



# Tax Incremental District Number Nine, City of West Allis

## Project Plan Pioneer Neighborhood



Prepared for Public Hearing: February 28, 2006



Department of Development  
City of West Allis  
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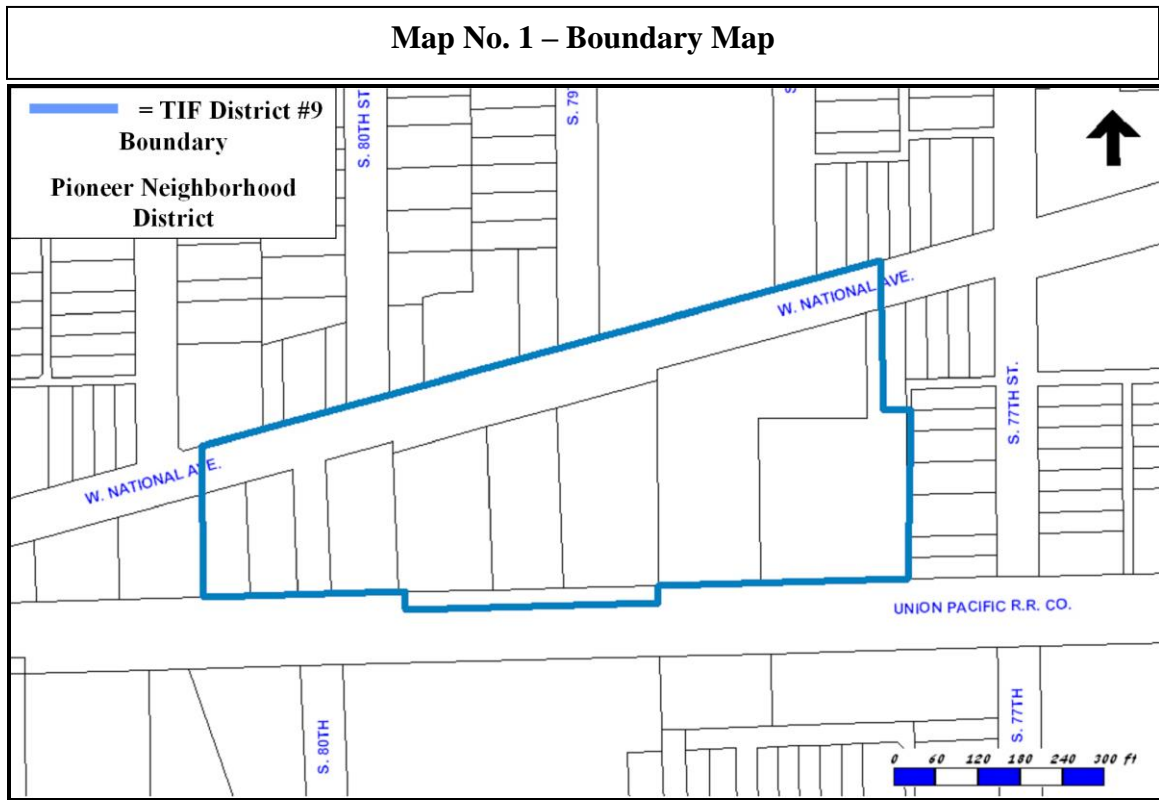
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I. INTRODUCTION

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

Often, the District is commonly described as part of the broader Pioneer Neighborhood based upon a collection of historic buildings that abut W. National Ave. These buildings date back to City’s early settlement period of the late 1890’s to the early 1900’s. The District consists of approximately five acres of land located along the south portion of W. National Ave. between S. 77 St. and S. 80 St. The District boundaries are coterminous with those of a redevelopment plan, prepared and approved pursuant to Wisconsin Statutes Section 66.1333. The “Pioneer District Redevelopment Plan” addresses opportunities for redevelopment within the District. The Redevelopment Plan and the District have consistent goals, objectives, and strategies.

The District Plan and Redevelopment Plan will be implemented by the Community Development Authority (the “Authority”) of the City of West Allis. The District boundaries are outlined on **Map No. 1 – Boundary Map**.

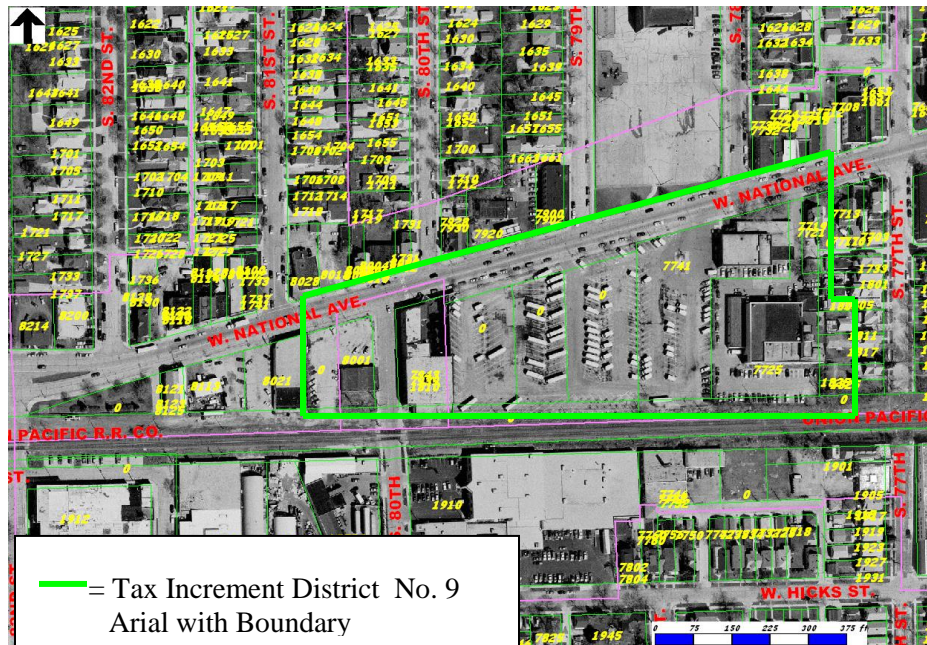


## II. STATEMENT OF BOUNDARIES

The District is generally bounded on the **west** by S. 81 St.; on the **north** by W. National Ave.; on the **east** by S. 77 St., and on the **south** by the Union Pacific Railroad. A map of the District is reproduced below. The legal description for the District is attached as **Exhibit No. 1 – Legal Description**.

The total area of sellable site acreage in the District is approximately 5 acres.

Map No. 2 - Aerial with Boundary



## III. PROJECT PLAN GOALS AND OBJECTIVES

The creation of the District promotes the redevelopment of the City as follows:

### *Goals:*

1. To reverse the below-average increase in tax base and to increase the economic vitality of the neighborhood by eliminating blighted, underutilized property and by encouraging new private/public development attuned with the surrounding high-density residential and commercial land uses in the project's vicinity;
2. To broaden the property tax base of the community;
3. To strengthen the existing commercial neighborhood, created in the early 1900's;
4. To foster a project that positively impacts the district while reducing the negative influence of current conditions (infrastructure); and,
5. To eliminate blight and prevent the development and spread of blighted areas.

**Objectives:**

1. Eliminate obsolescent and deteriorating buildings, blighting influences and environmental deficiencies;
2. Eliminate underutilized land and inconsistent land uses;
3. Support the adaptive reuse, preservation, and rehabilitation and conservation of buildings and structures that are feasible for continued uses;
4. Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with development needs and standards; and,
5. Remove vacant, deteriorated, obsolete, blighted and structurally substandard buildings for uses permitted in this Project Plan.

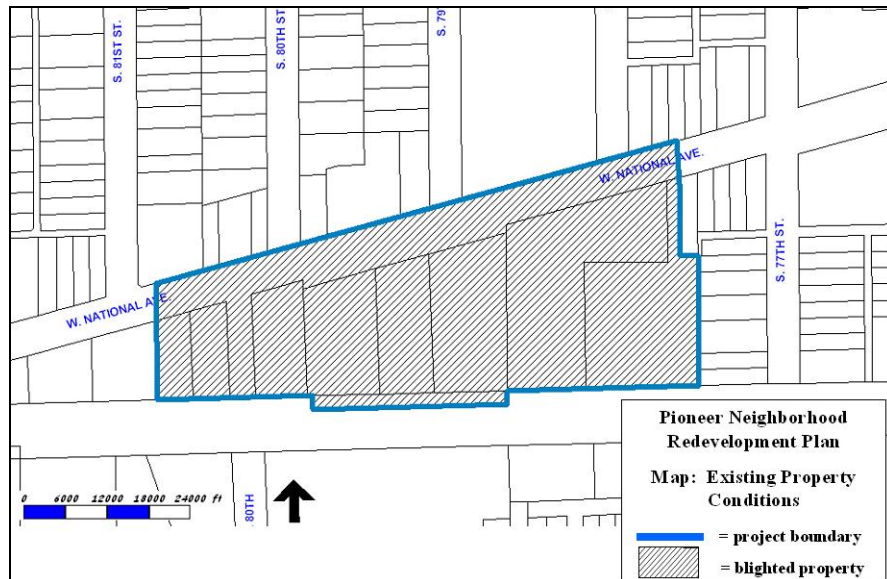
**IV. EXISTING LAND USES AND CONTITIONS IN PROJECT AREA**

The creation of the District is necessary to eliminate and to prevent the spread of blight. **Map No. 3 – Blighted Properties (Existing Property Conditions)** details the extent of blighted properties as described below.

This area has been lagging behind the City-wide average increase of property values and the surrounding neighborhood commercial district has experienced high levels of commercial vacancies. Several key factors, as defined by State Statutes, impact these properties, including building age, state of deterioration, provisions for open space and lot layout, and property maintenance. Laidlaw Bus Company, a tenant that occupies a large portion of the District, has decided to terminate its lease effective June 30, 2006. The continued use or the potential vacancy of the property that is occupied by Laidlaw would underutilize this area. In addition, the property at 7943 W. National Ave. has experienced disinvestment and was acquired by the City of West Allis at Sheriff's auction in Fall of 2005. As noted in **Map No. 3 – Blighted Properties (Existing Property Conditions)** approximately 100% by area of the real property within the District is in a blighted area or in need of rehabilitation or conservation work, as defined in State Statutes Section 66.1333(2m)(b). Redevelopment within the district would significantly enhance the value of substantially all the other real property in the District. Therefore, it is hereby determined that the project area of the District is blighted within the statutory definition of a blighted area. Deterioration of the area will continue if appropriate actions are not pursued.



### Map No. 3 - Blighted Properties (Existing Property Conditions)

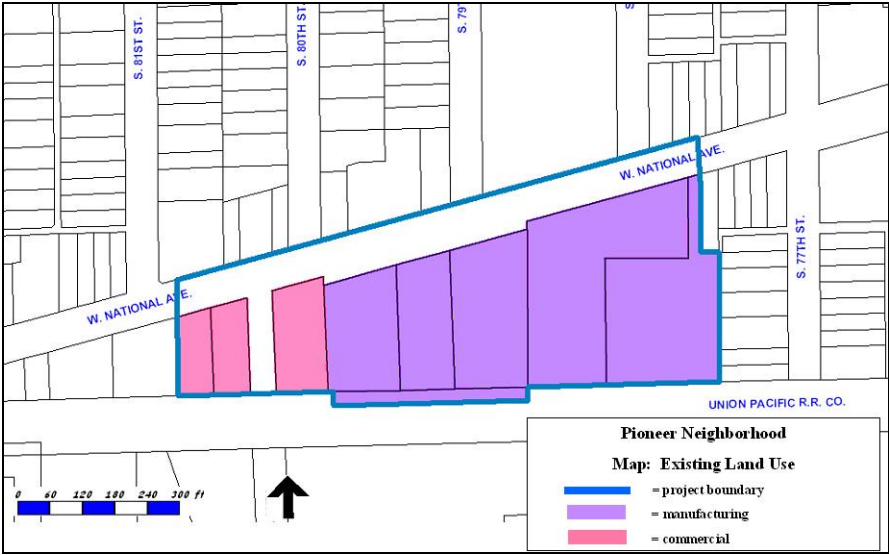


## V. LAND USE AND ZONING ORDINANCE CHANGES

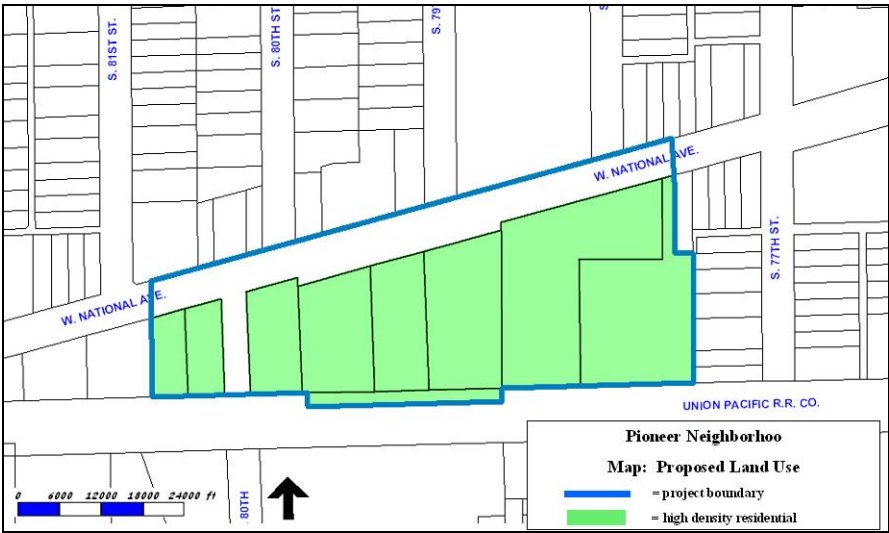
In order to achieve the objectives of this Plan, all development proposals for land within the Project Area will be subject to the regulations specified in this Plan and in applicable State and City codes and ordinances. In those instances where the provisions and regulations set forth in this Plan are more restrictive than those prescribed in applicable state and local codes and ordinances, as may be amended from time to time, the more restrictive regulations imposing a higher standard shall govern, unless otherwise specifically waived by the Common Council.

- A. Land Use Zoning Provisions.** Existing Land Uses within the project area can be categorized as light industrial and commercial uses. Tenants consist of a commercial bus company and parking lot, a vehicle repair facility and warehouse/storage. Other uses within the project area formerly include a commercial printing/storage and surface parking. The Comprehensive Land Use Plan for the City identifies this area as a location desirable for a high density residential reuse. The project area is currently comprised of two different zoning districts. The Laidlaw property is currently zoned C-2 Neighborhood Commercial District, and the former Neis Hardware/Advertoprint property is zoned C-3 Community Commercial District. Based on the Revised Municipal Code, a bus/transportation facility use is non-conforming within a neighborhood commercial zoning district. Please refer to the **Map No. 4 - Existing Land Use, and Map No. 5 - Proposed Land Use.**

**Map No. 4 - Existing Land Use**



**Map No. 5 - Proposed Land Use**



The appropriateness and compatibility of proposed uses will be determined by the Authority prior to land disposition or the execution of any instruments involving rehabilitation and/or construction loans. For purposes of redevelopment, the underlying zoning of the Project Area will be rezoned to C-3 Community Commercial District. In addition to the zoning change, a Planned Development District overlay is anticipated as part of the Statement of Proposed Changes in Zoning of the properties. In order to provide for the best utilization of the project site with relation to topography, open space and recreation areas, structure location and design, flexibility will be allowed in the establishment of population density, setback and side yard restrictions, maximum lot coverage and floor area ratio. The use restrictions for the property shall be in accordance with the proposed underlying C-3 Community Commercial District (sec. 12.42 RMC).

**VI. STATEMENTS OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS**

The following **Table 1 – Project Description** provides a description and the location of all proposed developments and public improvements within the District.

**Table 1 - Project Plan Activities**

| # | Project Name                              | Location                  |
|---|---|---------------------------|
| A | Mixed Use Development                     | 7725-41 W. National Ave   |
| B | Mixed Use Development or Adaptive Reuse   | 7939-43 W. National Ave.  |
| C | Commercial/Retail Development/Parking Lot | 8001 and 80** W. National |
| D | Administrative Expenses                   | Area-wide                 |
| E | Contingency                               | Area-wide                 |

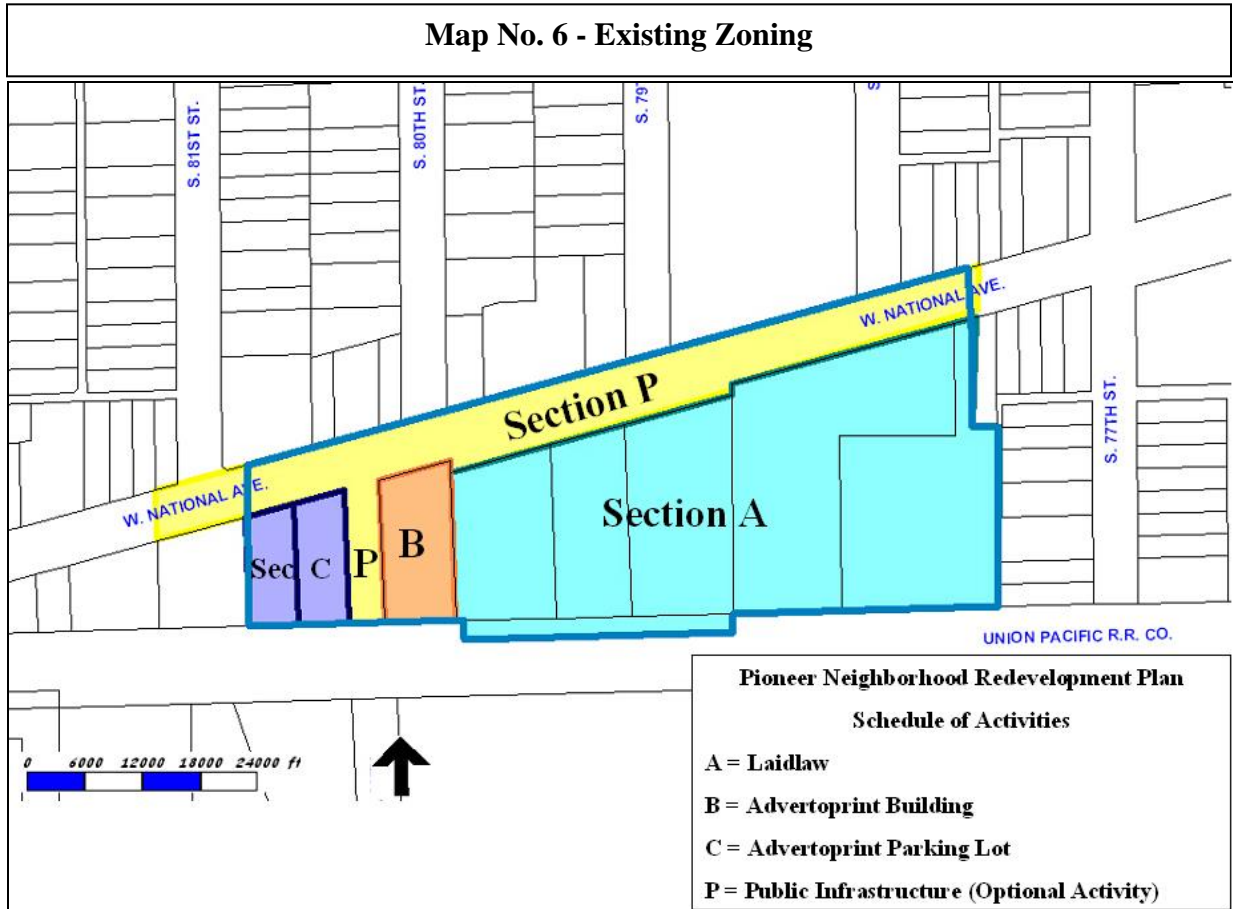
The plan includes the following:

- Item A            This concept includes the construction of several multi-family buildings with increased density and the incorporation of street-level commercial uses.
  
- Item B            This concept has two potential options. The first is the adaptive reuse of the property for multi-family purposes and street-level commercial. The second includes the redevelopment of the site consistent with the new development under Item A.
  
- Item C            This concept considers the best use of two parcels currently utilized as a parking lot and occupied with a small storage building. The parcels were used in conjunction with the property located at 7939-43 W. National Ave. Based on parking requirements for the district, the area is deficient in the amount of provided parking. As redevelopment options are reviewed and parking requirements considered, the Plan may potentially be amended to incorporate the construction of a public parking lot.



Item D & E Expenses relating to the overall administration of the District.

**Map No. 6 – Proposed Public Works and Improvements** provides a location description of the project activities within the district. These improvements are, without limitation, eligible project costs as defined under 66.1105(2)(f) of the Wisconsin Statutes.



The improvements to the project area are centered on expanding the City’s tax base through redevelopment. For planning purposes, three development scenarios were considered that centered on mixed-use and residential types of development. The scenarios include the following:

- **Senior/Mixed Use Redevelopment** – The development would include several multi-story buildings with market rate senior independent and assisted living units. The project would include 180 units with an average construction cost of \$115,000. The development would incorporate approximately 14,000 square feet of commercial space to compliment the adjoining commercial district. The potential redevelopment property value is estimated at \$22.6 million.
- **Senior/Multi-family Redevelopment** – The development is a tax credit project for a senior and mixed-income, affordable family housing. The project initially has 155 units (83 senior and 72 family) with an average construction cost of \$58,000. The site would have room for additional multi-family development. The project would have approximately 6,000 square

feet of commercial space. The potential redevelopment property value is estimated at \$13.5 million. No land purchase price has been presented during initial discussions.

- **Residential Condos** – The development has 96 condominiums for individuals 55 and older. The average construction cost is \$65,000. There would be around 6,000 square feet of commercial space added to fully utilize the street frontage of the site. Estimated redevelopment property value for the project is \$12.6 million.
- **Advertoprint** – For planning purposes, the concept includes adaptive reuse of the building converting it into 20 apartments and commercial space offered with an estimated potential redevelopment value of \$2 million.

These scenarios would maximize the full potential of the site through a development that would use quality building materials and include high density.

## VII. ESTIMATED COSTS

**Table 2 – Estimated Costs**

|   | <b>1</b>             | <b>2</b>   | <b>3</b>      | <b>4</b>    | <b>5</b>     | <b>6</b>                            | <b>7</b>                           | <b>8</b>    | <b>9</b>            |
|---|----------------------|------------|---------------|-------------|--------------|-------------------------------------|------------------------------------|-------------|---------------------|
| # | Property Acquisition | Relocation | Environmental | Demo-lition | Public Infra | Adm. Exp.(legal, title, staff, etc) | Capitalized Interest (2 yrs at 6%) | Contingency | Total Project Costs |
| A | \$ 1,725,000         | \$ 92,000  | \$ 610,000    | \$ 98,000   |              | \$ 126,250                          | \$ 318,150                         | \$ 296,940  | \$ 3,266,340        |
| B | \$ 383,100           | \$ -       | \$ 10,000     |             |              | \$ 19,655                           | \$ 49,531                          | \$ 46,229   | \$ 508,514          |
| C | \$ 86,900            |            | \$ 6,500      | \$ 9,000    |              | \$ 5,120                            | \$ 12,902                          | \$ 12,042   | \$ 132,465          |
|   |                      |            |               |             |              |                                     |                                    |             |                     |
|   |                      |            |               |             |              |                                     |                                    |             |                     |
|   |                      |            |               |             |              |                                     |                                    |             |                     |
|   |                      |            |               |             |              |                                     |                                    |             |                     |
|   |                      |            |               |             |              |                                     |                                    |             |                     |
|   | \$ 2,195,000         | \$ 92,000  | \$ 626,500    | \$107,000   | \$ -         | \$ 151,025                          | \$ 380,583                         | \$ 355,211  | \$ 3,907,319        |

The costs indicated above are preliminary in nature and are being further defined as the City negotiates with developers. In the end, the City’s “mission” is to meet the standard of a “but for” test. The question is posed that without the creation of the District would this development and neighborhood revitalization occur? Based on the blight determination of the site, continued signs of disinvestment, and the fact that a good portion of the site is vacant/underutilized and used primarily for parking, the adoption and assistance of a District would be catalytic in promoting proper redevelopment of the district. Based on the three scenarios for redevelopment, a certain level of public participation is required to foster the highest and best use of the site. Overall, redevelopment would offer the City’s tax base long-term benefits.

## VIII. PROJECT FINANCING AND TIMETABLE FOR EXPENDITURES

The project will be financed primarily through the sale of Taxable General Obligation (G.O.) Bonds, Tax Exempt G.O. Bonds, land sale proceeds, and federal and state grants such as Community

Development Block Grants (CDBG) funds, Wisconsin Department of Commerce Brownfield Grants, and Wisconsin Department of Natural Resource Site Assessment Grants.

Due to the substantially lower interest rate on G.O. Bonds, the anticipated increment revenue would be more than adequate to cover the total debt service. A cash flow analysis is provided in the Appendix as **Exhibit No. – 3 Economic Feasibility Analysis**.

The bulk of the Project Plan costs will be incurred and the expenditures will be made by the year 2006-2007.

**Table 3 – Expenditure Schedule for Plan Improvements**

| <b>Laidlaw and Advertoprint</b>            |                     |                    |                  |                  |
|--|---------------------|--------------------|------------------|------------------|
|  | <b>Total</b>        | <b>2006</b>        | <b>2007</b>      | <b>2008</b>      |
| <b>1. Acquisition</b>                      | <b>\$ 2,195,000</b> | \$2,195,000        | \$0              | \$0              |
| <b>2. Relocation</b>                       | <b>\$ 92,000</b>    | \$92,000           | \$0              | \$0              |
| <b>3. Environmental</b>                    | <b>\$ 626,500</b>   | \$469,875          | \$156,625        | \$0              |
| <b>4. Demolition</b>                       | <b>\$ 107,000</b>   | \$107,000          | \$0              | \$0              |
| <b>5. Public Infrastructure</b>            | <b>\$ -</b>         | \$0                | \$0              | \$0              |
| <b>6. Administration</b>                   | <b>\$ 151,025</b>   | \$50,342           | \$50,342         | \$50,342         |
| <b>7. Capitalized Interest (two years)</b> | <b>\$ 380,583</b>   | \$190,292          | \$190,292        | \$0              |
| <b>8. Contingency</b>                      | <b>\$ 355,211</b>   |                    | \$177,605        | \$177,605        |
| <b>Total Use of Funds</b>                  | <b>\$ 3,907,319</b> | <b>\$3,104,508</b> | <b>\$574,864</b> | <b>\$227,947</b> |
| <b>Sources of Funds</b>                    |                     |                    |                  |                  |
| Land Sales                                 | \$1,370,000         | \$1,370,000        | \$0              | \$0              |
| WDOC Brownfield Grant                      | \$99,900            | \$0                | \$99,900         | \$0              |
| Federal Grants                             | \$0                 | \$0                | \$0              | \$0              |
| <b>TIF Backed Debt</b>                     | <b>\$2,437,419</b>  | <b>\$1,734,508</b> | <b>\$474,964</b> | <b>\$227,947</b> |
| <b>Total Sources of Funds</b>              | <b>\$3,907,319</b>  | <b>\$3,104,508</b> | <b>\$574,864</b> | <b>\$227,947</b> |

It should be noted that environmental consultants will be preparing environmental remediation feasibility studies and action plans for submission to and approval by the Wisconsin Department of Natural Resources. It should further be noted that a number of structural engineers and geotechnical consultants will be evaluating structural and soil bearing capacity site conditions throughout the project area. Due to past uses of the site, the environmental/building/geotechnical costs may vary considerably.

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

**IX. TAX INCREMENT PROJECTION AND ECONOMIC FEASIBILITY ANALYSIS**

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

The tax increment to be generated by the District is based upon the increases in real and/or personal property value and the building improvements/additions during the life of the District. The cash flows set forth in **Exhibit No.3 - Economic Feasibility Analysis** indicate that the anticipated

revenues exceed the projected estimated project cost. The Project Plan, therefore, has been determined to be economically feasible.

As a result of the projected amount of debt to be issued to finance the project costs, the incremental revenue required to service the debt will necessitate that the District continue for about 9 to 26 years, depending of the final development scenario (the maximum is 27-year period allowed by state statutes). For financial planning purposes, the 26-year scenario is noted as the primary redevelopment option.

#### X. STATEMENT OF A FEASIBLE METHOD PROPOSED FOR RELOCATION

The City and the Authority are authorized to make relocation payments to, or with respect to, persons (including families, business concerns and others) being displaced from the project for moving expenses and losses of property for which reimbursement or compensation is not otherwise made. Any persons being displaced during the course of the project relocated from properties within the area during the course of project execution, shall be afforded the opportunity to be relocated in available accommodations which are decent, safe, sanitary, and otherwise habitable and which are within their financial means, all in accordance with a Relocation Plan, prepared pursuant to Sections 32.19 and 32.25 to 32.27 and 66.1333 of the Wisconsin Statutes and subsequently approved by the Wisconsin Department of Commerce.

## **APPENDIX**

### **LIST OF TABLES, MAPS AND EXHIBITS**

#### **TABLES**

|         |   |
|---------|---|
| Table 1 | Project Plan Activities                     |
| Table 2 | Estimated Project Costs                     |
| Table 3 | Expenditures Schedule for Plan Improvements |

#### **MAPS**

|           |   |
|-----------|---|
| Map No. 1 | Boundary Map  |
| Map No. 2 | Arial with Project Boundary                           |
| Map No. 3 | Blighted Properties<br>(Existing Property Conditions) |
| Map No. 4 | Existing Land Use                                     |
| Map No. 5 | Proposed Land Use                                     |
| Map No.6  | Proposed Public works and Improvements                |

#### **EXHIBITS**

|               |  |
|---------------|--|
| Exhibit No. 1 | Legal Description                            |
| Exhibit No. 2 | Schedule of Lands & Interests to be Acquired |
| Exhibit No. 3 | Economic Feasibility Analysis                |

#### **ATTACHMENTS**

|                  |                   |
|------------------|-------------------|
| Attachment No. 1 | Assessor's Letter |
| Attachment No. 2 | Legal Opinion     |

## **EXHIBIT NO. 1**

### **PIONEER REDEVELOPMENT AND TIF LEGAL DESCRIPTION**

A tract of land located in the Northwest  $\frac{1}{4}$  and Northeast  $\frac{1}{4}$  of Section 4, Township 6 North, Range 21 East, more particularly described as follows:

Beginning at southeast corner of the Parcel 3, Certified Survey Map No. 2389; thence Southerly, 25.00 feet; thence Westerly, 360.00 feet; thence Northerly, 25.00 feet; thence Westerly, 287.11; thence Northerly, 213.81 feet, to the North right-of-way line of West National Avenue; thence Northeasterly, 1008.66 feet, along said north line; thence Southerly, 214.33 feet; thence Easterly, 32.00 feet; thence Southerly, 240.00 feet, to the north right-of-way line of the Union Pacific Railroad; thence Westerly, 354.00 feet, along said line, to the Point of Beginning.

Said land contains 7.842 Acres, more or less.



## EXHIBIT NO. 2

### SCHEDULE OF LAND AND INTEREST TO BE ACQUIRED

| Project ID | Tax Key #    | Property Address                          | Owner                     | Occupant            |
|------------|--------------|---|---------------------------|---------------------|
| A          |              |   |                           |                     |
|            | 452-0599-001 | 7725 W. National                          | Robert & Jane Bello Trust | City Screen Print   |
|            | 452-0598-001 | 7741 W. National                          | Judith A Rauch Etal       | Laidlaw Bus Service |
|            | 452-0597-003 | 77** W. National                          | Judith A Rauch Etal       | Laidlaw Bus Service |
|            | 452-0597-002 | 77** W.National                           | Judith A Rauch Etal       | Laidlaw Bus Service |
|            | 452-0597-001 | 77** W.National                           | Judith A Rauch Etal       | Laidlaw Bus Service |
|            | 452-9999-007 | 79** W.National                           | Judith A Rauch Etal       | Laidlaw Bus Service |
|            |              |   |                           |                     |
| B          | 452-0596-000 | 7939,43 W. National Ave.&<br>1810 S 80 St | City of West Allis        | Advertoprint        |
|            |              |   |                           |                     |
|            |              |   |                           |                     |
| C          | 452-0523-000 | 8001 W. National Ave.                     | City of West Allis        | Advertoprint        |
|            | 452-0522-000 | 80** W. National Ave.                     | City of West Allis        | Advertoprint        |
|            |              |   |                           |                     |

## EXHIBIT NO. 3

### ECONOMIC FEASIBILITY ANALYSIS

#### I. CURRENT Property Values

##### I. A. - Assessed Value-2005

|                                       | TOTAL            | A                | B                                | C                           |
|---------------------------------------|------------------|------------------|----------------------------------|-----------------------------|
|                                       |                  | Laidlaw          | Advertoprint -<br>Adaptive Reuse | Advertoprint<br>Parking Lot |
| Land Value                            | \$ 1,138,300     | \$ 974,300       | \$ 77,100                        | \$ 86,900                   |
| Improvements                          | \$ 584,900       | \$ 398,900       | \$ 182,100                       | \$ 3,900                    |
| Personal Property                     | \$ -             | \$ -             | \$ -                             | \$ -                        |
| Total Value                           | \$ 1,723,200     | \$ 1,373,200     | \$ 259,200                       | \$ 90,800                   |
| <b>Property Tax on Assessed Value</b> | <b>\$ 75,820</b> | <b>\$ 37,427</b> | <b>\$ 35,978</b>                 | <b>\$ 2,415</b>             |

##### I. B. - Fair Market Value

|                                     | TOTAL        | A            | B                                | C                           |
|-------------------------------------|--------------|--------------|----------------------------------|-----------------------------|
|                                     |              | Laidlaw      | Advertoprint -<br>Adaptive Reuse | Advertoprint<br>Parking Lot |
| Land Value                          |              |              |                                  |                             |
| Improvements                        |              |              |                                  |                             |
| Personal Property                   | \$ -         | \$ -         | \$ -                             | \$ -                        |
| Existing Total - Fair Market Values | \$ 1,914,600 | \$ 1,525,700 | \$ 288,000                       | \$ 100,900                  |
| Tax Rate of Fair Market Value       | 2.62%        | 2.62%        | 2.62%                            | 2.62%                       |
| Property Tax on Fair Market Value   | \$ 50,163    | \$ 39,973    | \$ 7,546                         | \$ 2,644                    |

#### II. Land Size

|                             | TOTAL   | A       | B                                | C                           |
|-----------------------------|---------|---------|----------------------------------|-----------------------------|
|                             |         | Laidlaw | Advertoprint -<br>Adaptive Reuse | Advertoprint<br>Parking Lot |
| Total Sellable Site Acreage | 5.778   | 4.836   | 0.443                            | 0.499                       |
| Total Sq. Ft. in Acre       |         | 43,560  |                                  |                             |
| Total Site Square Feet      | 251,690 | 210,656 | 19,297                           | 21,736                      |

### III. Development

#### A (Laidlaw)

| Type of Development                    | Laidlaw              |                      |                       |
|--|----------------------|----------------------|-----------------------|
|  | Senior/Mixed Use     | Senior/Multi-family  | Residential<br>Condos |
| # of Units                             | 180                  | 227                  |                       |
| # of Condos                            |                      |                      | 96                    |
| Sale Price for Condos                  |                      |                      | \$ 120,000            |
| Construction Cost per Unit             | \$ 115,000           | \$ 58,000            | \$ 65,000             |
| Commercial Cost per sq. ft             | \$ 70                | \$ 50                | \$ 50                 |
| Townhome                               |                      |                      |                       |
| Total Commercial sq. ft                | 14,500               | 6000                 | 6000                  |
| Land Coverage                          |                      |                      |                       |
| Density                                | 37                   | 47                   | 20                    |
| Land Value per unit                    | \$ 5,000             | \$ -                 | \$ 6,000              |
| Land Price per Acre                    |                      |                      |                       |
| Total Residential Cost                 | \$ 20,700,000        | \$ 13,166,000        | \$ 11,520,000         |
| Total Commercial Cost                  | \$ 1,015,000         | \$ 300,000           | \$ 300,000            |
| Total Land Price                       | \$ 900,000           | \$ -                 | \$ 576,000            |
| <b>Projected Total Property Values</b> | <b>\$ 22,615,000</b> | <b>\$ 13,466,000</b> | <b>\$ 12,396,000</b>  |
| Estimated Taxes                        | <u>2.40%</u>         | <u>2.40%</u>         | <u>2.40%</u>          |
|  | <b>\$ 542,760</b>    | <b>\$ 323,184</b>    | <b>\$ 297,504</b>     |

|   |           |
|---|-----------|
| *Sale Price per Residential/Commercial Acre | \$150,000 |
|---|-----------|

#### B Advertoprint (Former Neis Hardware)

|                                 |              |
|---------------------------------|--------------|
| # of Units                      | 20           |
| Construction Cost per Unit      | \$65,000     |
| Commercial Cost per sq. ft      | \$50         |
| Total Commercial sq. ft         | 6000         |
| Land Value per unit             | \$ 20,000    |
| Total Residential Cost          | \$ 1,300,000 |
| Total Commercial Cost           | \$ 300,000   |
| Total Land and Building Price   | \$ 470,000   |
| Projected Total Property Values | \$ 2,070,000 |

## IV. Economic Feasibility Analysis

### A. Total Property Tax Increment

|   | Senior/Mixed Use | Senior/Multi-family | Residential<br>Condos |
|---|------------------|---------------------|-----------------------|
| Projected Total Property Values (laidlaw)         | \$ 22,615,000    | \$ 13,466,000       | \$ 12,396,000         |
| Projected Total Property Values (Advertprint)     | \$ 2,070,000     | \$ 2,070,000        | \$ 2,070,000          |
| Existing Total - Fair Market Values (Laidlaw)     | <u>1,525,700</u> | <u>1,525,700</u>    | <u>1,525,700</u>      |
| Existing Total - Fair Market Values (Advertprint) | <u>388,900</u>   | <u>388,900</u>      | <u>388,900</u>        |
| INCREMENTAL Property Values                       | \$ 22,770,400    | \$ 13,621,400       | \$ 12,551,400         |
|   | 2.40%            | 2.40%               | 2.40%                 |
| Property Tax Increment                            | <b>\$546,490</b> | <b>\$326,914</b>    | <b>\$301,234</b>      |

### B. Property Redevelopment Costs

|  | Senior/Mixed Use    | Senior/Multi-family | Residential<br>Condos |
|--|---------------------|---------------------|-----------------------|
| <b>Laidlaw</b>                                       |                     |                     |                       |
| 1. Acquisition                                       | \$ 1,725,000        | \$ 1,725,000        | \$ 1,725,000          |
| 2. Relocation  | \$ 92,000           | \$ 92,000           | \$ 92,000             |
| 3. Environmental                                     | \$ 610,000          | \$ 610,000          | \$ 610,000            |
| 4. Demolition  | \$ 98,000           | \$ 98,000           | \$ 98,000             |
| 5. Public Infrastructure                             | \$ -                | \$ -                | \$ -                  |
| 6. Administration                                    | \$ 126,250          | \$ 126,250          | \$ 126,250            |
| <b>SUBTOTAL</b>                                      | <b>\$ 2,651,250</b> | <b>\$ 2,651,250</b> | <b>\$ 2,651,250</b>   |
| 6% 7. Capitalized Interest (two years)               | \$ 318,150          | \$ 318,150          | \$ 318,150            |
| 8. Contingency                                       | \$ 296,940          | \$ 296,940          | \$ 296,940            |
| <b>Total Redevelopment Costs &amp; Land</b>          | <b>\$ 3,266,340</b> | <b>\$ 3,266,340</b> | <b>\$ 3,266,340</b>   |
| Minus Land Sales                                     | \$ (900,000)        | \$ -                | \$ (576,000)          |
| Minus State Grants                                   | \$ (99,900)         | \$ (99,900)         | \$ (99,900)           |
| Minus Federal Grants                                 | \$ -                | \$ -                | \$ -                  |
| <b>Incremental Redevelopment Costs</b>               | <b>\$2,266,440</b>  | <b>\$3,166,440</b>  | <b>\$ 2,590,440</b>   |
| <b>Advertprint - Adaptive Reuse</b>                  |                     |                     |                       |
| 1. Acquisition                                       | \$ 470,000          | \$ 470,000          | \$ 470,000            |
| 2. Relocation  | \$ -                | \$ -                | \$ -                  |
| 3. Environmental                                     | \$ 16,500           | \$ 16,500           | \$ 16,500             |
| 4. Demolition  | \$ 9,000            | \$ 9,000            | \$ 9,000              |
| 5. Public Infrastructure                             | \$ -                | \$ -                | \$ -                  |
| 6. Administration                                    | \$ 24,775           | \$ 24,775           | \$ 24,775             |
| <b>SUBTOTAL</b>                                      | <b>\$ 520,275</b>   | <b>\$ 520,275</b>   | <b>\$ 520,275</b>     |
| 6% 7. Capitalized Interest (two year)                | \$ 62,433           | \$ 62,433           | \$ 62,433             |
| 8. Contingency                                       | \$ 58,271           | \$ 58,271           | \$ 58,271             |
| <b>Total Redevelopment Costs &amp; Land Purchase</b> | <b>\$ 640,979</b>   | <b>\$ 640,979</b>   | <b>\$ 640,979</b>     |
| Minus Land and Building Sales                        | \$ 470,000          | \$ 470,000          | \$ 470,000            |
| <b>Incremental Redevelopment Costs</b>               | <b>\$ 170,979</b>   | <b>\$ 170,979</b>   | <b>\$ 170,979</b>     |

**C. Project Tax Increment Life**

|  |   |                         |                            |                               |
|--|---|-------------------------|----------------------------|-------------------------------|
| <b>Overall Incremental Redevelopment Costs</b> |   | <b>\$2,437,419</b>      | <b>\$3,337,419</b>         | <b>\$2,761,419</b>            |
|  |   | <b>Senior/Mixed Use</b> | <b>Senior/Multi-family</b> | <b>Residential<br/>Condos</b> |
|  | Projected Property Tax Increment Per Year | <b>\$546,490</b>        | <b>\$326,914</b>           | <b>\$301,234</b>              |
| Years required to finance Debt Service         |   | <b>9.11</b>             | <b>26.84</b>               | <b>21.74</b>                  |

**Schedule 1 Tax Increment Analysis (Senior/Mixed Use)**

| Base Value                                      |                | \$1,914,600                | Inflation Factor    |             | 0.00%                |              |               |                      |
|---|----------------|----------------------------|---------------------|-------------|----------------------|--------------|---------------|----------------------|
| Senior/Mixed Use Development                    |                | Tax Rate Adjustment Factor |                     |             | -0.50%               |              |               |                      |
| Construction Year                               | Valuation Year | Revenue Year               | Inflation Increment | Value Added | Valuation Increment  | Tax Rate     | Tax Increment |                      |
| 1   | 2006           | 2007                       | 2008                | \$0.00      | \$ 10,000,000        | \$10,000,000 | 24.00         | \$240,000.00         |
| 2   | 2007           | 2008                       | 2009                | \$0.00      | \$ 11,600,000        | \$21,600,000 | 23.88         | \$515,808.00         |
| 3   | 2008           | 2009                       | 2010                | \$0.00      | \$ 1,271,000         | \$22,871,000 | 23.76         | \$543,428.68         |
| 4   | 2009           | 2010                       | 2011                | \$0.00      |                      | \$22,871,000 | 23.64         | \$540,711.54         |
| 5   | 2010           | 2011                       | 2012                | \$0.00      |                      | \$22,871,000 | 23.52         | \$538,007.98         |
| 6   | 2011           | 2012                       | 2013                | \$0.00      |                      | \$22,871,000 | 23.41         | \$535,317.94         |
| 7   | 2012           | 2013                       | 2014                | \$0.00      |                      | \$22,871,000 | 23.29         | \$532,641.35         |
| 8   | 2013           | 2014                       | 2015                | \$0.00      |                      | \$22,871,000 | 23.17         | \$529,978.15         |
| 9   | 2014           | 2015                       | 2016                | \$0.00      |                      | \$22,871,000 | 23.06         | \$527,328.25         |
| 10  | 2015           | 2016                       | 2017                | \$0.00      |                      | \$22,871,000 | 22.94         | \$524,691.61         |
| 11  | 2016           | 2017                       | 2018                | \$0.00      |                      | \$22,871,000 | 22.83         | \$522,068.16         |
| 12  | 2017           | 2018                       | 2019                | \$0.00      |                      | \$22,871,000 | 22.71         | \$519,457.81         |
| 13  | 2018           | 2019                       | 2020                | \$0.00      |                      | \$22,871,000 | 22.60         | \$516,860.53         |
| 14  | 2019           | 2020                       | 2021                | \$0.00      |                      | \$22,871,000 | 22.49         | \$514,276.22         |
| 15  | 2020           | 2021                       | 2022                | \$0.00      |                      | \$22,871,000 | 22.37         | \$511,704.84         |
| 16  | 2021           | 2022                       | 2023                | \$0.00      |                      | \$22,871,000 | 22.26         | \$509,146.32         |
| 17  | 2022           | 2023                       | 2024                | \$0.00      |                      | \$22,871,000 | 22.15         | \$506,600.59         |
| 18  | 2023           | 2024                       | 2025                | \$0.00      |                      | \$22,871,000 | 22.04         | \$504,067.58         |
| 19  | 2024           | 2025                       | 2026                | \$0.00      |                      | \$22,871,000 | 21.93         | \$501,547.24         |
| 20  | 2025           | 2026                       | 2027                | \$0.00      |                      | \$22,871,000 | 21.82         | \$499,039.51         |
| 21  | 2026           | 2027                       | 2028                | \$0.00      |                      | \$22,871,000 | 21.71         | \$496,544.31         |
| 22  | 2027           | 2028                       | 2029                | \$0.00      |                      | \$22,871,000 | 21.60         | \$494,061.59         |
| 23  | 2028           | 2029                       | 2030                | \$0.00      |                      | \$22,871,000 | 21.49         | \$491,591.28         |
| 24  | 2029           | 2030                       | 2031                | \$0.00      |                      | \$22,871,000 | 21.39         | \$489,133.33         |
| 25  | 2030           | 2031                       | 2032                | \$0.00      |                      | \$22,871,000 | 21.28         | \$486,687.66         |
| 26  | 2031           | 2032                       | 2033                | \$0.00      |                      | \$22,871,000 | 21.17         | \$484,254.22         |
| 27  | 2032           | 2033                       | 2034                | \$0.00      |                      | \$22,871,000 | 21.07         | \$481,832.95         |
| 28  | 2033           | 2034                       | 2035                | \$0.00      |                      | \$22,871,000 | 20.96         | \$479,423.78         |
| <b>Totals</b>                                   |                |                            |                     |             | <b>\$ 22,871,000</b> |              |               | <b>\$ 14,036,211</b> |
| Net Present Value of 2008-2035 Increment @ 5.0% |                |                            |                     |             |                      |              |               | \$7,445,867.53       |



**Schedule 2 Tax Increment Analysis (Senior/Multi-family)**

| Base Value                                      |                | \$1,914,600                | Inflation Factor    |             | 0.00%                |              |                |                     |
|---|----------------|----------------------------|---------------------|-------------|----------------------|--------------|----------------|---------------------|
| Senior/Multi Family Development                 |                | Tax Rate Adjustment Factor |                     | -0.50%      |                      |              |                |                     |
| Construction Year                               | Valuation Year | Revenue Year               | Inflation Increment | Value Added | Valuation Increment  | Tax Rate     | Tax Increment  |                     |
| 1   | 2006           | 2007                       | 2008                | \$0.00      | \$ 3,000,000         | \$3,000,000  | 24.00          | \$72,000.00         |
| 2   | 2007           | 2008                       | 2009                | \$0.00      | \$ 9,700,000         | \$12,700,000 | 23.88          | \$303,276.00        |
| 3   | 2008           | 2009                       | 2010                | \$0.00      | \$ 1,022,000         | \$13,722,000 | 23.76          | \$326,042.95        |
| 4   | 2009           | 2010                       | 2011                | \$0.00      |                      | \$13,722,000 | 23.64          | \$324,412.74        |
| 5   | 2010           | 2011                       | 2012                | \$0.00      |                      | \$13,722,000 | 23.52          | \$322,790.67        |
| 6   | 2011           | 2012                       | 2013                | \$0.00      |                      | \$13,722,000 | 23.41          | \$321,176.72        |
| 7   | 2012           | 2013                       | 2014                | \$0.00      |                      | \$13,722,000 | 23.29          | \$319,570.84        |
| 8   | 2013           | 2014                       | 2015                | \$0.00      |                      | \$13,722,000 | 23.17          | \$317,972.98        |
| 9   | 2014           | 2015                       | 2016                | \$0.00      |                      | \$13,722,000 | 23.06          | \$316,383.12        |
| 10  | 2015           | 2016                       | 2017                | \$0.00      |                      | \$13,722,000 | 22.94          | \$314,801.20        |
| 11  | 2016           | 2017                       | 2018                | \$0.00      |                      | \$13,722,000 | 22.83          | \$313,227.20        |
| 12  | 2017           | 2018                       | 2019                | \$0.00      |                      | \$13,722,000 | 22.71          | \$311,661.06        |
| 13  | 2018           | 2019                       | 2020                | \$0.00      |                      | \$13,722,000 | 22.60          | \$310,102.76        |
| 14  | 2019           | 2020                       | 2021                | \$0.00      |                      | \$13,722,000 | 22.49          | \$308,552.24        |
| 15  | 2020           | 2021                       | 2022                | \$0.00      |                      | \$13,722,000 | 22.37          | \$307,009.48        |
| 16  | 2021           | 2022                       | 2023                | \$0.00      |                      | \$13,722,000 | 22.26          | \$305,474.43        |
| 17  | 2022           | 2023                       | 2024                | \$0.00      |                      | \$13,722,000 | 22.15          | \$303,947.06        |
| 18  | 2023           | 2024                       | 2025                | \$0.00      |                      | \$13,722,000 | 22.04          | \$302,427.33        |
| 19  | 2024           | 2025                       | 2026                | \$0.00      |                      | \$13,722,000 | 21.93          | \$300,915.19        |
| 20  | 2025           | 2026                       | 2027                | \$0.00      |                      | \$13,722,000 | 21.82          | \$299,410.61        |
| 21  | 2026           | 2027                       | 2028                | \$0.00      |                      | \$13,722,000 | 21.71          | \$297,913.56        |
| 22  | 2027           | 2028                       | 2029                | \$0.00      |                      | \$13,722,000 | 21.60          | \$296,423.99        |
| 23  | 2028           | 2029                       | 2030                | \$0.00      |                      | \$13,722,000 | 21.49          | \$294,941.87        |
| 24  | 2029           | 2030                       | 2031                | \$0.00      |                      | \$13,722,000 | 21.39          | \$293,467.16        |
| 25  | 2030           | 2031                       | 2032                | \$0.00      |                      | \$13,722,000 | 21.28          | \$291,999.83        |
| 26  | 2031           | 2032                       | 2033                | \$0.00      |                      | \$13,722,000 | 21.17          | \$290,539.83        |
| 27  | 2032           | 2033                       | 2034                | \$0.00      |                      | \$13,722,000 | 21.07          | \$289,087.13        |
| 28  | 2033           | 2034                       | 2035                | \$0.00      |                      | \$13,722,000 | 20.96          | \$287,641.69        |
| <b>Totals</b>                                   |                |                            |                     |             | <b>\$ 13,722,000</b> |              |                | <b>\$ 8,343,170</b> |
| Net Present Value of 2008-2035 Increment @ 5.0% |                |                            |                     |             |                      |              | \$4,393,140.46 |                     |

**Schedule 3 Tax Increment Analysis (Residential Condos)**

| Base Value                                      |                | \$1,914,600  | Inflation Factor           |             | 0.00%                |              |                     |              |
|---|----------------|--------------|----------------------------|-------------|----------------------|--------------|---------------------|--------------|
| Residential Condo Development                   |                |              | Tax Rate Adjustment Factor |             | -0.50%               |              |                     |              |
| Construction Year                               | Valuation Year | Revenue Year | Inflation Increment        | Value Added | Valuation Increment  | Tax Rate     | Tax Increment       |              |
| 1   | 2006           | 2007         | 2008                       | \$0.00      | \$ 4,000,000         | \$4,000,000  | 24.00               | \$96,000.00  |
| 2   | 2007           | 2008         | 2009                       | \$0.00      | \$ 7,400,000         | \$11,400,000 | 23.88               | \$272,232.00 |
| 3   | 2008           | 2009         | 2010                       | \$0.00      | \$ 1,225,000         | \$12,625,000 | 23.76               | \$299,977.58 |
| 4   | 2009           | 2010         | 2011                       | \$0.00      |                      | \$12,625,000 | 23.64               | \$298,477.69 |
| 5   | 2010           | 2011         | 2012                       | \$0.00      |                      | \$12,625,000 | 23.52               | \$296,985.30 |
| 6   | 2011           | 2012         | 2013                       | \$0.00      |                      | \$12,625,000 | 23.41               | \$295,500.37 |
| 7   | 2012           | 2013         | 2014                       | \$0.00      |                      | \$12,625,000 | 23.29               | \$294,022.87 |
| 8   | 2013           | 2014         | 2015                       | \$0.00      |                      | \$12,625,000 | 23.17               | \$292,552.76 |
| 9   | 2014           | 2015         | 2016                       | \$0.00      |                      | \$12,625,000 | 23.06               | \$291,089.99 |
| 10  | 2015           | 2016         | 2017                       | \$0.00      |                      | \$12,625,000 | 22.94               | \$289,634.54 |
| 11  | 2016           | 2017         | 2018                       | \$0.00      |                      | \$12,625,000 | 22.83               | \$288,186.37 |
| 12  | 2017           | 2018         | 2019                       | \$0.00      |                      | \$12,625,000 | 22.71               | \$286,745.44 |
| 13  | 2018           | 2019         | 2020                       | \$0.00      |                      | \$12,625,000 | 22.60               | \$285,311.71 |
| 14  | 2019           | 2020         | 2021                       | \$0.00      |                      | \$12,625,000 | 22.49               | \$283,885.15 |
| 15  | 2020           | 2021         | 2022                       | \$0.00      |                      | \$12,625,000 | 22.37               | \$282,465.73 |
| 16  | 2021           | 2022         | 2023                       | \$0.00      |                      | \$12,625,000 | 22.26               | \$281,053.40 |
| 17  | 2022           | 2023         | 2024                       | \$0.00      |                      | \$12,625,000 | 22.15               | \$279,648.13 |
| 18  | 2023           | 2024         | 2025                       | \$0.00      |                      | \$12,625,000 | 22.04               | \$278,249.89 |
| 19  | 2024           | 2025         | 2026                       | \$0.00      |                      | \$12,625,000 | 21.93               | \$276,858.64 |
| 20  | 2025           | 2026         | 2027                       | \$0.00      |                      | \$12,625,000 | 21.82               | \$275,474.35 |
| 21  | 2026           | 2027         | 2028                       | \$0.00      |                      | \$12,625,000 | 21.71               | \$274,096.98 |
| 22  | 2027           | 2028         | 2029                       | \$0.00      |                      | \$12,625,000 | 21.60               | \$272,726.49 |
| 23  | 2028           | 2029         | 2030                       | \$0.00      |                      | \$12,625,000 | 21.49               | \$271,362.86 |
| 24  | 2029           | 2030         | 2031                       | \$0.00      |                      | \$12,625,000 | 21.39               | \$270,006.04 |
| 25  | 2030           | 2031         | 2032                       | \$0.00      |                      | \$12,625,000 | 21.28               | \$268,656.01 |
| 26  | 2031           | 2032         | 2033                       | \$0.00      |                      | \$12,625,000 | 21.17               | \$267,312.73 |
| 27  | 2032           | 2033         | 2034                       | \$0.00      |                      | \$12,625,000 | 21.07               | \$265,976.17 |
| 28  | 2033           | 2034         | 2035                       | \$0.00      |                      | \$12,625,000 | 20.96               | \$264,646.29 |
| <b>Totals</b>                                   |                |              |                            |             | <b>\$ 12,625,000</b> |              | <b>\$ 7,699,135</b> |              |
| Net Present Value of 2008-2035 Increment @ 5.0% |                |              |                            |             |                      |              | \$4,064,104.96      |              |



**CITY OF WEST ALLIS**  
WISCONSIN



**CITY ASSESSOR**

February 22, 2006

John Stibal  
Director  
Department of Development  
City of West Allis

RE: Project Plan for Tax Incremental District Number Nine

Dear Mr. Stibal:

The percentage of taxable property in the eight certified districts compared with all taxable property in the City of West Allis for 2005 is: 3.43%

|                           |                 |
|---------------------------|-----------------|
| TOTAL TIF VALUE:          | \$120,867,505   |
| TOTAL CITY OF WEST ALLIS: | \$3,519,075,159 |

If you included the value of the proposed TIF number nine the percentage would be:  
3.49%

Sincerely,

Charles F. Ruud  
City Assessor

**Attachment No. 2 – Legal Opinion**

**DRAFT**

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

RE: Project Plan for Tax Increment District Number Nine

Dear Mr. Stibal:

Pursuant to your request, I have reviewed the Project Plan for Tax Increment District Number Nine. Based upon that review, I am of the opinion that the Plan is complete and complies with all of the statutory requirements of Wis. States §66.1105(4)(f) and render this opinion in compliance with that statutory provision.

Yours very truly,

Scott Post  
City Attorney