TAX INCREMENTAL FINANCING (TIF) IN WEST ALLIS
2022 UPDATE

December 5, 2022
Prepared by the Economic Development Program
In cooperation with the Department of Finance

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EXECUTIVE SUMMARY

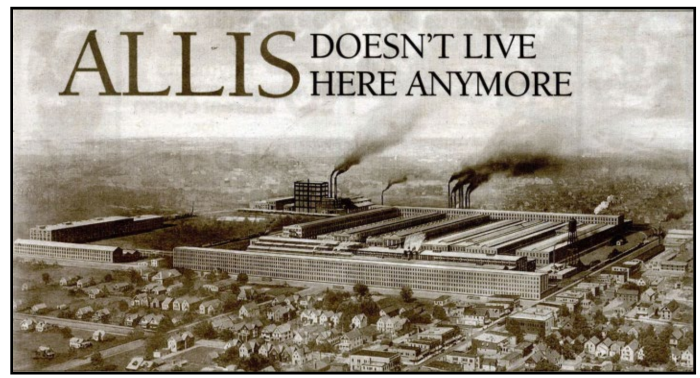
City needs creativity to retain the high performers who have lived there for years as well as to attract new, interesting residents. Charles Landry

The City of West Allis Economic Development Program has worked collaboratively with the Finance Department to produce a comprehensive report on the City's existing Tax Incremental Districts (TID), which include financial profiles and audited financial statements.

The report describes the strategies involved in utilizing various financing mechanisms provided by a TID called tax increment financing (TIF). This financing tool is utilized through the City's redevelopment entity, referred to as the Community Development Authority of the City of West Allis (CDA). In addition to TIF, the report evaluates other financial resources employed by the CDA to address the blight and blighting influences in TIF Districts throughout the City of West Allis. The report not only provides a detailed review of the financial intricacies involved in each TIF, but it also provides a summary of the challenges and financing strategies that made each TIF District unique.

Like most Wisconsin communities, tax incremental financing is West Allis' most powerful economic development tool and often the impetus to advance image transformation. The City's strategic use of TIF-funded redevelopment initiatives is projected to add over $500 million in new property tax base, providing over $9.5 million of new tax revenue and has already expanded the employment base by 5,187 jobs and is projected to add another 899 for a total of 6,076 new jobs.

According to Baker Tilly's TIF report, "TIF (tax increment financing) is the most powerful economic development financial tool for Wisconsin municipalities. Optimizing and aligning TIF with community goals is crucial for economic development success, thus, Wisconsin's governments need to be strategic in their approach." Further, real estate development is a key asset in supporting the economy in the state and TIFs showed that each TIF contributes at least $1 million in additional state income taxes annually.



Tax incremental financing is a tool to be used in cases where economic development would not occur "unless or but for" the use of public assistance. Often, TIF is the catalyst that leverages the necessary private capital dollars and other state or federal resources to transform a neighborhood or a challenged site. Besides the investment within the boundary of the TIF district, the future direction of a neighborhood and possibly the image of a community can benefit by the injection of a private-public investment.

Changing Brownfields

Throughout this report, we will use the term Brownfield Redevelopment. Brownfields are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant. Cleaning up and reinvesting in these properties protects the environment, reduces blight, and takes development pressures off greenspaces and working lands. Brownfield redevelopment is also one of the state's strongest weapons in combating urban sprawl. Recent academic research by UW-Whitewater Fiscal and Economic Research Center and Redevelopment Economics suggests that for every 1 acre of brownfield redevelopment, 3 to 3 ½ rural acres are preserved from urbanization. Further, the report stated that "post redevelopment assessed values exceed pre-development values in a ratio of 3.5 to 1."

West Allis Philosophy

The priority for West Allis is to assist a private-sector developer in taking the lead on any redevelopment initiative. However, when no private-sector developer steps forward, the CDA will lead the redevelopment effort as "developer of last resort" in the sense of performing due diligence work. In the West Allis development experience, the environmental investigation work performed are part of due is required to obtain DNR closure and most importantly meet the conditions that are acceptable to secure private sector investment and bank financing.

The CDA becomes a "change agent" and performs the necessary investigation, clean-up, demolition, research, marketing, and analysis that is sufficient to attract a development or a particular use.

The City's Redevelopment MISSION: Regeneration

In West Allis, the former Allis-Chalmers Manufacturing Co. went bankrupt in 1987 causing the loss of thousands of jobs. In a broader view of the City's economic health, from 1979 to 1989, West Allis lost 8,500 manufacturing jobs, experienced a decline of 10,000 residents, and the average wage within the city dropped 25%, all while the property tax burden was dramatically shifted from industrial to residential property. The mission was unique – first-ring suburban neighborhood regeneration, and tax incremental financing was utilized to take it on.

The Districts

As a response to this challenge, the City of West Allis has created 18 tax incremental financing districts that consist of various sizes and solve many different problems. The periods of time span from the early 1990's to today. These districts are in various stages of implementation, from completed to recently adopted. They range from individual parcel (re)developments, such as Quad/Graphics, to larger neighborhood transformations, like the Six Points/Farmers Market District. Some of them focus on job creation, like Summit Place and Chr. Hansen, while others, such as the Pioneer District, provide housing options and neighborhood improvements. Often, districts contain multiple aspects.

State legislation mandates that no more than 12% of a municipality's taxable property value may be within tax incremental financing districts. As of 2022, the City of West Allis has 5.93% of its property value within TIDs, suggesting that there is capacity for additional worthy projects. As opportunities for redevelopment are researched, suggested, and/or presented, staff and City officials will continue to evaluate the financial and land use merits of each proposal. Proposals are evaluated in conjunction with the City's Comprehensive Plan, and the TIF "but for" test.

The Results

The City has six TIF districts that have closed. These districts added over $58 million of new incremental value and approximately 1,828 jobs. There are twelve open districts that have potential to add $450 million of incremental tax base and generate nearly $9.6 million of additional tax revenue, of which $4.1 million (43%) goes to the City to fund municipal services for our residents and local businesses. Without the proactive use of TIF, these districts would likely have languished and continued to blight the community, producing little, if any, increased property tax base and supporting job creation initiatives to benefit community residents and local businesses. Investment within these districts also promotes change throughout the community and creates a domino-effect to attract new residents, entrepreneurs, and visitors to the City.

	ALL TIDs
	Total
Base Value	$85,871,300
Current Tax Increment Value	$385,218,300
Projected Tax Increment Value	$123,970,190
Total Value	**$595,059,790**
Incremental Value	$509,059,790
Base Taxes	$1,817,895
Current Tax Increment	$8,155,071
Projected Tax Increment	$2,624,449
Total Taxes	**$12,597,416**
New Jobs Created	5,187
Projected New jobs	889
Total New Jobs	**6,076**

About the Numbers

- Closed and new TIDs utilized the 2021 assessment values with a mill rate of $21.17 per $1,000.
- In the first two years of a TID's life, no new taxes are generated. The first year is often required for construction, which becomes taxable in the second year, and the new revenue is then received to the district in the third year.
- The TIF projections include all prior costs, including 2021 expenditures and currently estimated future costs as part of the total projects' costs to determine the overall life of a TIF district.

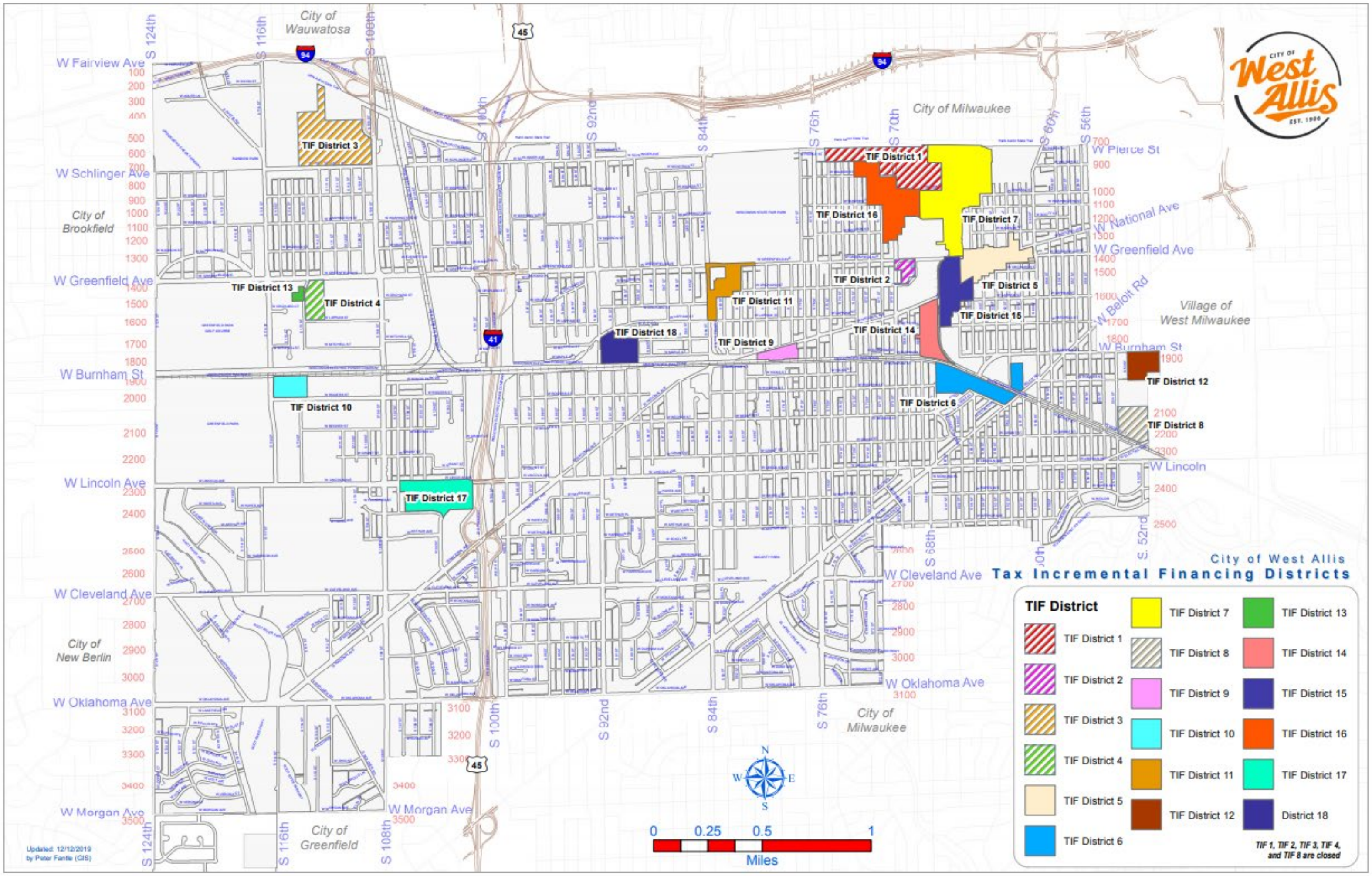
TAX INCREMENT DISTRICT SUMMARY

#	Open TIDs	Base Value	Current Increment	Projected Increment	Total Value	Incremental Value	Incremental Taxes	Created Jobs	Projected Jobs	Total Jobs
5	Six Points / Farmers Market	$18,524,600	$45,869,900	$500,000	$64,894,500	$46,369,900	$981,651	25	10	35
6	Juneau Highlands	$1,330,600	$9,177,100	$2,600,000	$13,107,700	$11,777,100	$249,321	331	15	346
7	Summit Place	$15,914,400	$91,893,200	$0	$107,807,600	$91,893,200	$1,945,379	2,646	0	2,646
10	Yellow Freight	$3,463,600	$14,859,800	$0	$18,323,400	$14,859,800	$314,582	140	0	140
11	84th and Greenfield	$4,678,000	$50,622,700	$0	$55,300,700	$50,622,700	$1,071,683	23	0	23
12	Teledyne	$232,900	$0	$0	$-232,900	$0	$0	0	0	0
13	Former Home Juice	$537,400	$591,900	$500,000	$1,629,300	$1,091,900	$23,116	10	0	10
14	68th and Mitchell	$1,354,300	$27,687,100	$5,000,000	$34,041,400	$32,687,100	$691,986	32	225	257
15	The Market at Six Points	$0	$48,062,000	$25,870,190	$73,932,190	$73,932,190	$1,565,144	71	40	111
16	S. 70th St. and Washington	$3,283,200	$14,887,000	$80,000,000	$98,170,200	$94,887,000	$2,008,758	40	500	540
17	102 and Lincoln	$15,514,500	$20,778,500	$2,000,000	$38,293,000	$22,778,500	$482,221	16	24	40
18	Chr. Hansen Expansion	$7,112,100	$2,564,200	$7,500,000	$17,176,300	$10,064,200	$213,059	25	75	100
TOTAL OPEN TIDS		**$71,945,600**	**$326,993,400**	**$123,970,190**	**$522,909,190**	**$450,963,590**	**$9,546,899**	**3,359**	**989**	**4,348**

		Base Value	Current Increment	Projected Increment	Total Value	Incremental Value	Incremental Taxes	Created Jobs	Projected Jobs	Total Jobs
CLOSED TIDS										
1	S. 70th St. and W. Walker St.	$5,781,900	$18,909,000	$0	$24,691,000	$18,909,000	$400,304	519	0	519
2	Veterans Park	$1,681,600	$7,033,100	$0	$8,714,700	$7,033,100	$148,891	3	0	3
3	Quad/Graphics	$4,307,500	$5,557,900	$0	$9,865,400	$5,557,900	$117,661	934	0	934
4	S. 113th St. and W. Greenfield Ave.	$0	$9,569,800	$0	$9,569,800	$9,569,800	$202,593	243	0	243
8	Wehr Steel	$1,075,800	$5,606,400	$0	$6,682,200	$5,783,400	$122,435	57	0	57
9	Pioneer Neighborhood	$2,299,600	$9,286,300	$0	$11,585,900	$11,371,700	$240,739	72	0	72
TOTAL CLOSED TIDS		**$13,925,700**	**$58,224,900**	**$0**	**$72,150,600**	**$58,224,900**	**$1,232,621**	**1,828**	**0**	**1,828**

	Base Value	Current Increment	Projected Increment	Total Value	Incremental Value	Incremental Taxes	Created Jobs	Projected Jobs	Total Jobs
TOTAL ALL DISTRICTS	**$85,871,300**	**$385,218,300**	**$123,970,190**	**$595,059,790**	**$509,188,490**	**$10,779,520**	**5,187**	**989**	**6,176**

MAP OF TAX INCREMENT DISTRICTS



OPEN TIDS

TIF DISTRICT NO. 5 – SIX POINTS / FARMERS MARKET
PROJECTED CLOSURE: 2028 (27 YEARS)

(In the corridor of W. Greenfield Ave. & W. National Ave., and roughly S. 60 St. to S. 67 St.)

The Six Points/Farmers Market Redevelopment Area, the 44-acre district, was a challenging and ambitious undertaking by the City of West Allis to transition an aging industrial corridor into a mix of contemporary housing choices and neighborhood commercial uses. Faced with numerous historic brownfield issues and the assemblage of several underutilized parcels, the City had successfully acquired and cleared land to accommodate a multi-phase development. Although the recent recession challenged development, following the completion and recent $19-million sale of Phase I, the area is gaining recognition in the real estate community as a prime opportunity and has been a huge game-changer for the image of the City of West Allis.

Tax Incremental District Number Five was adopted in 2001 and is situated along a six-block-long corridor in the Six Points/Farmers Market area. The creation of the district was necessary to eliminate dilapidated industrial buildings, flophouses, junkyards and prevent the spread of blight, which was being experienced through years of disinvestment, incompatible land uses, and declining property values.

In order to turn around the trajectory of the neighborhood, tax incremental financing was used to help pay for acquisition, relocation, demolition, legal environmental cleanup, and geotechnical costs that far exceeded the market value of the property. As the private sector could only afford to pay market value for land, the City, by using TIF, absorbed above market costs so the parcels could compete favorably for private redevelopment.

To date, this district is approximately three-quarters complete and witnessed success with the new Aurora Clinic and Mandel's "The West" development. A 5-acre parcel remains as an opportunity as plans are being developed for a food industry cluster of development.

The Berkshire, one of the first major redevelopments, opened to occupants in 2004. This project redeveloped 1.3-acres of land along W. Greenfield Ave., east of S. 64 St. into 80 units of senior living and three (3) street-level commercial tenants. As one of the first completed projects in the district, this development served as an early catalyst for continued redevelopment. The Berkshire is currently valued at $4.3 million.

Across the street, for the Six Points East Condos, the City of West Allis underwrote the $1,000,000 acquisition, demolition, and relocation of a half-block of properties on the north side of W. Greenfield Ave. between S. 63 St. and S. 64 St. As a result of that investment, a $12-million mixed-use development was constructed in 2008 on the 1.2-acre site. The development includes 42 condominium units, all of which have been sold and are assessed between $109,400 and $244,900. The project also features 20,000 sq. ft. of street-level retail space, much of which remains available but in 2017, experienced success with the addition of Lula Mae Aesthetic Boutique occupying 1,495 sq. ft.

Complementing those large-scale residential projects, several other notable commercial projects have been completed within the district. One of the first improvements in the D\district occurred with the redevelopment of the Taco Bell restaurant on S. 60 St., which commenced shortly after the district was created. In 2008, the Historic West Allis Bank Building underwent extensive renovations and restored parts of its historical character. Also, a new Walgreen's pharmacy completed construction in 2009 at the neighborhood's eastern border adding property value, a commercial asset, and desirable aesthetic enhancements.

In addition to utilizing funding to directly spur private redevelopment, in 2006, $2 million in TIF was utilized to pay for the preservation and renovation of West Allis' historic Farmers Market. This work, which was completed in July 2007 brought new life to one of the City's most recognized icons visited by thousands each year as well as notable chefs from the metro-Milwaukee area. In terms of enhancing the City's image, there probably could not have been a more successful project to accomplish this goal.

Although the eastern half of the district has already undergone extensive redevelopment, large opportunities on the western half saw construction of a new Aurora Clinic and 177 contemporary apartments. These developments were incorporated into the overlay district that was created to facilitate development and to address the time needed to capture incremental growth.

The CDA received nearly $435,000 of grant funding, including $300,000 in Site Assessment Grants (SAG) funding from DNR and was awarded about $135,000 Wisconsin Department of Commerce Brownfield Grants to facilitate environmental remediation of the various sites in the early-mid 2000's.

Late in 2003, the CDA published a request for proposals to develop three parcels, composed primarily of two former Pressed Steel Tank parcels and another parcel immediately west of the Farmers Market, which were to be developed in three phases.

Toldt Development was ultimately selected by the CDA. The proposal included over $60 million in redevelopment taking place over an extended period of time, depending on market conditions. The proposal provided for 600 new, multi-story housing units ranging from condominiums to market rate apartments. Additionally, over 100,000 ft.² of retail space would accompany the development.

Phase 1 is the 3.1-acre parcel immediately north of the Farmers Market. Ground was broken on the first two buildings in June 2006 and the last two were completed in 2008 which are now currently assessed at $15,300,000. This development was recently sold for over $19 million. The properties provide 182 market-rate multifamily units and 5,000 ft.² of commercial space. The buildings feature a contemporary design with upscale amenities.

Phase II is the parcel immediately west of the Farmers Market. The site contains 5.8-acres, which required the acquisition, relocation, demolition and environmental remediation of two junk yards, a salvage company, two taverns and other businesses south of W. National Ave. and west of S. 66 St. The site was cleared and preliminarily prepared for multi-family, commercial or industrial development. Unfortunately, due to the 2008 housing market crash and other unforeseen circumstances, Toldt Development backed out of the deal and Phase II never moved forward.

In December 2013, through claw back provisions in the original purchase and sale agreement, the site was re-acquired by the CDA at a substantially discounted value because of the developer's lack of performance.

Phase III of the redevelopment project, associated with the former Pressed Steel Tank facility, is located northwest of the Historic Farmers Market and encompasses nearly 8 acres of land. The site was cleared and cleaned for development. Approximately $2.5 million of grant funding was awarded to assist with the cleanup including $200,000 of SAG funding from the DNR, Wisconsin Department of Commerce and the US EPA.

Given the situation of Toldt Development, Inc. backing out of the redevelopment of Phase II and Phase III, the CDA (the "CDA") issued a new RFP for redevelopment in 2016, and the City and CDA selected Mandel Group, Inc. to pursue redevelopment of the remaining vacant land. Also in 2016, the City and CDA adopted TID 15, which is an overlay district over a portion of TID 5, in the vicinity of the Farmers Market. The overlay freezes the valuation of the properties that are in both districts, and any increment generated due to redevelopment on those overlapping parcels, is benefitted by TID 15, not TID 5. The projected future value of the development within TID 15 is $73 million.

Given the current debt of TID 5 and the projected values from the Mandel Group redevelopment going to TID 15, the district will require cash injections from the Whitnall Summit TID 7 (and potentially other sources) to maintain expiration in 2027 after 27 years. In 2016, the City and CDA adopted Amendment #6 to TID 7, designating TID 7 as a “donor TID” to TID 5, designating approximately $12,000,000 of increment from TID 7 to TID 5 between the years 2017 and 2026. Without sharing from TID 7, TID 5 would end up with a net negative balance of over $14,000,000.

Since being created, TID 5 has experienced significant change and challenge. In 2022, the current value of the TID is $56,514,400 and is expected to have gained $38,389,800 of incremental value. The estimated taxes of $914,000 incremental taxes will annually reduce the accumulated costs that were required to acquire, clear, and prepare the district for development.

In 2022, Bars and Recreation purchased the vacant industrial building at 6325 W. National Avenue with plans to renovate the property into an entertainment tavern. The new established would add about $400,000 of incremental value and another 10 jobs to the area.

The current outstanding debt balance TIF #5 Six Point is $6,1 million. With the current estimated increment and donation from TIF #7, the TIF has the potential to dissolve in 2023.

Tax Increment District No. 5 – Six Points/Farmers Market	
Base Value	$18,524,600
Current Incremental Value	$45,869,900
Projected Additional Incremental Value	$500,000
Total Assessed Value	**$64,894,500**
Projected Incremental Value	$46,369,900
Base Taxes	$392,166
Current Incremental Taxes	$971,066
Projected Additional Incremental Taxes	$10,585
Total Expected Taxes	**$1,373,817**
New Jobs Created	25
Projected Jobs	10
Total	35

TIF DISTRICT NO. 6 – JUNEAU HIGHLANDS BUSINESS PARK
PROJECTED CLOSURE: 2030 (27 YEARS)

(1960 S. 67 Place)

This district, located in the vicinity of S. 67 Place and W. Becher St., initially consisted of 11.5-acres and was created in 2004 in order to pursue redevelopment in a proactive manner and prevent the site from accumulating additional fill materials that could not be developed upon. The site was originally a rock quarry and then had been used as a carbide gas manufacturing plant whose by-product was pure lime, which was dumped in the quarry. The site was most recently a waste storage and transfer facility, an oil/hazardous waste trucking terminal, and a salvage/junkyard. The site also featured numerous discarded vehicles prior to the onset of redevelopment.

The property received orders for building code and illegal junk yard operations. The owner was also under a DNR order to stop the leaching of the lime slurry on to W. Becher St.

The City worked with the owner to encourage efforts to clean up the site and prepare the property for redevelopment. The City also worked with MMSD, who agreed to pay the trucking cost, so MMSD could use the lime in their wastewater treatment process. When all the lime was removed, the owner started to market the site as a rubble dump site. Weak ground stability at a rubble site would have made the site virtually unbuildable, and as a “last resort” initiative, the CDA stepped in and acquired the site.

To prepare the district for redevelopment, the land was cleared, and environmental testing and clean-up was conducted. Project costs also included the relocation of the existing dumpsters and salvage that were present, site grading, geotechnical work to fill the former lime pits and the construction of a stormwater pond. The vast majority of the project costs for environmental remediation and geotechnical soil stability issues have been financed primarily through $2,800,000 in tax incremental financing through taxable general obligation bonds.

Several outside sources have been leveraged to assist in financing this district, including most importantly, DNR approval of four site assessment grants totaling $120,000 for various parcels. Also, the Wisconsin Department of Commerce provided a brownfield grant in the amount of $675,000. In addition, the U.S. Environmental Protection Agency (EPA) approved a clean-up grant in the amount of $200,000, the Wisconsin Department of Commerce granted $150,000 from its Emergency

Assistance Program, and the American Recovery and Reinvestment Act provided an additional $350,000 in 2009 to provide flooding relief to the abutting residential neighborhood.

In 2006, the Plating Engineering Company located a block away at 1926 S. 62 St., was abandoned, leaving a highly toxic and contaminated site. The City and DNR called in the US EPA for time critical environmental remedial response. EPA documented the presence of an estimated 30 plating vats and 100 drums and small containers. Analysis of vats, containers and drums indicated the presence of hazardous wastes that are corrosive and ignitable. It was concluded that current conditions of the site pose an imminent and substantial threat to human health, welfare, and the environment. EPA undertook a $680,000 emergency response action to remove the most volatile hazards.

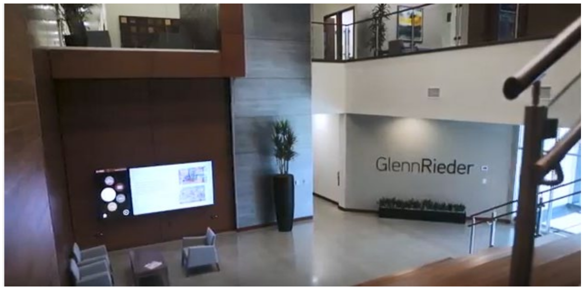
Unfortunately, because of the remaining environmental contamination, the Plating Engineering site is still undevelopable and unmarketable. To that end, in 2007, the boundaries of the TIF district were amended to include this site to provide a potential revenue source to fund the critically necessary environmental cleanup.

Fortunately, the CDA was able to work an arrangement with the DNR where the CDA, under an agreement with DNR, would manage the environmental up clean. DNR would finance through their Environmental Repair Fund the estimated nearly $1,000,000 clean-up cost. Neither the City nor the CDA would incur any environmental liability under this agreement.

Development within this district was initially delayed by several years, to provide approximately $250,000 cost savings to the Six Points/Farmers Market (TID 5), which needed a location for the disposal of contaminated foundry sand. This decision was made by the CDA, who had the goal of reducing overall TIF project costs and saving public money (see photo on the right).

Numerous development proposals were reviewed throughout the years for the Juneau Highlands Business Park site, including a 150,000 sq. ft. electric foundry and a 124,000 sq. ft. industrial facility. Those options did not materialize, in part due to general economic conditions, availability of competing parcels in the marketplace such as Milwaukee's Menomonee Valley, changes in the real estate market as well as adjacent land uses, etc.

In late 2016, the City began negotiations with Glenn Rieder, a company specializing in the design and production of architectural millwork, who was looking to construct a new facility within the Milwaukee area. Utilizing cash from the proceeds of deals supported by the City's community development entity called First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE), the City was able to provide them with $2,200,000 to cover gap construction costs and architectural services to help make the development possible. Approximately $800,000 of additional FIRE funds was also utilized to cover real estate and environmental expenses. And lastly, $75,000 of CDBG funds will be utilized to improve the unpaved portion of W. Burnham St. and construction sidewalks to provide access to the new development.



Ground was broken for the development on May 19, 2017. Glenn Rieder opened in February of 2018 and have received positive reviews of their development. The facility offers a state-of-art production line including digital blueprint system and automated painting and varnishing system. When finalized, the new development will be worth approximately $6 million. There remains opportunity for expansion of the company.

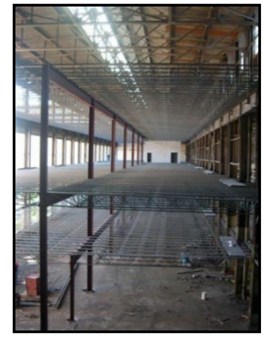
Based on this expected development and a future expansion, the district is projected to close in 2031 (27 years). The current value of district has reached $9,177,100 and is expected to have a projected incremental value of $11.8 million. As of 2022, the Glenn Rieder has 331 full-time positions.

Based on the current fund balance of -$1.8 million, the TIF is expected to be complete by 2031.

TIF No. 6 – Juneau Highlands	
Base Value	$1,330,600
Current Incremental Value	$9,177,100
Projected Incremental Value	$2,600,000
Total Expected Value	**$13,107,700**
Total Incremental Value	**$11,777,100**
Base Taxes	$28,169
Current Taxes	$194,279
Projected Additional Taxes	$55,042
Total Expected Taxes	**$277,490**
Total Incremental Taxes	**$249,321**
New Jobs Created	331
Projected Jobs	15
Total	**346**

TIF DISTRICT NO. 7 – SUMMIT PLACE
PROJECTED CLOSURE: 2031 (27 YEARS)

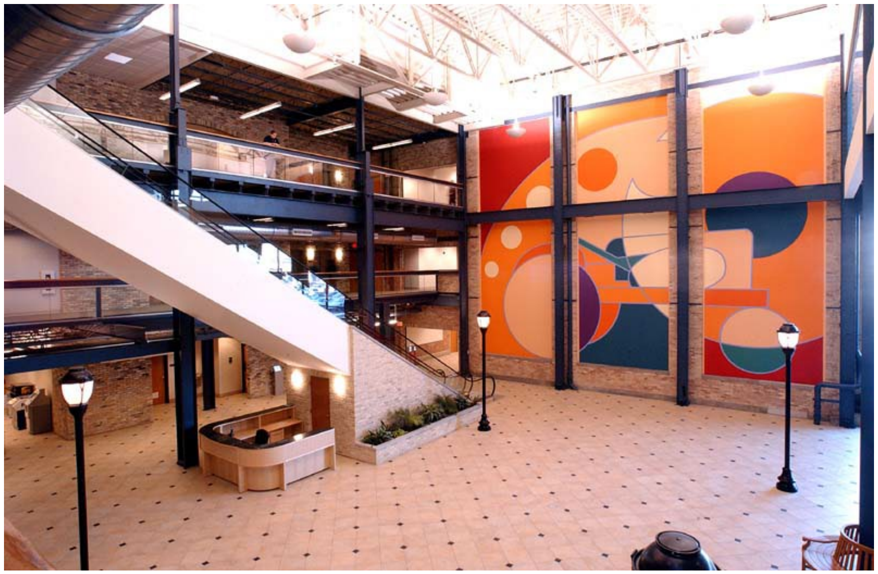
Ultimately, through the City's innovative use of TIF and additional grant funding, the properties of the former Allis Chalmers complex within TIF #7 – Summit Place, experienced a revitalization that is perhaps one of the City's greatest redevelopment successes. Today, the District has a value just over $65,000,000 and contains over 2,700 jobs.



Initially, a $350,000 Wisconsin Department of Commerce Brownfield Grant was used to drive the redevelopment of the last three (3) vacant and severely deteriorated former Allis-Chalmers Mfg. Co. "Shops" building. As a result of the brownfield grant, the CDA was able to utilize a leveraged financing model as the spark for the Complex's revitalization of these vacant buildings into 678,000 ft.² of built-out office space, which has been leased and occupied, making it the second largest office building in the metro-Milwaukee area. Today, the office complex is almost 97% occupied.

The Complex was once only occupied by Allis Chalmers Corporation; but today over 100 diversified businesses call this development home. Major tenants within the Summit Place Office Complex include Children's Hospital, Brookdale Senior Living, and International Association of Equipment Manufacturers. In addition, over 150,000 sq. ft. of manufacturing space is currently occupied by Global Power and Toshiba International Corp.

The initial $7.3 million of TIF expenditures funded public improvements and deferred payment loans to the developer. Additionally, a $568,000 DNR Urban Non-Point Source and Stormwater Grant, a $1,000,000 contribution from the A-C Reorganization Trust, which allowed the CDA to assume title to the 8.9-acres from the utility corridor, funded stormwater enhancements and, as a result, made valuable land available for a 450-stall private parking structure. In addition, the TID funded the creation of a 250-stall public parking lot on land originally owned by 6600 LLC. As a condition for developing the public parking lot, the tenants of 6600 LLC were allowed to park for free and Summit Place agreed to pay for all maintenance expenses plus make a payment in lieu of taxes as if the lot were privately owned, including a payment for storm water fees.



The City's designation of the property as a "Local Historic Landmark" by the West Allis Historical Commission permitted the use of the historic building code along with additional installation of "Super" fire suppression measures, which saved the developer about $250,000 in project costs.

In addition, New Market Tax Credits (NMTCs), made available by a wide variety of private equity capital options and instruments, allowed for financing of the aggressive renovation, and subordinated debt.

A $30,000 SAG grant was also awarded by DNR for investigation of the ReGENco facility, which is now owned by Toshiba. This creative financial leveraging was just the beginning of a profound public-private partnership between the City of West Allis and Whitnall-Summit Co., and a strong cooperation of a variety of state and federal entities. When Siemen Power Corp. relocated with hundreds of jobs to a former Westinghouse fossil fuel facility in North Carolina, the City approached some of the local management to provide incentive financing to start a new company. From that genesis came ReGENco in 1999 with a $500,000 loan from the CDA, a $1,000,000 loan from the State of Wisconsin and over $20,000,000 from local investors, including some of the states' major utility companies. All loans were paid off when in 2007, Toshiba International purchased ReGENco and now the power turbine generator facility provides over 150 family supporting manufacturing jobs

Building on its success, the district was amended in 2005 to provide an additional $2.5 million in tax incremental financing for additional private parking on the site, including two additional floors to the parking structure for 300 new parking stalls and constructing the required stormwater facilities associated with these lots. This amendment also provided a construction loan to assist with further building improvements and included funding for a commuter bike and pedestrian trail within the site.

A second amendment was approved in 2007 to upgrade off-site public infrastructure within the area. This amendment provided $3.5 million for the reconstruction of W. National Ave. and streetscaping improvements, including streetlights, benches, bike lanes and safer pedestrian connections. This amendment added 1 year and 7 months to the expected termination date of the district.

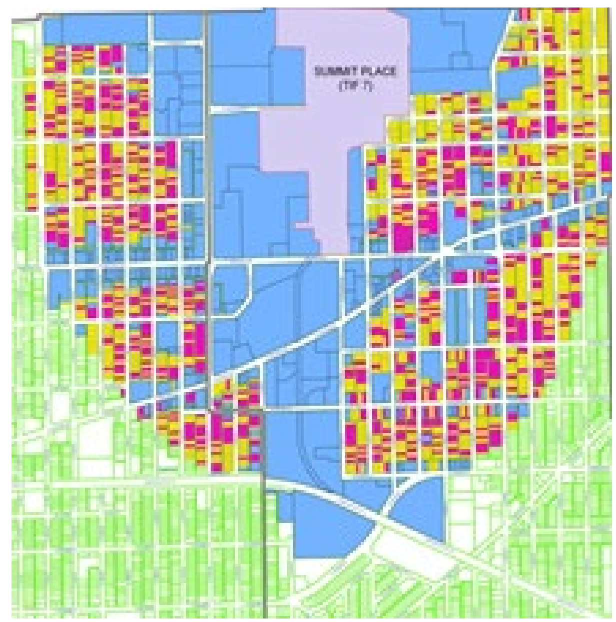
In 2009, a third amendment was approved to finance a loan for a new ingress/egress corridor to the adjacent West Allis Towne Centre shopping center. The aging shopping center was old and tired, commonly referred to in the planning industry as a "graying mall." The shopping center was also faced with increasing vacancies. Further, the lighting was poor resulting in safety concerns which lowered evening shopping demand. Images of the now defunct Northridge Mall come to mind.

The revitalization of the mall also included an easy connect access to the Summit Place office complex from the mall, which served as an alternate access to the office complex. The ingress/egress corridor provided much-needed relief to the traffic-congested office/industrial areas to the north. The TID provided a loan of $1.5 million as an incentive to induce the property shopping mall owner (Ramco-Gershenson) to undertake the mall restoration. With 100% of the debt service plus 5.5% interest, being paid by the shopping mall owner, the above was completed at no cost to the TID.

The shopping center restoration included such things as paving, concrete curbs and gutters, lighting enhancements, pedestrian walkways throughout the complex, underground utilities, and building and site demolition. The project also included site improvements such as landscaping, irrigation, and an entrance feature along W. Greenfield Ave.

The fourth amendment provided $1.5 million in TIF for job creation incentives and off-site neighborhood improvements. A $1 million short-term loan was made to Whitnall Summit to finance necessary building improvements to successfully attract a new 300-job high-quality tenant.

$500,000 was set aside to capitalize a Neighborhood Residential Improvement Program Fund, which was established for single-family residential homes within a half-mile surrounding the TIF district, as shown below. These funds will be loaned out at low to 0% interest rates to address blight, strengthen investment and assure continued success of the neighborhood. Since the district had been performing so well, the additional funding added only a little over one year to the life of the district.



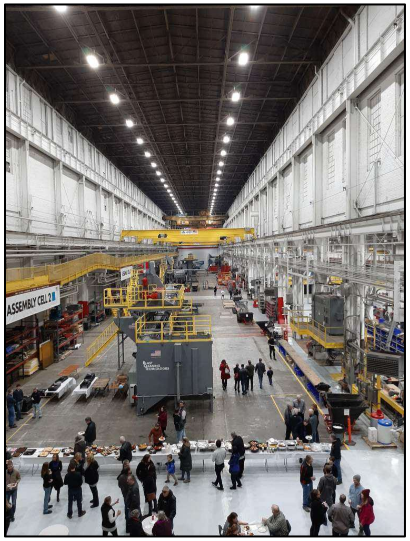
In 2014, a fifth amendment was approved that added $2.26 million in project costs for an additional 104 stalls to the parking structure to keep the complex competitive (which ultimately retained 150 existing jobs and 200 new jobs will be added).

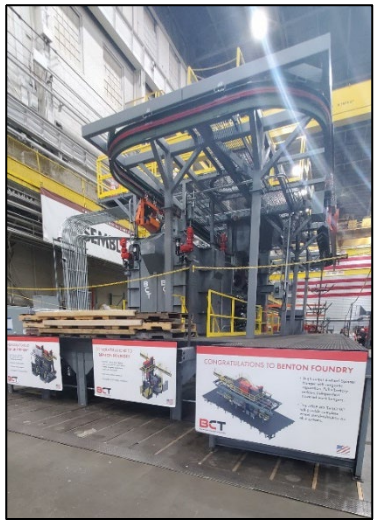
To encourage the surrounding residential neighborhoods to stay strong, the Neighborhood Residential Improvement Program was also expanded by an additional $500,000. Funding was provided for demolition of dilapidated buildings (that can no longer be charged to the tax bill and covered by Milwaukee County) and some selected acquisitions. In addition, $250,000 was allocated for economic development as an incentive to businesses. This amendment is projected to add one year and nine months to the district.

In 2016, Amendment Number Six was approved with the purpose of allowing TID 7 to share net revenues with TID 5. It is projected that even with sharing, TID 7 will still close seven (7) years earlier than its permitted maximum statutory life. TID 7 will share eight (8) years of revenue with TID 5. The life of the district is estimated to expire in 2031.

To date, over $91 million of additional taxable value has been invested into the site. The current success of this marquee partnership has allowed this project to excel beyond all expectations.

The CDA has loaned Whitnall Summit approximately $4.5 million, of which approximately $405,000 remaining balance is scheduled to be repaid in 2024. This payment was identified in the sixth amendment, to be injected into TID 5 once received.





Without the proactive use of TIF, there was little probability that property values would have increased to these levels. As a direct result of this TID, the property is now the City's largest taxpayer and the City's largest employment center.

In 2018, Blast Cleaning Technologies (BCT), a leading manufacturer of shot blast equipment, leased 127,000 sq. ft. within the space vacated by Global Power Components. The BCT invested over $3 million dollars into the facility with plans to grow their 80-employee team by twenty employees. The City assisted the investment with a commercial façade grant to install windows and to help finance two large cranes within the complex. The company recently hosted an open house and shared that the corporate team has grown to over 200 employees.

In 2019, plans were approved for the renovation of the property at 6610 W. Greenfield Avenue which was purchased by the Community Development Authority to attract a higher end user instead of a quick lube operation. The City's community development entity, FIRE, loaned $650,000 to the CDA to purchase the property. The renovation of the property is estimated at $1.9 million and will feature a family and entertainment restaurant. The project attracted financing proposal from several financial institutions that participate in the recently formed Wisconsin Community Reinvestment Act Network. Today, the building is the Reunion Restaurant featuring a décor that pays homage to the City's industrial heritage. The business features a second-floor game room and party room.

Tax Increment District # 7 – Summit Place	
Base Value	$15,914,400
Current Incremental Value	$91,893,200
Projected Additional Incremental Value	$0
Total Assessed Value	**$107,807,600**
Projected Incremental Value	$91,893,200
Base Taxes	$336,908
Current Taxes	$1,945,379
Projected Incremental Taxes	$0
Total Expected Taxes	**$2,282,287**
New Jobs Created	2,646
Projected Jobs	0
Total	**2,646**

Today, the district has a current value of over $100 million and gained over $91 million in incremental value from original base of $15.9 million. The TIF generates about $2.230 million of annual increment in taxes. Prior to COVID, the site had over 2,646 full-time positions at employers such a Brookdale Senior Living, Children's Hospital, Lutheran Social Services, Blast Cleaning Technologies, Toshiba, AEM, etc. However, the office market has changed, and various companies have released some unused space. Summit Place continues to attract new tenants such as the Human Society and Goodwill to name a few.

The TIF has a positive funds balance of $6 million and has potential to close by 2031.

TIF DISTRICT NO. 10 – YELLOW FREIGHT
PROJECTED CLOSURE: 2028 (21 YEARS)

(S. 116 St. & W. Rogers St.)

West Allis' central location, in combination with the CDA's creative use of TIF and other financing resources induced the repositioning the vacant former Yellow Freight terminal located at 116th and Rogers. The TID, utilized to write down land assembly, demolition and environment costs, was crucial in attracting $11.3 million in development by Wangard Partners and its affiliate Mister Rogers Neighborhood LLC. The 9.6 acres of land is located on the City's west side (at 11528 and 11406 W. Rogers St.) and was formerly occupied by two truck terminals and a divisive railroad spur. The proposed improvements have resulted in the location of over 130 jobs.

To assist with brownfield issues on the site, the City of West Allis provided a $400,000 loan from the City's Brownfield Revolving Loan Fund that was capitalized by a grant from the U.S. EPA. The project was one of the first in the nation to pair U.S. EPA Brownfield Revolving Loan funds with a New Market Tax Credit financing structure.

The project also successfully received two Wisconsin Economic Development Corporation Site Assessment Grants (SAG) totaling $127,000 to assist with demolition and environmental testing to obtain DNR case closure. A city-wide EPA funded Brownfield Assessment Grant was utilized to conduct the City's environmental investigation of the property to advance the optimal development of the property.

This district was created in 2008 to acquire on a voluntary basis & redevelop the first of two vacant truck terminals. Further, it was designed to proactively foster redevelopment with increased employment opportunities that had less heavy trucking impacts on the local infrastructure and environment. A DNR Site Assessment Grant of $30,000 was utilized for preliminary environmental investigation prior to acquisition.

Project costs, including acquisition, demolition, and environmental remediation, have totaled $2,664,706 through 2016. Additionally, to optimally develop the site, the unused railroad spur was removed, and utilities were relocated to accommodate the proposed building footprints. To assist in the redevelopment, Milwaukee County foreclosed on the abandoned railroad spur and the CDA purchased the property from the County for back taxes.

In the fall of 2013, Wangard Partners closed on financing of the project and purchased the site for $845,000 from the CDA, which underwrote the City's demolition and environmental expenses. The $14 million redevelopment was financed with a combination of private and public programs. The developer secured $8 million primary financing from PyraMax Bank that included a $2.0 million participatory loan from the Wisconsin Housing and Economic Development Authority.

The City of West Allis' regional community development entity, First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE) provided an allocation of New Market Tax Credits that were sold to monetize about a $3-million subordinate equity loan. The equity was provided as a seven-year loan with interest-only payments.

Development of the 72,000 sq. ft. industrial building on the east side of the site was completed in 2015. That building was, and currently still is, occupied by Ferguson Plumbing with 60 employees. Development of the 50,000 sq. ft. spec industrial/distribution space was completed in early 2016 and has since expanded with an additional 10,000 sq. ft. Current tenants include Red Bull, Revere Electric, and Staples.

The district has a current value of $18.3 million which represents a $14.9 million incremental increase from its $3,463,600 base value. Based on the incremental tax revenues of $314,582, the district can pay down debt service from the project's costs and expected to close in 2026.

Tax Increment District #10 – 116th and Rogers	
Base Value	$3,463,600
Current Incremental Value	$14,859,800
Projected Additional Incremental Value	$0
Total Assessed Value	**$18,323,400**
Projected Incremental Value	$14,859,800
Base Taxes	$73,324
Current Incremental Taxes	$314,582
Projected Additional Incremental Taxes	$0
Total Expected Taxes	**$387,906**
New Jobs Created	140
Projected Jobs	0
Total Jobs	**140**

TIF DISTRICT NO. 11 – S. 84th ST. and W. GREENFIELD AVE.
PROJECTED CLOSURE: 2025 (12 YEARS)



Facilitating development is often complicated and unique. It requires economic analysis, and it involves multiple parties such as investors, lenders, financial consultants, and outside legal counsel, all working towards advancing a project. In the case of 84th and Greenfield redevelopment area, the project involved several creative financial strategies and solutions, to attract a hotel development (often identified as a top goal within the City's strategic long-range plan).

TIF #11 was created in 2010 to undertake the redevelopment of 11.4 acres of land impacted by flooding in 2008. The flooding impacted residential properties and a vacant commercial building (Mykonos restaurant) in this area, and irreparably damaged the Milwaukee Gray Iron foundry, causing the business to cease operations permanently at this facility.

A significant financial tool beyond TIF was utilized—EB-5—which is an investor program focused on job creation and capital investment by foreign investors. Following the recent recession, hotel financing underwent stricter underwriting criteria, or was simply hard to obtain. In order to raise $9.5 million in equity, the developer waited two (2) years while Chinese investors were vetted through Homeland Security, a critical requirement of the EB-5 program.

Another financial element was a Tri-City Bank loan of $2,500,000 secured through a first mortgage loan. The City-affiliated First-Ring Industrial Redevelopment Enterprise, Inc. (FIRE) provided a $1,500,000 leveraged loan, and the TID provided a $350,000 loan which was personally guaranteed by the property owners, to facilitate a $900,000 state-of-the-art 100-year underground storm water facility, designed to retain storm water on site and not spill out into the neighboring properties.

Redevelopment of the 84th and Greenfield area included a combination of TIF, grants and creative financing. Together, these programs contributed to the development of a $13 million new Hampton Inn and Suites and 9,000 sq. ft. banquet center.

Project costs associated with this TIF district have totaled approximately $2.3 million to date. Those funds were used for acquisition and relocation of non-grant eligible properties, environmental clean-up and administration, including legal fees. As usual, the single-family homes were acquired by only voluntary acquisition. The vacant industrial facility was also acquired on a voluntary basis. The only property that was acquired by eminent domain (condemnation) was a dilapidated restaurant that had been vacant and for sale for over seven (7) years.

A $29,000 Site Assessment Grant (SAG) was obtained as well as a $40,000 Citywide EPA Grant to conduct the initial site investigations. In addition to TIF, a $3.8 million grant from the Community Development Block Grant – Emergency Assistance Program (CDBG-EAP) was awarded to the CDA to assist in writing down some of the property's redevelopment costs.

In October 2014, a groundbreaking ceremony was held for the construction of the $13.9-million hotel and banquet facility. The hotel opened fall of 2015, occupying 3.2 acres of the district, leaving an additional 4+ acres for complementary redevelopment. For 2019, the hotel has an assessed value of over $13 million and provides 45 full-time jobs.

In 2016, Amendment Number One was approved for TID 11, providing approximately $7.3 million in tax incremental financing funds for project expenses, including on- or offsite improvements, environmental expenses, developer financing, interest expense, and economic and rehabilitation program expenses. The economic and rehabilitation program was modeled after the TID 7 program, allowing housing rehab loans or economic incentive loans to homes/businesses within a ½-mile radius of the district boundaries. The Amendment also amended the district's boundaries to include additional land along S. 83 St. to accommodate for a potential larger redevelopment project. The Amendment projected an additional $31 million in redevelopment.

In 2017 the Community Development Authority of the City of West Allis (the "CDA") entered into a Purchase & Sale and Development Agreement with Element 84, LLC (a subsidiary of Ogden & Company) for the development of two, four-story buildings consisting of 203 high-end market-rate apartments with 226 underground parking stalls, to be constructed on the remaining land within the district. The development will include about 3,000 sq. ft. of commercial space as a café with outdoor seating. The total project cost of $43.6 million is estimated to be assessed at over $22 million with an estimated incremental property tax over $600,000. The project obtained conventional financing through the HUD 221d4 program allowing for a longer amortization and ability to lock in rate and term from construction. The development is well underway with units becoming available in January of 2021.

Base Value	$4,678,000
Current Incremental Value	$50,622,700
Projected Additional Incremental Value	$0
Total Assessed Value	**$55,300,700**
Projected Incremental Value	**$50,622,700**
Base Taxes	$99,033
Current Incremental Taxes	$1,071,683
Projected Additional Incremental Taxes	
Total Expected Taxes	$1,170,716
New Jobs Created	**23**

TIF DISTRICT NO. 12 – TELEDYNE
PROJECTED CLOSURE: TBD

(S. 52 St. & W. Burnham St.)

The former Teledyne site consists of an approximate 8.96-acre parcel of land previously developed with an estimated 301,333-square foot industrial building most currently owned by 5209 Burnham, LLC. The nearly 100-year-old facility was historically utilized for the manufacturing of automotive engines and motors. The now vacant parcel was previously owned by 5209 Burnham, LLC, but has since been foreclosed upon by Milwaukee County, who has taken ownership as of April 2017.

The City of West Allis performed Phase I and Phase II Environmental Site Assessments (ESA) of the property located at 1910 South 53rd Street in 2010. These assessments were conducted on behalf of the City of West Allis and the CD A under a United States Environmental Protection Agency (US EPA) Petroleum Brownfield Assessment Grant to clarify the cost of the environmental impediment-related to redevelopment of the property. The district was created to cover the expected cost of environmental remediation and other costs necessary to make the site marketable for redevelopment.

The results of the environmental assessments suggested that there may be significant amounts of volatile organic compounds (VOC) both chlorinated VOC impacts and petroleum VOCs impacts in the soil and\or groundwater. Further contaminants were identified ranging from vinyl chloride, naphthalene, heavy metals (arsenic and lead in particular), and foundry sand, to elevated concentrations of polychlorinated biphenyl (PCB). The City removed seven underground storage tanks (UST) in conjunction with the demolition of the property, but historical records suggest that there may be many more USTs.

Additional investigation is currently underway to determine the source and extent of these impacts. A Sampling and Analysis Plan is being prepared for the US EPA as part of a Region 5 Targeted Brownfields Assessment Funded Project. The results of that plan, which will include remediation costs, are expected to be known by early Fall 2017.

Beyond environmental costs, the largest redevelopment impediment to the site may be its current tax liability. The former engine factory building was in major disrepair and after several years of litigation and failure of the property owner to comply with building codes the Milwaukee County Circuit Court issued a raze order which required the City to demolish the property.

As allowed under the state law at that time, the demolition costs were assessed as a special charge and placed onto the tax bill. Milwaukee County subsequently reimbursed the City the entire $1,900,000 demolition costs. However, those charges, plus unpaid taxes, interest and penalties, currently amount to approximately $3.5 million that remain owed to the County. This huge property tax delinquency represents an overwhelming barrier, all by itself, to redevelopment.

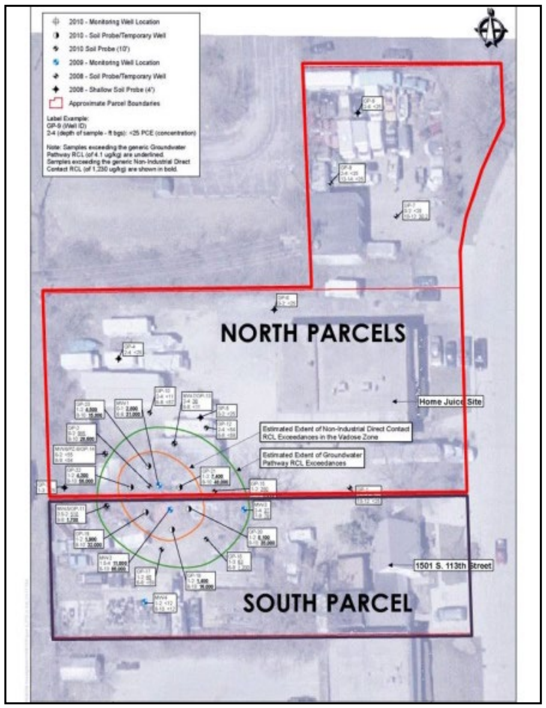
Currently there is not an estimated development value as the City is working to review development options that provide long term benefits to the neighborhood.

TIF DISTRICT NO. 13 – FORMER HOME JUICE PROPERTY
PROJECTED CLOSURE: 2031 (20 YEARS)

(1433 – 1501 S. 113 St.)

Tax Incremental district Number Thirteen, composed of a 1.7-acre area on the west side of S. 113 St., just south of W. Greenfield Ave., was created in 2011 as a result of “midnight dumping” of contaminants on the property line between two underutilized parcels (a former residential property and a commercial property). This illegal dumping created a huge redevelopment impediment because of the substantial cost to cure the environmental contamination. In addition to the environmental development impediment, several “problem factors” existed, which ultimately required the CDA to step in and implement the “but for” test, (but for the governmental involvement, a desired private sector development would not occur). Those “problem factors” included:

Contamination “plume” on the property line.



1). The **South Property,** a vacant, contaminated residential property, located in the middle of an industrial area, that was foreclosed on by a bank as a result of the former owner skipping town. An added hiccup to the project was that an unsuspecting first-time home buyer, with very little financial resources, purchased the property.

2). The **North Property**, the former Home Juice site (composed of three parcels) which historically was used as a commercial property, was in the process of being purchased by Supreme Builders, Inc. With the discovery of the contamination from “midnight dumping,” Supreme Builders was no longer interested in purchasing and redeveloping the property into an office complex.

In 2009, with a DNR “Site Assessment Grant” in the amount of $42,000, Phase I and Phase II Environmental Assessments were completed. The property owners allowed the CDA access to the sites to conduct environmental Investigations to determine the horizontal and vertical extent of the contamination and evaluate the remedial option measures and the anticipated cost.

The environmental reports indicated a release of tetrachloroethene (PCE), a chlorinated volatile organic compound (CVOC). In addition, low-level concentrations of polycyclic aromatic hydrocarbons (PAHs) and arsenic were detected in shallow, near-surface soils above their respective generic direct-contact residual contaminant levels (RCLs) on both properties.

The site investigation delineated the extent of the PCE impacts in soil and groundwater as well as the PAH and arsenic impacts in shallow soil. Total project costs, including environmental remediation, demolition, acquisition, legal, administrative, and other associated costs were estimated at approximately $707,000. The contamination plume was perfectly centered on the shared property line and extended to a point that cleanup needed to be tackled from both properties at the same time. Cleanup on one property could not be done without simultaneous clean-up on the other property.

After months of negotiations, the CDA finally approved an Agreement for Services between the former Home Juice owner and Supreme Builders, Inc. The Agreement provided for the owner of the former Home Juice properties to place $250,000 into an escrow account for the CDA to use for environmental remediation costs, and the CDA agreed to complete the environmental remediation subject to the DNR granting Case Closure.

Supreme Builders, Inc. was interested in immediately constructing the new commercial office complex. However, no bank would have provided financing for such a project without a “case closure” approval letter from DNR. Since clean-up and monitoring were projected to take approximately two (2) years, the CDA creatively provided environmental indemnification to the new developer, which allowed for the purchase of the properties and move forward with his $1.2-million project. The environmental indemnification provided by the CDA was fully funded by the $250,000 Home Juice escrow fund, state and federal grants, and about $194,000 in TIF financing. With creative financing for the environmental remediation and a solid public/private partnership between the CDA, property owners and future developer, the CDA’s actions allowed for redevelopment potential to go from “impossible,” to “possible.”

If it wasn’t “but for” the CDA’s involvement in the environmental clean-up (which required ownership by the CDA, per the grant), no development would have taken place on these contaminated properties.

As a result of the above, construction of the office is complete and occupied by Supreme Builders, Inc. PCE impacts were addressed through a combination of vapor extraction to address the contaminated soil and in-situ chemical oxidation to remediate the groundwater. Post active-remediation groundwater monitoring took place and a surface barrier was constructed to reduce exposure to shallow surface soil and help protect the groundwater. Case closure request to the WDNR is in progress and expected to be received in fall 2017. At that point, the ownership will change from the CDA to Supreme Builders, Inc.

This entire project is an extremely successful “poster child” case for the need of governmental intervention along with a creative private-public partnership to redevelop “upside down” properties. “But for” the CDA stepping in to take the leadership in structuring an environmental financing package the blighted and contaminated properties that would have continued to sit vacant with no end in sight, the environmental contamination would have remained in place continuing to be a health threat to the neighborhood, and no development would have been environmentally allowed on this site, let alone the new construction of a $1.2 million office building.

In order to make the project financially feasible, the CDA was able to utilize $186,000 in EPA grants, $35,000 from the WDNR for a "Ready for Reuse" loan which was creatively converted to a grant, a DNR "Site Assessment Grant" in the amount of $42,000, and $250,000 of the proceeds from the owner of the former Home Juice funded from the land sale to Supreme Builders, which was placed into escrow. In addition, approximately $194,000 in TIF funding will be utilized. These funding sources are anticipated to cover the approximate $707,000 of total projected costs.

The biggest deterrent in how quickly the TIF can be paid off is the relatively high existing property tax value of the contaminated properties. The CDA could have waited several years while the assessed values of the contaminated properties were reduced to $100 each. That would have allowed a much more significant tax increment to help finance project cost. However, the current taxes being generated by the current base would no longer go towards taxing jurisdictions but would be set aside to finance tax increment debt.

As a result, even though the new redevelopment is extremely attractive, the relative increase in value is only moderate, generating a tax increment of about $33,000 per year.

The district has a base value of $537,400, and as of 2021 has a current value of $1,129,300 with an incremental value of $591,900. The incremental tax revenue from this additional value will be utilized to pay off project cost debt. Under current projections, the district is set to expire in 2031.

The property sold in April of 2022 to Cobalt Partners as part of a portfolio sale for $1,336, 511.

Tax Increment District No. 13 113th – Home Juice	
Base Value	$537,400
Current Incremental Value	$591,900
Projected Additional Incremental Value	$500,000
Total Assessed Value	**$1,629,300**
Base Taxes	$11,377
Current Incremental Taxes	$12,531
Projected Additional Incremental Taxes	$10,585
Total Expected Taxes	$34,492
New Jobs Created	**10**

TIF DISTRICT NO. 14 – S. 68th ST. AND W. MITCHELL ST.
PROJECTED CLOSURE: 2041 (27 YEARS)

This tax incremental district was approved in 2015 as TID 14 – 68th and Mitchell. The district encompasses approximately 14.7-acres of land in the City's historically industrial corridor. The district was primarily occupied by buildings and land that were formerly owned and operated as the Milwaukee Ductile Iron Foundry, which closed in 2009.

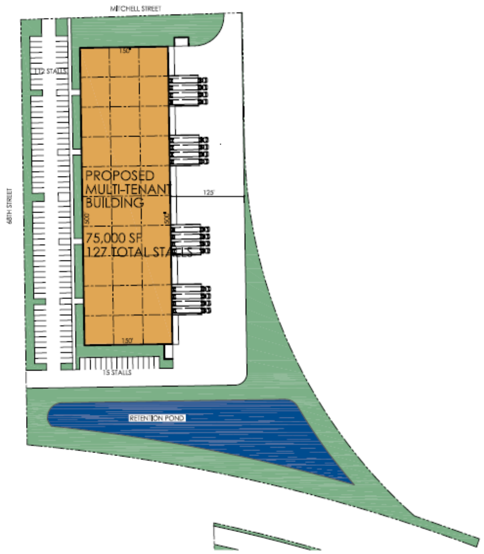
Because the property was historically used as a foundry and had documented environmental releases on the property, the City applied for a Wisconsin Plant Recovery Initiative grant from Wisconsin Department of Natural Resources. Over $46,000 in grant funds were deployed to identify environmental impacts, conduct general environmental testing, and identify any barriers of redevelopment.

Since plant closure, much of the district became underutilized and was purchased for its scrap value. Unlike TID 11, where the City acquired the property and bid out the demolition, it was hoped that the private sector would lead the charge for redeveloping these properties. However, once the valuable material was extracted, the new owners stopped all work on the site.

The purpose of creating this district was to assure that the industrial blight was demolished and environmentally remediated, and that the site would be adequately prepared for future redevelopment. Based on the failings of the previous private-sector owner, the CDA has since stepped in as the "developer of last resort."

To enhance the surrounding neighborhood within ½ mile of the project the CDA has also budgeted $500,000 within the TIF plan to capitalize a Neighborhood Housing Rehabilitation Loan program and to finance demolition of dilapidated buildings in the neighborhood.

Manufacturing



Commercial Option

Ultimately, the City agreed to purchase the former Milwaukee Ductile properties for approximately $1,750,000 from the failed private-sector owner, based on expected market value. That money was placed into an escrow account, which was drawn down from the seller to finalize demolition and remediation expenses. Additional project costs have been spent on other planning, demolition and environmental costs, plus administration. To date, over $2.7 million in project costs have been spent to prepare the site for redevelopment. An additional $4.500,000 of costs may be incurred.

If the 7-acre former foundry was redeveloped for a light industrial use, the site would have the potential to attract between $4-5 million of new value. In 2019, the City was approached by United Health Services with interest in developing a $30 million behavioral health hospital with 120 beds. The project applied and obtained all necessary approvals in 2019 and opened the fall of 2021. The construction was supported through an allocation of New Market Tax Credits from First-Ring Industrial Redevelopment Enterprise, Inc. Based on the UHS project, the district is expected to pay down all incurred costs by 2041.

6771 W. National Avenue.

In April of 2019, the City's CDA published a Request for Proposals for the 6771 W. National Ave. property and selected Baum Revision LLC., as the preferred developer of choice. Baum's vision for the building is to work with the Wisconsin State Preservation Office and the National Park Service to restore the building utilizing historic tax credits and ultimately resulting in the building being listed in the National Register of Historic Places. The building presents a complex set of design, preservation and adaptive use challenges. The restoration will create an architectural jewel that will pay homage to the industrial history of West Allis with the added representation of the City's future vision.

Primary Project Goals for the project:

1. Restore the building in a form and function reflective of its historical legacy. Introduce modern building infrastructure while preserving the historical architectural details. Introduce historical materials from the building as various forms of art (i.e. reuse discarded metal components as components for light fixtures, art pieces, planters, etc.).
2. Activate the building with current uses that involve a modern interpretation of its industrial past: activate the building with food production tenants, an event space, and kitchen incubation space.
3. Build a strong project identity that results in the project being a destination, attracting visitors and businesses to West Allis and serving as an additional catalyst for the immediate area.

Job Creation

Culinary-tourism and agri-tourism have increasingly become a focal point for stakeholders in the Wisconsin tourism industry, and for good reason. Recently released data shows that the Greater Milwaukee area continues to be the state's largest tourism market and that the associated spending, labor income, and local tax revenue are increasing. Tourism in the Greater Milwaukee area supported 52,357 full-time jobs.

Redevelopment/Historic Preservation

The project will contribute to West Allis' rich history of preservation by celebrating its historic roots. The repurposing of the building in part as a manufacturing facility is an acknowledgement of its importance to the economic contributions of the community. By creating access to the building, the public is provided an opportunity to experience first-hand the unique architectural characteristics of the buildings and learn about its history in the community.

Local Identity

The area already encompasses a unique concentration of food-based business activity that has already created an opportunity for synergistic economic development. The project would complement the following area initiatives/developments/projects: the best farmers market in the metro Milwaukee area, the development of The Market at Six Points food-cluster focus, a growing number of food-focused events, and organizations such as West Allis Eats.

Potential redevelopment of the former Kearney and Trecker building could also result in an investment of up to $12 million to create commercial and office space with unique event space and up to 100 jobs. The project would utilize federal and state historical tax credits, other local or state grants, and will seek a new market tax credit allocation.

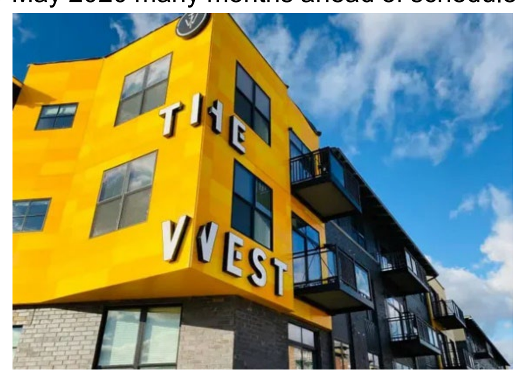
Tax Increment District #14 - 68th and Mitchell	
Base Value	$1,354,300
Current Incremental Value	$27,687,100
Projected Additional Incremental Value	$5,000,000
Total Assessed Value	**$34,041,400**
Base Taxes	$28,671
Current Incremental Taxes	$586,136
Projected Additional Incremental Taxes	$105,850
Total Expected Taxes	$720,656
New Jobs Created	32
Project Jobs	325
Total	**257**

TIF DISTRICT NO. 15 – THE MARKET
PROJECTED CLOSURE: 2042 (27 YEARS)

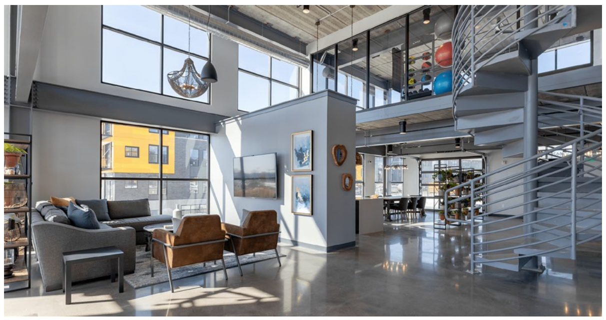
Tax Incremental District # 15 was approved in 2016 as an overlay district to TID 5 – Six Points/Farmers Market. The district encompasses approximately 16 acres of land in the City's Farmers Market neighborhood. The district consists of vacant land, owned by the Community Development Authority of the City of West Allis (the "CDA").

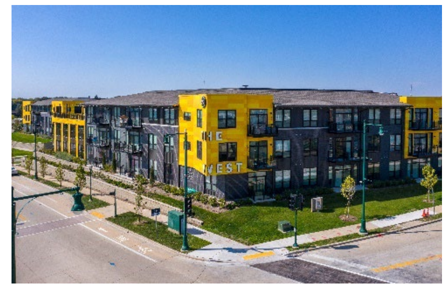
The vacant land surrounding the Farmers Market had been slated for redevelopment in the mid- 2000's, but the housing market crash of 2008 and the withdrawal of the initial developer left the City with an abundance of vacant land, no added incremental value, and an urgent need to issue a new RFP for redevelopment. In 2016 the City and CDA selected Mandel Group, Inc. to pursue redevelopment of the land within TID 15 for the construction of a 30,000 sq. ft. medical office building, approximately 177 high-end market-rate apartment units, and approximately 46,000 sq. ft. of commercial space. The City and CDA selected the Mandel Group based on their vision of transforming the entire neighborhood and east end of the City with high-end apartments and destination commercial uses such as restaurants, a smaller/specialized grocery store user, and high-end commercial tenants.

The $70 million development by Mandel Group successfully completed construction of the new Aurora Clinic in 2018 and broke ground on the construction of 177 apartments named The West. The first units became available in November of 2019 and are leasing between $909 for a studio apartment to $2,094 for a three bedroom, 2 bath apartment. The assessed value is about $25 million. The project added 4 new jobs to the district. The West reached stabilized leasing by May 2020 many months ahead of schedule and was able to secure permanent financing earlier than expected resulting in project savings. Today, rents at The West are at $2.00 per sq. ft.



The estimated public financial participation is $16,680,000, in the form of a developer funded TIF, where the developer takes out a loan in that amount, and the tax increment goes back to the developer to pay down the debt. This eliminates the City's risk, as the City is not responsible for taking out a General Obligation Bond (debt), as is typically done when a city provides financial assistance in a TIF district.





The commercial component to be constructed south of National Avenue and referred to as “SONA” started construction in 2021. The development includes a 110-unit apartment building with two commercial space endcaps that will be available for lease. The construction cost is estimated at over $22 million with units becoming available in January of 2023. The TIF is providing $15 million of developer funded financial assistance and the City provided $500,000 loan funded through a revolving loan program funded through a grant from the U.S. EPA.

The additional Makers Row Development, located directly to west of the West Allis Farmers Market, will be constructed as two phases that will offer 31,000 sq. ft. of commercial space for targeted niche food industry businesses. The anticipated construction value is estimated at $10 million and is expected to add 100 jobs. The City projects assisting the development with an estimated $1.6 million of developer funded TIF and $750,000 loan funded through a revolving loan program funded through a grant from the U.S. EPA. The City's new market tax credit community development entity, FIRE, is considering a mezzanine debt loan to the project along with an allocation of NMTCs. The Maker's Row phase of the project is structured to provide lower rents to attract unique food users to the project. With the City's goal to transform the Farmers Market neighborhood with higher end uses, redevelopment by the private sector would not be financially feasible without the proactive use of tax incremental financing.

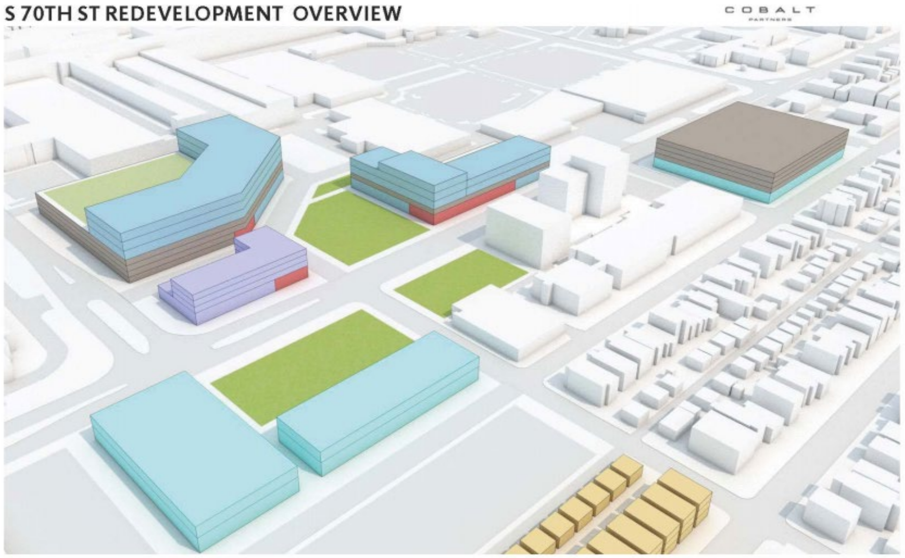
VIEW FROM W. LAPHAM ST & S 66TH ST

Tax Increment District #15 – The Market	
Base Value	$0
Current Incremental Value	$48,062,000
Projected Additional Incremental Value	$25,870,190
Total Assessed Value	**$73,932,190**
Base Taxes	$0
Current Incremental Taxes	$1,017,473
Projected Additional Incremental Taxes	$547,672
Total Expected Taxes	$1,565,144
New Jobs Created	**71**
Project Jobs	**100**

TIF DISTRICT NO. 16 – S.70th Street and Washington Office Development - Cobalt
PROJECTED CLOSURE: 2040 (27 YEARS)

TIF district No. 16 was established to support the major revitalization of the former heavy industrial former Allis-Charmer office & industrial complex and to evolve the corridor into a pedestrian friendly, free parking, and high-end office complex within the S. 70th Street Corridor. The developer, Cobalt Partners, plans include the acquisition of the West side of S. 70th Street, to acquire two office buildings consisting of 155,600 SF and make substantial interior and exterior improvements to the buildings. The property was owned by the West Allis-West Milwaukee School District. The purchase included two buildings located at 1135 and 1205 S. 70th St. and related parking

The project will also involve less than one acre of McKinley Park (South of the Field House) to be considered for surface parking. The project will also work with Milwaukee Area Technical College (MATC) to assemble some property that may be positioned for future redevelopment.



On the East side of S. 70th Street, also as part of Phase 1, the developer acquired another former Allis Chalmers office building (currently owned by BGK Properties Inc.) located at 1126 S. 70th St. with a plan to relocate about 60,000 ft.² of the existing tenants to the 1205 S. 70th St. building. The developer commenced demolition of a 469,300 ft.² building and stared the construction a 105-room Home 2 Suites expected to open by June of 2023.

The plan for Phase 2 is to develop more than 400,000 ft.² of office and taxable educational facilities including related surface parking and parking structures. Overall, the two Phases, through the assistance of TIF will provide a return on public investment by generating $80,500,600 in new development which would yield about $94 million of new incremental taxes over the life of the district. The current area is assessed at $3,142,700. The area is prime for development with a portion of the district being in a federal "Economic Opportunity Zone" that will attract future investment by developers looking for a federal tax benefit.

The City anticipates making total project expenditures of approximately $20,000,000 in initial capital contributions to undertake the projects within the TIF Plan. In Phase 1 of the Project the City will be provide a $5,300,000 GO Bond (netting $4.685M to the developer's project) which will be both corporately and personally guaranteed by the developer. In Phase 2, the City will consider approving up to a $15,000,000 Municipal Revenue Obligations (MRO) whereby the developer borrows the funds directly from the lender and the City through a Development Agreement allows the developer to access the new property taxes generated (property tax increment) by the project to repay the loan. The City incurs no financial liability for a MRO. The City anticipates completing the projects in 2 phases. The expenditure period of this district is 22 years from the date of adoption of the authorizing Resolution of the Common Council (the "Creation Resolution"). The projects to be undertaken pursuant to this Project Plan are expected to be financed with General Obligation Bonds and Municipal Revenue Obligations (PAYGO Bonds) issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council.

The City successfully applied to Wisconsin Economic Development Corporation and received a $150,000 Site Assessment Grant to assist with site investigation and site clearance work that will ultimately advance the demolition of 1126 S. 70 St. building.

Future redevelopment of the eastern portion of the district is located within a Governor selected Opportunity Zone (OZ). The goal of the OZ is to attract investment in area that is low-income area that offers three tax incentive benefits such as 1) gain deferral, 2) partial forgiveness, and 3) forgiveness of additional gains. OZ funds look for sites that offer these benefits to foster commercial real estate development and renovation of properties, opening new businesses, and expansion of businesses.

Tax Increment District No. 16 - Allis Yards	
Base Value	$3,283,200
Current Incremental Value	$14,887,000
Projected Additional Incremental Value	$80,000,000
Total Assessed Value	**$98,170,200**
Base Taxes	$69,505
Current Incremental Taxes	$315,158
Projected Additional Incremental Taxes	$1,693,600
Total Expected Taxes	$2,078,263
New Jobs Created	40
Projected New Jobs	500
Total New Jobs	**540**

TIF District No. 17 – 102nd and Lincoln
PROJECTED CLOSURE: 2046 (27 YEARS)

The 102nd and Lincoln TIF was newly created in 2019 to assist with the redevelopment of the property commonly referred to as the Wehr Office building located at 102 and Lincoln. The 21-acre district was created to pay the costs of incentives needed to facilitate development of a 107-room Holiday Inn Express hotel, future medical office or office space development and other potential redevelopment activities. The developer, Catalyst Partners and JNK are expected to invest $16.3 million in the development of the hotel and potential office building. The hotel will offer a fitness center, pool, business center, small conference room, outdoor patio, and continental breakfast. Phase II of the project is up to a 16,000 sq. ft. office, retail commercial space. The Holiday Inn Express opened in July of 2020 in time for the scheduled Democratic Convention, however national COVID pandemic impacted the travel industry, and the convention was cancelled.

The TIF is expected to generate about $17 million in new tax increment over the entire district and increment satisfying project costs by 2028. The City anticipates making total expenditures of $2.8 million to undertake the project. Project costs include an estimated $2.45 million in incentive payments including $1.45 million for the hotel development, $750,000 for other incentives relate to future redevelopment projects, and $250,000 for residential rehabilitation assistance. The incentives are structured in the form of a developer funded of “pay-go” TIF. The TIF Plan also includes $250,000 for potential public infrastructure rehabilitation and $100,000 for district administrative expense to include cost to create the district.

Tax Increment District No.17 - 102nd and Lincoln	
Base Value	$15,514,500
Current Incremental Value	$20,778,500
Projected Additional Incremental Value	$2,000,000
Total Assessed Value	**$38,293,000**
Base Taxes	$328,442
Current Incremental Taxes	$439,881
Projected Additional Incremental Taxes	$42,340
Total Expected Taxes	$810,663
New Jobs Created	16
Projected New jobs	24
Total New Jobs	**40**

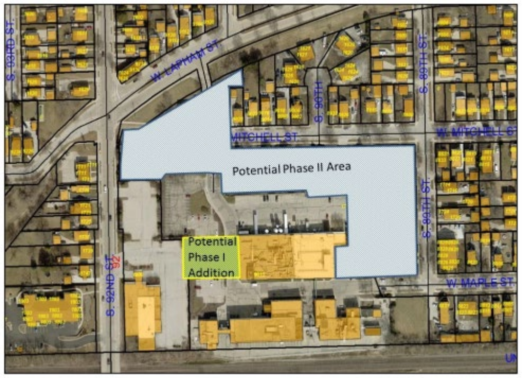
TIF District No. 18 – Chr. Hansen Expansion
PROJECTED CLOSURE: 2040 (21 YEARS)

In 2019, Chr. Hansen, located at 9015 W. Maple Street approached the City of West Allis regarding a broader vision for their U.S. headquarters in West Allis. Located in West Allis since 1929, the company today has over 200 professionals in West Allis. Chr. Hansen is a global bioscience company that develops and produces cultures, enzymes, probiotics, and natural colors for a variety food, confectionery, beverages, dietary supplements, animal feed and plant protection.

When Chr. Hansen started the planning process for the $25 million expansion West Allis, local representatives of the company suggested to the City and state representatives there might be possible challenges from the Board of Directors perspective. Since Chr. Hansen is based in Denmark an operates under a global footprint, there are many factors and priorities that a company uses to direct company investment and growth. Therefore, economic assistance was proposed to help the project be considered against other global company requests and locations.

In 2019, Chr. Hansen commenced construction on The Phase I of the project that included a 20,000 sq. ft. expansion to provide a larger footprint for its Food Cultures and Enzymes facility. The addition represents an estimated $9-$20 million capital investment. To date, the company added about 25-30 new jobs and contribute about $55,000 of new increment annually. The addition came online in 2021.

To assist with a proposed expansion, the City created a new industrial district comprising of approximately 7 acres of land including the existing Chr. Hansen facility. As the incentive structure, a developer funded TIF or, “pay as you go” TIF was adopted to provide up to 12 years of increment gained for each phase of expansion. Further, the TIF is structured that the economic benefit is only attained if each future phase starts construction prior to July 1,

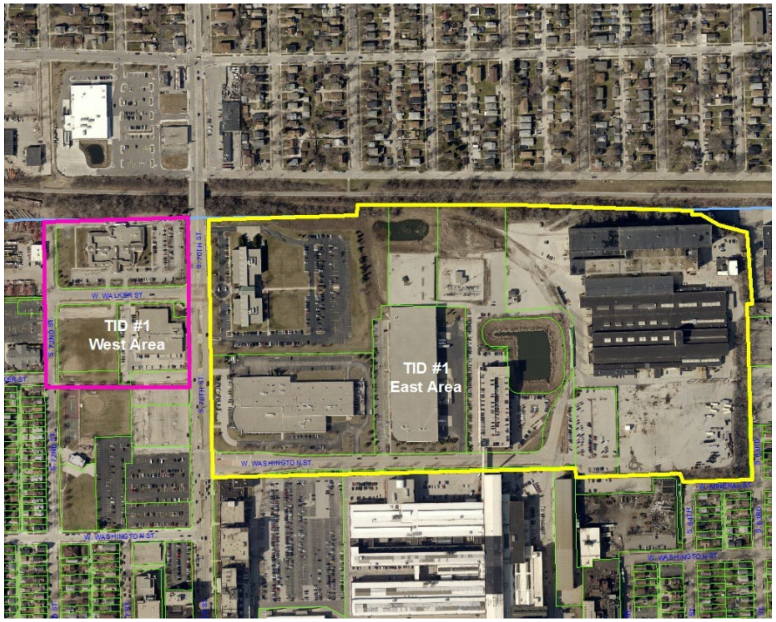


2025. The potential incentive placeholder in the TIF plan is up to $11.9 of increment. The proposed TIF plan also includes $200,000 for housing and economic development improvements with a ½ mile of the district and $155,000 for administrative expenses for operating and creating the district. The TIF is expected to close in 2040.

Tax Increment District No. 18- Chr. Hansen	
Base Value	$7,112,100
Current Incremental Value	$2,564,200
Projected Additional Incremental Value	$7,500,000
Total Assessed Value	**$17,116,300**
Base Taxes	$150,563
Current Incremental Taxes	$54,284
Projected Taxes	$158,775
Total Expected Taxes	**$363,622**
New Jobs Created	25
Projected New jobs	75
Total New Jobs	**100**

CLOSED TIDs

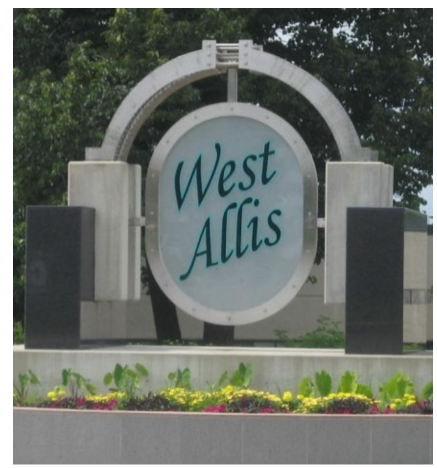
TIF DISTRICT NO. 1 – S. 70TH ST. AND W. WALKER ST. – CLOSED



The district, was composed of two general areas east and west of S. 70th St. and both generally north of Washington Street. On the east were the vacant and dilapidated former Allis-Chalmers Tractor Plant buildings. On the west, the buildings, just as dilapidated, included a vacant 4-story industrial dinosaur (former Milwaukee Stamping Building) and another 150,000 sq. ft. condemned industrial building. These buildings exceeded their economic development life or usefulness resulting in vacancy and low-end uses (i.e. cold storage, etc.). These sites were further impacted by a wide range of soil and groundwater environmental issues. The project also financed the reconstruction of one of the city's most important gateways, S. 70 St.

The City's 70th St. gateway witnessed over $20 million in new development following the implementation of the City's first TIF in 1993. When the TIF was discussed for adoption, the 43.4-acre district contained properties that were arguably the most blighted areas of the City. Today, the area is a welcoming, vibrant business corridor greeting over 14,000 vehicles per day. The district added over 520 jobs and attracted business icons like Poblocki Sign Co., C&H Distributors, Columbia/St. Mary's Gateway Medical Clinic, an office complex owned by Tri-City Bank, plus over 100,000 sq. ft. of additional manufacturing facilities.

The original project involved $6,215,000 of project costs, including acquisition, demolition of dilapidated former industrial buildings and substantial environmental clean-up. In many cases the soils were also substantially impaired by poor fill that did not meet modern compaction requirements necessary to support a modern industrial building.



The Project Plan was amended in 1996 to include $1.8 million for public infrastructure improvements for the reconstruction of S. 70 St. from the north city limits, south to W. Greenfield Ave., including replacement of all storm and sanitary sewer lines and the addition of arguably one of Milwaukee Metropolitan area's most iconic gateway signs.

One of the more unique hurdles in the development of the National Business Furniture (formerly C & H Distributors) site was residual environmental contamination after virtually all of the environmental remediation was completed. The site was cleared of all environmental issues except one monitoring well that continued to report the presence of volatile organic compounds (VOCs). The site could not become bankable/developable until this environmental issue was resolved and DNR approved case closure for the site.

To expedite the redevelopment of the site, the CDA provided environmental indemnification in order to allow the company to immediately begin the construction of a 67,479 sq. ft. office building. It would ultimately take 13 years to extract the nearly 50 gallons of heavy petroleum at a cost of about $60,000 to obtain DNR case closure.

Because of the environmental indemnification provided by the CDA, the City did not have to wait for 13 years for the development of C&H's corporate headquarters building. It immediately began realizing the benefit of 250 jobs and during that time collected in excess of $2,300,000 in property taxes.

The 114,000 sq. ft. multi-tenant industrial facility located at 6736 W. Washington St. offered what was to become a typical soils impediment issue, the need for geotechnical soil compaction. In addition to the typical Brownfield redevelopment issues, the soils were too loose to hold a modern structure even though Allis Chalmers built tractors on that landmass for over one hundred years. In order to build the property, nearly 6 feet of soil compaction (as shown on the picture on the preceding page) was required in order to achieve the necessary soils suitability on which to build a modern manufacturing building.

Tax Increment District No. 1 – 70th and Walker	
Base Value	$ 5,782,000
Current Value	$26,724,510
Increment Value	**$20,942,610**
Base Taxes	$122,405
Current Taxes	$522,709
Incremental Taxes	**$400,304**
New Jobs Created	519
Total New Jobs	**519**

The district was successfully terminated in March 2008.
When created, the district base valued at $5,782,000 and produced about $122,000 in taxes. Currently, the district has a value of $24,691,000 which provides $522,708 in taxes. This relates to a current tax incremental value of over $19 million.

The TIF also donated surplus revenues in the amount of $1.1 million to the Veterans Park district (TID 2).

TIF DISTRICT NO. 2 – VETERANS PARK - CLOSED

(S.E. Corner of S. 70 St. & W. Greenfield Ave.)

This TID was dissolved in 2014, two years ahead of schedule. The project added over $7 million of incremental value and $204,897 of tax incremental revenue. The TIF successfully transformed the southeast corner of S. 70 St. and W. Greenfield Ave. out of a sharply declining neighborhood. The neighborhood's buildings were severely dilapidated and were a major blighting influence on the surrounding area. The properties were primarily commercial uses such as mixed-use buildings, bars, flophouses and adult entertainment. The project dramatically reversed the declining image and successfully improved the area by adding new housing choices.

The City created this 4.7-acre district after it began witnessing declining property values, deteriorating and dilapidated buildings. These conditions were further leading to a decline in the City's overall tax base and reduced revenues for the City. The City utilized project funding of $4,160,164 to underwrite land assembly, building acquisition, demolition, relocation benefits, environmental remediation and reconstruction of W. Orchard St. and S. 68 St.

Today, the area consists of The Landmark, a 127-unit contemporary senior community with both market-rate and Low-Income Housing Tax Credit assisted rental units. The facility features a well-maintained landscape and initiates an architectural statement that became a model for high-density, quality construction in the community.

The project, along with about a $200,000 special assessment to the developer, also financed the reconstruction of W. Orchard St. and S. 68 St., including sanitary, storm and water facilities.

Tax Increment District No. 2 -Vets Park	
Base Value	$1,681,600
Current Value	$8,714,700
Increment Value	**$7,033,100**
Base Taxes	$35,600
Current Taxes	$184,490
Incremental Taxes	**$148,891**
New Jobs Created	3
Total New Jobs	**3**

TIF DISTRICT NO. 3 – QUAD/GRAPHICS - CLOSED

In 1994, the northwest corner of the crossing of Hwy. 100 and Theodore Trecker Way was growing in demand as the real estate market looked for retail destination locations with visibility to the Interstate. However, the 48-acre site was occupied by a large idle, industrial building once owned by Giddings and Lewis.

The City's first option regarding involvement in an idle private-sector site is always to do nothing. However, doing nothing in this case would mean getting a retail big box development employing a modest amount of retail-related low-wage jobs.

The City made a significant economic development policy decision that it was in the public interest to attract a state-of-the-art manufacturing facility with quality family supporting jobs.

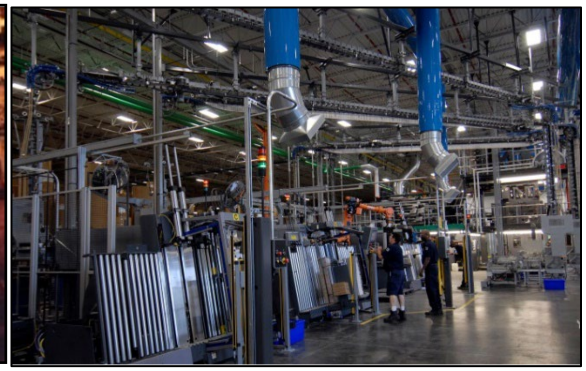
As part of the economic development policy decision-making process, the Mayor and Common Council and representatives of the other taxing jurisdictions unanimously decided to form a TIF district that allowed the City to address the vacant idle industrial building's redevelopment impediments. The result of this policy was the attraction of Quad/Graphics Inc., a Fortune 500 company. This successful attraction allowed for the creation of over 800 family-supporting jobs.

The deal ultimately opened the door to well over a quarter-of-a-billion dollars in private equipment investment and transformed a 550,000 sq. ft. obsolete industrial facility to an impressive 905,000 sq. ft. state-of-the-art global printing operation including Quad Med, a rapidly expanding corporately owned health care system.

Today, the facility has it's a value to over $11,975,600, which represents an increase of $7,671,100 from its base value of $4,300,000. In addition, the district now generates $336,000 in taxes.

Often, the perception of environmental risk deters investment and finding an acceptable method of allocating the risk between the various parties often kills many transactions. In the case of this district, the risk associated with the environmental personality of the property was the principal impediment barring the successful conclusion of a transaction between the prospective buyer (Quad/Graphics) and seller (Giddings & Lewis).

To bring Quad/Graphics back to the negotiating table and to overcome the "Clash of Corporate Cultures," the City purchased the property from Giddings & Lewis and subsequently sold it to Quad/Graphics. The City of West Allis was the first city in the state to use newly enacted legislation (Act 453), which is now the Voluntary Party Liability Exemption (VPLE) program, to offer environmental comfort to buyers & sellers of formerly contaminated properties.



In addition, the seller was very concerned that the buyer would litigate over third-party environmental claims, so the City of West Allis in partnership with the Wisconsin Department of Commerce created a $1.5 million "Indemnification Fund." Milwaukee County also provided a contingent Standby Liability pledge of $2.5 million. Through good stewardship by the City, the Indemnification Fund was never drawn upon and the monies were returned to the City and the State, and Milwaukee County was released from its pledge.

The buyer was also concerned about owning a contaminated property. To resolve this, the City bought the property from the seller and sold the property to Quad/Graphics on a Land Sale Contract. The sale had a seven-year term and ended in a balloon payment which coincided with the time that was expected to complete the environmental clean-up.

Instead of borrowing the funds for acquisition the City funded the project with internal borrowing from the City's operating reserves yielding an 8.5% return to the general fund on the investment by the City. Over the seven-year term of the land sale contract the City's general fund earn nearly $2,400,000 in immediate property tax relief.

This district was amended in 2008 to include $500,000 for street resurfacing improvement on Theodore Trecker Way, which extended the district's projected closing date by about 1.5 years. The street resurfacing was an important project in maintaining an active commercial corridor that connects to an industrial segment of the city. This action allowed the city to expend the $500,000 that was budgeted for this project from General Obligation Bonds on other City street projects.

The district has successfully satisfied the investment of $4.7 million in capital costs (not including interest and fiscal charges). The TIF also donated surplus revenues in the amount of $2.5 million to the Juneau Highlands (TID 6) and Six Points/Farmers Market (TID 5) districts.

Tax Increment District No. 3 -Quad/Graphics	
Base Value	$4,307,500
Current Value	$9,865,400
Increment Value	**$5,557,900**
Base Taxes	$91,190
Current Taxes	$208,851
Incremental Taxes	**$117,661**
New Jobs Created	934
Projected New jobs	0
Total New Jobs	**934**

The improvements and land were sold in September of 2021 for $33 million and Quad Graphics provided a ten-year lease back with another 10-year option.

TIF DISTRICT NO. 4 – S. 113th ST. and W. GREENFIELD AVE. - CLOSED

The vibrant blue architectural glass of the 127,000 sq. ft. building located at S. 113 St. and W. Greenfield Ave. is a staunch contrast to the barren land that once was a 9.9 acre public works storage yard. Following the creation of a TID and the investment of $2.7 million of public funds to address geotechnical costs and environmental concerns, the property attracted 230 jobs and business tenants such as Milwaukee Plate Glass, ABRA Auto Body and Glass, Wisconsin Medical –Cyclotron LLC, Office Copying Equipment, LTD., and Knueppel Healthcare Services.

Today, the district is valued at $9.6 million and generates over $203,000 in property taxes. This district was closed in 2006, nine years ahead of the anticipated 2014 closing date.

Challenged by historic land uses such as a quarry and landfill for non-organic demolition materials, the City formed a TID to prepare the property for development. In addition, the site had serious geotechnical (poor soil bearing capacity) concerns, in that as a former quarry, filled with non-compacted soils, the soil was so poor that it was essentially unbuildable.

Of note, the site was also contaminated with 26,000 tons of woodchips that were laced with iron cyanide (generated as a byproduct of the manufactured gas process), which the City successfully litigated against Wisconsin Electric Power Co. to pay for clean-up.

The TIF supported $1.1 million in geotechnical specialized site work to compact the soils so that the land could meet the engineering standards for new buildings.

The remaining $1.6 million was utilized for environmental cleanup not related to the $1.8 million of remediation costs paid by Wisconsin Electric Power Co. (WEPCO), now We Energies.

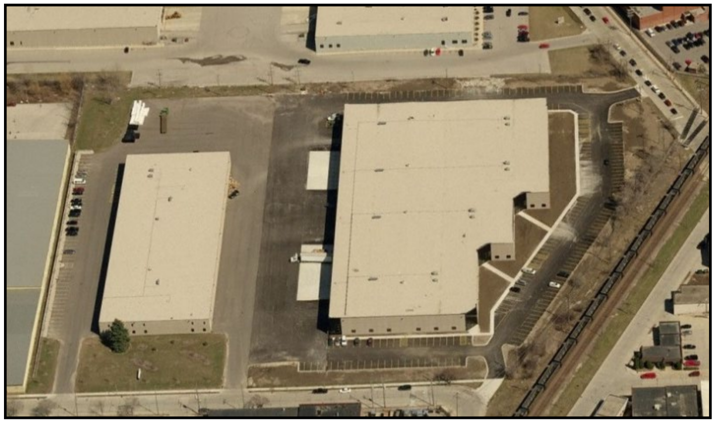
The company was also required by the court to pay the City about $7 million in punitive damages which the City utilized to renovate the City's three (3) fire stations.

Tax Increment District No. 4 – 113th and W. Greenfield Avenue	
Base Value	$0
Current Value	$9,569,800
Increment Value	**$9,569,800**
Base Taxes	$0
Current Taxes	$202,593
Incremental Taxes	**$202,593**
New Jobs Created	243
Total New Jobs	**243**

TIF DISTRICT NO. 8 – WEHR STEEL - CLOSED

Private development is always the first goal for the City in revitalizing any neighborhood. This 13.5 acre site, located at 2154 S. 54 St. was occupied by the former Wehr Steel plant, on the eastern edge of the City's limits. The site remained a weed covered parcel with remnants of abandoned building slabs for over a decade. This plant was once the oldest and largest steel mill in Wisconsin. This property represented a classic brownfield site where the simple fear of the presence of a hazardous substance, pollutant, or contaminant held up redevelopment. The creation of Tax Incremental District Number Eight in 2005 helped advance development and improve the economic position of the property, by eliminating the concerns over potential environmental mitigation costs.

Through $60,000 of SAG funding from the DNR and a Brownfield Assessment Demonstration Pilot $200,000 EPA grant (which was one of the first in the nation) provided the initial impetus to eliminate the juggernaut of this major environmental impediment - the fear of potential environmental remediation costs. With these grant funds, the CDA performed the critical environmental assessments of the property to determine the exact extent of contamination. The investigations determined that contamination at the site was significantly less extensive than expected with only low-level metal and polycyclic aromatic hydrocarbon (PAH) impacts.
Once it was determined that the environmental contamination could be easily managed via institutional controls (capping the site with the building footprint, parking lot & soil covering the landscape areas) the owner became re-interested in developing the property.



The CDA also worked with the private owner who wanted TIF funding to relocate a stormwater line so that he could build on the land over the sewer line. The City would not allow the developer to build over a major 54" storm sewer line. The CDA did show the owner how they could get the same building coverage ratio by capping the site and re-orientating the building configurations without any additional public investments.

By resolving these impediments, the private property owner ultimately stepped forward and completed a $9 million redevelopment consisting of 194,000 ft.² of industrial space currently occupied by Columbia Pipe & Supply Co., the Marek Group, and Raphael Industries Inc.

No capital TIF expenditures were required, and the district was able to close in 2007.

As noted previously there are a lot of factors involved in a decision to create a TID. The decision to create the Wehr Steel TID revolved around the concept of “Opportunity Cost”. There is a cost for doing nothing. In this case the site could (and ultimately did) generate new property tax revenue of about $200,000 per year. The bottom line was $200,000 was lost each year for doing nothing – this is what is referred to as the lost “Opportunity Cost”.

Tax Increment District No. 8 – Wehr Steel	
Base Value	$1,075,800
Current Value	$6,862,200
Increment Value	**$5,783,400**
Base Taxes	$22,838
Current Taxes	$145,273
Incremental Taxes	**$122,435**
New Jobs Created	57
Total New Jobs	**57**

After trying for 10 years to cajole the property owner to take private action without success, the question was how many more years the City was willing to wait to realize the benefit of the new $200,000 in property tax relief and the new manufacturing facilities that ultimately provided the 124 family-supporting jobs. The decision was to wait no more.

This district is now valued at $6,862,000, up $6,600,000 from the base value of $1,100,000. It now generates $192,416 a year in property taxes, which is up $162,251 from the base tax revenue of $30,165. The site is home to Columbia Pipe and Raphael Industries which as of 2019 have a total of 57 full-time employees.

TIF DISTRICT NO. 9 – PIONEER NEIGHBORHOOD
PROJECTED CLOSURE: 2020 (15 YEARS)

(W. National Ave. from S. 78 St. to S. 81 St.)

Over $11.5 million in development was realized with the creation of Tax Incremental District Number Nine, known as the Pioneer Neighborhood located along W. National Ave. between S. 78 St. and S. 81 St. The district, created in 2006, encompasses 7.8 acres in the City’s earliest neighborhood settlement and included several parcels that were previously used as a school bus parking lot/storage area, former lumber yard, and the former vacant Neis Hardware store. The existing building improvements on the site were blighting influences on the National Avenue corridor.

The site was considered by the West Allis Police Department for a new station but was passed on due to fears of environmental issues.

Nearly a decade later, the CDA, purchased the site via a voluntary acquisition in the spring of 2006 and added it to the former Neis Hardware site, which was acquired through a foreclosure Sheriff Sale in November 2005, to create this district.

Efforts within the district have resulted in two major redevelopments. The first redevelopment included a new neighborhood bank (PyraMax Bank), and the second portion included 120 units of independent senior living with underground parking, 80 units of assisted living, and 64 units of memory care, and was completed in 2009.

A total of $3,517,400 in project costs for acquisition, environmental remediation, and site preparation was expended in the district to assist redevelopment. The CDA obtained two DNR SAG grants of about $60,000, which was utilized to finance the initial environmental site assessment. Once the horizontal and vertical extent of contaminations was fully characterized, the CDA acquired the properties. The CDA in combination with TIF financing utilized a $475,000, Wisconsin Department of Commerce Brownfield Grant to help defray some of the environmental remediation costs.

The district is currently valued at $11.9 million which is a $9, 692, 200 increase in value from its $2,299,600 base. The current taxes of about $342,438 represent an incremental increase of $276,770 in property taxes up from about $65,667. Based on the current debt service schedule, the district is set to close in 2020 after 15 years. The developments added 77 new jobs to the district.

Tax Increment District No. 9 – Pioneer Neighborhood	
Base Value	$2,299,600
Current Value	$11,585,900
Increment Value	**$11,371,700**
Base Taxes	$22,774
Current Taxes	$263,514
Incremental Taxes	**$240,739**
New Jobs Created	57
Total New Jobs	**57**

CONCLUSION

Spanning the past two decades, the story of utilizing tax incrementing financing has produced contrasting and unique chapters of a city reinventing itself. Ultimately, the use of TIF helped the City reverse decline, redevelop challenged areas, and reestablish and grow the City's image and tax base through millions of dollars of investment from both private and public sectors. Some districts have been focused on business expansion and job creation, while others have provided housing opportunities (both market rate and senior housing). Each district in West Allis directly tackled blight elimination and neighborhood stabilization utilizing various methodologies. The new or incremental property taxes generated from these initiatives have been used to finance the City's neighborhood revitalization. The measurement of success can be seen in the list of the City's Largest Taxpayers, of which four (4) of the top six (6) were brought about using tax incrementing financing (see Exhibit 2). In addition, TID 7 produced one of the largest office buildings in the Milwaukee Metropolitan area.

Over the past years, the bond rating firms have spoken favorably of the City's redevelopment efforts. As a result, the City has had a stable and very favorable bond rating even during economically challenged times.

Overall, throughout this comprehensive report, there are highlights and prime examples of the positive impact of TIF districts have on the community and how the economic tool changed West Allis' landscape and promoted the West Allis image in the metro-Milwaukee area. If the past few years reflect the future, then through effective leadership and progressive visioning by West Allis' community members, tax incremental financing will continue to serve as the fuel and financial tool to support a continued evolution of modernization and growth.

Exhibit 1

Background

Adopted first in 1975, legislation within the Wisconsin State Statutes (66.1105) gives municipalities the authority to create tax incremental financing districts to address blight through concentrated redevelopment efforts. Importantly, as part of creating a TIF district, a municipality must find that the desired redevelopment would not happen "but for" the use of TIF. In other words, the municipality must believe in the feasibility of a redevelopment initiative and make a public finding that without the use of TIF, the proposed project would not happen on its own.

What is Tax Increment Financing?

When a TIF District is proposed, the project and its financial feasibility are carefully reviewed and underwritten by City leaders, taxing jurisdictions, staff, and a team of consultants working together to ensure significant community benefit and proper investment of TIF revenue.

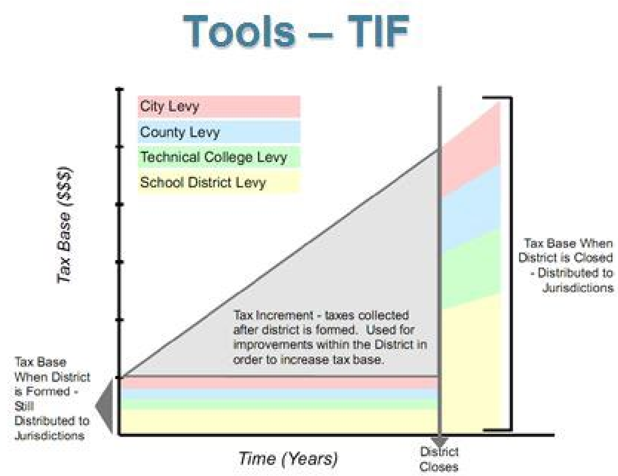
As part of the consideration, the City also looks at "opportunity cost." This term refers to leaving conditions as the status quo and deciding to wait for the private sector to inject investment capital and foster change. The time spent waiting over what could be conceptually developed, is an "opportunity cost." As increased tax revenues are not received, property values continue to diminish, and the appearance of aged blighted industrial sites restrict the ability to attract capital and new vibrant development. In addition, a community's image suffers greatly because of lack of reinvestment.

The Creation of a Tax Increment Financing District

A tax incremental financing (TIF) district is a contiguous geographical area within a city that is assessed for general tax purposes. The taxing jurisdictions (City, School District, Milwaukee County and Milwaukee Area Technical College) representing the area jointly decide to utilize the "value increment" or "new tax revenue" gained by the newly redeveloped property to pay for project costs.

The Tax Increment law allows a community to recapture the costs of public expenditures made to stimulate new development from the property taxes generated by the new development. Fundamental to the TIF law is the concept that new development will benefit all local taxing jurisdictions, but state law requires the municipality to take the lead in funding redevelopment initiatives. However, an inequity occurs because the community is left to finance the entire cost of public expenditures needed to facilitate the development. The TIF law recognizes that without the TIF expenditures, the desired development could not or would not have occurred.

Thus, the TIF law provides that all property taxes levied on increased property value within a TIF district are retained by the community to finance the public expenditures made within the TIF district, rather than normally being distributed among all the taxing jurisdictions. The base value (the value that existed at the time the TIF district is created), however, continues to provide same level of revenues to the other taxing jurisdictions. Once all the public expenditures have been repaid, all taxing jurisdictions can collect taxes levied on the new property value.



State statutes are very specific as to how a TIF district is created. First, a TIF project plan is developed and presented to the Community Development Authority (CDA) for a formal public hearing. The CDA makes a recommendation on the TIF project plan to the City Council. The Council then must pass a resolution adopting the TIF project plan and establishing the TIF boundaries. Finally, a Joint Review Board is created with members from the City, School District, County, Milwaukee Area Technical College, and one member at large. The Joint Review Board reviews the TIF plan and public hearing comments and approves the creation of the TIF district.

How TID Funds Are Spent

TIF financing is commonly used to pay for demolition, environmental investigation and remediation, public infrastructure, site access, stormwater controls, geotechnical soil issues, and sometimes site assembly. Often, in dealing with the issues of historically industrial redevelopment or environmental conditions, legal costs are a significant part of project costs. Most recently, project costs associated with job creation incentives and neighborhood improvements have also been added to project plans, to strengthen the viability of the districts and their surrounding neighborhoods.

In addition to the general obligation bonds that are borrowed to fund projects, TIF very often leverages additional resources through public-private partnerships. These additional resources help to pay down project costs and return the districts to the general tax roll, as quickly as possible. In addition to private investment, other sources include New Market Tax Credits, and State and Federal grants and loans through the Wisconsin Department of Natural Resources (DNR), Wisconsin Economic Development Corporation (WEDC, formerly the Department of Commerce), and federal agencies such as the Environmental Protection Agency (EPA) and the Department of Housing and Urban Development (HUD).

State or federal grants are an important component to the success of TIF districts as they assist with due diligence and reduce the upfront costs in preparing sites for development. For example, Site Assessment Grants (SAG) from the Wisconsin Department of Natural Resources (DNR) and the Wisconsin Economic Development Corporation (WEDC) are one of the most important state resources as they help launch the first steps towards redevelopment. Financing for the first environmental investigation on a site is always hard to obtain. These pivotal funds are necessary to kickstart virtually any redevelopment. West Allis has utilized nearly $1 million in SAG funding to start redevelopment in almost all of its tax increment financing districts.

The Decision to Create a TID Involves a Complex Matrix of Options

If a piece of property is stagnating or declining in value, it is prudent public policy to begin the process of evaluating what is holding this property back and what, if any measures, are necessary to facilitate revitalization. The first option is always to do nothing. If the aftermath of that decision leads to continual blighting conditions, some type of public intervention may be necessary.

With the creation of a TIF district, a community borrows money to pay for expenses tied to a specific development project. Only the property taxes generated from the increased value of the project pay off the borrowed debt over time. Once that debt is repaid, the tax base grows and the increased revenue generated by property taxes flow to the municipality, the school district, county and technical college, providing much needed property tax relief.

The second step would be to determine what impediments are holding the property back from being privately redeveloped. Once identified, what is the most cost-effective approach to proactively intervene and induce major private sector investment?

The next logical progression would be to define the cost of removing impediments, whether it is environmental remediation, demolition of dilapidated buildings, soil compaction, or amelioration of poor soils insufficient to support a modern building. Sometimes an economic incentive is necessary to attract a high-quality, job generating business to the neighborhood.

Once these impediment costs are identified, the next step is to determine how much of this cost the public sector must "eat" to return the site so that it can compete in the marketplace for private sector investment. The typical quandary is, if the market value of a piece of property is $100,000/acre and the environmental remediation cost is $200,000/acre, that parcel is utterly upside down with no prospects for redevelopment. Examples of these issues are the Wehr Steel site, the 113th & Greenfield site, and the Pressed Steel Tank site.

If it is too costly to remove the development impediments, a less challenged suburban site will be developed and the challenged site will just sit there negatively impacting the surrounding neighborhood. From an urban sprawl perspective, for every one acre of urban land that is redeveloped, 3 to 3.5 acres of suburban sprawl is avoided.

In many cases public improvements are also needed, such as streets, storm & sanitary sewers, and water lines to accommodate the new development. Examples of these issues are the S. 70th St. corridor, Theodore Trecker Way, 69th & Orchard St., etc.

In another local economic development decision scenario, you could have a site where a big box retailer could afford to purchase the property and remove the impediments but only provide few full-time minimum wage jobs. Under this scenario if this type of development was all that the community aspired to, no TIF/public financing will be required. However, if it is a local decision that the community wants to promote family-supporting jobs on the site, TIF funding would be required to underwrite the site cost to a point where a manufacturer could afford the land.

Quad/Graphics is an excellent example of a local decision made by all the taxing jurisdictions to utilize TIF to lower the land development cost so that it was affordable to a manufacturing enterprise. Quad Graphics ultimately provided 800 manufacturing family-supporting jobs and in addition more than tripled the tax base.

These are the types of decisions that local taxing jurisdictions must jointly weigh in determining the costs and benefits of each TIF decision.

In built-out, urban communities with changing economic needs and historical environmental issues, redevelopment comes at a higher cost. For West Allis, a landlocked first-ring suburban community can only grow from within its existing boundaries. West Allis has no cornfields to expand on to. As an economic development tool, TIF provides local leadership an opportunity to level the playing field with appealing, “greenfield development” and more competitive urban sites. It ultimately keeps the image of communities viable, stabilizes property values, maximizes previous investments in public infrastructure and provides an environment where family-supporting jobs can be created.

Exhibit 2

WEST ALLIS LARGEST TAXPAYERS - 2021 ASSESSMENT ROLL

NON-INDUSTRIAL

as of 01/01/2021

	Owner (as of 01/01/2021)	Property Use	Real Estate	Personal Property	2021 Assessed Value
1	Whitnall Summit Co LLC	Office Bldg	$ 49,701,200	$ 60,900	$ 49,762,100
2	Element 84, LLC	Apartments	$ 28,848,400	$ -	$ 28,848,400
3	Morgan Grove LLC	Apartments	$ 24,823,600	$ -	$ 24,823,600
4	Six Points West Allis Apartments, LLC	Apartments	$ 24,586,600	$ -	$ 24,586,600
5	Ramco Properties Assoc	Shopping Center	$ 20,519,800	$ 8,000	$ 20,527,800
6	Spef IV, LLC	Apartments	$ 20,280,200	$ -	$ 20,280,200
7	West Allis Venture, LLC	Retail/Bank	$ 17,623,100	$ -	$ 17,623,100
8	Milwaukee Behavioral Health, LLC	Hospital	$ 14,779,900	$ -	$ 14,779,900
9	Aria Realty Mitchell Manor, LLC	Group Home	$ 14,093,800	$ 1,022,300	$ 15,116,100
10	Lincoln Crest Apartments, LLP	Apartments	$ 13,609,300	$ -	$ 13,609,300
11	Mister Roger's Neighborhood LLC	Office Warehouse	$ 12,498,600	$ -	$ 12,498,600
12	Quad Graphics	Manufacturing	$ 11,297,700	$ 1,105,400.00	$ 12,403,100
13	Southtown Plaza LLC	Shopping Center	$ 10,350,600	$ 2,200	$ 10,352,800
14	Harold L. Wilde & Wilde Family LTD Partnership	Car Dealership	$ 10,097,000	$ 366,700	$ 10,463,700
15	West Allis Hotel Ventures LLC	Hotel	$ 9,165,500	$ 798,700	$ 9,964,200
16	Home Depot USA Inc	Shopping Center	$ 9,775,700	$ 719,900	$ 10,495,600
17	Dayton-Hudson Corp/Target	Shopping Center	$ 9,576,500	$ 1,478,000	$ 11,054,500
18	STAG West Allis LLC	Warehouse	$ 9,483,400	$ -	$ 9,483,400
19	Renaissance Faire/RFLP Subsidiary LLC	Office/Warehouse	$ 9,455,200	$ -	$ 9,455,200
20	NDC LLC	Shopping Center	$ 9,242,400	$ -	$ 9,242,400
21	West Quarter West, LLC	Hotel/Office	$ 9,229,100	$ -	$ 9,229,100
22	West Allis Self Storage LLC & Burnham Street Self Storage	Storage/Warehouse	$ 9,191,800	$ 26,200	$ 9,218,000
23	Lincoln Hospitality Group, LLC	Hotel	$ 9,053,800	$ 1,670,700.00	$ 10,724,500
24	LBS Limited Partnership	Apartments	$ 8,899,000	$ -	$ 8,899,000
25	DKS Realty Wisconsin V, LLC	Office Bldg	$ 8,768,500	$ 9,100	$ 8,777,600
26	Veterans Park LLC	Apartments	$ 8,714,700	$ 49,300	$ 8,764,000