

June 5, 2023

PROJECT PLAN

City of West Allis, Wisconsin



Tax Incremental District No. 19
86th and National



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

| | |
|---|-------------------------------|
| Organizational Joint Review Board Meeting Held: | May 24, 2023 |
| Public Hearing Held: | June 5, 2023 |
| Approval by CDA: | June 5, 2023 |
| Adoption by Common Council: | Scheduled for July 18, 2023 |
| Approval by the Joint Review Board: | Scheduled for August 16, 2023 |

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SECTION 1: Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 19 (“District”) is a proposed single parcel blighted area district that will include property located at 8530-8556 W. National Avenue, the site of the former Clark Oil headquarters. The property will be redeveloped by Three Leaf Partners (“Developer”) as the site for a six-story 247-unit market rate apartment building with structured and surface parking, and various tenant amenities (“Project”).

AUTHORITY

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

ESTIMATED TOTAL PROJECT COST EXPENDITURES

The City anticipates making total expenditures of approximately \$29.5 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$28.8 million in development incentive payments and \$745,000 for administrative, legal, and professional services costs associated with creation and administration of the District over its 27-year life. The requested \$28.8 million in incentive payments over time have a present value of \$13.1 million assuming a 6% discount rate. The agreement by the City to provide these payments will permit the Developer to secure an \$11.8 million loan from a private lender to fund a portion of the Project construction.

INCREMENTAL VALUATION

The City projects that new land and improvements value of approximately \$46.8 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

EXPECTED TERMINATION OF DISTRICT

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will require its full allowable 27 years to pay all Project Costs.

SUMMARY OF FINDINGS

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has relied on SB Friedman Development Advisors LLC which it engaged to review the Project’s sources and uses, cash flow proforma and projected returns. Based on that review, the City has determined that provision of pay as you go incentives in the amount identified in this Plan is necessary to provide an acceptable return on investment and indicates that “but for” the incentives, the project would not likely proceed.
2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered that in addition to the incremental value expected to be created, the Project will result in redevelopment of a blighted area, creation of market rate multi-family housing to meet market demand (as emphasized in the National Avenue Corridor Study), and provision of employment and commercial opportunities related to the construction and operation of the Project.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1.
5. Based on the foregoing finding, the District is designated as a blighted area district.
6. The Project Costs relate directly to the elimination of blight in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.

9. The City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2: Preliminary Map of Proposed District Boundary

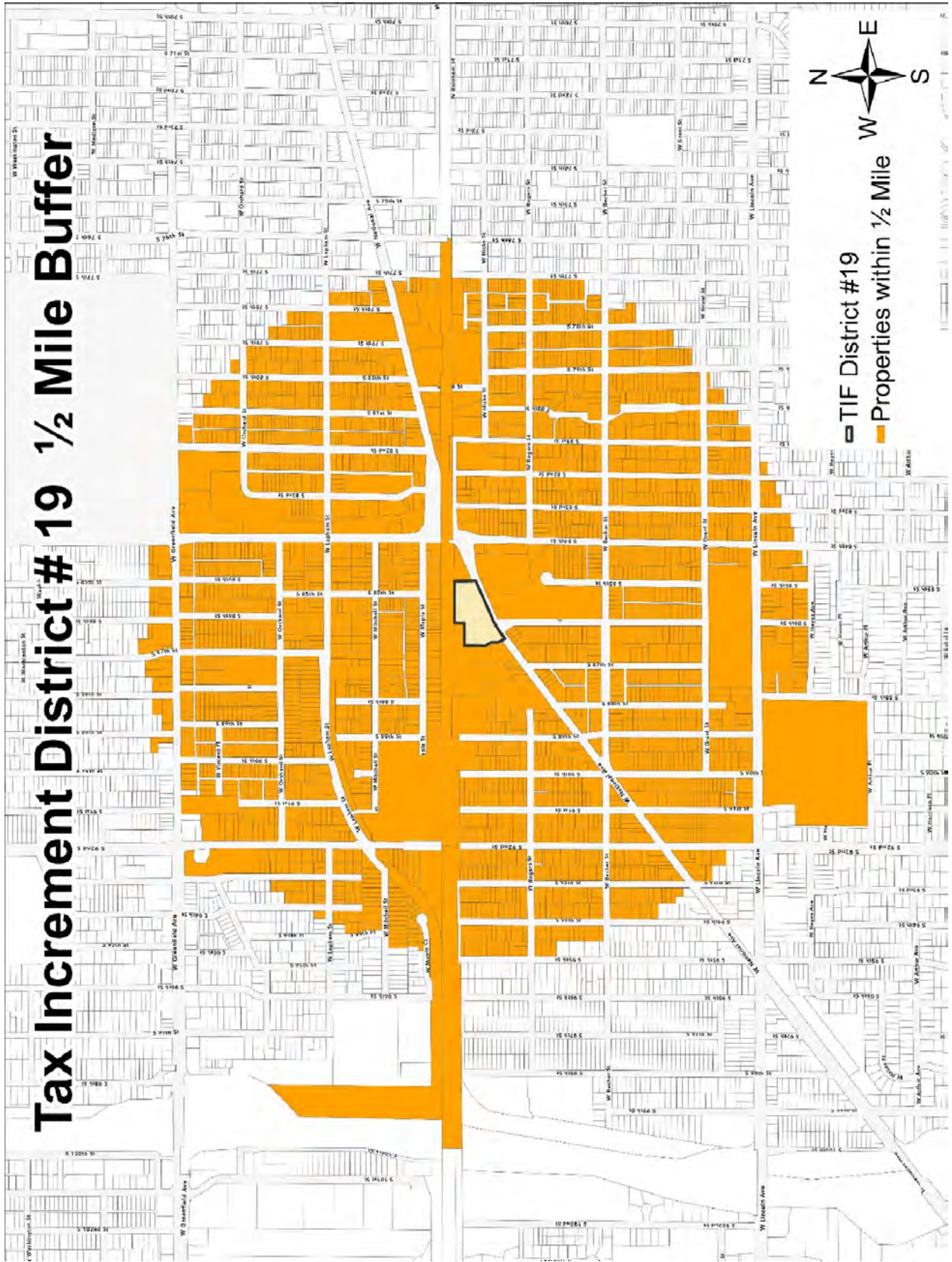
Map Found on Following Page.

Tax Increment District # 19 Boundary and Parcel Map



 TIF District #19





SECTION 3: Maps Showing Existing Uses and Conditions

Maps Found on Following Pages

Tax Increment District # 19 Existing Land Use Map




TIF District #19
Commercial



Tax Increment District # 19 Aerial




 TIF District #19



Tax Increment District # 19 Zoning Map



 TIF District #19
 C-2



SECTION 4: Preliminary Parcel List and Analysis

The District will consist of a single tax parcel:

Parcel Number: 478-9998-003
Address: 8530-8556 W. National Ave.
Owner: 3LP West Allis, LLC
Acres: 3.57 acres (3.19 parcel and .38 acres of adjoining street right-of-way)

Current Value:

| | Assessed | Equalized |
|--------------|-------------|-------------|
| Land | \$686,200 | \$955,800 |
| Improvements | \$314,000 | \$437,400 |
| Total | \$1,000,200 | \$1,393,200 |

Blighted Area

The District will be designated as a blighted area. Under the definition of blighted area found at Wis. Stat. § 66.1105(2)(ae), one qualifying criteria is a site "...that consists of land upon which buildings or structures have been demolished and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community".

Specific blighting conditions include:

- The structure located on the site was constructed in 1934, is functionally obsolete, and will be demolished as part of the Project.
- Based on the age of the building there are concerns of lead and asbestos conditions that will be remediated upon demolition.
- The property was part of the Clark Oil Company and there are perceived environmental issues based on the prior use.
- Historically low occupancy levels spanning the last decade.
- The property has an outdated floor plan that does not meet today's office real estate market demand.

- Deteriorated conditions include overgrown landscaping, broken windows, broken asphalt in the parking lot etc.

A total of 3.19 acres, or 89% of the District area, is blighted, meeting the requirement that at least 50% of the area be blighted.

SECTION 5: Equalized Value Test

The following calculations demonstrate that the City expects to be in 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 taxable property within the City.

Calculation of City Equalized Value Limit

| | |
|---|-----------------------|
| City TID IN Equalized Value (Jan. 1, 2022) | \$ 5,518,411,300 |
| TID Valuation Limit @ 12% of Above Value | \$ 662,209,356 |

Calculation of Value Subject to Limit

| | |
|--|-----------------------|
| Estimated Base Value of New District* | \$ 1,393,200 |
| Incremental Value of Existing Districts (Jan. 1, 2022) | <u>\$ 326,993,400</u> |
| Total Value Subject to 12% Valuation Limit | \$ 328,386,600 |

The equalized value of the increment of existing tax incremental districts within the City, plus the estimated base value of the District, totals \$328,386,600, which is 5.95% of the City's total equalized value. This value is less than the maximum of \$662,209,356 (12%) in equalized value that is permitted for the City. Following creation of the District, its base value is no longer counted towards the 12% limit, however, any incremental increase in value will be included in the calculation for creation of subsequent districts, or where territory is being added to an existing district.

* Based on the City 2022 assessment ratio of 71.79%.

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments, or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for 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.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number, and location of potential Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Miscellaneous

Professional Service and Organizational Costs

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 City 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 relating to the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

Projects Outside the Tax Increment District

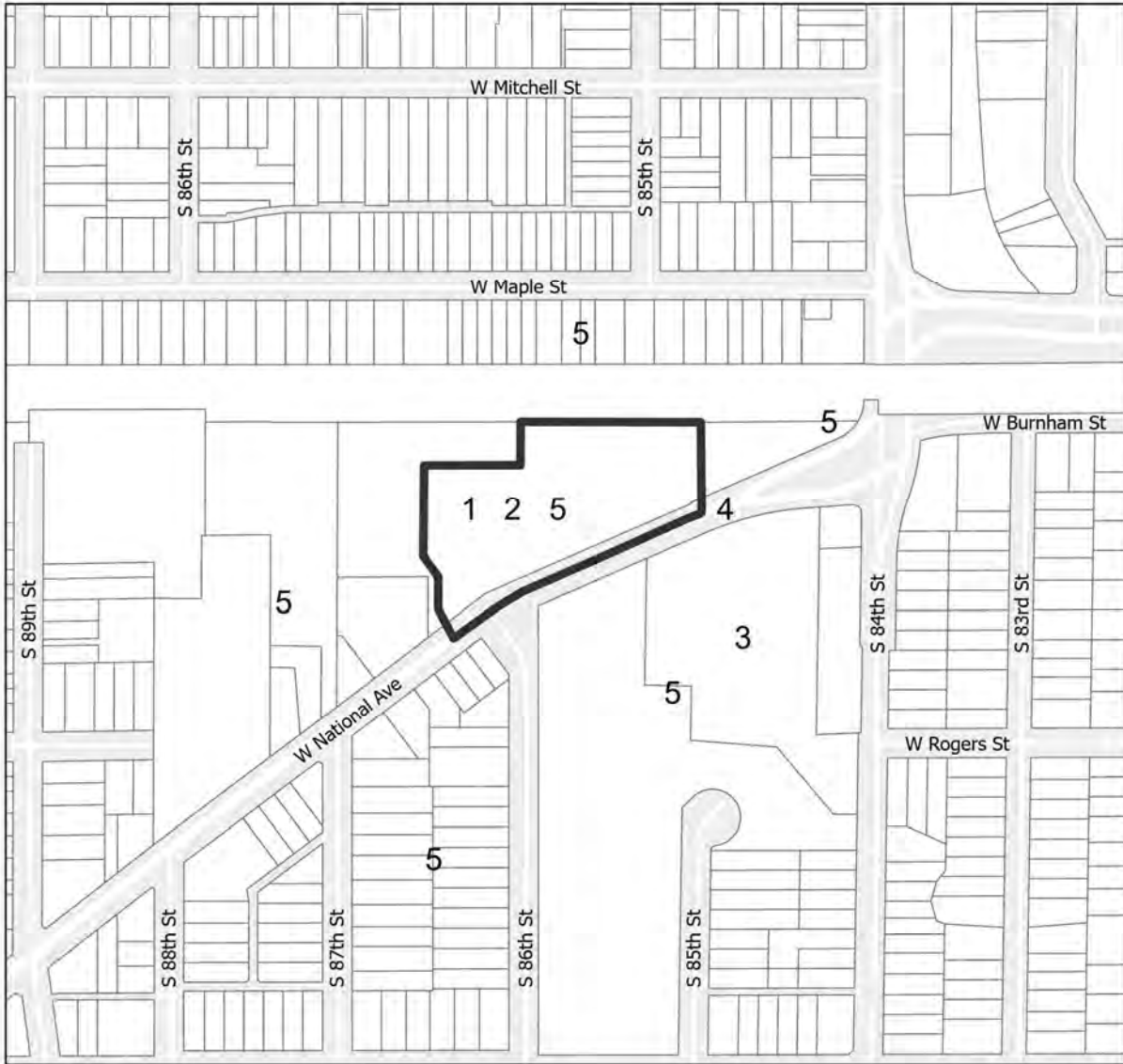
Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs and may include any project cost that would otherwise be eligible if undertaken within the District. The City may need to make the following project cost expenditures outside the District:

- Infrastructure Improvements at Honey Creek Park
- Street Improvements (Bump outs, crosswalks, paint)
- Housing & Other Econ. Dev. Incentives or Other Project Costs

SECTION 7: Maps Showing Proposed Improvements and Uses

Maps Found on Following Pages.

Tax Increment District # 19 Improvements




 TIF District #19

1. Development Incentives
2. Administration and Professional Services
3. Infrastructure Improvements at Honey Creek Park
4. Street Improvements (Bump outs, crosswalks, paint)
5. Housing & Other Economic Development Incentives or Other Project Costs



Tax Increment District # 19 Map



 TIF District #19
Number of Units: 247 Units



Tax Increment District # 19 Future Land Use Map



 TIF District #19
 Mixed Use



SECTION 8: Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District’s Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

| Expenditure Type | Estimated Cost | Estimated Timing |
|-------------------------|-----------------------|-------------------------|
| Development Incentives* | \$28,782,156 | 2023 – 2051 |
| Admin. & Prof. Services | \$745,000 | 2026 - 2051 |
| Total | \$29,527,156 | |

* Projected development incentive payments have a present value of \$13.1 million using a 6% discount rate.

Contingent Projects

The City has identified other projects it may need to undertake to achieve the objectives for this District. Projected tax increments included in this Plan are not sufficient to provide the necessary funding. The City is including these projects on a contingent basis to provide the opportunity to undertake these activities if the District’s financial performance exceeds projections.

| Expenditure Type* | Estimated Cost | Estimated Timing |
|--|-----------------------|-------------------------|
| Infrastructure Improvements at Honey Creek Park | \$60,000 | Not later than 2045 |
| Street Improvements (Bump outs, crosswalks, paint) | \$75,000 | Not later than 2045 |
| Housing & Other Economic Development Incentives or Other Project Costs | \$200,000 | Not later than 2045 |
| Total | \$335,000 | |

* Projects may be undertaken within the District, or within areas located within ½ mile of the District.

SECTION 9: Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create \$46.8 million in incremental value by January 1, 2025, and a total of \$59.9 million by the end of the District's life assuming annual economic appreciation of one percent. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$21.38 per thousand of equalized value, the Project would generate \$29.5 million in projected incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

City of West Allis, WI

85th and National TID

Development Assumptions

| | Construction Year | Net Out Base ¹ | Proposed 247 Unit MF ² | Annual Total | | Construction Year |
|----|-------------------|---------------------------|--------------------------------------|--------------------------|--|-------------------|
| 1 | 2023 | (1,393,200) | | (1,393,200) | | 2023 1 |
| 2 | 2024 | | 48,168,300 | 48,168,300 | | 2024 2 |
| 3 | 2025 | | | 0 | | 2025 3 |
| 4 | 2026 | | | 0 | | 2026 4 |
| 5 | 2027 | | | 0 | | 2027 5 |
| 6 | 2028 | | | 0 | | 2028 6 |
| 7 | 2029 | | | 0 | | 2029 7 |
| 8 | 2030 | | | 0 | | 2030 8 |
| 9 | 2031 | | | 0 | | 2031 9 |
| 10 | 2032 | | | 0 | | 2032 10 |
| 11 | 2033 | | | 0 | | 2033 11 |
| 12 | 2034 | | | 0 | | 2034 12 |
| 13 | 2035 | | | 0 | | 2035 13 |
| 14 | 2036 | | | 0 | | 2036 14 |
| 15 | 2037 | | | 0 | | 2037 15 |
| 16 | 2038 | | | 0 | | 2038 16 |
| 17 | 2039 | | | 0 | | 2039 17 |
| 18 | 2040 | | | 0 | | 2040 18 |
| 19 | 2041 | | | 0 | | 2041 19 |
| 20 | 2042 | | | 0 | | 2042 20 |
| 21 | 2043 | | | 0 | | 2043 21 |
| 22 | 2044 | | | 0 | | 2044 22 |
| 23 | 2045 | | | 0 | | 2045 23 |
| 24 | 2046 | | | 0 | | 2046 24 |
| 25 | 2047 | | | 0 | | 2047 25 |
| 26 | 2048 | | | 0 | | 2048 26 |
| 27 | 2049 | | | 0 | | 2049 27 |
| | Totals | <u><u>(1,393,200)</u></u> | <u><u>48,168,300</u></u> | <u><u>46,775,100</u></u> | | |

Notes:
¹Current assessed value of parcel 478-9998-003 (\$1,000,200) divided by 71.79% assessment ratio (1-1-2022)
²Assumed valuation following full revaluation (100%) assuming value per unit will be comparable to Element 84 and The West Living.

Table 1 – Development Assumptions

City of West Allis, WI

85th and National TID

Tax Increment Projection Worksheet

| | | | |
|--------------------------------|---------------|------------------------|-----------|
| Type of District | Blighted Area | Base Value | 1,393,200 |
| District Creation Date | July 18, 2023 | Appreciation Factor | 1.00% |
| Valuation Date | Jan 1, 2023 | Base Tax Rate | \$21.38 |
| Max Life (Years) | 27 | Rate Adjustment Factor | 0.00% |
| Expenditure Period/Termination | 22 7/18/2045 | | |
| Revenue Periods/Final Year | 27 2051 | | |
| Extension Eligibility/Years | Yes 3 | | |
| Eligible Recipient District | Yes | | |

| | Construction | | Valuation Year | Inflation Increment | Total Increment | Revenue | | Tax Increment |
|---------------|--------------|-------------------|----------------|---------------------|-----------------|----------------------------------|-----------------------|-------------------|
| | Year | Value Added | | | | Year | Tax Rate ¹ | |
| 1 | 2023 | -1,393,200 | 2024 | 0 | -1,393,200 | 2025 | \$21.38 | 0 |
| 2 | 2024 | 48,168,300 | 2025 | 0 | 46,775,100 | 2026 | \$21.38 | 1,000,052 |
| 3 | 2025 | 0 | 2026 | 467,751 | 47,242,851 | 2027 | \$21.38 | 1,010,052 |
| 4 | 2026 | 0 | 2027 | 472,429 | 47,715,280 | 2028 | \$21.38 | 1,020,153 |
| 5 | 2027 | 0 | 2028 | 477,153 | 48,192,432 | 2029 | \$21.38 | 1,030,354 |
| 6 | 2028 | 0 | 2029 | 481,924 | 48,674,357 | 2030 | \$21.38 | 1,040,658 |
| 7 | 2029 | 0 | 2030 | 486,744 | 49,161,100 | 2031 | \$21.38 | 1,051,064 |
| 8 | 2030 | 0 | 2031 | 491,611 | 49,652,711 | 2032 | \$21.38 | 1,061,575 |
| 9 | 2031 | 0 | 2032 | 496,527 | 50,149,238 | 2033 | \$21.38 | 1,072,191 |
| 10 | 2032 | 0 | 2033 | 501,492 | 50,650,731 | 2034 | \$21.38 | 1,082,913 |
| 11 | 2033 | 0 | 2034 | 506,507 | 51,157,238 | 2035 | \$21.38 | 1,093,742 |
| 12 | 2034 | 0 | 2035 | 511,572 | 51,668,810 | 2036 | \$21.38 | 1,104,679 |
| 13 | 2035 | 0 | 2036 | 516,688 | 52,185,498 | 2037 | \$21.38 | 1,115,726 |
| 14 | 2036 | 0 | 2037 | 521,855 | 52,707,353 | 2038 | \$21.38 | 1,126,883 |
| 15 | 2037 | 0 | 2038 | 527,074 | 53,234,427 | 2039 | \$21.38 | 1,138,152 |
| 16 | 2038 | 0 | 2039 | 532,344 | 53,766,771 | 2040 | \$21.38 | 1,149,534 |
| 17 | 2039 | 0 | 2040 | 537,668 | 54,304,439 | 2041 | \$21.38 | 1,161,029 |
| 18 | 2040 | 0 | 2041 | 543,044 | 54,847,483 | 2042 | \$21.38 | 1,172,639 |
| 19 | 2041 | 0 | 2042 | 548,475 | 55,395,958 | 2043 | \$21.38 | 1,184,366 |
| 20 | 2042 | 0 | 2043 | 553,960 | 55,949,918 | 2044 | \$21.38 | 1,196,209 |
| 21 | 2043 | 0 | 2044 | 559,499 | 56,509,417 | 2045 | \$21.38 | 1,208,171 |
| 22 | 2044 | 0 | 2045 | 565,094 | 57,074,511 | 2046 | \$21.38 | 1,220,253 |
| 23 | 2045 | 0 | 2046 | 570,745 | 57,645,256 | 2047 | \$21.38 | 1,232,456 |
| 24 | 2046 | 0 | 2047 | 576,453 | 58,221,709 | 2048 | \$21.38 | 1,244,780 |
| 25 | 2047 | 0 | 2048 | 582,217 | 58,803,926 | 2049 | \$21.38 | 1,257,228 |
| 26 | 2048 | 0 | 2049 | 588,039 | 59,391,965 | 2050 | \$21.38 | 1,269,800 |
| 27 | 2049 | 0 | 2050 | 593,920 | 59,985,885 | 2051 | \$21.38 | 1,282,498 |
| Totals | | 46,775,100 | | 13,210,785 | | Future Value of Increment | | 29,527,156 |

Notes:

¹Tax rate shown is actual rate from DOR Form PC-202 for the 2022/23 levy year.

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

The District's Project Costs will consist of a "pay as you go" development incentive, and administrative and professional services costs associated with the creation and administration of the District over its term.

The Developer has requested payments over time which have a present value of \$13.1 million assuming a 6% discount rate. The agreement by the City to provide these payments will permit the Developer to secure an \$11.8 million loan from a private lender to fund a portion of the Project construction.

Initially, and prior to tax increment being generated, the City will advance cash to the District to pay for the cost of its creation and administration. Amounts advanced will be repaid and deducted from the first incentive payment which is expected to be paid in 2026. In each year thereafter, the City's administrative and professional service costs will be paid from the tax increment collection, with the balance of tax increment then going to the incentive payment.

Based on the cash flow exhibit (**Table 3**), it is expected that the District will need to remain open for its entire 27-year term to recover planned Project Costs. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

City of West Allis, WI

85th and National TID

Cash Flow Projection

| Year | Projected Revenues | | | Expenditures | | | Balances | | | Year |
|--------------|--------------------|---------------------------------|-------------------|---|-------------------------------|-----------------------|----------|------------|-----------------------|--------------|
| | Tax Increments | Interest Earnings/ (Cost) | Total Revenues | PAYGO Develop. Incentive ¹ | Admin. & Prof. Services | Total Expenditures | Annual | Cumulative | PAYGO Note Balance | |
| 2023 | | | 0 | | 45,000 | 45,000 | (45,000) | (45,000) | 0 | 2023 |
| 2024 | | | 0 | | 25,000 | 25,000 | (25,000) | (70,000) | 28,782,156 | 2024 |
| 2025 | 0 | | 0 | 0 | 25,000 | 25,000 | (25,000) | (95,000) | 28,782,156 | 2025 |
| 2026 | 1,000,052 | | 1,000,052 | 880,052 | 25,000 | 905,052 | 95,000 | 0 | 27,902,105 | 2026 |
| 2027 | 1,010,052 | | 1,010,052 | 985,052 | 25,000 | 1,010,052 | 0 | 0 | 26,917,052 | 2027 |
| 2028 | 1,020,153 | | 1,020,153 | 995,153 | 25,000 | 1,020,153 | 0 | 0 | 25,921,900 | 2028 |
| 2029 | 1,030,354 | | 1,030,354 | 1,005,354 | 25,000 | 1,030,354 | 0 | 0 | 24,916,545 | 2029 |
| 2030 | 1,040,658 | | 1,040,658 | 1,015,658 | 25,000 | 1,040,658 | 0 | 0 | 23,900,888 | 2030 |
| 2031 | 1,051,064 | | 1,051,064 | 1,026,064 | 25,000 | 1,051,064 | 0 | 0 | 22,874,823 | 2031 |
| 2032 | 1,061,575 | | 1,061,575 | 1,036,575 | 25,000 | 1,061,575 | 0 | 0 | 21,838,248 | 2032 |
| 2033 | 1,072,191 | | 1,072,191 | 1,047,191 | 25,000 | 1,072,191 | 0 | 0 | 20,791,058 | 2033 |
| 2034 | 1,082,913 | | 1,082,913 | 1,057,913 | 25,000 | 1,082,913 | 0 | 0 | 19,733,145 | 2034 |
| 2035 | 1,093,742 | | 1,093,742 | 1,068,742 | 25,000 | 1,093,742 | 0 | 0 | 18,664,403 | 2035 |
| 2036 | 1,104,679 | | 1,104,679 | 1,079,679 | 25,000 | 1,104,679 | 0 | 0 | 17,584,724 | 2036 |
| 2037 | 1,115,726 | | 1,115,726 | 1,090,726 | 25,000 | 1,115,726 | 0 | 0 | 16,493,998 | 2037 |
| 2038 | 1,126,883 | | 1,126,883 | 1,101,883 | 25,000 | 1,126,883 | 0 | 0 | 15,392,115 | 2038 |
| 2039 | 1,138,152 | | 1,138,152 | 1,113,152 | 25,000 | 1,138,152 | 0 | 0 | 14,278,963 | 2039 |
| 2040 | 1,149,534 | | 1,149,534 | 1,124,534 | 25,000 | 1,149,534 | 0 | 0 | 13,154,429 | 2040 |
| 2041 | 1,161,029 | | 1,161,029 | 1,136,029 | 25,000 | 1,161,029 | 0 | 0 | 12,018,400 | 2041 |
| 2042 | 1,172,639 | | 1,172,639 | 1,147,639 | 25,000 | 1,172,639 | 0 | 0 | 10,870,761 | 2042 |
| 2043 | 1,184,366 | | 1,184,366 | 1,159,366 | 25,000 | 1,184,366 | 0 | 0 | 9,711,396 | 2043 |
| 2044 | 1,196,209 | | 1,196,209 | 1,171,209 | 25,000 | 1,196,209 | 0 | 0 | 8,540,186 | 2044 |
| 2045 | 1,208,171 | | 1,208,171 | 1,183,171 | 25,000 | 1,208,171 | 0 | 0 | 7,357,015 | 2045 |
| 2046 | 1,220,253 | | 1,220,253 | 1,195,253 | 25,000 | 1,220,253 | 0 | 0 | 6,161,762 | 2046 |
| 2047 | 1,232,456 | | 1,232,456 | 1,207,456 | 25,000 | 1,232,456 | 0 | 0 | 4,954,307 | 2047 |
| 2048 | 1,244,780 | | 1,244,780 | 1,219,780 | 25,000 | 1,244,780 | 0 | 0 | 3,734,526 | 2048 |
| 2049 | 1,257,228 | | 1,257,228 | 1,232,228 | 25,000 | 1,257,228 | 0 | 0 | 2,502,298 | 2049 |
| 2050 | 1,269,800 | | 1,269,800 | 1,244,800 | 25,000 | 1,269,800 | 0 | 0 | 1,257,498 | 2050 |
| 2051 | 1,282,498 | | 1,282,498 | 1,257,498 | 25,000 | 1,282,498 | 0 | 0 | 0 | 2051 |
| Total | 29,527,156 | 0 | 29,527,156 | 28,782,156 | 745,000 | 29,527,156 | | | | Total |

PAYGO NPV @ 6% **13,105,500**

Projected TID Closure

Notes:
¹Developer has requested incentive payments to be made over time with a present value of \$13,105,500 using a 6% discount rate.

Table 3 – Cash Flow

SECTION 10: Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11: Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. No changes to zoning ordinances will be required to implement the Plan.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for Mixed Use development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by eliminating a blighted area and providing appropriate financial incentives for a private development project. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as redevelopment of a blighted area, creation of market rate multi-family housing to meet market demand (as emphasized in the National Avenue Corridor Study), and provision of employment and commercial opportunities related to the construction and operation of the Project.

SECTION 15: List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 16:
**Legal Opinion Advising Whether the Plan is Complete and
Complies with Wis. Stat. § 66.1105(4)(f)**

Legal Opinion Found on Following Page.



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City Attorney
Sheryl L. Kuhary
Deputy City Attorney
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Rebecca Monti
Principal Assistant City Attorneys

May 24, 2023

Mayor Dan Devine
City of West Allis
7525 W Greenfield Ave
West Allis, Wisconsin 53214

RE: Project Plan for Tax Incremental District No. 19

Dear Mayor:

Wis. Stat. § 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wis. Stat. § 66.1105.

As City Attorney for the City of West Allis, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of West Allis Tax Incremental District No. 19 is complete and complies with the provisions of Wis. Stat. § 66.1105.

Sincerely,

Kail Decker
City Attorney

SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

| Revenue Year | Milwaukee County | MMSD | City of West Allis | School District of West Allis | MATC | Total | Revenue Year |
|-----------------|---------------------|------------------|-----------------------|-------------------------------------|------------------|-------------------|-----------------|
| 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 2025 |
| 2026 | 179,748 | 63,752 | 406,836 | 307,629 | 42,087 | 1,000,052 | 2026 |
| 2027 | 181,546 | 64,389 | 410,904 | 310,705 | 42,508 | 1,010,052 | 2027 |
| 2028 | 183,361 | 65,033 | 415,013 | 313,812 | 42,933 | 1,020,153 | 2028 |
| 2029 | 185,195 | 65,683 | 419,163 | 316,950 | 43,362 | 1,030,354 | 2029 |
| 2030 | 187,047 | 66,340 | 423,355 | 320,120 | 43,796 | 1,040,658 | 2030 |
| 2031 | 188,917 | 67,004 | 427,589 | 323,321 | 44,234 | 1,051,064 | 2031 |
| 2032 | 190,807 | 67,674 | 431,864 | 326,554 | 44,676 | 1,061,575 | 2032 |
| 2033 | 192,715 | 68,350 | 436,183 | 329,820 | 45,123 | 1,072,191 | 2033 |
| 2034 | 194,642 | 69,034 | 440,545 | 333,118 | 45,574 | 1,082,913 | 2034 |
| 2035 | 196,588 | 69,724 | 444,950 | 336,449 | 46,030 | 1,093,742 | 2035 |
| 2036 | 198,554 | 70,421 | 449,400 | 339,813 | 46,490 | 1,104,679 | 2036 |
| 2037 | 200,540 | 71,126 | 453,894 | 343,212 | 46,955 | 1,115,726 | 2037 |
| 2038 | 202,545 | 71,837 | 458,433 | 346,644 | 47,425 | 1,126,883 | 2038 |
| 2039 | 204,570 | 72,555 | 463,017 | 350,110 | 47,899 | 1,138,152 | 2039 |
| 2040 | 206,616 | 73,281 | 467,647 | 353,611 | 48,378 | 1,149,534 | 2040 |
| 2041 | 208,682 | 74,014 | 472,324 | 357,147 | 48,862 | 1,161,029 | 2041 |
| 2042 | 210,769 | 74,754 | 477,047 | 360,719 | 49,350 | 1,172,639 | 2042 |
| 2043 | 212,877 | 75,501 | 481,818 | 364,326 | 49,844 | 1,184,366 | 2043 |
| 2044 | 215,006 | 76,256 | 486,636 | 367,969 | 50,342 | 1,196,209 | 2044 |
| 2045 | 217,156 | 77,019 | 491,502 | 371,649 | 50,846 | 1,208,171 | 2045 |
| 2046 | 219,327 | 77,789 | 496,417 | 375,365 | 51,354 | 1,220,253 | 2046 |
| 2047 | 221,521 | 78,567 | 501,381 | 379,119 | 51,868 | 1,232,456 | 2047 |
| 2048 | 223,736 | 79,353 | 506,395 | 382,910 | 52,386 | 1,244,780 | 2048 |
| 2049 | 225,973 | 80,146 | 511,459 | 386,739 | 52,910 | 1,257,228 | 2049 |
| 2050 | 228,233 | 80,948 | 516,574 | 390,607 | 53,439 | 1,269,800 | 2050 |
| 2051 | 230,515 | 81,757 | 521,739 | 394,513 | 53,974 | 1,282,498 | 2051 |
| Totals | 5,307,186 | 1,882,305 | 12,012,086 | 9,082,931 | 1,242,648 | 29,527,156 | |