



June 19, 2019

Project Plan for the Creation of Tax Incremental District No. 17 (Lincoln West Corridor)



Organizational Joint Review Board Meeting Held:	Scheduled for June 28, 2019
Public Hearing Held:	Scheduled for July 9, 2019
Approval by Community Development Authority:	Scheduled for July 9, 2019
Adoption by Common Council:	Scheduled for August 6, 2019
Approval by the Joint Review Board:	TBD

Tax Incremental District No. 17 Project Plan

City of West Allis Officials

Common Council

Dan Devine	Mayor
Michael Czaplewski	Council Member
Vincent Vitale	Council Member
Martin Weigel	Council Member
Gary Barczak	Council Member
Michael May	Council Member
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Community Development Authority

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Gerald C. Matter, Chair	Karin M. Gale
Ald. Michael Czaplewski	Pete Hansen
Ald. Kevin Haass	Jason Metz

Joint Review Board

Dan Devine, Mayor	City Representative
TBD	Milwaukee County
TBD	Milwaukee Area Technical College District
TBD	West Allis - West Milwaukee School District
Wayne B. Clark	Public Member

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SECTION 1: Executive Summary

Description of District

Tax Incremental District (“TID”) No. 17 (“District”) is a proposed District in need of rehabilitation or conservation comprising approximately 21 acres and including certain parcels in an area bounded generally by West Lincoln Avenue, South 107th Street, West Hayes Avenue and the I-894 Freeway. The District will be created to pay the costs of incentives needed to facilitate development of a 107-room hotel, future medical office or office space and other potential redevelopment activities (“Project”). The first phase of redevelopment, the hotel is to be developed by Catalyst Partners and JNK Development (“Developer”).

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$2.8 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$2.45 million in incentive payments including \$1.45 million for the hotel development, \$750,000 for other incentives related to future redevelopment projects, and \$250,000 for residential rehabilitation assistance. The Plan also includes \$250,000 for potential public infrastructure rehabilitation and \$100,000 for District administrative expense to include cost to create the District.

Incremental Valuation

The City projects that new land and improvements value of approximately \$18 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. Assumptions as to the development timing and associated values is included in Section 10 of this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within this Plan, the City anticipates that the District will generate enough tax increment to pay all Project Costs within eight of its allowable twenty-seven years, reflecting six years of actual tax increment collection given the two-year interval between the time improvements are constructed and the time when taxes are first received.

Summary of Findings

As required by Wis. Stat. § 66.1005, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

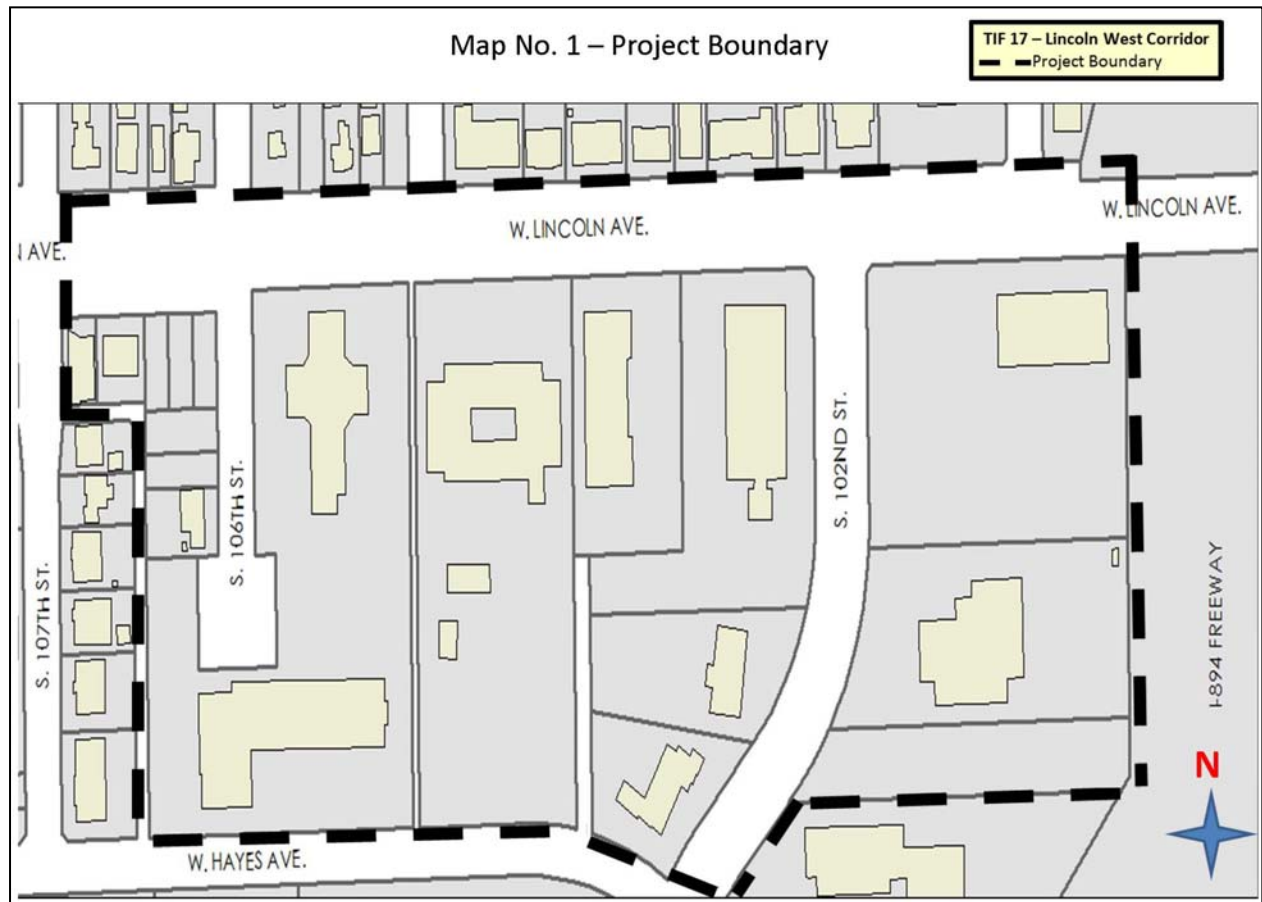
1. **That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In reaching this determination, the City has considered:
 - a) With respect to the hotel development, a review of the Project’s sources and uses, and cash flow proforma prepared by _____ at the request of the City. The Project’s projected return on investment over 10 years without TIF assistance is ____%. The Developer has requested that the City provide incentive payments on a pay as you go basis with an estimated present value of \$1,450,000. Provision of the requested assistance would improve the Project’s return on investment to ____%. Projects of this type typically need to provide a return in the range of ____% to ____% to attract the necessary investment capital.

- b) Regarding other sites within the District, the church site and bank site have been for sale without active offers and may require incentives to foster redevelopment that would meet the City's objectives for the District and area. For these sites, and any other sites within the District, the City will evaluate any TIF assistance requests received to confirm the necessity for incentives.
2. **The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered that in addition to the creation of incremental value, the hotel development will result in short-term construction and long-term hospitality industry employment opportunities, room tax collections, availability of additional lodging and general improvement of the District area likely to enhance values of nearby property. Other potential redevelopment within the District is expected to provide similar employment opportunities, availability of commercial or office space and the opportunity for medical office or other uses to locate in the area which will benefit City and area residents.
 3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in Appendix A of this plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
 4. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a).
 5. Based on the foregoing finding, the District is designated as rehabilitation and conservation district.
 6. The Project Costs relate directly to the rehabilitation and conservation of property and improvements in the District, consistent with the purpose for which the District is created.
 7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
 8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
 9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
 10. That there are no parcels to be included within the District that were annexed by the City within the three-year period preceding adoption of this Resolution.
 11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

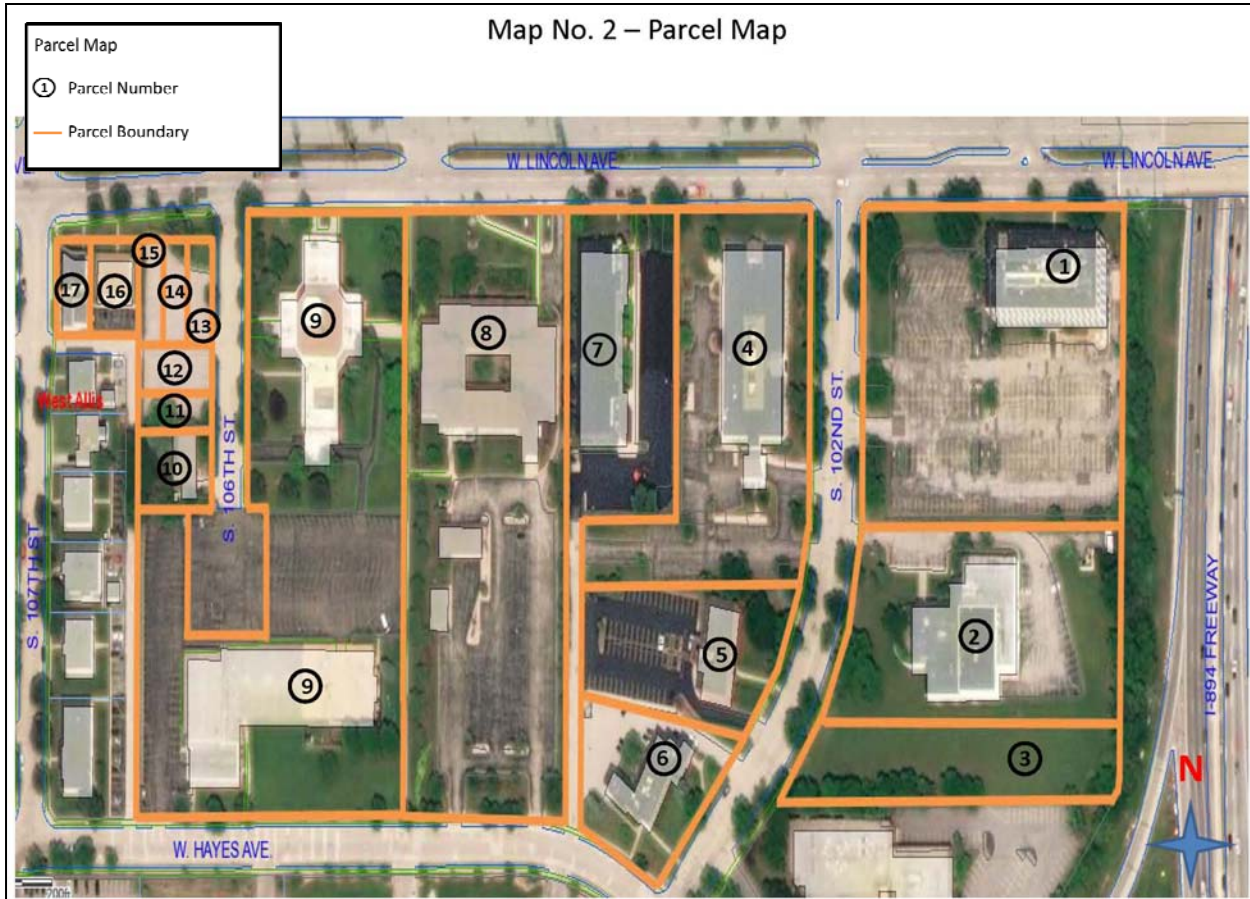
SECTION 2: Type and General Description of District

The District is proposed to be created as a district in need of rehabilitation or conservation comprising approximately 21 acres and including certain parcels in an area bounded generally by West Lincoln Avenue, South 107th Street, West Hayes Avenue and the I-894 Freeway. The District will be created to pay the costs of incentives needed to facilitate development of a 107-room hotel, future medical office or office space and other potential redevelopment activities.

SECTION 3: Preliminary Maps of Proposed District Boundary



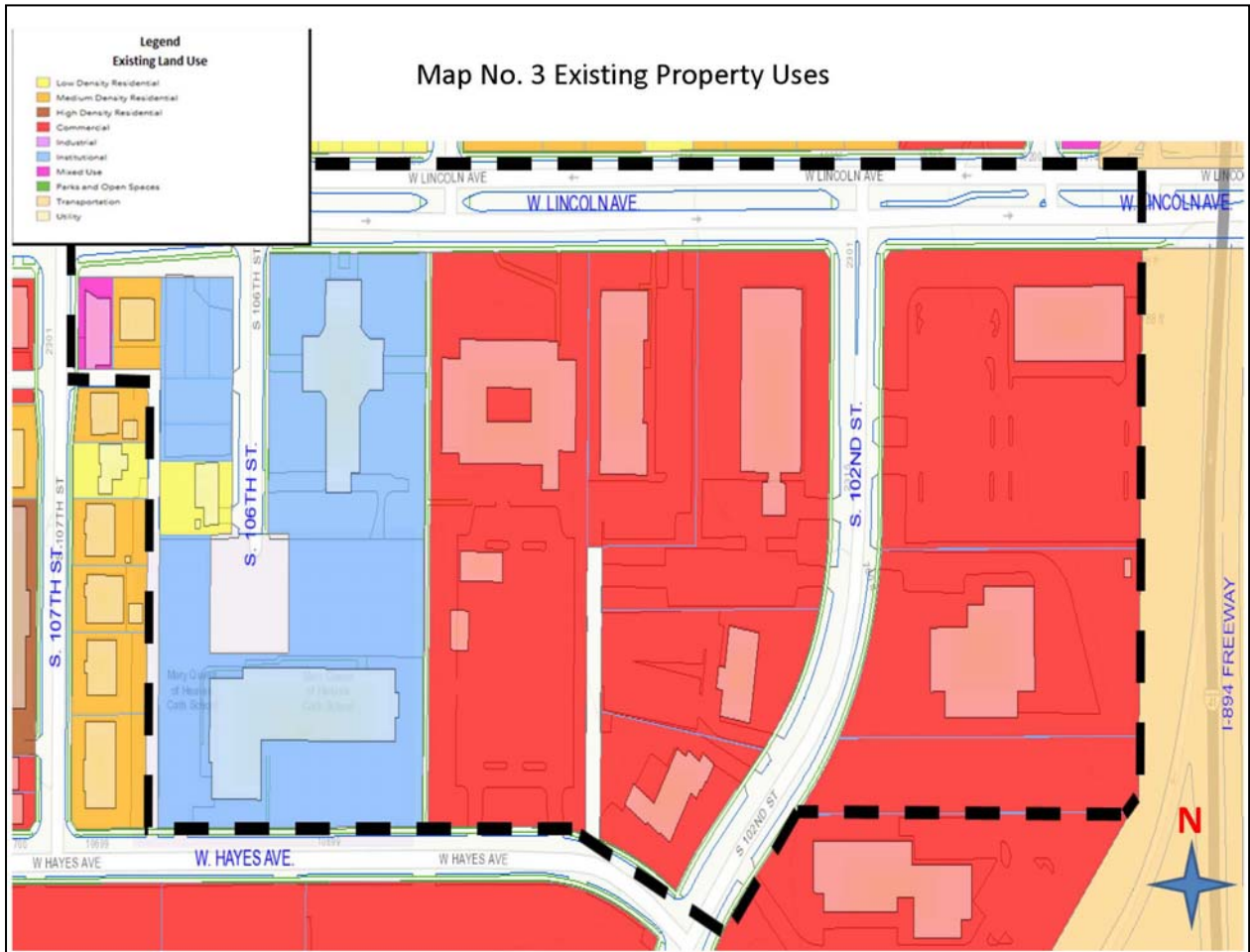
Map No. 2 – Parcel Map



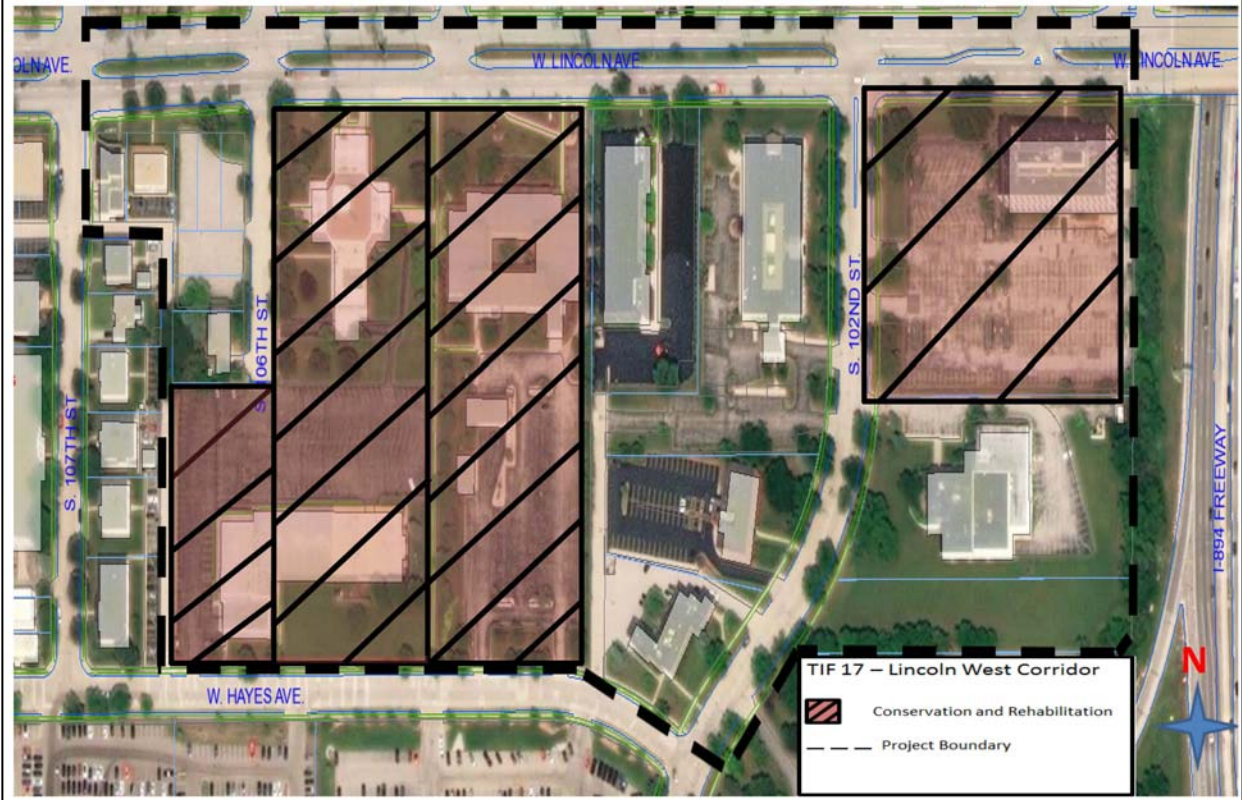
Parcel Map	
①	10201 W. Lincoln Ave.
②	2346-2356 S. 102 nd St.
③	2300 Block S. 102 nd St.
④	2323 S. 102 nd St.
⑤	2363 S. 102 nd St.
⑥	2387 S. 102 nd St.
⑦	10401 W. Lincoln Ave.
⑧	10427 W. Lincoln Ave.
⑨	2322-2360 S. 106 th St.-10515 W. Lincoln Ave.

Parcel Map	
⑩	2331 S. 106 th St.
⑪	2300 Block S. 106 th St.
⑫	2300 Block S. 106 th St.
⑬	10601 W. Lincoln Ave.
⑭	10600 Block W. Lincoln Ave.
⑮	10600 Block W. National Ave.
⑯	10621 W. Lincoln Ave.
⑰	2304 S. 107 th St.-10631 W. Lincoln Ave.

SECTION 4: Maps Showing Existing Uses and Conditions



Map No. 4 – Existing Property Conditions



SECTION 5: Preliminary Parcel List and Analysis

The table located on the following page identifies the parcels to be included in the District. The City funds that 12.12 acres, or 55% of the total area of the real property within the District is in need of rehabilitation or conservation as defined in Wis. Stat. § 66.1337(2m)(a). Specifically, the District consists of certain property where demolition, removal or rehabilitation of buildings and improvements on the property are necessary to eliminate unhealthful, unsanitary or unsafe conditions, to lessen density, to reduce traffic hazards, to eliminate obsolete or other uses detrimental to the public welfare, and to otherwise remove or prevent the spread of blight or deterioration.

City of West Allis

Tax Increment District # 17 (Lincoln West Corridor)

Base Property Information¹

Property Information					Assessment Information				Equalized Value				District Classification		
Map Ref #	Parcel Number	Street Address	Owner	Acreage	Land	Imp	PP	Total	Equalized Value Ratio ²	Land	Imp	PP	Total	Blighted	Rehab/Conservation
1	485-9996-007	10201 W. Lincoln Avenue	CJN Investment Fam Ltd. Parnership	3.189	557,100	503,600		1,060,700	97.20%	573,148	518,107	0	1,091,255		3.189
2	485-9996-009	2346 - 2356 S. 102 St.	Schlafbrunnen Properties LLC	2.135	221,400	1,429,300		1,650,700	97.20%	227,778	1,470,473	0	1,698,251		
3	485-9996-014	2300 Block S. 102 St.	Schlafbrunnen Properties LLC	1.003	139,000	0		139,000	97.20%	143,004	0	0	143,004		
4	485-9995-013	2323 S. 102 St.	David R. Whitmore Trust	2.197	437,600	2,744,100		3,181,700	97.20%	450,206	2,823,148	0	3,273,354		
5	485-9995-014	2363 S. 102 St.	Midwest Property Management LLC	1.003	139,100	1,081,000		1,220,100	97.20%	143,107	1,112,140	0	1,255,247		
6	485-9995-011	2387 S. 102 St.	Hayes Medical Building LLC	0.717	123,600	844,800		968,400	97.20%	127,160	869,136	0	996,296		
7	485-9995-010	10401 W. Lincoln Ave.	Lincoln Center Associates, LLC	1.323	200,600	1,250,800		1,451,400	97.20%	206,379	1,286,831	0	1,493,210		
8	485-9995-004	10427 W. Lincoln Ave.	Layton State Bank	3.737	570,200	1,129,900		1,700,100	97.20%	586,626	1,162,449	0	1,749,074		3.737
9	485-0036-002	2322-60 S. 106 St. -10515 W. Lincoln Ave.	Mary Queen of Heaven Church	4.641	0	0		0	97.20%	0	0	0	0		4.641
10	485-0035-000	2331 S. 106th St.	Gary & Deborah Pluckhahn	0.220	28,100	117,900		146,000	97.20%	28,909	121,296	0	150,206		
11	485-0034-000	2300 Block S. 106th St.	Mary Queen of Heaven Church	0.110	0	0		0	97.20%	0	0	0	0		
12	485-0033-000	2300 Block S. 106th St.	Mary Queen of Heaven Church	0.137	0	0		0	97.20%	0	0	0	0		
13	485-0032-000	10601 W. Lincoln Ave.	Mary Queen of Heaven Church	0.101	0	0		0	97.20%	0	0	0	0		
14	485-0031-000	10600 Block W. Lincoln Ave.	Mary Queen of Heaven Church	0.101	0	0		0	97.20%	0	0	0	0		
15	485-0030-000	10600 Block W. National Ave.	Mary Queen of Heaven Church	0.101	0	0		0	97.20%	0	0	0	0		
16	485-0029-001	10621 W. Lincoln Ave.	Robert & Carol Doll	0.183	59,800	262,800		322,600	97.20%	61,523	270,370	0	331,893		
17	485-0027-000	2304 S. 107th St. - 10631 W. Lincoln Ave.	Carlyle G Paulsen	0.129	39,600	221,900		261,500	97.20%	40,741	228,292	0	269,033		
Total Acreage 21.026					2,516,100	9,586,100	0	12,102,200		2,588,580	9,862,243	0		0	11.5667
													0.00%	55.01%	
													Estimated Base Value 12,450,823		

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

City of West Allis			
Tax Increment District # 17 (Lincoln West Corridor)			
Valuation Test Compliance Calculation			
District Creation Date	8/6/2019		
	Valuation Data Currently Available 2018	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	3,820,597,600		3,820,597,600
12% Test	458,471,712		458,471,712
Increment of Existing TIDs	100,006,700		100,006,700
Projected Base of New or Amended District	12,450,823	3.00%	12,824,348
Total Value Subject to 12% Test	112,457,523		112,831,048
Compliance	PASS		PASS

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

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

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 8 of this Plan along with the Detailed List of Project Costs found in Section 9 provide additional information as to the kind, number and location of potential Project Costs.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Wis. Stat. § 66.1105(2)(f)1 k.

Water System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development and/or redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

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

Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan, the City, through its CDA may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

Contribution to Community Development Authority (CDA).

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

Miscellaneous

Projects Outside the Tax Increment District

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

1. Payment of development incentives to encourage redevelopment projects.
2. Payment of development incentives for residential property rehabilitation.
3. Payment of the cost of public infrastructure rehabilitation.

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

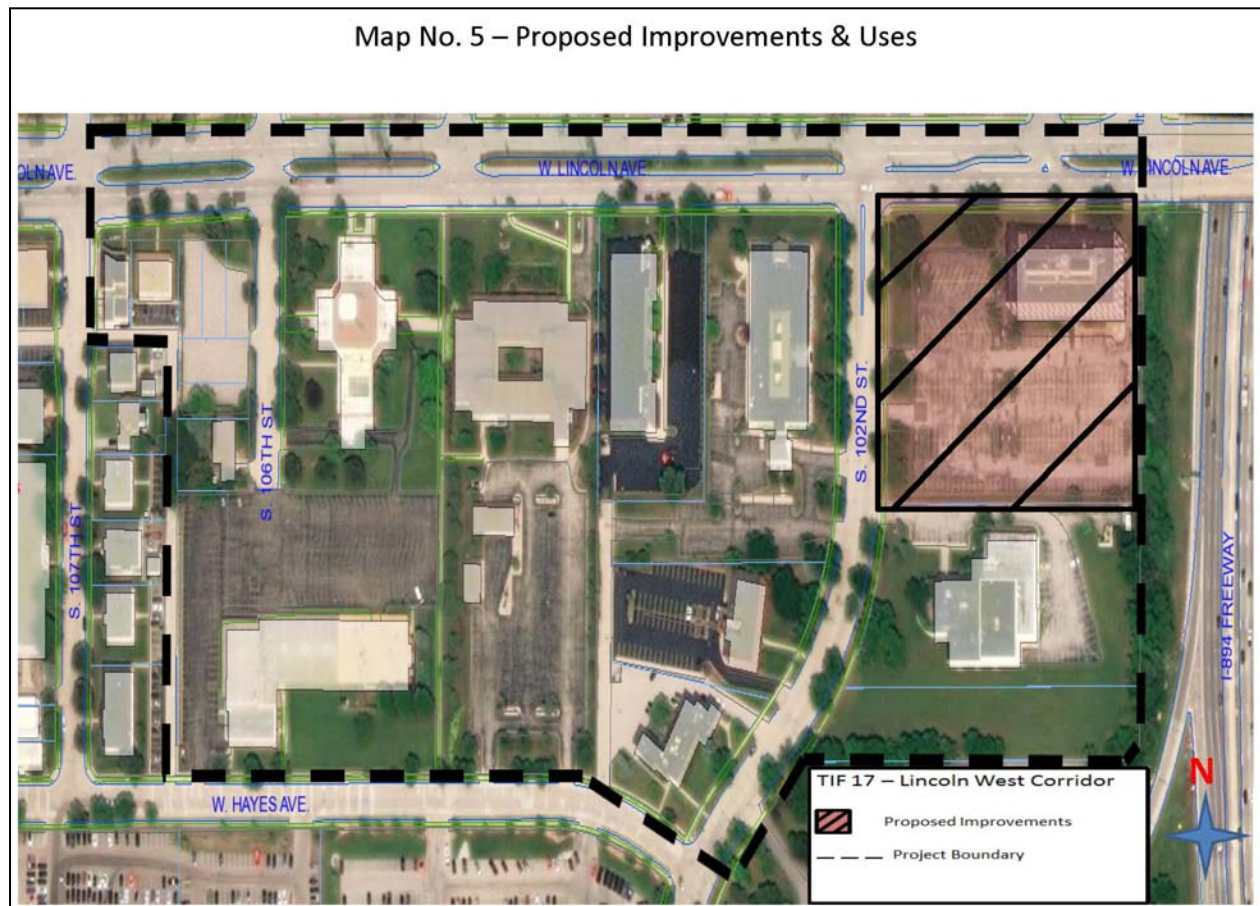
Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

Financing Costs

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

SECTION 8: Map Showing Proposed Improvements and Uses



The proposed improvements identified on the map reflect the location of the proposed hotel development and future medical office, or other office space. Additional redevelopment activity is expected to occur within the District with locations and timing to be determined.

District Project Costs, consisting of development incentives and public infrastructure rehabilitation needs may be made throughout the District.

SECTION 9: Detailed List of Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District's Plan. All projects identified, and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 7 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of West Allis				
Tax Increment District # 17 (Lincoln West Corridor)				
Estimated Project List				
Project ID	Project Name/Type	Phase I 2019 - 2020	Phase II 2021 +	Total
1	Development Incentives			
2	Hotel Project	1,450,000		1,450,000
3	Other Future Incentives ¹		750,000	750,000
4	Residential Rehabilitation ¹		250,000	250,000
5	Public Infrastructure ¹		250,000	250,000
6	Administration	40,000	60,000	100,000
7				0
8				0
9				0
10				0
Total Projects		<u>1,490,000</u>	<u>1,310,000</u>	<u>2,800,000</u>

Notes:
¹Future incentives, residential rehabilitation costs and public infrastructure expense may be incurred for projects within the District, or outside of but within 1/2 mile of the District's boundaries.

SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

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

Key Assumptions

The Project Costs the City plans to make are expected to create \$18 million in incremental value by January 1, 2023. Of this total, approximately one-third or a net of \$12 million in improvements are expected to be completed by January 1, 2021 following completion of the hotel construction. The timing and valuation of the balance of anticipated redevelopment in the District is an assumption for planning purposes only, however, additional development is not needed to fund the Project Costs related to the hotel development. The development projects, estimated valuations and timing are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$28.56 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$13,093,867 in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

City of West Allis
Tax Increment District # 17 (Lincoln West Corridor)
Development Assumptions

Construction Year	Map ID #1 Hotel ¹	Map ID #1 Office/ Medical Office ²	Map ID #9 Church Site Redevelop. ³	Demo Loss ⁴	Annual Total	Construction Year
1 2019	107 Room 3,125,000	15,000 S.F.			2,621,400	2019 1
2 2020	9,375,000			(503,600)	9,375,000	2020 2
3 2021					0	2021 3
4 2022		3,500,000	2,500,000		6,000,000	2022 4
5 2023					0	2023 5
6 2024					0	2024 6
7 2025					0	2025 7
8 2026					0	2026 8
9 2027					0	2027 9
10 2028					0	2028 10
11 2029					0	2029 11
12 2030					0	2030 12
13 2031					0	2031 13
14 2032					0	2032 14
15 2033					0	2033 15
16 2034					0	2034 16
17 2035					0	2035 17
18 2036					0	2036 18
19 2037					0	2037 19
20 2038					0	2038 20
21 2039					0	2039 21
22 2040					0	2040 22
23 2041					0	2041 23
24 2042					0	2042 24
25 2043					0	2043 25
26 2044					0	2044 26
27 2045					0	2045 27
Totals	12,500,000	3,500,000	2,500,000	(503,600)	17,996,400	

Notes:

¹Estimated valuation of hotel provided by City assessor on 6-6-2019.

²Estimated valuation of office/medical building provided by City assessor on 6-6-2019. Construction timing estimate for planning purposes only.

³Timing and valuation are an estimate for planning purposes only.

⁴Current valuation of improvements that will be razed to allow for hotel development.

Table 1 – Development Assumptions

City of West Allis

Tax Increment District # 17 (Lincoln West Corridor)

Tax Increment Projection Worksheet

Type of District	Rehabilitation	Base Value	12,450,823
District Creation Date	August 6, 2019	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2019	Base Tax Rate ¹	\$28.56
Max Life (Years)	27	Rate Adjustment Factor	
Expenditure Period/Termination	22 8/6/2041		
Revenue Periods/Final Year	27 2047		
Extension Eligibility/Years	Yes 3		
Eligible Recipient District	Yes		

	Construction		Inflation	Total				
	Year	Value Added	Valuation Year	Increment	Increment	Revenue Year	Tax Rate	Tax Increment
1	2019	2,621,400	2020	0	2,621,400	2021	\$28.56	74,858
2	2020	9,375,000	2021	0	11,996,400	2022	\$28.56	342,573
3	2021	0	2022	0	11,996,400	2023	\$28.56	342,573
4	2022	6,000,000	2023	0	17,996,400	2024	\$28.56	513,911
5	2023	0	2024	0	17,996,400	2025	\$28.56	513,911
6	2024	0	2025	0	17,996,400	2026	\$28.56	513,911
7	2025	0	2026	0	17,996,400	2027	\$28.56	513,911
8	2026	0	2027	0	17,996,400	2028	\$28.56	513,911
9	2027	0	2028	0	17,996,400	2029	\$28.56	513,911
10	2028	0	2029	0	17,996,400	2030	\$28.56	513,911
11	2029	0	2030	0	17,996,400	2031	\$28.56	513,911
12	2030	0	2031	0	17,996,400	2032	\$28.56	513,911
13	2031	0	2032	0	17,996,400	2033	\$28.56	513,911
14	2032	0	2033	0	17,996,400	2034	\$28.56	513,911
15	2033	0	2034	0	17,996,400	2035	\$28.56	513,911
16	2034	0	2035	0	17,996,400	2036	\$28.56	513,911
17	2035	0	2036	0	17,996,400	2037	\$28.56	513,911
18	2036	0	2037	0	17,996,400	2038	\$28.56	513,911
19	2037	0	2038	0	17,996,400	2039	\$28.56	513,911
20	2038	0	2039	0	17,996,400	2040	\$28.56	513,911
21	2039	0	2040	0	17,996,400	2041	\$28.56	513,911
22	2040	0	2041	0	17,996,400	2042	\$28.56	513,911
23	2041	0	2042	0	17,996,400	2043	\$28.56	513,911
24	2042	0	2043	0	17,996,400	2044	\$28.56	513,911
25	2043	0	2044	0	17,996,400	2045	\$28.56	513,911
26	2044	0	2045	0	17,996,400	2046	\$28.56	513,911
27	2045	0	2046	0	17,996,400	2047	\$28.56	513,911
Totals		17,996,400		0		Future Value of Increment		13,093,867

Notes:

¹Tax rate shown is actual TID interim rate for the 2018/19 levy per DOR Form PC-202 (Tax Increment Collection Worksheet).

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

Expected District Project Costs consist of development incentives in an estimated amount of \$2.45 million including \$1.45 million for the hotel development, \$750,000 for other incentives related to future redevelopment projects, and \$250,000 for residential rehabilitation assistance. The Plan also includes \$250,000 for potential public infrastructure rehabilitation and \$100,000 for District administrative expense to include cost to create the District. All Project Costs will be paid from tax increment as it is received, and the City's obligation to make development incentive payments will be limited to tax increment generated by the Project and subject to annual appropriation. The City will advance funds as needed to pay District administrative expenses prior to the availability of tax increments.

Based on the valuations and costs assumed, the District is projected to accumulate enough funds by the year 2027 to pay off all Project related District liabilities and obligations. The projected early closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected. A projection of District cash flows is found on **Table 3**.

City of West Allis
Tax Increment District # 17 (Lincoln West Corridor)

Cash Flow Projection

Year	Projected Revenues			Expenditures					Balances			
	Tax Increments	Interest Earnings/ (Cost)	Total Revenues	Municipal Rev. Obligations ¹	Residential Rehab	Public Infrastructure	Admin.	Total Expenditures	Annual	Cumulative	MRO Principal Outstanding	Year
2019			0	75%			30,000	30,000	(30,000)	(30,000)	2,200,000	2019
2020		(600)	(600)				10,000	10,000	(10,600)	(40,600)	2,200,000	2020
2021	74,858	(812)	74,046	56,143	0		10,000	66,143	7,902	(32,698)	2,143,857	2021
2022	342,573	(654)	341,919	256,930	0		10,000	266,930	74,989	42,292	1,886,927	2022
2023	342,573	846	343,419	256,930	0		10,000	266,930	76,489	118,781	1,629,997	2023
2024	513,911	2,376	516,287	256,930	128,503		10,000	395,433	120,853	239,634	1,244,564	2024
2025	513,911	4,793	518,704	256,930	128,503	250,000	10,000	745,433	(226,730)	12,905	859,131	2025
2026	513,911	258	514,169	256,930	100,000	100,000	10,000	495,433	18,736	31,640	473,698	2026
2027	513,911	633	514,544	109,208	50,000		10,000	297,711	216,832	248,473	235,986	2027
2028	513,911	4,969	518,880	128,503				128,503	390,377	638,850	107,483	2028
2029	513,911	12,777	526,688	107,483				107,483	419,205	1,058,055	(0)	2029
2030	513,911	21,161	535,072					0	535,072	1,593,127	(0)	2030
2031	513,911	31,863	545,774					0	545,774	2,138,900	(0)	2031
2032	513,911	42,778	556,689					0	556,689	2,695,589	(0)	2032
2033	513,911	53,912	567,823					0	567,823	3,263,412	(0)	2033
2034	513,911	65,268	579,179					0	579,179	3,842,591	(0)	2034
2035	513,911	76,852	590,763					0	590,763	4,433,354	(0)	2035
2036	513,911	88,667	602,578					0	602,578	5,035,932	(0)	2036
2037	513,911	100,719	614,630					0	614,630	5,650,562	(0)	2037
2038	513,911	113,011	626,922					0	626,922	6,277,484	(0)	2038
2039	513,911	125,550	639,461					0	639,461	6,916,945	(0)	2039
2040	513,911	138,339	652,250					0	652,250	7,569,194	(0)	2040
2041	513,911	151,384	665,295					0	665,295	8,234,489	(0)	2041
2042	513,911	164,690	678,601					0	678,601	8,913,090	(0)	2042
2043	513,911	178,262	692,173					0	692,173	9,605,263	(0)	2043
2044	513,911	192,105	706,016					0	706,016	10,311,279	(0)	2044
2045	513,911	206,226	720,137					0	720,137	11,031,416	(0)	2045
2046	513,911	220,628	734,539					0	734,539	11,765,955	(0)	2046
2047	513,911	235,319	749,230	(0)	0			(0)	749,230	12,515,185	(0)	2047
Total	13,093,867	2,231,318	15,325,185	1,450,000	750,000	250,000	110,000	2,810,000				Total

Projected TID Closure

Notes:
¹Incentive (MRO) amounts shown are for purposes of analyzing economic feasibility only. Actual incentive amounts, percentages to be paid and other terms and conditions will be established within a development or other form of agreement.

Table 3 – Cash Flow

SECTION 11: Annexed Property

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

SECTION 12: Estimate of Property to be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13: Proposed Zoning Ordinance Changes

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of West Allis Ordinances

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for a combination of commercial, public and semi-public uses. Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 15: Relocation

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

SECTION 16: Orderly Development of the City of West Allis

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by rehabilitating and conserving property, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of a hotel in the District will add to the tax base and will generate positive secondary impacts in the community such as short-term construction and long-term hospitality industry employment opportunities, room tax collections, availability of additional lodging and general improvement of the District area likely to enhance values of nearby property. Other potential redevelopment within the District is expected to provide similar employment opportunities, availability of commercial or office space and the opportunity for medical office or other uses to locate in the area which will benefit City and area residents.

SECTION 17: List of Estimated Non-Project Costs

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

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

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

SECTION 18:
Opinion of Attorney for the City of West Allis Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

_____, 2019

SAMPLE

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

RE: City of West Allis, Wisconsin Tax Incremental District No. 17

Dear Mayor:

As City Attorney for the City of West Allis, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Kail Decker
City of West Allis

Exhibit A:
**Calculation of the Share of Projected Tax Increments
 Estimated to be Paid by the Owners of Property in the
 Overlying Taxing Jurisdictions**

Estimated Portion of Taxes That Owners of Taxable Property in Each Taxing Jurisdiction Overlaying District Would Pay by Jurisdiction							
DOR Form PC-202		2018/19		Percentage			
Milwaukee County		18,246,935		17.17%			
MMSD		6,305,977		5.94%			
City of West Allis		41,646,347		39.20%			
West Allis School District		35,487,283		33.40%			
MATC		4,559,845		4.29%			
Total		106,246,388					
Revenue Year	Milwaukee County	MMSD	City of West Allis	West Allis School District	MATC	Total	Revenue Year
2021	12,856	4,443	29,343	25,003	3,213	74,858	2021
2022	58,834	20,333	134,281	114,423	14,702	342,573	2022
2023	58,834	20,333	134,281	114,423	14,702	342,573	2023
2024	88,260	30,502	201,442	171,651	22,056	513,911	2024
2025	88,260	30,502	201,442	171,651	22,056	513,911	2025
2026	88,260	30,502	201,442	171,651	22,056	513,911	2026
2027	88,260	30,502	201,442	171,651	22,056	513,911	2027
2028	88,260	30,502	201,442	171,651	22,056	513,911	2028
2029	88,260	30,502	201,442	171,651	22,056	513,911	2029
2030	88,260	30,502	201,442	171,651	22,056	513,911	2030
2031	88,260	30,502	201,442	171,651	22,056	513,911	2031
2032	88,260	30,502	201,442	171,651	22,056	513,911	2032
2033	88,260	30,502	201,442	171,651	22,056	513,911	2033
2034	88,260	30,502	201,442	171,651	22,056	513,911	2034
2035	88,260	30,502	201,442	171,651	22,056	513,911	2035
2036	88,260	30,502	201,442	171,651	22,056	513,911	2036
2037	88,260	30,502	201,442	171,651	22,056	513,911	2037
2038	88,260	30,502	201,442	171,651	22,056	513,911	2038
2039	88,260	30,502	201,442	171,651	22,056	513,911	2039
2040	88,260	30,502	201,442	171,651	22,056	513,911	2040
2041	88,260	30,502	201,442	171,651	22,056	513,911	2041
2042	88,260	30,502	201,442	171,651	22,056	513,911	2042
2043	88,260	30,502	201,442	171,651	22,056	513,911	2043
2044	88,260	30,502	201,442	171,651	22,056	513,911	2044
2045	88,260	30,502	201,442	171,651	22,056	513,911	2045
2046	88,260	30,502	201,442	171,651	22,056	513,911	2046
2047	88,260	30,502	201,442	171,651	22,056	513,911	2047
Total	2,248,763	777,152	5,132,520	4,373,473	561,958	13,093,867	

Notes:
¹The above projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.