PROJECT PLAN FOR THE CREATION OF
TAX INCREMENTAL DISTRICT NUMBER FOURTEEN,
CITY OF WEST ALLIS, WISCONSIN

68th and Mitchell

• Plan Commission - Review	August 27, 2014
• Joint Review Board - Organizational Meeting	October 6, 2014
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Prepared by: Department of Development | City of West Allis
September 30, 2014

Tax Incremental District No. 14 Creation
Project Plan

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1. INTRODUCTION

With the creation of a Tax Increment Financing (TIF) district, a community borrows money to pay for expenses tied to a specific development project, based on an expected increase in value within the district. The property taxes generated from the increased value of the project pay off the borrowed debt over several years. Once that debt is repaid, the increased revenue generated by property taxes flow to the community, its school district and other local governments.

2. EXECUTIVE SUMMARY

PROBLEM

Due to the outdated nature of the buildings and their economic inefficiencies, in 2009 Metal Technologies ceased operations at its Milwaukee Ductile Plant within West Allis at S. 68th St. and W. Mitchell St., resulting in the loss of 215 jobs. The corporation then moved significant amounts of materials and equipment out of this facility, leaving a largely vacant and aging industrial facility within the middle of a residential neighborhood. The properties were placed on the market and only received interest by a salvage company. The properties were ultimately sold to Midwest Rail and Dismantling for scrap value. The main foundry is currently undergoing demolition.

Two adjacent parcels, one presently vacant and the other occupied by a small industrial building, have stagnated, due to their small and unconventional layouts.

Environmental conditions will need to be fully investigated and remediated, in order to facilitate redevelopment.

Without a concentrated effort from the City, the redevelopment of the properties within this district will continue to blight the neighborhood. In order to prevent this from happening and facilitate useful redevelopment, the City is seeking to implement a tax incremental financing district in this area to help reposition it for a higher and better use.

DESCRIPTION OF DISTRICT

This document is the Project Plan ("Project Plan") for Tax Incremental District Number Fourteen, City of West Allis (the "District"), also known as "68th and Mitchell." Portions of the "District" are included within the City of West Allis' "68th and Mitchell Redevelopment Plan," adopted May 6, 2014 by the Common Council, which are hereby incorporated herein. This Project Plan has been prepared in conformance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law").

The District. The District's size, including right-of-way, and general location consists of approximately 14.7 acres of land south of W. National. Ave. and north of the Union Pacific Railroad, between S. 68 St. and the Union Pacific spur track. A map of the proposed District boundaries is located under **Section 3**. The legal description for the District is attached within the appendix **Exhibit 1 - Legal Description.**

The northern portion of the District (4.7 acres comprised of four parcels) is currently occupied by a 44,500 sq. ft. cold storage facility on the corner of W. National Ave. and S. 68 St. with an adjoining parking lot, an approximate 13,000 sq. ft. industrial building and a vacant lot owned by the Community Development Authority. Other than the smaller industrial building, the area has been predominantly vacant since 2009.

The southern portion of the District (7.8 acres comprised of two parcels) was historically operated as a foundry. The 275,000 sq. ft. facility on the eastern side of S. 68 St. was built in several stages over the previous century. Prior to operations under Milwaukee Ductile, the property was owned and operated by Briggs and Stratton. The foundry is currently undergoing demolition. The southern portion of the District also contains a .25 acre surface parking lot on the west side of S. 68 St.

Expenditures. The estimated total cost for project expenditures is $4,092,260 for projects as outlined in the Project Plan. The projects to be undertaken pursuant to this Project Plan are expected to be financed by private investment, revenue from land sales, grants and G.O. Bonds. A summary of the **Estimated Redevelopment Costs** for the Plan is located in Table 3 within Section 9.

Economic Development. As a result of the creation of the District, the City projects that the redevelopment of the site will produce additional value of $10,794,908. The additional value will be a result of the improvements made privately within the District. A table detailing **Projected Property Tax Increment** assumptions and values is located under Section 6 of this Project Plan. In addition, the District will provide other economic benefits, such as the creation of approximately 350 jobs and personal property tax.

Termination of District. Based on the **Economic Feasibility Analysis** located in Section 12 of the Project Plan, the District would be expected to generate sufficient tax increments to recover all associated costs in no more than 27 years, with a minimum projected payout by the year 2033; which is 19 years.

The Project Plan will be implemented by the Community Development Authority (the "Authority") of the City of West Allis.

SUMMARY OF FINDINGS

As required by Wis. Stats. Section 66.1105 and as documented in the Project Plan and its attachments contained and referenced herein, the following findings are made:

But For Test. The creation of the District will allow redevelopment to occur as detailed in this Project Plan, by providing conditions suitable for redevelopment. These conditions include:

- addressing environmental concerns;
- site preparation;
- development incentive payments; and,
- other associated costs.

Based on market conditions, current physical conditions and use of the District, the City has determined that redevelopment of the area will not occur as a result of private investment. Without the use of TIF, redevelopment of the area is unlikely, and the current condition, environmental issues and vacancy of the commercial buildings would remain.

Economic Benefits. The District's benefits can be measured by increased taxable value to the City and taxing jurisdictions. The improvements are sufficient to compensate for the cost of improvements. An **Economic Feasibility Analysis** is outlined within Section 12 of the Project Plan. The following was considered in supporting the economic benefits:

- The tax increments projected to be collected are more than sufficient to pay for the proposed project costs.

- The development could add an estimated 350 permanent jobs and utilize 40-50 temporary construction jobs.

Benefits Outweigh Anticipated Tax Increments to be Paid. If approved, the District would be created as of January 1, 2015. As of this date, the values of all existing development would be frozen and the property taxes collected on the base value would continue to be distributed to the various taxing jurisdictions, as they currently are now. The incremental value created by new development created after January 1, 2015 will underwrite the repayment of TIF-eligible project costs. Based on the Economic Benefits stated above, the City concludes the overall benefits of the District outweigh the anticipated tax increments to be paid by owners of the property in the overlying taxing jurisdictions. As required by Section 66.1105(4)(i.)4., a calculation of the share of projected tax increments estimated to be paid by the owners of the property in the overlying taxing jurisdictions has been made and can be found as **Exhibit 6 – Project Share in Tax Increment by Overlying Jurisdictions.**

No Less than 50% In Need of Rehabilitation. Per Statute, more than 50% of the real property within the district must be in need of rehabilitation or conservation work within the meaning of Section 66.1337(2m)(b) of Wis. Stats. Also, any property within the district vacant for seven years immediately preceding adoption of the District must not comprise more than 25% of the area in compliance with 66.1105(4)(gm)1 of Wis. Stats.

Based on the environmental conditions and concerns, and underutilization of the property within the District, the City reasonably finds the District to be compliant with these conditions. Furthermore, the District is in need of rehabilitation and conservation work, based on the identification and classification of the property within the District.

Promote Rehabilitation. The City finds that the creation of the District will promote the rehabilitation and conservation of the area.

Enhance Value. The City finds that the creation of the District will significantly enhance the value of real property within the District.

Value of TIF Districts, Not Exceed 12%. The City Assessor has found that not more than 12% of the total equalized value of the taxable property within the City is presently located within TIF Districts. Refer to **Exhibit 7 –Assessor's Letter**.

Retail. The City estimates that approximately 10% of the District territory will be utilized for retail operations at the end of the District's maximum expenditure period, pursuant to Section 66.1105(5)(b) and 66.1105(6)(am)1 of Wis. Stats.

Master Plan. The Project Plan for the District in the City is feasible and is in conformity with the Comprehensive Plan of the City. See **Exhibit 9 – City of West Allis 2030 Future Land Use Map.**

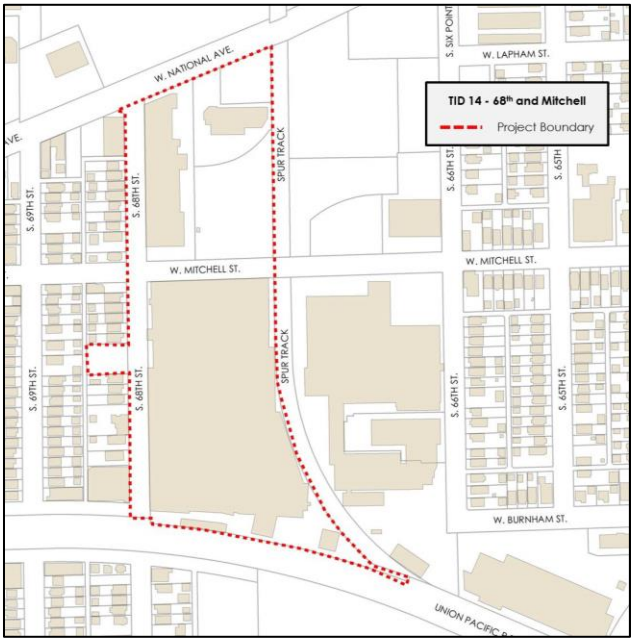
3. GENERAL DESCRIPTION AND TYPE OF DISTRICT

District

The District is being created by the City of West Allis under the authority provided in 66.1105 of Wis. Stats. **Map No. 1 - Project Boundary** more clearly defines the limits of the District.

The District is generally bounded on the north by W. National Ave., on the east by the existing Spur Track, on the south by the Union Pacific Railroad and on the west by S. 68 St. One property, a parking lot for the former foundry facility, located on the west side of S. 68 St. is also included within the District. A legal description is provided in **Exhibit No. 1 – Legal Description.**

Map No. 1 – Project Boundary



Type of District

The District is created as a "Rehabilitation or Conservation District" based upon a finding that at least 50%, by area, of the real property within the District is blighted; in need of rehabilitation or conservation work, as defined in Section 66.1337(2m)(a). Refer to **Map. No. 3 - Rehabilitation Conditions.**

The majority of this District is comprised of parcels formerly associated with the Milwaukee Ductile operations. Those sites (parcels 1-4) are known to have brownfield conditions and have undergone phase 1 and phase 2 environmental testing. Fill material, including foundry sand was found to be present on all sites. Metals, including arsenic and lead; polycyclic aromatic hydrocarbons (PAHs); and volatile organic compounds (VOCs) were also noted. These contaminants are often associated with ground fill and require differing remediation activities.

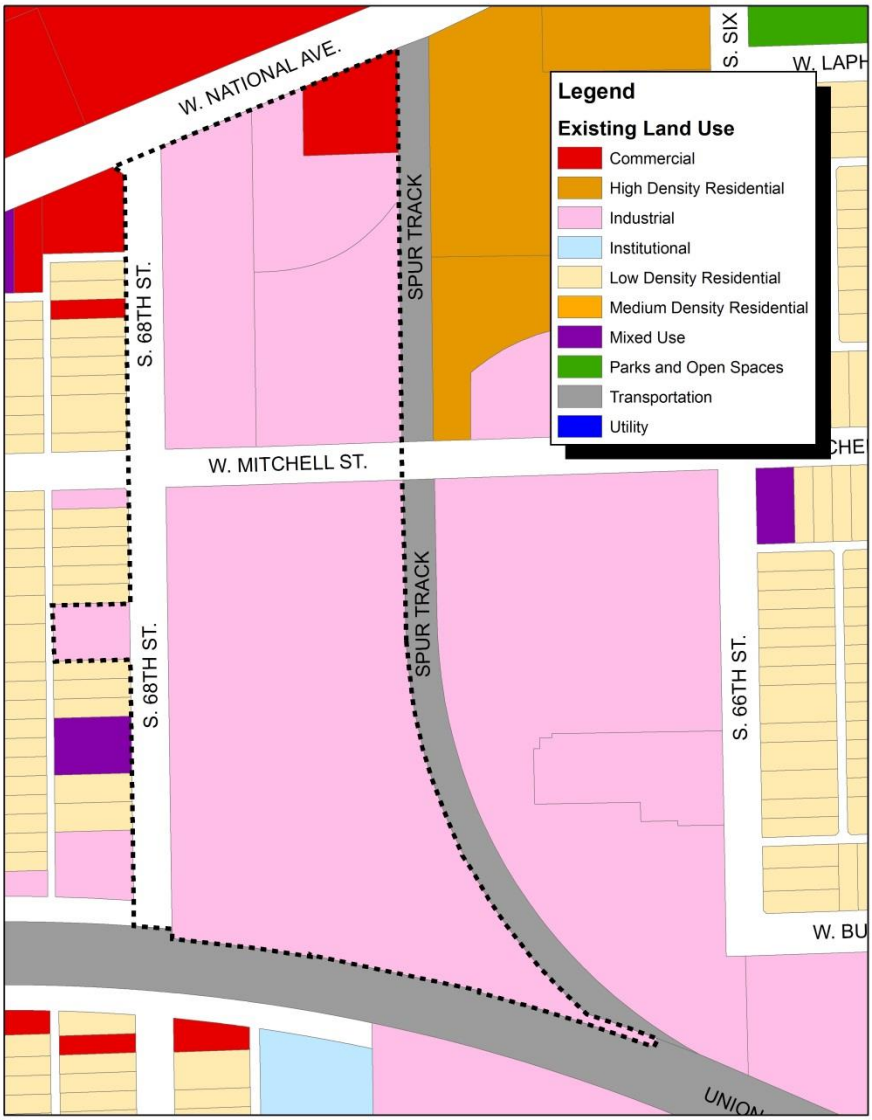
The remaining two properties were developed in similar industrial manners and are believed to have similar environmental issues. Additional testing will need to be performed to identify any required remediation.

These identified environmental hazards within the District, and the distressed state and disrepair of the properties, substantially impairs and arrests the sound growth of the community, constitutes an economic and social liability and is a menace to the public's health, safety and welfare in its present condition and use. Additionally, redevelopment of the property will provide future property tax relief to the families and businesses of West Allis.

4. EXISTING LAND USES AND CONDITIONS:

The creation of the District is necessary to eliminate and to prevent the spread of blight and foster sustainable development with less impact on the local infrastructure and environment. **Map No. 2 - Existing Property Uses** details current land uses abutting the proposed district.

Map No. 2 – Existing Property Uses



Map No. 3 – Rehabilitation Conditions

5. PROJECT PLAN GOALS AND OBJECTIVES

The formation of the District will ensure that all future development occurs consistently with the City's redevelopment objectives. The City's overall goal for the District is to increase the tax base, provide employment opportunities and remove blight. The project costs included in this Project Plan relate directly to the rehabilitation or conservation areas in the District. These costs will be incurred in a fashion consistent with the purpose for which the District is created.

The creation of the District promotes the orderly development of the City, as defined by the following goals and objectives:

Goals:

1. To remediate environmental contamination to a level necessary for development and for a clean and livable city and neighborhood.

2. To eliminate blight and prevent the development and spread of blighted areas.

3. To reverse the underutilized property by encouraging new private development.

4. To reposition this commercial and industrial area to be a viable job creator.

5. To broaden the property tax base of the community.

6. To directly serve to rehabilitate or conserve the area.

7. To promote a sustainable development that will reduce impact on the infrastructure and environment.

Objectives:

1. Redevelop the property into contemporary residential, commercial, office and/or industrial uses.

2. Eliminate the underutilization of land and environmentally hazardous conditions.

3. Divide land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment, in accordance with development needs and standards.

4. Improve the site with buildings that feature high-quality architectural design.

5. Provide for the orderly physical and economic growth of this area, through planned and controlled redevelopment.

6. Foster redevelopment activities that are consistent with the uses permitted in this Project Plan, the sound needs and growth of the surrounding area, and the community as a whole.

7. Assure that redevelopment is aesthetically pleasing and compatible with existing development in the area by incorporating high-quality architectural design, site planning, landscaping, signage, public art and amenity lighting.

8. Foster economic development by providing facilities, which generate employment opportunities.

9. Provide economic development loans and/or grants to qualified redevelopers consistent with the goals and objectives of this Project Plan.

10. Provide project and site improvements, including stormwater management, utilities, and other related improvements necessary for carrying out the objectives of this Project Plan.

11. Achieve private redevelopment, which will add to the tax base of the City of West Allis and stimulate business activity in this part of the city.

12. Provide off-site improvements to infrastructure or other private improvements within one-half (½) mile of the district in accordance with Wis. Stats. Section 66.1105(2)n.

Project Description

The activities of the District are designed to encourage redevelopment of the blighted industrial buildings and vacant land. The following activities are essential to removing the current barriers to private redevelopment.

The project includes the private redevelopment of six parcels totaling approximately 14.7 acres of land. The redevelopment will include the environmental remediation of the contaminated properties, demolition of the industrial buildings, stormwater management, and improvements to upgrade parking and landscaping areas throughout the site. The District will be reutilized as a quality commercial or industrial development, offering increased employment opportunities. The proposed redevelopment would consist of at least two buildings totaling over 180,000 sq. ft. (60,000 sq. ft. commercial/office and 120,000 sq. ft. of industrial) of space projected to be constructed by 2017.

Buildings would consist of materials such as brick, precast stone and cast stone, common size brick, concrete masonry as a secondary material, ornamental metals as an accent material, stucco, and EIFS limited to less than 10%.

6. PARCEL LIST AND ANALYSIS

In 2014, the District's total assessed value, as determined by the City Assessor, was $727,200 for the land and $406,200 for the improvements with a total Fair Market Value (equalized ratio: 1.0059) of $1,126,752. The properties paid an estimated $31,741 in property taxes. If the site were redeveloped with the proposed commercial or industrial facilities, the total taxable value generated by the property could exceed $11,921,660 and provide approximately an additional (incremental) property tax relief in the area of $304,092 per year.

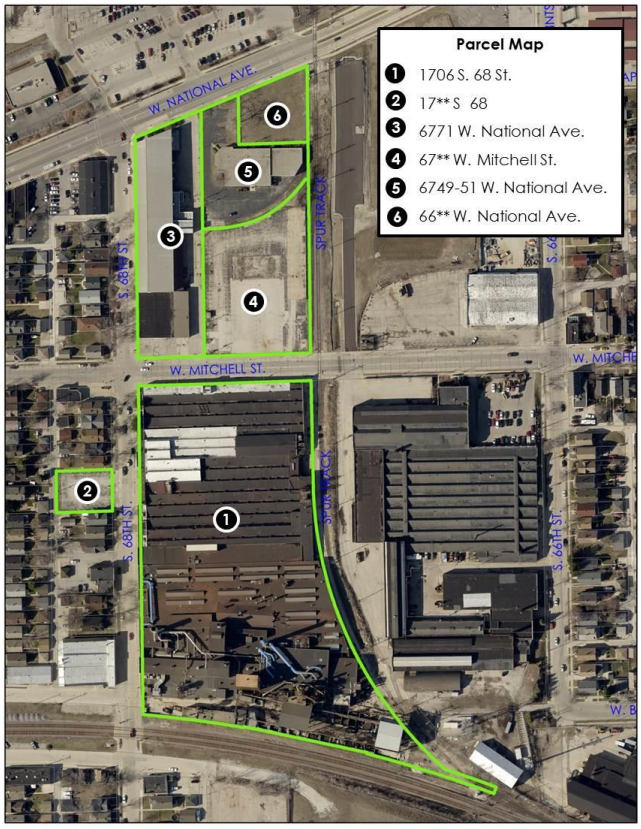
Table 1
Parcel List

Parcel	Tax Key	Address	Owner
1	453-0776-003	1706 S. 68 St.	The MRD Group, Inc.
2	453-0747-001	17** S. 68 St.	The MRD Group, Inc.
3	453-0564-003	6771 W. National Ave.	The MRD Group, Inc.
4	453-0564-002	67** W. Mitchell St.	The MRD Group, Inc.
5	454-0251-001	6749-51 W. National Ave.	Richard & Barbara Jackson
6	454-0252-000	67** W. National Ave.	CDA

Table 2
Projected Property Tax Increment

	Assessed Value				
Parcel	Land	Improvements	Total	Equalized Value	Taxes (.2817)
1	$330,700	$0	$330,700	$328,760	$9,240
2	$38,100	$2,700	$40,800	$40,561	$1,140
3	$133,000	$0	$133,000	$132,220	$3,716
4	$135,400	$7,600	$141,837	$142,161	$3,996
5	$90,000	$395,900	$485,900	$483,050	$13,608
6	$0	$0	$0	$0	$0
Current	$727,200	$406,200	$1,133,400	$1,126,752	$31,741
Projected	$919,418	$11,100,000	$12,019,418	$11,921,660	$335,833
Projected Increment	**$191,518**	**$10,693,800**	**$10,886,018**	**$10,794,908**	**$304,092**

Map No. 4 – Parcel Map



7. EQUALIZED VALUE TEST

The following calculation demonstrates the City's 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 the taxable property within the City.

The total 2014 equalized value of the City (including TID 14) is $3,723,819,400. The equalized value of the existing and proposed districts totals $131,346,200. This value represents 3.527% of the City's value and is less than the maximum 12% that is permitted for the City of West Allis. In conclusion, the City is in compliance with statutory provisions and may proceed with the creation of this District. See **Exhibit 7 – Assessor's Letter**

8. STATEMENT OF PROPOSED PROJECTS AND IMPROVEMENTS

The following is a list of proposed improvements and other projects that the Community Development Authority (CDA) expects to implement in the District. Any costs necessary for the creation of the District or related to the proposed improvements are considered "project costs" and are eligible to be paid with tax increment revenues.

1) Acquisition. To foster and facilitate redevelopment within the District, the CDA may acquire property within the District. Costs associated and related to the acquisition of real estate are eligible costs. If eminent domain is utilized, the cost of demolition and environmental clean-

up will be deducted from the price, as far as required by law. Any revenue received by the CDA from the sale of property for redevelopment will be used to reduce the Project Costs for the District. If total Project Costs incurred by the CDA to acquire property and make it suitable for redevelopment 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. Stats. Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Costs.

2) 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.

3) Environmental Clean-Up. Environmental audits and remediation, beyond the required minimum, are necessary activities to prepare the site "clean and clear" for redevelopment. Based on WDNR records, there are environmental concerns that require further testing and research. Any costs incurred by the CDA related to environmental audits, testing and remediation are eligible Project Costs.

4) Demolition. In order to remove blight, provide greater site access and allow for optimal re-use of existing structures, demolition is proposed to take place within this District.

5) Public Infrastructure. All applicable public infrastructure, such as stormwater requirements of local and overlying jurisdictions will be adhered to, and are eligible Project Costs; however, no public infrastructure improvements are proposed with this Project Plan.

6) Offsite Improvements. Off-site improvements to infrastructure or other private improvements within one-half (½) mile of the district in accordance with Wis. Stats. Section 66.1105(2)(f)1n are eligible Project Costs.

7) Administrative Costs. The CDA 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 in connection with the implementation of the Plan.

   The CDA will negotiate and execute developer agreements that provide for optimal redevelopment. The project may include the CDA entering into agreements with property owners, lessees, or developers of land located within the District for the purpose of attracting development and obtaining sufficient tax base to recover project 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 Project 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 Project Plan.

   As provided for in Wis. Stats. 66.1105(2)(f)1.h. and 66.1333(13), the City may provide funds to the CDA to be used for administration, planning, and operations related to the purposes for which it was established in relationship of any redevelopment or urban renewal project. These are eligible project costs.

8) Interest Expense. Interest expenses, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing are eligible Project Costs.

9) Contingency. Expenses above the estimated budget for Project Costs will be accounted for by an estimated contingency based on 10% of acquisition.

Map No. 5 – Proposed Improvements

9. ESTIMATED PROJECT COST

The costs of engineering design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for the 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 Project Costs within this Project Plan are directly related to eliminating blight and directly serve to rehabilitate or conserve the area, consistent with the purpose for which the District was created. The costs included in this section are without limitation, eligible Project Costs, as defined under Section 66.1105(2)(f) of the Wisconsin Statutes.

The City's policy for the use of these funds is to assist major redevelopment projects, which will generate additional property taxes (increment). The maximum amount of City participation in any private redevelopment project will be based upon the expected property tax increment to be generated by the redevelopment projects for a period no longer than 27 years pursuant to the Tax Increment Law.

Proposed Project Costs include property acquisition, demolition, environmental remediation, utility & access improvements, redevelopment, stormwater management, and financing and administration costs. The total Project Costs are more fully described in **Table 3** - **Estimated Redevelopment Costs**.

Some or all of these Project Costs may be contributions made under Section 66.1333(13) of the Wisconsin Statutes to the Community Development Authority in connection with its implementation of the Project Plan. The Common Council may make those contributions pursuant to a Cooperation Agreement entered into with the Authority.

This Project 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 Project Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without amending the Project Plan.

Table 3
Estimated Redevelopment Costs

Project Activity	TIF Plan Budget
1. Acquisition	$2,181,375
2. Relocation	$50,000
3. Environmental Clean-Up	$284,000
4. Demolition	$115,500
5. Public Infrastructure	$0
6. Offsite Improvement*	$500,000
*acquisition, relocation, demolition and/or rehab	
7. Administration	$456,275
8. Capitalized Interest	$286,972
9. Contingency	$213,138
TOTAL	**$4,092,260**

10. NON-PROJECT COSTS:

The City does not anticipate any non-project costs.

11. PROJECT FINANCING AND TIMETABLE FOR EXPENDITURES

The project will be financed primarily through private investment and the sale of Taxable General Obligation (G.O.) Bonds, Tax Exempt G.O. Bonds, land sale proceeds and grants.

The anticipated tax increment revenue will be more than adequate to cover the total debt service, as shown in **Exhibit No. 3 Financial Conditions Analysis** and **Exhibit No. 4 Economic Feasibility Analysis.**

The bulk of the Project Costs will be incurred in 2015, with the balance expended by the year 2016.

Depending on the finalized development proposal, 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.

12. 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 personal property value and the building improvements/ additions during the life of the District. The cash flows set forth in **Exhibit No. 3 Financial Condition Analysis** and **Exhibit No. 4 Economic Feasibility Analysis** indicates that the anticipated revenues exceed the projected estimated Project Costs. The Project Plan, therefore, has been determined to be economically feasible.

The City recognizes that environmental and site preparation costs may be higher than currently projected. The City intends to recover these costs to the greatest extent possible through revenues generated by the District.

As a result of projected amount of debt to be issued to finance the project costs, the projected incremental revenue required to service the debt will necessitate that the District continue for a minimum of 17 years (maximum 27-year period allowed by state statutes).

13. STATEMENT OF 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. If relocation services are needed, the City and/or Authority would hire a consultant. 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(10) of the Wisconsin Statutes and subsequently approved by the Wisconsin Department of Commerce.

14. ZONING

No changes are proposed to the Master Plan, building codes or City Ordinances. The District will be redeveloped with commercial and light-industrial uses, which meet the District's current M-1 Manufacturing District zoning.

15. ANNEXED PROPERTY

There are no lands within the District that were annexed by the City on or after January 1, 2004.

16. RETAIL

The City estimates that approximately 10% of the District territory could be utilized for retail operations at the end of the District's maximum expenditure period, pursuant to Section 66.1105(5)(b) and 66.1105(6)(am)1. of Wis. Stats.

17. MASTER PLAN

Changes to the City's master plan may be required. Parcels within the Project Area north of W. Mitchell St. are currently identified as Mixed Use. (Mixed Use is defined as a combination of residential, commercial office, and/or commercial retail either combined within a building or existing together on a development site.) In addition, the parcel to the west of S. 68 St. is identified as low density residential. If any of these parcels are redeveloped as Industrial, as their current zoning permits, a change to the City's 2030 Future Land Use Map would be required. See **Exhibit 9.**

18. ORDERLY REDEVELOPMENT

The District will provide orderly redevelopment of the City by fostering the opportunity for continued growth in the tax base and job opportunities. In recent years West Allis' historical industrial corridor has been repositioned and redeveloped with contemporary uses featuring greater contextual deference to the surrounding neighborhood. This District will continue that progression by outlining a plan to remove blight and providing implements for redevelopment to overcome the known barriers of blighted buildings, irregular and small site configurations, and environmental conditions. Future commercial and light industrial buildings, compatible with the surrounding neighborhood, will be developed, aided by the assemblage of lots large enough to accommodate modern developments in size and layout.

The Exhibits and Attachments are incorporated into the Project Plan for Tax Incremental District Number Fourteen, City of West Allis, Wisconsin, and by reference made a part thereof pursuant to Section 66.1105 of the Wisconsin Statutes.

APPENDIX OF EXHIBITS

Exhibits

Exhibit No. 1	–	Legal Description
Exhibit No. 2	–	Statement of Lands and Interest To Be Acquired
Exhibit No. 3	–	Financial Conditions Analysis
Exhibit No. 4	–	Economic Feasibility Analysis
Exhibit No. 5	–	Cash Flow
Exhibit No. 6	–	Taxing Jurisdictions
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Exhibit No. 8	–	Legal Opinion
Exhibit No. 9	–	City of West Allis 2030 Future Land Use Map

Exhibit No. 1 – Legal Description

Part of Section 3, Township 6 North, Range 21 East, in the City of West Allis, Milwaukee County, State of Wisconsin, more particularly described as follows:

Beginning at the Southeast corner of Block 10 in the Gross West Allis subdivision; thence Northerly, 381.83 feet, along the West right-of-way line of South 68th Street, to the Southeast corner of Lot 9 in Block 10 of the Gross West Allis subdivision; thence Westerly, 121.24 feet, along the South property line of said lot to the East right-of-way line of adjacent public alley; thence Northerly, 90.00 feet along the said right-of-way line, to the Northwest corner of Lot 7 in Block 10 of the Gross West Allis subdivision; thence Easterly, 120.72 feet, along the North property line of said lot, to the West right-of-way line of South 68th Street; thence Northerly, 677.00 feet, along the said West right-of-way line; thence Northwesterly, 20.14 feet , to the South right-of-way line of West National Avenue; thence Northeasterly, 487.36 feet, along the said South right-of-way line, to the Northwest corner of Lot 3 in Assessor's Plat No. 269 and West line of spur track; thence Southerly, 903.55 feet, along the said West line to the point on curve; thence Southeasterly, 704.25 feet, along the arc of the curve; thence Southeasterly, 117.61 feet, parallel with North railroad right-of-way line of Chicago & Northwestern Trans. Co.; thence Southwesterly, 15.00 feet, to the North railroad right-of-way line of Chicago & Northwestern Trans. Co.; thence Northwesterly, 289.68 feet, along the said North line, thence Northeasterly, 2.40 feet; thence Northwesterly, 272.00 feet, along the said North line; thence Southwesterly, 2.20 feet; thence Northwesterly, 220.62 feet, along the said North line to the East right-of-way line of South 68th Street, extended; thence Northerly, 15.08 feet, along the said East line to the South right-of-way line of West Burnham Street; thence Northwesterly, 60.26 feet, along said South line to the West right-of-way line of South 68th Street, extended; thence Northerly, 40.14 feet to the Point of Beginning of this description.

Said land contains 14.71 Acres, more or less.

Exhibit No. 2 – Statement of Lands and Interest To Be Acquired

Parcel	Tax Key	Address	Owner	Use	Zoning
1	453-0776-003	1706 S. 68 St.	The MRD Group, Inc.	Industrial	M-1
2	453-0747-001	17** S. 68 St.	The MRD Group, Inc.	Commercial	C-2
3	453-0564-003	6771 W. National Ave.	The MRD Group, Inc.	Industrial	M-1
4	453-0564-002	67** W. Mitchell St.	The MRD Group, Inc.	Industrial	M-1
5	454-0251-001	6749-51 W. National Ave.	Richard & Barbara Jackson	Industrial	M-1

Exhibit No. 3 – Financial Conditions Analysis

	Assessed Value				
Parcel	**Land**	**Improvements**	**Total**	**Equalized Value**	**Taxes (.2817)**
1	$330,700	$0	$330,700	$328,760	$9,240
2	$38,100	$2,700	$40,800	$40,561	$1,140
3	$133,000	$0	$133,000	$132,220	$3,716
4	$135,400	$7,600	$141,837	$142,161	$3,996
5	$90,000	$395,900	$485,900	$483,050	$13,608
6	$0	$0	$0	$0	$0
Current	$727,200	$406,200	$1,133,400	$1,126,752	$31,741
Projected	$919,418	$11,100,000	$12,019,418	$11,921,660	$335,833
Projected Increment	**$191,518**	**$10,693,800**	**$10,886,018**	**$10,794,908**	**$304,092**

Exhibit No. 4 – Economic Feasibility Analysis

Capitalized Project Costs	Estimated Budget
1. Acquisition	$2,181,375
2. Relocation	$50,000
3. Environmental Clean-Up	$284,000
4. Demolition	$115,500
5. Public Infrastructure	$0
6. Offsite Improvement*	$500,000
*acquisition, relocation, demolition and/or rehab	
7. Administration	$456,275
8. Capitalized Interest	$286,972
9. Contingency	$213,138
TOTAL	**$4,092,260**

Project Funding Sources	Estimated Budget
Land Sales	$938,213
Grants	$0
(Brownfield, SAG, Ready-for-Reuse)	
General Obligation Bonds	$3,154,047
TOTAL	**$4,092,260**

Project Summary	
Current Value	$1,126,752
Projected Value	$11,921,660
Projected Incremental Value	$10,794,908
Projected Annual Incremental Revenue	$304,092
Minimum Years to Finance Debt Service	19 (2033)

Exhibit No. 5 – Cash Flow

i) Revenues and Funding Sources

Project Funding Sources	Budget
Land Sales	$938,213
Grants	$0
(Brownfield, SAG, Ready-for-Reuse)	
General Obligation Bonds	$3,154,047
TOTAL	**$4,092,260**

ii) Increment

	Base Value	$ 1,126,752			Inflation Factor		1.00%		
	Lost Value	$0			Mill Rate Reduction Factor		-0.25%		
	Construction Year	**Valuation Year**	**Revenue Year**	**Inflation Increment**	**New Development**	**Valuation Increment**	**TIF Tax Rate**	**Tax Increment**	**Equalized Value**
1	**2015**	**2016**	**2017**	**$ -**	**$ -**	$0	28.17	$0	$1,126,752
2	2016	2017	2018	$ -	**$ 2,646,657**	$1,519,905	28.10	$42,709	$2,646,657
3	2017	2018	2019	$ 15,199	**$ 9,372,761**	$10,907,864	28.03	$305,740	$12,034,617
4	2018	2019	2020	$ 109,079		$11,016,943	27.96	$308,025	$12,143,695
5	2019	2020	2021	$ 110,169		$11,127,112	27.89	$310,328	$12,253,865
6	2020	2021	2022	$ 111,271		$11,238,384	27.82	$312,648	$12,365,136
7	2021	2022	2023	$ 112,384		$11,350,767	27.75	$314,985	$12,477,520
8	2022	2023	2024	$ 113,508		$11,464,275	27.68	$317,339	$12,591,027
9	2023	2024	2025	$ 114,643		$11,578,918	27.61	$319,711	$12,705,670
10	2024	2025	2026	$ 115,789		$11,694,707	27.54	$322,101	$12,821,459
11	2025	2026	2027	$ 116,947		$11,811,654	27.47	$324,509	$12,938,406
12	2026	2027	2028	$ 118,117		$11,929,771	27.40	$326,935	$13,056,523
13	2027	2028	2029	$ 119,298		$12,049,068	27.34	$329,378	$13,175,821
14	2028	2029	2030	$ 120,491		$12,169,559	27.27	$331,841	$13,296,311
15	2029	2030	2031	$ 121,696		$12,291,255	27.20	$334,321	$13,418,007
16	2030	2031	2032	$ 122,913		$12,414,167	27.13	$336,820	$13,540,919
17	2031	2032	2033	$ 124,142		$12,538,309	27.06	$339,338	$13,665,061
18	2032	2033	2034	$ 125,383		$12,663,692	27.00	$341,874	$13,790,444
19	2033	2034	2035	$ 126,637		$12,790,329	26.93	$344,430	$13,917,081
20	2034	2035	2036	$ 127,903		$12,918,232	26.86	$347,005	$14,044,984
21	2035	2036	2037	$ 129,182		$13,047,414	26.79	$349,598	$14,174,167
22	2036	2037	2038	$ 130,474		$13,177,889	26.73	$352,212	$14,304,641
23	2037	2038	2039	$ 131,779		$13,309,667	26.66	$354,844	$14,436,420
24	2038	2039	2040	$ 133,097		$13,442,764	26.59	$357,497	$14,569,516
25	2039	2040	2041	$ 134,428		$13,577,192	26.53	$360,169	$14,703,944
26	2040	2041	2042	$ 135,772		$13,712,964	26.46	$362,861	$14,839,716
27	2041	2042	2043	$ 137,130		$13,850,093	26.40	$365,574	$14,976,846
			Totals		**$ 12,019,418**			**$ 8,412,792**	
					Beginning	**End**	**%**		
		Net Present Value of Increment			2016	2042	5%	$4,452,157	

iii) Debt Service

GENERAL OBLIGATION BONDS			DEBT SERVICE SCHEDULE						
T.I.F G.O. BOND ISSUES		TOTAL G.O. BOND LOANS	T.I.F. CAPACITY					T.I.F. YEAR	
				T.I.F. G. O. Bond					
General Obligation Draw	**General Obligation Draw (2nd Issue)**	**Total Market Rate Obligations**	**Total Yearly Revenue**	Balance beginning of Year	Plus interest on debt at		Equals New balance		
					4.00%				
$2,613,355	$0	$2,613,355	$ -	$ 2,613,355	$ 104,534		$ 2,717,889	1	2015
$252,555	$0	$252,555	$ -	$ 2,970,444	$ 118,818		$ 3,089,261	2	2016
$109,069	$0	$109,069	$ -	$ 3,198,330	$ 127,933		$ 3,326,263	3	2017
$179,069	$0	$179,069	$ 42,708.68	$ 3,462,623	$ 138,505		$ 3,601,128	4	2018
$0	$0	$0	$ 305,740.09	$ 3,295,388	$ 131,816		$ 3,427,204	5	2019
$0	$0	$0	$ 308,025.49	$ 3,119,178	$ 124,767		$ 3,243,945	6	2020
$0	$0	$0	$ 310,327.99	$ 2,933,618	$ 117,345		$ 3,050,962	7	2021
	$0	$0	$ 312,647.69	$ 2,738,315	$ 109,533		$ 2,847,847	8	2022
	$0	$0	$ 314,984.73	$ 2,532,862	$ 101,314		$ 2,634,177	9	2023
	$0	$0	$ 317,339.24	$ 2,316,838	$ 92,674		$ 2,409,511	10	2024
	$0	$0	$ 319,711.35	$ 2,089,800	$ 83,592		$ 2,173,392	11	2025
	$0	$0	$ 322,101.19	$ 1,851,291	$ 74,052		$ 1,925,342	12	2026
	$0	$0	$ 324,508.90	$ 1,600,833	$ 64,033		$ 1,664,867	13	2027
	$0	$0	$ 326,934.60	$ 1,337,932	$ 53,517		$ 1,391,449	14	2028
	$0	$0	$ 329,378.44	$ 1,062,071	$ 42,483		$ 1,104,554	15	2029
	$0	$0	$ 331,840.54	$ 772,713	$ 30,909		$ 803,622	16	2030
	$0	$0	$ 334,321.05	$ 469,301	$ 18,772		$ 488,073	17	2031
	$0	$0	$ 336,820.10	$ 151,253	$ 6,050		$ 157,303	18	2032
	$0	$0	$ 339,337.83	$ (182,035)	$ (7,281)		$ (189,317)	19	2033
	$0	$0	$ 341,874.38	$ (531,191)	$ (21,248)		$ (552,439)	20	2034
	$0	$0	$ 344,429.89	$ (896,868)	$ (35,875)		$ (932,743)	21	2035
	$0	$0	$ 347,004.51	$ (1,279,748)	$ (51,190)		$ (1,330,938)	22	2036
	$0	$0	$ 349,598.36	$ (1,680,536)	$ (67,221)		$ (1,747,757)	23	2037
	$0	$0	$ 352,211.61	$ (2,099,969)	$ (83,999)		$ (2,183,968)	24	2038
	$0	$0	$ 354,844.39	$ (2,538,812)	$ (101,552)		$ (2,640,365)	25	2039
	$0	$0	$ 357,496.86	$ (2,997,862)	$ (119,914)		$ (3,117,776)	26	2040
	$0	$0	$ 360,169.14	$ (3,477,945)	$ (139,118)		$ (3,617,063)	27	2041
$3,154,047	$0	$3,154,047							

Exhibit No. 6 Calculation of the Project Share in Tax Increments by Overlying Taxing Jurisdiction

	Current*	Projected*
Value	**$1,126,752**	**$11,921,660**
Tax Share by Jurisdiction		
City (34%)	$10,792	$114,183
WA/WM School District (33%)	$10,474	$110,825
County (20%)	$6,348	$67,167
MATC (7%)	$2,222	$23,508
MMSD (5%)	$1,587	$16,792
State (1%)	$317	$3,358
Gross Levy	**$31,740**	**$335,833**

*using 2013 levy for 2014

Exhibit No. 7 – Assessor's Letter

CITY AT THE CENTER
WEST ALLIS

Winner Wisconsin Award for Municipal Excellence

CITY ASSESSOR
414/302-8230
414/302-8238 (Fax)
City Hall
7525 West Greenfield Avenue
West Allis, Wisconsin 53214
www.westalliswi.gov

August 12, 2014

John Stibal
Director
Department of Development
City of West Allis

RE: Project Plan for Tax Incremental District Fourteen

Dear Mr. Stibal:

The percentage of taxable property in all existing incremental districts compared with all taxable property in the City of West Allis for 2014 is:

3.527%

TOTAL TIF VALUE	$131,346,200
TOTAL CITY :	$3,723,819,400

Proposed TIF# 14 values are included in the Total TIF Value.
The total values included assessed values of both real estate and personal property.
Manufacturing values are based on the 2014 preliminary DOR reports.

Sincerely,

Charles F. Ruud
City Assessor

Exhibit No. 8 – Legal Opinion

CITY AT THE CENTER
WEST ALLIS

Winner Wisconsin Award for Municipal Excellence

OFFICE OF THE CITY ATTORNEY

Scott E. Post
City Attorney

Sheryl L. Kuhary
Jeffrey J. Warchol
Jenna R. Merten
Assistant City Attorneys

EXHIBIT NO. 8

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

RE: Project Plan for Tax Incremental District Number Fourteen

Dear Mr. Stibal:

Pursuant to your request, I have reviewed the Project Plan for Tax Incremental District Number Fourteen. Based upon that review, I am of the opinion that the Plan complies with all of the statutory requirements of Wis. Stats. §66.1105(4)(f). This opinion is rendered in compliance with that statutory provision and should be part of the Project Plan.

Yours very truly,

Scott E. Post

Scott E. Post
City Attorney

SEP:kp
L/Scott/Opinion Ltr-TIF 14

Dated: 10-3-2014

City Hall, 7525 West Greenfield Avenue, West Allis, Wisconsin 53214 ■ Phone (414)302-8450 ■ Fax (414)302-8444
attorney@westalliswi.gov ■ www.westalliswi.gov
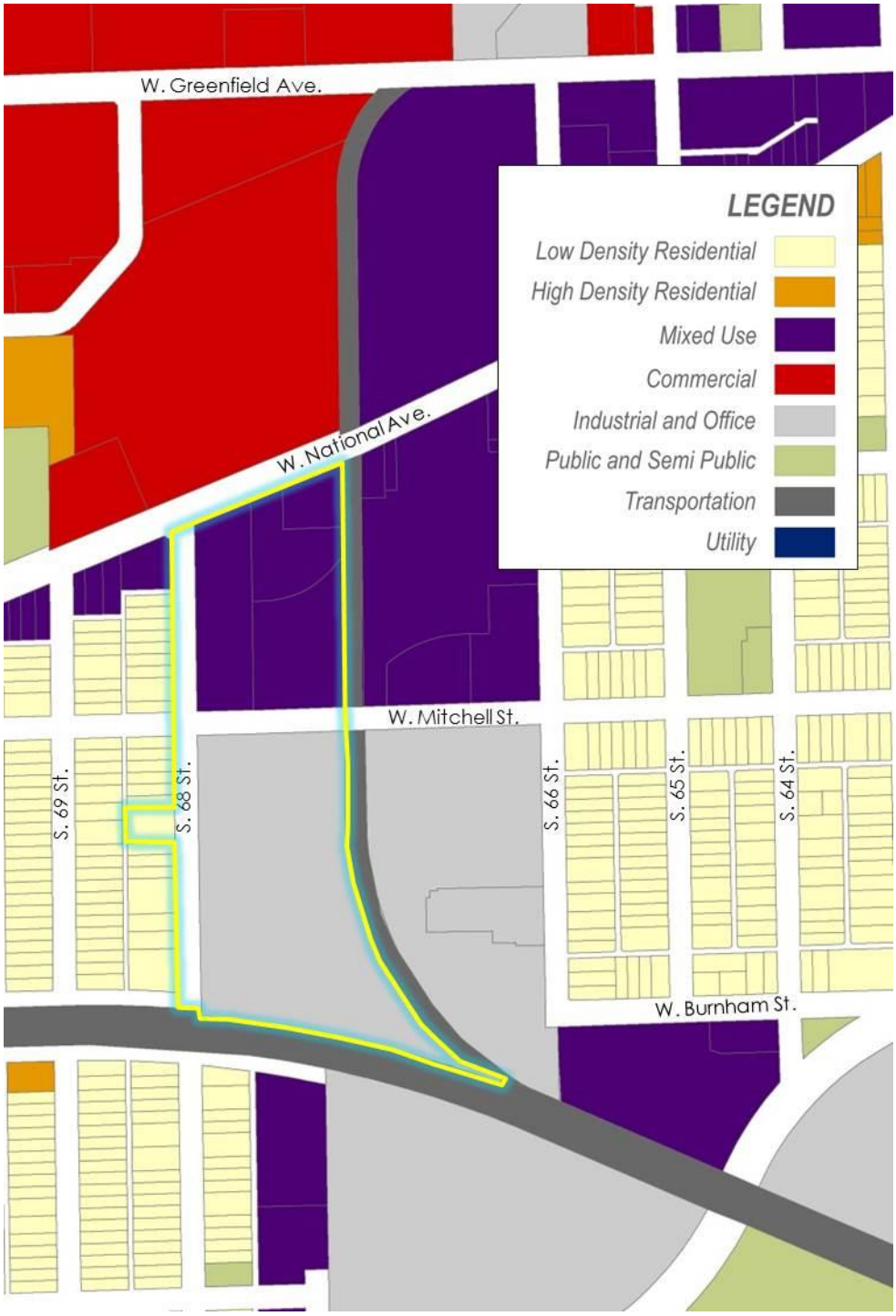
Exhibit No. 9 – City of West Allis 2030 Future Land Use Map