

City of Oshkosh

**TAX INCREMENT DISTRICT # 14
AMENDMENT NO. 1**

**HAZEL STREET/MERCY MEDICAL CENTER
REDEVELOPMENT**



Project Plan

Department of Community Development

August 2002

Adopted By:

Plan Commission on August 6, 2002

Common Council on August 13, 2002

Joint Review Board on August 27, 2002

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TAX INCREMENT DISTRICT #14
AMENDMENT NO. 1

PROJECT PLAN

CITY OF OSHKOSH

ADOPTED BY THE PLAN COMMISSION
August 6th, 2002 Public Hearing

ADOPTED BY THE COMMON COUNCIL
August 13th, 2002 Meeting

ADOPTED BY THE JOINT REVIEW BOARD
August 27th, 2002 Meeting

PREPARED BY:
DEPARTMENT OF COMMUNITY DEVELOPMENT
August 2002

Plan Summary

Amendment No. 1 Tax Increment District # 14

- District Name:** Tax Increment District # 14 Hazel Street/Mercy Medical Center Redevelopment
- Location:** East side of the City in the Lakeshore Planning District generally located; south of Irving Avenue; east of Grove Street; west of Hazel Street; and north of Parkway Avenue with the exception of approximate 370 foot peninsula south of Parkway Avenue between Grove and Oak Streets.
- Size:** Approximately 17.08 acres with 10.81 acres in the amendment area.
- Purpose:** Eliminate and/or prevent a blighting influence in an older residential neighborhood by assisting in the rehabilitation/redevelopment of a vacant medical center and the improvement of the infrastructure in the district.
- Proposed Costs:** Approximately \$3.9 million for costs related to rehabilitation/construction assistance of the former hospital buildings and infrastructure improvements which include sanitary sewer, storm sewer, water, and street construction. Costs also include financing, including capitalized interest, and administrative/organizational costs.
- Project Financing:** \$2.1 million borrowing program utilizing General Obligation notes and/or loans from the State Land Trust Fund Program.
- Projected Revenues:** The District is projected to create over \$15 million in tax increment and generate over \$6 million in property taxes over the life of the district.
- Economic Feasibility:** The economic feasibility of the amended Project Plan is based on \$8.6 million worth of improvements to the former hospital buildings to make the site available for elderly and market rate housing, office space, and retail usage.

Introduction

Wisconsin's Tax Incremental Financing law provides a mechanism that enables cities and villages to rehabilitate blighted areas, improve business areas, and/or develop industrial sites. The intent is to defray the cost of public improvements in a Tax Increment District (TID) by using tax revenues or increments generated from new development. Under Tax Increment Financing, the tax increment generated from private investment in a TID is applied entirely to the retirement of debt incurred by the municipality in order to make the area attractive to investment or reinvestment. When the cost of public improvements have been recovered, the TID is dissolved and all taxing jurisdictions benefit on the same shared basis as before the creation of the TID.

TIF laws allow municipalities to amend a Tax Increment District (TID) in three ways:

- 1) Addition of projects not included in the original project plan.
- 2) Allocation of positive tax increments from one TID to another TID.
- 3) Addition of territory to the TID.

The incorporation of additional territory to a TID can only be done once during the district's first seven years. Expenditures can only be made in the new territory for three years and the implementation period for the original portion does not change.

Tax increment financing law provides benefits to all taxing entities by promoting development of new taxable value which otherwise would not occur without the creation of a TID. It provides a tool to municipalities to make feasible the required levels of investment to meet identified needs and fill legitimate public purpose roles. The law also recognizes that since municipalities do not share the investment risk with other tax entities, they are entitled within a prescribed period of time, to receive all new tax revenues of the TID as the source of paying off all public investment costs. All other taxing entities receive benefits in the future from the increased tax base generated as a result of the city's investment in the TID.



Purpose

In June 2000, the City of Oshkosh created Tax Increment District # 14, the Hazel Street/Mercy Medical Center Redevelopment project in order to help finance demolition, public improvements, and environmental remediation to aid in the prevention of blighting conditions and to stimulate

redevelopment of the Hazel Street Mercy Medical Center. At the time at which the TID was being created, Mercy Medical Center was in the process of relocating its facilities to its new location on the west side of the City leaving the two large buildings in excess of 300,000 square feet, the hospital and

old nursing school building, vacant and a potential blighting and attractive nuisance in the neighborhood.

A proposal was made to redevelop the site with the first phase involving redevelopment of the medical complex north of Cleveland Avenue which included the old nursing school and parking lot. The proposal involved the eventual development of a three story 58 unit elderly assisted living complex, an 8 unit ranch style building for elderly occupancy, and a four lot single family subdivision along Grove Street.

The purpose of this TID is to ensure that the remaining vacant buildings and grounds of the former Mercy Medical Center campus are redeveloped prior to becoming a blighting influence in its older established neighborhood. Goals of the City of Oshkosh Comprehensive Plan, adopted in August 1993, as it relates to the creation of this TID are:

- ◆ Stabilization of older neighborhoods;
- ◆ Promote and support affordable housing;
- ◆ Provision of housing opportunities appropriate for all segments of the population;
- ◆ Redevelop older sections of the City that are underutilized, blighted, or obsolete...



This TID will result in the redevelopment of the former main hospital building and boiler structure that will include approximately 85 senior apartments and assisted care units, 35 market rate apartments, 88,000 square feet of office space, and 6,000 square feet of grocery/pharmacy. The areas of the site that were formerly used for parking will be reutilized as parking support. Additionally, there are two former house/office structures located on the site that will be razed to provide for additional parking.

Boundaries/Property Identification

A part of Charles Barber's Replat Block 3, Barber and Madison's Addition Block 2, Carl Hennig's Addition Block 2, Corbett's Replat, Evans 3rd Addition Block 66, Hazel Street, E. Irving Avenue, Oak Street, Cleveland Avenue, E. Parkway Avenue and Grove Street all in the Eleventh Ward, City of Oshkosh, Winnebago County, Wisconsin described as follows:

Commencing at the intersection of the centerline of E. Parkway Avenue and Hazel Street; thence north

along the centerline of Hazel Street to the extended south line of E. Irving Avenue; thence west along the extended south line and south line of E. Irving Avenue to the northwest corner of Lot 9 Charles Barber's Replat Block 3; thence south along the west line of said Lot 9 to the southwest corner of said Lot 9; thence west along the south lines of Lots 10 and 11 of Charles Barber's Replat Block 3 to the southeast corner of Lot 12 Charles Barber's Replat Block 3; thence north along the east line and extended east line of said Lot 12 to the centerline of E. Irving Avenue; thence west along the centerline of E. Irving Avenue to the centerline of Oak Street; thence south along the centerline of Oak Street to the extended north line of Lot 5 Barber & Madison's Addition Block 2; thence west along the extended north line and north line of said Lot 5 to the northwest corner of said Lot 5; thence south along the west line of said Lot 5, 16.666 feet; thence west parallel and 16.666 feet south of the north line and extended north line of Lot 9 Barber & Madison's Addition Block 2 to the centerline of Grove Street; thence south along the centerline of Grove Street to the intersection with a line that is 10 feet south of the extended south line of Lot 20 Evans 3rd Addition Block 66; thence east along a line that is 10 feet south of and parallel to the extended south lines and south lines of Lot 20 and Lot 9 Evans 3rd Addition Block 66 to the centerline of Oak Street; thence north along the centerline of Oak Street to the centerline of E. Parkway Avenue; thence east along the centerline of E. Parkway Avenue to the centerline of Hazel Street also being the point of beginning.

Total area within the TID is estimated at 17.08 acres. The boundaries of TID #14 and the proposed territory amendment area, and real property determined to be blighted, underutilized, or in need of rehabilitation or clearance are identified in the maps in Appendix A pages 10 and 12.

Name Of The District

The district shall continue to be referred to as City of Oshkosh Tax Increment District #14 (TID #14) – Hazel Street/Mercy Medical Center Redevelopment Project.

Creation Date

The date of creation for the additional properties to be included in the amended district shall be January 1, 2002. The equalized values of the additional properties will be added to the original certified base of TID # 14 and the base value will be re-certified by the State of Wisconsin. The re-certified base value shall be used as the base in computing subsequent increments that will accrue in the tax base for the District.

Proposed Project Costs And Improvements

Project costs relative to TID financing are estimated at \$2,113,540 that includes \$1,000,000 for redevelopment and rehabilitation activities to be undertaken on the remaining medical center properties. The development assistance will be made available to the developer of the project who estimates a total investment into the project of approximately \$8.6 million. Of the \$8.6 million investment, Mercy Medical Center proposes a contribution of \$485,000 for development assistance as well as the equalized value of the properties that is estimated at \$594,200 for a total of about \$1,079,200. Repayment of debt service incurred by the City for the payment to the developer will be guaranteed via increment value

increases. Should increment not be available to repay debt service the developer shall guarantee repayment through agreement.

Other costs to be financed will include infrastructure improvements to the streets, water mains, storm sewer, and sanitary sewer. TID funds will be used to cover the costs of the City's portion of the infrastructure improvements with the remaining project costs to be assessed against the adjacent benefiting property owners. The Proposed Improvements Map on page 11 provides a general overview and area of the improvements.

Table 1 shows estimates of costs for the major project categories and estimates of timing of these costs. The cost estimates relative to public infrastructure improvement costs include a 10% contingency cost and 25% for technical, administrative, and legal services involved in implementing the project themselves. This could include technical drawings, inspections, contracts, etc. The estimated costs may be adjusted within the amounts shown without modification to the Project Plan. All project expenditures in the amended TID area must be made within three years of the creation date of the amendment.

Description	TIF Costs	Other	Gross	Year
Development & Rehabilitation Assistance	\$1,000,000		\$1,000,000	2002-04
Sanitary Sewer	\$122,850	\$27,000	\$149,850	2002-04
Storm Sewer	\$208,309	\$8,084	\$216,393	2002-04
Street Construction	\$276,361	\$219,641	\$496,002	2002-04
Water	\$331,020	\$8,100	\$339,120	2002-04
Organizational/Administrative	\$330,205		\$330,205	2002-07
Subtotal Project Costs	\$2,268,745	\$262,825	\$2,531,570	
Capitalized Interest	\$175,000		\$175,000	2002-23
Financing Cost	\$1,487,515		\$1,487,515	2002-23
Total Estimated Costs to be TID Financed	\$2,113,540		\$2,113,540	
Total Project Costs Including Financing and Capitalized Interest	\$3,931,260	\$262,825	\$4,194,085	2002-23

Organization and administrative costs include estimates for administrative, planning, professional organizational, and legal costs. Components of these costs include, in general, salaries, benefits, and overhead of City employees engaged in planning, engineering, implementing, and administering activities in connection with the TID. Also included could be supplies and materials and outside consultant services. Typical City departments involved with the TID would include Community Development, Public Works, Finance, Attorney, Transportation, and Parks. It is anticipated that positive tax increments remaining after annual debt service has been addressed will be used to repay the City for incurring the costs.

Capitalized interest costs involve borrowing funds to pay for debt service during construction until a sufficient level of tax increment is generated to cover the annual debt service.

Method of Financing

The project costs, including financing, are the estimated amount of tax increment revenues to be requested under the provisions of Section 66.1105 Wisconsin Statutes, Tax Increment Law. The method of financing project costs is expected to be through a combination of the issuance of General Obligation Notes, loans from the State Trust Fund, or any other method of financing approved by the City of Oshkosh Common Council. Project expenditures will be recovered through tax increments and assessments for public infrastructure improvements. If tax increments are not sufficient to cover debt service payments relative to the rehabilitation of the former hospital site, a debt service guarantee will be provided by the developer to cover any shortfalls attributable to the development assistance provided by the City.

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 1993 Comprehensive Plan, as approved by the Plan Commission and City Council. Existing land uses in the TID are shown on page 12, and proposed land uses are shown on page 13.

No changes in the City's Official Map, Building Codes or other City Ordinances appear to be necessary to implement the Project Plan. The existing and proposed zoning of the TID is shown on page 14.

Estimated Non-Project Costs

There are no estimated non-project costs associated with implementing this project plan.

Promotion of Orderly Development

Mercy Medical Center relocated its facilities to the west side of the City in mid year 2000 leaving behind over 15 acres of hospital campus area and over 300,000 square feet of building area to an uncertain future if not for the tool of tax increment financing. A developer was secured for the northern portion of the campus and new 58 unit and 8 unit structures were constructed in the area where the old nursing school and associated parking was located. Four single family lots were also developed with one already containing a new single family dwelling. To date, approximately \$1.5 million of tax increment has been created that does not include the full value of the 58 unit structure and includes three undeveloped single family lots. These developments required detailed City reviews involving a zoning change, a street vacation, certified survey maps, and the issuance of conditional use permit for the developments themselves. These reviews aid in the promotion of orderly development of the area, which in all likelihood would not have occurred without TIF.

The same situation can occur with the balance of the hospital campus property. Without the tool of TIF, the building and grounds may remain vacant and a blighting influence in the neighborhood. Continued use of TIF in this redevelopment area will help fill the financing gap and promote orderly development by ensuring that the project area is redeveloped in conjunction with City review and approval. TID

necessitates good planning through the public hearing process, reviews by the Plan Commission, Common Council, and Joint Review Board as well as the project plan being drafted and developed by the City's Department of Community Development.

Economic Feasibility

Determination of the economic feasibility of this TID is based on redevelopment of the hospital structure to a value of approximately \$8.6 million. This value is based upon development of 35 market rate apartments, 85 senior and elderly care apartments, 88,000 square feet of leasable office space, and 6,000 square feet of grocery and pharmacy space. The district is projected to create a tax increment of over \$15 million at the end of its 23-year life when the district is retired. The district may be terminated prior to the 23-year life span provided that all financed project costs and debt service is fully paid.

Relocation

No displacement or relocation of persons or businesses is needed or will be undertaken in this project area. If relocation of individuals or businesses were required, it would be carried out in accordance with applicable relocation requirements set forth by the State of Wisconsin and Federal regulations.

Findings and Report to the Joint Review Board

Section 66.1105(4)(i), Wisconsin Statutes, requires the Common Council provide the Joint Review Board with certain information and projections. This section 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 #14 will be in existence for the twenty-three years allowed by Statute.

The primary objectives for amending TID # 14 is to ensure that the properties included in the district do not become more of blighting influence in this established neighborhood on the City's east-side and that the vacant structures and land be redeveloped and rehabilitated. In order to assist in eliminating this blighting influence, funds are being designated for redevelopment of the private improvements in the district that will include a development assistance and rehabilitation grant to the developer of the property. The developer will be required to guarantee that the City's debt service incurred for the development assistance is repaid through value increment increases on the private properties, or should shortfalls occur in the value increment, payments from the developer.

Another component of eliminating blighting conditions in the district involves improvements to the infrastructure serving the district. This will include street, storm, sanitary, and water improvements for which part of the costs will be funded through TIF. These improvements are needed as the state of the infrastructure in the area is in poor condition.

The primary reason why the owners of the property benefiting from the improvements planned in the district should not fully pay is due mainly to the large-scale nature of the planned redevelopment project which will benefit all layers of government (County, Technical College, Public Schools, City) through significantly increased property tax values. It will also benefit owners adjacent to the district by eliminating a vacant blighting influence in the neighborhood. If the property owner were required to fully pay project costs associated with rehabilitation of the properties, the rehabilitation and redevelopment would in all likelihood not occur.

All project costs identified in the Project Plan are consistent with eliminating blighting conditions in the district and ensuring rehabilitation. A detailed list of project costs are shown in Table 1 of the Project Plan as well as a map on pages 11 and 13. Project costs to be paid for with tax increments are estimated at approximately \$3.9 million.

The amended base value of the district is estimated at approximately \$594,200 and is based on the current equalized values of the parcels to be included in amended TID. The district value increment is estimated to exceed \$15 million in its 23rd and final year of existence prior to being dissolved. Using an average property tax rate being applied to the estimated development, the district will generate over \$6 million in property taxes over the life of the district. Assuming the development could occur without TIF assistance and at the current tax rate, the overlying taxing jurisdictions would have received \$2.2 million for Area Schools (35.42%), \$2.1 million for City (34.18%), \$1.3 million for the County (21.94%), \$470,000 for the Technical College (7.66%), and \$49,000 for the State (.8%).

The following findings are made in regard to Amendment No. 1 to TID # 14:

- More than 50 percent of the real property within the amended TID area is blighted, in need of rehabilitation, or conservation within the meaning of Section 66.1337 Wis. Stats;
- The redevelopment of the area calling for the development of apartments, commercial office space, and retail space will have a significant positive impact on the value of all real property in the District;
- Project costs associated with implementing this project plan are consistent with the purpose for which the District was created;
- If the property owner was required to fully pay for the private improvements associated with the proposed rehabilitation of the private properties, the redevelopment would in all likelihood not occur;
- The equalized value of taxable property of the district plus all existing districts does not exceed 7% of the total equalized value of taxable property within the city.

Based on the January 1, 2002 equalized value of taxable property within the amended TID # 14 plus all existing districts does not exceed 7% of the City of Oshkosh's total equalized value or the value of TID # 14 plus the value increment of existing districts does not exceed 5% of the total municipal value. The estimated amended base value of TID # 14 plus all other TIDs equals approximately \$166 million or 6.5% of the City's total municipal equalized value of \$2.57 billion.



City Attorney's Office
Phone: (920) 236-5115
Fax: (920) 236-5090
<http://www.ci.oshkosh.wi.us>

August 1, 2002

Mr. Jackson R. Kinney
Director of Community Development
City of Oshkosh
215 Church Avenue
Oshkosh, WI 54903-1130

Dear Mr. Kinney

I have reviewed the project plan for Amendment No. 1 City of Oshkosh Tax Increment District # 14 – Hazel Street/Mercy Medical Center Redevelopment, pursuant to Section 66.1105(4)(f) of Wisconsin Statutes. I find that the plan includes a statement listing the kind, number and location of proposed public improvements. It also shows an economic feasibility study, a detailed list of estimated project costs, and a description of the method of financing all estimated project costs and the time when the costs are to be incurred. The plan also has a map of existing uses of the real property in the district and map showing proposed improvements in the district and which also indicates the zoning of the district. The plan further shows how the district will promote the orderly development of the City.

Upon adoption by the Plan Commission of the project plan and their submission to the City Council, all requirements of Section 66.1105(4)(f), Wisconsin Statutes, shall be complete and it is, therefore, my opinion that the project plan attached hereto is complete and complies with Sec. 66.1105, Wis. Stats.

Sincerely,
CITY OF OSHKOSH

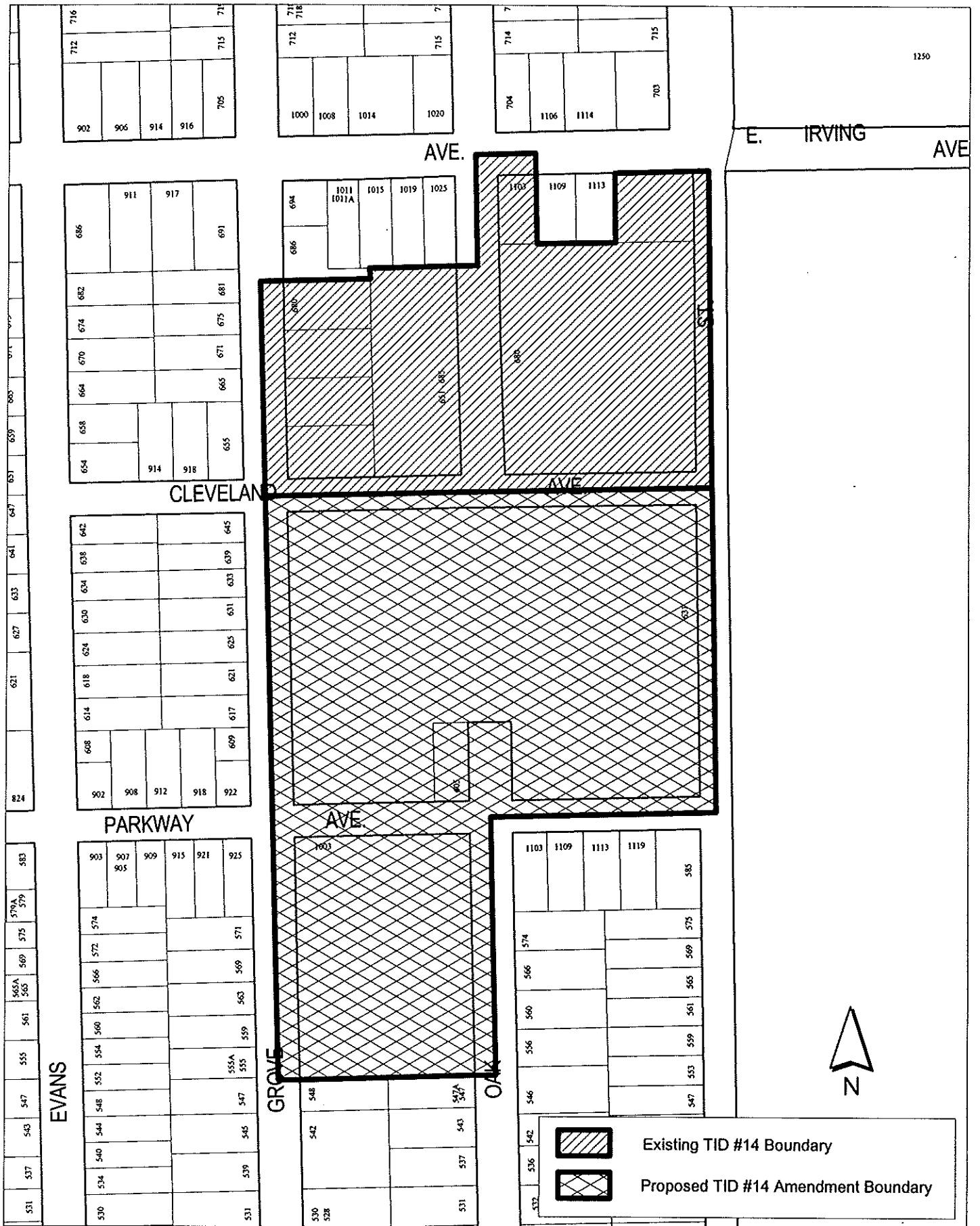

Warren P. Kraft
City Attorney

wpk:lz



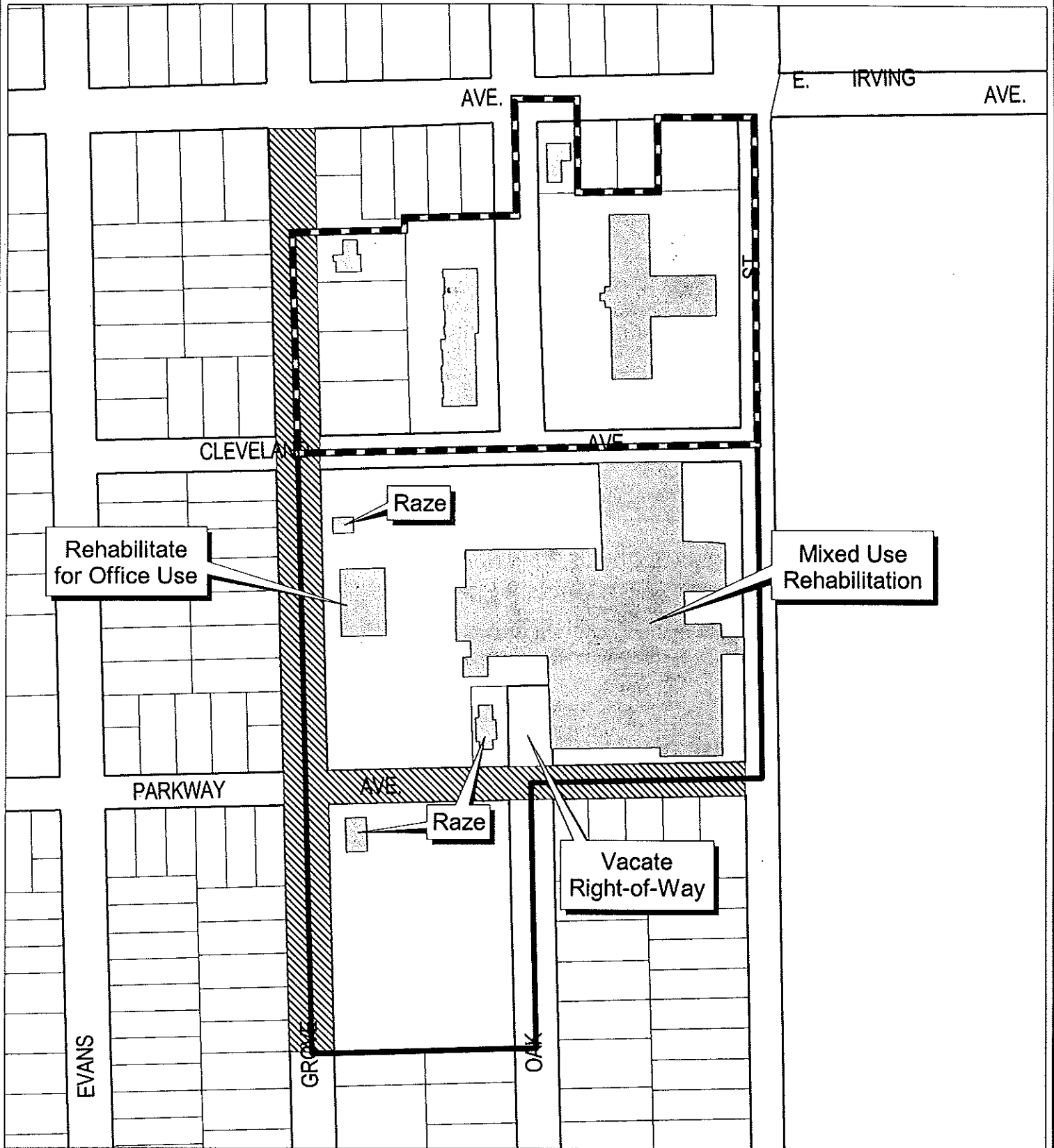
Appendix A
Project Maps

TID #14 Amendment No. 1 Boundaries



(07/2002)


Proposed Improvements



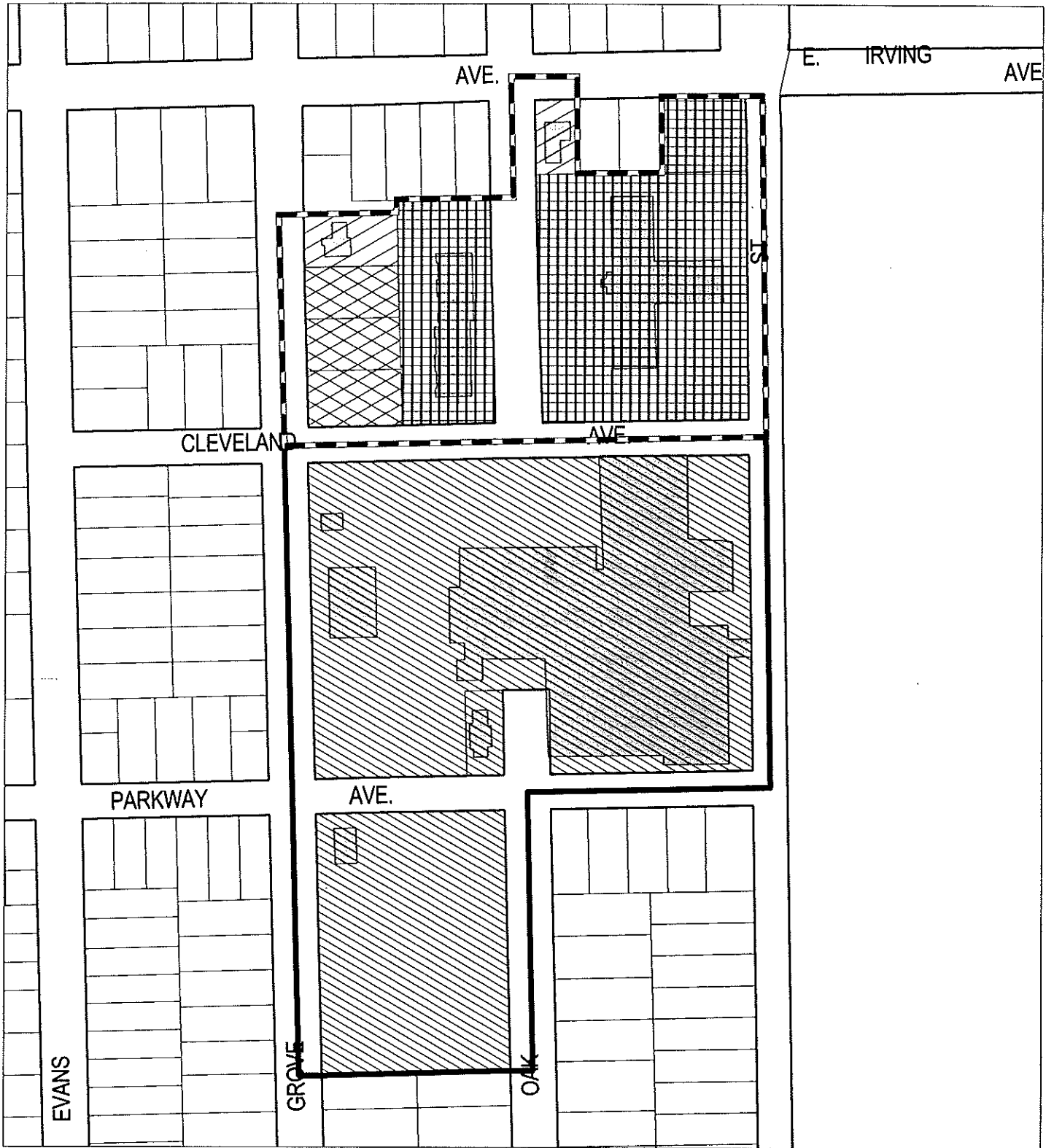
Legend - TID 14 Amendment - Proposed Improvements









 TID 14 Boundary

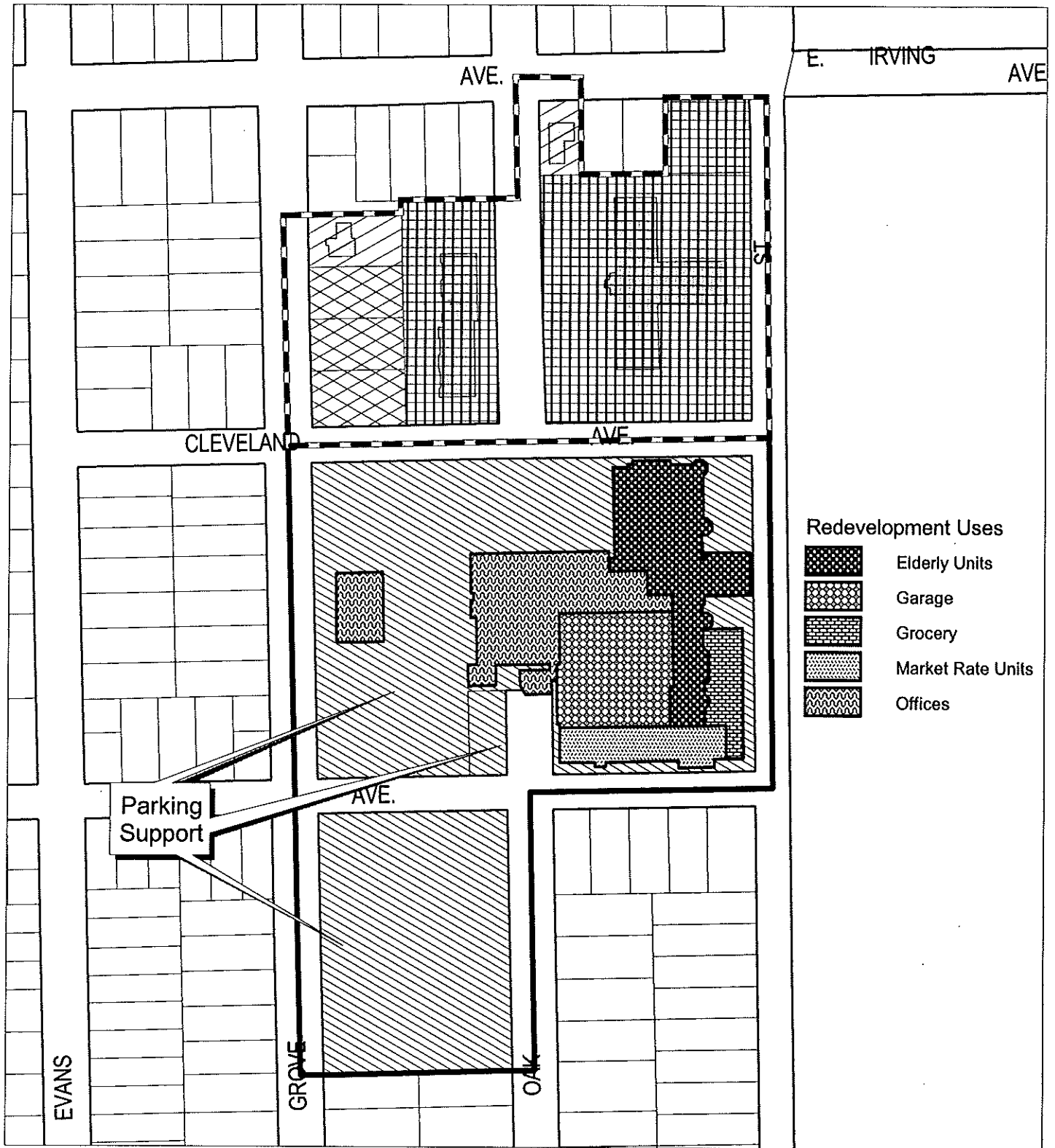
 Infrastructure Improvements:
Street Paving, Water Main, Storm & Sanitary Sewer

Existing Land Use








- | | | | |
|---|----------------------------|--|---|
|  | Infill Residential |  | Single Family |
|  | Multi-Family |  | Vacant Institutional/
Property in need of Rehabilitation |
|  | Proposed TID #14 Amendment |  | Existing TID #14 |

Proposed Land Use



Redevelopment Uses

-  Elderly Units
-  Garage
-  Grocery
-  Market Rate Units
-  Offices

 Infill Residential

 Single Family

 Multi-Family

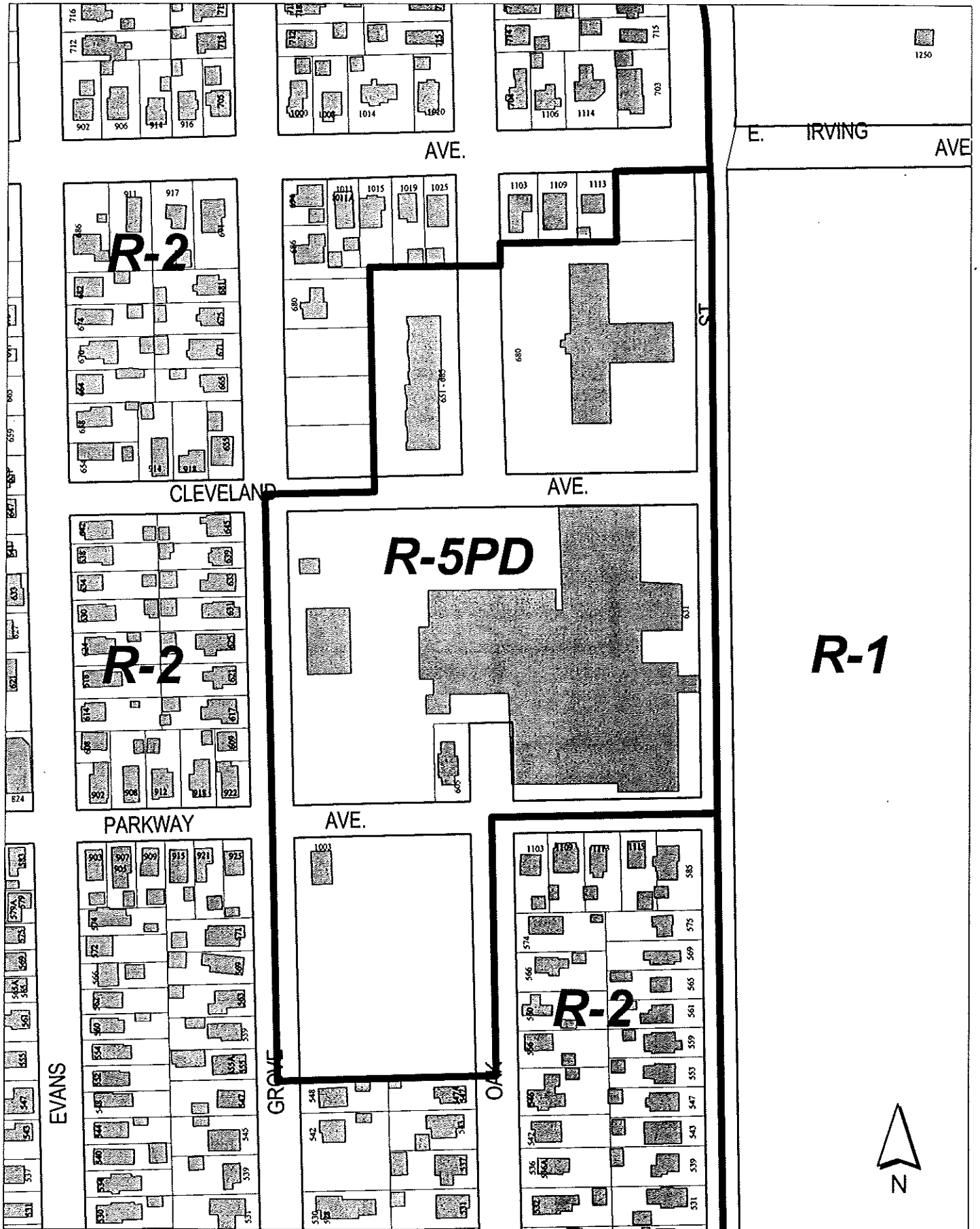
 Mixed Use Commercial/Residential

 Proposed TID #14 Amendment

 Existing TID #14

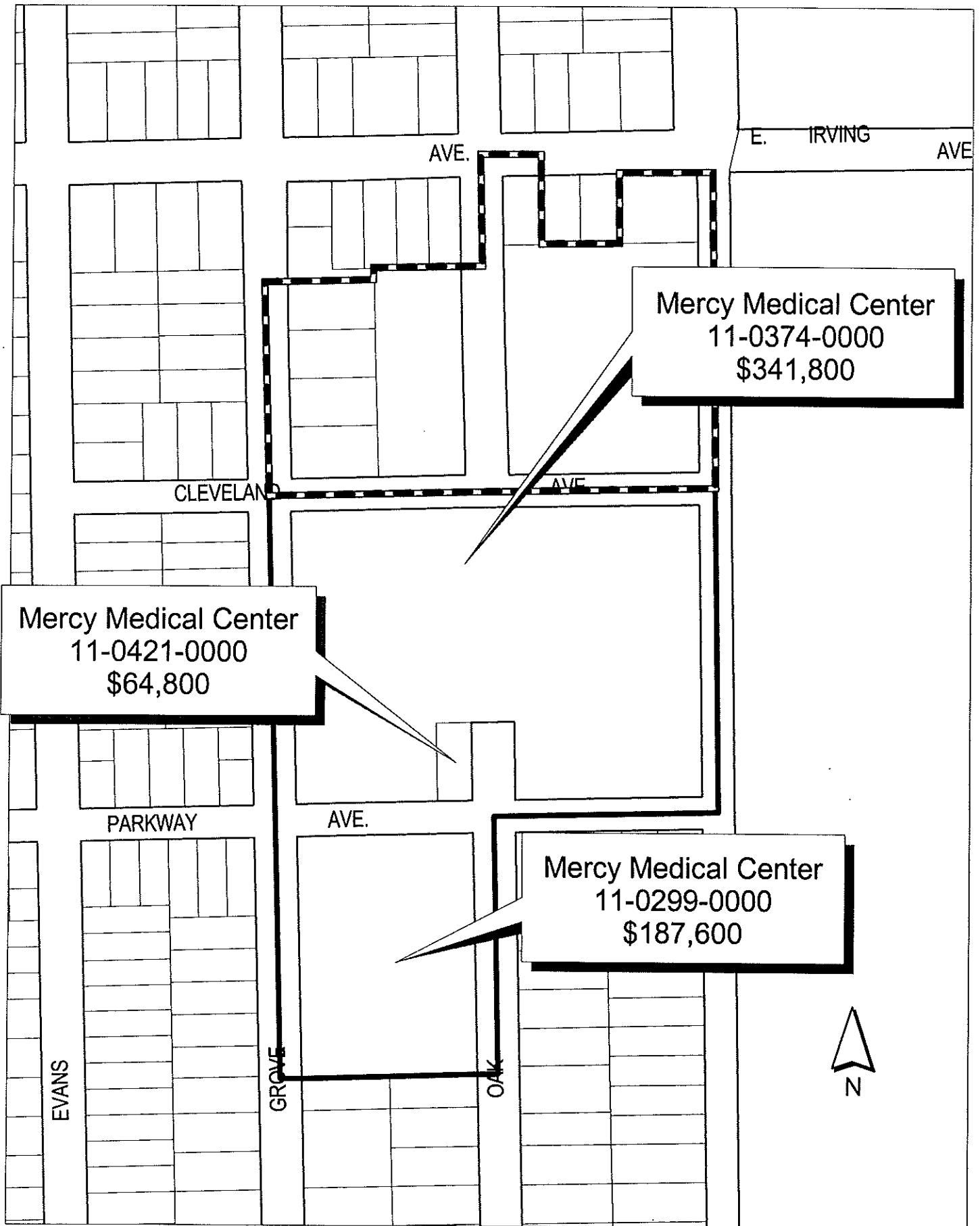


Existing & Proposed Zoning



(07/2002)

Parcel Identification / Equalized Values



(07/2002)

Appendix B
TID Related Infrastructure Improvements

Street

Construction	Assessment	City	Total
Grove Street			
<i>from Parkway to Cleveland</i>	\$37,500	\$45,500	\$83,000
500' of 32' pavement			
<i>from Cleveland to Irving</i>	\$32,000	\$63,000	\$95,000
510' of 32' pavement			
<i>from Merritt to Parkway</i>	\$30,297	\$33,312	\$63,609
385' of 32' pavement			
Parkway Ave			
<i>from Grove to Hazel</i>	\$62,900	\$62,900	\$125,800
680' of 36' pavement			
Subtotal Construction	\$162,697	\$204,712	\$367,409
Contingency	\$16,270	\$20,471	\$36,741
Tech, admin, legal	\$40,674	\$51,178	\$91,852
Total	\$219,641	\$276,361	\$496,002

Sanitary Sewer

	Assessment	City	Total
Grove Street			
<i>from Parkway to Cleveland</i>	\$10,000	\$38,000	\$48,000
400' of 8" san sewer relay			
<i>from Cleveland to Irving</i>	\$10,000	\$38,000	\$48,000
400' of 8" san sewer relay			
Parkway Avenue			
<i>from Grove to Hazel</i>		\$15,000	\$15,000
Spot repair 18" san sewer			
Subtotal Construction	\$20,000	\$91,000	\$111,000
Contingency	\$2,000	\$9,100	\$11,100
Tech, admin, legal	\$5,000	\$22,750	\$27,750
Total	\$27,000	\$122,850	\$149,850

Storm Sewer

	Assessment	City	Total
Grove Street			
<i>from Parkway to Cleveland</i>	\$3,000	\$30,000	\$33,000
500' storm sewer and laterals			
<i>from Cleveland to Irving</i>		\$30,000	\$30,000
510' storm sewer and laterals			
<i>from Merritt to Parkway Ave</i>	\$2,988	\$26,303	\$29,291
385' storm sewer and laterals			
Parkway Avenue			
<i>from Grove to Hazel</i>		\$68,000	\$68,000
680' of 42" storm sewer relay			
Subtotal Construction	\$5,988	\$154,303	\$160,291
Contingency	\$599	\$15,430	\$16,029
Tech, admin, legal	\$1,497	\$38,576	\$40,073
Total	\$8,084	\$208,309	\$216,393

Appendix B
TID Related Infrastructure Improvements

Water Main	Assessment	City	Total
Grove Street			
<i>from Parkway to Cleveland</i>	\$6,000	\$59,000	\$65,000
Abandon 4" water, connect to 18" main, new services			
<i>from Cleveland to Irving</i>	\$6,000	\$59,000	\$65,000
540' of 8" water relay			
<i>from Merritt to Parkway</i>		\$46,200	\$46,200
385' of 8" water relay			
Parkway Avenue			
<i>from Grove to Hazel</i>		\$140,000	\$140,000
700' of 18" water main relay			
Subtotal Construction	\$6,000	\$245,200	\$251,200
Contingency	\$600	\$24,520	\$25,120
Tech, admin, legal	\$1,500	\$61,300	\$62,800
Total	\$8,100	\$331,020	\$339,120

The above infrastructure improvements have been identified in the City's adopted Capital Improvement Program 2002-2006. TIF funds will be used to cover the City's portion of the total project costs. Assessments will be charged against the benefiting property owners as is standard procedure.

A portion of the costs attributable to TID financing will be incurred out of the district for the area along Grove Street from Irving Avenue south approximately 175 feet to the north edge of the district. Costs incurred outside the district are estimated at \$114,692 and for water main (\$28,437), sanitary sewer (\$28,350), storm sewer (\$13,897), and street construction (\$44,008).

Appendix C
NOTICE OF PUBLIC HEARING
BEFORE THE CITY OF OSHKOSH PLAN COMMISSION

TUESDAY, AUGUST 6, 2002
4:00 PM, Room 404
City Hall, Oshkosh, WI

The Plan Commission will hear public comments on proposed Amendment No. 1 to the Project Plan and boundaries of Tax Incremental Finance District (TID) #14 Hazel Street/Mercy Medical Center Redevelopment. The purpose of the amendment is to add territory and projects to the TID #14 Project Plan. The boundaries to be established and projects to be added to the Project Plan will be considered. Interested persons are encouraged to attend. Drafts of the Project Plan will be available for review on or about August 1, 2002. For information, call the City of Oshkosh Planning Services Division at 920-236-5055 between 8 AM – 4:30 PM, Monday through Friday.

The district shall continue to be referred to as Tax Increment Finance District #14 – Hazel Street/Mercy Medical Center Redevelopment.

A part of Charles Barber's Replat Block 3, Barber and Madison's Addition Block 2, Carl Hennig's Addition Block 2, Corbett's Replat, Evans 3rd Addition Block 66, Hazel Street, E. Irving Avenue, Oak Street, Cleveland Avenue, E. Parkway Avenue and Grove Street all in the Eleventh Ward, City of Oshkosh, Winnebago County, Wisconsin described as follows: Commencing at the intersection of the centerline of E. Parkway Avenue and Hazel Street; thence north along the centerline of Hazel Street to the extended south line of E. Irving Avenue; thence west along the extended south line and south line of E. Irving Avenue to the northwest corner of Lot 9 Charles Barber's Replat Block 3; thence south along the west line of said Lot 9 to the southwest corner of said Lot 9; thence west along the south lines of Lots 10 and 11 of Charles Barber's Replat Block 3 to the southeast corner of Lot 12 Charles Barber's Replat Block 3; thence north along the east line and extended east line of said Lot 12 to the centerline of E. Irving Avenue; thence west along the centerline of E. Irving Avenue to the centerline of Oak Street; thence south along the centerline of Oak Street to the extended north line of Lot 5 Barber & Madison's Addition Block 2; thence west along the extended north line and north line of said Lot 5 to the northwest corner of said Lot 5; thence south along the west line of said Lot 5, 16.666 feet; thence west parallel and 16.666 feet south of the north line and extended north line of Lot 9 Barber & Madison's Addition Block 2 to the centerline of Grove Street; thence south along the centerline of Grove Street to the intersection with a line that is 10 feet south of the extended south line of Lot 20 Evans 3rd Addition Block 66; thence east along a line that is 10 feet south of and parallel to the extended south lines and south lines of Lot 20 and Lot 9 Evans 3rd Addition Block 66 to the centerline of Oak Street; thence north along the centerline of Oak Street to the centerline of E. Parkway Avenue; thence east along the centerline of E. Parkway Avenue to the centerline of Hazel Street also being the point of beginning. Total area within the TID is estimated at 17.08 acres.

**APPENDIX D
PLAN COMMISSION PUBLIC HEARING MINUTES (EXCERPT)**

**PLAN COMMISSION MINUTES
AUGUST 6, 2002**

PRESENT: Lee Bettes, Lurton Blassingame, Jon Dell'Antonia, Steve Gehling, Donald Pressley, Kathleen Propp, Achim Reschenberg, John Ruppenthal, and Donald Krueger, Vice Chairman

STAFF: Darryn Burich, Principal Planner; Jackson Kinney, Director of Community Development; and Vickie Rand, Recording Secretary

The meeting was called to order by Vice Chairman Krueger. Roll call was taken and a quorum declared present.

IV: PUBLIC HEARING ON PROPOSED AMENDMENT NO. 1 TO TAX INCREMENT DISTRICT # 14 HAZEL STREET/MERCY MEDICAL CENTER REDEVELOPMENT: DESIGNATION OF BOUNDARIES AND APPROVAL OF PROJECT PLAN

Prior to taking action on proposed Amendment No. 1 to Tax Increment District (TID) # 14 Hazel Street/Mercy Medical Center Redevelopment, the Plan Commission is to hold a public hearing and take comments concerning the proposed amendment. This public hearing is required as part of the formal process the City must follow in amending a TID.

The City is proposing to amend TID # 14 by adding both territory to the TID and projects to the Project Plan. TID # 14 was created in 2000 in order to assist in redeveloping a portion of the former 16± acre hospital site that contained two large (300,000 square feet) buildings, associated parking, and accessory buildings.

Vice Chairman Krueger opened the public hearing portion of the meeting.

Mr. Blassingame asked Mr. Kinney to address the level of review and approval the Plan Commission is required to consider in lieu of the article in the morning's Northwestern.

Mr. Kinney stated the Plan Commission is asked to approve TID boundaries and the project plan. He explained that the dollar amounts shown are part of the project plan, which show the plan is financially viable and that the TID will be paid off per the investment and the increase in the property value. Mr. Kinney stated the Common Council would make the final approval of the financial investment the City would make.

Mr. Dell'Antonia questioned if the Plan Commission's recommendation would include the entire package or the package without the financial aspect. Mr. Kinney explained the financial information in the related materials the Plan Commission has received are anticipated costs of the TID, therefore they would be recommending the entire package in concept.

Mr. Burich introduced the item using the map as displayed to point out the new TID #14 boundaries. Mr. Burich went on to explain the TID funds will be used to cover the costs of the City's portion of the infrastructure improvements to the streets, water mains, storm sewer, and sanitary sewer, with the remaining project costs to be assessed against the adjacent benefiting property owners.

APPENDIX D
PLAN COMMISSION PUBLIC HEARING MINUTES (EXCERPT)

Ben Ganther, 6030 County Road A, stated he was available to answer any questions the Plan Commission may have. He stated he believes this to be a good mixed use project on property that has never before been on the tax rolls. He stated the development should produce approximately \$10 million worth of tax dollars. He stated if the tax increments are not sufficient to cover debt service payments to the City a guarantee will be provided to cover any shortfalls that may occur. Mr. Ganther discussed the asbestos abatement and demolition work that needs to be done.

Mrs. Propp made note of the last proposal for this site and the reasons for it's failure and questioned if the same could happen in regards to this project. Mr. Ganther stated this project wouldn't be seeking the same kind of assistance because it is a mixed use project and the apartments will be available at the market rate.

Mr. Dell'Antonia questioned the dollar amount that Mercy Medical Center would be contributing to the project. Mr. Ganther stated Mercy Medical Center would be contributing approximately \$485,000 to the project costs, and have spent over \$300,000 over the last 3 years for maintenance and security of the buildings.

Mr. Ruppenthal stated he understood there would be a guarantee on behalf of the developers to cover any shortfalls in the debt service payments to the City, and questioned under what circumstances might that happen. Mr. Ganther stated he didn't really know of any circumstances and believed that to be a clause by which the City would be able to recover any losses that may incur.

Bill Plummer, 703 Hazel Street, stated he had received a meeting notice and questioned what was expected of him regarding this project.

Mr. Kinney stated meeting notices are sent out to adjacent property owners as a regular practice of the Department of Community Development to keep them informed of projects happening in their neighborhood.

Vice Chairman Krueger closed the public hearing portion of the meeting at this time.

Mr. Blassingame stated this project appears to be a benefit to the community by eliminating the blighting process of this property in the neighborhood. He stated this proposal should help the City achieve their goals as stated in the Comprehensive Plan.

Motion by Blassingame for approval of the boundaries of amended TID #14 and the amended TID #14 Project Plan. Seconded by Bettes.

Mr. Dell'Antonia asked if the motion would also be recommending the \$1 million contribution on behalf of the City. Mr. Burich stated that was correct, but the Project Plan also provides the ability to be flexible in the actual amounts expended as the numbers are the Department's best estimates at the time the plan was being drafted. He stated that before funds would be distributed to the developer, an agreement would have to be entered into which the Council would have to approve and that actual amount could be less than the recommended in the Project Plan.

Mr. Dell'Antonia stated he would be voting against it at this time until he has a chance to further review the financing before his final vote at the Common Council meeting.

Motion carried 8-1. Nay: Dell'Antonia

APPENDIX E
COMMON COUNCIL CREATION RESOLUTION

AUGUST 13, 2002

02-305

RESOLUTION

(CARRIED 6-0 LOST _____ LAID OVER _____ WITHDRAWN _____)

PURPOSE: APPROVE AMENDMENT NO. 1 TAX INCREMENT DISTRICT NO. 14 PROJECT PLAN; AMEND DISTRICT BOUNDARIES TID #14 HAZEL STREET/MERCY MEDICAL CENTER REDEVELOPMENT

INITIATED BY: CITY ADMINISTRATION

PLAN COMMISSION RECOMMENDATION: Approved

WHEREAS, pursuant to §66.1105, Wis. Stats., the City of Oshkosh proposes Amendment No. 1 to the Project Plan and District Boundaries of Tax Increment District No. 14 Hazel Street/Mercy Medical Center Redevelopment; and

WHEREAS, the City of Oshkosh Plan Commission has prepared and adopted a Project Plan for Tax Increment District No. 14 Hazel Street/Mercy Medical Center Redevelopment which:

- 1) Includes a statement listing the kind, number and location of all proposed public works or improvements within such district.
- 2) Contains an economic feasibility study.
- 3) Contains a detailed list of estimated project costs.
- 4) Contains a description of the methods of financing all estimated project costs and the time when such costs or monetary obligations related thereto are to be incurred.
- 5) Includes a map showing existing uses and conditions of real property in such district.
- 6) Includes a map showing proposed improvements and uses therein.
- 7) Contains a list of estimated non-project costs.
- 8) Contains a statement of a proposed method for the relocation of any person to be displaced.
- 9) Indicates how the creation of TID No. 14 promotes the orderly development of the City.
- 10) Contains an opinion of the City Attorney that the Plan complies with § 66.46(4)(f), Wis. Stats.

and

WHEREAS, the Plan Commission has held a public hearing on Amendment No. 1 to TID No. 14 and has notified the Chief Executive Officers of all local government entities having the power to levy taxes on property within the district, including the School Board of any school district that includes property within the district pursuant to §66.1105, Wis. Stats.; and

APPENDIX E
COMMON COUNCIL CREATION RESOLUTION

AUGUST 13, 2002

02-305

RESOLUTION
CONT'D

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

- 1) Said Amended Project Plan for TID No. 14 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 hereby approves of said Amendment No. 1 to Project Plan and District Boundaries for Tax Incremental District No. 14 Hazel Street/Mercy Medical Center Redevelopment, pursuant to the provisions of §66.1105, Wis. Stats.

BE IT FURTHER RESOLVED that the Common Council of the City of Oshkosh hereby approves of the creation of said amended Tax Increment District No. 14 – Hazel Street/Mercy Medical Center Redevelopment.

BE IT FURTHER RESOLVED that the improvements contemplated in amended TID No. 14 are likely to significantly enhance the value of substantially all real property within amended TID No. 14.

BE IT FURTHER RESOLVED that the value of equalized taxable property in amended TID No. 14, 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 amended TID No. 14 is blighted or in need of rehabilitation or conservation within the meaning of § 66.1337, Wis. Stats..

BE IT FURTHER RESOLVED that the project costs are consistent with the purposes for which the district is being created with the primary objective being rehabilitation of this area and blight elimination.

BE IT FURTHER RESOLVED that if the property owner was required to fully pay for the private improvements associated with the proposed rehabilitation and redevelopment of the private properties, the redevelopment would in all likelihood not occur.

BE IT FURTHER RESOLVED by the Common Council of the City of Oshkosh that this resolution be forwarded to the Joint Review Board for their consideration of amended Project Plan and District Boundaries of TID No. 14 – Hazel Street/Mercy Medical Center Redevelopment.

STATE OF WISCONSIN)

APPENDIX E
COMMON COUNCIL CREATION RESOLUTION

AUGUST 13, 2002

02-305


RESOLUTION
CONT'D

COUNTY OF WINNEBAGO) SS
CITY OF OSHKOSH)

I, PENNY S. WOLF, Deputy City 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 the meeting held on August 13, 2002.

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

DATED: August 14, 2002



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

APPENDIX F

JOINT REVIEW BOARD MEETING MINUTES
Amendment No. 1 TID # 14 Hazel Street/Mercy Medical Center Redevelopment
August 27, 2002
8:00 AM, Department of Community Development Conference Room

Present: Robert Pung (Chair), public member; Gerald Rickman, Fox Valley Technical College; Steven Hintz, City of Oshkosh; Paul Sundquist, Winnebago County, Dennis Mc Hugh, Oshkosh Area Schools.

Others: Richard Wollangk, City Manager; Jackson Kinney, Director of Community Development.

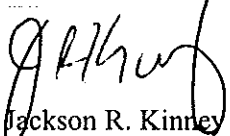
The meeting was called to order at 8:00 am by Chairman Pung.

Mr. Kinney provided a brief description and overview of the proposed amendment to add territory to the district and projects to the Project Plan.

Motion by Paul Sundquist and second by Gerald Rickman to approve Amendment No. 1 to TID # 14 Hazel Street/Mercy Medical Center Redevelopment. Motion carried.

Meeting adjourned at 8:15 AM.

Respectfully Submitted



Jackson R. Kinney
Director of Community Development
Recording Secretary

