

EXHIBIT A



PROJECT PLAN AMENDMENT NUMBER ONE
TAX INCREMENTAL DISTRICT NUMBER ELEVEN,
CITY OF WEST ALLIS, WISCONSIN

84th & Greenfield



- Plan Commission - Review January 26, 2016
- Joint Review Board - Organizational Meeting February 1, 2016
- CDA – Public Hearing February 9, 2016
- CDA – Plan Approval February 9, 2016
- City Council – Adoption March 1, 2016
- Joint Review Board March 3, 2016

Prepared by: Department of Development | City of West Allis
January 21, 2016

Amendment Number One to Tax Increment District Number Eleven

January 20, 2016

I. Background

Tax Incremental Finance District (TID) Number Eleven is located in the area of S. 84 St. and W. Greenfield Ave. The TID 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. The Community Development Authority of the City of West Allis (CDA) acquired all the 11.4 acres for future redevelopment.

Development commenced in 2014 with the construction of a \$13.9 million Hampton Inn and Suites hotel with a banquet facility. Opening fall of 2015, the hotel occupies 3.2 acres of the District, leaving two (2) additional parcels for complementary redevelopment.

The Projects associated with this TID expenses have totaled approximately \$1.3 million to date. Those funds were used for acquisition and relocation of non-grant eligible properties, environmental clean-up and administration including legal fees. The TID benefited from a combination of TID, state and federal grants, and creative financing that included a \$3.8 million Community Development Block Grant – Emergency Assistance Program (CDBG-EAP), \$200,000 U.S. EPA Grant, and a \$29,000 Site Assessment Grant from Wisconsin Department of Natural Resources.

In 2015, the District had a value of \$3,044,400. The new hotel site had a value of \$1.4 million in 2015 and is anticipated to increase to approximately \$10.1 million in 2016. Without additional development or costs, the District is projected to pay off its existing debt with the incremental value provided by the hotel development by 2021.

II. Summary of Tax Increment Financing District

The following **Table 1** provides how the District is currently performing and how the District is projected to perform after Amendment One. To date, the TIF district has incurred over \$1.8 in expenses. TIF District Number Eleven is performing well with the attraction of the new hotel. The attached **Table 2** shows an audited financial statement that provides an historical summary of the TIF District's performance through Dec. 31, 2014. The summary is prior to the land sale and construction of the hotel.

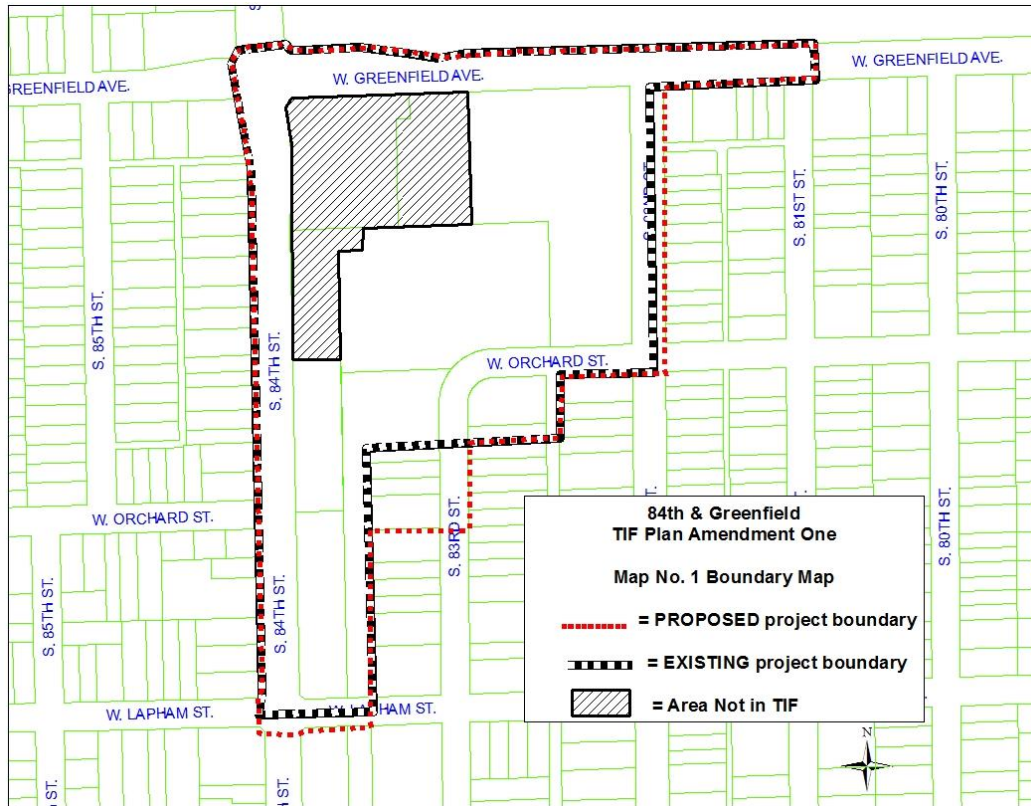
Table 1.

	Current	Amended
Base Value	\$4,678,100	\$5,075,600
Current Value	\$10,100,000	\$10,100,000
Projected Value	\$10,100,000	\$43,481,924
Tax Increment Value	\$7,046,200	\$38,406,324
Original Property Taxes	\$127,057	\$145,744
Property Taxes Increment	\$201,791	\$1,066,840
Date TID to Expire	23-years (2033)	22-years (2032)

Purpose of the Amendment

Purpose of the TID Eleven Boundary and Project Amendment is to add four (4) additional properties to the TIF District and to add an additional \$7.3 million of expenses to the TID. The current boundary of the TID Eleven is provided below in **Map No.1**. The map also displays the amended boundary that includes additional property and right-of-way.

Map No. 1



The amendment includes the addition of three (3) private residential properties and one (1) former residential property owned by the Community Development Authority of the City of West Allis (CDA). Also, the amendment includes additional City right-of-way land along W. Lapham St. and S. 83 St. The additional four (4) parcels include:

Table 3.

	Address	Parcel Number	Acres
1	15** S. 83 St.	452-0420-000	0.122
2	1525-27 S. 83 St.	452-0421-000	0.122
3	1529-31 S. 83 St.	452-0422-000	0.122
4	1533-35 S. 83 St.	452-0423-000	0.243
Total			0.609

III. Summary

Amendment One will provide approximately \$7.3 million in tax incremental financing funds for project expenses that may include on- or offsite improvements, environmental expenses, developer financing, interest expense, economic and rehabilitation program expenses.

The Amendment is important to the attraction of about a \$32 million development that consists of approximately 214 upscale apartments. The development project currently plans to include four (4), four-story buildings, built in one (1) phase. The development will include approximately 240 underground parking spaces and 79 surface parking spaces.

Based on the expenses and projected performance of the TID, the life of the TIF District may be reduced by approximately two (2) years from approximately 2034 to 2032, for total open period of 22 years. The open period is shorter than the 27 year statutory limit under Wisconsin Statute 66.1105.

A. Provide Development Financing

As the TID stands today, the CDA has additional land for development within the District (after the hotel development), totaling approximately 4.3 acres. A developer is interested in purchasing the CDA-owned land and assembling additional privately-owned parcels. The financing of the project could involve the use of public financing from the TID in the amount of approximately \$5 million plus capitalized interest. The strategy being considered is a developer-funded TID in which the developer secures private financing and the City pledges the incremental taxes gained from the development to the developer to utilize as debt service payments.

B. Storm Water Costs

\$600,000 of TIF expense will be used to support the City's portion of the storm water controls for the overall development within the TID.

An additional \$350,000 in financing to the hotel developer would be considered to underwrite the cost of the storm water control installation and construction.

C. Economic and Neighborhood Residential Improvement Program

The amendment to the TID includes \$500,000 of funding to support the creation of an economic development program that may include the creation of a revolving loan program, a program to address site demolition of blighted properties, and the expansion of the City's Neighborhood Residential Improvement Program that is directed towards housing rehabilitation. A portion of the funds will be used to provide leveraged investment in the area that will help enhance commercial properties while attracting new and expanding businesses.

In addition, a portion of the funds will be used for the purpose to expand the City's affordable housing rehabilitation loans to properties within a ½ mile radius of the TIF District borders, or the "TID Target Lending Area." The goal is to enhance properties and grow property value within the immediate neighborhood of the TIF District. There are no income or equity requirements for the TID-finance Neighborhood Residential Improvement Program. The program offers assistance for new roofs and siding to energy efficient windows and insulation. Curb appeal is a major goal as the program can assist with a new porch, landscaping, or fence repair. Exterior repairs are the first priority of the program, but interior repairs may be considered, such as energy efficient furnaces, renovation of a kitchen, or the addition of a room or bathroom. To attract new homeowners

to the area, the program could look to offer a homebuyer down payment assistance component of the program. The funds are programed like a revolving loan fund. Loans will be provided to eligible applicants, and principal and interest payments will go towards additional future loans under the program. The map below (**Map. No. 2**) provides the eligible area and the maximum eligible properties within ½ mile radius of the TIF District Number Eleven borders.

A portion of the funds may be used for demolition and/or removal of blighted properties within the general area.

D. Administrative Expenses

Amendment One incorporates an additional \$150,000 for Administrative and legal expense. These expenses will cover required independent audit expenses, project delivery expenses, associated staff time to manage and oversee the implementation of a developer-funded TID, to manage and negotiate the economic incentive program, and to oversee the Neighborhood Residential Improvement Program.

IV. “But For” Test

The Amendment would allow additional development to occur while growing the tax base of the District and introduce Class A housing to the neighborhood. Based on market conditions, current conditions, and future current growth in the District from the hotel development, the City has determined that redevelopment of the area will not occur through private investment only, unless for the use of Tax Incremental Financing. With of the use of TIF, redevelopment of the area is unlikely, and current condition, environmental issues, and aged commercial buildings would remain.

V. Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District.

The public works and improvements undertaken in the District include those identified in the original Plan dated November 9, 2009. By this amendment to TIF Number Eleven, the TIF District will incur costs for on-site and offsite improvements, in accordance with Wisconsin State Statute 66.1105(2)(f)1n. The project will include additional private financing for development within TIF Number Eleven, funds for storm water controls, environmental remediation impacted soil management, demolition, and an allocation to create an economic and residential rehabilitation program in the surrounding neighborhood, and Administrative expenses.

VI. Economic Feasibility Study

The District has sufficient positive tax increment to pay its annual debt and based on projections with an additional \$32 million in development value, will be able to support the debt service for the additional approximately \$7.3 million in TIF financing. Based on projections, the increment generated by the development will satisfy the District’s debt. **Table 4** shows the economic feasibility of Amendment One.

VII. Description of the Methods of Financing all Estimated Project Costs and the Time When the Costs of Monetary Obligations Related Thereto are to be Incurred.

Financing is required with this amendment. The approximately \$7.3 million in additional TIF funds may be achieved through the borrowing of debt funds from the State Trust Funds, and/or the sale of Taxable or Tax Exempt General Obligation (G.O.) Bonds, and/or other financing methods.

VIII. Detailed List of Estimated Project Costs

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

Administrative expenses include but are not limited to covering auditing costs, legal costs, administration of the TIF reimbursement process, administration to execute the developer’s agreement, project delivery costs, and general administrative oversight.

VIV. Proposed changes in Zoning Ordinance, the City’s Master Plan, Map, Building Codes or Ordinances

The West Allis 2030 Comprehensive Plan shows the existing TIF Number Eleven area as a commercial land use designation, which corresponds to the C-3 Community Commercial District zoning. The additional land under Amendment One is shown as high density residential land use in the 2030 Comprehensive Plan and is currently zoned RB-2 Residence District. The proposed change under this amendment would require a land use map amendment of the 2030 Comprehensive Plan, in addition to rezoning the four (4) “new” properties from RB-2 Residence District to C-3 Community Commercial District, consistent with the rest of the TID.

X. List of Estimated Non-Project Costs

No non-project costs are proposed at this time by this amendment.

XI. Statement of the Proposed Method for the Relocation of Any Persons design Displaced.

It is not anticipated that any relocation will be required in connection with this amendment.

The City does not anticipate acquiring any of the additional parcels included in this Amendment. If the event that public relocation becomes necessary, before negotiations being for the acquisition of the property or easements, all property owners will provided an informational pamphlet prepared be the Wisconsin Department of Administration’s (DOA), and if any person is to be displaced as a result of the acquisition, they will be given a pamphlet on “Relocation Rights” as prepared by the DOA. The City will file a relocation plan with the DOA, and shall keep records as required in Section 32.27 of Wisconsin Statutes. The City will provide each owner a full narrative appraisal, a map showing the owners of all

property affected by the proposed project and a list of neighboring landowners to who offers are being made as required by law.

XII. Statement Indicating how this Amendment Promotes Orderly Development of the City

The proposed approximately \$7.3 million Tax Incremental Financing funds under Amendment Number One offset costs and improvements within TIF District Number Eleven borders, and within the ½-mile radius of the District’s boundaries. These costs and improvements would not take place but for the assistance of Tax Incremental Financing. The \$5.35 million of funding will be utilized as developer financing for the project, approximately \$542,000 for capitalized interest, \$600,000 to complete the storm water improvements for the overall District, \$150,000 for management and disposal of impacted soils in the area of the new development, and \$500,000 for an economic development and housing rehabilitation program. The economic development and housing rehabilitation program will help enhance surrounding commercial properties or assist in the attraction of new or expanding commercial businesses. The housing rehabilitation aspect of the program will offers an opportunity for increased property value within a ½-mile radius of the District’s boundaries by loaning homeowner rehabilitation funds that would not otherwise be available to them.

XIII. Equalized Value Test

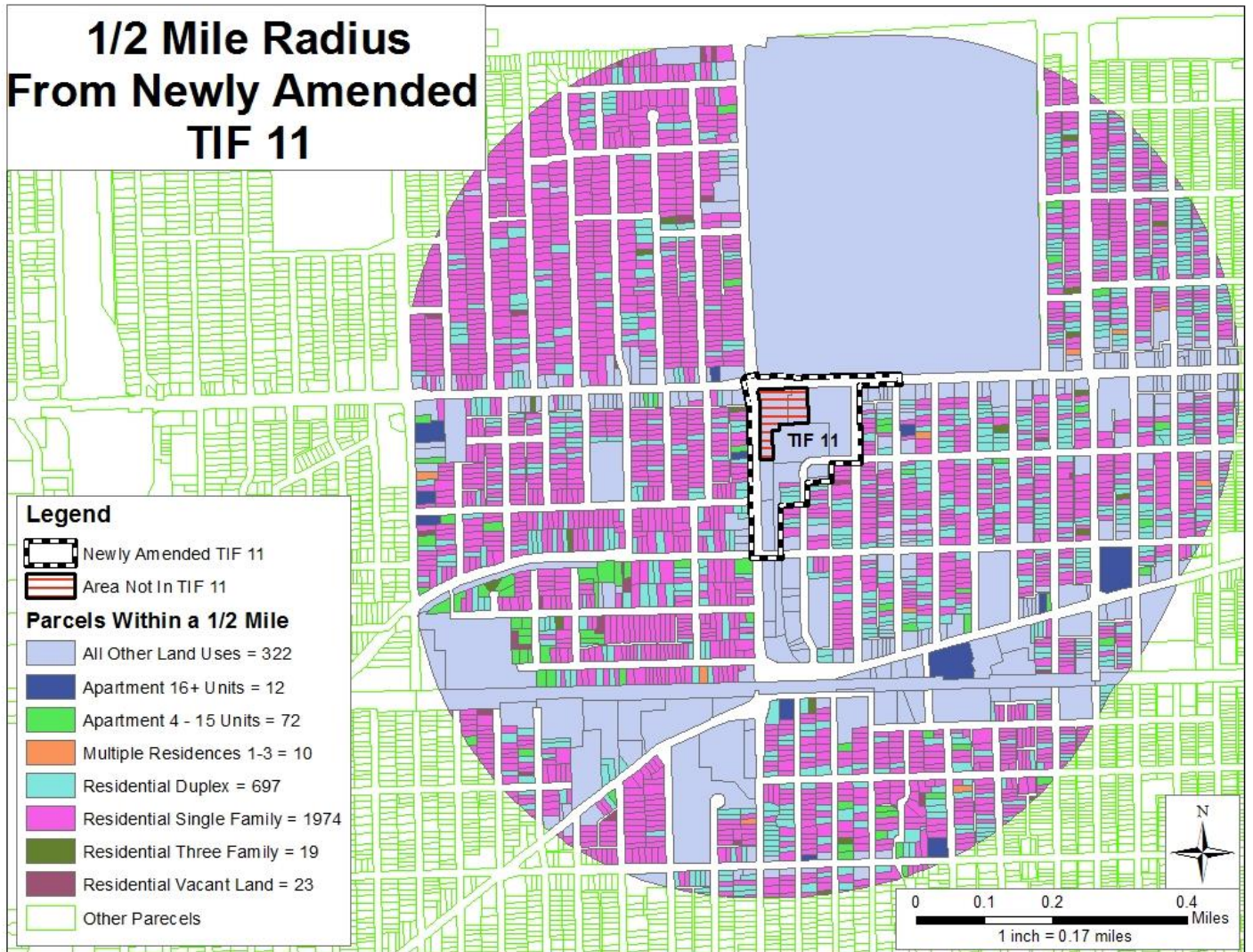
The total 2015 equalized value (TIF in) for the City of West Allis is \$3,741,492.800. The equalized value of the increment of existing Tax Increment Districts within the City, including the proposed District amendment, totals \$123,497,900. This value represents 2.71% of the total equalized value and is less than the maximum of 12% that is permitted for the City of West Allis. In conclusion, the City is in compliance with the statutory provisions and may proceed with the creation of this District.

XIV. Maps Showing: Boundaries, uses and Conditions of the Real Property and Improvements and Uses in the District.

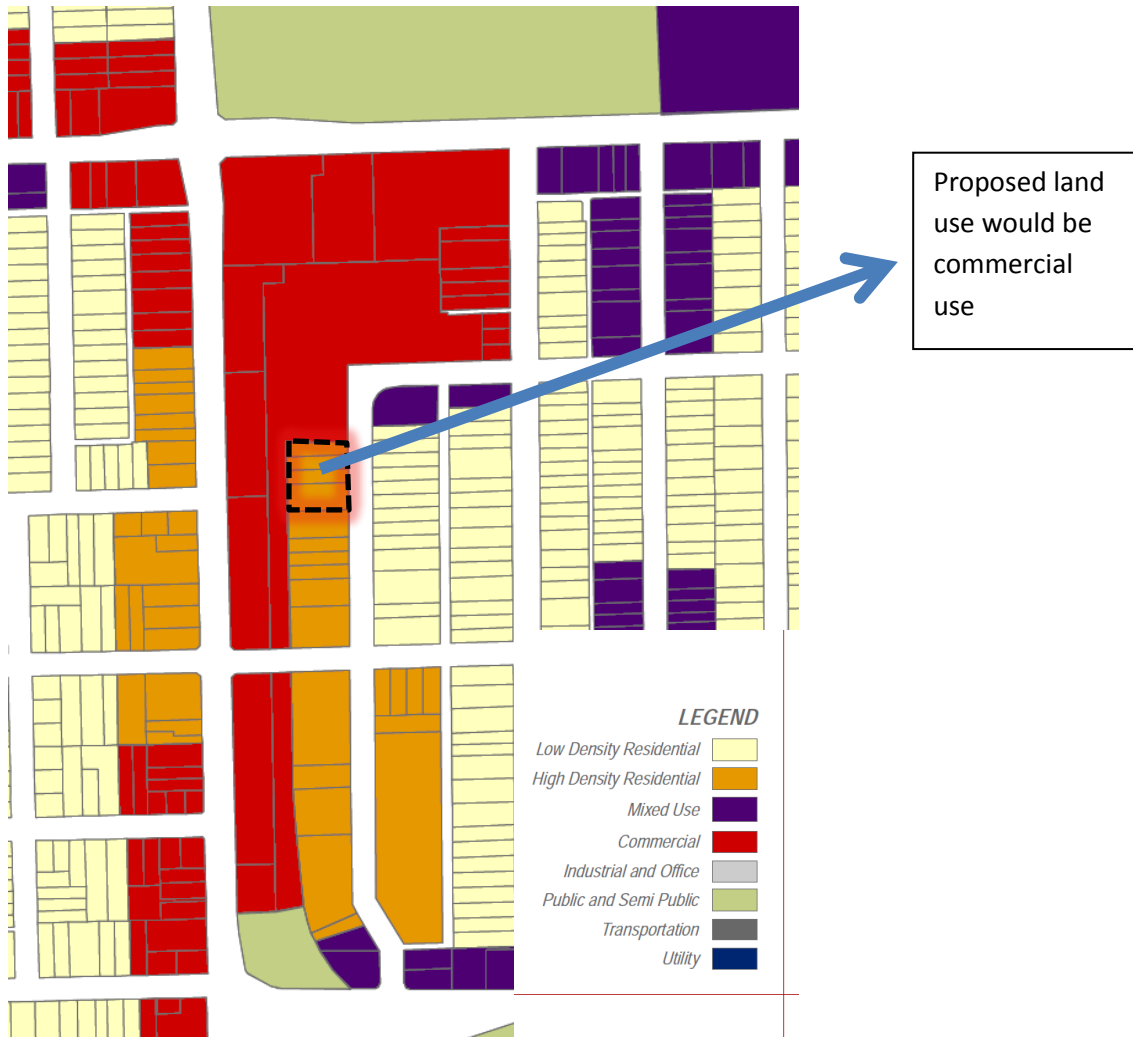
The boundaries, uses and conditions of real property and improvements and uses in the District are modified by this amendment are attached as follows:

- A. Map No. 2** - Proposed Economic and Housing Rehab area.
- B. Map No. 3** - Amended Land Use Map
- C. Map No. 4** – TIF Number 11 Amended Parcel Map
- D. Table 2** - Audited Summary of TIF 11
- E. Table 4** - Economic Feasibility –TIF 11 with Amendment

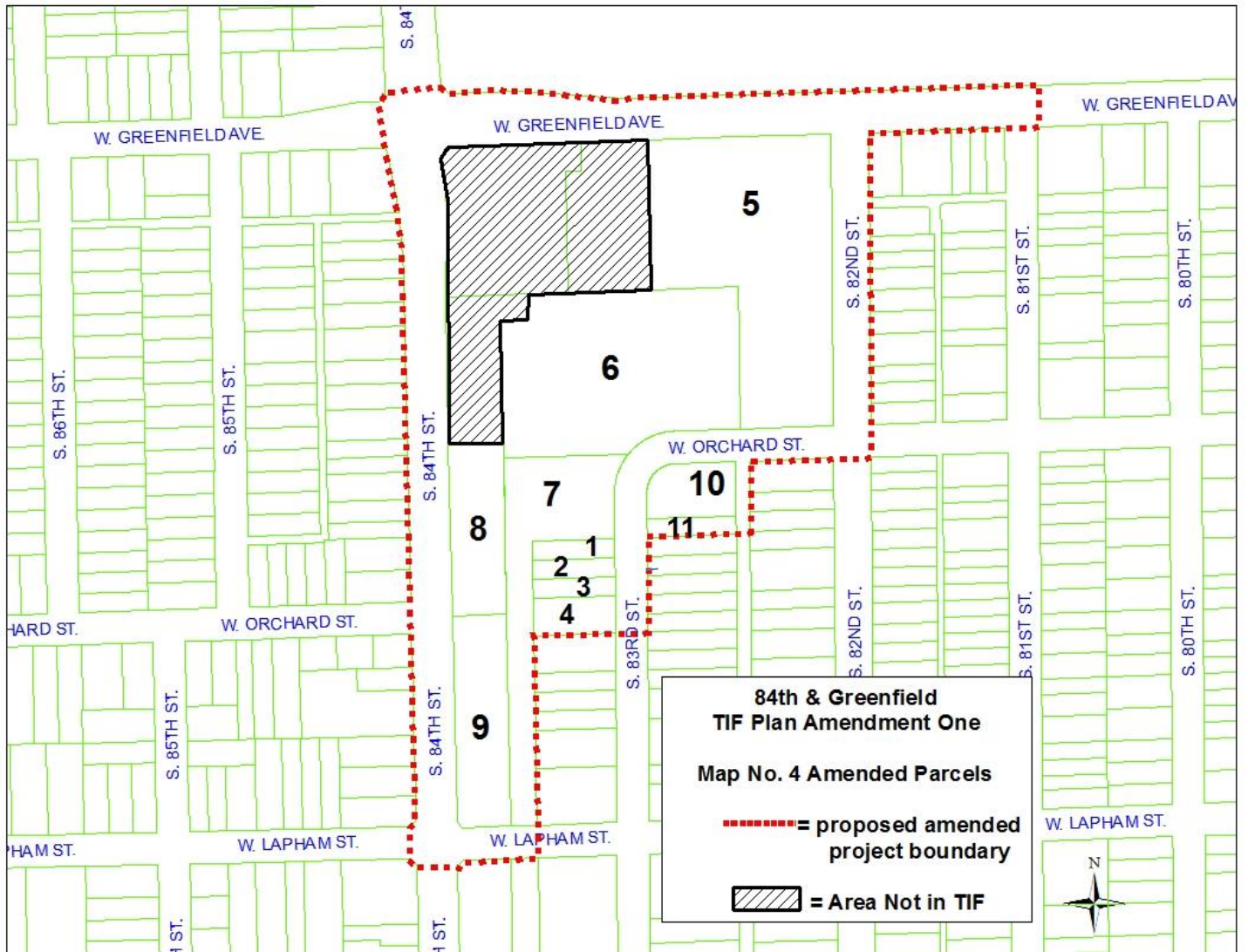
A. Map No. 2 Proposed Economic and Housing Rehab Area.



B. Map No. 3 - Amended Land use Map



C. Map No. 4 – TIF Number 11 Amended Parcels



D. Table 2 - Audited Summary of TIF 11

CITY OF WEST ALLIS, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2014

	Tax Increment Districts (Continued)					Total Capital Projects Funds	Total Nonmajor Governmental Funds
	No. 9	No. 10	No. 11	No. 12	No. 13		
ASSETS							
Cash and investments	\$ 88,013	\$ -	\$ -	\$ -	\$ -	\$ 2,829,467	\$ 4,554,691
Receivables	-	-	-	-	-	-	-
Accounts	-	-	31,097	-	-	612,128	737,736
Notes and loans	-	-	-	-	-	6,582,921	11,627,700
Special assessments	-	-	-	-	-	1,868,642	1,868,642
Interest	-	-	-	-	-	225,734	232,971
Due from other governmental units	-	-	-	-	-	354,806	1,704,853
TOTAL ASSETS	\$ 88,013	\$ -	\$ 31,097	\$ -	\$ -	\$ 12,473,698	\$ 20,726,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 4,831	\$ -	\$ 14,300	\$ 777,758	\$ 1,146,645
Accrued liabilities	-	35	2	-	50	2,453	75,119
Due to other funds	-	768,393	43,935	25,710	129,950	5,180,535	6,109,087
Customer deposits	-	-	-	-	-	41,261	41,261
Unearned revenue	-	-	-	-	-	150,000	374,492
Total Liabilities	-	768,428	48,768	25,710	144,300	6,182,007	7,746,604
Deferred Inflows of Resources							
Special assessments	-	-	-	-	-	1,868,642	1,868,642
Notes and loans	-	-	-	-	-	6,711,262	11,756,041
Total Deferred Inflows of Resources	-	-	-	-	-	8,579,904	13,624,683
Fund Balance (Deficit)							
Restricted	-	-	-	-	-	-	857,471
Grants	-	-	-	-	-	-	758,609
Committed	88,013	-	-	-	-	2,473,959	2,473,959
Assigned	-	-	-	-	-	(4,732,172)	(4,734,733)
Unassigned (deficit)	-	(768,428)	(17,671)	(25,710)	(144,300)	(2,258,213)	(644,694)
Total Fund Balance (Deficit)	88,013	(768,428)	(17,671)	(25,710)	(144,300)	(2,258,213)	(644,694)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 88,013	\$ -	\$ 31,097	\$ -	\$ -	\$ 12,473,698	\$ 20,726,593

E. Table 4 - Economic Feasibility –TIF 11 with Amendment

	A	B	C	D	E	F	G	H
Name	Hotel and Multi-family							
Date	1/20/2016							
TID		11						
Base Year		2010						
A Base Value		\$ 4,678,100						
Demolished Value		\$ 3,021,500						
Retained Base Value		\$ 1,656,600						
Current Year		2015						
Current Value		\$ -						
B Current Debt		\$ 1,218,543						
Mil Rate Year		2015						
Mil Rate		\$ 28.71						
C Interest on Debt		5.25%						
D Value Inflation		1%						

	2016	2017	2018	2019	2020	2021	TOTAL
E Projected TIF Costs	\$6,916,932	\$ 275,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 7,291,932
F Projected Development	\$ 10,100,000	\$ 1,000,000	\$ 7,750,000	\$ 20,925,000	\$ 2,325,000		\$ 42,100,000
Lost Value/Demo	\$ 1,101,100						\$ 1,101,100
Land Change (+/-)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TIF Payout	2032
TIF Years	22

Injection Source	
NMTC	\$ -

Notes/Assumptions		Total Budget
A	Base Value Certified per State letter dated 9.1.11	
B	Current debt balance provided by Finance.	\$1,218,543
C	Higher interest rate based on Developer funded TIF	
D	1% inflation factor	
E	1. Additional stormwater costs - \$600,000	\$ 600,000
	2. Developer Funded TIF	\$5,000,000
	a. Developer requested \$5 million in TIF assistance requires capitalized interest	
	Years Costs Interest Amount	
	1 \$5,025,000 5.25% \$ 263,813	
	2 \$5,288,813 5.25% \$ 277,663	
	Total	\$ 541,475
	3. Administration Charge	
	annually \$ 25,000	
	Years Include 6	\$ 150,000
	4. Additional costs:	
	\$500,000 economic development, housing rehab, etc. (Split	\$ 500,000
	\$150,000 soil to Six Points	\$ 150,000
	5. Hotel Loan Amount	\$ 350,457
F	Not additional value for the hotel development	
	Total	\$ 7,291,932

	Debt	Debt Service		
		5.25%		
Total Revenue	Total Debt	Interest	Balance	TIF Year
\$ -	\$ -	\$ -	\$ -	1
\$ -		\$ -	\$ -	2
\$ -	\$ -	\$ -	\$ -	3
\$ -	\$ -	\$ -	\$ -	4
\$ -	\$ -	\$ -	\$ -	5
\$ (134,330)	\$ 1,218,543	\$ 63,974	\$ 1,282,517	6
\$ (6,725,456)	\$ 8,199,449	\$ 430,471	\$ 8,629,920	7
\$ 140,786	\$ 9,039,250	\$ 474,561	\$ 9,513,811	8
\$ 991,701	\$ 9,347,334	\$ 490,735	\$ 9,838,069	9
\$ 1,066,840	\$ 9,447,284	\$ 495,982	\$ 9,943,266	10
\$ 1,076,441	\$ 8,951,565	\$ 469,957	\$ 9,421,522	11
\$ 1,086,110	\$ 8,354,682	\$ 438,621	\$ 8,793,303	12
\$ 1,120,848	\$ 7,691,862	\$ 403,823	\$ 8,095,685	13
\$ 1,130,655	\$ 6,984,574	\$ 366,690	\$ 7,351,265	14
\$ 1,140,531	\$ 6,230,417	\$ 327,097	\$ 6,557,514	15
\$ 1,150,478	\$ 5,426,859	\$ 284,910	\$ 5,711,769	16
\$ 1,160,496	\$ 4,571,238	\$ 239,990	\$ 4,811,228	17
\$ 1,170,585	\$ 3,660,750	\$ 192,189	\$ 3,852,939	18
\$ 1,180,746	\$ 2,692,443	\$ 141,353	\$ 2,833,797	19
\$ 1,190,979	\$ 1,663,212	\$ 87,319	\$ 1,750,530	20
\$ 1,201,285	\$ 569,785	\$ 29,914	\$ 599,698	21
\$ 1,211,665	\$ (591,281)	\$ (31,042)	\$ (622,323)	22
\$ 1,222,119	\$ (1,823,608)	\$ (95,739)	\$ (1,919,348)	23
\$ 1,232,648	\$ (3,131,013)	\$ (164,378)	\$ (3,295,391)	24
\$ 1,243,252	\$ (4,517,510)	\$ (237,169)	\$ (4,754,680)	25
\$ 1,253,931	\$ (5,987,327)	\$ (314,335)	\$ (6,301,662)	26
\$ 1,264,687	\$ (7,544,913)	\$ (396,108)	\$ (7,941,021)	27
\$ 1,275,520	\$ (9,194,952)	\$ (482,735)	\$ (9,677,687)	28
\$ 1,286,430	\$ (10,942,375)	\$ (574,475)	\$ (11,516,849)	29
\$ 1,297,419	\$ (12,792,369)	\$ (671,599)	\$ (13,463,968)	30
\$ 1,308,486	\$ (14,750,399)	\$ (774,396)	\$ (15,524,795)	31
\$ 1,319,633	\$ (16,822,214)	\$ (883,166)	\$ (17,705,380)	32