



City of West Allis

Meeting Agenda

Community Development Authority

Gerald C. Matter, Chair
Wayne Clark, Vice-Chair
Karin M. Gale, Donald Nehmer, Michael Suter
Ald. Kevin Haass, Ald. Martin Weigel
Patrick Schloss, Economic Development Executive Director

Tuesday, April 25, 2023

6:00 PM

City Hall, Room 128
7525 W. Greenfield Ave.

SPECIAL MEETING

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. [23-0293](#) March 20, 2023

Attachments: [March 20, 2023 \(draft minutes\)](#)

D. MATTERS FOR DISCUSSION/ACTION

2. [23-0300](#) Annual election of Chairperson and Vice-Chairperson.
3. [23-0304](#) Discussion regarding the proposed redevelopment by Three Leaf Partners of the property at 8530-56 W. National Ave.
4. [23-0302](#) Resolution authorizing the Executive Director to prepare a plan for the creation of the Tax Increment District No. 19 - S. 85th St. and W. National Avenue Plan.

Attachments: [CDA Res No. 1450 - Creation of TIF 19 \(4-25-23\)](#)

5. [23-0305](#) Resolution approving a professional services contract with Ehlers and Associates, Inc. for the preparation of plan for Tax Increment District Number 19 for the area of 85th and National Ave.

Attachments: [Timetable 4.19.23 \(dates will change\)](#)

[Ehler's Scope of Service](#)

[CDA Res No - 1451 Professional Services - Ehlers & Assoc TIF 19](#)

6. [23-0298](#) Resolution approving the Scope of Services for Ramboll Environmental to provide quarterly reporting assistance for the US EPA Brownfield Site Assessment Grant.
- Attachments:** [CDA Res. No - 1449-Ramboll Quarterly Reporting Services \(4-25-23\)](#)
[Ramboll Scope of Service - West Allis-Assess Grant Management Svcs](#)
7. [23-0299](#) Resolution to approve a revised Letter of Intent Agreement with Baum Revision, LLC., for property located at 6771 W. National Ave. and 67** W. Mitchell St. (Tax Key No. 453-0564-003 and Tax Key No. 454-0251-004)
- Attachments:** [CDA Res No. 1448 - 6771 Baum Revision Letter of Intent \(4-25-23\)](#)
8. [23-0306](#) Discussion regarding 84th and Greenfield Avenue Redevelopment – Element 84.
9. [23-0307](#) Discussion relative to SONA Development within Tax Increment District Number 15.
10. [23-0308](#) Discussion on the redevelopment of 92nd and Greenfield Avenue (Former St. Aloysius Church and School)
11. [23-0301](#) Communication of Audit Report for Beloit Road Senior Apartments, LLC submitted by Baker Tilly US, LLP.
- Attachments:** [Beloit Road - Audit Results](#)
[Beloit Road Senior Apartments AUDIT Final \(2022\)](#)
12. [23-0309](#) Consideration relative to Report on Redevelopment Initiatives:
- a. 84th & Greenfield/TIF Number Eleven
 - b. 68th & Mitchell (former Milwaukee Ductile Iron)/TIF Number Fourteen
 - c. The Market/TIF Number Fifteen
 - d. S. 70th St. & W. Washington St. Corporate Office Corridor Plan/TIF Number Sixteen
 - e. S. 102 St. and W. Lincoln Ave. – West Lincoln Corridor /TIF Number Seventeen
 - f. Hwy. 100 Corridor
 - g. Beloit Road Senior Housing Complex
 - h. W. National Ave. Corridor
 - i. Motor Castings Site – 1323 S. 65 St.
 - j. 116th & Morgan Ave.
 - k. 92nd St.and Greenfield Ave. - Former St. Aloysius

For agenda items, 3,7,8,9,10, the committee may convene in closed session pursuant to the provisions of Section 19.85(1)(e) of the state statutes for the purpose of deliberating the investing of public funds whenever competitive or bargaining reasons require a closed session. This committee may reconvene in open session after completion of the closed session to consider the balance of the agenda.

E. ADJOURNMENT



All meetings of the Community Development Authority are public meetings. In order for the general public to make comments at the committee meetings, the individual(s) must be scheduled (as an appearance) with the chair of the committee or the appropriate staff contact; otherwise, the meeting of the committee is a working session for the committee itself, and discussion by those in attendance is limited to committee members, the mayor, other alderpersons, staff and others that may be a party to the matter being discussed.

NOTICE OF POSSIBLE QUORUM

It is possible that members of, and possibly a quorum of, members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information. No action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

NON-DISCRIMINATION STATEMENT

The City of West Allis does not discriminate against individuals on the basis of race, color, religion, age, marital or veterans' status, sex, national origin, disability or any other legally protected status in the admission or access to, or treatment or employment in, its services, programs or activities.

AMERICANS WITH DISABILITIES ACT NOTICE

Upon reasonable notice the City will furnish appropriate auxiliary aids and services when necessary to afford individuals with disabilities an equal opportunity to participate in and to enjoy the benefits of a service, program or activity provided by the City.

LIMITED ENGLISH PROFICIENCY STATEMENT

It is the policy of the City of West Allis to provide language access services to populations of persons with Limited English Proficiency (LEP) who are eligible to be served or likely to be directly affected by our programs. Such services will be focused on providing meaningful access to our programs, services and/or benefits.



City of West Allis

Meeting Minutes

Community Development Authority

Gerald C. Matter, Chair
Wayne Clark, Vice-Chair
Karin M. Gale, Donald Nehmer, Michael Suter
Ald. Kevin Haass, Ald. Martin Weigel
Patrick Schloss, Economic Development Executive Director

Monday, March 20, 2023

6:00 PM

City Hall, Art Gallery
7525 W. Greenfield Ave.

SPECIAL MEETING (draft minutes)

A. CALL TO ORDER

B. ROLL CALL

Present 6 - Ms. Karin M. Gale, Mr. Donald Nehmer, Ald. Kevin Haass, Ald. Martin J. Weigel,
Mr. Gerald C. Matter, and Michael Suter
Excused 1 - Mr. Wayne Clark

Others Attending

Jason Kaczmarek, Finance Director/Comptroller
Bob Monnat, Mandel Group

Staff

Patrick Schloss, Economic Development, Executive Director
Shaun Mueller, Economic Development, Development Project Manager
Carson Coffield, Economic Development Specialist

C. APPROVAL OF MINUTES

1. [23-0159](#) March 14, 2023

Attachments: [March 14, 2023](#)

Ald. Haass moved to approve this matter, Nehmer seconded, motion carried.

D. MATTERS FOR DISCUSSION/ACTION

2. [23-0157](#) Notice of Public Hearing seeking public comment and consideration of changes to the Community Development Authority of the City of West Allis' Administrative Plan for the U.S. Department of Housing and Development's (HUD's) Section 8 Housing Choice Voucher (HCV) Program.

Attachments: [NOTICE OF PUBLIC HEARING CDA 2023 Admin Plan Changes](#)

Ms. Carrington presented an overview and addressed questions from the Community Development Authority regarding the Public Hearing regarding the changes to the Section 8 Housing Choice Voucher Program Administrative Plan.

3. [23-0158](#) Resolution authorizing the changes to the Community Development Authority of the City of West Allis' Administrative Plan for the U.S. Department of Housing and Development's (HUD's) Section 8 Housing Choice Voucher (HCV) Program.

Attachments: [Final Admin Plan Proposed Changes 2023 3-01-23](#)

[CDA Res. 1444 - Changes to Administrative Plan- Section 8 HCV \(3-20-23\)](#)

[CDA Res. 1444 - Changes to Administrative Plan - Section 8 HCV \(3-20-23\) signed](#)

Discussion between staff and Community Development Authority members took place.

Ald. Haass questioned if applicants are able to locate outside of West Allis.

Ms. Carrington explained that those on the program need to use a voucher in West Allis for twelve month, and then can transfer out of our municipality.

Ald. Haass moved to approve this matter, Suter seconded, motion carried by the following vote:

Aye: 5 - Ms. Gale, Ald. Haass, Ald. Weigel, Mr. Matter, and Suter

No: 1 - Mr. Nehmer

4. [23-0182](#) Appointments & Reappointments by Patrick Schloss, Executive Director of the Community Development Authority, of the Resident Advisory Board Members for three-year terms to expire March 20, 2026.

Antonette Brown
Terell Thomas
Michelle Anderson
Jerome Bunker
Joyce Garyfield
Todd Groeshchel
Sandra Rice

Attachments: [CDA Res. No. 991 - Creation of a Resident Advisory Board \(RAB\) for the Section 8 Housing Choice Voucher \(HCV\) Program \(5-14-13\)](#)

Ald. Haass moved to approve this matter, Suter seconded, motion carried.

5. [23-0198](#) Resolution authorizing the submission of a Capital Catalyst Grant Application to Wisconsin Economic Development Corporation (WEDC) to support economic development efforts to support start-up businesses.

Attachments: [CDA Res. 1445 - Capital Catalst Grant Appl - \\$500,000 WEDC \(3-20-23\)](#)

[CDA Res. 1445 - Capital Catalst Grant Appl - \\$500,000 WEDC \(3-20-23\) signed](#)

Mr. Schloss presented an overview and addressed questions from the Community Development Authority.

Mr. Nehmer questioned if this was a grant or a loan from the state and received

confirmation that this is a grant from state.

Ald. Weigel moved to approve this matter, Ald. Haass seconded, motion carried.

6. [23-0183](#)

Resolution to approve the Scope of Services submitted by Ramboll Environmental for preparation of Phase 1 Environmental Assessment and consultation with the WDNR for the property located at 52** W. Burnham St. (Former Teledyne property).

Attachments: [Ramboll Scope of Service - Phase 1 - ESA - Teledyne \(3-20-23\)](#)
[CDA Res. 1446 - Ramboll - Phase 1 - Teledyne \\$9,150 \(3-20-23\)](#)
[CDA Res. 1446 - Ramboll - Phase 1 - Teledyne \\$9,150 \(3-20-23\) signed](#)

Mr. Schloss presented an overview of this project.

Mr. Suter inquired on who owns the site.

Ald. Haass moved to approve this matter, Ald. Weigel seconded, motion carried.

7. [23-0199](#)

Resolution to approve Amendment #4 to the Staging and Grading Temporary Easement Agreement between the Community Development Authority of the City of West Allis and Mandel Development, Inc. Group for the Phase II of The Market development (South of National Avenue "SONA")

Attachments: [Amendment 4 Staging and Grading Temporary Easement Agrmnt - \(3-20-23\)](#)
[CDA Res.1443-Amendment #4 to Mandel Phase II -Access Agreement\(3-20-23\)](#)
[CDA Res. 1443 - 2023 CDA Resolution Proposed Administrative Plan Change \(3-20-23\) signed](#)

Ald. Haass moved to approve this matter, Suter seconded, motion carried.

8. [23-0200](#)

Resolution approving amendments to the Purchase and Sale Agreement and Development Agreement for the sale of land between the Community Development Authority of the City of West Allis and Makers Row QOZB, LLC.

Attachments: [CDA Res.1447- Purchase & Sale Agreement-Makers Row QOZB, LLC \(3-20-23\)](#)

This item was discussed in closed session with no action being taken.

This matter was No action taken.

At 6:50 p.m., a motion was made by Ald. Haass, seconded by Mr. Nehmer to go into closed session to discuss item 8 on the agenda.

Following the discussion in closed session, the committee reconvened in open session at 7:05 p.m.

E. ADJOURNMENT

There being no further business to come before the Authority a motion was made by Ald. Haass, seconded by Mr. Nehmer to adjourn at 7:05 p.m.



All meetings of the {bdName} are public meetings. In order for the general public to make comments at the committee meetings, the individual(s) must be scheduled (as an appearance) with the chair of the committee or the appropriate staff contact; otherwise, the meeting of the committee is a working session for the committee itself, and discussion by those in attendance is limited to committee members, the mayor, other alderpersons, staff and others that may be a party to the matter being discussed.

NON-DISCRIMINATION STATEMENT

The City of West Allis does not discriminate against individuals on the basis of race, color, religion, age, marital or veterans' status, sex, national origin, disability or any other legally protected status in the admission or access to, or treatment or employment in, its services, programs or activities.

AMERICANS WITH DISABILITIES ACT NOTICE

Upon reasonable notice the City will furnish appropriate auxiliary aids and services when necessary to afford individuals with disabilities an equal opportunity to participate in and to enjoy the benefits of a service, program or activity provided by the City.

LIMITED ENGLISH PROFICIENCY STATEMENT

It is the policy of the City of West Allis to provide language access services to populations of persons with Limited English Proficiency (LEP) who are eligible to be served or likely to be directly affected by our programs. Such services will be focused on providing meaningful access to our programs, services and/or benefits.

COMMUNITY DEVELOPMENT AUTHORITY
CITY OF WEST ALLIS
RESOLUTION NO: 1450
DATE ADOPTED: April 25, 2023

Resolution authorizing the Executive Director to prepare a plan for the creation of the Tax Increment District No. 19 - S. 85th St. and W. National Avenue Plan.

WHEREAS, the Community Development Authority of the City of West Allis (the "Authority") has been designated pursuant to the provisions of Section 66.1335(4) of the Wisconsin Statutes to act as agent of the City of West Allis (the "City") to perform all acts, except the development of the General Plan of the City, which may be otherwise performed by the Planning Commission under Section 66.1105 of the Wisconsin Statutes; and,

WHEREAS, the Authority is recommending the creation of Tax Incremental District No. 19 – S. 85th St. and W. National Avenue, City of West Allis (the "District") and the proposed boundaries thereof pursuant to Section 66.1105(4)(b) of the Wisconsin Statutes; and,

WHEREAS, it is required that the Authority designate the boundaries of the Tax Incremental District recommended by it to be created and submit such recommendations to the Common Council of the City and as part of such designation identify the specific property to be included therein as blighted or in need of rehabilitation or conservation work; and,

WHEREAS, the Authority, pursuant to Section 66.1105(4)(f) of the Wisconsin Statutes, is also required to adopt a Project Plan (the "Plan") for the District and submit the Plan to the Common Council of the City for approval; and,

WHEREAS, the Authority finds that the benefits of the creation of the District can be measured by increased taxable value to the City and jurisdictions and hence outweighs the anticipated tax increments to be paid by the owners of the properties in the overlying taxing jurisdictions; and,

WHEREAS, the Authority has requested a proposed Project Plan for the District as provided in Section 66.1105(4)(d) of the Wisconsin Statutes; and,

NOW, THEREFORE, BE IT RESOLVED by the Community Development Authority of the City of West Allis as follows:

1. That the Executive Director, or its designee, be and is hereby authorized and directed to prepare a plan for the creation of the Tax Increment District No. 19 - S. 70th and Washington Street Corporate Office Corridor Plan.
2. That the City Attorney be and is hereby authorized to make such substantive changes, modifications, additions and deletions to and from the various provisions of the amended sole source Contract, including any and all attachments, exhibits, addendums and amendments, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

Approved: _____
Patrick Schloss, Executive Director
Community Development Authority

CITY OF WEST ALLIS, WI
2023 REHAB OR BLIGHT TAX INCREMENTAL DISTRICT NO. 19 CREATION
Proposed Timetable - 4/19/23

<u>ACTION DATE</u>	<u>STEP</u>
April	City will provide Ehlers with a list of the parcel tax key #'s within the District, pertinent parcel information, the maps, list of projects and costs, etc.
	Ehlers will prepare & provide an applicable findings report.
	Ehlers will prepare & provide the City with a feasibility analysis report, options, and/or draft project plan document
April 25	CDA makes a motion to call for a public hearing (optional)
May 8	Ehlers' will e-mail a Notice to Official City Newspaper of organizational JRB meeting & public hearing. (cc: City)
	If a blight/rehab TID: Ehlers will provide City with a draft of a notice that must be sent to property owners within the proposed TID, for the City's use.
	Ehlers will mail notification letters, along with required enclosures, to overlapping taxing jurisdictions of JRB organizational meeting & public hearing, as well as the agenda - to be posted by the City. (cc: City & attorney) <i>(Letters must be postmarked prior to first publication).</i>
May 8 - May 16	If a blight/rehab TID: City will send notices, along with required enclosures, to applicable properties within proposed boundaries. (cc: Ehlers & attorney). <i>(Letters must be postmarked prior to first publication & at least 15 days prior to hearing). Properties may be removed, but may not be added after publications.</i>
May	Ehlers will provide City, overlapping taxing entities, and/or City Attorney with [revised] draft Project Plan document, if not yet provided and/or necessary, as well as agenda language (City to post) & resolution (City to distribute) for first meetings, and will also request legal opinion of the plan.
May 17	First Publication of Public Hearing & JRB Meeting Notice <i>(Week prior to second notice & at least 5 days prior to JRB meeting)</i>
May 24	Second Publication of Public Hearing & JRB Meeting Notice. <i>(At least 7 days prior to public hearing)</i>
May 22 - June 6	Joint Review Board meets to review plan, appoint chairperson and public member and set next meeting date. <i>(Prior to public hearing)</i>
June 6	CDA Public Hearing on Project Plan and approval of TID boundary. <i>(Within 14 days of second publication)</i>
	CDA reviews plan & approval of District Project Plan and boundaries.
June	Ehlers will provide City & City Attorney with revised draft Project Plan, if necessary, as well as agenda language (City to post) & resolution (City to distribute) for Common Council meeting.
June 20	Common Council reviews Plan & adopts resolution approving District Project Plan and boundaries. <i>(at least 14 days after hearing)</i>
TBD	Ehlers' will e-mail a Class 1 Notice to Official City Newspaper of JRB meeting. (cc: City)
	Ehlers will mail notices & required attachments to JRB of the final meeting, along with the Agenda (City to post). (cc: City & Attorney) <i>(Letters must be postmarked prior to publication).</i>
TBD	Publication of JRB Meeting Notice <i>(At least 5 days prior to meeting)</i>
TBD	Joint Review Board consideration. <i>(Within 45 days of notification of meeting / receipt of CDA & Common Council resolutions)</i>
July – Oct.	Ehlers will notify the DOR within 60 days of approval that the TID creation took place. Ehlers will then gather prepare, and submit state forms & required documents to the state, once the 2023 assessed parcel values available (following the BOR) & we receive all remaining maps, legal descriptions, parcel information, documents, etc. from the City. DOR filing deadline October 31.

CDA meets 2nd Tuesday's @ 6 p.m.

Common Council meets: 1st & 3rd Tuesday's (except July & August on 1st Tuesday only)

Official City Newspaper is: Southwest NOW & publishes Wednesday's with a deadline of Tuesday prior

via mjs-legal@gannett.com

December 5, 2022

Patrick Schloss, Economic Development Executive Director
City of West Allis, Wisconsin
7525 W Greenfield Ave
West Allis, WI 53214

**Re: Written Municipal Advisor Client Disclosure with the City of West Allis (“Client”) for
2023 Creation of Tax Incremental District No. 19 (85th & National) (“Project”) Pursuant to
MSRB Rule G-42)**

Dear Patrick:

As a registered Municipal Advisor, we are required by Municipal Securities Rulemaking Board (MSRB) Rules to provide you with certain written information and disclosures prior to, upon or promptly, after the establishment of a municipal advisory relationship as defined in Securities and Exchange Act Rule 15Ba1-1. To establish our engagement as your Municipal Advisor, we must inform you that:

1. When providing advice, we are required to act in a fiduciary capacity, which includes a duty of loyalty and a duty of care. This means we are required to act solely in your best interest.
2. We have an obligation to fully and fairly disclose to you in writing all material actual or potential conflicts of interest that might impair our ability to render unbiased and competent advice to you. We are providing these and other required disclosures in **Appendix A** attached hereto.

As your Municipal Advisor, Ehlers shall provide this advice and service at such fees, as described within **Appendix B** attached hereto.

This documentation and all appendices hereto shall be effective as of its date unless otherwise terminated by either party upon 30 days written notice to the other party.

During the term of our municipal advisory relationship, this writing might be amended or supplemented to reflect any material change or additions.

We look forward to working with you on this Project.

Sincerely,

Ehlers & Associates

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Todd Taves
Senior Municipal Advisor/Managing Director

¹ This document is intended to satisfy the requirements of MSRB Rule G-42(b) and Rule G-42(c).

Appendix A

DISCLOSURE OF CONFLICTS OF INTEREST/OTHER REQUIRED INFORMATION

Actual/Potential Material Conflicts of Interest

Ehlers has no known actual or potential material conflicts of interest that might impair its ability either to render unbiased and competent advice or to fulfill its fiduciary duty to Client.

Other Engagements or Relationships Impairing Ability to Provide Advice

Ehlers is not aware of any other engagement or relationship Ehlers has that might impair Ehlers' ability to either render unbiased and competent advice to or to fulfill its fiduciary duty to Client.

Affiliated Entities

Ehlers offers related services through two affiliates of Ehlers, Bond Trust Service Corporation (BTSC) and Ehlers Investment Partners (EIP). BTSC provides paying agent services while Ehlers Investment Partners (EIP) provides investment related services and bidding agent service. Ehlers and these affiliates do not share fees. If either service is needed in conjunction with an Ehlers municipal advisory engagement, Client will be asked whether or not they wish to retain either affiliate to provide service. If BTSC or EIP are retained to provide service, a separate agreement with that affiliate will be provided for Client's consideration and approval.

Solicitors/Payments Made to Obtain/Retain Client Business

Ehlers does not use solicitors to secure municipal engagements; nor does it make direct or indirect payments to obtain or retain Client business.

Payments from Third Parties

Ehlers does not receive any direct or indirect payments from third parties to enlist Ehlers recommendation to the Client of its services, any municipal securities transaction or any financial product.

Payments/Fee-splitting Arrangements

Ehlers does not share fees with any other parties and any provider of investments or services to the Client. However, within a joint proposal with other professional service providers, Ehlers could be the contracting party or be a subcontractor to the contracting party resulting in a fee splitting arrangement. In such cases, the fee due Ehlers will be identified in a Municipal Advisor writing and no other fees will be paid to Ehlers from any of the other participating professionals in the joint proposal.

Municipal Advisor Registration

Ehlers is registered with the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB).

Material Legal or Disciplinary Events

Neither Ehlers nor any of its officers or municipal advisors have been involved in any legal or disciplinary events reported on Form MA or MA-I nor are there any other material legal or disciplinary events to be reported. Ehlers' application for permanent registration as a Municipal Advisor with the (SEC) was granted on July 28, 2014 and contained the information prescribed under Section 15B(a)(2) of the Securities and Exchange Act of 1934 and rules thereunder. It did not list any information on legal or disciplinary disclosures.

Client may access Ehlers' most recent Form MA and each most recent Form MA-I by searching the Securities and Exchange Commission's EDGAR system (currently available at <http://www.sec.gov/edgar/searchedgar/companysearch.html>) and searching under either our Company Name (Ehlers & Associates, Inc.) or by using the currently available "Fast Search" function and entering our CIK number (0001604197).

Ehlers has not made any material changes to Form MA or Form MA-I since that date.

Conflicts Arising from Compensation Contingent on the Size or Closing of Any Transaction

The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the client. Compensation contingent on the size of the transaction presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation. Compensation contingent on the closing of the transaction presents a conflict because the advisor may have an incentive to recommend unnecessary financings or recommend financings that are disadvantageous to the client. If the transaction is to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Any form of compensation due a Municipal Advisor will likely present specific conflict of interests with the Client. If a Client is concerned about the conflict arising from Municipal Advisor compensation contingent on size and/or closing of their transaction, Ehlers is willing to discuss and provide another form of Municipal Advisor compensation. The Client must notify Ehlers in writing of this request within 10 days of receipt of this Municipal Advisor writing.

MSRB Contact Information

The website address of the MSRB is www.msrb.org. Posted on the MSRB website is a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the financial regulatory authorities.

Appendix B

Scope of Service

Client has requested that Ehlers & Associates assist Client with creation of Tax Incremental District No. 19 (“Project”). Ehlers & Associates proposes and agrees to provide the following scope of services:

Phase I – Feasibility Analysis

The purpose of Phase I is to determine whether the Project is a statutorily and economically feasible option to achieve the Client’s objectives. This phase begins upon your authorization of this engagement and ends on completion and delivery of a feasibility analysis report. As part of Phase I services, Ehlers & Associates will:

- Consult with appropriate Client officials to identify the Client’s objectives for the Project.
- Provide feedback as to the appropriateness of using Tax Incremental Financing in the context of the “but for” test.
- If the Project includes creation of or addition of territory to a district, identify preliminary boundaries and gather parcel data from Client. Determine compliance with the following statutory requirements as applicable:
 - Equalized Value test.
 - Purpose test (industrial, mixed use, blighted area, in need of rehabilitation or conservation, or environmental remediation).
 - Newly-platted residential land use test.
- Prepare feasibility analysis report. The report will include the following information, as applicable:
 - Identification of the type or types of districts that may be created.
 - A description of the type, maximum life, expenditure period and other features corresponding to the type of district proposed.
 - A summary of the development assumptions used with respect to timing of construction and projected values.
 - Projections of tax increment revenue collections to include annual and cumulative present value calculations.
 - Qualification of the district as a donor or recipient of shared increment, and projected impact of any allocations of shared increment.
 - If debt financing is anticipated, a summary of the sizing, structure, and timing of proposed debt issues.

- A cash flow *pro forma* reflecting annual and cumulative district fund balances and projected year of closure.
- A draft timetable for the Project.
- Identification of how the creation date may affect the district's valuation date, the base value, compliance with the equalized value test, and the ability to capture current year construction values and changes in economic value.
- When warranted, evaluate, and compare options with respect to boundaries, type of district, project costs and development levels.
- Ehlers & Associates will provide guidance on district design within statutory limits to creatively achieve as many of the Client's objectives as possible and will provide liaison with State Department of Revenue as needed in the technical evaluation of options.
- Present the results of the feasibility analysis to the Client's staff, Community Development Authority, or governing body.

Phase II - Project Plan Development and Approval

If the Client elects to proceed following completion of the feasibility analysis, the Project will move to Phase II. This phase includes preparation of the Project Plan, and consideration by the Community Development Authority, governing body, and the Joint Review Board. This phase begins after receiving notification from the Client to proceed and ends after the Joint Review Board acts on the Project. As part of Phase II services, Ehlers & Associates will:

- Based on the goals and objectives identified in Phase I, prepare a draft Project Plan that includes all statutorily required components.
- We will coordinate with your staff, engineer, planner or other designated party to obtain a map of the proposed boundaries of the district, a map showing existing uses and conditions of real property within the district, and a map showing proposed improvements and uses in the district.
- Submit to the Client an electronic version of the draft Project Plan for initial review and comment.
- Coordinate with Client staff to confirm dates and times for the meetings indicated within the table beginning on the following page. Ehlers & Associates will ensure that selected dates meet all statutory timing requirements and will provide documentation and notices as indicated.

Meeting	Ehlers & Associates Responsibility	Client Responsibility
Initial Joint Review Board	<p>Prepare Notice of Meeting and transmit to Client's designated paper.</p> <p>Mail meeting notice, informational materials, and draft Project Plan to overlapping taxing jurisdictions.</p> <p>Provide agenda language to Client.</p> <p>Attend meeting to present draft Project Plan.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Prepare meeting minutes.</p> <p>Designate Client Joint Review Board representative.</p> <p>Identify and recommend Public Joint Review Board representative for appointment.</p>
Community Development Authority Public Hearing	<p>Prepare Notice of Public Hearing and transmit to Client's designated paper.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p>
Community Development Authority Public Hearing	<p>For blighted area districts and in need of rehabilitation or conservation districts, provide a format for the required individual property owner notification letters.</p> <p>Attend hearing to present draft Project Plan.</p>	<p>Prepare and mail individual property owner notices (only for districts created as blighted area, or in need of rehabilitation or conservation).</p> <p>Prepare meeting minutes.</p>
Community Development Authority	<p>Provide agenda language to Client.</p> <p>Attend meeting to present draft Project Plan.</p> <p>Provide approval resolution for Community Development Authority consideration.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Distribute Project Plan & resolution to Community Development Authority members in advance of meeting.</p> <p>Prepare meeting minutes.</p>
Governing Body Action	<p>Provide agenda language to Client.</p> <p>Attend meeting to present draft Project Plan.</p> <p>Provide approval resolution for governing body consideration.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Provide Project Plan & resolution to governing body members in advance of meeting.</p> <p>Prepare meeting minutes.</p>

<p>Joint Review Board Action</p>	<p>Mail meeting notice and copy of final Project Plan to overlapping taxing jurisdictions.</p> <p>Prepare Notice of Meeting and transmit to Client’s designated paper.</p> <p>Provide agenda language to Client.</p> <p>Attend meeting to present final Project Plan.</p> <p>Provide approval resolution for Joint Review Board consideration.</p>	<p>Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</p> <p>Prepare meeting minutes.</p>
----------------------------------	--	---

- Throughout the meeting process, provide drafts of the Project Plan and related documents in sufficient quantity for the Client’s staff, Community Development Authority, governing body, and Joint Review Board members.
- Provide advice and updated analysis on the impact of any changes made to the Project Plan throughout the approval process.

Phase III – State Submittal

This phase includes final review of all file documents, preparation of filing forms, and submission of the base year or amendment packet to the Department of Revenue. This phase begins following approval of the district by the Joint Review Board and ends with the submission of the base year or amendment packet. As part of Phase III services, Ehlers & Associates will:

- Coordinate with Client’s assessor and other staff as necessary to obtain parcel valuations, parcel data and other information needed for preparation of the State forms that must be filed as part of the base year or amendment packet.
- Assemble and submit to the Department of Revenue the required base year or amendment packet to include a final Project Plan document containing all required elements and information.
- Provide the Client with an electronic copy of the final Project Plan (and up to 15 bound hard copies if desired).
- Provide the municipal Clerk with a complete electronic and/or hard copy transcript of all materials as submitted to the Department of Revenue for certification.
- Act as a liaison between the Client and the Department of Revenue during the certification process in the event any questions or discrepancies arise.

Compensation - Flat Fee Portion of Engagement

In return for the services set forth in the “Scope of Service,” Client agrees to compensate Ehlers & Associates as follows:

Phase I	\$ 5,000
Phase II	\$ 8,000
Phase III	\$ 2,500
Total	\$ 15,500

- Phase I base fee includes up to five financial scenarios. Additional scenarios will be run as needed at a cost of \$750/scenario.
- In the event Client determines not to proceed with the Project once a Phase has been authorized, but prior to that Phase’s completion, the compensation due for that Phase will be prorated to reflect the percentage of the work completed.

Compensation - Hourly Services Portion of Engagement

Ehlers & Associates will bill Client on an hourly basis for services requested by Client in conjunction with the engagement that are not specifically identified in the Scope of Service set forth in this letter. Examples would include:

- Attendance at additional meetings beyond the four required for approval or amendment of the District (Organizational Joint Review Board, Community Development Authority (or CDA), Governing Body and Final Joint Review Board).
- Review of development agreements related to the District’s Project Plan and participation in negotiations with developers.

Hourly services will be billed at a rate that is dependent upon the task/staff required to meet Client request at no less than \$125.00/hour and not to exceed \$350.00/hour.

Payment for Services

For all compensation due to Ehlers & Associates, we will invoice Client for the amount due at the completion of each Phase. Our fees include our normal travel, printing, computer services, and mail/delivery charges. The invoice is due and payable upon receipt by the Client.

Client Responsibility

The following expenses are not included in our Scope of Services, and are the responsibility of Client to pay directly:

- Services rendered by Client’s engineers, planners, surveyors, appraisers, assessors, attorneys, auditors, and others that may be called on by Client to provide information related to completion of the Project.
- Preparation of maps necessary for inclusion in the Project Plan.
- Preparation of maps necessary for inclusion in the base year or amendment packet.
- Publication charge for the Notice of Public Hearing and Notices of Joint Review Board meetings.

- Legal opinion advising that Project Plan contains all required elements. (Normally provided by municipal attorney).
- Preparation of District metes & bounds description. (Needed in Phase III for creation of new districts, or amendments that add or subtract territory).
- Department of Revenue filing fee and annual administrative fees. The current Department of Revenue fee structure is:

Current Wisconsin Department of Revenue Fee Schedules	
Base Year Packet	\$1,000
Amendment Packet with Territory Addition or Subtraction	\$1,000
Amendment Packet with Territory Addition and Subtraction	\$2,000
Base Value Redetermination	\$1,000
Amendment Packet	No Charge
Annual Administrative Fee	\$150

COMMUNITY DEVELOPMENT AUTHORITY
CITY OF WEST ALLIS
RESOLUTION NO. 1451
DATE ADOPTED April 25, 2023

Resolution approving a professional services contract with Ehlers and Associates, Inc. for the preparation of plan for Tax Increment District Number 19 for the area of 85th and National Ave.

WHEREAS, the Community Development Authority of the City of West Allis (the "Authority") manages all Tax Increment Finance Districts ("TIF Districts"); and,

WHEREAS, Ehlers & Associates, Inc. is under contract as the City's Financial Advisor; and,

WHEREAS, Economic Development and the Finance Department are seeking review of the City's current and potential future TIF District options; and,

WHEREAS, it is necessary to enter into a professional services contract to provide technical expert advice for strategic planning relative to the City's Tax Increment Finance Districts.

NOW, THEREFORE, BE IT RESOLVED by the Community Development Authority of the City of West Allis as follows:

1. That the Executive Director, Director of Finance, or their designee, is hereby authorized and directed to execute a professional services contract with Ehlers and Associates, Inc. for the preparation of plan for Tax Increment District Number 19 for the area of 85th and National Ave.
2. That the sum of up to \$15,500 be and is hereby appropriated from Tax Increment Finance District No. 19 – S. 85th St. and W. National Avenue Plan.
3. That the Executive Director with approval of the Director of Finance or their designees are hereby authorized to make such substantive changes, modifications, additions and deletions to and from the various provisions of the amended sole source Contract, including any and all attachments, exhibits, addendums and amendments, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

Approved: _____
Patrick Schloss, Executive Director
Community Development Authority

l/res/all cda/1451-cda- Ehlers & Assoc TIF 19 (4-25-23)

COMMUNITY DEVELOPMENT AUTHORITY
CITY OF WEST ALLIS
RESOLUTION NO. 1449
DATE ADOPTED April 25, 2023

Resolution approving the Scope of Services for Ramboll Environmental to provide quarterly reporting assistance for the US EPA Brownfield Site Assessment Grant.

WHEREAS, on September 30, 2022, the City was awarded \$500,000 in grant funds from the US Environmental Protection Agency (EPA) to be used towards the investigation of brownfield sites in the City of West Allis; and,

WHEREAS, the EPA requires detailed programmatic management of the funds, including but not limited to quarterly and annual reporting and tracking; and,

WHEREAS, the City has utilized Ramboll Environmental to assist on this reporting and tracking for previous US EPA Brownfield funding awards; and,

WHEREAS, Ramboll Environmental has submitted a Scope of Services (see Exhibit A) to continue those services with this round of funding for an amount not to exceed \$37,500; and,

WHEREAS, the funding source for this contracted work will be via the EPA Revolving Loan Fund.

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis that it hereby approves the terms and conditions in the Scope of Services for Ramboll Environmental to provide quarterly reporting assistance for the US EPA Brownfield Site Assessment Grant in accordance with the terms and conditions outlined in Exhibit A attached hereto and incorporate herein by reference.

BE IT FURTHER RESOLVED that the Economic Development Executive Director or his designee, is hereby authorized and directed to enter into a contract with Ramboll Environmental Services not to exceed \$37,500.

BE IT FURTHER RESOLVED that the sum of up to \$37,500 be and is hereby appropriated from the United States Environmental Protection Agency (EPA) Brownfield Site Assessment Grant received in the amount of \$500,000.

BE IT FURTHER RESOLVED that the City Attorney be and is hereby authorized to make such non-substantive changes, modifications, additions and deletions to and from the various provisions of the Contract, including any and all attachments, exhibits, addendums and amendments, as may be necessary and proper to correct inconsistencies, eliminate ambiguity and otherwise clarify and supplement said provisions to preserve and maintain the general intent thereof, and to prepare and deliver such other and further documents as may be reasonably necessary to complete the transactions contemplated therein.

Approved: _____
Patrick Schloss, Executive Director
Community Development Authority

Sent via E-Mail: smueller@westalliswi.gov

Mr. Shaun Mueller
City of West Allis
7525 W. Greenfield Avenue
West Allis, WI 53214

PROPOSAL FOR ASSISTANCE WITH PROGRAMMATIC MANAGEMENT OF THE CITY OF WEST ALLIS' FY2022 USEPA ASSESSMENT GRANT

Dear Mr. Mueller:

Per your request, Ramboll US Consulting, Inc. (Ramboll) is pleased to submit this proposal to the City of West Allis (the "City") for assistance with the programmatic management required under the United States Environmental Protection Agency (USEPA) Assessment Grant Program. The following paragraphs describe the proposed scope of work.

December 23, 2022

Ramboll
234 W. Florida Street
Fifth Floor
Milwaukee, WI 53204
USA

Ramboll will assist the City with management of their USEPA Assessment Grant. These services include:

T +1 414 837 3607
F +1 414 837 3608
www.ramboll.com

- preparation of eligibility determinations, including conducting preliminary reviews of environmental data on potential assessment sites;
- development of a Community Involvement Plan;
- assistance with public meetings;
- quarterly USEPA Grant reporting;
- annual financial reporting;
- annual Minority Business Enterprise/Disadvantaged Business Enterprise (MBE/DBE) reporting;
- regular Assessment, Cleanup and Redevelopment Exchange System (ACRES) system updates; and,
- tracking financial progress relative to grant requirements/budget.

Ref. P2722-22294

Ramboll proposes to undertake this assignment on a time and material basis in accordance with this proposed scope of services. Costs will be incurred based on the rates presented in the cost proposal provided in our Statement of Qualifications dated August 24, 2022 and attached to this proposal. Based on the proposed scope of services presented above, the project cost is estimated to be \$37,500.

If you find this proposal acceptable, please have a copy of the proposal executed and returned to Ramboll as our authorization to proceed. Alternatively, the City may provide a Proceed Order and Master Services Agreement for work under their Brownfield Services Program.

Thank you for opportunity to be of service in providing environmental support services to the City of West Allis. If you have any questions or need further information, please contact us.

Sincerely,



Donna M. Volk, PG, CPG

Senior Managing Consultant

D +1 262 901 3504
dvolk@ramboll.com



Scott W. Tarmann, PE

Principal

D +1 262 901 0093
starmann@ramboll.com

AUTHORIZATION TO PROCEED

Ramboll Proposal No. P2722-22294, dated December 23, 2022, for Assistance with Programmatic Management of the City of West Allis' Brownfields Assessment Grant

Signature: _____

Name: _____

Title: _____

Date: _____

RAMBOLL PROJECT FEES

Table 1: Labor

Labor Category (Invoice Title)	Labor Rate	Estimated % Time
Project Principal (Principal)	\$200	2%
Senior Managing Consultant	\$175	10%
Managing Consultant	\$155	15%
Sr. Consultant 2	\$130	5%
Sr. Consultant 1	\$120	5%
Engineer/Geologist (Consultant 3)	\$110	20%
Engineer/Geologist (Consultant 2)	\$100	20%
Field Staff (Consultant 1)	\$85	10%
CAD/GIS Drafting	\$80	8%
Administrative Support	\$65	5%

Table 2: Field Instruments/Equipment¹

Description	Units	Unit Cost
PID (10.6 ev lamp)	day	\$70
Water Level Meter	day	\$30
0.45-micron filters	each	\$25
Peristaltic Pump	day	\$50
Concrete Corer	day	\$150
Personal Vehicle Mileage (federal rate) ²	mile	\$0.585

Notes:

- 1: Other supplies/equipment will be rented/purchased as needed and the invoices will be passed through with no mark-up applied.
- 2: Based on project needs, distance to site and other factors, Ramboll may elect to rent a vehicle for field work. Typical vehicle rental rates, based on our company preferred provider fee schedule are between \$40 and \$70/day. Gasoline is additional.

A 10% mark-up will be added to all subcontractor services.

COMMUNITY DEVELOPMENT AUTHORITY
CITY OF WEST ALLIS
RESOLUTION NO: 1448
DATE ADOPTED: April 25, 2023

Resolution to approve a revised Letter of Intent Agreement with Baum Revision, LLC., for property located at 6771 W. National Ave. and 67** W. Mitchell St. (Tax Key No. 453-0564-003 and Tax Key No. 454-0251-004)

WHEREAS, the Community Development Authority of the City of West Allis (the "Authority") authorized the acquisition of the property located at 6771 W. National Ave. (the "Property") through Resolution 1101 dated December 9, 2014; and,

WHEREAS, the Authority wishes to create additional tax base and foster job creation for the City of West Allis (the "City") through the sale and redevelopment of the property; and,

WHEREAS, on December 19, 2022, the Authority approved a 90 day extension to the existing Letter of Intent with Baum Revision through Resolution 1431; and,

WHEREAS, Baum Revision, LLC. seeks a revised Letter of Intent, for up to 90 additional days as it has worked in good faith with the City and makes progress on potential construction costs and future tenants;

NOW, THEREFORE BE IT RESOLVED by the Community Development Authority of the City of West Allis, as follows:

1. Authorizes the Executive Director to enter into a revised Letter of Intent Agreement with Baum Revision, LLC., for property located at 6771 W. National Ave. and 67** W. Mitchell St. (Tax Key No. 453-0564-003 and Tax Key No. 454-0251-004).
2. Authorizes the Executive Director to make such non-substantive changes, modifications, additions and deletions to and from the various provisions reasonably necessary to complete the transactions contemplated therein.

Approved: _____
Patrick Schloss, Executive Director
Community Development Authority

L:\RESOLUTIONS\1448-CDA-LOI-

Reporting and insights from 2022 audit:

Beloit Road Senior Apartments, LLC

December 31, 2022

Executive summary

We have completed our audit of the financial statements of Beloit Road Senior Apartments, LLC (the Company) for the year ended December 31, 2022, and have issued our report thereon dated February 7, 2023. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your Company's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas Beloit Road Senior Apartments, LLC should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Corey Tremaine, Partner: Corey.Tremaine@bakertilly.com or +1 (414) 777 5422

Sincerely,

Baker Tilly US, LLP



Corey Tremaine, CPA

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY US, LLP, TRADING AS BAKER TILLY, IS A MEMBER OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES.

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the the financial statements , whether due to fraud or error. Included in that assessment is a consideration of the Company's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the Company's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report and key audit matters
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Significant steps identified for follow-up

There were no significant steps identified for follow-up from the December 31, 2022 audit.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Company and environment in which you operate, we focused our audit on the following key areas:

- Management override of controls
- Related party transactions

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Company's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	We tested manual journal entries and substantively tested significant estimates/allowances subject to management bias. Inquired with management and other personnel on fraud and other items.	No actual or suspected fraud noted in fraud inquiries. No unapproved or fraudulent entries noted in journal entries that we tested. No material misstatements noted in retrospective review of accounting estimates or attribute testing.

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis	Testing approach	Conclusion
Related party transactions	We performed audit procedures around related party payables and debt, including substantive testing and confirmations. We analytically assessed related party expenses and interest.	All related party transactions appear to have been materially correct and balances are deemed reasonable. No adjusting entries were deemed necessary

Internal control matters

In planning and performing our audit of the the financial statements , we considered the Company's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the the financial statements , but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's the financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies.

Required communications

Qualitative aspect of accounting practices

Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Beloit Road Senior Apartments, LLC are described in Note 1 to the the financial statements .

- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the the financial statements :

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Useful lives of property and equipment	The Company depreciates property and equipment based off the estimated useful lives.	The Company depreciates property and equipment based off the estimated useful lives.
Impairment of property and equipment	The Company reviews property and equipment for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss is recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset.	The Company depreciates property and equipment based off the estimated useful lives.

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Company or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report and key audit matters

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. The schedule within the management representation letter summarizes the uncorrected misstatements that we presented to management and the corrected misstatements, other than those that are clearly trivial, that, in our judgment, may not have been detected except through our auditing procedures.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period the financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the the financial statements under audit.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Company's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the the financial statements are issued or available to be issued, including the effects on the the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Company that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Company's related parties.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Preparation of financial statements
- Preparation of tax returns
- Preparation of depreciation schedules

Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at

<https://www.bakertilly.com/insights/audit-committee-resource-page>.

Beloit Road Senior Apartments, LLC

Financial Statements

December 31, 2022 and 2021

Beloit Road Senior Apartments, LLC

Table of Contents

December 31, 2022 and 2021

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Members' Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7

Independent Auditors' Report

To the Members of
Beloit Road Senior Apartments, LLC

Opinion

We have audited the financial statements of Beloit Road Senior Apartments, LLC (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Milwaukee, Wisconsin
February 7, 2023

Beloit Road Senior Apartments, LLC

Balance Sheets

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 138,459	\$ 217,353
Accounts receivable, tenant	13,203	3,887
Prepaid expenses	<u>19,187</u>	<u>15,272</u>
Total current assets	<u>170,849</u>	<u>236,512</u>
Deposits Held in Trust		
Tenant security deposits	<u>30,946</u>	<u>33,547</u>
Restricted Cash		
Reserve for replacements	210,533	182,037
Operating deficit reserve	345,550	345,523
Tax and insurance escrow	<u>15,687</u>	<u>10,344</u>
Total restricted cash	<u>571,770</u>	<u>537,904</u>
Net Property and Equipment		
	<u>7,231,852</u>	<u>7,654,972</u>
Total assets	<u>\$ 8,005,417</u>	<u>\$ 8,462,935</u>
Liabilities and Equity		
Current Liabilities		
Current maturities of long-term debt	\$ 46,619	\$ 43,368
Accounts payable	17,453	28,326
Accrued company management fee, related party	19,079	9,404
Prepaid tenant rents	3,747	539
Accrued asset management fee, related party	<u>9,675</u>	<u>9,404</u>
Total current liabilities	<u>96,573</u>	<u>91,041</u>
Deposits Held in Trust		
Tenant security deposits	<u>30,354</u>	<u>32,829</u>
Long-Term Liabilities		
Long-term debt	<u>7,249,514</u>	<u>7,125,304</u>
Total liabilities	7,376,441	7,249,174
Members' Equity		
	<u>628,976</u>	<u>1,213,761</u>
Total liabilities and equity	<u>\$ 8,005,417</u>	<u>\$ 8,462,935</u>

See notes to financial statements

Beloit Road Senior Apartments, LLC

Statements of Operations

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Net rental revenue	\$ 847,708	\$ 848,109
Other revenue	234	-
Total revenues	<u>847,942</u>	<u>848,109</u>
Rental Expenses		
General and administrative	193,548	224,955
Utilities	43,742	44,100
Operating and maintenance	257,804	229,656
Taxes and insurance	176,252	164,920
Total rental expenses	<u>671,346</u>	<u>663,631</u>
Net rental income	<u>176,596</u>	<u>184,478</u>
Financial Income (Expense)		
Interest income	1,088	227
Interest expense	<u>(319,998)</u>	<u>(316,763)</u>
Income (loss) before other expenses	<u>(142,314)</u>	<u>(132,058)</u>
Other Expenses		
Depreciation	423,121	423,389
Asset management fee	9,675	9,404
Company management fee	9,675	9,404
Total other expenses	<u>442,471</u>	<u>442,197</u>
Net loss	<u>\$ (584,785)</u>	<u>\$ (574,255)</u>

See notes to financial statements

Beloit Road Senior Apartments, LLC

Statements of Members' Equity
Years Ended December 31, 2022 and 2021

	<u>Managing Member</u>	<u>Special Member</u>	<u>Investment Member</u>	<u>Total</u>
Balances, December 31, 2020	\$ (340)	\$ 10	\$ 1,833,346	\$ 1,833,016
Net loss	<u>(57)</u>	<u>-</u>	<u>(574,198)</u>	<u>(574,255)</u>
Balances, December 31, 2021	(397)	10	1,259,148	1,258,761
Net loss	<u>(58)</u>	<u>-</u>	<u>(584,727)</u>	<u>(584,785)</u>
Balances, December 31, 2022	<u>\$ (455)</u>	<u>\$ 10</u>	<u>\$ 674,421</u>	<u>673,976</u>
Less syndication costs				<u>(45,000)</u>
				<u>\$ 628,976</u>
Percentage Interest	<u>0.01 %</u>	<u>- %</u>	<u>99.99 %</u>	<u>100.00 %</u>

See notes to financial statements

Beloit Road Senior Apartments, LLC

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Cash received from tenants, agencies and other sources	\$ 839,359	\$ 846,971
Interest received	1,088	227
General and administrative expenses paid	(204,421)	(198,035)
Utilities paid	(43,742)	(44,100)
Operating and maintenance expenses paid	(257,804)	(229,656)
Taxes and insurance paid	(180,167)	(180,192)
Interest paid	(149,169)	(152,193)
Asset management fees paid	(9,404)	(8,789)
Company management fees paid	-	(8,789)
	<u>(4,260)</u>	<u>25,444</u>
Cash Flows From Financing Activities		
Cash used to retire debt	<u>(43,369)</u>	<u>(40,344)</u>
	(47,629)	(14,900)
Cash, Cash Equivalents and Restricted Cash, Beginning		
	<u>788,804</u>	<u>803,704</u>
Cash, Cash Equivalents and Restricted Cash, Ending		
	<u>\$ 741,175</u>	<u>\$ 788,804</u>
Reconciliation of Net Income (Loss) to Net Cash Flows From Operating Activities		
Net loss	\$ (584,785)	\$ (574,255)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Noncash items included in net loss:		
Depreciation	423,121	423,389
Interest expense added to principal balance of long-term debt	170,829	164,570
Changes in noncash components of working capital:		
Accounts receivable, tenant	(9,316)	737
Prepaid expenses	(3,915)	(15,272)
Accounts payable	(10,873)	26,920
Prepaid tenant rents	3,208	(799)
Tenant security deposits	(2,475)	(1,076)
Accrued asset management fee, related party	271	615
Accrued company management fee, related party	9,675	615
	<u>(4,260)</u>	<u>25,444</u>

See notes to financial statements

Beloit Road Senior Apartments, LLC

Notes to Financial Statements
December 31, 2022 and 2021

1. Summary of Significant Accounting Policies

Nature of Operations

Beloit Road Senior Apartments, LLC (the Company) was organized on September 2, 2011 to acquire, rehabilitate and operate a 104 unit, low-income housing project called Beloit Road Senior Apartments located in West Allis, Wisconsin. The rehabilitation of the property was substantially completed in October 2012.

Cash and Cash Equivalents

The Company considers depository accounts, money market accounts and investments with a maturity at the date of acquisition and expected usage of three months or less to be cash and cash equivalents.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of the same such amounts shown in the statement of cash flows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 138,459	\$ 217,353
Tenant security deposits (Note 2)	30,946	33,547
Reserve for replacements (Note 3)	210,533	182,037
Operating deficit reserve (Note 3)	345,550	345,523
Tax and insurance escrow (Note 3)	15,687	10,344
Total cash, cash equivalents and restricted cash	<u>\$ 741,175</u>	<u>\$ 788,804</u>

Accounts Receivable, Tenant

Accounts receivable, tenant have been adjusted for all known uncollectible accounts. No allowance for doubtful accounts is considered necessary as of December 31, 2022 and 2021. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Bad debt expense totaled \$0 and \$2,221 for the years ended December 31, 2022 and 2021, respectively.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Advertising

Advertising costs are charged to operations when incurred.

Beloit Road Senior Apartments, LLC

Notes to Financial Statements
December 31, 2022 and 2021

Property and Equipment

Property and equipment are being depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	15
Buildings and improvements	27.5
Furnishings and equipment	5

Property and equipment are stated at cost. Major expenditures for property and equipment are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Rental Revenue

The rental property is generally leased to tenants under one year noncancelable rental leases. Rental revenue is recognized on a straight-line basis over the terms of the lease.

Income Taxes

The Company is a limited liability company treated as partnership for federal and state income tax purposes. As such, the Company's income, losses and credits are included in the income tax returns of its members. Accordingly, no provision or benefit has been made for income taxes in the accompanying financial statements. While the Company is not taxed for federal or state income tax purposes, the Company's policy is to evaluate and review its tax positions on an ongoing basis to ensure compliance with the applicable portions of the Internal Revenue Code and the respective state laws and regulations.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events occurring through February 7, 2023, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the Company's financial statements.

2. Tenant Security Deposits

The tenant security deposits are maintained in an interest bearing savings account separate from the operating account of the project. Withdrawals are restricted to reimbursements of tenants' security deposits.

Beloit Road Senior Apartments, LLC

Notes to Financial Statements
December 31, 2022 and 2021

3. Restricted Cash

Reserve for Replacements

The operating agreement requires the managing member to establish and maintain replacement reserves by making annual deposits of \$31,200. Disbursements are restricted to replacement of equipment, structural elements and other components of the project of a capital nature. The balance of the replacement reserve was \$210,533 and \$182,037 as of December 31, 2022 and 2021, respectively.

Operating Deficit Reserve

The operating agreement required the project to fund an operating deficit reserve in the amount of \$334,510. Funds held in the operating reserve may be released to pay operating expenses only after rental achievement and with reasonable approval of the special member. The operating reserve may be terminated by the managing member only after the end of the compliance period and distributed as cash flow in accordance with the operating agreement. The operating deficit reserve was funded in the amount of \$345,550 and \$345,523 as of December 31, 2022 and 2021.

Tax and Insurance Escrow

The Company has designated funds to be used to pay the insurance and property taxes on real estate owned by the Company. Payments are made to these funds monthly and disbursements are made as required to pay annual insurance policy premiums and property taxes. The balance of the tax and insurance escrow was \$15,687 and \$10,344 as of December 31, 2022 and 2021, respectively.

4. Property and Equipment

The major categories of property and equipment as of December 31 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 266,090	\$ 266,090
Land improvements	252,113	252,113
Buildings and improvements	11,164,021	11,164,021
Furnishings and equipment	<u>331,313</u>	<u>331,313</u>
Total property and equipment	12,013,537	12,013,537
Less accumulated depreciation	<u>(4,781,685)</u>	<u>(4,358,565)</u>
Net property and equipment	<u>\$ 7,231,852</u>	<u>\$ 7,654,972</u>

Beloit Road Senior Apartments, LLC

Notes to Financial Statements
December 31, 2022 and 2021

5. Long-Term Debt

	<u>2022</u>	<u>2021</u>
Acquisition note payable to the City of West Allis, a related party, bears interest at 4%. Commencing April 2013 annual interest-only payments will be made to the extent of available cash flow, as defined by the operating agreement. Final principal and accrued interest are due December 2041. The note is secured by a mortgage on the property. Accrued interest on the note, included in the principal balance, was \$1,356,167 and \$1,196,284 as of December 31, 2022 and 2021, respectively.	\$ 4,110,356	\$ 3,997,091
HOME note payable to the City of West Allis, a related party, bears interest at 1%. Commencing April 2013 annual interest-only payments will be made to the extent of available cash flow, as defined by the operating agreement. Final principal and accrued interest are due December 2041. The note is secured by a mortgage on the property. Accrued interest on the note, included in the principal balance, was \$105,390 and \$94,445 as of December 31, 2022 and 2021, respectively.	1,105,391	1,094,445
Note payable to the City of West Allis, a related party, bears interest at 7.25% and monthly payments of \$16,045 are due through December 2041 to the extent of available cash flow, as defined in the operating agreement, calculated on a monthly basis. Final payment is due December 2041. The note is secured by a mortgage on the property.	<u>2,033,767</u>	<u>2,077,136</u>
Total	7,249,514	7,168,672
Less current portion	<u>(46,619)</u>	<u>(43,368)</u>
Long-term portion	<u>\$ 7,202,895</u>	<u>\$ 7,125,304</u>

Principal requirements on long-term debt for years ending after December 31, 2022 are as follows:

Years ending December 31:	
2023	\$ 46,619
2024	50,113
2025	53,870
2026	57,908
2027	62,248
2028 and thereafter	<u>6,978,756</u>
Total	<u>\$ 7,249,514</u>

Beloit Road Senior Apartments, LLC

Notes to Financial Statements
December 31, 2022 and 2021

6. Management Fees

Effective December 1, 2019, the Company entered into a management agreement with Ogden & Company, Inc. The agreement requires a monthly management fee of 5% of gross collected income, with a minimum of \$2,500 per month, and a leasing fee of \$350 per newly signed lease. Management fees incurred under this agreement were \$42,141 and \$42,440 for the years ended December 31, 2022 and 2021, respectively. There were no accrued management fees as of December 31, 2022 and 2021.

7. Related-Party Transactions

The Company has various notes payable to the City of West Allis, an affiliate of the managing member, as described in Note 5.

The Company is obligated to pay an annual asset management fee to the special member in the amount of \$7,800, increasing annually by the percentage increase in the consumer price index. The fee shall be payable only to the extent of available cash flow and unpaid fees accrue without interest until there is sufficient cash flow. Asset management fees incurred were \$9,675 and \$9,404 for the years ended December 31, 2022 and 2021, respectively. Accrued asset management fees were \$9,675 and \$9,404 as of December 31, 2022 and 2021, respectively.

The Company is obligated to pay an annual company management fee to the managing member in the amount of \$7,800, increasing annually by the percentage increase in the consumer price index. The fee shall be payable only to the extent of available cash flow and unpaid fees accrue without interest until there is sufficient cash flow. Company management fees incurred were \$9,675 and \$9,404 for the years ended December 31, 2022 and 2021, respectively. Accrued company management fees were \$19,079 and \$9,404 as of December 31, 2022 and 2021, respectively.

8. Low Income Housing Tax Credit

The Company was allocated low-income housing tax credits totaling \$7,546,704 by the State of Wisconsin. As of December 31, 2022, credits totaling \$7,524,097 have been allocated among the members in accordance with their respective shares of the Company. The expected availability of the remaining tax credits is as follows:

Years ending December 31:	
2023	\$ 22,607
2024	<u>-</u>
Total	<u>\$ 22,607</u>

9. Commitments and Contingencies

The Company has signed a regulatory agreement and covenant with the CDA as a condition to receiving funding under the HOME Program. Under this agreement, the Company must continuously comply with HOME Program regulations and additional requirements, policies and procedures issued by the United States Department of Housing and Urban Development (HUD). The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements as determined by HUD. If the Company fails to comply with this agreement, the funds may need to be repaid.

Beloit Road Senior Apartments, LLC

Notes to Financial Statements
December 31, 2022 and 2021

The Company has signed a land use restriction agreement with Wisconsin Housing and Economic Development Authority (WHEDA) as a condition to receiving an allocation of low-income housing tax credits from WHEDA. Under this agreement, the partnership must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code (IRC). The agreement places occupancy restrictions on rents and the minimum percent of units which shall be occupied by individuals or families whose income meets the requirements set under IRC Section 42. If the Company fails to comply with this agreement or with the IRC, it may be ineligible for low-income housing tax credits and the partners may be required to recapture a portion of the tax credits previously claimed on their income tax returns.

10. Concentrations

Operations

The Company's operations are concentrated in the multifamily real estate market. In addition, the Company operates in a heavily regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by any of these authorities. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Cash and Cash Equivalents

The Company maintains cash accounts which, at various times, may exceed the federally insured limits of \$250,000 per bank. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks.

11. Company Profits, Losses and Distributions

As defined by the terms of the operating agreement, profits and losses are allocated 0.01% to the managing member and 99.99% to the investment member, except that special allocation provisions apply in the event of a refinancing, sale or other disposition of property of the Company if the proceeds of such transactions are not reinvested or retained by the Company for the continuation of business.

Net operating cash flow, as defined in the operating agreement, is to be distributed as follows:

1. Payment to the investment member of the full amount (including interest) of any amounts due and owing to the investment member;
2. Payment of the asset management fee;
3. Payment of any unpaid portion of development fee;
4. Payment of the company management fee;
5. Repayment of the first mortgage loan;
6. Repayment of the HOME loan;
7. Repayment of the acquisition loan;
8. Repayment of any subordinated loans; and
9. The balance, if any, shall be distributed 0.01% to the managing member and 99.99% to the investment member.

Beloit Road Senior Apartments, LLC

Notes to Financial Statements
December 31, 2022 and 2021

12. Members

As of December 31, 2022 and 2021, the managing member is Beloit Road Senior Apartments MM, LLC, the investment member is Boston Capital Corporate Tax Credit Fund XXXV, LP and the special member is BCCC Inc., with interests in the Company of 0.01%, 99.99% and 0.00%, respectively.