan will be considered by a Joint Review Board as required by Wisconsin Statutes consisting of:

City of South Milwaukee
Thomas Zepecki, Acting Mayor
2424 15th Avenue
South Milwaukee, WI 53172

Milwaukee County
Bob Dennik
Milwaukee County Courthouse
901 N. 9th Street
Room 306
Milwaukee, WI 53233

Milwaukee Area Tech. College
Renee Dudley
MATC
700 West State Street
Milwaukee, WI 53233-1443

South Milwaukee School District
Mike Stritchko
903 N. Chicago Avenue
South Milwaukee, WI 53172

At-Large
Robert Morgan
503 Manistique Avenue
South Milwaukee, WI 53172

C. Completed Projects in Project Area No. 1 (TID No. 1)

Several redevelopment projects have been completed within TID No. 1 as originally contemplated in the Project Plan. Sunrise Village, a 48-unit senior apartment complex located at 2500 10th Avenue, started construction in 1999 prior to the TID creation and was completed in 2000 (referred to in Plan as Sunrise Housing – Phase I). The adjacent Sunrise Shopping Center site and entrance to Sunrise Village were improved in 2001 by development agreement with a portion of the construction funds provided by the CDA.

Marquette Manor, a 74-unit senior apartment building, was completed in 2001 (referred to in Project Plan as Sunrise – Phase II); as well as adjacent utility and street reconstruction.

Metalcut Products expansion at 1019 Michigan Avenue was completed in 2001. Funds were used to make infrastructure improvements to support the redevelopment of the former transformer site for industrial use.

The redevelopment of 2211 10th Avenue has been completed, which involved city acquisition of two parcels, and by development agreement,

construction of a mixed-use building with office space and four condominium units.

Tri-City Bank also completed their new bank building at the corner of 10th & Madison Avenues, but did not require support from the CDA in terms of redevelopment funds, except for recently installed curb and decorative stamped concrete within the terrace.

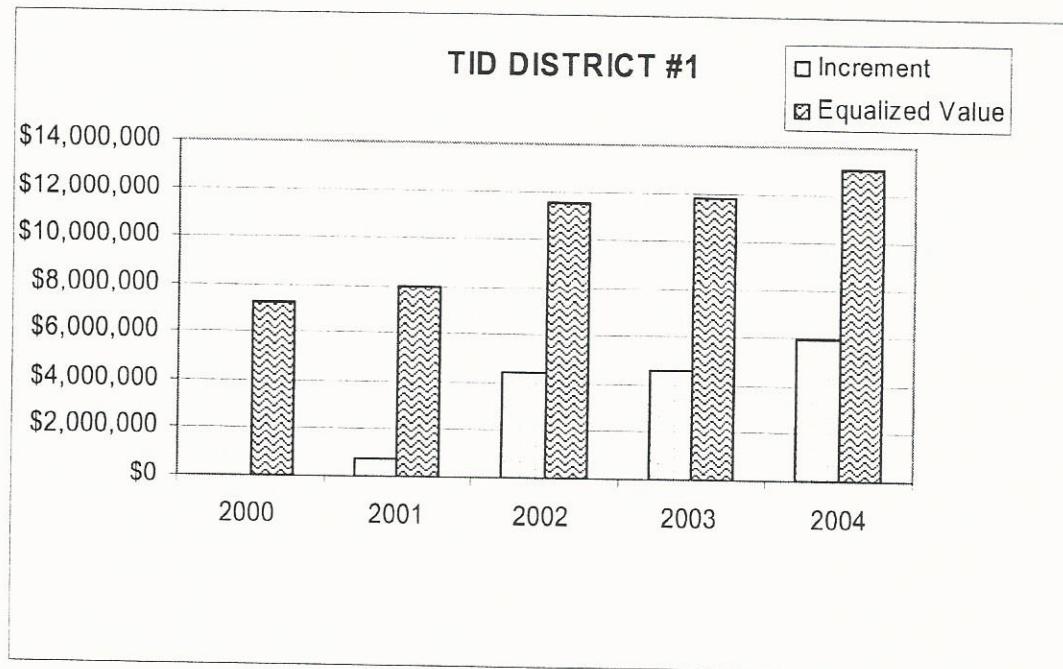
The City/CDA has acquired properties at 909 Menomonee Avenue (Lawson-Continental building) and 2600 9th Avenue. These two properties, in addition to the 4.7 acre property at 2616 9th Avenue (a.k.a. Rawson Plumbing), are included in the boundary for proposed TID No. 3. TID No. 3 will be designated as a mixed-use TID and the proposed redevelopment of the above parcels for residential use (condominiums) is more appropriate under the amended TIF law.

Attachment A-1 is a project summary for TID No. 1 and Attachment A-2 is a project expenditure summary for TID No. 1 to date.

D. District Value/Increment

As of January 1, 2000, the tax incremental base value for property in TID No. 1 was \$7,171,400 as determined by the State of Wisconsin Department of Revenue (DOR). As of January 1, 2004, the equalized value of taxable property in TID No. 1 was \$13,079,300. Therefore, the value increase (increment) is \$5,907,900 as of January 1, 2004. Letters from D.O.R. are included as Attachment A-3.

As depicted on the following bar graph, the TID No. 1 increment has increased as anticipated in the original project plan over the first four years of the TID.



E. Description of Amended Project Area & Amended Plan of Redevelopment

Planned redevelopment activities include the following projects. Projects will proceed based on the development status of the land, merits of a project as determined by the CDA, and economic conditions existing at the time a project is scheduled, or TIF assistance is applied for by a private party. The CDA/Common Council is not mandated to proceed with expenditures for projects or to implement projects listed.

Project 1: 2315 10th Avenue, et.al.
 Northeast corner of 10th & Marquette Avenues
 Commercial or Mixed-Use Development

The Taco Bell restaurant at 2315 10th Avenue ceased operations in 2002. This property and properties at 2309 and 2311 10th Avenue (former duplexes) are included within the original TID No. 1 Boundary. The City has acquired these properties, demolished the structures, and is proceeding with environmental clean up of 2315 10th (former Texaco Station, prior to Taco Bell).

The amended TID boundary includes 920 Marquette Avenue, easterly of the above properties. The parcel at 920 Marquette Avenue, zoned C-3 Central Business, will be acquired and added to the properties acquired at 2309-15 10th Avenue to form a 25,000 sq. ft. parcel for construction of a

Project 6: Downtown Open Space

The Comprehensive Plan recommends the development of open space in South Milwaukee's downtown. The location of the proposed open space is 11th Avenue, or conversion of Bucyrus parking lot at 1101 Milwaukee Avenue. The section of 11th Avenue between Milwaukee Avenue and Madison Avenue could be converted into open space, or into a larger parking lot if 1101 Milwaukee Avenue is converted to open space. Removal of the paving and developing the site as an urban park is the desired outcome. Additional planning, evaluation, and financial analysis will be required for this project to proceed.

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 was created primarily as a blight elimination TID under Wisconsin Statutes 66.1105 in order to improve a portion of the City, enhance the value of property, broaden the property tax base, and relieve the tax burden of residents and home owners. The CDA contemplates expending funds on infrastructure and redevelopment activities. Section 66.1105(2)(f) defines various project costs that can be considered "eligible" costs within a TID.

Any cost directly or indirectly related to achieving the objectives of promoting redevelopment and blight elimination, rehabilitation, or conservation can be 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, judgments or claims for damages, and other expenses for all projects can be included as project costs.

A. Capital Construction Costs:

Capital construction costs can include costs for infrastructure improvements to serve projects such as street improvements, watermain, sanitary sewer, storm sewer, and upgrading to natural gas or electrical services. Capital costs can also include costs contributed to construction of new buildings, remodeling, repair or reconstruction of existing buildings.

Capital costs incurred by the City/CDA will need to be consistent with the purpose of TID No. 1 and be eligible project costs as defined under statutes. Such eligibility will be determined by the Common Council at the time the projects are being considered.

B. Site Preparation/Improvements:

Site development activities required to make sites suitable for reuse include, but are not limited to: excavation of material, stripping topsoil, grading, compacted granular fill, topsoil replacement, access drives, parking areas, landscaping, storm water detention areas, razing existing structures, relocating power lines; installing utilities, signs, fencing, lighting and related activities. Other site preparation and improvement 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 Common Council.

C. Environmental Remediation:

Asbestos removal prior to demolition of structures, environmental studies or investigation, clean-up or remediation to make sites suitable for reuse.

D. 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.

E. Relocation Costs:

Relocation of existing businesses for redevelopment projects or relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plan, director, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 23.19 and 32.195.

F. CDA Redevelopment Funds:

The Common Council may provide funds to the Community Development Authority for the purpose of acquiring property, entering into financial (development) agreements with property owners or developers or any other activity authorized by Wisconsin Statutes to be undertaken by such an Authority. This may include payments which are found to be necessary or convenient to the implementation of the Project Plan, such as redevelopment incentives. See 66.1105 (2)(f)(1)(i).

G. 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.

H. Administration & Planning 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 expenditure period.

I. 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.

J. Financing Costs:

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

The project costs 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.

III. DETAILED LIST OF PROJECT COSTS

The table below shows the estimated expenditures anticipated for major categories of project costs for amended projects in the TID as described under Section I. E. Estimated expenditures for Projects 1, 2 and 3 as described in Section I. E. are outlined in Attachment A-5. The plan will be amended if additional projects and associated costs are recommended by the CDA.

All costs listed are based on 2004 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 2004 and the time of construction or implementation. If feasible, the City will pursue grant programs to help share project costs included in this project plan. As an example, the City has used Community Development Block Grant Funds in TID No. 1 for demolition work to reduce overall project costs and is using PECFA for eligible petroleum clean-up costs.

Attachment A-6 depicts a preliminary Debt Service Plan based on total TID expenditures of \$2,100,000, which includes existing debt and proposed expenditures.

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 No. 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 (FOR AMENDED PROJECTS)	
Cost Category	Total Cost
A. Capital Construction	\$ 240,000
B. Site Preparation/Improvements	\$ 133,500
C. Environmental Remediation	\$ 20,000
D. Real Estate Acquisition	\$ 440,000
E. Relocation Costs	
F. CDA Redevelopment Funds	\$ 136,500
G. Promotion & Development	
H. Administration & Planning	\$ 20,000
I. Organizational Costs	\$ 10,000
TID SUBTOTAL (Amendment)	\$1,000,000
TID EXPENDITURES TO DATE	\$1,100,000
TOTAL TID EXPENDITURE FOR PROJECTS	\$2,100,000
J. Total Financing Costs	\$ 45,000
TOTAL	\$2,145,000

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 six percent. Currently the State of Wisconsin Department of Administration Office of Budget and Finance is using long term inflation rates of three percent to five and one-half 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 assumed to be three percent (3%). Inflation for purposes of projecting future project costs is also assumed to be three percent (3%).

B. Increase in Property Value

The amended plan for TID No. 1 will encourage the redevelopment of several properties within the TID. The amendment of TID No. 1 will enable the City to financially assist with redevelopment projects in the area. This redevelopment has created increased property valuation and the amended Project Plan will continue to increase values. As indicated in Section I. D., the TID No. 1 increment as of January 1, 2004 is \$5,907,900.00.

An analysis of each proposed project is included as Attachment A-5. Other miscellaneous improvements may occur within the TID.

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 summarized the historic full value tax rate in the City between 1993 and 2003.

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	.02448	+8.66%
2000	.02913	+19%
2001	.02940	+.09%
2002	.02493	-15.2%
2003	.02509	+.06%

The 2004 total equalized value of the City of South Milwaukee is over \$1 billion (\$1,046,794,500). A full value tax rate of .02509 with zero percent change will be used in this plan to project TID revenues.

D. TIF Revenues

Utilizing an average inflation rate of three percent (3%), projected increment of \$9,778,042 and an initial full-value tax rate of .02509, which is assumed to remain constant, the projected TIF Revenue from TID No. 1 will be as shown in the Tax Increment Pro Forma in Attachment A-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 9.

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 Tax Increment Cash Flow Worksheet shown on Attachment A-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 and support 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, the City may finance project costs within a TID and the City may apply TID revenue 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 \$52,339,725 and \$22,365,000 in existing General Obligation debt. Using this data, the current remaining debt capacity is \$29,974,725. This is more than adequate financing capacity to finance the planned project costs of approximately \$2,100,000.

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.

B. Timetable

The City of South Milwaukee has an expenditure period of twenty-two (22) years or until January 2022 to incur TIF expenses for projects outlined in the original Project Plan or subsequent amendments. The CDA's goal is to complete major projects by the end of 2008 and terminate the TID within the statutory limitation of 27 years. Depending on final project costs, inflation, increment, and other variables, the TID may be closed in 22 years (year 2022). The Common 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 merits of the project; 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 outlined in the Project Plan began in 2000 and the additional projects outlined in this amendment will be complete in 2005 for 2006 increment.

Approximate timing for each of the planned redevelopment projects is shown in Attachment A-5. Additionally, the TID Pro Forma and TID Cash Flow 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 Attachment A-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 five years of the termination date.

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 within TID No. 1 boundary in 2003. Total TIF Increment over the life of the district is divided by a proportionate share of each taxing jurisdiction. Any analysis of the impact on overlying taxing districts is included as Attachment A-9.

Redevelopment projects planned for the TID would not occur or would occur at significantly lower values but for the availability of tax incremental financing. TID No. 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 No. 1.

VII. MAPS SHOWING EXISTING ZONING, LAND USES, AND PROPOSED LAND USES

(SEE MAPS 3, 4 & 5)

VIII. MAPS SHOWING PROPOSED PROJECTS

(SEE MAP 6)

IX. A LIST OF ESTIMATED NON-PROJECT COSTS

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

X. 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 No. 1. The following is the method proposed to be followed by the 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 person, all property owners and prospective displacees will be provided an information 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 Statute 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.

XI. 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 No. 1 will build tax base for the City and overlying taxing jurisdictions and improve the vitality of the neighborhood 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.

XII. DISTRICT BOUNDARIES

As part of the consideration of the area to be included within the TID, the CDA reviewed established criteria outlined in the Wisconsin Statutes 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 will not exceed 5% of the total value of equalized taxable property in the City.
2. 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 Townsite 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 Madison Avenue, 530 feet to the intersection with the Westerly right of way of Eleventh Avenue; thence Northerly, along the Westerly line of Eleventh Avenue, 101.5 feet to the southeast corner of Parcel #770-9992; thence Southwesterly at right angles to Easterly right of way line of the 100 foot right of way of Union Pacific Railroad, 87.5 feet, more or less, thence Northwesterly along Easterly of said right of way line, 173 feet, more or less; thence Easterly along Southerly line of Milwaukee Avenue, 198 feet, more or less, to the Northwest corner of Lot 15, Block 5, the Townsite of South Milwaukee; thence Southerly along the Easterly line of Eleventh Avenue, 134 feet to the Northwesterly corner of Lot 16, Block 5, the Townsite of South Milwaukee; thence Easterly along the Southerly line of an alley, 450 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, the Townsite of South Milwaukee; thence Easterly, along North line of an alley, 65 feet to the Southeast corner of the west 5 feet of Lot 10, Block 6, the Townsite of South Milwaukee; thence Southerly, 14 feet to the Northeast corner of the West 5 feet of Lot 21, Block 6, the Townsite 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, 95 feet to the Southeast corner of Lot 17, Block 6, the Townsite of South Milwaukee; thence Southerly, 80 feet to the Northeast corner of Lot 14, Block 11, the Townsite of South Milwaukee; thence continuing Southerly, along the East line of said Lot 14, Block 11, 120 feet to the Southeast corner of Lot 14, Block 11, the Townsite of South Milwaukee; thence Easterly, along the North line of an alley, 30 feet to the Southeast corner of Lot 13, Block 11, the Townsite of South Milwaukee; thence Southerly, 14 feet to the Northeast corner of Lot 13, Block 28, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly along East line of said Lot 13, 120 feet to the Southeast corner of Lot 13, Block 28, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly, 66 feet to the Northeast corner of Lot 13, Block 31, Addition No. 2 to the Townsite of South Milwaukee; thence Easterly, along South line of Michigan Avenue, 60 feet to the

Northeast corner of Lot 11, Block 31, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly, along East line of said Lot 11, 120 feet to the Southeast corner of Lot 11, Block 31, Addition No. 2 to the Townsite of South Milwaukee; thence Southerly, 14 feet to the Northeast corner of Lot 12, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence Southerly, along East line of said Lot 12, 166.88 feet to the Southeast corner of Lot 12, Block 114, Addition No. 10 to the Townsite of South Milwaukee; thence Easterly along the North line of Marquette Avenue, 71 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, of 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, of 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 Northeast 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, 123 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 Townsite 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 Townsite of South Milwaukee; thence South, 171.80 to the point of beginning.

All distances are based upon documents of record.

ATTACHMENTS A

FINANCIAL ATTACHMENTS

ATTACHMENT A-1
**TAX INCREMENTAL DISTRICT NO. 1
 PROJECT SUMMARY**

Last Update – November 2004

Project Title/Address (Account No., if applicable)	Project Description	Estimated Costs/ Redevelopment Incentives	Project Status/Next Step
INFRASTRUCTURE			
10 th & Marshall Reconstruction (9 th to Marquette) (900-01002-000)	Concrete road construction, ornamental street lighting, streetcapping	\$360,527.13	Complete
Water Main Installation 10 th & Marshall (900-01003-000)	New main installed (loop) to service and provide fire protection to Marquette Manor	\$52,364.00	Complete
11 th Avenue – South of Michigan (900-01004-000)	Concrete alley construction for expansion of Metal Cut Products	\$37,021.45	Complete
Marquette Avenue 8 th to 10 th	TID will pay for portion of project within boundary of district	\$61,000.00	Complete
2211 & 2115 10 th Avenue	Stamped concrete in curb lawn & incidental concrete work	\$22,418.71	Complete
REDEVELOPMENT PROJECTS			
Marquette Manor 2409 10 th Avenue (900-01001-000)	74 units – senior apartments	\$360,000 Seller incentive, demolition, business relocation, landscaping, etc.	Complete
Metal Cut Products Expansion – Phase I 1019 Michigan Avenue	Construction of 20,000 sq. ft. building on former WE Energies property, city vacated portion of 11 th Avenue ROW for construction	No redevelopment incentives, but TID funded new alley construction. Costs of \$37,021.45 (see above).	Complete

Metal Cut Products Expansion – Phase II - 1010 Marquette Avenue (Former Burger King)	Metal Cut Products has purchased property.	TIF Application pending	Common Council held public hearing on vacation of R.O.W. on July 6th. Plan Commission held public hearing on Conditional Use Permit on 08-30-04. Common Council approved Conditional Use Permit on 09-03-04.
Klamrowski Office Building & Condominiums 2211 10 th Avenue	City acquired two parcels at 2211 10 th and 924 Michigan, demolished one building. Development has commercial space first floor and four residential units above	Land purchase/ demolition \$142,589.73 Redevelopment incentives \$41,500.00 Land sale (\$50,000.00) TIF Cost \$134,089.73	Complete. All condominium units sold.
Sunrise Plaza/Sunrise Village 2410 10 th /2500 10 th	Site improvements including storm sewer, lighting, curb, sidewalk, paving, and landscaping	\$110,000 provided to owner/developer as redevelopment incentive.	Complete
Tri City National Bank 2115 10 th Avenue	Former Bank One building purchased and demolished by Tri City for construction of a new bank	No redevelopment incentives provided.	Complete
Corner Development (10 th & Marquette) 2309 10 th (Duplex) 2311 10 th (Duplex) 2315 10 th (Former Taco Bell) 920 Marquette	No project at this time.	2309 10 th - \$82,251.34 2311 10 th - \$80,925.90 2315 10 th - \$155,442.57 920 Marquette - \$130,000	<ul style="list-style-type: none"> Property acquired Registering 2315 with D.O.C. (former tanks) CDBG funds reallocated for demolition of structures on 3 properties. Demolition complete. Celerity Environmental to perform Site Investigation to determine extent of clean-up required at 2315.
2301 10th Avenue (Speedway)	Speedway (Marathon Ashland Petroleum) purchased 921 Michigan Avenue to construct 2300 sq. ft. store and new canopy/pumps.	\$43,500 pending Development Agreement and TID Amendment	Common Council approved conditional use permit on 07-06-04 and Resolution No. 04-46 approving TIF assistance (Pending Plan Amendment)

ATTACHMENT A-2
TAX INCREMENTAL DISTRICT NO. 1 UPDATE
PROJECT EXPENDITURE SUMMARY

1-Nov-04

REDEVELOPMENT PROJECTS	PROJECT TITLE/ADDRESS	ACCOUNT	ITEM DESCRIPTION	AMOUNT
Marquette Manor	2409 10th Ave	900-01001-000	Development Agreement for 74 units - Senior Apts. (seller incentive, demolition, business relocation, landscaping, etc.)	\$360,000.00
Sunrise Plaza, Sunrise Village	2410 10th Ave: 2500 10th Ave		Development Agreement - site improvements including storm sewer, lighting, curb, sidewalk, paving, landscaping	\$110,000.00
Klamrowski/Schauer	Office & Condos	900-50900-080	924 Michigan & 2211 10th - City's Appraisals & Title Update	\$3,760.00
	2211 10th Ave.	900-50900-080	924 Michigan/2211 10th Ave. - Acquisition Services (Highland Group)	\$1,600.00
		900-50900-080	2211 10th Dennis Russell Appraisal (owner's appraisal)	\$600.00
		*700-16500	*\$ 47,967.57 - 2211 10th Ave. Purchase plus reimbursable expense	
		*700-16500	*\$ 502.16 - 2211 10th Ave - 2000 taxes	
		*700-16500	*\$ 78,500.00 - 924 Michigan - purchase	
		*700-16500	*\$ 32.00 - 924 Michigan - 2001 taxes	
			\$127,001.73	
			(\$50,000.00) - Sale of Property to Developer	
			\$ 77,001.73 - due to City (See Note)	
			*Note: Account 700-16500 (City Funds) were used to purchase 924 Michigan & 2211 10th Ave. The proceeds from sale were deposited to the City. Prior to the termination (closure) of TID 1, the TID must pay back the City \$77,001.73 plus interest, unless otherwise approved by the Common Council	
			Demolition of 924 Michigan (Badger Wrecking)	\$9,628.00
			Development Agreement - site preparation, utility work, concrete work, etc. (\$41,500.00 total)	\$36,582.00
			Subtotal	\$52,170.00

REDEVELOPMENT PROJECTS		PROJECT TITLE/ADDRESS	ACCOUNT	ITEM DESCRIPTION	AMOUNT
Corner Redevelopment (N.E.) 10th & Marquette	n/a			**2309 10th Ave. - duplex purchase	\$82,251.64
	n/a			**2311 10th Ave. - duplex purchase	\$80,925.90
	900-00-40900-400	2315 10th Ave. Phase II (Celerity Environmental)			\$3,599.75
	50900-500	2315 10th Ave. (Site Investigation - PECKFA)			\$9,378.50
	900-00-40900-400	2315 10th - Escrow Deposit			\$10,000.00
	n/a	**2315 10th Ave. - purchase			\$145,442.57
	900-00-50900-270	2311 10th Ave. - WE Energies Final bill			\$18.41
		2309,2311,2315 Asbestos Survey/Sampling (Lambert Env.)			\$2,375.00
		2309,2311,2315 Asbestos removal			\$5,900.00
	900-00-50900-270	2309,2311,2315 Final Water Bills total			\$279.21
		2309-2311, 2315 10th - Demolition			\$19,260.00
		*2309,2311,2315 Asbestos Survey/Sampling (Lambert Env.)			-\$2,375.00
		*2309,2311,2315 Asbestos removal			-\$5,900.00
		*2309-2311, 2315 10th - Demolition			-\$19,235.00
	900-50900-290	920 Marquette (Appraisal & Relocation Plan)			\$2,625.00
		**920 Marquette (Acquisition)			\$128,475.07
		Subtotal			\$463,021.05
		* Paid by CDBG			
		**Line of Credit used for purchases			
Lawson-Continental 909 Menomonee Ave	900-02030	Appraisal			\$2,800.00
(Will be TID 3 Expenditure)	900-02030	Relocation Plan & Implementation			\$3,000.00
	900-02030	Title Letter Report			\$75.00
	900-02030	Acquisition Negotiation (Highland Group)			\$850.00
	900-02030	Appraisal Update			\$750.00
		**Purchase			\$208,329.95
		Subtotal			\$215,804.95
2600 9th Ave.	900-02030	Appraisal			\$950.00
	900-02030	Title Letter Report			\$75.00
	900-00-58000	Relocation Plan & Implementation (Highland Group)			\$2,700.00
	900-00-40900	Moving Expenses - Tenant			\$1,675.00
	900-00-40900	Relocation Housing Payment - Tenant			\$8,000.00
	900-00-02030	Appraisal Update			\$1,050.00
		**Purchase			\$105,087.42
		Subtotal			\$119,537.42
"Rawson Plumbing" 2616 9th, et al.		Key Engineering (Soil Sampling)			\$6,000.00
	900-50900-020	City Attorney Fees			\$6,301.00
		REDEVELOPMENT EXPENDITURES TO DATE			\$1,332,834.42

INFRASTRUCTURE		ITEM DESCRIPTION		AMOUNT
PROJECT TITLE/ADDRESS	ACCOUNT	ITEM DESCRIPTION		
10th & Marshall Reconstruction	900-01002-000	Construction Contract - J & A Pohl		\$334,231.18
	900-01002-000	Ornamental Lighting & Wiring - We Energies		\$19,415.91
	900-01002-000	UG Service - 2422 9th Ave. (TMJ Electrical)		\$640.75
	900-01002-000	AC Unit Relocation - 2422 9th (Stramrowski)		\$550.00
	900-01002-000	Cast Iron Benches - Miller & Associates		\$3,692.00
	900-01002-000	Concrete Block (Retaining Wall at Street Dept.)		\$1,424.29
	900-01002-000	Sealer for Stamped concrete		\$573.00
	900-01002-000	Misc. expenses (K.M. Golden, Honadei's)		\$699.00
	900-01022	Tree Grates		\$2,014.71
		Subtotal		\$363,240.84
10th & Marshall Water main install	900-01003-000	Construction Contract - Advanced Sewer & Water Credit from Water Utility		\$57,330.91 (\$4,966.91)
	900-01003-000	Subtotal		\$52,364.00
11th Ave - South of Michigan (Alley reconstruction for Metal Cut expansion)	900-01004-000	Construction Contract - J & A Pohl Metro RDF (Disposal Fee - Contaminated Soil)		\$32,842.00 \$4,179.45
Marquette Ave (9th to 10th) Alley # 208	900-00-0202	Construction contract - Payne & Dolan We Energies - Pole Relocation for project construction at 2211 10th (Developer paid \$1,149.62)		\$37,021.45 \$61,000.00 \$4,259.97
Milwaukee Ave. CBD Trees Concrete Work @ 2115 and 2211 10th Avenue	900-01002-00 900-0201 900-0201	Trees for planters (Trees on the Move) Stamped Concrete, Curb Tree Grates (Neenah)		\$2,100.00 \$20,404.00 \$542,404.97
		INFRASTRUCTURE EXPENDITURES TO DATE		
		EXPENDITURE GRAND TOTAL		\$1,875,239.39
Notes:				
1. The Expenditure Grand Total shown above includes \$335,342.37 for TID No. 3 Project Costs (to be paid by TID 3) and \$437,095.18 for TID No. 1 land purchases using line of credit. Therefore, the expenses to date for TID 1 are \$1,102,801.84 shown as \$1,100,000 in project plan).				
2. The \$437,095.18 in TID 1 land purchases is shown in the Plan as Project No. 1 real estate acquisition costs (\$440,000).				
See Attachment A-5.				



STATE OF WISCONSIN • DEPARTMENT OF REVENUE

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77-40-282

SEPTEMBER 1, 2004

DESIGNATED FINANCE OFFICER
CITY OF SOUTH MILWAUKEE
2424 15TH AVE
SO MILWAUKEE, WI 53172-2410

RE: TAX INCREMENTAL DISTRICT NUMBER 01
CITY OF SOUTH MILWAUKEE

As provided in s. 66.1105(5)(g) of the Wisconsin Statutes, "...the department of revenue shall annually give notice to the designated finance officer of all governmental entities having the power to levy taxes on property within each district as to the equalized value of such property and the equalized value of the tax increment base."

Pursuant to this authority, allocation of the following values is authorized:

\$13,079,300
JANUARY 1, 2004

This figure represents the **current equalized value** of all taxable property in the above mentioned Tax Incremental District as of the indicated date.

\$7,171,400
JANUARY 1, 2000

This figure represents the **tax incremental base value** as of the indicated date.

\$5,907,900

This figure represents the **Tax Incremental District equalized value increase** between the tax incremental base value and the current equalized value of all taxable property in the Tax Incremental District.

Please be advised that the taxes generated by the value increase will be paid to the above municipality for deposit into its tax incremental fund as provided in s.66.1105(6)(b).

Wisconsin Department of Revenue
Bureau of Equalization



STATE OF WISCONSIN • DEPARTMENT OF REVENUE

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77-40-282

SEPTEMBER 1, 2003

DESIGNATED FINANCE OFFICER
CITY OF SOUTH MILWAUKEE
2424 15TH AVE
SO MILWAUKEE, WI 53172-2410

RE: TAX INCREMENTAL DISTRICT NUMBER 01
CITY OF SOUTH MILWAUKEE

As provided in s. 66.1105(5)(g) of the Wisconsin Statutes, "...the department of revenue shall annually give notice to the designated finance officer of all governmental entities having the power to levy taxes on property within each district as to the equalized value of such property and the equalized value of the tax increment base."

Pursuant to this authority, allocation of the following values is authorized:

\$11,777,000
JANUARY 1, 2003

This figure represents the **current equalized value** of all taxable property in the above mentioned Tax Incremental District as of the indicated date.

\$7,171,400
JANUARY 1, 2000

This figure represents the **tax incremental base value** as of the indicated date.

\$4,605,600

This figure represents the **Tax Incremental District equalized value increase** between the tax incremental base value and the current equalized value of all taxable property in the Tax Incremental District.

Please be advised that the taxes generated by the value increase will be paid to the above municipality for deposit into its tax incremental fund as provided in s.66.1105(6)(b).

Wisconsin Department of Revenue
Bureau of Equalization



STATE OF WISCONSIN • DEPARTMENT OF REVENUE

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77-40-282

SEPTEMBER 1, 2002

DESIGNATED FINANCE OFFICER
CITY OF SOUTH MILWAUKEE
2424 15TH AVE
SO MILWAUKEE, WI 53172-2410

RE: TAX INCREMENTAL DISTRICT NUMBER 01
CITY OF SOUTH MILWAUKEE

As provided in s. 66.1105(5)(g) of the Wisconsin Statutes, "...the department of revenue shall annually give notice to the designated finance officer of all governmental entities having the power to levy taxes on property within each district as to the equalized value of such property and the equalized value of the tax increment base."

Pursuant to this authority, allocation of the following values is authorized:

\$11,574,900
JANUARY 1, 2002

This figure represents the **current equalized value** of all taxable property in the above mentioned Tax Incremental District as of the indicated date.

\$7,171,400
JANUARY 1, 2000

This figure represents the **tax incremental base value** as of the indicated date.

\$4,403,500

This figure represents the **Tax Incremental District equalized value increase** between the tax incremental base value and the current equalized value of all taxable property in the Tax Incremental District.

Please be advised that the taxes generated by the value increase will be paid to the above municipality for deposit into its tax incremental fund as provided in s.66.1105(6)(b).

Wisconsin Department of Revenue
Bureau of Equalization



STATE OF WISCONSIN • DEPARTMENT OF REVENUE

77-40-282

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SEPTEMBER 1, 2001

DESIGNATED FINANCE OFFICER
CITY OF SOUTH MILWAUKEE
2424 15TH AVE
SO MILWAUKEE, WI 53172-2410

RE: TAX INCREMENTAL DISTRICT NUMBER 01
CITY OF SOUTH MILWAUKEE

As provided in s. 66.1105(5)(g) of the Wisconsin Statutes, "...the department of revenue shall annually give notice to the designated finance officer of all governmental entities having the power to levy taxes on property within each district as to the equalized value of such property and the equalized value of the tax increment base."

Pursuant to this authority, allocation of the following values is authorized:

\$7,934,600
JANUARY 1, 2001

This figure represents the **current equalized value** of all taxable property in the above mentioned Tax Incremental District as of the indicated date.

\$7,171,400
JANUARY 1, 2000

This figure represents the **tax incremental base value** as of the indicated date.

\$763,200

This figure represents the **Tax Incremental District equalized value increase** between the tax incremental base value and the current equalized value of all taxable property in the Tax Incremental District.

Please be advised that the taxes generated by the value increase will be paid to the above municipality for deposit into its tax incremental fund as provided in s.66.1105(6)(b).

Wisconsin Department of Revenue
Bureau of Equalization

**CITY OF SOUTH MILWAUKEE
TID #1 AMENDMENT
SUMMARY**

TAX PROFILE -2003

County	Milwaukee
City Mill Rate(Assessed)	0.02509
City Mill Rate(Equalized)	0.02454
Total Equalized Value in City	\$979,545,118
Percent Assessment Ratio	97.81%
Assessed Value of Taxable Property	\$958,093,080

DEBT CAPACITY(Based On 2004 equalized value of \$ 1,046,794,500)

Statutory Debt Limit	\$52,339,725
Oustanding General Obligation Debt	\$22,365,000
Remaining Debt Capacity	\$29,974,725

ANALYSIS OF EXISTING TID CAPACITY*

Equalized Value of Taxable Property in Existing TIDs	\$41,962,277
Percent of City's Equalized Value in Existing TIDs	4.28%

*includes proposed TID #3

ANALYSIS OF PROPOSED AMENDED TID

Projected Base Value of Added Parcels(Assessed)	\$1,158,300
Projected Base Value of Added Parcels(Equalized)	\$1,170,142
Percent of City's Equalized Value in Amended Parcels	0.12%
Projected Equalized Value of Property in all TIDs	\$43,132,419
Percent of City's Equalized Value in all TID	4.40%
Total Area Within Amended TID Boundary(Acres)	37.77
Land Area of Parcels Included in Amended TID(Acres)	25.8
Area of Parcels Considered Blighted(Acres)	23.3
Percent of Parcels by Area Considered Blighted(Acres)	61.69%
Area in TID Vacant > 7 Years(Acres)	1.24
Percent of Area Vacant > 7 years	3.28%

**CITY OF SOUTH MILWAUKEE
TID NO. 1 AMENDMENT
PLANNED PROJECT COSTS &
ANALYSIS OF PROPOSED PROJECTS**

PROJECT NO. 1

2315 10th Avenue, et. Al. (NE corner 10th & Marquette)
Parcels # 771-0461, 771,0462, 771-0463, 771-0464

PROJECT COSTS

Real Estate Acquisition	\$ 440,000
Site Preparation/Improvements	\$ 20,000
Environmental Remediation	<u>\$ 20,000</u>

TOTAL \$ 480,000

Base Value:	\$ 392,500
-------------	------------

Projected Valuation	\$1,200,000
---------------------	-------------

Total Increment Created	\$ 807,500
--------------------------------	------------

Years(s) Increment Created	2006
----------------------------	------

Annual TIF Revenue	\$ 20,260
--------------------	-----------

Debt Service (22 years @ 4.75% interest)	\$ 35,639
---	-----------

Cash Flow	\$ (15,379)
-----------	-------------

Note: Based on real estate acquisition costs to assemble the parcel, the projected valuation of \$1,200,000 will not provide adequate revenue for debt service. However, the redevelopment of this corner is considered essential to the overall redevelopment of TID No. 1. Based on cash flow for the entire TID, a project can be achieved. The CDA may consider a mixed-use commercial-residential development to increase projected valuation and the above analysis does not consider the land sale which could offset overall project costs.

**CITY OF SOUTH MILWAUKEE
TID NO. 1 AMENDMENT
PLANNED PROJECT COSTS &
ANALYSIS OF PROPOSED PROJECTS**

PROJECT NO. 2

2301 10th Avenue – Speedway
Parcels #771-0354, 771-0355

PROJECT COSTS

Capital Construction	\$ 10,000
Site Preparation/Improvements	<u>\$ 33,500</u>
TOTAL	\$ 43,500

Base Value:	\$ 90,800
Projected Valuation	\$ 720,000
Total Increment Created	\$ 629,200
Years(s) Increment Created	2006
Annual TIF Revenue	\$ 15,787
Debt Service (22 years @ 4.75% interest)	\$ 3,230
Cash Flow	\$ 12,557

**CITY OF SOUTH MILWAUKEE
TID NO. 1 AMENDMENT
PLANNED PROJECT COSTS &
ANALYSIS OF PROPOSED PROJECTS**

PROJECT NO. 3

Metalcut Products, Phase II, 1010 Marquette Avenue
Parcel No. 771-0466

PROJECT COSTS

Capital Construction	\$ 30,000
Site Preparation/Improvements	<u>\$ 80,000</u>
TOTAL	\$ 110,000*

Base Value:	\$ 384,000
Projected Valuation (37,500 s.f.)	\$ 780,000
Total Increment Created	\$ 396,000
Years(s) Increment Created	2006
Annual TIF Revenue	\$ 9,936
Debt Service (20 years @ 6.125% interest)	\$ 9,590
Cash Flow	\$ 346

*Note: Following approval of the Project Plan, on November 16, 2004 by Resolution No. 04-58, the Common Council approved the CDA's recommendation of \$260,000 in total TIF assistance (\$48,000 – Phase I and \$212,000 – Phase II). The annual TIF revenue, based on the assumed valuation, will be greater than the debt service (see following TID Project Analysis). Providing the \$260,000 in TIF assistance conforms with the TID plan, but cash flow for other projects is reduced and the TID closure date could be affected depending on total TID project costs.

TID Project Analysis South Milwaukee CDA

Project Name: Metalcut Products, Phase 1&2
 Project Address: 1019 Michigan & 1010 Marquette
 Developer Name: Metalcut Products/ MSI General
 Total Developer Project Costs: \$ 1,500,000
 TID # 1
 TID Termination Year 2027

Assistance Requested By Developer

(Owner requested \$245,761)

Category	Amount	Description
Acquisition Assistance	\$0	
Relocation	\$0	
Demolition	\$22,356	
Environmental Remediation	\$42,155	
Site Preparation	\$119,329	
Infrastructure	\$0	
Site Improvements	\$28,160	
Other	\$0	
Total Assistance Requested	\$212,000	
Assistance Requested as % of Project Cost:		14%

CDA Investment In Site

(TIF assistance Phase 1 @ 1019 Michigan)

Category	Amount	Description
Site Acquisition	\$0	
Relocation	\$0	
Demolition	\$0	
Environmental Remediation	\$0	
Site Preparation	\$0	
Infrastructure	\$48,000	11th Ave Alley
Site Improvements	\$0	
Soft Costs	\$0	
Other	\$0	
Total Assistance Requested	\$48,000	

Total TIF Investment in Site

Category	Amount	Description
Site Acquisition	\$0	
Relocation	\$0	
Demolition	\$22,356	
Environmental Remediation	\$42,155	
Site Preparation	\$119,329	
Infrastructure	\$48,000	
Site Improvements	\$28,160	
Soft Costs	\$0	
Other	\$0	
Total TIF Investment	\$260,000	

Increment Generated by Project

Base Value

Land	\$	-
Improvements	\$	-
Total Base Value	\$ 384,000	

(For phase 1, base value was \$0)

Projected Equalized Valuation

Land	\$	-
Improvements	\$	-
Total Projected Value of Project	\$ 1,202,700	

(phase 1 & 2)

Tax Increment

Land	\$	-
Improvements	\$	-
Total Tax Increment Created	\$ 818,700	

Project Schedule

Activity	Begin		End	
	Month	Year	Month	Year
Plan Development				
Plan Review				
Construction				
Occupancy				2005

TIF Revenue

Increment Created in Year	2005
Assumed City Tax Rate (Full Value)	0.02509
Annual TIF Revenue	\$ 20,541
Years of Revenue to Apply to Debt Service	20
Maximum Years	20

Other Revenue

Payments Made to CDA by Developer

Site Acquisition	\$ -
Site Improvements	\$ -
Off-site Improvements	\$ -
Other Payments	\$ -
Total Developer Payments to CDA	\$ -
Grants Received in Support of Project	\$ -
Total Other Revenue	\$ -

Debt Service

Total TIF Investment	\$260,000
Other Revenue	\$ -
Amount to be Financed	\$260,000
Interest Rate on Debt	5%
Term (years)	20
Annual Debt Service	\$20,511
Annual TIF Revenue	\$ 20,541

This is a feasible project - the annual TIF revenue is greater than the annual debt service. If there is a great difference, reduce the term until annual revenue and annual debt service are in closer balance. This will save interest costs.

PLANNED PROJECT COSTS		B	C 11/1/2004	D	E	F
1	TID #1					
2						
3						
4	G. Inflation Cost Adjustment	\$0				
5	II. Capitalized Interest	\$0				
6	1. Interest, Finance, Fees, Etc.	\$45,000				
7	TOTAL TID EXPENDITURE	\$2,145,000				
8						
9						
10						
11	FINANCING SUMMARY					
12	TID #1					
13	<i>Subtotal</i>	\$2,100,000				
14	Inflation factor cost adjustment	\$0				
15	<i>Total Project Cost</i>	\$2,100,000				
16	Finance Fees	\$45,000	2.10%			
17	Capitalized Interest	\$0	0.000%			
18	Less Interest Earned	\$0				
19	BORROWING REQUIRED	\$2,145,000				
20	Interest Payment					
21	<i>Total TID Expenditure</i>	\$2,145,000				
22						
23	Recon	\$2,145,000				
24						
25	Term	27				
26	# of Principal Payments	22				
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

TAX INCREMENT PRO FORMA TIP #1

ATTACHMENT A-7

CASH FLOW WORKSHEET

TIP #1

TID NO. 1

ANALYSIS OF OVERLYING TAXING JURISDICTIONS

ASSUMPTIONS

Projected Base Value of Amended TID:	\$ 8,341,542
Initial Tax Rate	0.02509
Inflation of Increment	0%
Annual Increase in Tax Rate	0%
Value of TID with Increment	\$15,512,942

OVERLYING JURISDICTIONS

2003 Share	Schools	MATC	County	State	City
	38.32%	7.30%	22.36%	0.74%	31.27%

	Annual Taxes Collected Without Increment For TID Area	Annual Taxes Collected With Increment For TID Area	% Change
Schools	\$ 80,200	\$149,149	86%
MATC	15,278	28,413	86%
County	46,797	87,030	86%
State	1,549	2,880	86%
City	<u>65,445</u>	<u>121,709</u>	86%
TOTAL	\$209,269	\$389,181	86%

PARCEL DATA
CITY OF SOUTH MILWAUKEE
TID #1 AMENDED

PARCEL #	OWNER NAME	ADD- NUM	STREET	LAND VALUE 2003	IMPROVEMENT VALUE 2003	TOTAL VALUE 2003	AREA (ACRES)	USE	REASON FOR FINDING OF BLIGHT	
									PROPERTY BLIGHTED?	WITHIN BLIGHTED AREA?
7710054 STIMPERT		2109	11TH AVE	\$13,000	\$82,500	\$95,500	0.10	MIX		
7710055 SEAVERT		1028	MADISON AVE	\$16,000	\$139,000	\$155,000	0.10	MIX		
7710057 VAHRADAN		1020	MADISON AVE	\$23,500	\$57,000	\$80,500	0.08	2F		
7709992 BUCYRUS INTERNATIONAL		1101	MILWAUKEE AVE	\$82,000	\$14,600	\$96,600	0.36	COM		
7710063 NAZIFI		1004	MADISON AVE	\$32,000	\$59,700	\$91,700	0.12	2F		
7710056 SOUTH MILWAUKEE		1022	MADISON AVE	\$0	\$0	\$0	0.14	COM		
7710058 SCHOLTZ		1018	MADISON AVE	\$13,500	\$15,500	\$29,000	0.08	COM		
7710354 LOGIC		921	MICHIGAN AVE	\$34,000	\$93,000	\$127,000	0.17	SF		
7710059 SCHOLTZ		1016	MADISON AVE	\$13,500	\$58,000	\$71,500	0.08	COM		
7710060 SEN		1014	MADISON AVE	\$34,000	\$64,500	\$98,500	0.17	SF		
7710062 ZINOVIS		1008	MADISON AVE	\$32,000	\$76,500	\$108,500	0.12	SF		
7710061 GRAMZA		1010	MADISON AVE	\$23,500	\$47,500	\$71,000	0.08	SF		
7710461 PHILEO		920	MARQUETTE AVE	\$30,500	\$54,000	\$84,500	0.16	SF		
7710149 HAUETER		927	MADISON AVE	\$13,500	\$35,500	\$49,000	0.08	MIX		

HSE
HUTCHINSON, SHOCKEY, ERLEY & CO.
Established 1957

1110 Old World 3rd Street • Suite 630 • Milwaukee, WI 53203
Phone: (414) 298-9898
Fax: (414) 298-9893

October 5, 2004

Mr. John Leupold
CDA Executive Director
City of South Milwaukee
2424 – 15TH Avenue
South Milwaukee, WI 53172

Dear Mr. Leupold:

I have reviewed the financial/economic feasibility data for the City's amendment to Tax Incremental District No. 1 and proposed Tax Incremental District No. 3.

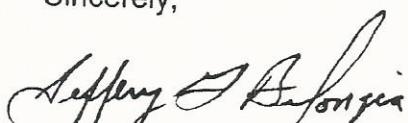
I find the assumptions with respect to valuation and tax mill levy to be reasonable and very conservative. The interest rate assumption of 6.125% is quite conservative.*

I make this statement based on a historic review of the City's growth in equalized value and current gross mill levy for the overlapping taxing entities, along with historical interest rates and the current interest rate markets for projects of this nature.

The proposed or estimated costs of improvements within the proposed Districts can be supported from the estimated revenues to be generated by the respective District.

I look forward to discussing these projects with you in greater detail.

Sincerely,



Jeffery G. Belongia
Senior Vice President

JGB/crc

*Note: The draft project plan included an interest rate of 6.125%, but was revised in the final draft and final plan to 4.75% based on recommendation of HSE (Jeffery Belongia)

ATTACHMENT A-11

ATTACHMENTS B

RESOLUTIONS, NOTICES & CORRESPONDENCE

RESOLUTION NO. 04-18

**RESOLUTION AUTHORIZING THE COMMUNITY DEVELOPMENT
AUTHORITY TO PROCEED WITH THE STEPS TO AMEND
TAX INCREMENTAL DISTRICT NO. 1**

WHEREAS, the Common Council of the City of South Milwaukee adopted Resolution No. 00-23 on July 5, 2000 creating Tax Incremental District (TID) No. 1; and

WHEREAS, on September 5, 2000, the Common Council adopted Resolution No. 00-31 approving the Project Area No. 1 Redevelopment Plan; and

WHEREAS, the Community Development Authority (CDA) has reviewed the boundaries for an amendment to Tax Incremental District (TID) No. 1 as shown in Exhibit A attached to this Resolution and recommends that the Council authorize the CDA to proceed with steps to amend the TID; and

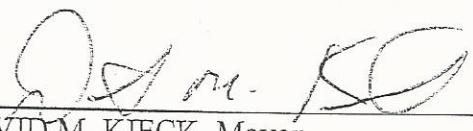
WHEREAS, CDA has determined a potential for additional redevelopment projects, as described under ss 66.1331 (3)(m), and recommends that the boundary for Redevelopment Project Area No. 1 be designated effectively the same as the amended boundary for TID No. 1 for the purpose of carrying out such projects pursuant to ss 66.1333, subject to Common Council approval; and

WHEREAS, the amendment of Tax Incremental District No. 1 requires the City to create and convene a Joint Review Board to review, evaluate and approve or deny the amendment to the Tax Incremental District;

NOW THEREFORE BE IT RESOLVED, that the Common Council of the City of South Milwaukee hereby:

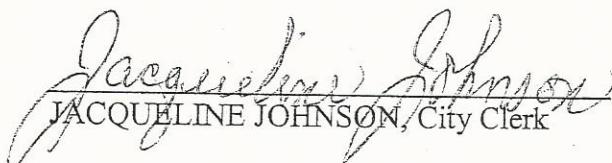
- 1.) authorizes CDA to proceed with the tasks necessary to amend Tax Incremental District No. 1 and Redevelopment Project Area No. 1 pursuant to Wisconsin Statutes; and
- 2.) forms a Joint Review Board to be composed of one representative from each of the overlying taxing jurisdictions and one at-large member to be chosen at the Joint Review Board's first meeting; and
- 3.) designates the Mayor as representative for the City of South Milwaukee on the Joint Review Board; and
- 4.) directs the CDA to notify appropriate public agencies of the creation of a Joint Review Board for consideration of the proposed Tax Incremental District; and

5.) authorizes the CDA to conduct a public hearing on the proposed amendment to Tax Incremental District No. 1 and amended redevelopment plan for Redevelopment Project Area No. 1.



DAVID M. KIECK, Mayor

Attest:



JACQUELINE JOHNSON, City Clerk

Adopted: March 16, 2004

Approved: March 17, 2004

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 Tuesday, March 16, 2004. Motion by Zepecki, seconded by Raduenz to adopt the Resolution.

Vote: six yes - one no

THE PROPOSED AMENDED BOUNDARY



Added Parcels

MONROE AVENUE

10TH AVENUE

MILWAUKEE AVENUE

MADISON AVENUE

MICHIGAN AV

9TH AVENUE

8TH AVENUE

MARQUETTE AVENUE

Marq. Manor

MONTANA AVENUE

MONTANA AVENUE

11TH AVENUE

Sunrise Plaza

Fire/Street

MARSHALL AVENUE

Sunrise Village

9TH AVENUE

MENOMONEE AVENUE

ENOMONEE AVE

RION AVE

MARION AVENUE



OFFICIAL NOTICE

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

PLEASE TAKE NOTICE, that on Tuesday, September 28, 2004, at 6:00 p.m., the City of South Milwaukee Community Development Authority will hold a Public Hearing pursuant to sections 66.1105(4)(a), 66.1105(4)(e) and 66.1333(6)(b)(3) of the Wisconsin State Statutes at the City Administration Building, 2424 15th Avenue, South Milwaukee, Wisconsin. At that time a reasonable opportunity will be afforded all interested parties to express their view on the proposed amendment to TID No. 1 Boundary, Project Plan, and Project Area Redevelopment Plan.

A copy of the Project Plan will be available for review at the above address starting September 16th and a copy will be provided upon request. Arrangements to meet with staff or to receive a copy of the amended Plan may be made by contacting Kyle Vandercar, City Engineer, at 414-762-2222 X-136, fax: 414-768-8068 or e-mail: vandercar@ci.south-milwaukee.wi.us.

This hearing may begin at 6:00 p.m. or as soon as possible following the conclusion of other hearings scheduled for this date and time.

A map showing the approximate boundaries of TID 1 and amended areas proposed to be included in the Tax Increment District follows:

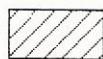
[DISTRICT BOUNDARY MAP ATTACHED]

Dated: September 2, 2004

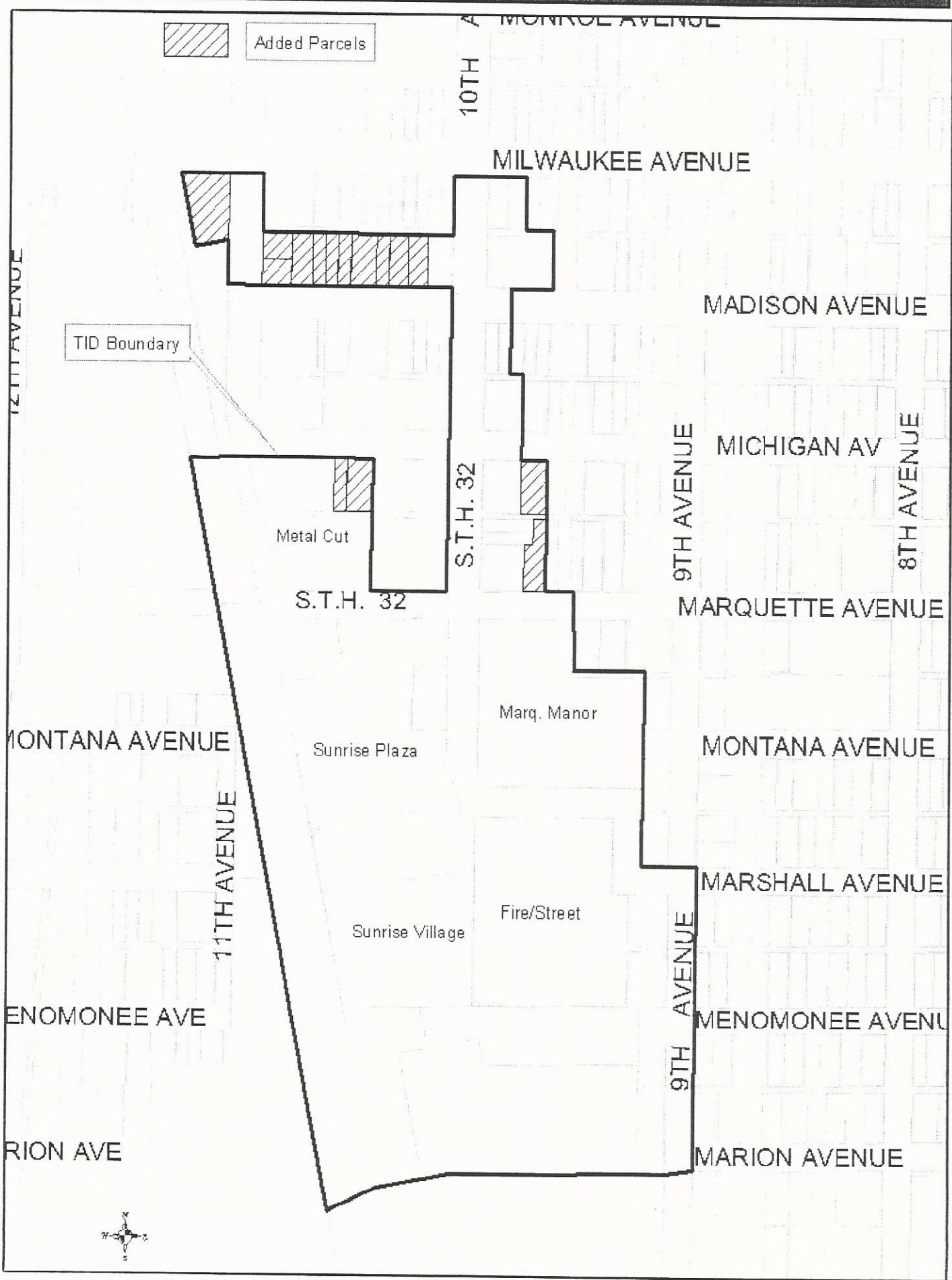
Michael D. Johnson, Chairman
South Milwaukee Community Development Authority

Publish: September 9, 2004
 September 16, 2004

TIF 1 PROPOSED AMENDED BOUNDARY



Added Parcels





city of . . .
South
Milwaukee

OFFICE OF THE CITY ENGINEER

(414) 768-8053

FAX: (414) 768-8068

September 10, 2004

CERTIFIED MAIL

<address block>

Re: Notice of Public Hearing on Project Area Redevelopment Plan/Amendment to Tax Incremental District No. 1

The City of South Milwaukee Community Development Authority (CDA) is proposing to amend Tax Incremental District (TID) No. 1, created in July 2000. A TID is often referred to as a Redevelopment District since it is targeted toward promoting redevelopment and rehabilitating areas declining in value. Property that you own is within the proposed amended boundaries of TID No. 1. As required by State law, a public hearing will be held on the proposed TID and Project Area Redevelopment Plan ("Plan") on Tuesday, September 28, 2004. Enclosed is a copy of the hearing notice and boundary map. A copy of the draft plan is available for review pursuant to the notice.

Several redevelopment projects have been completed within the TID and the CDA is proceeding with additional projects. The proposed boundary includes other properties in the vicinity which may be redeveloped during the expenditure period of the TID, which ends June 2007. State law requires the CDA to notify you that your property might be acquired for urban renewal (redevelopment) purposes **Although, we are required to notify you of this, the CDA currently has no plans to acquire property by condemnation/ eminent domain.** The Plan will be amended and property owner(s) notified in the future if the City intends to acquire property.

Any property owner within the proposed boundaries of the Redevelopment Area who wishes to object to the Plan is required to state his or her objections and reasons for objection in writing. The written statement of objection must be filed either prior to the public hearing, at the time of the public hearing, or within 15 days after the public hearing. The statement must contain the owner's mailing address and must be signed by the property owner. Following the public hearing, the CDA may revise the boundary and Plan prior to recommendation to the Common Council.

If you have questions or need additional information, please contact me at 414-762-2222 X-136 or 768-8053.

Sincerely,

Kyle Vandercar
City Engineer

Enclosure

ATTACHMENT B-3

City Administration Building • 2424 15th Avenue • South Milwaukee, Wisconsin 53170 • (414) 768-2222

Carolyn A. Stimpert
9230 S. Chicago Rd.
Oak Creek, WI 53154

Bucyrus International
1100 Milwaukee Avenue
South Milwaukee, WI 53172

1015 Michigan LLC
1015 Michigan Avenue
South Milwaukee, WI 53172

Selman Sen
1014 Madison Avenue
South Milwaukee, WI 53172

Gary Seavert
1028 Madison Avenue
South Milwaukee, WI 53172

Sadik and Sedaet Nazifi
1219 Edgewood Avenue
South Milwaukee, WI 53172

John C. Wunder
1011 Michigan Avenue
South Milwaukee, WI 53172

Anastasios Zinovis
1008 Madison Avenue
South Milwaukee, WI 53172

Edward A. Vahradian
3701 Russet Lane
South Milwaukee, WI 53172

Theodore Scholtz
1018 Madison Avenue
South Milwaukee, WI 53172

Theodore Scholtz
1016 Madison Avenue
South Milwaukee, WI 53172

Earl J. Gramza
1010 Madison Avenue
South Milwaukee, WI 53172

**NOTICE OF PUBLIC MEETING
CITY OF SOUTH MILWAUKEE
JOINT REVIEW BOARD
ORGANIZATIONAL MEETING ON CREATION OF
TAX INCREMENT DISTRICT NO. 3 AND
AMENDEMENT TO TAX INCREMENT DISTRICT NO. 1**

NOTICE IS HEREBY GIVEN that on Monday, September 20, 2004 at 3:30 p.m. the City of South Milwaukee Joint Review Board will hold an organizational meeting. The purpose of this meeting is to convene the Joint Review Board as part of the proposed creation of Tax Increment District No. 3 and amendment to Tax Increment District No. 1, pursuant to Section 66.1105 (4m) of the Wisconsin Statutes. The meeting will be held in the South Milwaukee City Administration Building, 2424 15th Avenue, South Milwaukee, Wisconsin.

AGENDA

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

PUBLIC NOTICE

PLEASE NOTE: Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language, interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the South Milwaukee City Clerk at (414) 762-2222, (FAX) (414) 762-3272, or write to the ADA Coordinator, City Hall, 2424 15th Avenue, South Milwaukee, WI 53172. The City of South Milwaukee is TDD equipped and can be accessed by calling (414) 768-8060.

MINUTES OF JOINT REVIEW BOARD
September 20, 2004 – 3:30 p.m.

MEMBERS: Acting Mayor Thomas Zepecki X
Renee Dudley, MATC X
Gregory Reiman, Milwaukee County X
Michael Stritchko, School Board X

Also present: City Engineer Kyle Vandercar, City Planner Jac Zader, CDA Executive Director John Leupold and interested parties.

1. Meeting called to order at 3:43 p.m.
2. Gregory Reiman represented Milwaukee County in place of Bob Dennik, who was unable to attend the meeting due to a family illness. It is expected that Mr. Dennik will represent Milwaukee County at the next Joint Review Board Meeting.
3. **Motion made by Dudley, seconded by Stritchko, to appoint the mayor or acting mayor of the City of South Milwaukee as chairperson. All voted aye. Motion carried.**
4. Vandercar recommended the appointment of Robert Morgan of 503 Manistique Avenue as the At Large Committee Member.

Motion made by Zepecki, seconded by Stritchko to appoint Robert Morgan as the At Large Committee Member. All voted aye. Motion carried.

Mr. Morgan is to be notified of his appointment and to be forwarded all materials.

5. Vandercar gave a brief presentation of the proposed project plans and boundaries for the amendment to TID No. 1 and the proposed TID No. 3. Dudley would like to see a breakdown of the \$3.4 million in construction costs proposed in TID No. 3. Staff is to provide a breakdown of those costs to all Joint Review Board members by the next meeting. Dudley questioned the City's 20% contribution to the total project costs as being high. Dudley also questioned the southern section of proposed TID No. 3 because of the lack of projects in that area. Staff will provide a supplement to Joint Review Board members regarding possible projects in this southern section of proposed TID No. 3. Reiman would like an estimate of the number of jobs that would be created as a result of the revitalization of Grant Park Plaza in proposed TID No. 3.
6. There will be a public hearing on Tuesday, September 28, 2004 at 6:00 regarding the proposed amendment to TID No. 1 and the proposed TID No. 3. The next meeting of the Joint Review Board will be held on Wednesday, October 13, 2004 at 3:30 p.m.
7. **Motion made by Dudley, seconded by Stritchko, to adjourn. All voted aye. Motion carried.** Meeting adjourned at 4:50 p.m.

Submitted by,



Jeri Nawotka

Recording Secretary

**NOTICE OF PUBLIC MEETING
CITY OF SOUTH MILWAUKEE
JOINT REVIEW BOARD MEETING ON
TAX INCREMENT DISTRICT NO. 3 AND
AMENDMENT TO TAX INCREMENT DISTRICT NO. 1**

NOTICE IS HEREBY GIVEN that on Wednesday, October 13, 2004 at 3:30 p.m., the City of South Milwaukee Joint Review Board will hold a meeting. The purpose of this meeting is review and discussion on the proposed creation of Tax Increment District No. 3 and amendment to Tax Increment District No. 1, pursuant to Section 66.1105 (4m) of the Wisconsin Statutes. The meeting will be held in the South Milwaukee City Administration Building, 2424 15th Avenue, South Milwaukee, Wisconsin.

AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes of September 20, 2004 meeting.
4. Review and discussion of Tax Increment District No. 3
5. Review and discussion of Amendment to Tax Increment District No. 1
6. Schedule Additional Meetings
7. Adjourn

PUBLIC NOTICE

PLEASE NOTE: Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language, interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the South Milwaukee City Clerk at (414) 762-2222, (FAX) (414) 762-3272, or write to the ADA Coordinator, City Hall, 2424 15th Avenue, South Milwaukee, WI 53172. The City of South Milwaukee is TDD equipped and can be accessed by calling (414) 768-8060.

MINUTES OF JOINT REVIEW BOARD
October 13, 2004 – 3:30 p.m.

MEMBERS:	Acting Mayor Thomas Zepecki	<u>X</u>
	Renee Dudley, MATC	<u>X</u>
	Bob Dennik, Milwaukee County	<u>X</u>
	Michael Stritchko, School Board	<u>X</u>
	Robert Morgan, At-Large Member	<u>X</u>

Also present: City Engineer Kyle Vandercar, City Planner Jac Zader, CDA Executive Director John Leupold and interested parties.

1. Meeting called to order at 3:40 p.m.
2. **Motion made by Dudley, seconded by Zepecki, to approve the minutes of the September 20, 2004 meeting. All voted aye. Motion carried.**
3. Vandercar updated the Board and reviewed changes made to the boundaries of Tax Increment District No. 3 and the amendment to Tax Increment District No. 1 as a result of the comments received at the Public Hearings held on September 28, 2004.
4. Vandercar presented a tentative time line for approval of the plans as follows:

CDA to meet on October 13, 2004 at 6:00 pm for approval of Tax Increment District No. 3 and the amendment to Tax Increment District No. 1; Common Council to meet on October 19, 2004 for approval; and the Joint Review Board to meet for final approval on November 1, 2004.

5. Vandercar offered to present the plans at each of the members' respective boards. Dudley and Stritchko declined. Dennik asked that Vandercar contact Supervisor McCue in regard to the plans.
6. The next meeting of the Joint Review Board is scheduled for Monday, November 1, 2004 at 3:30 pm.
7. **Motion made by Morgan, seconded by Stritchko, to adjourn. All voted aye. Motion carried.** Meeting adjourned at 4:08 p.m.

Submitted by,



Jeri Nawotka

Recording Secretary

**NOTICE OF PUBLIC MEETING
CITY OF SOUTH MILWAUKEE
JOINT REVIEW BOARD MEETING ON
TAX INCREMENTAL DISTRICT NO. 3 AND
AMENDMENT TO TAX INCREMENTAL DISTRICT NO. 1**

NOTICE IS HEREBY GIVEN that on Monday, November 8, 2004 at 3:30 p.m., the City of South Milwaukee Joint Review Board will hold a meeting. The purpose of this meeting is review the planning documents and resolutions adopted by the Common Council for creation of Tax Incremental District No. 3 and amendment to Tax Incremental District No. 1, pursuant to Section 66.1105 (4m) of the Wisconsin Statutes. The meeting will be held in the South Milwaukee City Administration Building, 2424 15th Avenue, South Milwaukee, Wisconsin.

AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes of October 13, 2004 meeting.
4. Discussion and decision regarding Council Resolution No. 04-49 creating Tax Incremental District No. 3 and adoption of resolution.
5. Discussion and decision regarding Resolution No. 4-50 Amending Tax Incremental District No. 1 and adoption of resolution.
6. Recommendation to leave Joint Review Board in place for review of TID No. 2 Project Plan amendment.
7. Adjourn

PUBLIC NOTICE

PLEASE NOTE: Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language, interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information or to request this service, contact the South Milwaukee City Clerk at (414) 762-2222, (FAX) (414) 762-3272, or write to the ADA Coordinator, City Hall, 2424 15th Avenue, South Milwaukee, WI 53172. The City of South Milwaukee is TDD equipped and can be accessed by calling (414) 768-8060.

MINUTES OF JOINT REVIEW BOARD
November 8, 2004 – 3:30 p.m.

MEMBERS:	Acting Mayor Thomas Zepecki	<u>X</u>
	Renee Dudley, MATC	<u>EXC</u>
	Bob Dennik, Milwaukee County	<u>X</u>
	Michael Stritchko, School Board	<u>X</u>
	Robert Morgan, At-Large Member	<u>X</u>

Also present: City Engineer Kyle Vandercar, City Planner Jac Zader, CDA Executive Director John Leupold and interested parties.

1. Meeting called to order at 3:42 p.m. Vandercar informed the Board that Renee Dudley had called him stating that she was caught in traffic and would not be able to attend the meeting. She stated that she had her questions answered satisfactorily in regard to both the amendment to TID No. 1 and the creation of TID No. 3 and it was her intention to vote in favor of both. She will verify this information with a fax to Vandercar. (Fax attached to these minutes.)
2. **Motion made by Morgan, seconded by Stritchko, to approve the minutes of the October 13, 2004 meeting.** On the question, Vandercar informed the Board that Mayor Kieck had sent an informational letter to Supervisor McCue in regard to the TID plans, as had been requested by Dennik. **All voted aye. Motion carried.**
3. There was discussion regarding Common Council Resolution No. 04-49 creating Tax Incremental District No. 3. Zepecki read the Joint Review Board Resolution Concerning City of South Milwaukee Tax Incremental District No. 3 approving Common Council Resolution No. 04-49.

Motion made by Zepecki, seconded by Morgan, to approve the Joint Review Board Resolution Concerning City of South Milwaukee Tax Incremental District No. 3. On the question, Vandercar reviewed financial data regarding TID No. 3. **All voted aye. Motion carried.**

4. There was discussion regarding Common Council Resolution No. 04-50 amending Tax Incremental District No. 1. Zepecki read the Joint Review Board Resolution Concerning City of South Milwaukee Amendment to Tax Incremental District No. 1 approving Common Council Resolution No. 04-50.

Motion made by Morgan, seconded by Dennik, to approve the Joint Review Board Resolution Concerning City of South Milwaukee Amendment to Tax Incremental District No. 1. On the question, Vandercar informed the Board of funds that were added for streetscaping and also reviewed financial data regarding TID No. 1. **All voted aye. Motion carried.**

5. The Joint Review will be left in place for the review of the anticipated TID No. 2 Project Plan amendment.
6. **Motion made by Morgan, seconded by Stritchko, to adjourn. All voted aye. Motion carried.**
Meeting adjourned at 3:55 p.m.

Submitted by,

Jeri Nawotka

Jeri Nawotka
Recording Secretary

MILWAUKEE AREA
TECHNICAL COLLEGE
700 WEST STATE ST.
MILWAUKEE WI
53233

Fax

To: Kyle Vandercar

From: Renee Dudley
414-297-6463

Fax: 768-8068

Pages: 1

Phone:

Date: 11/8/04

Re:

CC:

Urgent For Review Please Comment Please Reply Please Recycle

Kyle -

As we discussed please accept
this as a proxy to vote in favor
of the amendment of TID # 1
and the creation of TID # 3.
Please let me know. Thanks,

Renee Dudley

CITY OF SOUTH MILWAUKEE
MINUTES OF COMMUNITY DEVELOPMENT AUTHORITY
September 28, 2004 – 6:00 P.M.

MEMBERS: Terrence Browne X. Mike Johnson X. Heather Page EXC
Ald. Baumgartner EXC Ald. Zepecki X Edward Magnuson X

Also present: Executive Director Leupold, City Attorney Murphy, City Engineer Kyle Vandercar, and City Planner Jac Zader. John Lange present as a citizen.

Public Hearings began at 6:00 p.m. Vandercar introduced the CDA members to the public in attendance.

• **Public Hearing on Boundary and Project Plan for Tax Incremental District No. 3**

1. Vandercar gave a brief slide presentation on TID 3.
2. Johnson read the official notice and outlined the procedures to be followed for the public hearing. Johnson asked that the remarks be brief as there were two other public hearings to follow. Questions asked by the public will be written down and answered later in the meeting.
3. A letter from Elizabeth S. Almon of 701 Clark Avenue was read into the minutes. The letter spoke in favor of TIF for Grant Park Plaza citing the poor impression the present condition of the Plaza presents of the City and her own personal experiences of not having a local grocery store to shop at.
4. Citizens present were given the opportunity to address the CDA. See attached list of citizens who spoke at the hearing.

Motion made by Zepecki, seconded by Browne to close the Public Hearing on Boundary and Project plan for Tax Incremental District No. 3. All voted aye. Motion carried.

• **Public Hearing on Boundary and Project Plan Amendment for Tax Incremental District No. 1**

1. Johnson read the official notice.
2. Vandercar gave a brief slide presentation on TID 1 Amendment.
3. Citizens present were given the opportunity to address the CDA. See attached list of citizens who spoke at the hearing.

Motion made by Browne, seconded by Zepecki, to close the Public Hearing on Boundary and Project Plan Amendment for Tax Incremental District No. 1. All voted aye. Motion carried.

• **Public Hearing on Sale of Real Property in Project Area No. 2 (Tax Incremental District No. 2) for Private Use.**

1. Johnson read the official notice.
2. A letter from Brett Briesemeister of 718 Walnut was read into the minutes. The letter expressed his concerns with regard to the below market sale of

the property and the inappropriate use of the property. He would like to see commercial development.

3. Vandercar gave a brief presentation on the proposed sale of 221 N. Chicago Avenue.
4. Citizens present were given the opportunity to address the CDA. See attached list of citizens who spoke at the hearing.

Motion made by Zepecki, seconded by Browne, to close the Public Hearing on the Sale of Real Property in Project Area No. 2 (Tax Incremental District No. 2) for Private Use.

Meeting called to order at 7:45 p.m.

1. **Motion made by Zepecki, seconded by Browne, to approve the minutes of August 16, 2004. All voted aye. Motion carried.**
2. **Motion made by Zepecki, seconded by Magnuson, to approve the minutes of the special meeting of August 30, 2004. All voted aye. Motion carried.**
3. There was discussion regarding questions that had been asked during the Public Hearing regarding TID No.3 Boundaries and Project Plan. There was lengthy discussion regarding the southern and eastern boundaries with some Board members wishing to address the citizen concerns expressed during the Public Hearing.
4. **Motion made by Zepecki, seconded by Browne, to refer back to staff the TID No. 3 Boundary and Project Plan to amend the boundaries and recalculate the base value and other criteria. The boundaries of TID No. 3 are to be Sherman Avenue on the south and the railroad tracks on the east, except for property on the north end of the proposed district which overlaps TID No. 1. Property on the north side of Columbia Avenue (930 and 1040) is to be added back to the district if required to meet the requirements of the TID. All voted aye. Motion carried.**
5. There was discussion regarding the Boundary and Project Plan Amendment for TID No. 1. It was brought to the Board's attention that one of the houses in the Amendment on Michigan Avenue is used as a residence even though it is zoned commercial. Members felt that this property as well as the one next to it should not be included in the Project Plan.
6. **Motion made by Zepecki, seconded by Magnuson, to approve the TID No. 1 Boundary and Project Plan Amendment with the exception of the two properties at 1011 and 1015 Michigan Avenue. The Amendment was referred back to staff for revision, after which the Joint Review Board and Community Development Authority would need to approve before referral to the Common Council. All voted aye. Motion carried.**
7. There was discussion regarding the public hearing comments on the sale of land at 221 N. Chicago Avenue. It was decided to hold this item over to the next meeting after the public hearing scheduled for October 5, 2004 on the rezoning of the property.

8. There was no need to go into closed session regarding Agenda Item No. 8.
9. There was a review of the bids for demolition of 312 N. Chicago Avenue. The low bid was AZAR, LLC, dba: Sam Azarian Wrecking Co. in the amount of \$7,944.00.

Motion made by Browne, seconded by Johnson, to approve a contract with AZAR, LLC for the demolition of 312 N. Chicago Avenue, in an amount not to exceed \$7,944.00. All voted aye. Motion carried.

10. There was discussion regarding CDA funding of \$400.00 for Jac Zader to attend Asbestos Inspector class. This would allow the City to do inspections in-house.

Motion made by Browne, seconded by Zader, to approve CDA funding for Jac Zader to attend Asbestos Inspector class. All voted aye. Motion carried.

11. There was discussion regarding Parkcrest one-year and five-year plans. Browne expressed the Board's appreciation to Leupold for his work on this project. The Board had also received a copy of the CFP grant amendment in the amount of \$104,645.

Motion made by Zepecki, seconded by Magnuson, to accept the recommendation to approve the Parkcrest one-year and five-year plans and to adopt CDA Resolution 04-06 approving these plans. All voted aye. Motion carried.

12. There was no need to go into closed session regarding Agenda Item No. 13.
13. There was discussion regarding 1010 Davis Avenue and 211 11th Avenue. Murphy gave a summary on the background of these properties and the situation with the owner.

Motion made by Browne, seconded by Magnuson, to reject the latest offer made to the City by the owner of 1010 Davis Avenue and 211 11th Avenue and to request that the City Attorney pursue a court order to proceed with Phase 2 environmental study. All voted aye. Motion carried.

14. Next meeting – Wednesday, October 13, 2004 – 6:00 p.m.
15. **Motion made by Johnson, seconded by Browne to adjourn. All voted aye. Motion carried.** Meeting adjourned at 8:55 p.m.

Submitted by,



Jeri Nawotka
Recording Secretary

**City of South Milwaukee
Public Hearings – September 28, 2004**

The following citizens spoke regarding TID 3:

Steve Parsons – 3801 9th Avenue

Written questions were given to Johnson to be answered on a personal basis. In favor.

A. J. Walek – 728 Montana Avenue

In favor. Recommends that developer be checked for financial stability.

Terry Patnode – 1102 Columbia Avenue

Does not agree with boundaries. Suggests southern boundary at Drexel Ave.

Robert Sarver – 1207 Oak Creek Parkway

Opposed. Situation at Plaza best left to free market.

Jeff Racine – 904 Sherman Avenue

Opposed. Questioned borders and ability to fill up the Plaza with tenants.

Mike Karbowski – 1119 Milwaukee Avenue

Questions: How long is the lease? How long is the payback? What happens if the developer declares bankruptcy?

Gary Jacobson – 313 Lakeview Avenue

Opposed. Felt boundaries were expanded to cover mistakes in other districts.

Representative for Mary Becker and Katherine Schall – 3105, 3111, 3107 S. Chicago
In favor.

Brian Fisher – Representative for Anderson Ashton

Presently only two locations in the Plaza are without a commitment.

Brad McKendry – 612 Walnut Street

In favor. He has not heard any negative comments from those residents he has spoken with. Applauds efforts to try to move the city forward.

Sue Kuzmic – 828 Columbia Avenue

In favor. Great step forward.

Kate Bernovich – 317 Laurel Lane

In favor. Keeps residents spending money in the city.

Dawn Green – 2825 S. Chicago Avenue

In favor. Moved here because of access via wheelchair to shopping center.

Wants this to move forward ASAP.

Dan Ferrell – Vice President for Roundy's, Inc.

Roundy's looks forward to serving the community. Project will not happen without TIF assistance. Roundy's commitment to project is \$3-4 million dollars.

Craig Maass – 117 Brookdale Dr.

Question: Why is the boundary bigger?

Debra Witkowski – 1015 16th Avenue

Opposed.

Kevin Kuhnke – 1307 Milwaukee Avenue

Opposed. Question: Why does district go so far south? In favor of grocery store but not of \$3.5 million city contribution.

Steve Parsons – 3801 9th Avenue

Spoke again in favor. Considers this a stepping stone for city.

David Kieck – 212 16th Avenue

In favor. 150 jobs to be created in Plaza. If nothing is done, assessed valuation of Plaza will decline. Project has been in works for a long time.

Barbara Hintz – 1711 Manistique Avenue

In favor.

Bill Bates – 614 Cherry Avenue

In favor. Would like boundaries looked at.

Tom Zingale – 917 Michigan Avenue

In favor. South Milwaukee would become ghost town without it.

The following citizens spoke regarding TID 1:

Robert Sarver – 1207 Oak Creek Pkwy

Opposed to refinancing.

A.J. Walek – 728 Montana Avenue

In favor. Expansion of MetalCut will provide jobs.

The following citizens spoke regarding the Sale of Real Property in Project Area No. 2 (Tax Incremental District No. 2) for Private Use:

Mike Karbowski – 1119 Milwaukee Avenue

Opposed.

Steve Parsons – 3801 9th Avenue

In favor.

A.J. Walek – 728 Montana Avenue

Opposed. Density too high. Wait for a better plan.

Note: This is a summary of comments made at the meeting. Tape recording of public hearing is on file in City Engineer's office.

Sign-in Sheets are on file for those attendees who chose to sign in at the hearings. The list is not a comprehensive list of citizens, only those who provided names and addresses

COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF SOUTH MILWAUKEE

CDA RESOLUTION NO. 04-07

RESOLUTION RECOMMENDING AMENDMENT TO BOUNDARIES OF TAX
INCREMENT DISTRICT NO. 1; ADOPTION OF PROJECT PLAN
AMENDMENT; AND SUBMISSION OF PLAN TO COMMON COUNCIL

WHEREAS, the Common Council of the City of South Milwaukee adopted Resolution No. 04-18 on March 16, 2004 authorizing the Community Development Authority (CDA) to proceed with the tasks necessary to amend Tax Incremental District (TID) No. 1 and Redevelopment Project Area No. 1; and

WHEREAS, the CDA established an amended boundary for said TID NO. 1 and caused an amended Project Plan to be prepared which identifies redevelopment projects in the district with required supporting analysis, maps, and data as described under ss 66.1105 (4) (f) and 66.1331 (3)(m); and

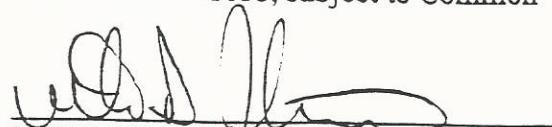
WHEREAS, on September 28, 2004 the CDA conducted a public hearing on said amended TID boundary and Project Plan after duly notifying property owners and overlying taxing jurisdictions of said public hearing, and publishing the Official Notice as a Class 2 notice; and

WHEREAS, the CDA has caused the proposed TID Boundary and Project Plan to be revised based on public hearing comments, and has approved said revisions; and

WHEREAS, the Joint Review Board has been convened to review the proposed TID and Project Plan;

NOW THEREFORE BE IT RESOLVED, after due consideration, the Community Development Authority of the City of South Milwaukee hereby recommends that the Common Council adopt a resolution to amend TID No. 1 and approve the amended Project Plan.

BE IT FUTHER RESOLVED THAT the CDA hereby designates the amended boundaries of Redevelopment Project Area No. 1 effectively the same as TID No. 1 for the purposes of carrying out such projects pursuant to ss 66.1833, subject to Common Council approval.



MICHAEL D. JOHNSON,
CHAIRPERSON

Adopted: October 13, 2004

**CITY OF SOUTH MILWAUKEE
CITY ATTORNEY**

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

October 19, 2004

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

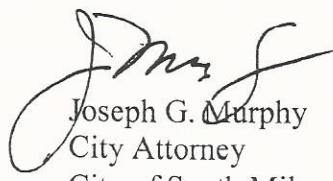
**Re: Tax Incremental District No. 1 - Amendment
Opinion Letter Regarding Compliance with ss 66.1105(4)**

Dear Mayor Kieck:

As City Attorney for the City of South Milwaukee, I have been requested to review the Tax Incremental District (TID) No. 1 Project Plan Amendment, which has been recommended by the Community Development Authority and submitted to the Common Council for approval. In accordance with ss 66.1105 (4)(f), I have reviewed the amended Project Plan and Resolution to be adopted by the Common Council. It is my opinion that the Project Plan is complete and complies with Wisconsin Statute 66.1105 (4).

This letter should be attached to the amended Project Plan, assuming it is adopted by the Common Council. Any questions regarding this opinion may be directed to me.

Yours truly,


Joseph G. Murphy
City Attorney
City of South Milwaukee

RESOLUTION NO. 04-50

RESOLUTION AMENDING TAX INCREMENTAL DISTRICT NO. 1

WHEREAS, the Common Council of the City of South Milwaukee adopted Resolution No. 04-18 on March 16, 2004 authorizing the Community Development Authority (CDA) to proceed with the tasks necessary to amend Tax Incremental District (TID) No. 1 and Redevelopment Project Area No. 1; and

WHEREAS, the CDA established an amended boundary for said TID NO. 1 and caused an amended Project Plan to be prepared which identifies redevelopment projects in the district with required supporting analysis, maps, and data as described under ss 66.1105 (4) (f) and 66.1331 (3)(m); and

WHEREAS, on September 28, 2004 the CDA conducted a public hearing on said amended TID boundary and Project Plan after duly notifying property owners and overlying taxing jurisdictions of said public hearing, and publishing the Official Notice as a Class 2 notice; and

WHEREAS, the CDA has caused the proposed TID Boundary and Project Plan to be revised based on public hearing comments, and has approved said revisions; and

WHEREAS, the Joint Review Board has been convened to review the amended TID and Project Plan;

WHEREAS, CDA Resolution No. 04-07 was adopted on October 13, 2004 recommending that the Common Council adopt a resolution to amend TID No. 1 and approve the amended Project Plan and Project Area Redevelopment Plan.

NOW THEREFORE BE IT RESOLVED, after due consideration, the Common Council of the City of South Milwaukee hereby amends Tax Incremental District No. 1, City of South Milwaukee, said amendment being effective January 1, 2005; and

BE IT FURTHER RESOLVED, that the revised boundaries for TID No. 1 shall be as delineated on Exhibit A attached hereto and as described in the Project Plan, included herein by reference; and

BE IT FURTHER RESOLVED, the boundaries of TID No. 1 contain only whole units of property as are assessed for property tax purposes and excludes any designated wetlands; and

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

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

- A. When created in 2000, less than 50 percent, by area, of the real property within the TID boundary as delineated on Exhibit A was blighted; in need of redevelopment or rehabilitation; and
- B. The improvement of properties within TID No. 1 has enhanced property values; and is likely to enhance significantly the value of substantially all of the other real property in the district; and
- C. The project costs identified in the Project Plan relate directly to eliminating blight and are consistent with the purpose for which the TID was created; and
- D. The equalized value of taxable property of the TID plus the value increment of all existing TIDs does not exceed 12 percent of the total equalized value of taxable property within the City.

BE IT FURTHER RESOLVED, TID No. 1 was declared a blight elimination TID when created and will continue to be considered a blighted area district for the purposes of ss 66.1105 (4)(gm)(6).

BE IT FURTHER RESOLVED, pursuant to Wisconsin Statutes 66.1105(4)(g), the Common Council hereby approves the amended Project Plan recommended by the CDA and finds said plan feasible and in conformance with the City's Comprehensive (Master) Plan.

BE IT FURTHER RESOLVED, pursuant to Wisconsin Statutes 66.1331(5)(b)(3), the Common Council hereby designates the boundaries of Redevelopment Project Area No. 1 as shown on Exhibit A and approves the amended Project Area Redevelopment Plan for the purpose of carrying out redevelopment projects; and finds said plan feasible and in conformance with the City's Comprehensive (Master) Plan.

BE IT FURTHER RESOLVED, the CDA is authorized to proceed with the projects identified in the Project Plan subject to Common Council's approval of funding for said projects.



DAVID M. KIECK, Mayor

Attest:

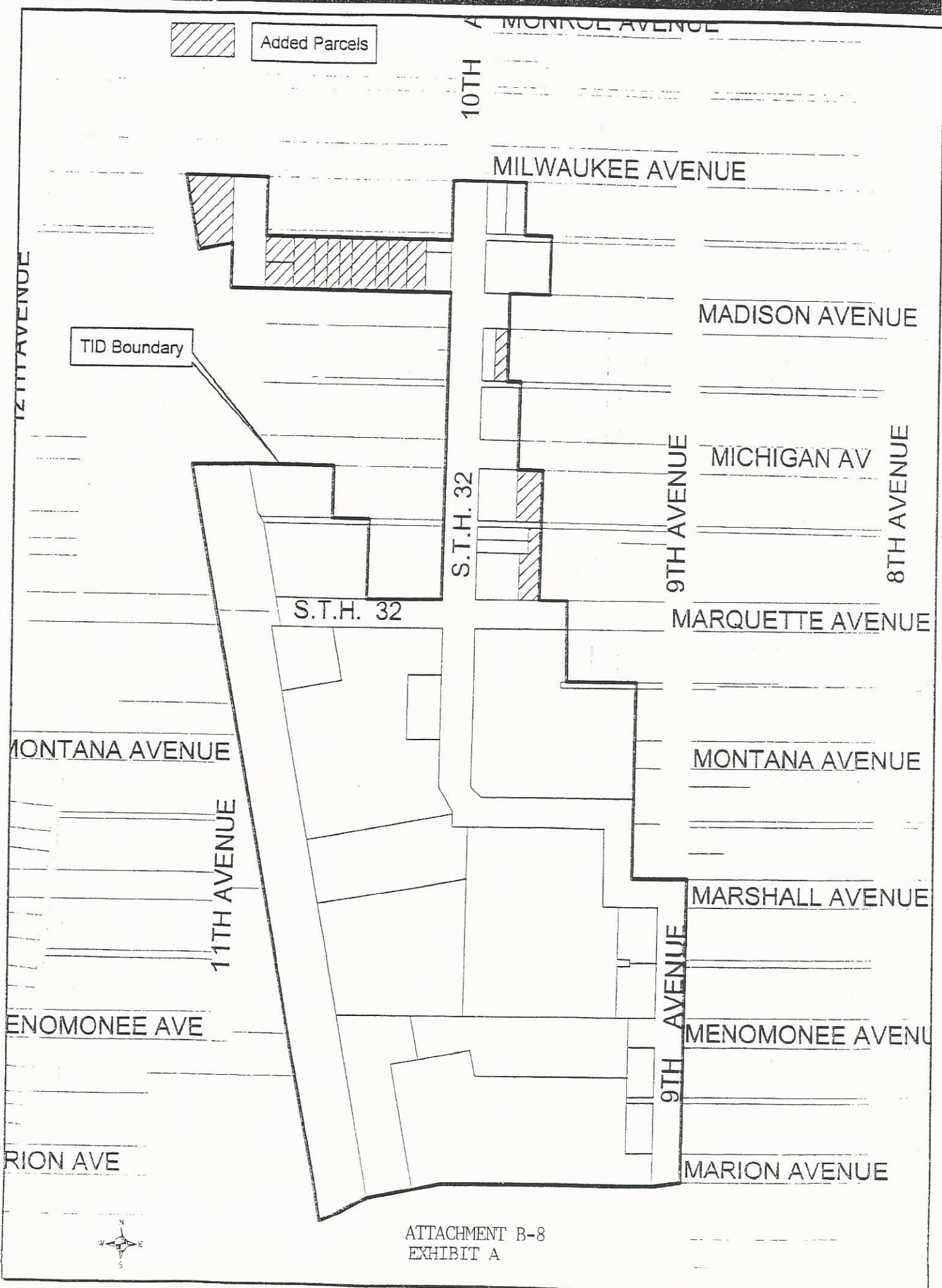
Kathleen M. Lisowski
KATHLEEN M. LISOWSKI, City Clerk

Adopted: October 19, 2004

Approved: October 20, 2004

I, Kathleen M. Lisowski, 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 October 19, 2004. Motion by Zepecki, seconded by Raduenz, to adopt the Resolution.

Vote: 8 yes; 0 no



**JOINT REVIEW BOARD RESOLUTION CONCERNING
CITY OF SOUTH MILWAUKEE AMENDMENT TO TAX INCREMENTAL
DISTRICT NO. 1**

WHEREAS, the Joint Review Board duly appointed pursuant to Wisconsin Statutes 66.1105(4m), having met and reviewed the public record, planning documents and Resolution No. 04-50 passed by the city of South Milwaukee Common Council amending Tax Incremental District No. 1, hereby makes the following findings:

- (A) The development expected in the Tax Incremental District would not occur without the use of Tax Incremental Financing; and
- (B) The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income and property value are sufficient to compensate the cost of the improvements; and
- (C) The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

NOW THEREFORE BE IT RESOLVED THAT based on this Board's review and its findings, the Board hereby approves Resolution 04-50 adopted pursuant to Wisconsin Statutes 66.1105(4)(gm) by the Common Council for the City of South Milwaukee on October 19, 2004.

This Resolution is adopted this 8th day of November 2004 by a majority vote of the Joint Review Board.



Thomas Zepecki, Chairperson

CERTIFICATION

This is to certify that the above Resolution was duly and regularly adopted by the Joint Review Board at a meeting held on November 8, 2004. Motion was made by Morgan and seconded by Dennik to adopt the resolution. Vote was 5 in favor and 0 against. Resolution adopted.

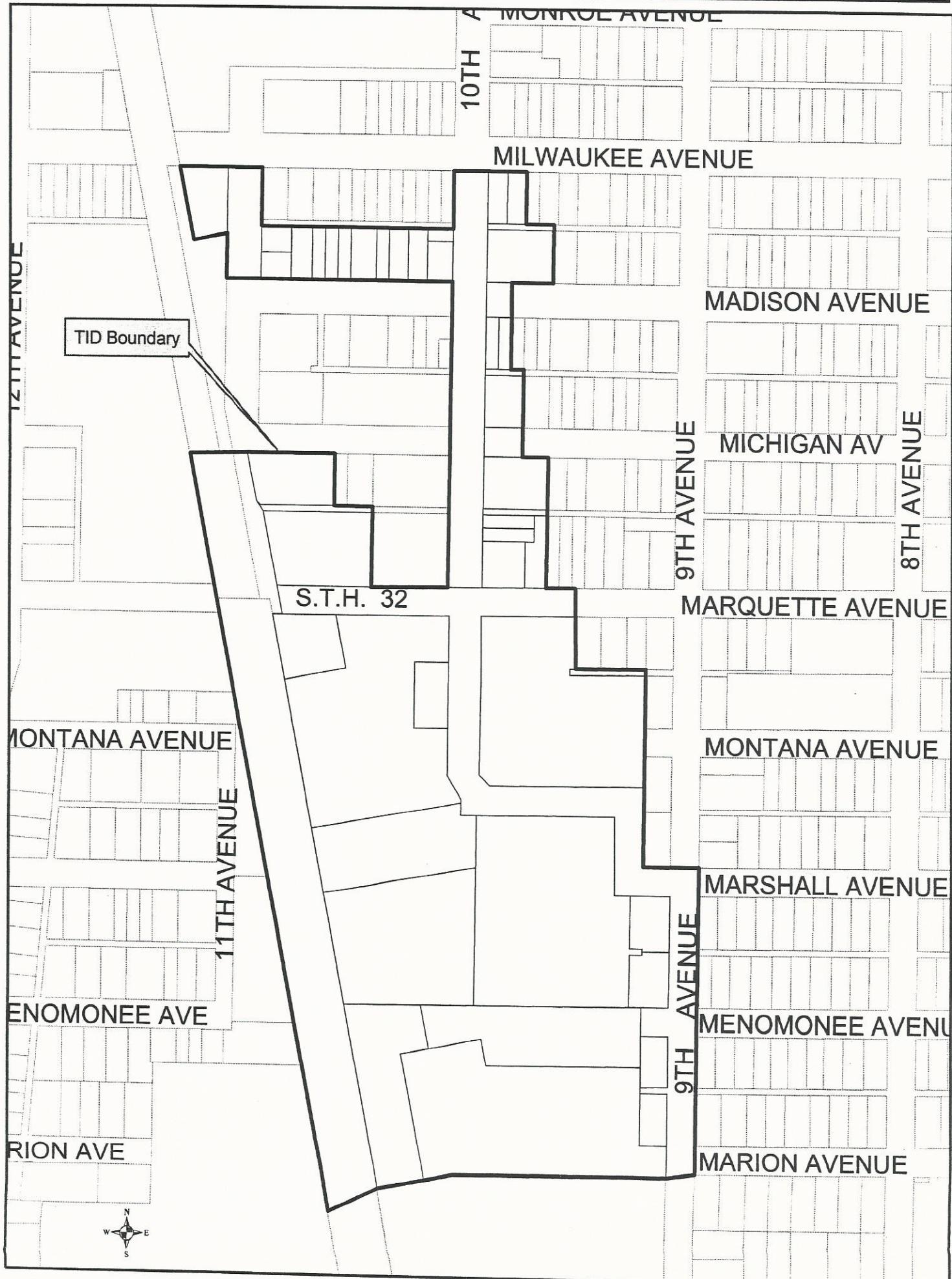


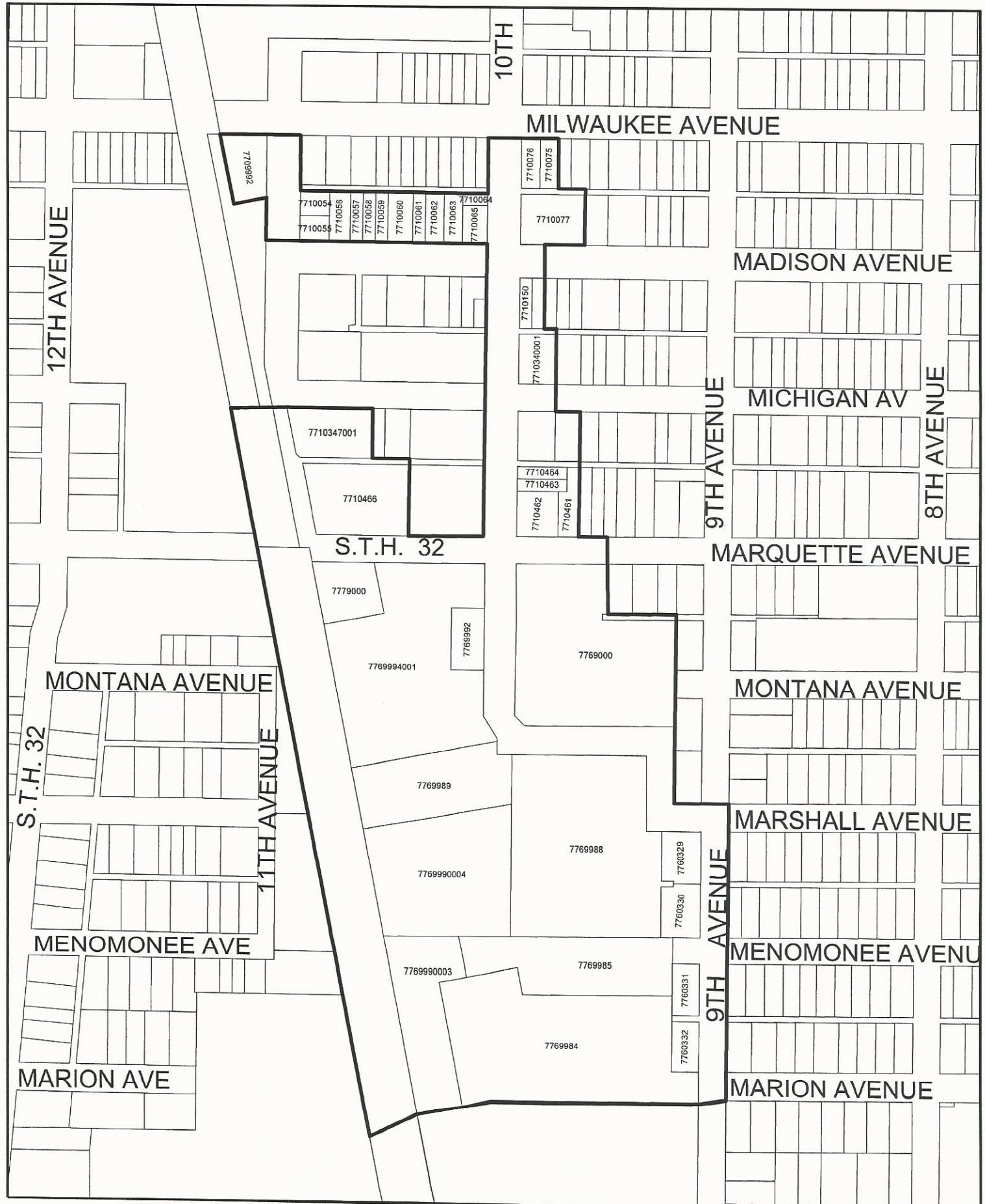
Jeri L. Nawotka, Recording Secretary

ATTACHMENTS C

MAPS

TID 1 AMENDED BOUNDARY- Map No. 1





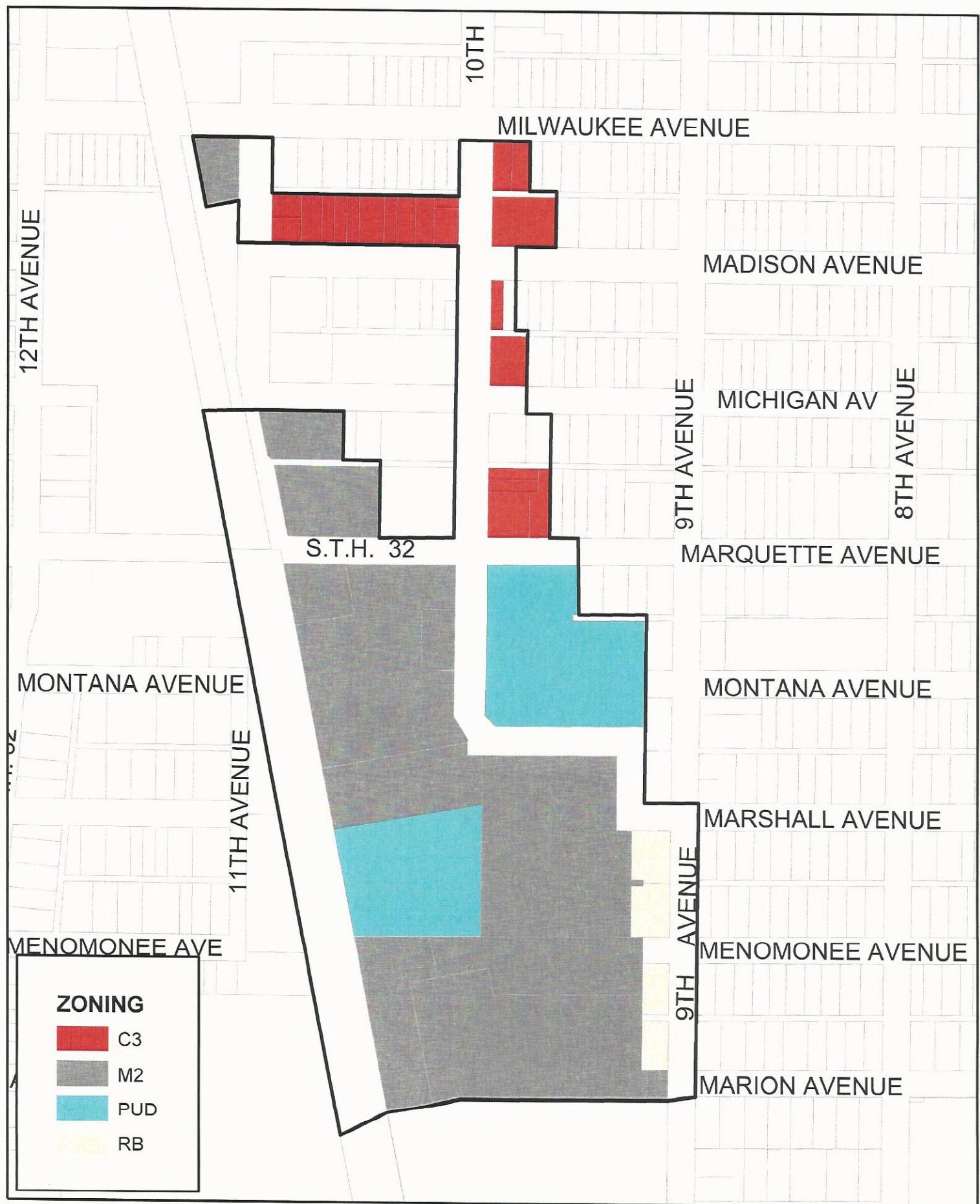
1 inch equals 300 feet

Tax Increment District No. 1
Redevelopment Area

Property Tax Key/ Parcel Numbers

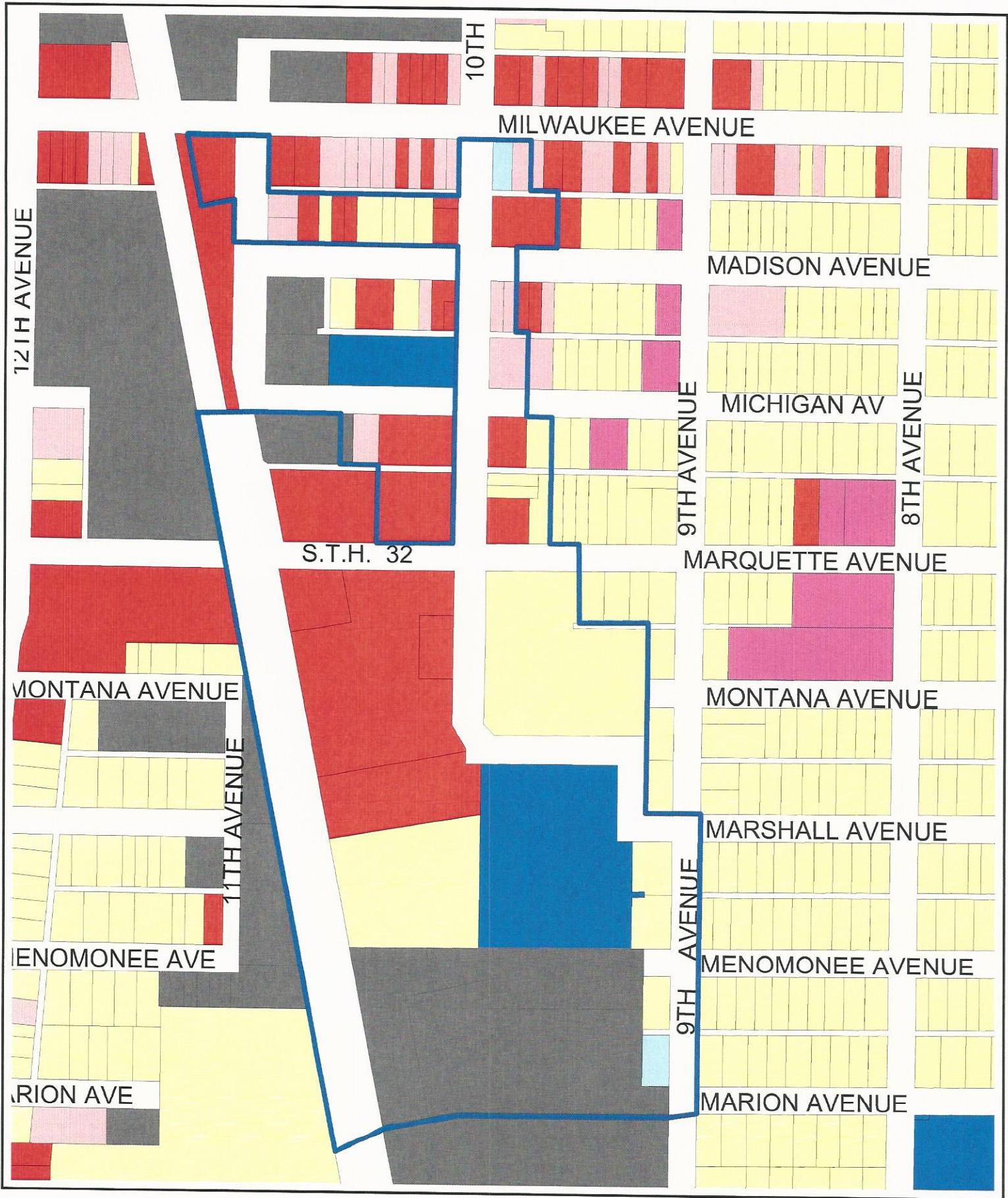
Map No. 2

January 2005



Map No. 3

January 2005

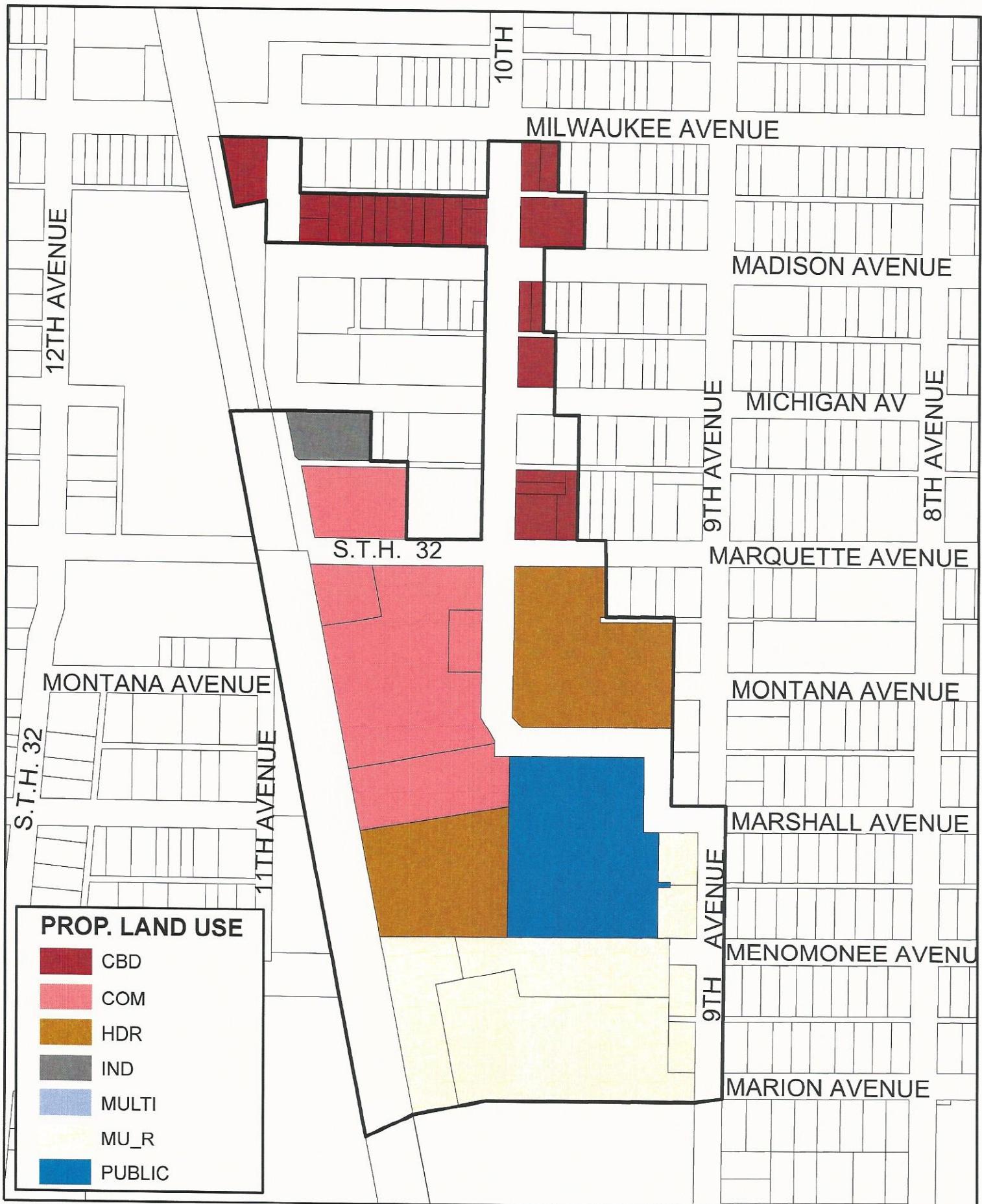


City Of South Milwaukee
Tax Incremental District No. 1
Map No. 4



Existing Land Use
1 inch equals 300 feet

VACANT	COMMERCIAL
RESIDENTIAL	INDUSTRIAL
PUBLIC	MIX USE



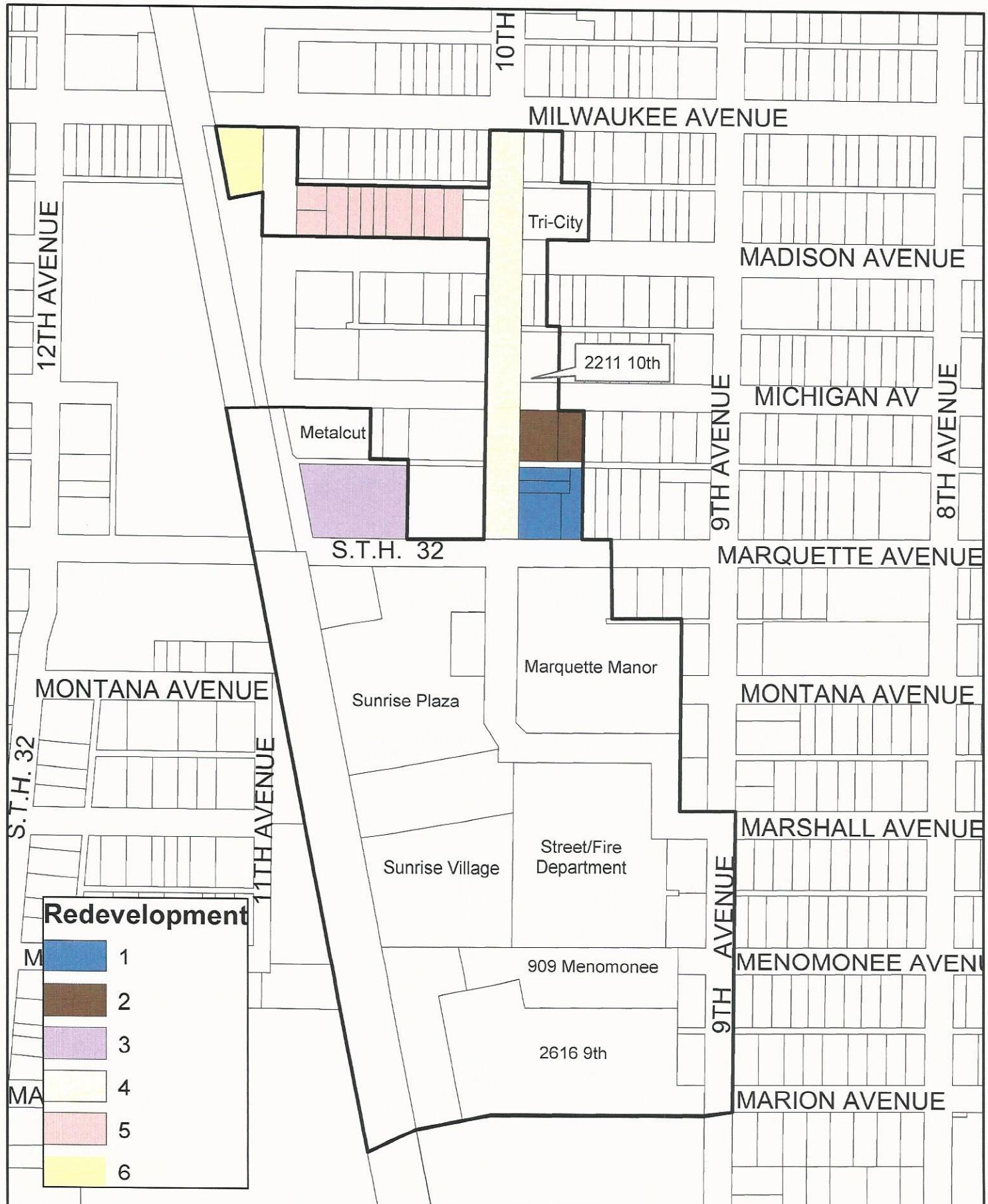
1 inch equals 300 feet

Tax Increment District No. 1
Redevelopment Area

Proposed Land Use

Map No. 5

January 2005



Tax Increment District No. 1
Redevelopment Area

Proposed Projects

Map No. 6

January 2005

ATTACHMENTS D

MISCELLANEOUS

Tax Incremental Finance – An Intergovernmental/Private Partnership

What Is TIF?

The Tax Incremental Finance Law (TIF) was approved by the Wisconsin Legislature in 1975 as a financial tool cities and villages could use to promote tax base expansion. It is targeted toward eliminating blighted areas, rehabilitating areas declining in value, and promoting industrial development.

Before TIF, when a community installed public improvements to promote private development, its property owners bore these costs, but all taxing entities that shared the tax base benefitted. The legislature recognized this was an inequitable situation that sometimes discouraged development and redevelopment efforts. With TIF, all those who benefit directly or indirectly help pay development costs. All taxing entities become partners to promote expansion of their tax base.

TIF is a finance tool for tax base expansion. Benefits may also come in the form of increased employment, an improved business climate, and elimination of unsafe or unsightly areas.

How Does TIF Work?

When a Tax Incremental District (TID) is created, the municipality and other taxing entities agree to support their normal operations from the existing tax base within the district. A finding must be made that no development would happen without this financing tool. If this is true, tax rates will be the same with or without the TID. Property tax rates for the school, county, technical college, and municipality are based on the taxable value of the TID at the time it is created. These rates are then applied to the TID value increment which results in additional revenues collected for the district's fund. Development costs are paid from these revenues before the added tax base is shared.

In-theory, the tax-increment-added-to-each-levy does not increase taxes for property owners in the various taxing entities. It comes from taxes paid by owners of property, within the TID, whose property values have increased since creation of the district. This is possible because levies are apportioned without the TID value increases.

TIF is not a tax freeze nor a tax increase, but a special allocation method for taxes collected on property value increases within the district.

What Happens If TIF Revenues Fall Short?

Even the best laid plans can fall short of their goals. When this happens to a TID it results in a direct financial impact on the municipality. When projected revenues are lower than expected and expenditures are not met, a deficit occurs. If this deficit continues so that the TIF district cannot meet its obligations within its maximum life, what are the options for the municipality?

The municipality can continue with the TIF district in hopes that some potential development will change the projected deficit into a positive cash flow, or it can dissolve the district at which time the city shall become liable for all unpaid costs.

This is spelled out in the TIF Law in S. 66.1105(7)(b) which says, in part:

The local legislative body, by resolution, dissolves the district at which time the city shall become liable for all unpaid project costs actually incurred which are not paid from the special fund under sub. (6)(c).

Any municipality creating a TIF district must be willing to accept the possibility that it may not produce the desired results. When this happens, the taxpayers in that municipality will be responsible for assuming any unpaid project costs. For this reason, it is important to plan the district in a realistic way. Municipal officials, and overlying taxing jurisdiction officials should look at all available financing options and be familiar with the tax incremental law and its ramifications.

How Are Other Taxing Districts Affected?

Each tax district involved participates in the TIF partnership. Each shares a common hope that TIF expenditures will promote property tax base growth that would not otherwise have occurred. However, each tax district is affected to a different degree, depending on the value of TIDs within its boundaries compared to its total value. Joint Review Board members should each analyze how TIF affects them.

➤ Municipal Representative

If a TID is effective and property values grow, the overlying tax districts will forgo the increase in property tax revenues until the municipality recoups its investment in the district. If the TID does not grow as planned, municipal taxpayers will ultimately pay some of the costs, themselves.

➤ School District Representative

The school district(s) will not have the benefit, for local tax purposes, of any expanded property tax base in the TID until it is terminated, which can take up to 27 years, for many TIDs.

This delay can be justified if it is concluded the growth in property tax base would not have occurred during that period without the TID. Details for the school district can be obtained from the school district business manager.

➤ Technical College Representative

Technical college districts, like school districts, forgo the benefits of any increased property tax base until the TID is terminated, which can be up to 27 years.

If it can be concluded growth would not have occurred without the TID during that period, it is ultimately beneficial to the district's finances.

However, if the growth would have happened without the TID, the technical college will have a higher tax rate than if the TID had not been created. Details for the technical college district can be obtained from the district business manager.

➤ County Representative

Counties are affected in the same manner as schools and technical colleges. Benefit of any property tax base increase is foregone until the TID is terminated, which can take up to 27 years.

If it can be concluded growth would not have occurred without the TID during the period, it is ultimately beneficial to county finances.

On the other hand, if growth would have happened without the TID, the county will have a higher tax rate than if the district had not been created. Details for the county can be obtained from the county finance officer.

How Are Tax Increments Determined?

When a city or village creates a TID, it applies to the Department of Revenue for determination of property values within the district. This is the district's **Base Value**. As long as the TID exists, the Department determines its equalized value as of January 1 each year. This is called the **Current Value**. The difference between the base value and the current value is the **Value Increment**. The value increment is used to determine the amount of tax increment revenue that can be collected for that particular year.

Each taxing entity apportions its tax levy to the municipalities within its boundaries based on each one's share of its total equalized value. Only the base value of TIF districts is included in the apportionment process.

Some observers of the TIF law argue that since the base value of the TID may grow each year due to inflation, taxes on the "ordinary growth" in the base value should accrue to the respective taxing jurisdictions rather than to the TID's tax increment. However, the TIF law (s. 66.1105) provides that all value increases become part of the increment.

The example on the following pages shows how the county levy is apportioned and how the tax increment to be added is calculated. The same process is used to determine the tax increment added to each of the other levies, including that of the city or village that created the TID.

Tax Incremental Calculation Example

The Tax Incremental Finance Law (TIF) was approved by the Wisconsin Legislature in 1975 as a financial tool cities and villages could use to promote tax base expansion. It is targeted toward eliminating blighted areas, rehabilitating areas declining in value, and promoting industrial development.

Assumptions:

1. The entire county is composed of four cities, one of them has a TIF district.
2. The 2000 equalized values of property in the four cities are:

City A	\$400,000,000 *
City B	70,000,000
City C	20,000,000
City D	10,000,000
Total	\$500,000,000 *

*(includes \$30,000,000 incremental value)
3. City A has a tax incremental district (TID #1) with values of:

1995 Base Value	\$20,000,000
2000 Current Value	50,000,000
Value Increment	30,000,000
4. The county needs \$1,500,000 from property taxes for its budget.

NOTE: Values of the taxing entity and any municipality with one or more TIDs, are reduced by the value increment in any of the TIF districts.

Chart A Each city's percent of the county's value is obtained with the formula:

$$\% \text{ of the County's Value} = \text{Value of Municipality} \div \text{Value of County}$$

Municipality	TID/OUT Value of Municipality		TID/OUT Value of County		% of the County's Value
City A	\$370,000,000	÷	\$470,000,000	=	.787234
City B	70,000,000	÷	470,000,000	=	.148936
City C	20,000,000	÷	470,000,000	=	.042553
City D	10,000,000	÷	470,000,000	=	.021277
				Total	1.000000

Chart B The county tax apportioned to each city is obtained with the formula:

$$\text{Apportioned Tax} = \% \text{ County Value} \times \text{County Levy}$$

Municipality	% County Value		County Levy		Apportioned Taxes
City A	.787234	×	\$1,500,000	=	\$1,180,850
City B	.148936	×	1,500,000	=	223,405
City C	.042553	×	1,500,000	=	63,830
City D	.021277	×	1,500,000	=	31,915
				Total	\$1,500,000

Chart C

The formula for the county mill rate for each city is:

$$\text{City Mill Rate} = \text{City Apportioned Tax} \div (\text{City Equalized Value} - \text{Increment})$$

Municipality	Apportioned City Taxes		City's TID/OUT Equalized Value		County Mill Rate for City
City A	\$1,180,850	÷	\$370,000,000	=	.0031915
City B	223,405	÷	70,000,000	=	.0031915
City C	63,830	÷	20,000,000	=	.0031915
City D	31,915	÷	10,000,000	=	.0031915

Chart D

The formula for the county tax to be collected by each city is:

$$\text{County Tax Collected} = \text{Mill Rate} \times \text{Total Equalized Value of All City Property} \text{ (includes the incremental value of TID #1 in City A)}$$

Municipality	Mill Rate		Total Equalized Value of City		County Taxes Collected
City A	.0031915	×	\$400,000,000	=	\$1,276,600
City B	.0031915	×	70,000,000	=	223,405
City C	.0031915	×	20,000,000	=	63,830
City D	.0031915	×	10,000,000	=	31,915

Total County Taxes Collected \$ 1,595,750

Total County Levy 1,500,000

Tax Increment retained by City A \$ 95,750

The county tax collected is apportioned to individual property owners in each city based on the assessed value of each parcel.

The amount of the tax apportioned by the county is \$1,500,000. Chart B shows the amounts apportioned to each city.

The difference between the amount collected by the county by City A, and the amount apportioned is \$95,750. This is the "Tax Increment" retained by City A and deposited into the TID #1 fund to be used for the district's project costs.

Chart E

Chart E below shows the effect on the county mill rate if the TIF district in City A had been terminated in 2000, and the county's levy and values of each city remain the same.

County Levy	County Equalized Value	Mill Rate
\$1,500,000	\$500,000,000*	.0030000

* Includes TID value increase in TID #1, City A

There is a difference in the tax rate of 19.15 cents per thousand dollars of equalized value without the TID in City A, compared to the rate with the TID. This would mean a \$19.15 tax difference on a property with a \$100,000 market value.

Tax Incremental District (TID) Criteria Matrix

			Wis. Stats. 2001-02 as affected by 2003 Wis. Acts 126, 127, & 194 Sec. 66.1105	Wis. Stats. 2001-02 as created by Act 231 Sec. 60.85
	Existing TID's		1. Blighted area 2. In need of Rehabilitation or Conservation work	3. Suitable for Industrial sites 4. Mixed-Use TIDs created after 10/1/04
Creation Resolution date	Before 10/1/95	After 9/30/95 but before 10/1/04	After 10/1/04	After 10/1/95 but before 10/1/04
Expenditure Period (5 yrs prior to termination) 10/1/04	27 years	27 years	27 years	18 years (6) (am) 1
Maximum Life before extensions - <i>April 21, 2004</i>	+ No	+ 4 yrs (7)(am)1.	+ 3 yrs (7)(am) 3.	+ No
Extensions Allowed - <i>April 21, 2004</i>				+ 3 yrs (7) (am) 2.
Maximum Life if extension granted - <i>April 21, 2004</i>	27 years	31 years	30 years	23 years
\$1,000 Fee required	No	Certification or redeterminations after Mar. 6, 2004	Yes	Certification or redeterminations after Mar. 6, 2004
Tax Increment allocations (6)(e)1 a-d; 2, 3 <i>New (6)(f) - July 1, 2004</i> ☆	Existing allocation criteria & new allocation criteria ☆	Project costs for low-cost housing; remediate environmental contamination; or TID's declared to be blight or rehab districts ☆	New allocation criteria: Recipient districts are limited to project costs for low-cost housing; remediate environmental contamination; or TID's declared to be blight or rehab districts ☆	No
Written notice of termination sent to DOR		☆ After 7/1/04 - Within 60 days of termination resolution (8) (a). <i>Prior to 7/1/04 notification 10 days</i>	☆ After 7/1/04 - Within 60 days of termination resolution (8) (a). <i>Prior to 7/1/04 notification 10 days</i>	Within 10 days of termination resolution (10) (a) <i>Feb 15th of yr after term (10) (c)</i>
Final accounting to DOR after termination - 10/1/04	Must include: 1. Total municipal expenditures; 2. total project costs; 3. total increments; 4. total amount of outstanding project costs.	DOR form by agreed date (8)(c).		
Annexation restrictions (4) (gm) 1. - <i>10/1/04</i> ☆	Just prior to creation or amendment	Just prior to creation or amendment	Yes (4) (gm) 1 - 3 yrs lapsed; pay town 5 yrs. taxes, boundary agreement ☆	Yes (4) (gm) 1 - 3 yrs lapsed; pay town 5 yrs. taxes, boundary agreement ☆
Limitation restrictions (4) (gm) 2. c. Number of territory amendments (4)(l)2. <i>currently 1 during 1st 7 years</i>	5% & 7% findings	7/1/04 - 5% & 7% - denial ☆	12% - denial ☆ ☆	12% - denial ☆ ☆
City-owned Real Property included in base unless City Used (5)(bm)(c) & (d)	No	Up to 4 times by subtracting or adding territory that does not change the contiguity of the district <i>Effective 10/1/04</i> ☆	1 during 1 st 5 yrs - no more than 2 yrs. expenditure (3)(j)2. <i>Yes (3)(1.)</i>	 <i>Yes (3)(1.)</i>