

TAX INCREMENTAL DISTRICT #12
DIVISION STREET REDEVELOPMENT



PROJECT PLAN

CITY OF OSHKOSH

February 1997

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The City is also now considering the approval of the Division Street Redevelopment Area and its accompanying Project Plan which would allow the City to acquire and clear blighted and underutilized properties along Division Street. These properties would then be sold to a developer(s) who will construct a new multifamily housing in the area. TID #12 will help finance the assembling of this land as well as some public improvements. The City of Oshkosh Citizens Advisory Committee, and the City of Oshkosh Common Council have approved the use of Community Development Block Grant funds to assist with this project. Proceeds from the sale of land, and possibly funds from the Oshkosh Housing Authority will also be used to help finance the project.

BOUNDARIES/PROPERTY IDENTIFICATION

The proposed boundaries of Tax Incremental District No. 12 are described as follows: A part of Block 51 of Henning's Plat of Lot 2, Block 43; W.W. Wright's Subdivision of Blocks 45 and F; Block C of Parkinson's Subdivision of Block 45, and of Block 52 of Edgerton's Plat, per Leach's Map of 1894, all in the Seventh Ward, City of Oshkosh, Winnebago County, Wisconsin described as follows:

Commencing at the intersection of the extended east line of Division Street and the centerline of W. Parkway Avenue; thence north along the extended east line and the east line of Division Street to the southwest corner of Lot 58 of Block 51 in The Henning's Plat of Lot 2 Block 43; thence east along the south line of Lot 58 and Lot 7 and the extended south line of Lot 7 all in Block 51 of Henning's Plat of Lot 2 Block 43 to the centerline of N. Main Street; thence north along the centerline of N. Main Street to the extended north line of Lot 11 in Block 51 of said Henning's Plat; thence west along the extended north line and north line of Lot 11 and north line of Lot 54 all in said Henning's Plat to the east line of Division Street; thence north along the east line and extended east line of Division Street to the centerline of W. Irving Avenue; thence west along the centerline of W. Irving Avenue to the extended west line of Lot 22 of Block C in Parkinson's Subdivision of Block 45; thence south along the extended west line of said Lot 22 to the south line of W. Irving Avenue; thence south along the west lines of Lots 22 through 12 of Block C in Parkinson's Subdivision of Block 45 to the north line of Ida Avenue; thence south to the northwest corner of Lot 36 of W. W. Wright's Subdivision of Block 45 and F; thence south along the west lines of Lots 36 through 33 of said W. W. Wright's Subdivision to the southwest corner of said Lot 33; thence east along the south line of said Lot 33, 25 feet; thence south parallel to Division Street 35 feet; thence east parallel to W. Parkway Avenue 18 feet; thence south parallel to Division Street 65 feet to the north line of W. Parkway Avenue; thence west along the north line of W. Parkway Avenue to a point which is 115.75 feet west of the west line of Division Street; thence south parallel to Division Street to a point on the north line of Lot 8 in Block 52 of Edgerton's Plat; thence west along said north line to the N.E. corner of said Lot 8; thence south along the west line of Lots 8 through 3 of said Block 52 of Edgerton's Plat to the S.W. corner of said Lot 3; thence east 49.11 feet along the south line of said Lot 3; thence southerly 41.20 feet to a point on the south line of Lot 2 of Block 52 of Edgerton's Plat, said point being 96 feet west of the S.E. corner of said Lot 2; thence east along the south line of said Lot 2 to said S.E. corner of Lot 2; thence continuing east on the south line of said Lot 2 extended to the east line of Division Street; thence north along the east line of Division Street and the east line of Division Street extended to a point on the centerline of W. Parkway Avenue, said point being the point of beginning.

years of the creation of the TID. The tax increments may be received until project costs are recovered but for no longer than sixteen years after the last expenditure is made. The maximum life of the TID is twenty-three years or sixteen years after the last expenditure. In the case of TID #12, all project expenditures must be made by January 1, 2004.

RELOCATION

Where relocation of individuals or businesses operations would take place as a result of City of Oshkosh acquisition activities occurring within the TID, relocation will be carried out in accordance with applicable relocation requirements as set forth by the State of Wisconsin and Federal regulations.

MASTER PLAN, ZONING, BUILDING AND OTHER CODE CONSIDERATIONS

The project elements proposed in the Project Plan conform to the objectives and conceptual recommendations contained in the City's Comprehensive Plan, as approved by the Plan Commission and the City Council. Existing land uses in the TID are shown in Map 3, and proposed land uses are shown in Map 4. Zoning changes in terms of adding a planned development overlay may be needed to accomplish the objectives of the Project Plan. No changes in the Official Map, Building Codes, or other City ordinances appear to be necessary to implement the Project Plan. The existing zoning of the TID is shown in Map 5, and the proposed zoning is illustrated in Map 6.

ECONOMIC FEASIBILITY

The determination of economic feasibility of this TID is based on the development of a 24 unit multifamily project under construction, and planned development within the next several years. The planned development consists of thirty nine new residential units and some addition new commercial space. The cost of public improvements and other project costs is projected to be \$1,916,125. Of this amount it is estimated that tax increments, see Table 2, at current bond rates will allow the City to finance about \$583,050 of the project costs. The remaining costs will be funded from current and future Community Development Block Grant funds, of which \$462,318 has already been committed, proceeds from land sales, and potentially funds from the Oshkosh Housing Authority.

Project expenditures will be contingent upon development actually occurring, or committed to occur. Since a large part of the project cost is financed with long-term debt, borrowing would be undertaken only when sufficient development actually occurs to support each borrowing segment and the expenditure of such funds.

The District is projected to have an equalized value of \$3,144,580 when costs are paid in full and the TID is terminated at the end of the 23 year period. It will generate \$941,756 in tax increments during the same period.

Based on planned expenditures and revenue levels, all costs of TID #12 will be paid off by the end of 2019, the 23th year, and at that time the TID will be dissolved.

FINANCING

Project costs will be financed through bonding, of which payment will be from funds generated by the new tax value created in the District. Equity for the project will come from the City's Community Development Block Grant Program, land sales, and potentially the Oshkosh Housing Authority.

ORDERLY DEVELOPMENT

Creation of the TID for the purpose of eliminating blight and blighting conditions or underutilized property in the central city promotes orderly development by ensuring that land is developed to its highest and best use in a manner consistent with appropriate plans and codes, that adequate public facilities are available to support development, and that blighting influences on the TID are mitigated. Given the difficulties associated with development in central cities, were it not for the TIF financing mechanism, and support of the City of Oshkosh to undertake a redevelopment program in the central city, such efforts to conserve and rehabilitate this area might not occur.

FINDINGS

More than 50 percent of the real property within the TID is blighted or underutilized within the meaning of Section 66.435(3), Wis. Stats..

The redevelopment of the area calling for the construction of new housing will have a significant positive impact on the value of substantially all real property in the District.

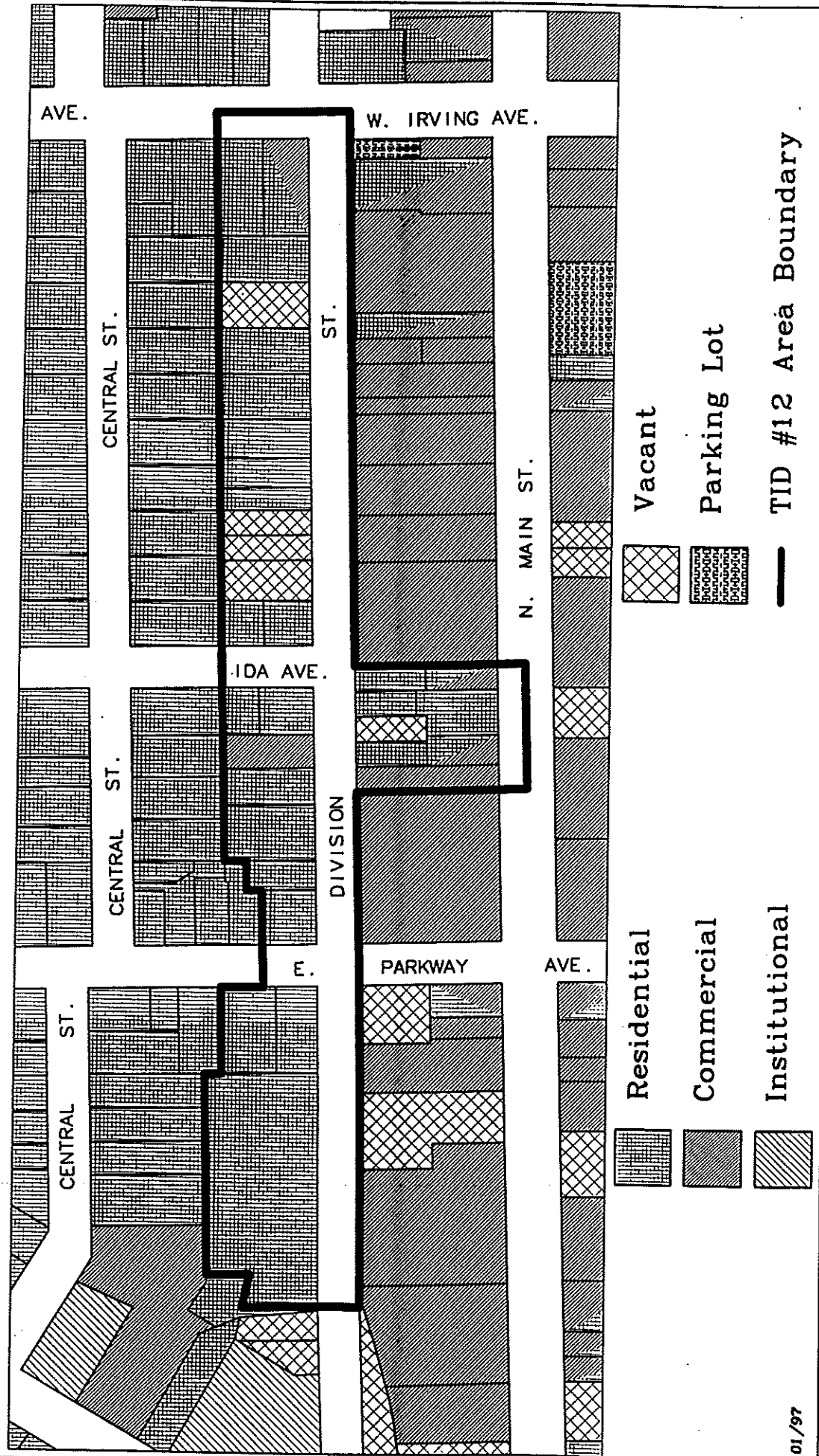
The primary objective for creating TID #12 is to prevent and eliminate blight and blighting influences thereby helping to conserve the central city area. The project costs identified are consistent with the purpose for which the tax increment district was created.

Based on January 1, 1997 equalized values, the base value of TID #12 is estimated at \$1,138,603. The equalized value of taxable property in TID #12 plus all existing districts does not exceed 7 percent of the total equalized value of taxable property within the City of Oshkosh. The January 1, 1997 equalized value increment of all existing TID's including the estimated value of proposed TID #12 is \$97,253,503 or 3.27 percent of the estimated \$1,910,807,900 total equalized value of the City at the time of TID #12's creation.

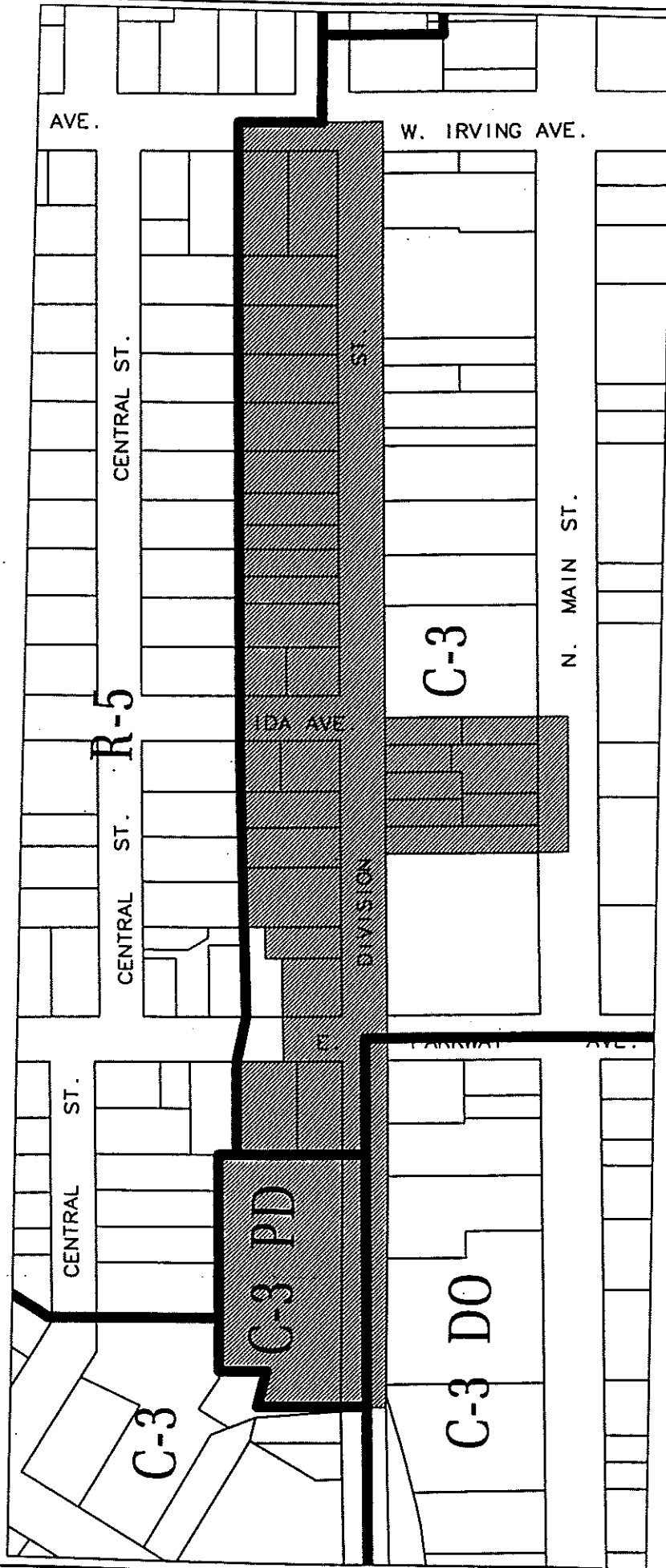
APPENDICES

MAP 3

TID #12: EXISTING LAND USE



MAP 5
TID #12: EXISTING ZONING



■ TID #12 Area

— ZONING BOUNDARY

APPENDIX B

COMMON COUNCIL REPORT TO THE JOINT REVIEW BOARD

Section 66.46(4)(i), Wisconsin Statutes, requires the Common Council provide the Joint Review Board with certain information and projections. This Appendix will provide the required information either by reference to its location in the Project Plan, or by separate narrative. All projections and information presented in this report assume TID #12 will be in existence for twenty of the twenty-three years allowed by Statutes.

1. Specific projects that may be undertaken in TID #12, and their estimated costs are listed in Table 1 of the Project Plan.
2. The estimated amount of tax increments to be created over the life of TID #12 are shown on Table 2 of the Project Plan. The value increment (equalized value of all taxable property minus the tax incremental base) when project costs are paid in full is an estimated \$2,005,977.
3. Project costs in 1 above are associated with minor public improvements, and the acquisition of property. The project costs incurred by the TID are necessary for the redevelopment of the area. If the property owner had to pay for acquisition, it is very unlikely that the project would proceed. The general public will also benefit from the project by the elimination of blight as well as an increase in the tax base.
4. The share of projected tax increments to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the district is estimated as follows: School District, \$398,080; City Government, \$294,675; County Government, \$182,293; Fox Valley Technical College, \$66,300. It should be noted that the projected total increment would be collected over twenty years.
5. Property owners paying a part of the projected tax increment will accrue benefits in three ways. First, property that is a blighting influence on the area will be removed and the property improved. Second, without the TID the redevelopment of the area to the extent outlined in the project plan would not occur. Third, the redevelopment helps stabilize a neighborhood which should facilitate private investment in the homes and businesses in the area.

EXCERPT FROM FEBRUARY 18, 1997 PLAN COMMISSION MINUTES

VII: APPROVAL OF "REDEVELOPMENT PLAN FOR THE DIVISION STREET REDEVELOPMENT AREA" AND DESIGNATION OF REDEVELOPMENT PROJECT AREA BOUNDARIES

The Department of Community Development requests the Plan Commission approve the Redevelopment Plan for the Division Street Redevelopment Area and designate the project boundaries as those reflected in the Plan document dated January, 1997, and recommend approval of same by the Common Council.

Mr. Kinney gave a brief presentation on the issue at hand to the Plan Commission and concerned citizens. He stated the Citizen's Advisory Committee (CAC) for the last two years has recommended allocation of Community Development Block Grant funds to cover the costs of the proposed Division Street Redevelopment Project.

In response to a question raised by Vince King, 671 Division Street, Mr. Kinney explained how a Tax Incremental District functions.

Mr. Gehling stated it is his understanding that the City is including the Burns' property in the TID and once improved, the new valuation will contribute to the TID when the Burns project is completed.

Mr. Smith inquired what would happen if some other developer came in with an entirely different development than what is presently being proposed.

Mr. Kinney stated a commercial use is there now and it would be reasonable to continue that type of use - maybe even a mix of a commercial/residential use.

Robert Boelke, formerly 641 Division Street/now known as 104 Ida Avenue, stated this area is zoned C-1 or C-2, if the City allows redevelopment to meet the standards the City would like, what happens to the smaller parcels that don't fit into the size requirements of that zoning district.

Mr. Kinney stated the properties in this area are proposed for acquisition. It is proposed that the tenants and/or property owners would be relocated and the structures removed which would provide for redevelopment.

Mr. Boelke inquired would the property owners receive the fair market value or appraised value of their properties.

Susan Kepplinger, Principal Planner, stated the State of Wisconsin regulates how the City acquires properties and the City is required to go through a State acquisition process. We need to get a full appraisal and make offers on the basis of the appraisals received. If the property owners do not like the appraisals the City obtains, they are allowed to obtain their own appraisals at City expense and then the City and property owner would negotiate from there.

Mr. Boelke inquired as to relocation expenses.

Ms. Kepplinger, stated when the City acquires properties, the tenants are relocated and/or receive relocation benefits which are covered under Federal uniformed relocation laws.

VIII: PUBLIC HEARING - CREATION OF TAX INCREMENTAL DISTRICT #12 - DIVISION STREET REDEVELOPMENT; DESIGNATION OF BOUNDARIES AND APPROVAL OF PROJECT PLAN

The Department of Community Development requests the Plan Commission approve the boundaries of TID #12 and the TID #12 Project Plan and recommend approval of the TID boundaries and Project Plan by the Common Council.

Chairman Ruppenthal opened the public hearing to take comments from interested parties as to the creation of Tax Incremental District #12 relative to the designation of boundaries and approval of the Division Street Redevelopment Project Plan.

There being no comments received from the public and/or interested parties, the public hearing was closed.

Motion by Pressley to approve the boundaries for TID #12 and the TID #12 Project Plan and recommend approval of the TID boundaries and Project Plan by the Common Council. Seconded by Gehling. Motion carried 7-0 with 1 abstention (Sitter).

BE IT FINALLY RESOLVED, that proposed Tax Incremental District #12 - Division Street Redevelopment, and this recommendation by the City of Oshkosh Plan Commission be submitted for consideration by the City of Oshkosh Common Council.

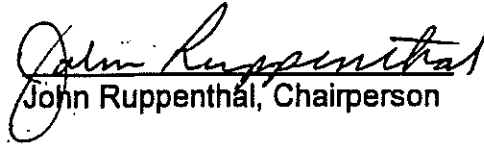

John Ruppenthal, Chairperson

EXHIBIT A

The proposed boundaries of Tax Increment District No. 12 are described as follows: A part of Block 51 of Henning's Plat of Lot 2, Block 43; W.W. Wright's Subdivision of Blocks 45 and F; Block C of Parkinson's Subdivision of Block 45, and of Block 52 of Edgerton's Plat, per Leach's Map of 1894, all in the Seventh Ward, City of Oshkosh, Winnebago County, Wisconsin described as follows:

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APRIL 22, 1997
MARCH 25, 1997

97-172
97-115

PENDING
RESOLUTION
CONT'D

WHEREAS, the City of Oshkosh Plan Commission has found that:

- 1) Said Project Plan for Tax Incremental District No. 12 is feasible; and
- 2) Said Project Plan is in conformity with the Master Plan of the City of Oshkosh.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Oshkosh approves said Project Plan for Tax Incremental District No. 12, Division Street Redevelopment, pursuant to the provisions of Section 66.46, Wis. Stats.

BE IT FURTHER RESOLVED that the Common Council of the City of Oshkosh hereby approves creation of Tax Incremental Financing District No. 12, Division Street Redevelopment, as described in the attached "Exhibit A".

BE IT FURTHER RESOLVED that the improvements contemplated in TID #12, Division Street Redevelopment, are likely to significantly enhance the value of substantially all real property in TID No. 12.

BE IT FURTHER RESOLVED that the value of equalized, taxable property in TID No. 12, together with all other established Tax Incremental Districts, does not exceed 7% of the total equalized value of taxable property within the City of Oshkosh.

BE IT FURTHER RESOLVED that more than 50% of the real property within TID #12 is blighted and in need of rehabilitation or conservation within the meaning of Section 66.435(3), Wis. Stats.


BE IT FURTHER RESOLVED that the project costs are consistent with the purposes for which the Tax Incremental District is created with the primary objective being to conserve the Central Business District by facilitating the redevelopment of a blighted area.

STATE OF WISCONSIN)
 COUNTY OF WINNEBAGO) SS
 CITY OF OSHKOSH)

I, DONNA C. SERWAS, Clerk for the City of Oshkosh, Winnebago County, Wisconsin, do hereby certify that the foregoing resolution is a true and correct copy of the original on file in my office, adopted by the Common Council of the City of Oshkosh, Wisconsin at a regular meeting held on APRIL 22, 1997.

Witness my hand and the Corporation seal of the City of Oshkosh, Wisconsin.

DATED: APR 24, 1997



 City Clerk of the City of Oshkosh,
 Winnebago County, Wisconsin