



File Number

Title

## City of West Allis Matter Summary

Status

7525 W. Greenfield Ave. West Allis, WI 53214

R-	-2011-0106	Resolution		In	troduced				
		Resolution approving the Project Plan for Tax Incremental District Number Thirteen, City of West Allis, Wisconsin.							
		Introduced: 4/19/2	011	Controlling Body: Safety & Development Committee					
				Sp	onsor(s): Safety	& Development C	Committee		
COMMITTE	E RECOMM	MENDATION _		BOST					
	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED		
ACTION			Barczak						
DATE:			-Czaplewski						
ich 1			Kopplin						
4/19/11			Lajsic Narlock	1					
			Reinke	V					
			Roadt						
			Sengstock						
	V		Vitale	/					
			Weigel						
			TOTAL		-0_				
SIGNATURE	OF COMMI	TTEE MEMBE	'R						
Chair	soft.	Vice	Chair		 Memb	er			
Citati	V	V100-	Chan		Wichio	Ci			
COMMON C	COUNCIL AC	CTION		ADOPT					
	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED		
ACTION			Barczak	1					
DATE:			Czaplewski	V					
APR 1 9 20	11 -1		Kopplin	V					
		1	Lajsic Narlock	V					
			Reinke	~					
			Roadt		V				
			Sengstock				V		
			Vitale	1					
			Weigel						
			TOTAL	8			J		



## STANDING COMMITTEES OF THE CITY OF WEST ALLIS COMMON COUNCIL

#### **ADMINISTRATION & FINANCE**

Chair: Kurt E. Kopplin Vice-Chair: Vincent Vitale Thomas G. Lajsic Richard F. Narlock Rosalic L. Reinke

#### PUBLIC WORKS

Chair: Gary T. Barczak Vice-Chair: Martin J. Weigel Michael J. Czaplewski Daniel J. Roadt James W. Sengstock

#### SAFETY & DEVELOPMENT

Chair: Thomas G. Lajsic Vice-Chair: Richard F. Narlock Kurt E. Kopplin Rosalie L. Reinke Vincent Vitale

#### LICENSE & HEALTH

Chair: Michael J. Czaplewski Vice-Chair: James W. Sengstock Gary T. Barczak Daniel J. Roadt Martin J. Weigel

#### ADVISORY

Chair: Rosalie L. Reinke Vice-Chair: Daniel J. Roadt Kurt E. Kopplin Richard F. Narlock Vincent Vitale



#### City of West Allis

7525 W. Greenfield Ave. West Allis, WI 53214

#### Resolution

File Number: R-2011-0106 Final Action:

APR 1 9 2017

Sponsor(s): Safety & Development Committee

Resolution approving the Project Plan for Tax Incremental District Number Thirteen, City of West Allis, Wisconsin.

WHEREAS, pursuant to Section 66.1105 of the Wisconsin Statutes, the Common Council, by Resolution adopted concurrently herewith, created Tax Incremental District Number Thirteen, City of West Allis (the "District"), and described the boundaries thereof; and,

WHEREAS, the Community Development Authority of the City of West Allis (the "Authority") has prepared, adopted and submitted to the Common Council a proposed Project Plan for the District (CDA Resolution No. 859), dated April 12, 2011; and,

WHEREAS, the Plan Commission of the City of West Allis has reviewed and determined that the proposed Project Plan is in conformity with the Master Plan of the City of West Allis and has submitted its report to the Common Council (2011-0167), dated March 23, 2011; and,

WHEREAS, the Authority has duly noticed and held a Public Hearing at which all interested persons were afforded a reasonable opportunity to express their views on the proposed Project Plan, pursuant to Section 66.1105(4)(e) of the Wisconsin Statutes; and,

WHEREAS, the Chief Executive Officers or Administrators of all local governmental entities having the power to levy taxes on property within the District and to the School Board of the School District of West Allis - West Milwaukee, et al., which includes property located within the District, received a copy of the Notice of Public Hearing, pursuant to Section 66.1105(4)(e) of the Wisconsin Statutes; and,

WHEREAS, owners of the property identified to be included under Section 66.1105(4)(gm)4 of the Wisconsin Statutes as blighted or in need of rehabilitation or conservation work received notice of the proposed finding and the date of the Public Hearing held pursuant to Section 66.1105(4)(e) of the Wisconsin Statutes at least fifteen (15) days prior to the date of such hearing.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis, pursuant to its authority under Section 66.1105(4)(g) of the Wisconsin Statutes, that the Project Plan for the District, a copy of which is attached hereto as an Exhibit and by reference made a part hereof, be and is hereby approved.

BE IT FURTHER RESOLVED by the Common Council that the Project Plan for the District, herein

approved, is feasible and in conformity with the Master Plan of the City of West Allis.

BE IT FURTHER RESOLVED that not less than fifty percent (50%) of the real property within the District is in need of rehabilitation and/or conservation work within the meaning of Section 66.1337(2m)(6) of the Wisconsin Statutes and declares that the District is a blighted District pursuant to Section 66.1105(4)(gm)6.

BE IT FURTHER RESOLVED that the District would foster development likely to enhance significantly the value of substantially all properties within the District and that project costs relate to eliminating blight; and,

BE IT FURTHER RESOLVED that the equalized value of the District plus all existing Tax Incremental Districts of the City does not exceed twelve percent (12%) of the total equalized value of taxable property within the City.

BE IT FURTHER RESOLVED that without the creation of the District, redevelopment would not occur or be financially feasible.

Attachment: Project Plan

cc: Dept. of Development

q/res/Dev-R-631-4-19-11

**ADOPTED** 

Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED

Dan Devine, Mayor





#### OFFICE OF EXECUTIVE DIRECTOR COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF WEST ALLIS, WISCONSIN

#### **CERTIFICATION**

April 12, 2011

I hereby certify that the attached is a true and correct copy of Resolution No. 859 approving the Project Plan for Tax Incremental District Number Thirteen, City of West Allis, Wisconsin, adopted at a regular meeting of the Community Development Authority of the City of West Allis held on April 12, 2011.

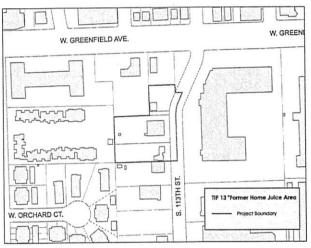
John F. Stibal, Executive Director Community Development Authority



# PROJECT PLAN FOR THE CREATION OF TAX INCREMENTAL DISTRICT NUMBER THIRTEEN, CITY OF WEST ALLIS, WISCONSIN

## Former Home Juice Area





- Plan Commission -Review
- Joint Review Board Organizational Meeting
- CDA Public Hearing
- CDA Plan Approval
- City Council Adoption
- Joint Review Board

March 23, 2011

April 5, 2011

April 12, 2011

April 12, 2011

April 19, 2011

April 20, 2011

Prepared by:

Department of Development | City of West Allis

April 19, 2011

## Tax Incremental District No. 13 Creation **Project Plan**

#### City of West Allis Officials

#### City Council

#### Dan Devine, Mayor

Ald. Gary Barczak

Ald. Kurt Kopplin

Ald. Richard Narlock

Ald. Daniel Roadt

Ald. Vincent Vitale

Ald. Michael Czaplewski

Ald. Thomas Lajsic

Ald. Rosalie Reinke

Ald. James Sengstock

Ald. Martin Weigel

#### Community Development Authority

Ald. Gary Barczak Wayne Clark Gerald Matter Christopher Ahrens Ald. Michael Czaplewski Karin Gale Jason Metz

#### Joint Review Board

Mayor Dan Devine Marvin Pratt Dr. James Williams Kurt Wachholz Wayne Clark City Representative Milwaukee County Milwaukee Area Technical College West Allis/West Milw. School District Public Member

#### Technical Advisory Staff

John Stibal
Patrick Schloss
Steven Schaer
Paul M. Ziehler
Scott Post
Charles Ruud
Gary Schmid
Shaun Mueller
Kristi Johnson
Bart Griepentrog
Nicholaus Czaplewski

Development Director
Community Development Manager
Planning Manager
City Admin. Officer, Clerk/Treasurer
City Attorney
City Assessor
Comptroller/Finance Manager
Senior Planner
Planner I
Planner I
Intern

#### TABLE OF CONTENTS

1.	INTRODUCTION
2.	EXECUTIVE SUMMARY1
3.	TYPE & GENERAL DESCRIPTION OF DISTRICT3
4.	EXISTING LAND USES AND CONDITIONS4
5.	PROJECT PLAN GOALS AND OBJECTIVES5
6.	PARCEL LIST AND ANALYSIS7
7.	EQUALIZED VALUE TEST8
8.	STATEMENTS OF PROPOSED IMPROVEMENTS8
9.	ESTIMATED PROJECT COSTS10
10.	NON-PROJECT COSTS11
11.	PROJECT FINANCING AND TIMETABLE FOR EXPENDITURES11
12.	TAX INCREMENT PROJECTION & ECONOMIC FEASIBILITY ANALYSIS12
13.	STATEMENT OF FEASIBLE METHOD PROPOSED FOR RELOCATION12
14.	ZONING12
15.	ANNEXED PROPERTY12
16.	RETAIL12
17.	MASTER PLAN13
18.	ORDERLY REDEVELOPMENT13
19.	APPENDIX OF EXHIBITS12
	1. Legal Description15
	2. Statement of Lands and Interest to be Acquired1
	3. Financial Condition Analysis17

4.	Economic Feasibility Analysis	18
5.	Cash Flow	19
	i. Revenueii. Incrementiii. Debt Service	20
6.	Calculation of the Project Share in Tax Increments by Overlying Taxing Jurisdiction	22
7.	Assessor's Letter	23
8.	Legal Opinion	24
	City of West Allis 2030 Future Land Use Map	

#### INTRODUCTION

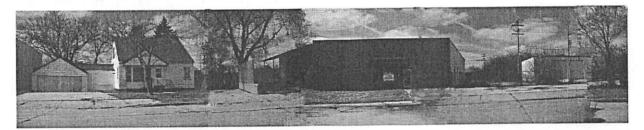
With a TIF district, a community typically borrows money to pay for expenses tied to a specific development project. The property taxes from that project pay off that debt over several years. Once the debt is repaid, the property taxes flow to the community, its school district and other local governments.

#### 2. EXECUTIVE SUMMARY

#### **PROBLEM**

Due to major environmental contamination that was dumped between two properties, the parcels contained within this District have been unable to realize their highest and best use. Working with the existing development values, the current property owners are unable to pay for and complete the DNR required clean-up on this site. Neither of the parcels can be cleaned-up in isolation, and the creation of the district would ensure complete remediation on these adjacent parcels.

If the City of West Allis does not step in, no other private buyer would knowingly purchase the contaminated properties. The existing properties would then continue to deteriorate and eventually become tax delinquent, which would result in creating more significant blight on the surrounding area. In order to prevent this scenario and facilitate a proposed redevelopment, the City is willing to step in and assist as a developer of last resort. The City is seeking grant funding to finance this project and will not expend any TIF funds until it has secured sufficient grant funding to finance the project within the context of the proposed TIF.

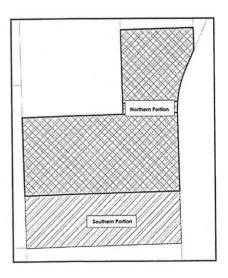


#### **DESCRIPTION OF DISTRICT**

This document is the Project Plan ("Project Plan") for Tax Incremental District Number Thirteen, City of West Allis (the "District"). The Project Plan has been prepared in conformance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law").

<u>The District</u>. The District's size and location consists of approximately 1.77 acres of land on the western side of the center line of S. 113 St., south of W. Greenfield Ave. A map of the proposed District boundaries is located under Section 3. The legal description for the District is attached within the appendix **Exhibit 1 - Legal Description**.

The northern portion of the site (1.38 acres composed of three parcels) was formerly occupied by a juice distribution facility from 1960 to 2006. The property was undeveloped or used as an agricultural field prior to 1960. The property has remained vacant since 2006.



The southern portion of the District has been utilized as a residential parcel. In 2009, the onestory, Cape Cod-style home underwent foreclosure. <u>Expenditures</u>. The estimated total cost for project expenditures is \$1,144,000 for projects outlined in Project Plan. The projects to be undertaken pursuant to this Project Plan are expected to be financed by grants, G.O. Bonds and private investment. A summary of the Estimated Redevelopment Costs for the Plan is located in Table 2 within Section 9.

<u>Economic Development.</u> As a result of the creation of the District, the City projects that the redevelopment of the site will produce additional value of \$1.2 million. The additional value will be a result of the improvements made privately within the District. A table detailing project assumptions and values is located under Section 6 of this Plan. In addition, the District will provide other economic benefits, such as the creation of approximately 40 jobs and personal property tax.

<u>Termination of District</u>. Based on the Economic Feasibility Study located in Section 12 of the Plan, the District would be expected to generate sufficient tax increments to recover all associated costs by the year 2035; which is 25 years. If no public grants are received, the TIF would not be sufficient to cover the project costs within the permitted time frame, per state statutes, as a result, this District will not move forward without attaining sufficient grant funding.

The Project Plan will be implemented by the Community Development Authority (the "Authority") of the City of West Allis.

#### **SUMMARY OF FINDINGS**

As required by Wis. Stats. Section 66.1105 and as documented in the Plan and the attachments contained and referenced herein, the following findings are made:

<u>But For Test.</u> The creation of the District would allow redevelopment to occur as detailed in this Plan, by providing conditions suitable for redevelopment. These conditions would include: addressing environmental concerns, site preparation, development incentive payments, and other associated costs. Based on market conditions, current conditions and use of the District, the City has determined that redevelopment of the area will not occur as a result of private investment. Without the use of TIF, redevelopment of the area is unlikely, and the current condition, environmental issues and vacancy of the commercial buildings would remain.

Economic Benefits. The District's benefits can be measured by increased taxable value to the City and taxing jurisdictions. The improvements are sufficient to compensate for the cost of improvements. The Economic Feasibility is outlined under Section 12 of the Plan. The following was considered in supporting the economic benefits:

- The tax increments projected to be collected are more than sufficient to pay for the proposed project costs.
- The development will add an estimated 35-40 permanent jobs and utilize 40-50 temporary construction jobs.

Benefits Outweigh Anticipated Tax Increments to be Paid. If approved, the District would be created as of January 1, 2011. As of this date, the values of all existing development would be frozen and the property taxes collected on the base value would continue to be distributed to the various taxing jurisdictions, as they currently are now. The incremental value created by new development created after January 1, 2011 will underwrite the repayment of TIF-eligible project costs. Based on the Economic Benefits stated above, the City concludes the overall benefits of the District outweigh the anticipated tax increments to be paid by owners of the property in the

overlying taxing jurisdictions. As required by Section 66.1105(4)(i.)4., a calculation of the share of projected tax increments estimated to be paid by the owners of the property in the overlying taxing jurisdictions has been made and can be found as **Exhibit 6 – Taxing Jurisdictions**.

No Less than 50% In Need of Rehabilitation. Per Statute, more than 50% of the real property within the district must be in need of rehabilitation or conservation work within the meaning of Section 66.1337(2m)(b) of Wis. Stats. Also, any property within the district vacant for seven years immediately proceeding adoption of the District must not comprise more than 25% of the area in compliance with 66.1105(4)(gm)1 of Wis. Stats.

Based on the environmental conditions and concerns, and underutilization of the property within the District, the City reasonably finds the District to be compliant with these conditions. Furthermore, the District is in need of rehabilitation and conservation work, based on the identification and classification of the property within the District.

<u>Promotion Rehabilitation</u>. The City finds that the creation of the District will promote the rehabilitation and conservation of the area.

<u>Enhance Value</u>. The City finds that the creation of the District will significantly enhance the value of real property within the District.

<u>Value of TIF Districts, Not Exceed 12%</u>. The City Assessor has found that not more than 12% of the total equalized value of the taxable property within the City. Refer to **Exhibit 7 – City Assessor Letter.** 

<u>RETAIL.</u> The City estimates that approximately 10% of the District territory will be utilized for retail operations at the end of the District's maximum expenditure period, pursuant to Section 66.1105(5)(b) and 66.1105(6)(am)1 of Wis. Stats.

<u>Master Plan.</u> The Plan for the District in the City is feasible and is in conformity with the Comprehensive Plan of the City. See **Exhibit 9 – City of West Allis 2030 Future Land Use Map.** 

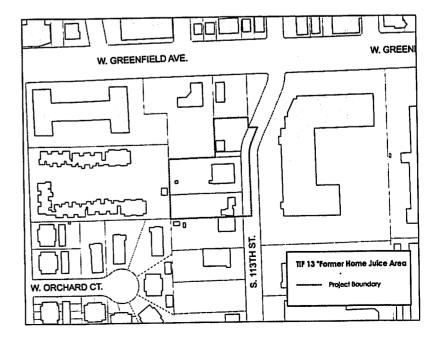
#### 3. TYPE & GENERAL DESCRIPTION OF DISTRICT

#### **District**

The District is being created by the City of West Allis under the authority provided in 66.1105 of Wis. Stats. Map No. 1 - Project Boundary more clearly defines the precise limits of the District.

The District is bounded on the north by private property developed with commercial uses (credit union and auto repair), on the east by the centerline of S. 113 St., on the south by a commercial property utilized by a plumbing contractor, and on the west by multifamily residential development. A legal description is provided in **Exhibit No. 1 – Legal Description.** 

#### Map No. 1: Project Boundary

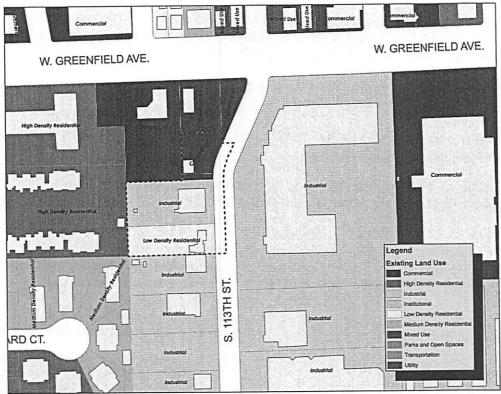


#### 4. EXISTING LAND USES AND CONDITIONS:

The creation of the District is necessary to eliminate and to prevent the spread of blight and foster sustainable development with less impact on the local infrastructure and environment.

Map No. 2 - Existing Property Uses details current land uses abutting the proposed district.

## Map No. 2 – Existing Property Uses



#### Type of District

The District is created as a "Rehabilitation or Conservation District" based upon a finding that at least 50%, by area, of the real property within the District is blighted; in need of rehabilitation or conservation work, as defined in Section 66.1337(2m)(a). Refer to Map. No. 3- Rehabilitation Conditions.

The former Home Juice site is known to have brownfield conditions, which have to this point limited its potential for redevelopment or reuse. The former Home Juice property has undergone a phased site assessment and additional testing for the purposes of selling and redeveloping the property, including soil and groundwater testing on the on the adjacent property has also been performed. Concentrations of chlorinated volatile organic compounds (CVOCs) were detected above regulatory standards in the soil and groundwater adjacent to the property line between the Home Juice property and the residential property to the south. Since CVOCs were detected in shallow soil samples on both properties, WDNR has indicated that they are considering both properties as a source of CVOC contamination for the purposes of identifying both owners as "Potentially Responsible Parties" (PRPs).

The environmental hazards within the District, and the distressed state and disrepair of the property substantially impairs and arrests the sound growth of the community, constitutes an economic and social liability and is a menace to the public's health, safety, and welfare in its present condition and use. Additionally, redevelopment of the property will provide future property tax relief to the families and businesses of West Allis.



#### Map No. 3 – Rehabilitation Conditions

#### PROJECT PLAN GOALS AND OBJECTIVES

The formation of the District will ensure that all future development occurs consistently with the City's redevelopment objectives. The overall goal of the City is to increase the tax base, provide employment opportunities and remove blight. The project costs included in this Plan relate directly to the rehabilitation or conservation areas in the District. These costs will be incurred in a fashion consistent with the purpose for which the District is created. The creation of the District promotes the orderly development of the City as follows:

#### Goals:

- To remediate environmental contamination to a level necessary for development and for a clean and livable city and neighborhood.
- To eliminate blight and prevent the development and spread of blighted areas.

- 3. To reverse the underutilized property by encouraging new private development.
- 4. To reposition this commercial and industrial area to be a viable job creator.
- 5. To broaden the property tax base of the community.
- 6. To directly serve to rehabilitate or conserve the area.
- 7. To promote a sustainable development that will reduce impact on the infrastructure and environment.

#### **Objectives:**

- 1. Redevelop the property into contemporary office uses.
- 2. Eliminate underutilized land and environmentally hazardous conditions.
- 3. Divide land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment, in accordance with development needs and standards.
- 4. Improve the site with buildings that feature high quality architectural design standards.
- 5. Provide for the orderly physical and economic growth of this area, through planned and controlled redevelopment.
- 6. Foster redevelopment activities that are consistent with the uses permitted in this Plan, the sound needs and growth of the surrounding area, and the community as a whole.
- 7. Assure that redevelopment is aesthetically pleasing and compatible with existing development in the area by incorporating high-quality architectural design, site planning, landscaping, signage, public art and amenity lighting.
- 8. Foster economic development by providing facilities, which generate employment opportunities.
- 9. Provide economic development loans and/or grants to qualified redevelopers consistent with the goals and objectives of this Plan.
- 10. Provide project and site improvements, including stormwater management, utilities, and other related improvements necessary for carrying out the objectives of this Plan.
- 11. Achieve private redevelopment, which will add to the tax base of the City of West Allis and stimulate business activity in this part of the city.
- 12. Provide off-site improvements to infrastructure or other private improvements within one ½ mile of the district in accordance with Wis. Stats. Section 66.1105(2)n.

#### **Project Description**

The activities of the District are designed to encourage redevelopment of the blighted commercial buildings, residential parcel and contaminated land. The following activities are essential to removing the current barriers to private redevelopment.

The project includes the private redevelopment of four parcels totaling approximately 1.5 acres of land. The redevelopment will include the environmental remediation of the contaminated properties, demolition of the current residential building, renovation and expansion of the existing commercial buildings, and improvements to upgrade parking and landscaping areas throughout the site. The District will be reutilized as a quality commercial development, offering increased employment opportunities. The proposed redevelopment would have two buildings totaling over 15,000 sq. ft. of modern office space.

Buildings would consist of materials such as brick, precast stone and cast stone, common size brick, concrete masonry as a secondary material, ornamental metals as an accent material, stucco, and EIFS limited to less than 10%.

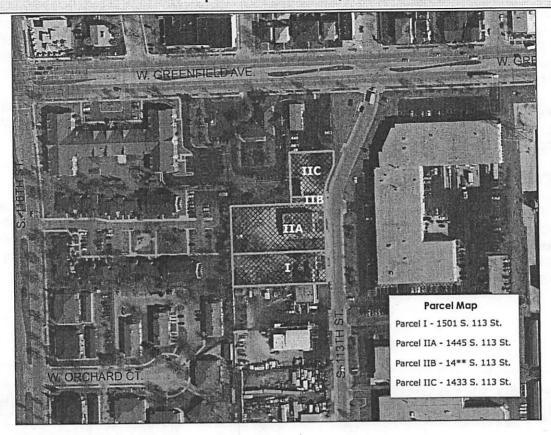
#### PARCEL LIST AND ANALYSIS

In 2010, the District's Fair Market Value as determined by the City Assessor was \$205,423 for the land and \$360,246 for the improvements for a total of \$565,669. The properties paid \$14,655 in property taxes. If the site were redeveloped with the proposed commercial facilities, the total taxable value generated by the property could exceed \$44,486 and provide an additional (incremental) property tax relief in the area of \$29,831 per year.

Table 1
PROJECTED PROPERTY TAX INCREMENT

		Assessed Value			
Parcel	Land	Improvements	Total	Equalized Value	Taxes (.2611)
T	\$18,900	\$122,600	\$141,500	\$142,627	\$3,695
IIA	\$127,900	\$160,500	\$288,400	\$290,697	\$7,531
IIB	\$6,300	\$2,000	\$8,300	\$8,366	\$217
IIC	\$50,700	\$72,300	\$123,000	\$123,797	\$3,212
Current	\$203,800	\$357,400	\$561,200	\$565,669	\$14,655
Projected	\$203,800	\$1,500,000	\$1,703,800	\$1,717,367	\$44,486
Projected Increment	\$0	\$1,142,600	\$1,014,700	\$1,022,780	\$29,831

#### Map No. 4 - Parcel Map



#### 7. EQUALIZED VALUE TEST

The following calculation demonstrates the City's compliance with Wis. Stat. 66.1105(4) (gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing Tax Incremental Districts, does not exceed 12% of the total equalized value of the taxable property within the City. Attached, as **Exhibit 7** is a City Assessor Letter supporting the finding of this test.

The total 2010 equalized value (TIF in) is \$4,080,048,500. The equalized value of the increment of existing Tax Increment Districts within the City, plus the base value of the proposed District, totals \$161,545,900 (including TIF 13). This value represents 3.959% of the City's value and is less than the maximum of \$489,605,796 in equalized value that is permitted for the City of West Allis. In conclusion, the City is in compliance with statutory provisions and may proceed with the creation of this District.

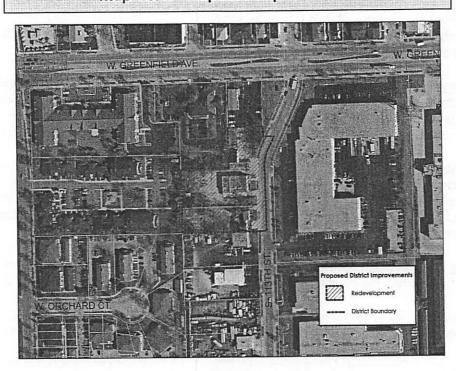
#### 8. STATEMENTS OF PROPOSED IMPROVEMENTS

The following is a list of proposed improvements and other projects that the Community Development Authority (CDA) expects to implement in the District. Any costs necessary for the creation of the District or related to the proposed improvements are considered "project costs" and are eligible to be paid with tax increment revenues.

- Property Acquisition for Redevelopment. To foster and facilitate redevelopment within the District the CDA may acquire property within the District. Costs associated and related to the acquisition of real estate are eligible costs. Any revenue received by the CDA from the sale of property for redevelopment will be used to reduce the project costs for the District. If total Project Costs incurred by the CDA to acquire property and make it suitable for redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wis. Stats. Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Costs.
- <u>Site Preparation.</u> Environmental audits and remediation are necessary activities to prepare the site for redevelopment. Based on WDNR records, there are environmental concerns that require further testing and research. Any costs incurred by the CDA related to environmental audits, testing and remediation are eligible Project Costs.
- <u>Developer Incentives</u>. The CDA will negotiate and execute developer agreements that
  provide for the optimal redevelopment. The Project may include the CDA entering into
  agreements with property owners, lessees, or developers of land located within the
  District for the purpose of attracting development and obtaining sufficient tax base to
  recover project costs.
- <u>Demolition</u>. In order to remove blight, provide greater site access and allow for optimal re-use of existing structures, demolition is proposed to take place within this District.
- <u>Stormwater</u>. All applicable stormwater requirements of local and overlying jurisdictions will be adhered to, which may require investments in stormwater infrastructure.
- <u>Professional Service and Organizational Costs</u>. The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include, but are not limited to: architectural; environmental; planning; engineering; legal, audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.
- Administrative Costs. The CDA may charge to the District as eligible Project Costs
  reasonable allocations of administrative costs, including, but not limited to, employee
  salaries. Costs allocated will bear a direct connection to the time spent by City
  employees in connection with the implementation of the Plan.
- <u>Financing Costs</u>. Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing are eligible Project Costs.
- Contribution to the Community Development Authority. As provided for in Wis. Stats. 66.1105(2) (f) 1.h. and 66.1333(13), the City may provide funds to the CDA to be used for administration, planning, and operations related to the purposes for which it was established in relationship of any redevelopment or urban renewal project. These are eligible project costs.

With all projects the costs of engineering design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the public works, legal and

other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as project costs.



#### Map No. 5 – Proposed Improvements

#### ESTIMATED PROJECT COST

The project costs are directly related to eliminating blight and directly serve to rehabilitate or conserve the area, consistent with the purpose for which the District was created.

The costs included in this section are without limitation, eligible project costs, as defined under Section 66.1105(2)(f) of the Wisconsin Statutes.

The City's policy for the use of these funds is to assist major redevelopment projects, which will generate additional property taxes (increment). The maximum amount of City participation in any private redevelopment project will be based upon the expected property tax increment to be generated by the redevelopment projects for a period no longer than 27 years pursuant to the Tax Increment Law.

Proposed project costs include property acquisition, demolition, environmental remediation, utility & access improvements, stormwater retention, and financing and administration costs. The total project costs are more fully described in Table 2 - Estimated Redevelopment Costs.

Some or all of these costs may be contributions made under Section 66.1333(13) of the Wisconsin Statutes to the Community Development Authority in connection with its implementation of the Project Plan. The Common Council may make those contributions pursuant to a Cooperation Agreement entered into with the Authority.

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the City Council, without amending the Plan.

Table 2
Estimated Redevelopment Costs

Project Activity	TIF Plan Budget
1. Acquisition	\$398,000
	<b>40</b>
2. Relocation	\$0
3. Environmental Clean-Up	\$510,000
4. Demolition	\$30,000
5. Public Infrastructure	\$40,000
6. Administration	\$62,000
7. Interest Expense	\$0
8. Contingency	\$104,000
TOTAL	\$1,144,000

#### 10. NON-PROJECT COSTS:

The City does not anticipate any non-project costs.

#### 11. PROJECT FINANCING AND TIMETABLE FOR EXPENDITURES

The project will be financed primarily through grants, private investment and the sale of <u>Taxable</u> General Obligation (G.O.) Bonds, <u>Tax Exempt</u> G.O. Bonds, land sale proceeds, and federal and state grants.

The anticipated tax increment revenue would be more than adequate to cover the total debt service, as shown in Exhibit No. 3 Financial Conditions Analysis and Exhibit No. 4 Economic Feasibility Analysis.

The bulk of the Project Plan cost will be incurred in 2011 with the balance expended by the year 2012.

Depending on the finalized development proposal, there may be a need to install and/or relocate some public or private infrastructure such as sewer, water, roadway, gas, electric, etc., to more readily accommodate development.

#### 12. TAX INCREMENT PROJECTION AND ECONOMIC FEASIBILITY ANALYSIS

The financial feasibility of the Project Plan is based upon the expected property tax increment to be generated.

The tax increment to be generated by the District is based upon the increases in real and personal property value and the building improvements/ additions during the life of the District. The cash flows set forth in **Exhibit No. 3 Financial Condition Analysis and Exhibit No. 4 Economic Feasibility Analysis** indicates that the anticipated revenues exceed the projected estimated project cost. The Project Plan, therefore, has been determined to be economically feasible.

The City recognizes that a real potential exists that the environmental and site preparation costs may be higher than currently projected. The City intends to recover these costs to the greatest extent possible through revenues generated by the District.

As a result of projected amount of debt to be issued to finance the project costs, the incremental revenue required to service the debt will necessitate that the District continue for 25 years (maximum 27-year period allowed by state statutes).

#### 13. STATEMENT OF FEASIBLE METHOD PROPOSED FOR RELOCATION

The City and the Authority are authorized to make relocation payments to, or with respect to, persons (including families, business concerns and others) being displaced from the project for moving expenses and losses of property for which reimbursement or compensation is not otherwise made. Any persons being displaced during the course of the project relocated from properties within the area during the course of project execution, shall be afforded the opportunity to be relocated in available accommodations which are decent, safe, sanitary, and otherwise habitable and which are within their financial means, all in accordance with a Relocation Plan, prepared pursuant to Sections 32.19 and 32.25 to 32.27 and 66.1333(10) of the Wisconsin Statutes and subsequently approved by the Wisconsin Department of Commerce. Since the property is currently for sale voluntarily, no relocation is anticipated at this time.

#### 14. ZONING

No changes are proposed to the master plan, building codes or city ordinances. The parcel at 1501 S. 113 St. will be rezoned from C-4 Regional Commercial District to C-3 Community Commercial District, to establish common zoning throughout the District. The District will be redeveloped with commercial uses, which meet the current zoning of the C-3 Community Commercial District.

#### 15. ANNEXED PROPERTY

There are no lands within the District that were annexed by the City on or after January 1, 2004.

#### 16. RETAIL

The City estimates that approximately 10% of the District territory could be utilized for retail operations at the end of the District's maximum expenditure period, pursuant to Section 66.1105(5)(b) and 66.1105(6)(am)1. of Wis. Stats.

#### 17. MASTER PLAN

There are no proposed changes to the City's master plan. The proposed redevelopment within this district matches the City's Future Land Use as well as the redevelopment objectives outlined within the City's 2030 Comprehensive Plan specific to this area. Please see Exhibit 9.

#### 18. ORDERLY REDEVELOPMENT

The District will provide orderly redevelopment of the City by fostering the opportunity for continued growth in the tax base and job opportunities.

The Exhibits and Attachments are incorporated into the Project Plan for Tax Incremental District Number Thirteen, City of West Allis, Wisconsin, and by reference made a part thereof pursuant to Section 66.1105 of the Wisconsin Statutes.

#### **APPENDIX OF EXHIBITS**

#### **Exhibits**

Exhibit No. 1 – Legal Description

Exhibit No. 2 - Statement of Lands and Interest to be Acquired

Exhibit No. 3 – Financial Conditions Analysis

Exhibit No. 4 – Economic Feasibility Analysis

Exhibit No. 5 – Cash Flow

Exhibit No. 6 - Taxing Jurisdictions

Exhibit No. 7 – Assessor's Letter

Exhibit No. 8 - Legal Opinion

Exhibit No. 9 - City of West Allis 2030 Future Land Use Map

## Exhibit No. 1 – Legal Description

A tract of land located in the Northeast ¼ of Section 6, Township 6 North, Range 21 East, more particularly described as follows:

Beginning at the Southeast corner of the Parcel 3, Certified Survey Map No. 3902; thence Northerly, 209.50 feet; thence Easterly, 164.50 feet; thence Northerly, 134.50 feet; thence Easterly, 120.00 feet; thence Southerly, 36.13 feet, to the Westerly right-of-way line of South 113th Street; thence Easterly, 33.34 feet, to the centerline of the South 113th Street; thence Southwesterly, 48.53 feet, along said centerline to the point of curvature; thence continue Southwesterly, 56.20 feet, along the arc of the curve with radius of 125.68 feet and chord length of 55.73 feet; thence Southerly, 209.89 feet, along the centerline of South 113th Street; thence Westerly, 314.86 feet, to the Point of Beginning.

Said land contains 1.77 Acres, more or less.

## Exhibit No. 2 – Statement of Lands and Interest to be Acquired

Parcel	Address	Owner	<u>Use</u>	Zoning
448-9989-009	1433 S. 113 St.	Kenosha Home Juice Sales Corp.	Commercial	C-3
448-9989-007	14** S. 113 St.	Kenosha Home Juice Sales Corp.	Vacant	C-3
448-9989-005	1445 S. 113 St.	Kenosha Home Juice Sales Corp.	Industrial	C-3
448-9990-000	1501 S. 113 St.	Juan Macias	Residential	C-4

## Exhibit No. 3 – Financial Conditions Analysis

		Assessed Value		A. La	
Parcel	Land	Improvements	Total	Equalized Value	Taxes (.2611)
Ţ	\$18,900	\$122,600	\$141,500	\$142,627	\$3,695
IIA	\$127,900	\$160,500	\$288,400	\$290,697	\$7,531
IIB	\$6,300	\$2,000	\$8,300	\$8,366	\$217
IIC	\$50,700	\$72,300	\$123,000	\$123,797	\$3,212
Current	\$203,800	\$357,400	\$561,200	\$565,669	\$14,655
Projected	\$203,800	\$1,500,000	\$1,703,800	\$1,717,367	\$44,486
Projected Increment	\$0	\$1,142,600	\$1,014,700	\$1,022,780	\$29,831

## Exhibit No. 4 – Economic Feasibility Analysis

Project Costs	\$1,144,000
TIF Expenditures	\$444,099
Current Value	\$565,669
Project Improvement	\$1,717,367
Projected Increment	\$1,022,780
Years Required to Finance Debt Service	25 (2035)

Project Costs	Budget
Acquisition	\$398,000
Relocation	\$0
Reloculon	ΨΟ
Environmental Clean-Up	\$510,000
Demolition	\$30,000
Demonitori	400,000
Public Infrastructure	\$40,000
Administration	\$62,000
Interest	\$0
Contingency	\$104,000
TOTAL	\$1,144,000

Projected Revenue Sources	Budget
1. Land Sales	\$370,001
2. Grants	\$329,900
(Brownfield, SAG, Ready-for-Reuse)	
3. TIF	\$444,099
TOTAL	\$1,144,000

## Exhibit No. 5 – Cash Flow

#### i) Revenue

Projected Revenue Sources	Budget
1. Land Sales	\$370,001
2. Grants	
Brownfield	\$100,00
SAG	\$29,900
Ready-for-Reuse	\$200,000
3. State and Federal Loans	\$0
4. General Obligation Bonds	
TIF	\$444,099
ATOT.	S1 144,000

## ii) Increment

_	Base Value	\$ 565,669			Inflation Factor		1.00%			
-	Demolition	\$ 122,600			Tax Rate Adjust	ment Factor	-0.25%			
	Construction Year	Valuation Year	Revenue Year	Inflation Increment	New Development	Valuation Increment	TIF Tax Rate	Tax Increment	Equalized Value	Equalized Taxes
1	2011	2012	2013	s -	\$ 1,328,800	\$885,731	26.11	\$23,128	\$1,328,800.00	\$34,698
ᄒ	2012	2013	2014	\$ 8,857	\$ 375,000	\$1,269,589	26.05	\$33,069	\$1,712,657.31	\$44,609
3	2013	2014	2015	\$ 12,696	\$ -	\$1,282,284	25.98	\$33,316	\$1,725,353.20	\$44,827
4	2014	2015	2016	S 12,823	\$ -	\$1,295,107	25.92	\$33,565	\$1,738,176.04	\$45,048
5	2015	2016	2017	\$ 12,951		\$1,308,058		\$33,816	\$1,751,127.11	\$45,270
6	2016	2017	2018	\$ 13,081		\$1,321,139		\$34,069	\$1,764,207.70	\$45,494
Ť	2017	2018	2019	\$ 13,211		\$1,334,350		\$34,323	\$1,777,419.09	\$45,720
8	2018	2019	2020	\$ 13,344		\$1,347,694	25.66	\$34,580	\$1,790,762.59	\$45,948
Ť	2019	2020	2021	\$ 13,477		\$1,361,171	25.59	\$34,838	\$1,804,239.53	\$46,178
10	2020	2021	2022	\$ 13,612		\$1,374,782		\$35,099	\$1,817,851.24	\$46,410
11	2021	2022	2023	\$ 13,748		\$1,388,530		\$35,361	\$1,831,599.06	\$46,644
12	2022	2023	2024	\$ 13,885		\$1,402,416		\$35,625	\$1,845,484.36	\$46,881
13	2023	2024	2025	\$ 14,024		\$1,416,440		\$35,892	\$1,859,508.52	\$47,119
14	2024	2025	2026	\$ 14,164		\$1,430,604		\$36,160	\$1,873,672.92	\$47,359
15	2025	2026	2027	\$ 14,306		\$1,444,910		\$36,430	\$1,887,978.96	
16	2026	2027	2028	\$ 14,449		\$1,459,359		\$36,703		
17	2027	2028	2029	\$ 14,594		\$1,473,953		\$36,977	\$1,917,021.65	
18	2028	2029	2030	\$ 14,740		\$1,488,692		\$37,253		
19	2029	2030	2031	\$ 14,887		\$1,503,579		\$37,532		
20	2030	2031	2032	\$ 15,036		\$1,518,615		\$37,812		
21	2031	2032	2033	\$ 15,186		\$1,533,801		\$38,095		
22	2032	2033	2034	\$ 15,338		\$1,549,139		\$38,380		
23	2033	2034	2035	\$ 15,491	T	\$1,564,631		\$38,667	\$2,007,699.45	
24	2034	2035	2036	\$ 15,646		\$1,580,277		\$38,956		
25	2035	2036	2037	\$ 15,803		\$1,596,080		\$39,247		
26		2037	2038	\$ 15,961		\$1,612,041		\$39,540		
27	2037	2038	2039	\$ 16,120		\$1,628,161		\$39,836		
28	2038	2039	2040	\$ 16,282		\$1,644,443		\$40,134		
29		2040	2041	\$ 16,444		\$1,660,887		\$40,434		
30		2041	2042	\$ 16,609		\$1,677,496		\$40,736		
31		2042	2043	\$ 16,775		\$1,694,27		\$41,040		
32	2042	2043	2044	\$ 16,943		\$1,711,214		\$41,347	\$2,154,282.30	
33		2044	2045	\$ 17,112		\$1,728,320	24.10	\$41,656	\$2,171,394.4	\$52,33
			Totals		\$ 1,703,800		L	\$ 985,271		
				Net Present V	alue of 2011-20	35 Increment @ 5.	0%	\$488,049	<u> </u>	<u> </u>

# iii) Debt Service

																								_		_		_						108
RCES			Total Yearly	Ravenus	The same of the sa	-	23,128	33,069	33,316	13.816	34,069	34,323	34,580	34,838	35,099	10,01	25 E	36,18	36,430	36,703	36,977	37 532	37,812	38,095	38,380	38,667	38,500	39.540	39,836	40,134	40,434	40,736	41,040	AU THOMAS
ISI			F			<u> </u>	~	\$	<u>ما</u>	<u>^'</u>	44	-	9	<u> </u>	<u> </u>	^!	<u> </u>	12	9	9	*	4	-	Ľ	~	<u> </u>	4	#	*	-	r	~	4	븳
REVENUE SOURCES	PROJECTED PROPERTY TAX INCREMENT	2.61%	Tax Rate @ .5% Discount		The second secon		23,128	33,069	33,316	33,563	970'66	34,323	34,580	34,838	35,099	35,361	20,00	36,160	36,430	36,703	36,977	37.630	37,812	38,095	38,380	38,667	38,956	30 540	39.836	40,134	40,434	40,736	41040	Procession of the second of th
	PROPE	- "	7ax				١.,	]]	ٳ؞		راد		_	<u>"</u>	S	ړ.	۱,	را	۰.	,,	۵,	۸.	۰,		<u>"</u>	5	۵,	١.	٠,		u	u	ᆈ	
1 1	A.	11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Estation in		3	╁	100	12	7	ia: h			7	Н		v.,	7		1	w	17	٥.	13	63	7	S	- i	4	_		•	4		٠ <u>٤</u>
		FI S			Chothar San						38,470	5 64.762		H	105,194	5 118,942	132,627	1	\$ 175.322	П	H	219,104	720 027	l	\$ 279,551	\$ 295,042		١	34492	l	l	П	\$ 424,682.	Carte Brasil
RTY VALUES		TOTAL TAXABLE VALUES			and the present	Ţ	175.33	L	Н	1,764,208	1,777,419	1,750,763	1,817,851	1,831,599	l	н	1,673,673	1,887,979	1,902,420	1,931,761	1,946,648	1,961,684	1,976,870	2.007.699	1	\$ 2,039,149	\$ 2,055,109	1	2,087,511	373.021	2,137,340	\$ 2,154,282	\$ 2,171,394	The Court of the C
PROPERTY		EXESTING - BQUALIZED VALUES on Jacuary 1			いるないないないないまで		1,775,363	1,738,176	1,751,127	1,764,208	1,777,419	1,790,763	1817.851	1,831,599	1,845,484	1,859,509	1,873,673	1,687,979	1,902,428	1931,761	1,946,648	1,961,684	1,976,870	2007/260	2023.346	ı			١	2,103,930	00C0021.0	1	П	TOTALS INVESTMENT RECOVERS TO THE SECOND DISCUSSION OF THE PARTY OF TH
TIME		CALENDAR			at other registration	T	2012	Ť	T	П	Ħ	†	0000	T	2022	T	2024	П	†	2028	Т	П	1	1	Ť	2033	П	Ħ	7	Ť	2040	T	П	14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
F		T.LR. YBAR			17.15.Es		~	7	~	9	7	<b>8</b>	2	=	12	2	14	15	2	= =	2	ຊ	21	ន្ត្រ	3 2	8 12	8	7.7	<b>78</b>	23	8	۶ ا	33	TOTAL

				LT.	TLF. CAPACITY			
18808		TOTAL GO. BOND LOANS						
				T.L.P. G	T.I.F. G. O. Bond		T1.R.	Calendar Year
General Obligation	General Obligation Draw	TOUR BEST	Total Yearly Restrus	Balznes beginning of Year	Balmos degiming of Phu breest on delt at Year	Equals New balance		
UFEW	1		THE PARTY AND ADDRESS OF	THE PERSON AND PROPERTY.	100 S 100 S 100 S	218.00	STATE OF THE PARTY	1
8367.099	-	-		00'660'19€	\$	١	1	100
\$77,000				<u>.,</u>	23,123	483,570.63	,	2013
05	Sec. 25.		23,128	402,446,43			Ĺ	2014
. 1		2 5	318.18				2 5	2015
	4		\$ 33,565			\$ 451,854.15	9	91g
2		3.	\$ 33,816		\$		1	202
	**************************************		\$ 34,069	\$ 404,871.82	5	425,115,41		200
<b>05</b>			\$ 34,333	٦.	18,787.61	\$ 394 539.72	L	202
OS:	1,500 miles		24,380			\$ 377,686.57	7	2021
8 8	2 5	3	\$ 35,099		_	\$ 359,717.33	Ц	282
S	2000		\$ 35,361 \$	2	\$	\$ 340,574.15	1	E E
S	***		\$ 35,625	Ş	<u>~</u>	\$ 320,196.26	1	
8			\$ 35,892	<u>"</u>	ام	298,519.87		ž
8		93	١	۵,	0. 0.0118.00	\$ 251,000,14	L	2007
<b>0</b>	100		36,430	59,041.75		\$ 225,012.50	L	2028
S.	28	25	36977			\$ 197,437.40	Ц	502
25			\$ 37,253		\$	\$ 168,193.33	8	
3 5			\$ 37,532	S	<b>\$</b>	\$ 137,194.67		1000
3	THE		\$ 37,812	۰,		4	1	S S
8			\$ 38,095	<u>م</u>	3,312.03	3749 16		ğ
0.	13	8	SK. SK.	5 51,109.07	٠			2035
Section of the	2000		) 00'00.	,		~	Ц	2036
8	28	2 5	\$ 39.247			<b>"</b>		2037
			\$ 39,540				22	802
8			98,836	۵		(183,/36.80)		2000
	1		١			•		Ŕ
80.7.	618383		\$ 40,434	\$ (20,010,00)	31 5 (15,000,30)		L	2042
85	**************************************	8.5	41,040	4	١		Ц	2043
8	3							
The state of the s								

# Exhibit No. 6 Calculation of the Project Share in Tax Increments by Overlying Taxing Jurisdiction

	Current (2011)	Projected (w current tax rate)
Value ***	\$561,200	\$1,703,800
Tax Share by Jurisdiction		
City	\$5,391	\$16,368
County (6.906%)	\$2,519	\$7,647
MMSD (6.739307%)	\$816	\$2,478
WA/WM School District (86.027830%)	\$4,746	\$14,409
MATC (5.3840625%)	\$1,085	\$3,295
State	\$96	\$292
Gross	\$14,654	\$44,490
Sales Tax Credit	\$0	\$0
School Tax Credit	\$0	\$0
Gross Levy	\$14,654	\$44,490

#### Exhibit No. 7 - Assessor's Letter





CITY ASSESSOR 414/302-8230 414/302-8238 (Fax) City Hall 7525 West Greenfield Avenue West Alls, Wisconsin 53214 www.ci.west-allis.wi.us

March 17, 2011

John Stibal Director Department of Development City of West Allis

RE: Project Plan for Tax Incremental District Thirteen

Dear Mr. Stibal:

The percentage of taxable property in all existing incremental districts compared with all taxable property in the City of West Allis for 2010 is:

3.959%

TOTAL TIF VALUE: TOTAL CITY:

\$161,545,900 \$4,080,048,500

Proposed TIF#13 figures are included in the Total TIF Value.

The total figures include assessed values of both real estate and personal property.

Sincerely,

Charles F. Ruud

City Assessor

#### Exhibit No. 8 - Attorney's Letter





#### OFFICE OF THE CITY ATTORNEY

Scott E. Post City Attorney

Sheryl L Kuhary Jeffrey J. Warchol Jenna R. Merten Assistant City Attorneys

**EXHIBIT NO. 8** 

John F. Stibal
Director
Department of Development
City of West Allis

RE: Project Plan for Tax Incremental District Number Thirteen

Dear Mr. Stibal:

Pursuant to your request, I have reviewed the Project Plan for Tax Incremental District Number Thirteen. Based upon that review, I am of the opinion that the Plan complies with all of the statutory requirements of Wis. Stats. §66.1105(4)(f). This opinion is rendered in compliance with that statutory provision and should be part of the Project Plan.

Yours very truly,

Scott E. Post City Attorney

SEP:da L/Scott/Opinion Ltr-TIF 13

Dated:  $\frac{1}{-1} - \frac{1}{-1}$ 

City Hall, 7525 West Greenfield Avenue, West Allis, Wisconsin 53214 ■ Phone (414)302-8450 ■ Fax (414)302-8444 attorney@ci.west-allis.wi.us ■ www.ci.west-allis.wi.us

## Exhibit No. 9 – City of West Allis 2030 Future Land Use Map

