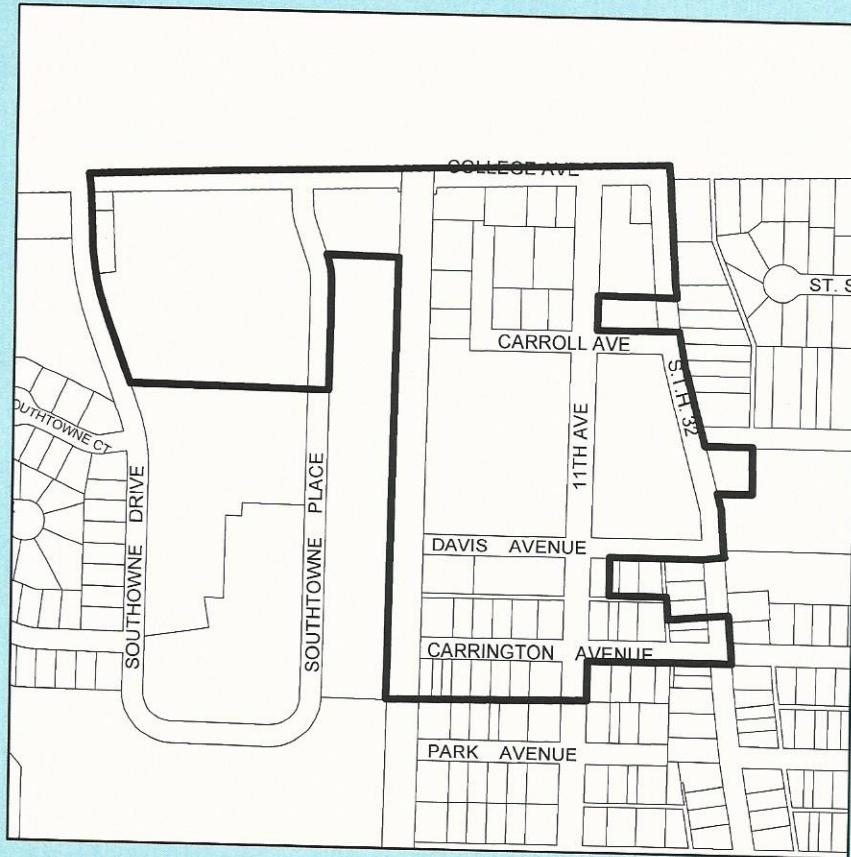


AMENDMENT TO
TAX INCREMENT DISTRICT NO. 2
PROJECT PLAN AND
REDEVELOPMENT PLAN
CITY OF SOUTH MILWAUKEE



Common Council Approval: October 19, 2011
Joint Review Board Approval: October 24, 2011
Effective Date: January 1, 2012

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TAX INCREMENTAL DISTRICT NO. 2

AMENDMENT OF PROJECT AREA REDEVELOPMENT PLAN

I. INTRODUCTION

A. General Summary of Tax Incremental Financing

This section is intended for those readers not familiar with Tax Increment Financing (TIF) to provide general information regarding TIF. Starting in 1975, Wisconsin enacted legislation enabling local governments to establish a TIF District. Wisconsin Statute 66.1105, Tax Increment Law, describes the procedures required to establish a District.

Properties within a TID are not tax exempt, and pay levy annually like other property owners.

In basic terms, TIF divides tax revenue from properties in the District into two categories: Taxes on the pre-development value of the tax base when the district was created (the tax increment base) are kept by each taxing body, while the taxes from the increased value of property resulting from redevelopment (the tax increment) are deposited in a Tax Increment Fund, which is maintained by the City. Money in the Tax Increment Fund is used to repay bonds that are issued to finance improvements or redevelopment projects within the District. Using this method, the City does not incur expenses from the general fund and does not need to raise taxes to support the redevelopment projects.

Depending on the specified purpose of the district, the Community as a whole benefits from the promotion of industrial development; mixed use development; or the improvement of deteriorating areas or unsightly properties. Surrounding areas directly benefit since the property within the District is improved. After the bonds are retired and the District is terminated, the City, and all other taxing units (such as school districts), have the advantage of the enhanced tax base.

For additional information, copies of the City/Village Wisconsin Tax Incremental Finance Manual are available for review or purchase at the City Administration Building, 2424 15th Avenue, or can be reviewed at the Wisconsin Department of Revenue website: dor.state.wi.us.

B. Intent of this Document and Approval Process

This document has been prepared as an amendment to the project and redevelopment plan for Tax Increment District No. 2 in the City of South Milwaukee to comply with Wisconsin Statutes. For the purposes of this document, the term "Project Plan" shall mean the Redevelopment Plan as defined under 66.1331(3) and Project Plan as referenced under 66.1105(4)(h). This document amends the original Project Plan for an additional project designated herein as Project Area No. 1 (proposed Walmart site) and summarizes other projects

complete or in progress authorized by the Common Council since creation of the TID. The boundary of TID No. 2 is not being amended with this Plan.

On July 5, 2000, the City of South Milwaukee Common Council adopted Resolution No. 00-24, which created Tax Increment District (TID) No. 2 and approved the Project Plan. On August 1, 2000, the Joint Review Board approved said Resolution. Since creation of the TID, the Common Council has authorized the Community Development Authority (CDA) to proceed with various redevelopment projects in accordance with the project plan. All applicable resolutions, maps and findings are published in the original Project Plan prepared by Vierbicher Associates, on file at the City Administration Building, 2424 15th Avenue. The Project Plan is used as the official plan to guide redevelopment activities within the TID, and provides funding for the CDA to carry out such projects. The CDA responsibilities include implementing the plan by assisting with the redevelopment of vacant, blighted and underutilized properties by:

- making public improvements to support new development and make the area more functional and attractive
- acquiring, assembling and improving parcels and selling them to developers
- entering into agreements with property owners and developers to provide incentives for new investment in the area.

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

TID No. 2 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 boundary (territory) of TID No. 2 is not being expanded or modified under this amendment. 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.

The 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. A public hearing on the amended TID was held by the CDA on October 3, 2011. Following the hearing, the CDA recommended the amendment, and confirmed the recommendation by Resolution No. 11-05. The Common Council adopted Resolution 11-26 on October 18, 2011 approving the amendment to TID 2.

C. Joint Review Board

A Joint Review Board was convened as required by Wisconsin State Statutes consisting of representatives of taxing entities:

City of South Milwaukee

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

Milwaukee County

Mr. Brian Taffora
Director of Economic Development
Milwaukee County Courthouse
901 N. 9th Street, Room 306
Milwaukee, WI 53233-1458

Milwaukee Area Tech. College
Dr. James Williams
Chief Financial Officer, MATC
700 W. State Street
Milwaukee, WI 53233-1443

South Milwaukee School District
Blaise Paul
Director of Business Services
901 15th Avenue
South Milwaukee, WI 53172

At-Large

Sharon Mehre
205 Parkway Drive
South Milwaukee, WI 53172

Attachment B-6 includes the Joint Review Board meeting notices, minutes, and Resolution adopted on October 24, 2011.

D. Projects Completed (or initiated) within Project Area No. 2 (TID No. 2)

Within TID No. 2, redevelopment activities have been implemented with authorization of the Common Council, consistent with the objectives of the TID Project Plan, and are summarized below. Map C-1 of Attachments shows the TID No. 2 Boundary and Redevelopment Project Areas.

Although some economic conditions and data have changed, a market analysis was completed in 2002 with recommendations that included traffic dependent retail along N. Chicago Avenue and improving the general appearance within the district; including public infrastructure improvements, and elimination of blighting influences such as deteriorated buildings.

Redevelopment activities within Project Area No. 1 of the district started in 2002 with acquisition of property along the 200 block of N. Chicago Avenue as property became available for sale or other means, including intergovernmental agreements, and condemnation. By late 2007, seven (7) parcels were acquired by the City totaling 3.5 acres and buildings were demolished (the parcels were combined as one property, known as CSM No. 8309).

The CDA identified environmental clean-up of these parcels as a project cost for possible commercial or light industrial use, or mixed use (residential/commercial) if determined feasible. The CDA also contemplated possible redevelopment incentives for improvements to assist Innovation Park at 1200 Davis Avenue for improvement of the former tannery site, based on a 2002 conceptual development plan. Improvements to Innovation Park did not proceed based on several issues, including regional and national economic factors, willingness of property owner, project feasibility, vitality of area, and overall area conditions. From 2002 to 2010, the CDA has performed environmental investigation to determine the extent of contaminants on the city-owned properties, solicited development proposals, and evaluated redevelopment concepts for the property. Based on the historic land uses, it became apparent that it would be challenging to redevelop the parcels for residential uses. In mid-2010, the City received a proposal for redevelopment of the City parcel and 1200 Davis Avenue parcel described further under Section F, and referred to herein as Project Area No. 1.

Project Area No. 2, located at the southeast corner of N. Chicago Avenue and Badger Avenue, included acquisition of property and demolition of a blighted, obsolete commercial building at

221 N. Chicago Avenue (former service station, auto repair and Ace Auto Sales); and sale of property to developer for construction of a six unit condominium building.

Project Area No. 3, located at the northwest corner of N. Chicago Avenue and Carrington Avenue, included acquisition of property at 312-314 N. Chicago Avenue and 1016 Carrington Avenue, which was combined with a privately owned parcel at 1012 Carrington Avenue for development of three duplex condominiums with attached garages.

The City/CDA has also acquired properties at 1101-1105 College Avenue (also referred to as Project Area No. 4) for redevelopment purposes. A project has not been identified for this property, but it is anticipated that the commercial development of Project Area No. 1 will spur development on this property.

N. Chicago Avenue was rehabilitated in 2009, including new curb and gutter, sidewalk, and pavement replacement; with portions of work within district eligible as project costs. This rehabilitation was intended to improve road conditions, but also send a clear signal that public investment by the City and CDA was being made to revitalize the area.

Attachment A-1 to this report is the 2011 Annual Report for TID No. 2, and includes a project summary for TID No. 2.

E. District Value/Increment

The boundary of TID No. 2 includes territory where private property has been improved that did not require the CDA to incur project costs, but development or redevelopment of the land provided increment for the TID. These projects include, but are not limited to, the remodeling of 112 N. Chicago Avenue (closed Hardee's restaurant converted to Taco Bell), and Village at Southtowne, 64 condominium units in 8 buildings, providing over \$6 million in increment for TID 2.

As properties in Project Area No. 1 were acquired and demolished for redevelopment, the assessed value was decreased to \$0, based on the tax exempt status of properties that the City owns. It is an objective of the Project Plan to return this property to the tax roll for the overall benefit of the TID, and ultimately improve the City's tax base.

As of January 1, 2000, the effective date of the TID, the tax incremental base value for property in TID No. 2 was \$ 6,394,400 as determined by the State of Wisconsin Department of Revenue (DOR). The equalized value of taxable property in the TID increased from 2001 to 2007, peaking at \$21,067,600. Based on real estate values in general, the value of property in the district has decreased, and the DOR has revalued TIDs in the state. TID No. 2 was revalued at a 17% reduction in 2010, and 14.5% in 2011. As of September 1, 2011, the equalized value of taxable property in TID No. 2 was \$14,755,000. The proposed Walmart project will provide an estimated \$12 Million of additional increment for the district. The Annual DOR letters are on file with the City and a summary of data is shown on Attachment A-2.

F. Description of 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 Area No. 1: Walmart Commercial Development

As indicated in I.(D), the City/CDA has acquired 7 parcels along N. Chicago Avenue/11th Avenue, which was assembled as a 3.6 acre parcel, known as 222 N. Chicago Avenue (property bound by N. Chicago, 11th Avenue, Davis Avenue, and Carroll) and also referred to as "East Property" in the proposed development agreement. Project costs to acquire, demolish, and investigate necessary environmental remediation on the above parcels totals approximately \$1,750,000.00.

Project Area No. 1 also includes the property westerly of 222 N. Chicago Avenue, west of 11th Avenue (a.k.a. 1200 Davis Avenue, Innovations Park, and called "West Property"), which is a 5.8 acre parcel and former tannery site/building (Midwest Tanning). The property was privately acquired circa 2001, and was used as a multi-tenant building. The building became a nuisance due to deteriorated condition, obsolete use, vacancies, numerous break-ins, fire hazards, code violations, etc.

The proposed project includes sale of 222 N. Chicago Avenue (owned by the City) to the Developer, with Developer purchasing the 1200 Davis Avenue property. The Common Council has initiated procedures to vacate and discontinue 11th Avenue between Carroll Avenue and Davis Avenue, which would be combined with the adjacent parcels described above to create a 10.5 acre site. The proposed development is an 115,000 square foot Walmart store featuring a grocery and pharmacy elements as well as general merchandise, with an out parcel at the corner of N. Chicago and Davis Avenues for a restaurant or other approved use. (Preliminary Site Plan and Project Information Sheet included in Attachments as C-4).

Based on site investigation work by the Developer, the total estimated costs to remediate all property in Project Area No. 1, including City's property and vacated 11th Avenue (or otherwise ready the site for development), is \$3.4 to \$3.6 million. Under the terms of the proposed development agreement, the CDA will contribute \$500,000 toward the costs to implement the remedial action plan. The CDA would fund the remediation costs for the city-owned property in an amount of up to \$800,000. There will also be up to \$500,000 available for environmental remediation costs that exceed \$3.1 million for the entire project. These expenses or project costs would be repaid through property taxes generated by the development. The estimated value of the development is \$12 to \$14 million. Combined with the current increment in the TID, the anticipated payback time for the city's investment in the project is five to six years.

Walmart officials have indicated that the proposed retail store would create at least 150 jobs, with approximately 60% of them full-time.

The CDA has determined that if the Walmart development, Project No. 1, does not proceed as proposed;

- a). Costs associated with the environmental remediation of the City's parcel (East Property) will still need to be addressed for redevelopment.

- b). The building on the west parcel at 1200 Davis Avenue will need to be improved or condemned, with any environmental remediation required for future development not addressed.
- c). There is not an alternative development in the foreseeable future (East Property will likely remain vacant, until such time that economic conditions and the commercial real estate market improve).

The CDA has determined that if the Walmart development does proceed as proposed:

- a). City owned parcels and adjacent, blighted property restored to private use with a value at the high-end of the potential for the property, which allows for early TID closure, and restoration of tax increment for the taxing jurisdictions.
- b). Approximately 150 jobs created with estimated 60% full-time.
- c). Providing retail services in the City, recapturing dollars spent outside the City by residents.
- d). Potential for revitalization of other businesses and properties in the area who benefit from increased customer exposure.

A summary of the planned project costs and analysis is shown on Attachment A-3. The development agreement is on file with the City Clerk, City Engineer, and CDA Director.

Project No. 2: Wescott Place – 221 N. Chicago Avenue

Redevelopment funds were provided for acquisition of property, demolition and infrastructure costs related to construction of a 6 unit condominium building. Total TIF costs for the project were approximately \$114,000. The fair market value of the project when the TID was created was \$67,700 (land and improvements). The 2011 fair market value of the project in 2011 is \$807,000, for a current project increment of \$739,300.

Project No. 3: Carrington Place – 312-314 N. Chicago Avenue, 1012-1016 Carrington Avenue

Redevelopment funds were provided for acquisition of blighted property, demolition and infrastructure costs related to redevelopment of the property, for construction of three (3) duplex condominiums. Total TIF costs for the project are approximately \$198,000. The fair market value of the properties when the TID was created was \$171,200 (land and improvements). The fair market value of the properties in 2011 is \$891,000, for a current project increment of \$719,800.

Project No. 4: 1101-1105 College Avenue

In 2006, the City/CDA acquired a vacant parcel and deteriorated duplex at 1101-1105 College Avenue (corner of College and 11th Avenue). The CDA is promoting sale and development of this property, which is currently vacant. Investment to date is \$266,000, which includes acquisition, demolition of buildings and site preparation. If determined feasible, the CDA may acquire additional parcels at 1115 and 1123 College Avenue. Redevelopment incentives are identified as a project cost, and will be allocated with a future project if determined appropriate by the CDA.

Public Infrastructure/Capital Construction Costs

Project costs include street improvements along N. Chicago Avenue between Pine Street and College Avenue. This work included new curb and gutter; removal of abandoned driveway approaches; new concrete driveway approaches; and incidental work to improve the general appearance and gateway to the City. \$204,000 has been included in the Planned Project Costs for capital construction/infrastructure improvements for a portion of work within the district. Other public infrastructure (capital construction) costs to serve properties within TID are eligible project costs and may include watermain, sanitary sewer, and/or storm sewer upgrades, street reconstruction and related work.

The CDA or Common Council may decide to include a portion of the public infrastructure costs in the City's capital improvement budget to reduce TID project costs.

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

TID No. 2 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 when the TID closes. 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 "project costs" 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, water main, 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. 2 and be eligible project costs as defined under statutes. Such eligibility will be determined by the CDA and Common Council at the time the projects are being implemented. N. Chicago Avenue reconstruction costs for the portion within the TID are included with planned project costs, and Davis Avenue reconstruction work. The district may reimburse the City or its utilities for costs incurred for projects to serve the district, including storm water, sanitary sewer, and water main upgrades.

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. 2 and approved by the Common Council.

C. Environmental Remediation

Includes asbestos removal prior to demolition of structures, environmental studies or investigation, clean-up or remediation to make sites suitable for reuse. Expenditures to date include underground storage tank removals, asbestos abatement with building demolition, soil sampling and investigation. The planned project costs for Project No. 1 include environmental remediation costs of property in the TID.

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 and Development:

Promotion and development of TID No. 2 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. 2, 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 in TID No. 2. 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. F. Estimated expenditures for Project No. 1 are outlined in Attachment A-3. The plan will be amended if additional projects and associated costs are recommended by the CDA.

The City reserves the right to revise these cost estimates to reflect change in project scope, inflation and other unforeseen circumstances at 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. 2 for demolition work, and a Brownfield Site Assessment Grant to reduce overall project costs.

Attachment A-4 depicts a preliminary Tax Increment Pro Forma and A-5 depicts the Debt Service Plan based on total TID expenditures of for 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. 2. 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. 2 PLANNED PROJECT COSTS

Cost Category	Expenditures through July 2011	Additional Expenditures
A. Capital Construction	\$ 204,000	\$200,000
B. Site Preparation/Improvements	\$ 45,000	
C. Environmental Remediation	\$ 200,000	\$1,800,000
D. Real Estate Acquisition	\$1,925,000	
E. Relocation Costs	\$ 10,000	
F. CDA Redevelopment Funds	\$ 10,000	\$100,000
G. Promotion & Development	\$ 4,000	
H. Administration & Planning	\$ 24,000	
I. Organizational Costs	\$ 12,000	
TID SUBTOTAL (Amendment)		\$2,100,000
TID EXPENDITURES TO DATE	\$2,434,000	
TOTAL TID EXPENDITURE FOR ALL PROJECTS	\$2,434,000	
J. Total Financing Costs	\$ 50,000	\$50,000
TOTAL	\$2,484,000	\$2,150,000

NOTE: The sale of property in Project Area No. 1 to the Developer (\$500,000) will decrease the total expenditures to be financed to an amount estimated at \$1,650,000.

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. 2 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. The inflation rate, for the purpose of making projections of equalized value, will be assumed to be zero

percent (0%). Inflation for purposes of projecting future project costs is also assumed to be zero percent (0%), since costs will be incurred within the next two years.

B. Increase in Property Value

The amended plan for TID No.2 will encourage the redevelopment of several properties within the TID. The amendment of TID No. 2 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. E., the TID No. 2 increment as of September 1, 2011 is \$8,360,000. Project No. 1 will increase the increment by approximately \$12 Million.

C. Full Value Tax Rate

The third variable to consider in projecting TID revenues is the full value tax rate. The full value tax rate is adjusted annually based on property valuation and the amount of funds required by all taxing jurisdictions to support their adopted annual budgets. The following chart summarizes the historic full value tax rate in the City between 2000 and 2010.

Year	Full Value Rate	Percent Change
2000	.02913	N/A
2001	.02940	+.09%
2002	.02493	-15.2%
2003	.02509	+.06%
2004	.02655	+5.8%
2005	.02753	+3.7%
2006	.02790	+1.3%
2007	.02129	-24.3%
2008	.02180	+2.3%
2009	.02238	+2.7%
2010	.0228908	+2.28%

The 2010 total equalized value of the City of South Milwaukee is over \$1.3 billion (\$1,326,033,700). A full value tax rate of .023 (\$23.00 per \$1,000 of value) with zero percent change will be used in this plan to project TID revenues.

D. TIF Revenues

Utilizing an average inflation rate of zero percent (0%), projected increment of \$ 12,000,000, and an initial full-value tax rate of .023, which is assumed to remain constant, the projected TIF Revenue from TID No. 2 will be as shown in the Tax Increment Pro Forma in Attachment A-4.

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 10.

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-5 summarizes the assumed cash flow, and debt service plan.

V. FINANCING METHODS AND TIMETABLE

A. Financing Methods

An important aspect to consider in assessing the economic feasibility of TID No. 2 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 \$66,301,685 (\$66.3 Million) and \$21,903,000 (\$21.9 Million) in existing General Obligation debt. Using this data, the current remaining debt capacity is \$44.4 Million. This is more than adequate financing capacity to finance the planned project costs of approximately \$1,500,000.

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 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 other sources as allowed under state law, including the City's Capital Improvement budget, storm water utility, sewer user fees, or water utility fees.

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 2013 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 16 years (year 2016). 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 2012 for 2013 increment.

The TID Pro Forma and TID Cash Flow worksheets which show the timing of increment, revenue, and debt for each year of the TID are shown on Attachments A-4 and A-5.

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. 2 include Milwaukee County, South Milwaukee School District, Milwaukee Area Technical College, and the State of Wisconsin. 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-6. Based on the increased value of property in the TID, the tax collection will increase over 400% from the base year of 2000 to the TID closure (estimated at 2016).

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. 2 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. 2.

For Project Area No. 1 (proposed Walmart), it is important to note that in 2010, the City received (and approved) a contingent offer for the Developer to purchase the city-owned 3.5 acre property at fair market value and construct the Walmart without TIF assistance. However, based on estimated costs to make Project Area No. 1 ready for redevelopment above and beyond typical construction costs, the project will not proceed "but for" the use of tax incremental financing.

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

(SEE MAPS 2 & 3)

VIII. MAPS SHOWING PROPOSED PROJECTS

(SEE MAP 1)

IX. A LIST OF ESTIMATED NON-PROJECT COSTS

There are no project costs planned for TID No. 2 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 new projects in TID No. 2. 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 persons, 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 THE PROJECT REDEVELOPMENT PLAN PROMOTES THE ORDERLY DEVELOPMENT OF THE CITY OF SOUTH MILWAUKEE

The proposed land use complies with the City’s Comprehensive Plan 2020. The Project Area Redevelopment Plan as amended for TID No. 2 will encourage the development of blighted and otherwise economically distressed and underutilized property in the City. Amendment of the Project Plan will also, in general, promote the public health, safety and general welfare. Successful implementation of the projects planned in TID No. 2 will build tax base for the City and overlying taxing jurisdictions and improve the vitality of the neighborhood. Increased vehicle and pedestrian traffic should provide a greater market for neighborhood businesses, which will improve the stability of those businesses.

XII. DISTRICT BOUNDARIES

As described in the original Plan. No Territorial Amendment. An updated parcel/ownership list is included as Attachment A-7.

ANNUAL REPORT
CITY OF SOUTH MILWAUKEE

TAX INCREMENTAL DISTRICT NO. 2

May 1, 2011

TID SUMMARY

TID Created: July 5, 2000 (Effective date January 1, 2000)
Base Value: \$6,394,400.00
DOR Value as of 09/01/10: \$17,260,400.00
Value Increase (Increment): \$10,866,000.00
Capital Expenditures: \$2,902,462 (\$11,961 for 2010)
Revenues: \$3,065,764 (\$368,231 for 2010)
Anticipated Closure Date: 2013 (Final debt payment due)*

DISTRICT STATUS

** BASED ON EXPENSES & DEBT
INCURRED PRIOR TO AGREEMENT*

The seven parcels acquired by the city and referred to as the Gateway development area along N. Chicago north of Davis Avenue have been combined and given the address of 222 N. Chicago Avenue. In late 2010, city council entered into a purchase agreement to sell the parcels to a developer for \$500,000 for the purpose of building a new Walmart food market and retail store. The proposed development includes a privately owned 6.5-acre parcel to the west of the city owned property. Estimates of the value of the completed project range from \$14,000,000 to \$20,000,000 depending on building area and pad site development. The sale and development are subject to approval of a site plan and zoning change. Developer's consultants continue to study environmental, storm and other impacts as they prepare the site plan. Prior to the purchase agreement, the city applied for a VPLE from the WDNR to facilitate the remediation and sale of the city owned parcels. Seller's funds remain in escrow to assist with remediation of 1010 Davis, a former tannery. Revenue for 2010 includes a PECFA reimbursement of \$20,530 from the former 200 N. Chicago property.

Two lots acquired on College Avenue, west of 11th Avenue, are for sale and will likely be appropriate for a single use commercial project. The lots comprise approximately a quarter of an acre. Marketing efforts will continue in 2011. As these lots are near the proposed Walmart retail facility, increased traffic in the area should facilitate the sale and development of these properties.

An audit of TID 2 was performed in 2007 examining activity through 2006. The audit found that actual expenditures exceed those originally planned at inception and

recommended a revised development plan. The SMCDA held a public hearing and approved a revised project plan in 2008. The City Attorney has requested that the project plan undergo a final revision once the site plan for the N. Chicago development has been submitted and the purchase agreement executed so that any additional costs for the development can be identified in the revision. This is anticipated to occur in late 2011.

Taxable Bond Anticipation Notes issued in 2005 and General Obligation Notes issued in 2006 for the purpose of project costs were refinanced in February 2008 at rates starting at 4.0%, several points lower than the original notes. The final payment is due in October 2013.

In 2010 the Wisconsin Department of Revenue revalued TIDs in the state. TID 2 was revalued at a 17% reduction in value from 2009 to \$17,260,400. At this time the cash flow of the TID is sufficient pay remaining debt service but redevelopment of the N. Chicago parcel as proposed will likely double the current value, as well as represent other community benefits such as jobs, retail services and corporate giving.

A project summary of TID No. 2 is attached showing the status of projects. The TID plan and the audited financial statements are on file and available for review in the City Engineer's Office or the City Clerk's Office at the City Administration building or at the SMCDA Director's office at 2906 6th Avenue.

EXPENDITURES AND REVENUES

Total expenditures and revenues are provided above.

Attached are the following:

1. TID No. 2 Project Summary
2. Tax Increment Data (provided by City Treasurer Karen Skowronski)

GOALS/OBJECTIVES FOR 2011

1. Execute the purchase agreement and evaluate a site plan, once submitted, for the large format retail facility proposed for 222 N. Chicago Avenue.
2. Negotiate the sale of the College Avenue lots and facilitate redevelopment.
3. Amend the TID plan to include accurate expenditures for the N. Chicago Ave project and any others that were not fully reflected in original document.

Prepared by: Danielle Devlin

Executive Director, South Milwaukee Community Development Authority

TAX INCREMENTAL DISTRICT NO. 2
PROJECT SUMMARY
Updated May 2011

Project Title/Address (Account No., if applicable)	Project Description	Estimated Costs/ Redevelopment Incentives	Project Status/Next Step
REDEVELOPMENT PROJECTS			
222 N. Chicago Avenue (N. Chicago Avenue, Davis and 11 th Avenue parcels formerly referred to as the Gateway Parcel)	Includes 1010 Davis, 211 11 th , 234 N. Chicago, and 200 – 230 N. Chicago with acquisition expenses as described below.	Costs to date: \$35,744	Developer and City entered into a purchase agreement for \$500,000 sale price to develop a Walmart neighborhood market retail store. Final execution subject to site plan and zoning approval upon completion of developer's due diligence. City applied for VPLE from DNR prior to purchase offer.
1010 Davis Avenue	Properties acquired 12/2005 and will be combined with 200-230 N. Chicago Avenue for larger redevelopment area.	Costs to date: \$469,331.11	Purchase and sale agreement from previous owner includes \$150,000 in environmental escrow for remediation, which will be conducted as part of 222 N. Chicago Avenue retail development.
234 N. Chicago Avenue (Stramowski Heating)	Property acquired to assemble all parcels in block between Carroll Ave and Davis Ave along N. Chicago.	Costs to date: \$245,960.23	\$12,000 CDBG funds used to cover part of demolition in Summer 07. Unknown UST discovered and punctured during demo. Has been excavated and is awaiting WDNR clearance.
200 N. Chicago Avenue 208 N. Chicago Avenue 212 N. Chicago Avenue 230 N. Chicago Avenue	CDA acquired four blighted, underutilized properties, demolished structures, coordinated environmental clean up and assembled the parcels. An open RFP is seeking proposals for a mixed-use commercial development with a residential component. Parcels have been combined with parcels to east at 1010 Davis and 211 11 th Avenue and	Costs to date: \$789,169.56 (\$20,530.31)PECFA Reimbursement (10) \$768,639.25	City purchased 212 N. Chicago Avenue for \$135,000. Demolition complete. City purchased 208 N. Chicago Avenue on 12/17/03 for \$200,000 total for purchase and relocation costs. Demolition complete. DNR issued conditional closure on 04-06-07. Intergovernmental agreement for back taxes and foreclosure for 200 N. Chicago Avenue executed on 5/7/03. City has title as of June 30,

<p>to south at 234 S. Chicago Ave, to form a 3.63-acre site for redevelopment now referred to as 222 N. Chicago Avenue.</p>	<p>2003. Demolition complete. Brownfield Site Assessment Grant (SAG) received for 200 N. Chicago Avenue to investigate extent of underground tank contamination. CDA contracted with Advent Environmental to perform the Phase I environmental assessment of the site and remove the four underground storage tanks. Celarity (formerly Advent) completed Phase II. CDA authorized additional site investigation on 02-09-04 and 11-15-04. Contamination levels are low enough to submit for DNR site closure without further work. City acquired 230 N. Chicago Avenue in Sept. 2004, based on bankruptcy of tenant (Interstate Bakeries). Demolition complete. Now part of 222 N. Chicago Avenue redevelopment parcel.</p>
<p>1101, 1105, 1115, 1123 College (Sahagian)</p> <p>City initially desired to acquire all parcels, but appraisal of 1115 (Body Shop) was higher than expected and it was deemed difficult to get a positive return based on site size.</p>	<p>Costs to date: \$266,437.97</p>
<p>221 N. Chicago Avenue</p> <p>Acquisition of property and demolition of structure, parcel sold to developer for construction of six condominium units.</p>	<p>Project Costs: \$156,944.75 (plus \$13,000 paid by CDBG for demo) Land Sale (\$40,000) Service Fees (\$4,000) TIF Cost: \$112,944.75</p>
<p>312/314 N. Chicago Avenue 1012 Carrington Avenue 1016 Carrington Avenue</p> <p>Construction of three duplex condominiums with attached garages. (\$1,050,000 assessment estimated when</p>	<p>Acquisition and demolition costs: \$277,620.67</p>

MINUTES OF JOINT REVIEW BOARD

October 24, 2011 – 4:30 pm

MEMBERS: Mayor Thomas Zepecki
Tom Harris, Milwaukee County
Blaise Paul, South Milwaukee School District
Sharon Mehre
Dr. James Williams, MATC (arrived 4:48)

Also present: City Attorney Joseph Murphy, City Engineer Kyle Vandercar and CDA Director Danielle Devlin

1. Meeting called to order at 4:43 p.m.
2. **Motion made by Mehre, seconded by Paul, to approve minutes of the October 3, 2011 meeting. All voted aye. Motion carried.**
3. Vandercar gave a brief report of the proceedings of the CDA and Council meetings during which the TID 2 project plan amendment was approved. He discussed the prior uses of the site which included tanneries and heating oil transfer as well as other blighted and obsolete properties and discussed that but for TID assistance with remediation the current project will not go forward. He restated that the project development agreement ensures a guaranteed \$12 million in increment through the life of the TID until 2027 and that the debt incurred for acquisition and environmental closure could be paid off by 2017, possibly sooner. Mayor Zepecki discussed the jobs created by the project and the characteristics of the proposed store, which is to be one third groceries and hire approximately 150 employees. Discussion of the project ensued.
Motion made by Williams, seconded by Harris, to approve a resolution amending the Tax Incremental District 2 project plan as per Council Resolution No. 11-26. All voted aye. Motion carried.
4. The board determined no further need to reconvene at this time.
5. **Paul moved, Williams seconded, to adjourn. All voted aye. Motion carried.**
Meeting adjourned at 4:58 p.m.

Submitted by,

Danielle Devlin
SMCDA

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(Carrington Place)	complete)	Land sale: (\$100,000) Redevelopment Incentives: \$20,000	and 1016 Carrington Avenue. Council passed resolution of intent on 4/15/03 to acquire 312/314 N. Chicago Avenue. Jurisdictional offer of \$114,000 was accepted by owner; closed 03-30-04.
112 N. Chicago Avenue	New Taco Bell Restaurant	TIF Cost: \$197,620.67	Council approved purchase of 1016 Carrington on 4/15/03 (\$115,000. Acquisition complete 6/30/03, lease expired 01/01/04. CDA approved demolition contract 02-09-04. Council authorized CDA to proceed (Res. 04-18) on 03-16-04. CDA held public hearing on sale of land 04-12-04.
		No TIF funds provided	Complete

CITY OF SOUTH MILWAUKEE
TAX INCREMENT DATA - TIF #2

DISTRICT	BASE VALUE	DATE	BASE VAL	CURRENT EQUAL	+/- % CHANGE	EQUALIZED VALUE	INCREASE	EQUAL VALUE	DATE OF	DOR LETTER	TAX BILL	TAX LEVY
TIF #2	\$ 6,394,400.00	01/01/00	\$ 6,693,500.00	N/A	\$ 299,100.00	09/01/01	2001	\$ 7,836.60	(Payable 2002)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 11,914,900.00	78.0%	\$ 5,520,500.00	09/01/02	2002	\$ 148,287.10	(Payable 2003)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 15,246,600.00	28.0%	\$ 8,852,200.00	09/01/03	2003	\$ 226,355.81	(Payable 2004)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 16,048,400.00	5.3%	\$ 9,654,000.00	09/01/04	2004	\$ 241,903.68	(Payable 2005)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 17,632,400.00	9.9%	\$ 11,238,000.00	09/01/05	2005	\$ 264,729.80	(Payable 2006)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 20,835,500.00	18.2%	\$ 14,441,100.00	09/01/06	2006	\$ 330,039.95	(Payable 2007)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 21,067,600.00	1.1%	\$ 14,673,200.00	09/01/07	2007	\$ 325,579.86	(Payable 2008)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 20,956,300.00	-0.5%	\$ 14,561,900.00	09/01/08	2008	\$ 340,571.04	(Payable 2009)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 20,807,800.00	-0.7%	\$ 14,413,400.00	09/01/09	2009	\$ 345,540.21	(Payable 2010)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 17,260,400.00	-17.0%	\$ 10,866,000.00	09/01/10	2010	\$ 281,042.95	(Payable 2011)			
TIF #2	\$ 6,394,400.00	01/01/00	\$ 14,755,000.00	-14.5%	\$ 8,360,600.00	09/01/11	2011	\$ 227,015.92	(Payable 2012)			
								\$ 2,738,902.92				

**CITY OF SOUTH MILWAUKEE
OVERVIEW OF REDEVELOPMENT
PROJECT COSTS & VALUE**

PROJECT NO. 1

Walmart Commercial Development
Parcels # 723-0102-002 (222 N. Chicago Avenue),
723-9998-001 (1200 Davis Avenue)

PROJECT COSTS (Redevelopment Costs to date with or without Walmart development)

Real Estate Acquisition (by City/CDA to assemble 222 N. Chicago)	\$ 1,600,000
Environmental Remediation to date	\$ 100,000
Administration Costs	\$ 50,000

SUB-TOTAL: \$ 1,750,000

Capital Construction Costs

(Estimated Environmental Remediation Costs
Action Per Proposed Development Agreement)

\$ 1,800,000

TOTAL: \$ 3,550,000

Revenue (Sale of property to Developer) \$ 500,000

TOTAL PROJECT COSTS: \$ 3,050,000

Base Value (assessed value of land and improvements
when district was created in 2000): \$ 1,259,000

Projected Value (with Walmart complete): \$13,259,000

Total Increment Created: \$12,000,000

Year(s) Increment Created 2013

Annual TIF Revenue (based on .23 tax rate) \$ 276,000

Note: The City's project costs for Project Area No. 1 as of August 2011 are estimated at \$ 1,750,000 with remaining payments on current note (debt) in 2011, 2012, and 2013. Capital construction costs (environmental remediation) of up to \$1,300,000 are considered as new debt service for purposes of the plan, and could be paid as early as 2016, depending on completion date of project, total value of TID, and other factors.

Real Estate Property Tax Comparison

Tax Year	Estimated 2013 Assessed Value	With Proposed Development		Remain "As Is"	
		Estimated Tax Rate	Taxes Levied	Taxes Levied	Taxes Levied
2014		23.23	278,800	12,360	12,360
2015		23.58	282,982	12,546	12,546
2016		23.94	287,227	12,734	12,734
2017		24.29	291,535	12,925	12,925
2018		24.66	295,908	13,119	13,119
2019		25.03	300,347	13,315	13,315
2020		25.40	304,852	13,515	13,515
2021		25.79	309,425	13,718	13,718
2022		26.17	314,066	13,924	13,924
2023		26.56	318,777	14,132	14,132
2024		26.96	323,559	14,344	14,344
2025		27.37	328,412	14,560	14,560
2026		27.78	333,339	14,778	14,778
2027		28.19	338,339	15,000	15,000
Total Real Estate Properties Taxes			4,307,570	190,969	
Less Environmental Cleanup Cost for City Parcel			(800,000)	(800,000)	
Less Development Incentive			(500,000)	0	
Total Taxes Collected over 14 years			3,007,570	(609,031)	

Assumptions:

- * 1.5% overall tax increase each year, using the 2010 tax rate as base (22.89/1,000).
- * Assessment would remain flat for properties under both scenarios for comparisons sake.
- * Guaranteed minimum assessment of \$12,000,000 through 2027 is in proposed development agreement.
- * There are no other projects proposed for this site so if project does not go forward, no change in the assessed value is assumed.
- * City will have environmental clean up costs for the city parcel under either alternative.
- * 2027 is used for comparison based on the maximum life of TID. The TID is estimated to have a closure date of 2018.

*City of South Milwaukee, Wisconsin
Tax Increment District No. 2
Summary of Increment
(Walmart Project)*

Assumptions	
Base Value =	\$6,394,400
Estimated Tax Rate =	\$23.00
Estimated Inflation Rate =	0.00%
Creation Date =	
Estimated Interest Rate =	5.00%

Improvements During Year	Tax Value - Jan. 1	Value - Beginning of Year	Net Value of Development	Inflation Increment	Tax		Tax Rate (\$1,000)	Tax Collected	Collection Year
					Increment Value	Value - End of Year			
2009	2010	\$17,260,400		\$0	\$10,866,000	\$17,260,400	23.00	249,918	2011
2010	2011	14,755,000		\$0	8,360,600	14,755,000	23.00	192,294	2012
2011	2012	14,755,000		\$0	8,360,600	14,755,000	23.00	192,294	2013
2012	2013	14,755,000	12,000,000	\$0	20,360,600	26,755,000	23.00	468,294	2014
2013	2014	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2015
2014	2015	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2016
2015	2016	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2017
2016	2017	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2018
2017	2018	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2019
2018	2019	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2020
2019	2020	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2021
2020	2021	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2022
2021	2022	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2023
2022	2023	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2024
2023	2024	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2025
2024	2025	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2026
2025	2026	26,755,000		-	20,360,600	26,755,000	23.00	468,294	2027
Estimated New Increment =			\$12,000,000	\$0					\$7,190,619

*City of South Milwaukee, Wisconsin
Tax Increment District No. 2
Summary of Increment
(Walmart Project)*

Collection Year	Beginning of year	Tax Increment Collected	Existing Debt Service Requirement	\$1,350,000 - New Debt Service *		Annual Cash Flow	Est. Increment Balance
				Tax Collected	Service Requirement		
2011	\$ 459,642	\$ 249,918	\$ 341,134	\$ -	\$ -	\$ (91,216)	\$ 368,426
2012	368,426	192,294	336,734	-	-	(144,440)	223,986
2013	223,986	192,294	248,970	-	-	(56,676)	167,310
2014	167,310	468,294	468,250	44	44	44	167,353
2015	167,353	468,294	467,125	1,169	1,169	1,169	168,522
2016	168,522	468,294	465,750	2,544	2,544	2,544	171,066
2017	171,066	468,294	-	468,294	468,294	468,294	639,360
2018	639,360	468,294	-	468,294	468,294	468,294	1,107,654
2019	1,107,654	468,294	-	468,294	468,294	468,294	1,575,947
2020	1,575,947	468,294	-	468,294	468,294	468,294	2,044,241
2021	2,044,241	468,294	-	468,294	468,294	468,294	2,512,535
2022	2,512,535	468,294	-	468,294	468,294	468,294	2,980,829
2023	2,980,829	468,294	-	468,294	468,294	468,294	3,449,123
2024	3,449,123	468,294	-	468,294	468,294	468,294	3,917,416
2025	3,917,416	468,294	-	468,294	468,294	468,294	4,385,710
2026	4,385,710	468,294	-	468,294	468,294	468,294	4,854,004
2027	4,854,004	468,294	-	468,294	468,294	468,294	5,322,298
							\$4,862,656
							<u>\$1,401,125</u>
							<u>\$926,819</u>
							<u>\$7,190,619</u>

* Interest payments for 2012 & 2013 have been capitalized.

TID NO. 2

ANALYSIS OF OVERLYING TAXING JURISDICTIONS

ASSUMPTIONS

Base Value of TID:	\$6,394,400
Tax Rate	0.023
Inflation of Increment	0%
Annual Increase in Tax Rate	0%
Value of TID with Current Increment (Based on 9/1/11 DOR letter)	\$14,755,000
Projected Value with Amended Project No. 1	\$26,755,000

OVERLYING JURISDICTIONS

2010 Share	Schools	MATC	County	State	City
	42.38%	7.09%	20.22%	0.63%	29.68%

	Annual Taxes Collected for TID Area (Base Value)	Annual Taxes Collected On Increment for TID Area (As of 9/1/11)	Annual Taxes Collected On Increment Including Amendment	Estimated Total Taxes Collected at TID Closure
Schools	\$ 62,329	\$ 81,494	\$198,463	\$260,792
MATC	10,427	13,634	33,202	43,630
County	29,738	38,882	94,689	124,426
State	926	1,211	2,950	3,877
City	43,651	57,073	138,990	182,640
TOTAL	\$147,071	\$192,294	\$468,294	\$615,365

PARCEL DATA
CITY OF SOUTH MILWAUKEE
TID #2

Parcel #	Owner Name	Property Address	Land Value	Improvement Value	Total Value	Use	Area (acres)
7230008	Mackowiak Life Estate	1020 Carrington Ave	54,000	93,000	147,000	Residential	0.08
7230009	Shehu	1024 Carrington Ave	62,000	98,000	160,000	Residential	0.17
7230010	Shehu	1021 Davis Ave	62,000	118,000	180,000	Residential	0.16
7230011	Elmore Jr	1017 Davis Ave	54,000	114,000	168,000	Residential	0.08
7230017	Blaesel Inc	1109 Davis Ave	57,000	0	57,000	Vacant	0.43
7230018	Luetzow Industries	1122 Carrington Ave	36,000	0	36,000	Vacant	0.27
7230019	Gale	1118 Carrington Ave	25,000	75,000	100,000	Commercial	0.17
7230020	Luetzow Industries	1114 Carrington Ave	33,500	0	33,500	Vacant	0.17
7230021	Luetzow Industries	1110 Carrington Ave	33,500	0	33,500	Vacant	0.17
7230022	Wojes	1106 Carrington Ave	40,000	70,000	110,000	Commercial	0.22
7230023	Kurucz	1100 Carrington Ave	65,000	86,000	151,000	Residential	0.22
7230034	Sahagian	1123 College Ave	60,000	0	60,000	Vacant	0.37
7230035	McKendry Family LLC	110 Edgar Ave	44,600	310,700	355,300	Commercial	0.45
7230036	Bindas	1116 Edgar Ave	37,200	202,700	240,000	Commercial	0.35
7230037	Racine	124 Edgar Ave	41,000	81,000	122,000	Commercial	0.27
7230039	City of South Milwaukee	1101 College Ave	0	0	0	Vacant	0.18
7230041	Witman Holding LLP	108 11th Ave	55,800	306,400	362,200	Commercial	0.55
7230042	Witt	1100 Carroll Ave	35,000	70,000	105,000	Commercial	0.22
7230094	School Dist of SM	109 Edgar Ave	0	0	0	Commercial	0.55
7230098	Smith	102 N Chicago Ave	60,000	170,000	230,000	Commercial	0.17
7230220	Troccia	1301 College Ave 1A	40,000	113,000	153,000	Residential	0.02
7230221	Fiene	1301 College Ave 1B	40,000	113,000	153,000	Residential	0.02
7230222	Buchholz	1301 College Ave 1C	40,000	113,000	153,000	Residential	0.02
7230223	Forbes	1301 College Ave 1D	40,000	113,000	153,000	Residential	0.02
7230224	Furlong	1301 College Ave 1E	40,000	118,000	158,000	Residential	0.02
7230225	Sajkowski	1301 College Ave 1F	40,000	118,000	158,000	Residential	0.02
7230226	Schaper	1301 College Ave 1G	40,000	118,000	158,000	Residential	0.02

APPRAISAL REPORT APR 7, 2017

PARCEL DATA
CITY OF SOUTH MILWAUKEE
TID #2

Parcel #	Owner Name	Property Address	Land Value	Improvement Value	Total Value	Use	Area (acres)
7230227	Unger	1301 College Ave 1H	40,000	118,000	158,000	Residential	0.02
7230228	Sneesby	1301 College Ave 2A	40,000	113,000	153,000	Residential	0.02
7230229	Decker	1301 College Ave 2B	40,000	113,000	153,000	Residential	0.02
7230230	Smith	1301 College Ave 2C	40,000	113,000	153,000	Residential	0.02
7230231	Oconnell	1301 College Ave 2D	40,000	113,000	153,000	Residential	0.02
7230232	Ismaili	1301 College Ave 2E	40,000	118,000	158,000	Residential	0.02
7230233	Thomollari	1301 College Ave 2F	40,000	118,000	158,000	Residential	0.02
7230234	Mahsem	1301 College Ave 2G	40,000	118,000	158,000	Residential	0.02
7230235	Lathrop	1301 College Ave 2H	40,000	118,000	158,000	Residential	0.02
7230236	Zimmer Revocable Trust	1301 College Ave 3A	40,000	113,000	153,000	Residential	0.02
7230237	Wesley	1301 College Ave 3B	40,000	113,000	153,000	Residential	0.02
7230238	Blaskowski	1301 College Ave 3C	40,000	113,000	153,000	Residential	0.02
7230239	Nowak	1301 College Ave 3D	40,000	113,000	153,000	Residential	0.02
7230240	Larson	1301 College Ave 3E	40,000	118,000	158,000	Residential	0.02
7230241	Suarez	1301 College Ave 3F	40,000	118,000	158,000	Residential	0.02
7230242	Woods	1301 College Ave 3G	40,000	118,000	158,000	Residential	0.02
7230243	Moran	1301 College Ave 3H	40,000	118,000	158,000	Residential	0.02
7230244	Gee	1301 College Ave 4A	40,000	113,000	153,000	Residential	0.02
7230245	Reading	1301 College Ave 4B	40,000	113,000	153,000	Residential	0.02
7230246	Boehm	1301 College Ave 4C	40,000	113,000	153,000	Residential	0.02
7230247	Sullivan	1301 College Ave 4D	40,000	113,000	153,000	Residential	0.02
7230248	Derr	1301 College Ave 4E	40,000	118,000	158,000	Residential	0.02
7230249	Sabanovski	1301 College Ave 4F	40,000	118,000	158,000	Residential	0.02
7230250	Rinnemaki	1301 College Ave 4G	40,000	118,000	158,000	Residential	0.02
7230251	Vobeida	1301 College Ave 4H	40,000	118,000	158,000	Residential	0.02
7230252	Baileit Revocable Trust	1301 College Ave 5A	40,000	113,000	153,000	Residential	0.02
7230253	Bruz	1301 College Ave 5B	40,000	113,000	153,000	Residential	0.02

A-7 1/3. 2/4

A-7

PARCEL DATA
CITY OF SOUTH MILWAUKEE
TID #2

Parcel #	Owner Name	Property Address	Land Value	Improvement Value	Total Value	Use	Area (acres)
7230254	Gagliani	1301 College Ave 5C	40,000	113,000	153,000	Residential	0.02
7230255	Tinsen	1301 College Ave 5D	40,000	113,000	153,000	Residential	0.02
7230256	James	1301 College Ave 5E	40,000	118,000	158,000	Residential	0.02
7230257	Zlebinski	1301 College Ave 5F	40,000	118,000	158,000	Residential	0.02
7230258	Melville	1301 College Ave 5G	40,000	118,000	158,000	Residential	0.02
7230259	Drugi	1301 College Ave 5H	40,000	118,000	158,000	Residential	0.02
7230260	Siekierski	1301 College Ave 6A	40,000	113,000	153,000	Residential	0.02
7230261	Dunbar	1301 College Ave 6B	40,000	113,000	153,000	Residential	0.02
7230262	Mank	1301 College Ave 6C	40,000	113,000	153,000	Residential	0.02
7230263	Schultz	1301 College Ave 6D	40,000	113,000	153,000	Residential	0.02
7230264	Galbis-Reig	1301 College Ave 6E	40,000	118,000	158,000	Residential	0.02
7230265	Tomaiich	1301 College Ave 6F	40,000	118,000	158,000	Residential	0.02
7230266	Milkie	1301 College Ave 6G	40,000	118,000	158,000	Residential	0.02
7230267	Heyer	1301 College Ave 6H	40,000	118,000	158,000	Residential	0.02
7230268	Heinzen	1301 College Ave 7A	40,000	113,000	153,000	Residential	0.02
7230269	Dobiecki	1301 College Ave 7B	40,000	113,000	153,000	Residential	0.02
7230270	Sorenson	1301 College Ave 7C	40,000	113,000	153,000	Residential	0.02
7230271	Jahmke	1301 College Ave 7D	40,000	113,000	153,000	Residential	0.02
7230272	Kulwicki	1301 College Ave 7E	40,000	118,000	158,000	Residential	0.02
7230273	Larue	1301 College Ave 7F	40,000	118,000	158,000	Residential	0.02
7230274	Herman	1301 College Ave 7G	40,000	118,000	158,000	Residential	0.02
7230275	Castro	1301 College Ave 7H	40,000	118,000	158,000	Residential	0.02
7230276	Page	1301 College Ave 8A	40,000	113,000	153,000	Residential	0.02
7230277	Rybicki	1301 College Ave 8B	40,000	113,000	153,000	Residential	0.02
7230278	Sallee	1301 College Ave 8C	40,000	113,000	153,000	Residential	0.02
7230279	Liss	1301 College Ave 8D	40,000	113,000	153,000	Residential	0.02
7230280	Kurth	1301 College Ave 8E	40,000	118,000	158,000	Residential	0.02

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PARCEL DATA
CITY OF SOUTH MILWAUKEE
TID #2

Parcel #	Owner Name	Property Address	Land Value	Improvement Value	Total Value	Use	Area (acres)
7230281	Ratz	1301 College Ave 8F	40,000	118,000	158,000	Residential	0.02
7230282	Studzinski	1301 College Ave 8G	40,000	118,000	158,000	Residential	0.02
7230283	Antoniewicz Life Estate	1301 College Ave 8H	40,000	118,000	158,000	Residential	0.02
7230300	Strasser Family Trust	1016 Carrington Ave	45,000	140,000	185,000	Residential	0.02
7230301	Nelson	1014 Carrington Ave	45,000	140,000	185,000	Residential	0.02
7230302	Grinle	1012 Carrington Ave	45,000	140,000	185,000	Residential	0.02
7230303	Gorski	1010 Carrington Ave	45,000	140,000	185,000	Residential	0.02
7230304	Hart	312 N Chicago Ave	35,000	145,000	180,000	Residential	0.02
7230305	Torgerson	314 N Chicago Ave	35,000	145,000	180,000	Residential	0.02
7239006	ZSF(GPC(2) Trust	1223 College Ave	325,000	575,000	900,000	Commercial	1.21
7240424	Young	221 N Chicago Ave #1	25,000	125,000	150,000	Residential	0.02
7240425	Dienberg	221 N Chicago Ave #2	25,000	125,000	150,000	Residential	0.02
7240426	Ostrowski	221 N Chicago Ave #3	32,000	153,000	185,000	Residential	0.02
7240427	Khalil	221 N Chicago Ave #4	32,000	149,000	181,000	Residential	0.02
7240428	Beebe	221 N Chicago Ave #5	25,000	125,000	150,000	Residential	0.02
7240429	Kurtz	221 N Chicago Ave #6	25,000	130,000	155,000	Residential	0.02
'230015001	Luetzow Industries	1105 Davis Ave	63,200	527,800	600,000	Residential	0.76
'230088001	Sahagian	1115 College Ave	80,000	130,000	210,000	Commercial	0.36
'230089001	City of South Milwaukee	1105 College Ave	0	0	0	Vacant	0.26
230093001	Witt	1108 Carroll Ave	45,000	112,000	157,000	Commercial	0.26
230093002	Witt	1104 Carroll Ave	44,000	100,000	144,000	Vacant	0.25
230095001	F2BL LLC	112 N Chicago Ave	400,000	295,000	695,000	Commercial	1.12
230102002	City of South Milwaukee	222 N Chicago Ave	0	0	0	Vacant	3.60
239007003	South Towne I Apis LLP	101 Southtowne Dr	26,000	0	26,000	Vacant	0.27
239007004	1333 College Avenue LLC	103 Southtowne Dr	85,000	0	85,000	Vacant	0.28
239998001	Innovations Park LLC	1200 Davis Ave	315,000	310,000	625,000	Commercial	5.79

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A-7

OFFICIAL NOTICE

**CITY OF SOUTH MILWAUKEE
COMMUNITY DEVELOPMENT AUTHORITY
NOTICE OF PUBLIC HEARING ON MODIFICATION TO
PROJECT AREA REDEVELOPMENT PLAN FOR
TAX INCREMENTAL DISTRICT (TID) NO. 2**

PLEASE TAKE NOTICE, that on Monday, October 3, 2011, at 6:30 p.m., the City of South Milwaukee Community Development Authority (SMCDA) will hold a public hearing pursuant to sections 66.1331(5)(b), 66.1331(10), and 66.1333(11) 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 and modification to the Project Plan and Project Area Redevelopment Plan for TID No. 2.

A copy of the Project Plan will be available for review at the above address starting September 22. The TID No. 2 Project Plan is being amended based on a proposed redevelopment project and associated project costs to prepare land in the district for proposed construction of a 115,215 sq. ft. Walmart and future outparcel building. Questions should be directed to Kyle Vandercar, City Engineer, at 414-762-2222, ext. 136, or by email: vandercar@ci.south-milwaukee.wi.us, or to Danielle Devlin, SMCDA Executive Director, at 414-762-4114, or email: ddevlin@bizwi.rr.com.

This hearing may begin at 6:30 p.m. or as soon as possible following the conclusion of other hearings scheduled for this date and time, and may be combined with the scheduled public hearing on the proposed sale of property in TID No. 2.

Dated: September 8, 2011

John Lange, Chairman
South Milwaukee Community Development Authority

Publish: September 15, 2011
September 22, 2011



South Milwaukee Community Development Authority

2906 Sixth Avenue
South Milwaukee, WI 53172
(414) 762-4114 phone (414) 762-7271 fax

September 12, 2011

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

Re: City of South Milwaukee Plan Amendment to Tax Increment District No. 2
Joint Review Board Meeting

Dear Mayor Zepecki:

The City of South Milwaukee Community Development Authority is proposing to amend the project plan for Tax Increment District No. 2 to provide for the details and costs associated with a proposed redevelopment project for an 115,215 sq. ft. Walmart retail store and 6,000 sq. ft. out parcel at 222 N. Chicago Ave. TID No. 2 was created in 2000 with the intention that this project would be reviewed at a later date when all acquisitions were complete and specific details and costs identified.

The function of the Joint Review Board (JRB) is to review, evaluate and vote on creating or amending Tax Increment Districts and plans. In order to review the project plan amendment, the JRB must first meet in an organizational meeting to select a chairperson.

This first meeting is scheduled for **October 3, 2011 at 4:00 p.m.** in the Council Chambers at the South Milwaukee City Administration Building, 2424 15th Avenue. Enclosed are a meeting agenda and the public hearing notice. A draft of the project plan will be emailed or mailed to you before the meeting.

Please feel free to call or email me at ddevlin@bizwi.rr.com with any questions on this matter.

Sincerely,

Danielle M. Devlin, AICP
Executive Director
South Milwaukee Community Development Authority

Enclosures



South Milwaukee Community Development Authority

2906 Sixth Avenue
South Milwaukee, WI 53172
(414) 762-4114 phone (414) 762-7271 fax

September 12, 2011

Mr. Brian Taffora
Director of Economic Development
Milwaukee County Executive's Office
901 N. 9th ST Courthouse, Room 306
Milwaukee, WI 53233-1458

Re: City of South Milwaukee Plan Amendment to Tax Increment District No. 2
Joint Review Board Meeting

Dear Mr. Taffora:

The City of South Milwaukee Community Development Authority is proposing to amend the project plan for Tax Increment District No. 2 to provide for the details and costs associated with a proposed redevelopment project for a 115,215 sq. ft. Walmart retail store and 6,000 sq. ft. out parcel at 222 N. Chicago Ave. TID No. 2 was created in 2000 with the intention that this project would be reviewed at a later date when all acquisitions were complete and specific details and costs identified.

The function of the Joint Review Board (JRB) is to review, evaluate and vote on creating or amending Tax Increment Districts and plans. In order to review the project plan amendment, the JRB must first meet in an organizational meeting to select a chairperson.

This first meeting is scheduled for **October 3, 2011 at 4:00 pm** in the Council Chambers at the South Milwaukee City Administration Building, 2424 15th Avenue. Enclosed are a meeting agenda and the public hearing notice. A draft of the project plan will be emailed or mailed to you before the meeting.

Please feel free to call or email me at ddevlin@bizwi.rr.com with any questions on this matter.

Sincerely,

Danielle M. Devlin, AICP
Executive Director
South Milwaukee Community Development Authority

Enclosures



South Milwaukee Community Development Authority

2906 Sixth Avenue
South Milwaukee, WI 53172
(414) 762-4114 phone (414) 762-7271 fax

September 12, 2011

Dr. James Williams
Chief Financial Officer, MATC
700 W. State ST
Milwaukee, WI 53233-1443

Re: City of South Milwaukee Plan Amendment to Tax Increment District No. 2
Joint Review Board Meeting

Dear Dr. Williams:

The City of South Milwaukee Community Development Authority is proposing to amend the project plan for Tax Increment District No. 2 to provide for the details and costs associated with a proposed redevelopment project for a 115,215 sq. ft. Walmart retail store and 6,000 sq. ft. out parcel at 222 N. Chicago Ave. TID No. 2 was created in 2000 with the intention that this project would be reviewed at a later date when all acquisitions were complete and specific details and costs identified.

The function of the Joint Review Board (JRB) is to review, evaluate and vote on creating or amending Tax Increment Districts and plans. In order to review the project plan amendment, the JRB must first meet in an organizational meeting to select a chairperson.

This first meeting is scheduled for **October 3, 2011 at 4:00 pm** in the Council Chambers at the South Milwaukee City Administration Building, 2424 15th Avenue. Enclosed are a meeting agenda and the public hearing notice. A draft of the project plan will be emailed or mailed to you before the meeting.

Please feel free to call or email me at ddevlin@bizwi.rr.com with any questions on this matter.

Sincerely,

Danielle M. Devlin, AICP
Executive Director
South Milwaukee Community Development Authority

Enclosures



South Milwaukee Community Development Authority

2906 Sixth Avenue
South Milwaukee, WI 53172
(414) 762-4114 phone (414) 762-7271 fax

September 12, 2011

Mr. Blaise Paul
Director of Business Services
South Milwaukee School District
901 15th Ave
South Milwaukee, WI 53172

Re: City of South Milwaukee Plan Amendment to Tax Increment District No. 2
Joint Review Board Meeting

Dear Mr. Paul:

The City of South Milwaukee Community Development Authority is proposing to amend the project plan for Tax Increment District No. 2 to provide for the details and costs associated with a proposed redevelopment project for an 115,215 sq. ft. Walmart retail store and 6,000 sq. ft. out parcel at 222 N. Chicago Ave. TID No. 2 was created in 2000 with the intention that this project would be reviewed at a later date when all acquisitions were complete and specific details and costs identified.

The function of the Joint Review Board (JRB) is to review, evaluate and vote on creating or amending Tax Increment Districts and plans. In order to review the project plan amendment, the JRB must first meet in an organizational meeting to select a chairperson.

This first meeting is scheduled for **October 3, 2011 at 4:00 p.m.** in the Council Chambers at the South Milwaukee City Administration Building, 2424 15th Avenue. Enclosed are a meeting agenda and the public hearing notice. A draft of the project plan will be emailed or mailed to you before the meeting.

Please feel free to call or email me at ddevlin@bizwi.rr.com with any questions on this matter.

Sincerely,

Danielle M. Devlin, AICP
Executive Director
South Milwaukee Community Development Authority

Enclosures

2906 Sixth Avenue
South Milwaukee, WI 53172
(414) 762-4114 phone (414) 762-7271 fax

September 12, 2011

Ms. Sharon Mehre
205 Parkway Ave
South Milwaukee, WI 53172

Re: City of South Milwaukee Plan Amendment to Tax Increment District No. 2
Joint Review Board Meeting

Dear Ms Mehre:

The City of South Milwaukee Community Development Authority is proposing to amend the project plan for Tax Increment District No. 2 to provide for the details and costs associated with a proposed redevelopment project for an 115,215 sq. ft. Walmart retail store and 6,000 sq. ft. out parcel at 222 N. Chicago Ave. As per state statute a Joint Review Board (JRB) composed of taxing entities and a Public or At Large member must consider the proposed amendment.

The function of the JRB is to review, evaluate and vote on creating or amending Tax Increment Districts and project plans. In order to review the proposed project plan amendment, the JRB must first meet in an organizational meeting to select a chairperson and appoint the At Large member. Mayor Thomas Zepecki has informed me that he plans to nominate you for the At Large member at the organizational meeting.

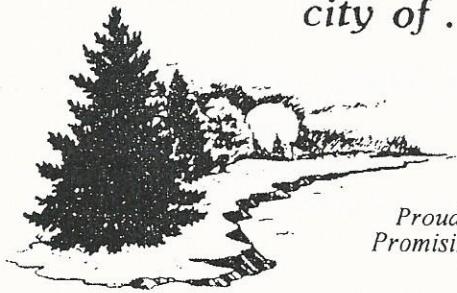
This organizational meeting is scheduled for **October 3, 2011 at 4:00 p.m.** in the Council Chambers at the South Milwaukee City Administration Building, 2424 15th Avenue. Enclosed are a meeting agenda and the public hearing notice. A draft of the project plan will be emailed or mailed to you before the meeting.

Please feel free to call or email me at ddevlin@bizwi.rr.com with any questions on this matter.

Sincerely,

Danielle M. Devlin, AICP
Executive Director
South Milwaukee Community Development Authority

Enclosures



city of . . .
**South
Milwaukee**

OFFICE OF THE CITY ENGINEER
(414) 768-8053
FAX (414) 768-8068

September 14, 2011

Re: Tax Incremental District No. 2:
Notice of Public Hearing on Proposed Modification to Project Area Redevelopment Plan

The City of South Milwaukee Community Development Authority (CDA) is proposing to modify the Redevelopment Plan for Tax Incremental District (TID) No. 2, which was created in July, 2000. The TID was created to promote redevelopment and revitalize certain areas, with an emphasis on underutilized commercial and industrial properties along N. Chicago Avenue. You are receiving this letter because property that you own or occupy is within the TID, adjoins the district, or is across the street from the project area. As required by State law, a public hearing will be held on the proposed modification to the Project Area Redevelopment Plan on Monday, October 3, 2011 (see enclosed notice). As indicated in the notice, a copy of the draft plan will be available for review starting September 22. The project area and modifications are described below.

To create redevelopment opportunities within the TID, between 2001 and 2008 the City acquired seven parcels along N. Chicago Avenue and 11th Avenue, which was assembled as a 3.6 acre parcel, known as 222 N. Chicago Avenue. The property is bounded by Carroll Avenue on the north, 11th Avenue on the west, Davis Avenue on the south, and N. Chicago Avenue on the east, and is now vacant land. As part of a development proposal, this property would be sold and combined with a 5.85 acre property to the west (1200 Davis Avenue), together with vacated 11th Avenue right-of-way, for construction of a commercial (retail) use. The proposed use is a 115,000 sq. ft. Walmart, and an out-parcel at the corner of N. Chicago and Davis Avenues for a restaurant or other use allowed under commercial zoning. Based on historic industrial and commercial uses of the land, including tanneries and underground storage tanks, environmental remediation is required on the City's parcel, 11th Avenue right-of-way, and the westerly parcel. The project plan is being amended based on costs to prepare the land for the proposed development. Without funding through the use of the TID, the proposed project, or other projects, will not proceed based on the estimated costs to make the land "ready for reuse". Enclosed is a copy of the boundary map of the project area.

The public hearing on the proposed modification is advisory to the CDA, and the CDA will consider comments and make recommendations on the proposed modification to the TID Plan. The Common Council will hold a separate public hearing on the proposed discontinuance of 11th Avenue (Carroll to Davis), scheduled for October 18.

If you have questions or need additional information, please contact Kyle Vandercar, City Engineer at 414-762-2222, ext. 136 or email: vandercar@ci.south-milwaukee.wi.us, or Danielle Devlin, CDA Director at 414-762-4114, or ddevlin@bizwi.rr.com.

Sincerely,

Kyle Vandercar
Kyle Vandercar

City Engineer

Copy to: Mayor, Tami, Council

Enclosures

City Administration Building • 2424 15th Avenue • South Milwaukee, Wisconsin 53172 • (414) 762-2222

B-2

McKendry Family LLC
612 Walnut St
South Milwaukee WI 53172

Carol Bindas
5873 S Illinois Ave
Cudahy WI 53110

John Racine
904 Sherman Ave
South Milwaukee WI 53172

CNL APF Partners LP
Po Box 166289
Irving TX 75016

Michael Smith
5773 S Indiana Ave
Cudahy WI 53110

F2BL LLC
1834 Walden Sq Ste 130
Schaumberg IL 60173

Fekri Sinani
6169 S Delaware Ave
Cudahy WI 53110

Mark Dielen
129 N Chicago Ave
South Milwaukee WI 53172

Fontier Wisconsin Holdings LLC
10930 W Potter Rd #A
Wauwatosa WI 53226

Glen Gossett
7265 S 46th St
Franklin WI 53132

Peter Dielen
205 N Chicago Ave
South Milwaukee WI 53172

Landahl Family LLC
100 E Walton Pl #25H
Chicago IL 60611

Leonard Kasprzak
12645 W Townsend St
Brookfield WI 53005

Classic Enterprises Mana
3401 Nicholson Ave
South Milwaukee WI 53172

Judith Anne Torgerson
314 N Chicago Ave
South Milwaukee WI 53172

David Friedrich
Po Box 305
South Milwaukee WI 53172

Deja Maric
310 N Chicago Ave
South Milwaukee WI 53172

Lawrence Hart
312 N Chicago Ave
South Milwaukee WI 53172

Mark Young Jr
221 N Chicago Ave #1
South Milwaukee WI 53172

Wittman Holding LLP
108 11th Ave
South Milwaukee WI 53172

Elizabeth Gorski
1010 Carrington Ave
South Milwaukee WI 53172

Steven Grinde
1012 Carrington Ave
South Milwaukee WI 53172

Daniel Nelson
1014 Carrington Ave
South Milwaukee WI 53172

Strasser Family Trust
1016 Carrington Ave
South Milwaukee WI 53172

Bernice Mackowiak Life Estate
1020 Carrington Ave
South Milwaukee WI 53172

Agim Shehu
3340 E Stonefield Dr
Oak Creek WI 53154

Donald Kurucz
1100 Carrington Ave
South Milwaukee WI 53172

Thomas Duellman
1113 Oak Creek Pkwy
South Milwaukee WI 53172

Jack Wojes
1106 Carrington Ave
South Milwaukee WI 53172

Dretzka Revoc Trust
6825 S Ash
Oak Creek WI 53154

Luetzow Industries
1105 Davis Ave
South Milwaukee WI 53172

Keith Orcholski
1111 Carrington Ave
South Milwaukee WI 53172

John Anderson
1121 Carrington Ave
South Milwaukee WI 53172

Steven Ray Heffner
1115 Carrington Ave
South Milwaukee WI 53172

Gary Gale
1118 Carrington Ave
South Milwaukee WI 53172

John Anderson
2003 E Hillcrest
Milwaukee WI 53207

Jeffrey Witt
115 N Chicago Ave
South Milwaukee WI 53172

Peter Sahagian
307 Hemlock Ct
South Milwaukee WI 53172

Tanta Kassabian
65 Cobblestone Dr
Canada M2

Gregory Sirna
1701 W Bolivar Ave
Milwaukee WI 53221

Bernice Ostrowski
221 N Chicago Ave #3
South Milwaukee WI 53172

Medhat Khalil
221 N Chicago Ave #4
South Milwaukee WI 53172

William Beebe
221 N Chicago Ave #5
South Milwaukee WI 53172

William Kurtz
221 N Chicago Ave #6
South Milwaukee WI 53172

William Elmore Jr
1017 Davis Ave
South Milwaukee WI 53172

James Dienberg
221 N Chicago Ave #2
South Milwaukee WI 53172

Blaeske Inc
100 East Sunset Dr
Waukesha WI 53189

Innovations Park LLC
3885 N Brookfield Rd 200
Brookfield WI 53045

School Dist of SM
901 15th Ave
South Milwaukee WI 53172

OFFICIAL NOTICE

**NOTICE OF PUBLIC HEARING ON SALE OF REAL PROPERTY IN PROJECT
AREA NO. 2 (TAX INCREMENTAL DISTRICT NO. 2) FOR PRIVATE USE**

PLEASE TAKE NOTICE, that pursuant to ss 66.1331(6)(b) and ss 66.1333(9)(b), the City of South Milwaukee Community Development Authority (SMCDA) will hold a public hearing on the proposed sale of property commonly known as 222 N. Chicago Avenue, property bounded by Carroll Avenue on the north, 11th Avenue on the west, Davis Avenue on the south, and North Chicago Avenue on the east; Consisting of approximately 3.6 acres and legally described as Lot 1 of Certified Survey Map No. 8309.

The proposed sale of the above described property will allow the property to be combined with the 5.85 acre parcel at 1200 Davis Avenue to the west, together with vacated 11th Avenue right-of-way, for construction of a 115,215 sq. ft. Walmart (and future out-parcel) construction. Based on the terms and conditions of the proposed sale, the Developer will be required to implement environmental remediation and construct various infrastructure improvements to accommodate the development; and guarantee a minimum valuation for the land and improvements following completion of the project. The proposed sale price of the property has been established at \$500,000.00.

A public hearing on the proposed sale of the property will be held on Monday, October 3, 2011 at 6:30 p.m. in the City Administration Building, 2424 15th Avenue, South Milwaukee, Wisconsin. All persons wishing to be heard on the proposed sale are invited to attend. A map of the property and preliminary plan of the development are on file in the Office of the City Engineer at the above address. Questions or comments should be directed to Kyle Vandercar, City Engineer at 762-2222, ext. 136, or email: vandercar@ci.south-milwaukee.wi.us, or to SMCDA Executive Director Danielle Devlin at 762-4114, or email: ddevlin@bizwi.rr.com.

Dated at South Milwaukee, Wisconsin this 8th day of September, 2011.

John Lange, Chairman
South Milwaukee Community Development Authority

Publish: September 15, 2011
September 22, 2011

COMMUNITY DEVELOPMENT AUTHORITY OF
THE CITY OF SOUTH MILWAUKEE

CDA RESOLUTION NO. 11-05

RESOLUTION CONFIRMING RECOMMENDATION OF AMENDMENT TO PROJECT
PLAN AND REDEVELOPMENT PLAN FOR TAX INCREMENT DISTRICT NO. 2

WHEREAS, the Common Council of the City of South Milwaukee adopted Ordinance No. 1771 on June 20, 2000, which created the Community Development Authority (CDA), and directed the CDA to act as the agent of the City for redevelopment as described under Wis. Stats. 66.1105, 66.1331, and other applicable Statutes; and

WHEREAS, the Common Council of the City of South Milwaukee adopted Resolution No. 00-24 on July 5, 2000, approving the creation of TID No. 2; and has authorized the CDA to proceed with various redevelopment projects as contemplated in the Tax Incremental District (TID) No. 2 Project Plan; and

WHEREAS, the CDA has caused a Project Plan amendment to be prepared which specifies redevelopment projects in the district with required supporting analysis, maps, and data as described under ss 66.1105 (4) (h) and 66.1331 (3) (m); and

WHEREAS, the boundary of TID No. 2 is not modified by the proposed amendment; and

WHEREAS, on October 3, 2011 the CDA conducted a public hearing on said amendment to TID 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 Plan is feasible and in conformity with the Master Plan of the City of South Milwaukee; and

WHEREAS, after due consideration, on October 3, 2011, the CDA recommended unanimous approval of the Amendment and Modification to the Project Plan and Redevelopment Plan for TID No. 2, and submitted the plan to the Common Council for approval.

NOW THEREFORE BE IT RESOLVED, the Community Development Authority of the City of South Milwaukee hereby confirms by Resolution the recommendation made to the Common Council approving the amendment to the Project Plan for TID No. 2, on October 3, 2011.

Adopted: Dec. 12, 2011 *


JOHN LANGE, Chairperson

DANIELLE M. DEVLIN, Executive Director

Drafted by Kyle Vandercar, City Engineer
Reviewed by Joseph Murphy, City Attorney

* RESOLUTION CONFIRMING
RECOMMENDATION OF OCTOBER 3, 2011
CDA MEETING.

(B-4)

RESOLUTION NO. 11-26

RESOLUTION APPROVING AMENDMENT TO TAX INCREMENTAL DISTRICT NO. 2 PROJECT PLAN AND REDEVELOPMENT PLAN

WHEREAS, the Common Council of the City of South Milwaukee adopted Resolution No. 00-24 on July 5, 2000 creating Tax Incremental District (TID) No. 2 and approved the Project Plan; and

WHEREAS, an amendment to the Project Plan and Redevelopment Plan for TID No. 2 has been prepared for the Community Development Authority (CDA) which identifies redevelopment projects in the district with required supporting analysis, maps, and data as described under ss 66.1105 (4)(h) and 66.1331 (3); and

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

WHEREAS, on October 3, 2011, the CDA conducted a public hearing on said amendment to the TID 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, on October 3, 2011, the CDA unanimously recommended approval of the amendment to the Project Plan which includes proposed redevelopment of 222 N. Chicago Avenue and 1200 Davis Avenue for Walmart and related facilities; and

NOW THEREFORE BE IT RESOLVED; after due consideration, the Common Council of the City of South Milwaukee hereby approves the amendment to the Project Plan and Redevelopment Plan for Tax Incremental District No. 2, City of South Milwaukee; and

BE IT FURTHER RESOLVED; that the boundary for TID No. 2 is not being expanded or modified under this amendment and shall be as delineated on the original Project Plan.

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 was blighted; in need of redevelopment or rehabilitation; and

B. The improvement of properties within TID No. 2 has enhanced property values; and the amendment to the Project Plan is likely to enhance significantly the value of other real property in the district; and

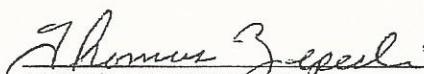
C. The project costs identified in the Project Plan relate directly to eliminating blight, directly serve to rehabilitate the area, and are consistent with the purpose for which the TID was created; and

BE IT FURTHER RESOLVED, TID No. 2 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 the requirements of Wisconsin Statutes 66.1105 and 66.1331, the Common Council hereby approves the Amended Project Plan and Redevelopment Plan recommended by the CDA and finds said plan feasible and in conformance with the City's Comprehensive (Master) Plan.

BE IT FURTHER RESOLVED, the CDA is directed to finalize the Project Plan and is authorized to proceed with the projects identified in the Amended Project Plan, subject to Joint Review Board approval.

Introduced and adopted at a regular meeting of the Common Council of the City of South Milwaukee on this 18th day of October, 2011 by a majority vote, five voting in favor thereof and two voting against.



THOMAS ZEPECKI, Mayor

Attest:



JAMES SHELENSKE, City Clerk

Adopted: October 18, 2011

Approved: October 19, 2011

NOTICE OF PUBLIC MEETING
CITY OF SOUTH MILWAUKEE
JOINT REVIEW BOARD
ORGANIZATIONAL MEETING ON AMENDMENT TO PROJECT
REDEVELOPMENT PLAN FOR
TAX INCREMENT DISTRICT NO. 2

NOTICE IS HEREBY GIVEN that on October 3, 2011 at 4:00 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 amendment to the Project Plan of Tax Increment District No. 2 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 Chairperson
4. Appointment of Public (At Large) Member
5. Brief Presentation of Proposed TID Project Plan Amendment
6. Schedule Additional Meetings
7. Adjourn

POSTED NOTICE

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.

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MINUTES OF JOINT REVIEW BOARD

October 3, 2011 – 4:00 pm

MEMBERS: Mayor Thomas Zepecki
Brian Taffora, Milwaukee County
Blaise Paul, South Milwaukee School District
Dr. James Williams, MATC

Also present: City Attorney Joseph Murphy, City Engineer Kyle Vandercar, Sharon Mehre and CDA Director Danielle Devlin

1. Meeting called to order at 4:03 p.m.
2. **Motion made by Taffora, seconded by Paul, to appoint Mayor Zepecki as chairperson. All voted aye. Motion carried.**
3. Mayor Zepecki recommended the appointment of Sharon Mehre of 205 Parkway Avenue as the At Large member. **All voted aye.**
4. Vandercar gave a brief presentation on the background of the site and of the projects completed to date in the TID. He discussed the prior uses of the site which included tanneries and heating oil transfer as well as other blighted and obsolete properties and uses. He discussed that the reason for amending the TID plan was to include a proposed redevelopment project to build a 115,000 sq. ft. Walmart retail store with an out parcel. The project will include a new traffic signal and lane improvements. The development will generate a guaranteed \$12 million in increment through the life of the TID until 2027 but could not happen but for assistance with the environmental remediation as described in the plan. The debt incurred for acquisition and environmental closure could be paid off by 2017, possibly sooner. Mayor Zepecki discussed the jobs created by the project and the characteristics of the proposed store, which is to be one third groceries and hire approximately 160 employees. Discussion of the project ensued.
5. Vandercar discussed the draft TID Plan Amendment document and the procedure of the JRB, who will be asked to reconvene within 30 days of the Council resolution on the amended plan. Devlin stated that the CDA will hold a public hearing later that night and forward their recommendation to the Council who may act on the resolution October 18.
6. The board agreed to reconvene Monday, October 24 at 4:30 p.m. in the same location. Devlin will notify the board if the meeting needs to be rescheduled.
7. **Taffora moved, Williams seconded, to adjourn. All voted aye. Motion carried.**
Meeting adjourned at 4:35 p.m.

Submitted by,

Danielle Devlin
SMCDA

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p.2

**NOTICE OF PUBLIC MEETING
CITY OF SOUTH MILWAUKEE
JOINT REVIEW BOARD MEETING ON AMENDMENT TO
PROJECT REDEVELOPMENT PLAN FOR
TAX INCREMENTAL DISTRICT NO. 2**

NOTICE IS HEREBY GIVEN that on October 24, 2011 at 4:30 p.m. the City of South Milwaukee Joint Review Board will hold a meeting. The purpose of this meeting is to review and act on the documents and resolution adopted by the Common Council for amendment to the Project Plan of Tax Increment District No. 2 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. A copy of the resolution is available at the South Milwaukee City Clerk's Office.

AGENDA

1. Call to order
2. Roll call
3. Approval of minutes of October 3, 2011 meeting
4. Discussion and action regarding Council Resolution No. 11-26 amending the Project Plan of Tax Incremental District No. 2 and adoption of resolution
5. Schedule additional meetings
6. 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.

(B-6)p-3

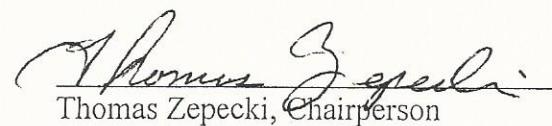
JOINT REVIEW BOARD RESOLUTION CONCERNING
CITY OF SOUTH MILWAUKEE AMENDMENT TO TAX INCREMENTAL
DISTRICT NO. 2

WHEREAS, the Joint Review Board duly convened pursuant to Wisconsin Statutes 66.1105 (4m), having met and reviewed the public record, planning documents and Resolution No. 11-26 passed by the City of South Milwaukee Common Council approving the amendment to Tax Incremental District No. 2 Project and Redevelopment Plan, hereby makes the following findings:

- (A) The development expected in the Tax Incremental District and the development proposed as part of the amended plan, would not occur without the use of Tax Incremental Financing; and
- (B) The economic benefits of the amendment to the Project Plan for 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 No. 11-26 adopted pursuant to Wisconsin Statutes 66.1105 and 66.1131 by the Common Council for the City of South Milwaukee on October 18, 2011.

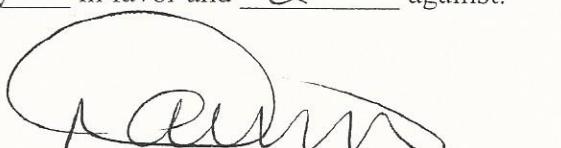
This Resolution is adopted this 24th day of October, 2011 by a majority vote of the Joint Review Board.



Thomas Zepecki
Thomas Zepecki, Chairperson

CERTIFICATION

This is to certify that the above Resolution was adopted at a duly noticed meeting of the Joint Review Board held on October 24, 2011. Motion was made by DR. WILLIAM and seconded by HARRIS to adopt the resolution. Vote was 5 in favor and 0 against. Resolution adopted.



Danielle Devlin, Recording Secretary

MURPHY & LEONARD, LLP
ATTORNEYS
2013 FOURTEENTH AVENUE
PO BOX 308
SOUTH MILWAUKEE, WI 53172-0308

JOSEPH G. MURPHY
MARY E. LEONARD

Telephone: 414-764-4410
Fax: 414-764-6769
Email: josephgmurphy@gmail.com
mel.mllp@gmail.com

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

**RE: Tax Increment District No. 2 – Project Plan Amendment
Opinion Letter Regarding Compliance with ss 66.1105(4)**

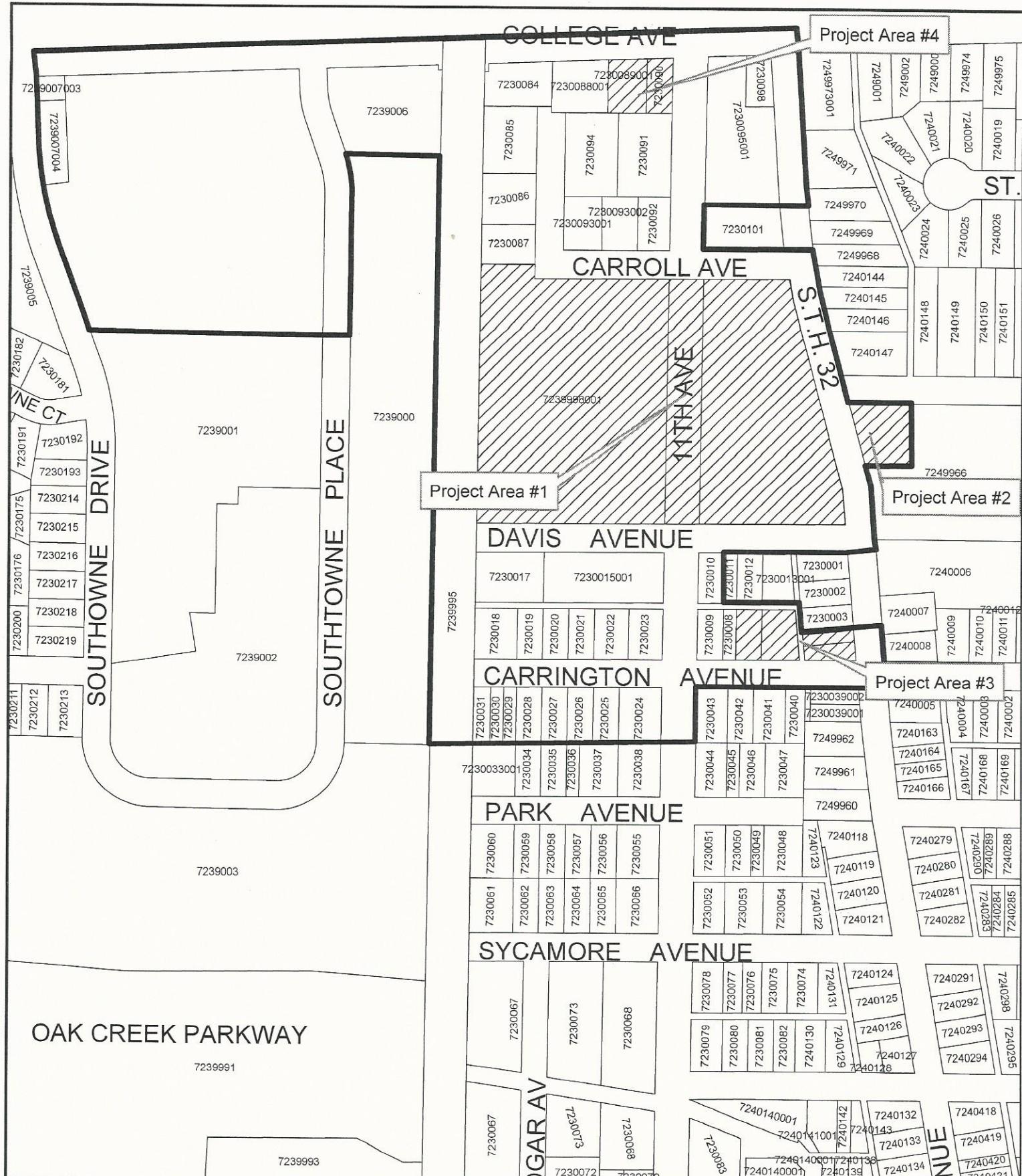
Dear Mayor Zepecki:

As City Attorney for the City of South Milwaukee, I have been requested to review the Tax Incremental District (TID) No. 2 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 adopted by the Common Council. It is my opinion that the Project Plan is complete and complies with Wisconsin Statute 66.1105(4).

Yours truly,

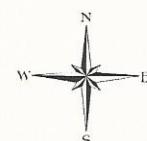

Joseph G. Murphy
City Attorney
City of South Milwaukee

(B-7)

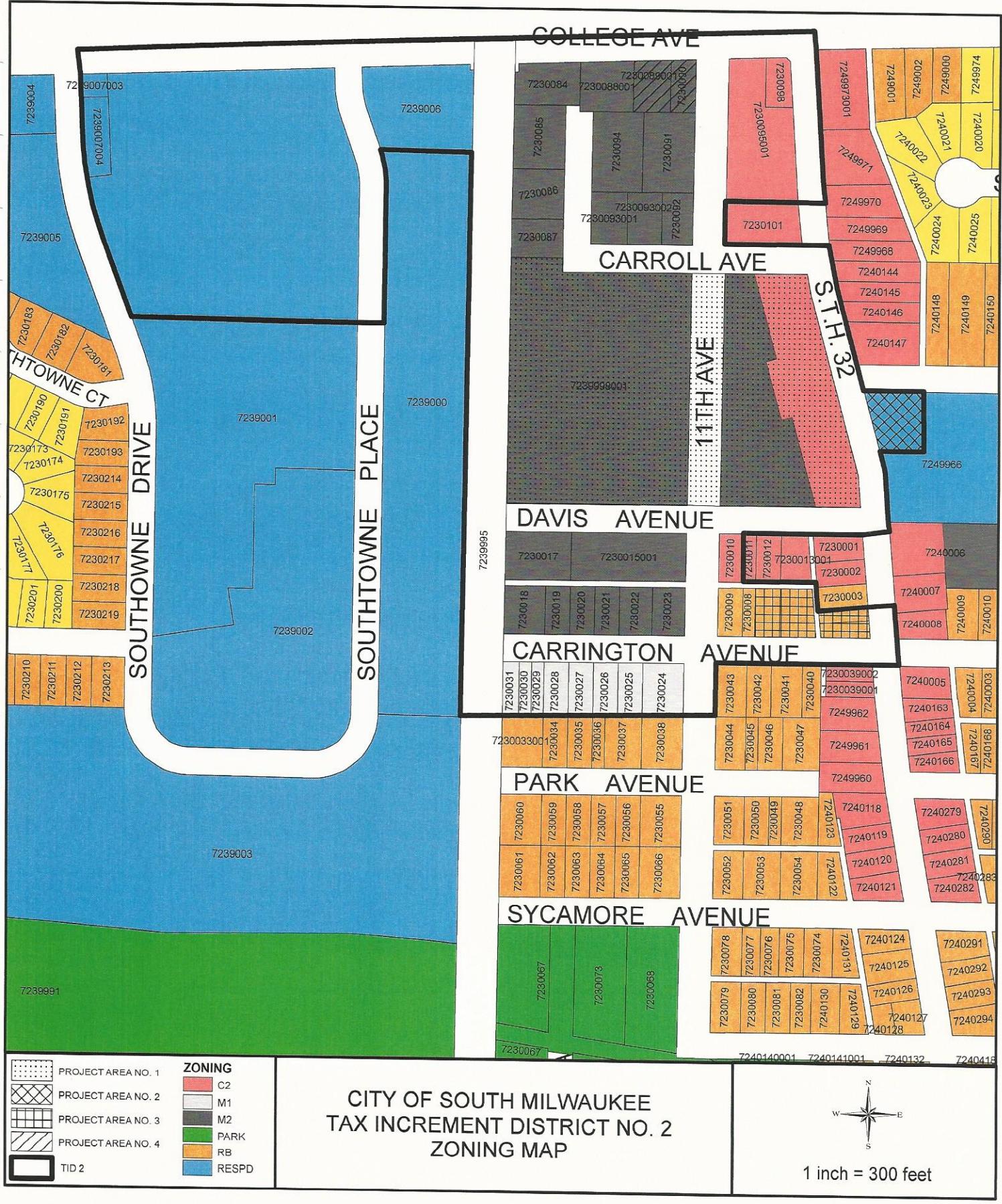


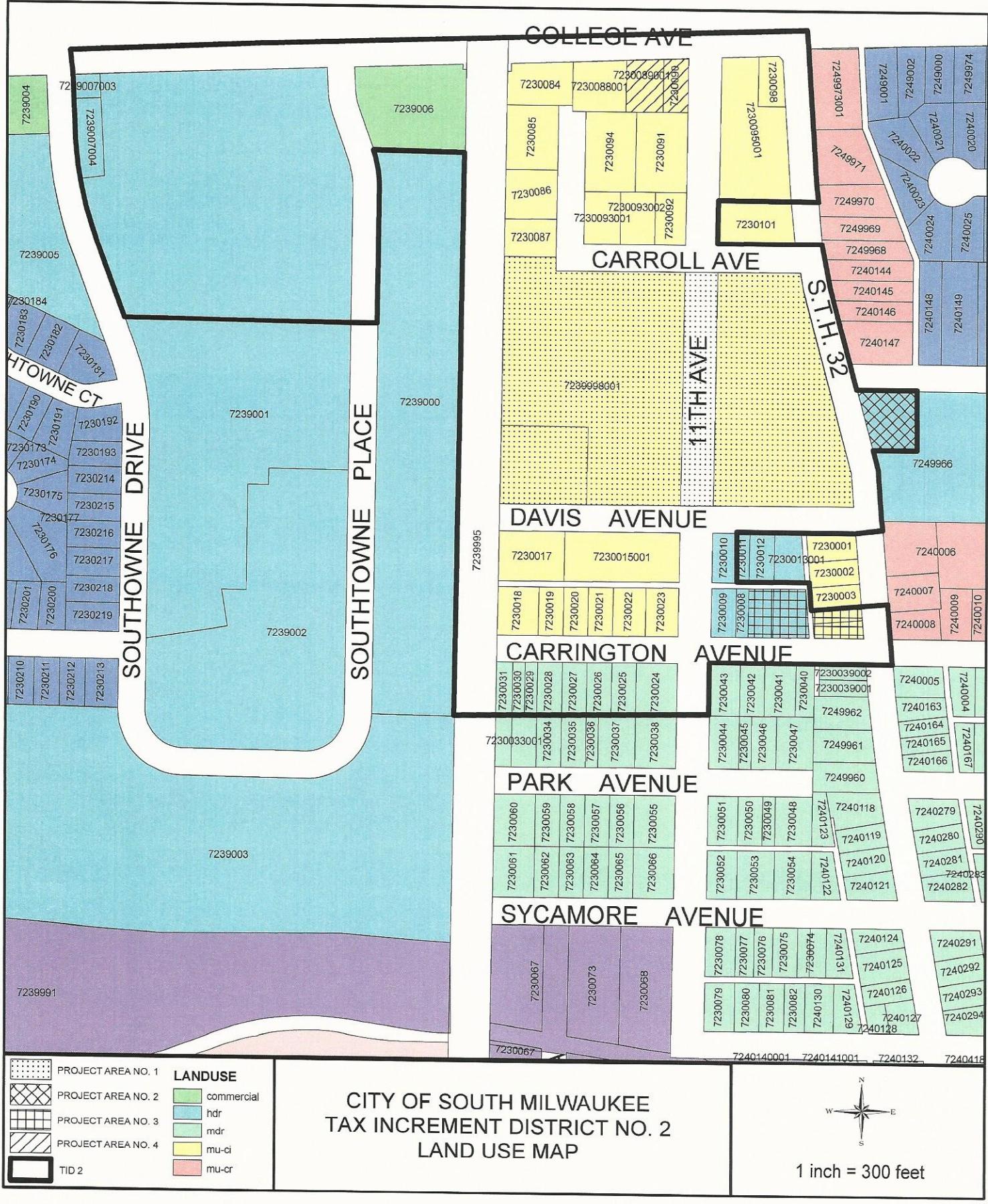
PROJECT AREAS

**CITY OF SOUTH MILWAUKEE
TAX INCREMENT DISTRICT NO. 2
BOUNDARY & REDEVELOPMENT
PROJECT AREAS**



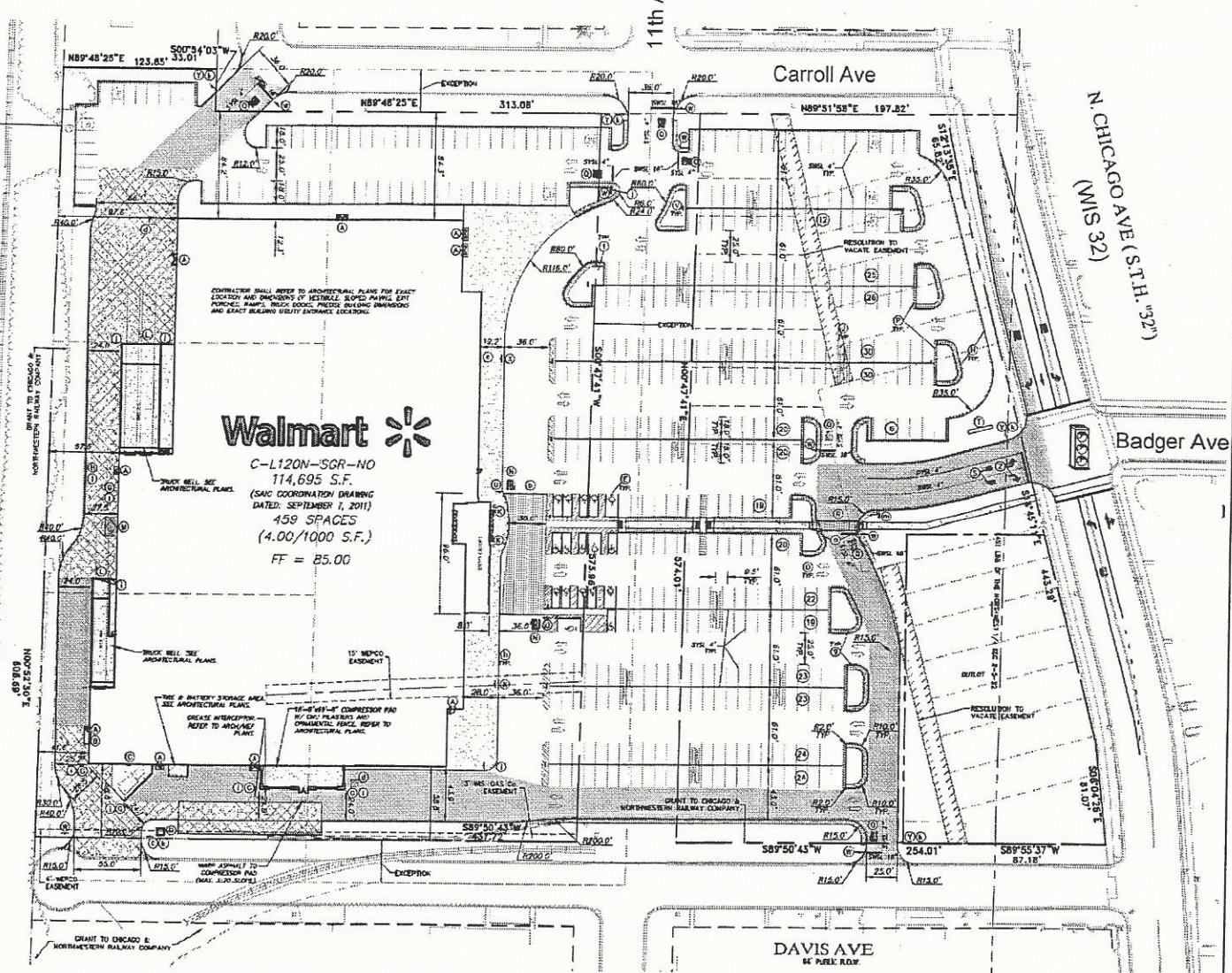
1 inch = 300 feet







(Not to Scale)



Preliminary Site Plan

C-4

PROJECT INFORMATION SHEET

Proposed Walmart Development

222 N. Chicago Avenue/1200 Davis Avenue

- A redevelopment district (Tax Incremental District No. 2) was created by the City in the year 2000 to improve neighborhood conditions by redeveloping obsolete, deteriorated buildings, and eventually to increase tax base.
- From 2001 to 2008, the City/Community Development Authority (CDA) acquired seven (7) parcels along N. Chicago /11th Avenue between Carroll and Davis Avenues, now a 3.6 acre parcel, known as 222 N. Chicago Avenue.
- The City has invested approximately \$1.7 million dollars to date to acquire property, demolish buildings, environmental remediation and other work to prepare for new development.
- Proposed project includes the developer's acquisition of 1200 Davis Avenue (former tannery), sale of city owned parcel to developer together with vacated 11th Avenue between Carroll and Davis Avenues, to create a 10.5 acre site.
- Project includes proposed construction of 115,000 sq. ft. Walmart, parking facilities, and out-parcel for future restaurant or other retail.
- Project, under terms of proposed development agreement, includes partial funding of environmental remediation, through redevelopment district, to make property ready for reuse. Without this funding through the redevelopment district, the project will not proceed.
- Estimated value of the project is \$12 million minimum. The tax revenue from this project will reimburse the city's investment and then return properties to the tax roll when the district is closed.
- Current zoning is M-2 Manufacturing/C-2 Commercial. Under this zoning, industrial uses could be considered, which would be less desirable for surrounding residential and commercial uses.
- The proposed Walmart is 115,000 sq. ft. with approximately 30% grocery, and 70% general merchandise, with a pharmacy. There will be no automotive repair or garden center. For comparison purposes, the Target store on Howell Avenue (Hwy 38) in Oak Creek is about 125,000 sq. ft., approximately 10% larger than the proposed Walmart.
- The Walmart Supercenter in Franklin (S. 27th Street) is approximately 200,000 sq. ft., not including the adjoining Sam's Club store.
- Traffic signals will be installed at Developer's cost at Badger Avenue and N. Chicago Avenue (STH 32) to accommodate access, and maintain level of service for traffic.
- Approximately 150 jobs would be created, with an estimated 60% being full time.
- Potential for revitalization of other businesses and properties in the area that benefit from customer exposure.
- It is unlikely that the City will be able to attract a different national retailer or alternative development in the foreseeable future, based on the commercial real estate market and other factors.
- Based on historic use of these lands, residential development of these properties is unlikely.
- This project information sheet is intended to be a general summary of the proposed development. Additional information can be obtained by contacting:

Kyle Vandercar, City Engineer or
414-762-2222, x136; vandercar@ci.south-milwaukee.wi.us

Danielle Devlin, CDA Director
414-762-4114; ddevlin@bizwi.rr.com

