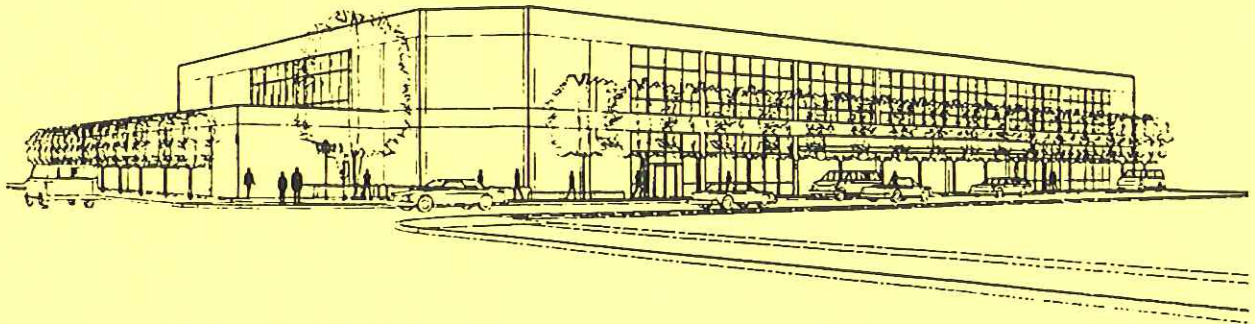


Project Plan for:

City of Oshkosh

TAX INCREMENTAL FINANCE DISTRICT # 15

**PARK PLAZA/COMMERCE STREET
REDEVELOPMENT**



**Department of Community Development
December 2000**

Adopted by Common Council: Jan 9, 2001

December 5th, 2000

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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 designated Tax Incremental District (TID) by using tax revenues or increments generated from new development to pay for project improvements in the district.

Under Tax Incremental 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 improvements have been recovered and the debt service attributable to the district has been retired, the TID is dissolved and all taxing jurisdictions benefit on the same shared basis as before the creation of the TID. If the TID has been successful, each of the taxing jurisdictions should receive a much larger share of the property taxes from the new development that came about as a direct result of the creation of the TID.

Tax incremental financing laws provide benefits to all taxing entities, city, county, public schools, and technical college, by promoting development of new taxable value which otherwise would not occur. It provides a tool for municipalities to make reasonable levels of investment using local financing sources 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.

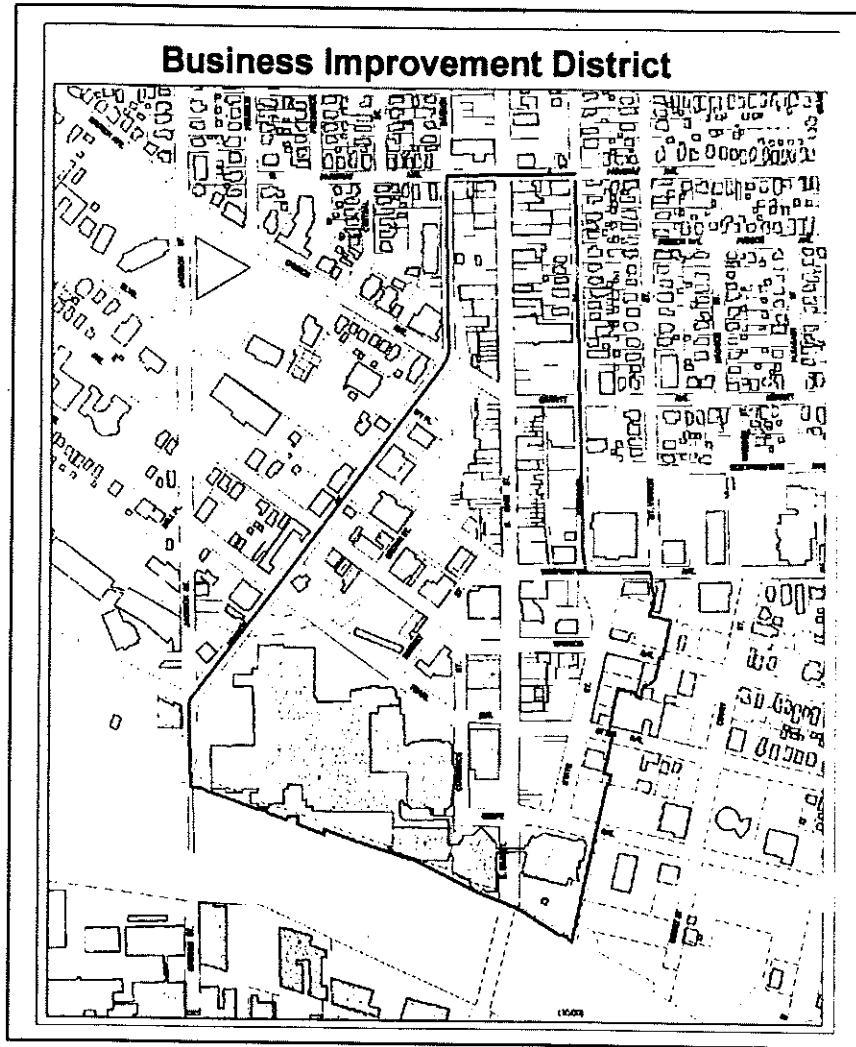
Purpose

The City of Oshkosh is proposing to create Tax Incremental District #15 to help finance improvements associated with rehabilitation of space in a portion of the Park Plaza Mall for the purpose of retaining a major employer in the city's central business district. The improvements will be constructed in approximately 63,000 square feet of vacant space located in the first and second floors of the easternmost portion of the 367,587 square foot mall complex that at one time was a large regional retail mall.

The purpose of this TID is to help stabilize and improve property values within the mall as well as the central business district, and again help to preserve a major employer in the downtown. Downtown Oshkosh and its large former regional mall complex have experienced dramatic declines in both value and jobs in recent years similar to that of other older central cities across the nation. Retail employers have been moving out of urban centers at an alarming pace and into peripheral areas adjacent to the nation's highway systems as well as into suburban communities, helping to contribute to the decline of the central city and in the rise of urban sprawl.

The Downtown Oshkosh Business Improvement District (BID) created in 1987, which contains the Park Plaza Mall complex, has seen a 31% decrease in its total assessed value, going from \$33,563,600 in 1987 to \$23,136,700 in 2000. A significant contributor in this decline is due to the Park Plaza Mall itself. In 1987 the mall had an assessed value of over \$12 million and had a high retail occupancy rate. In 2000, the assessed value of the mall complex has dropped to \$3,453,300, representing a decrease of over \$8.6 million or about 71%.

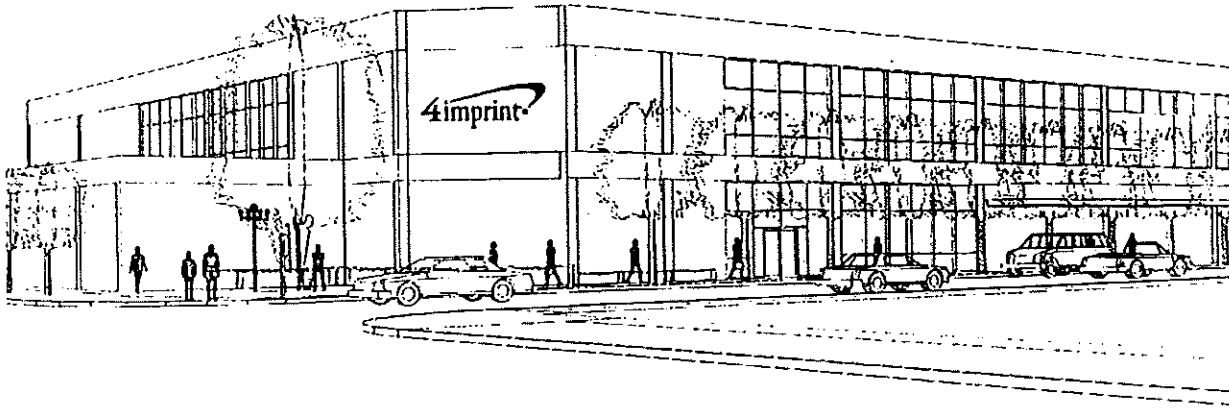
The high assessed values of the mall in the 70's and 80's was due to rental income being generated from the business operations leasing space within the mall. These business operations were predominantly retail in nature and leased their space at higher per square foot lease costs than similar sized office type occupancies. In its heyday, retail space generated high amounts of income for mall ownership due to the fact that retailers had to pay a portion of their monthly sales receipts to mall ownership. When sales are factored into the lease, it results in higher per square foot lease rates paid by retailers. As sales and the amount of retailers in the mall declined, so did the mall's assessed value. Today retail space is leased around \$10 to \$12 per square foot. Class A office space generally is leased at rates less than that of retail space which is reflected in the current lease rates within the mall ranging from \$8 to \$10 per square foot.



Occupancy rates go hand in hand with lease rates when determining the mall's assessed value and the amount of rental income being generated from business operations. When the mall was a large regional draw it had high occupancy rates and numerous retail operations. Most of the mall's 367,587 square feet of leasable space was occupied by over 60 different business operations including the large mall anchors of Prange, Sears, and J.C. Penney. Presently, there are 31 business operations occupying approximately 123,000 square feet in the facility, which represents an occupancy rate of about 33%. Unfortunately, this also represents a vacancy rate of almost 70%, which significantly effects mall rental income and in turn its assessed value for property tax purposes. Of the 31 business operations, only about 8 or 31% of these business operations can be considered retail operations.

Proposal

TID funds will be used to rehabilitate a portion of the existing mall structure into custom designed Class A office space for a major downtown employer. The newly renovated space will become the new corporate offices for 4imprint Incorporated, which is a business to business direct marketer of imprinted promotional products to approximately 150,000 customers including all of the Fortune 100 companies.



4imprint is one of the largest downtown employers, with over 200 employees in its 30,000 square foot facility at 210 Commerce Street. The company has reached its capacity in its current location and needs room to expand to meet future growth needs that cannot occur at its current location. Additionally, the company anticipates adding approximately 200 new jobs within the next four years and needs additional space to accommodate these needs. Because the company cannot add space to the structure it currently occupied it was necessary for the company to search for alternative locations that will meet all of their future needs. Table I below shows the jobs that will be retained or created as a result of this TID over the next four years per 4imprint.

Table I								
Jobs Saved/Jobs Created								
Job Category	Salary Range	%age	2000	2001	2002	2003	2004	Increase
Officer/Manager	\$25K - \$100K	10%	23	26	29	35	43	20
Professional	\$15K - \$48K	20%	44	50	55	68	82	38
Technician	\$16.6K - \$38K	2%	4	5	5	6	7	3
Sales Workers	\$14.6K - \$46.4K	37%	82	94	102	127	153	71
Office/Clerical	\$13K - \$31K	29%	63	72	78	97	118	55
Laborer	\$14.6 - \$21K	2%	4	5	5	6	7	3
Total (end of year)			220	252	274	339	410	190

Table I shows that 4imprint is planning on adding almost 200 jobs to its operations over the next four years, representing an 86% increase in employment. The majority of the newly created positions will be sales workers with an annual salary range of \$14,600 to \$46,400. Most importantly, however, the table shows that 220 jobs will be retained downtown.

A major factor the company needs to consider in searching for alternative locations is employee parking. 4imprint has no dedicated employee parking adjacent to its current facility and rents parking space at the Park Plaza Mall ramp. There is public parking in 4imprint's immediate vicinity, but it is mostly metered and is short term parking only. Abundant parking within a reasonable walking distance was a critical factor in determining 4imprint's location decision.

Both of these important location decisions, space enough to grow and parking, can be easily provided in peripheral areas of the city or in suburban locations near major transportation routes. Large developable tracts of land are not abundant within the city's central business district. Construction of new structures in greenfield locations can be built for much less per square foot costs than a comparable sized building rehabilitation in an existing structure. Furthermore because large tracts of land are available for development in greenfield areas, large parking lots can be provided to accommodate employees, customers, and shipping. As has been seen in recent years, many employers, commercial and retail alike, are opting to relocate to these areas, thereby aiding in the decline of the central city and in the rise of urban sprawl.

Relationship To Local Plans

Implementation of this TID is in keeping with goals and objectives identified in various local planning documents including the City of Oshkosh Comprehensive Plan, adopted in August 1993, as well as the Downtown Action Plan approved in October 2000. These planning documents reflect prevailing community attitudes towards how the community would like to see the city develop.

The Comprehensive Plan, a community wide planning document, has recognized that there is a need to "revitalize the central city" and in particular to work with the owners of Park Plaza Mall to "pursue programming aimed at rejuvenating this key commercial property." The Plan recommended that major institutions and their associated employment be retained downtown and that more Class A office space be developed.

In the preparation of the Downtown Action Plan, a partnership was formed between the City of Oshkosh, Oshkosh Community Foundation, and the Oshkosh Chamber of Commerce and Oshkosh Commercial Development Corporation, with representation from local community officials, business leaders, educators, and local citizens. In that effort the need to revitalize the mall was a recognized objective. Specifically, as a short term private development initiative, the Plan states that the "Park Plaza should be re-energized as a major downtown facility that operates in a way that advances the needs/interests of other commercial activities." This TID meets the goal of this objective by helping to retain a large employer in the downtown that will not only retain 200 jobs, but also result in the creation of almost 200 jobs in the near future. Invariably, many of these employees will choose to shop, dine, and use other services available downtown. Moreover, other business operations and employment is created as a direct

result of other jobs being created in the economy.

According to the 1993 publication "What 100 New Jobs Mean to a Community" put out by the Economic Policy Division of the U.S. Chamber of Commerce, for each new job created in the business services industry, 1.45 jobs will be created in the county, 1.57 jobs in the metropolitan area, and 1.59 jobs in the state. This means that the 190 new jobs that 4imprint will create may result in creation of an additional 276 jobs in the county alone. Much of this job creation is in other secondary and consumer demand industries that service the primary industry itself or demand of its workers.

This situation also works in reverse. As employers and employees leave an area, associated and ancillary supporting business operations also tend to migrate or go out of business entirely due to significant losses in its customer base. Loss of a major employer in the City's downtown could have significant ripple effects in other segments of the downtown business sectors.

Another planning document that relates to the creation of this TID is the City's 2000-2004 Consolidated Plan. Because Oshkosh is an entitlement community under the Community Development Act of 1974, the City receives an annual block grant allocation as part of the Community Development Block Grant (CDBG) program. To utilize these funds, each entitlement community must prepare a consolidated plan that identifies various community development and housing related needs and to identify ways to meet those needs, not the least of which is using CDBG funds. The main objective of the block grant program is to benefit persons of low to moderate income and the rules of the program identify eligible uses of these funds to meet the objective. One eligible activity is the creation of employment opportunities for low to moderate income persons. While it is not anticipated that any block grant funds will be needed to implement this project plan so the related block grant regulations need not be met, in all likelihood jobs that are retained and created will benefit low to moderate income persons and thus meet the objective of the Consolidated Plan as well as the Community Development Act.

Implementation of this TID is in keeping with the aforementioned planning documents that have been adopted by the community through various administrative meetings and public hearings.

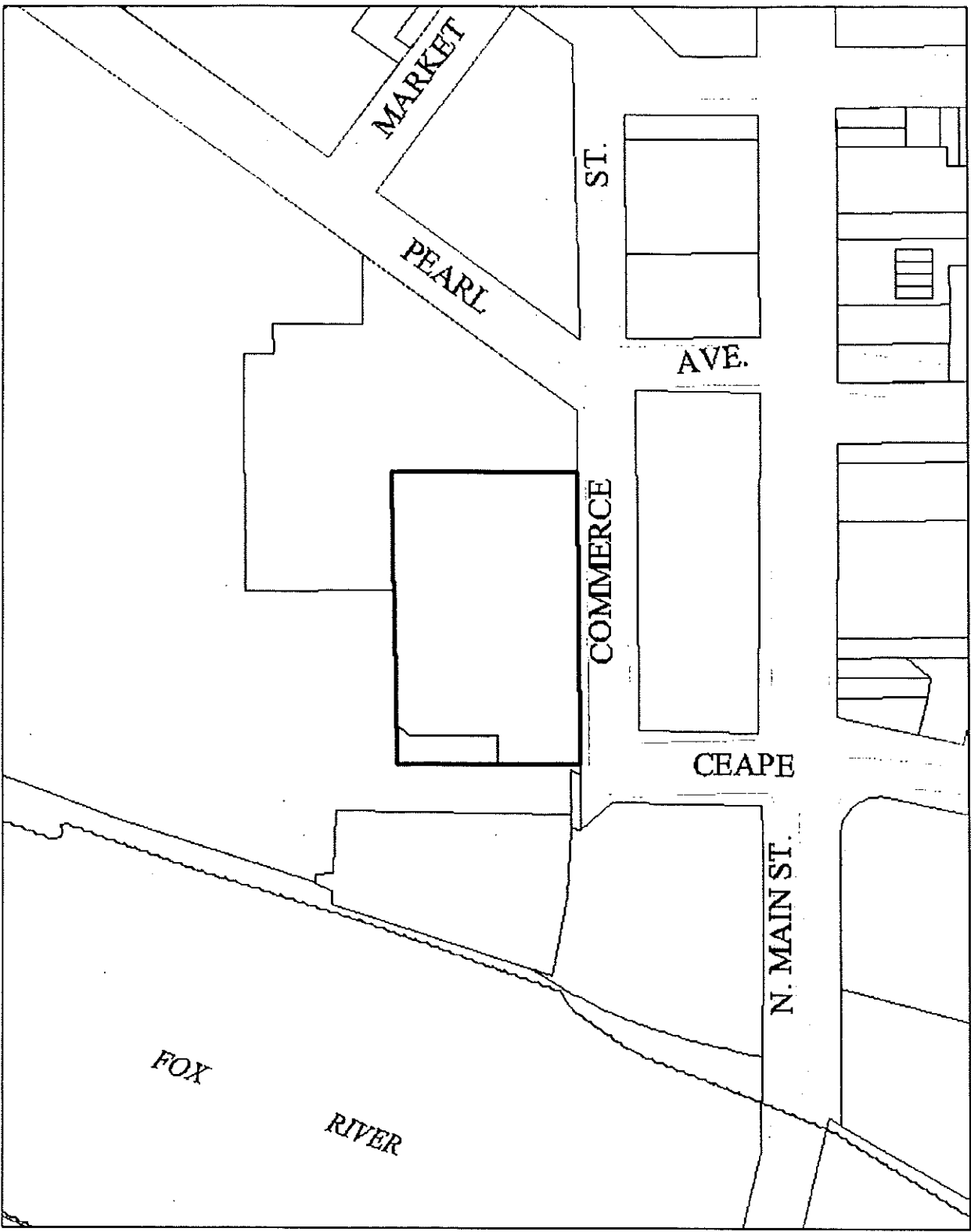
Boundaries/Property Identification

A part of White Wright & Jenkins Subdivision, Leach's Map, Block 6, and vacated Marion Road all in the First Ward, City of Oshkosh, Winnebago County, Wisconsin described as follows:

Commencing at the intersection of the southwesterly line of Pearl Ave. with the westerly line of Commerce St.; thence S 00-24-46 W 60.83 ft. along the westerly line of Commerce St. to the point of beginning; thence continuing S 00-24-46 W 301.47 ft. along said line; thence S 89-35-00 W 188.28 ft.; thence N 00-25-00 E 301.47 ft.; thence S 89-35-00 E 188.26 ft. to the point of beginning. Subject to all easements and restrictions of record.

Area within the TID is estimated at 1.303 acres (56,757 square feet). Boundaries of TID #15; and real property determined to be blighted, underutilized, or in need of rehabilitation are identified in Map 1.

Map 1
TID #15 Boundaries



(11.00)

Name Of The District

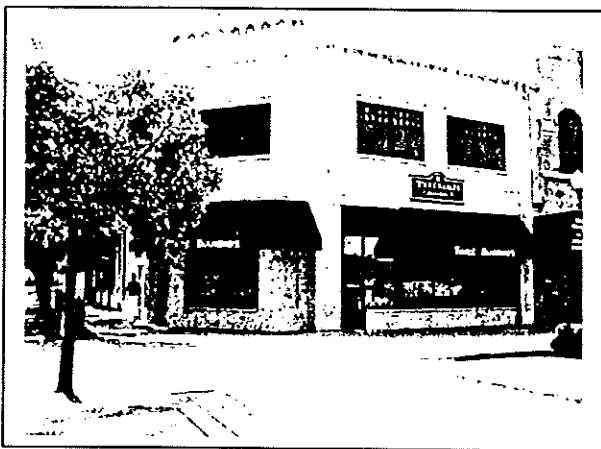
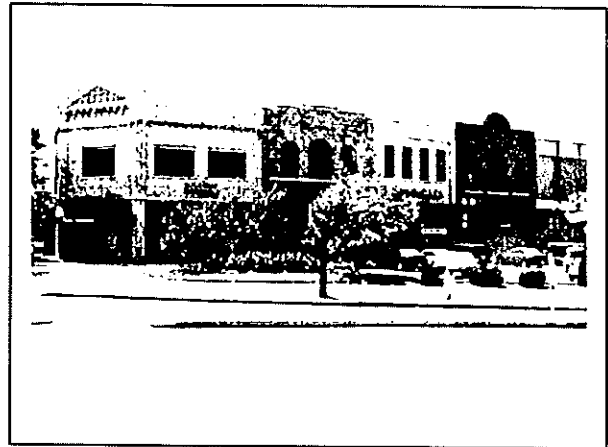
The name of the TID shall be City of Oshkosh Tax Incremental District #15 (TID #15) – Park Plaza/Commerce Street Redevelopment Project.

Creation Date

The date of creation for the capture of all new taxable value created within TID #15 shall be January 1, 2001. The value established as of this date shall be used as the base in computing any increments that will accrue in the tax base for the district.

Proposed Project Costs And Improvements

Costs related to implementing this project plan are attributable to those costs that involve rehabilitation to custom designed Class A office space. Bayshore Development is proposing to renovate 8,000 square feet on the first floor and 55,000 square feet on the second floor for use by 4imprint. First floor renovations will include a reception area, display rooms, conference room, a product development area, and elevators to the second floor. Second floor renovations will include the order entry area, corporate offices, art department, training rooms, and individual office cubicles. Exterior renovations shall include a new storefront that will be consistent with the masonry details of the facades of the shops in the Plaza Courtyard. Included in the exterior renovations shall be the installation of second floor windows facing both Pearl Avenue and Commerce Street. The Commerce Street side of the building will also receive a complete acid washing and all necessary maintenance to make it consistent with the remainder of the property. Presently, 4imprint leases approximately 11,000 square feet on the first floor of the structure for warehouse/distribution purposes. Along with other vacant space, the structure can accommodate up to 20,000 square feet available for future expansion.



Rehabilitation costs to prepare this structure for Class A office space are estimated at \$2,062,500 of which \$600,000 in TID funding will be provided to the developer to offset such costs. It is anticipated that all costs will be incurred within the TID during its first two years, but could be incurred over the seven year period allowed by state statute. 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. The detailed cost estimates and potential phasing of the project is presented in Table II below.

Activity	TIF Costs	Other Costs	Gross Costs
Building Rehabilitation and Preparation	\$600,000		\$600,000
City Administrative/Engineering	\$50,000		\$50,000
Total Estimated Costs without Financing	\$650,000		\$650,000
Total TID Costs to be Bonded	\$600,000		
Estimated Financing Cost	\$489,077		
Total Bonding Costs including Financing	\$1,089,077		

Administrative related costs include city personnel, consultant services, and supplies and materials used in conjunction with planning and implementation of this project plan. Costs related to “preplanning” of this TID and paid for from the general city accounts and department budgets are eligible for reimbursement through TID increments per Wisconsin Statute Section 66.46 (2)(f).

Summary of and Estimate of Timing of the Project Costs

Table II summarizes project costs by year of expenditure and provides an estimate of costs to be incurred. The estimated project costs may be adjusted within the amounts shown without modification of the Project Plan.

TID Eligible Activity	Year	TID Eligible
Building Rehabilitation	2001	\$600,000
City Administrative/Engineering	2001-2008	\$50,000
Total Project Costs Without Financing		\$650,000
TID Eligible Costs to be Bonded	2001	\$600,000
Estimated TID Costs paid back through increment	2001-2008	\$650,000
Financing Cost		\$489,077
Total Estimate of TID Costs		\$1,089,077

Method of Financing

The project costs, including financing, are the estimated amount of tax increment revenues to be requested under the provisions of Section 66.46 Wisconsin Statutes, Tax Increment Law.

The method of financing project costs is expected to be through a loan 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. If tax increments are not sufficient to cover debt service payments, a debt service guarantee will be provided from the developer to cover any shortfalls. Table IV, Estimated Project Increments and Debt Service, indicates that there will be a first year debt service shortfall of \$54,454 that will have to be made up by the developer. Meaning that actual project costs by the city

relative to TID bonding is actually \$545,546 ($\$600,000 - \$54,454 = \$545,546$) after the developer makes the first year debt service payment.

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 and 2000 Downtown Action Plan, as approved by the Plan Commission and City Council. Existing land uses in the TID are shown on Map 3, and proposed land uses are shown on Map 4.

No changes in the City's Official Map, Zoning Ordinance, Building Codes or any other City Ordinances appear to be necessary to implement the Project Plan. The existing zoning of the TID is shown on Map 5, and the proposed zoning is illustrated on Map 6.

Estimated Non-Project Costs

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

Promotion of Orderly Development

Implementation of this Project Plan promotes orderly development by helping to retain a major employer in the City's central business district which in turn will help to stabilize property values in the City's urban center. As has been shown earlier in this document, property values of both the central business district and the Park Plaza Mall have seen dramatic declines in assessed value in recent years. Much of this decline is due to the fact that many businesses, commercial and retail, have relocated to other areas of the City or to other communities. The 367,000 square foot Park Plaza Mall is only about 33% occupied. It has undergone a transformation in usage, changing from a predominantly regional retail center in the 70's and 80's to predominantly office activity today. Use of TIF for this redevelopment will add 63,000 square feet of Class A office space to the mall and retain a corporate headquarters in the City's central business district. Involvement of TID in this project represents a partnership between the City, a local developer, 4imprint, and the other taxing jurisdictions, and shows the City's commitment to continued redevelopment of the downtown. TID also 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

Economic feasibility of this TID is based on 4imprint's long term leasing of over 63,000 square feet of custom designed and newly constructed Class A office type space within the Park Plaza Mall complex. The estimated value of the new development is \$4.3 million that produces a tax increment of \$3.3 million to pay for debt service associated with implementing this Project Plan. The district is projected to have an equalized value of approximately \$6.2 million dollars when costs are paid in full and the TID is terminated at the end of its maximum 23-year life span.

Relocation

No displacement and 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

- More than 50 percent of the real property within the TID is blighted, in need of rehabilitation, or conservation within the meaning of Section 66.435 (2m)(b) Wis. Stats..
- Redevelopment within the TID resulting in the construction of approximately 63,000 square feet of custom designed Class A office space will have a significant positive impact on the value of all real property in the District and assist in stabilizing property values of the Park Plaza and central business district;
- Implementation of this Project Plan is consistent with the City's 1993 Comprehensive Plan and its associated amendments and additions;
- Project costs associated with implementing this project plan are consistent with the purpose for which the District was created;
- 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.

For January 1, 2001 equalized values, the base value of TID #15 is estimated at \$1,000,000. The equalized value of taxable property in TID #15 plus all existing districts does not exceed 7 percent of the total equalized value of taxable property within the City of Oshkosh. January 1, 2000 equalized value of all existing TID's including the estimated value of proposed TID #15 is \$124,640,900 or 5.5 percent of the estimated \$2,267,759,900 total equalized value of the City at the time of TID #15's creation.

**Table IV
Estimated Project Increments and Debt Service**

Year	Equalized Value	Assessed Value	Projected Tax Increment	Assessed Increment Tax Value	Estimated Tax Rate	Taxes Generated On Increment	Increment Received for Debt Service	Debt Service Payment	Interest Payment	Principal Payment	Remaining Debt Service	Annual Change	Summation Year End Balance	Developer Guarantee
2001	1,000,000	880,000	-	-	\$25.12	\$	-	\$	(\$4,454)	(\$39,000)	(\$15,454)	(\$54,454)	\$ 0	\$ (54,454)
2002	4,350,000	3,697,500	3,350,000	\$2,847,500.00	\$25.87	\$ 73,663	\$	(\$4,454)	(\$39,000)	(\$15,454)	(\$584,546)	(\$54,454)	\$ 19,210	\$
2003	4,437,000	4,437,000	3,437,000	\$3,437,000.00	\$22.65	\$ 77,844	\$ 73,663	(\$4,454)	(\$37,996)	(\$16,458)	(\$568,088)	(\$19,210)	\$ 42,599	\$
2004	4,437,000	4,303,890	3,437,000	\$3,333,890.00	\$23.33	\$ 77,774	\$ 77,844	(\$4,454)	(\$36,926)	(\$17,528)	(\$550,560)	(\$23,390)	\$ 65,919	\$
2005	4,437,000	4,170,780	3,437,000	\$3,230,780.00	\$24.03	\$ 77,629	\$ 77,774	(\$4,454)	(\$35,786)	(\$18,667)	(\$531,892)	(\$23,320)	\$ 89,095	\$
2006	4,437,000	4,037,670	3,437,000	\$3,127,670.00	\$24.75	\$ 77,406	\$ 77,629	(\$4,454)	(\$34,573)	(\$19,881)	(\$512,011)	(\$23,175)	\$ 112,047	\$
2007	4,437,000	3,904,560	3,437,000	\$3,024,560.00	\$25.49	\$ 77,100	\$ 77,406	(\$4,454)	(\$33,281)	(\$21,173)	(\$490,838)	(\$22,952)	\$ 134,693	\$
2008	4,437,000	3,771,450	3,437,000	\$2,921,450.00	\$26.26	\$ 76,706	\$ 77,100	(\$4,454)	(\$31,904)	(\$22,549)	(\$468,289)	(\$22,646)	\$ 156,945	\$
2009	4,898,807	4,898,807	3,898,807	\$3,898,807.00	\$26.26	\$ 102,383	\$ 76,706	(\$4,454)	(\$30,439)	(\$24,015)	(\$444,274)	(\$22,252)	\$ 204,874	\$
2010	4,898,807	4,751,843	3,898,807	\$3,781,842.79	\$26.26	\$ 99,311	\$ 102,383	(\$4,454)	(\$28,878)	(\$25,576)	(\$418,698)	(\$47,929)	\$ 249,732	\$
2011	4,898,807	4,604,879	3,898,807	\$3,664,878.58	\$26.26	\$ 96,240	\$ 99,311	(\$4,454)	(\$27,215)	(\$27,238)	(\$391,459)	(\$44,857)	\$ 291,517	\$
2012	4,898,807	4,457,914	3,898,807	\$3,547,914.37	\$26.26	\$ 93,168	\$ 96,240	(\$4,454)	(\$25,445)	(\$29,009)	(\$362,450)	(\$41,786)	\$ 330,232	\$
2013	4,898,807	4,310,950	3,898,807	\$3,430,950.16	\$26.26	\$ 90,097	\$ 93,168	(\$4,454)	(\$23,559)	(\$30,895)	(\$331,556)	(\$36,714)	\$ 365,875	\$
2014	4,898,807	4,163,986	3,898,807	\$3,313,985.95	\$26.26	\$ 87,025	\$ 90,097	(\$4,454)	(\$21,551)	(\$32,903)	(\$298,653)	(\$35,643)	\$ 398,446	\$
2015	5,516,852	5,516,852	4,516,852	\$4,516,852.00	\$26.26	\$ 118,613	\$ 87,025	(\$4,454)	(\$19,412)	(\$35,041)	(\$263,612)	(\$32,571)	\$ 462,605	\$
2016	5,516,852	5,351,346	4,516,852	\$4,381,346.44	\$26.26	\$ 115,054	\$ 118,613	(\$4,454)	(\$17,135)	(\$37,319)	(\$226,293)	(\$64,159)	\$ 523,205	\$
2017	5,516,852	5,185,841	4,516,852	\$4,245,840.88	\$26.26	\$ 111,496	\$ 115,054	(\$4,454)	(\$14,709)	(\$39,745)	(\$186,548)	(\$60,600)	\$ 580,247	\$
2018	5,516,852	5,020,335	4,516,852	\$4,110,335.32	\$26.26	\$ 107,937	\$ 111,496	(\$4,454)	(\$12,126)	(\$42,328)	(\$144,220)	(\$57,042)	\$ 633,731	\$
2019	5,516,852	4,854,830	4,516,852	\$3,974,829.76	\$26.26	\$ 104,379	\$ 107,937	(\$4,454)	(\$9,374)	(\$45,080)	(\$99,140)	(\$53,484)	\$ 683,656	\$
2020	5,516,852	4,689,324	4,516,852	\$3,839,324.20	\$26.26	\$ 100,821	\$ 104,379	(\$4,454)	(\$6,444)	(\$48,010)	(\$51,130)	(\$49,925)	\$ 730,023	\$
2021	6,212,871	6,212,871	5,212,871	\$5,212,871.00	\$26.26	\$ 136,890	\$ 100,821	(\$4,454)	(\$3,323)	(\$51,130)	\$	\$	\$ 866,913	\$
2022	6,212,871	6,026,485	5,212,871	\$5,056,484.87	\$26.26	\$ 132,783	\$ 136,890	(\$4,454)	\$	\$	\$	\$	\$ 999,696	\$
2023	6,212,871	5,840,099	5,212,871	\$4,900,098.74	\$26.26	\$ 128,677	\$ 132,783	(\$4,454)	\$	\$	\$	\$	\$	\$
Total				\$ 2,162,995	\$	\$ 2,162,995	\$ (1,089,077)	\$ (489,077)	\$ (600,000)	\$	\$	\$	\$	\$ (54,454)

Assumptions:
 State Land Trust Loan of 6.5%.
 Developer to debt service payments and make first year's debt service payment of \$54,454.
 Equalized value of improvements as of January 1, 2002 is \$4,350,000 per discussions with developer.
 Tax rate grows to \$26.26 in 2008 and remains constant.



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

December 1, 2000

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 City of Oshkosh Tax Increment District # 15 – Park Plaza/Commerce Street Redevelopment, pursuant to Section 66.46(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 66.46(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. 66.46(4)(f), Wis. Stats.

Sincerely,
CITY OF OSHKOSH

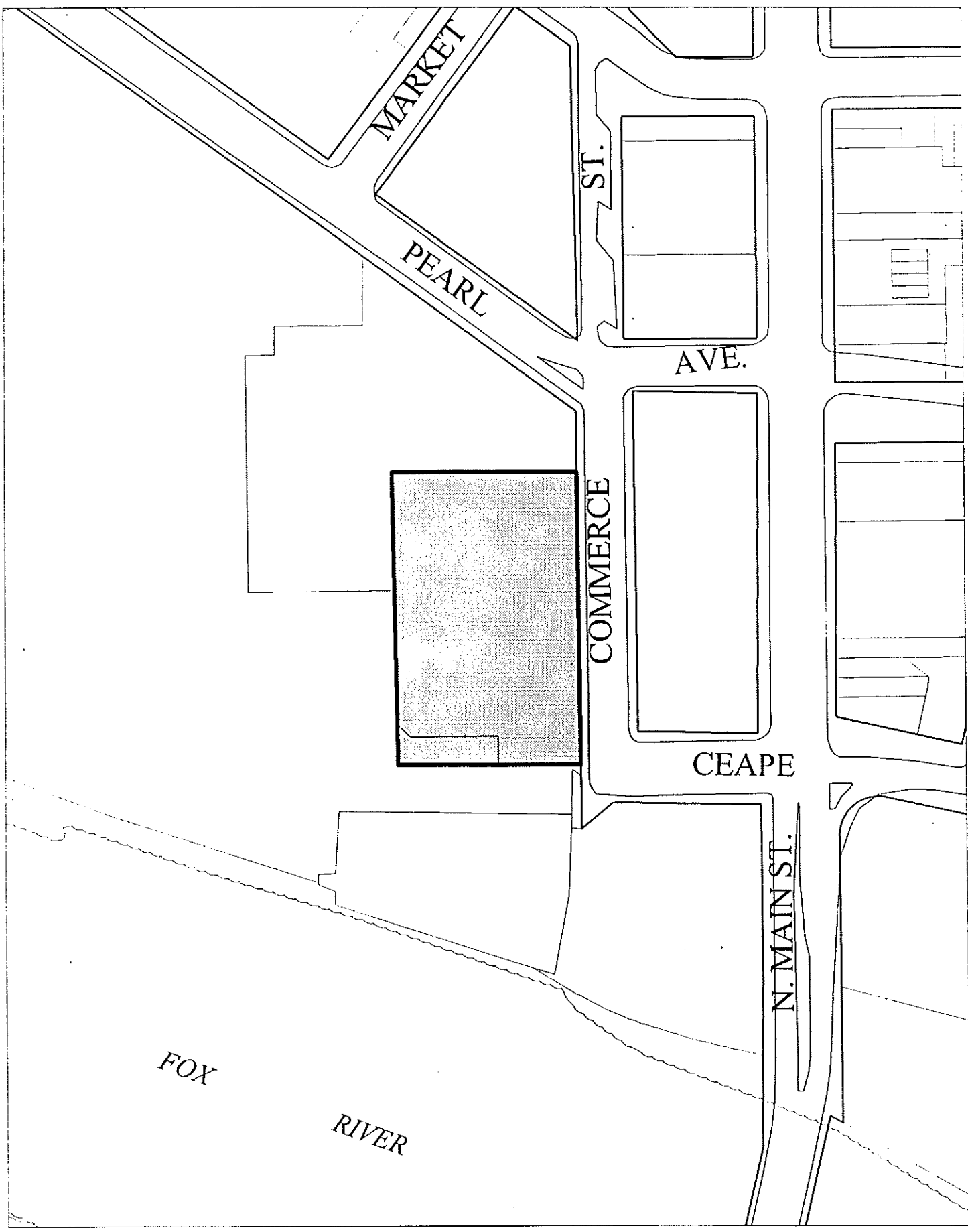


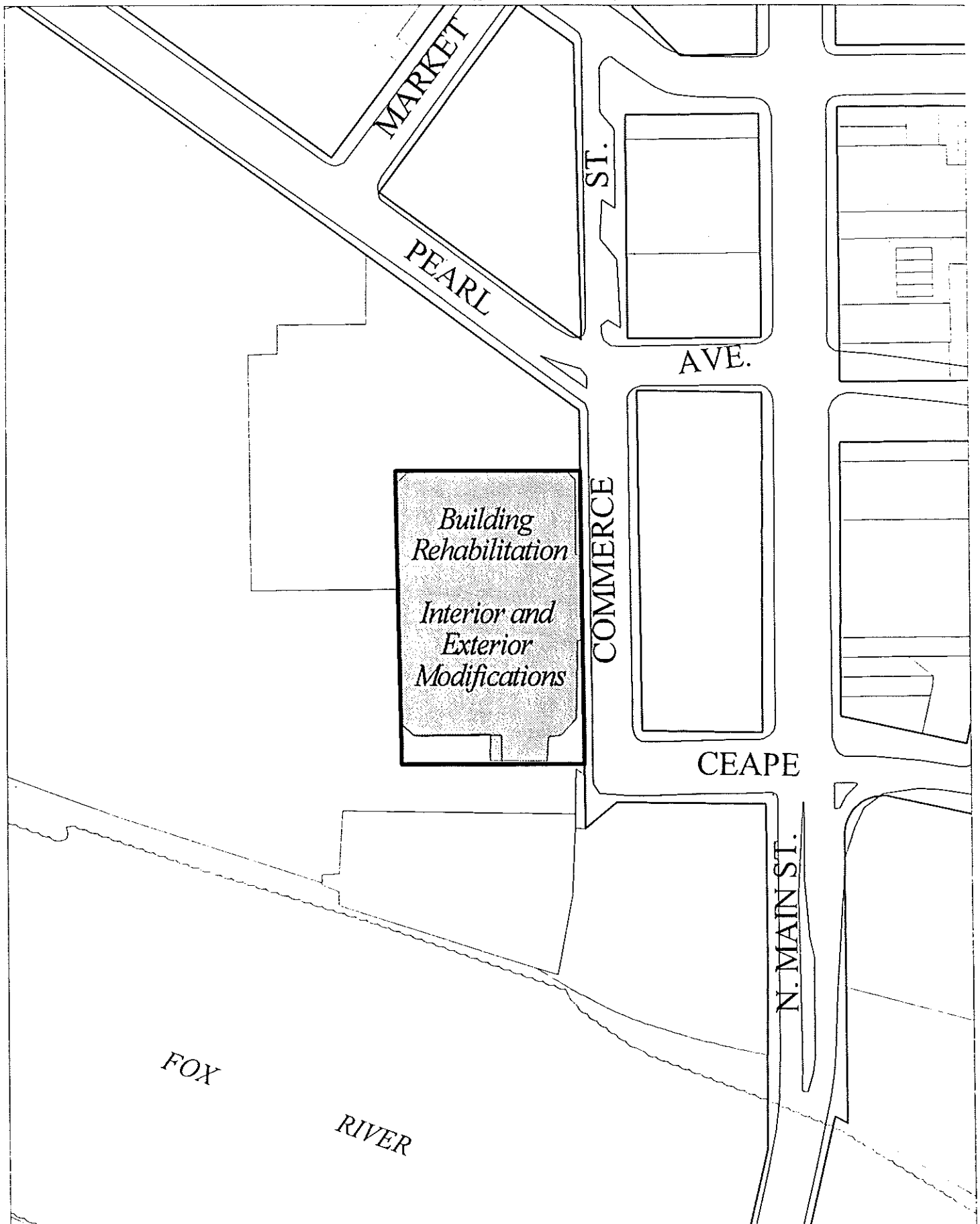
Warren P. Kraft
City Attorney

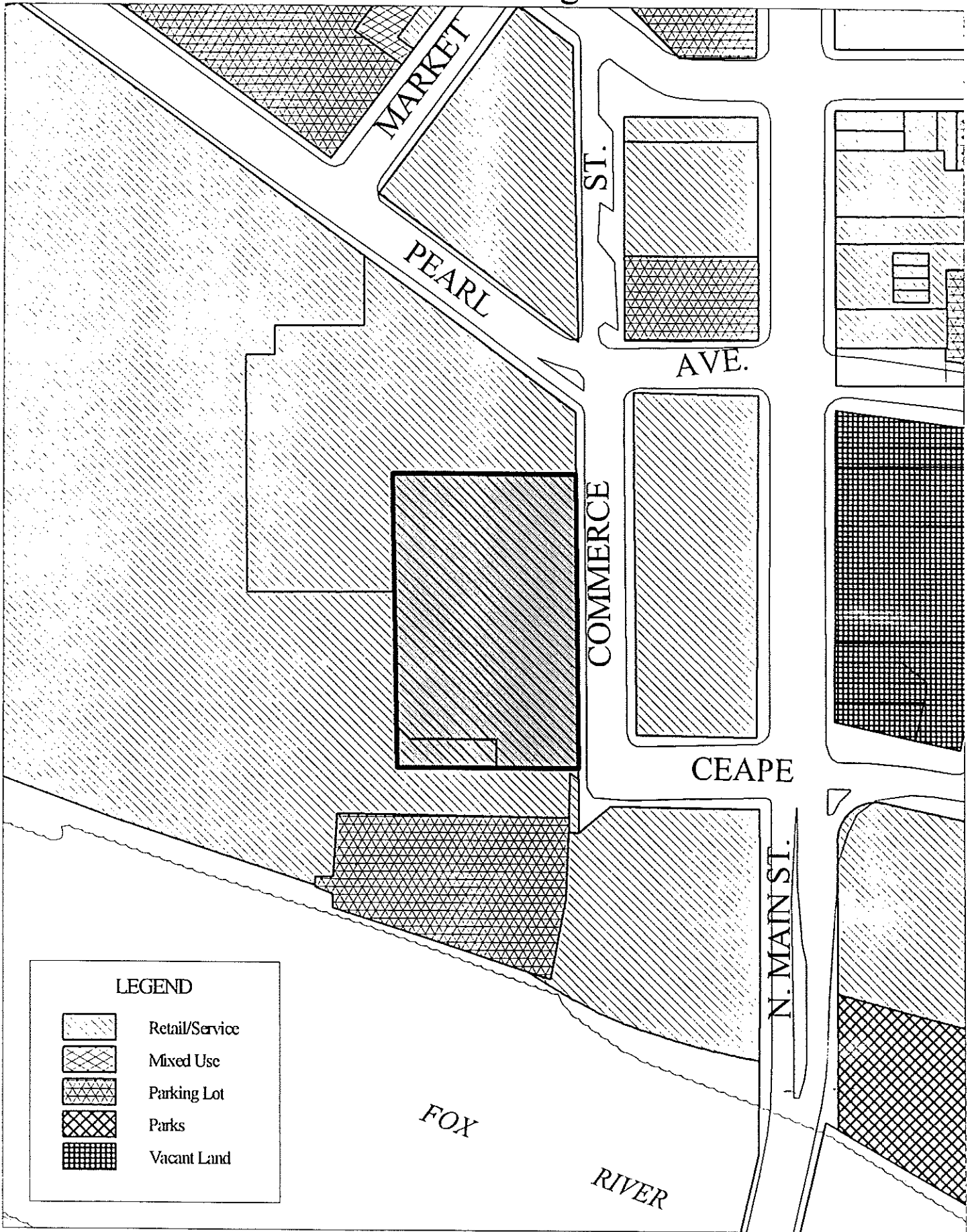


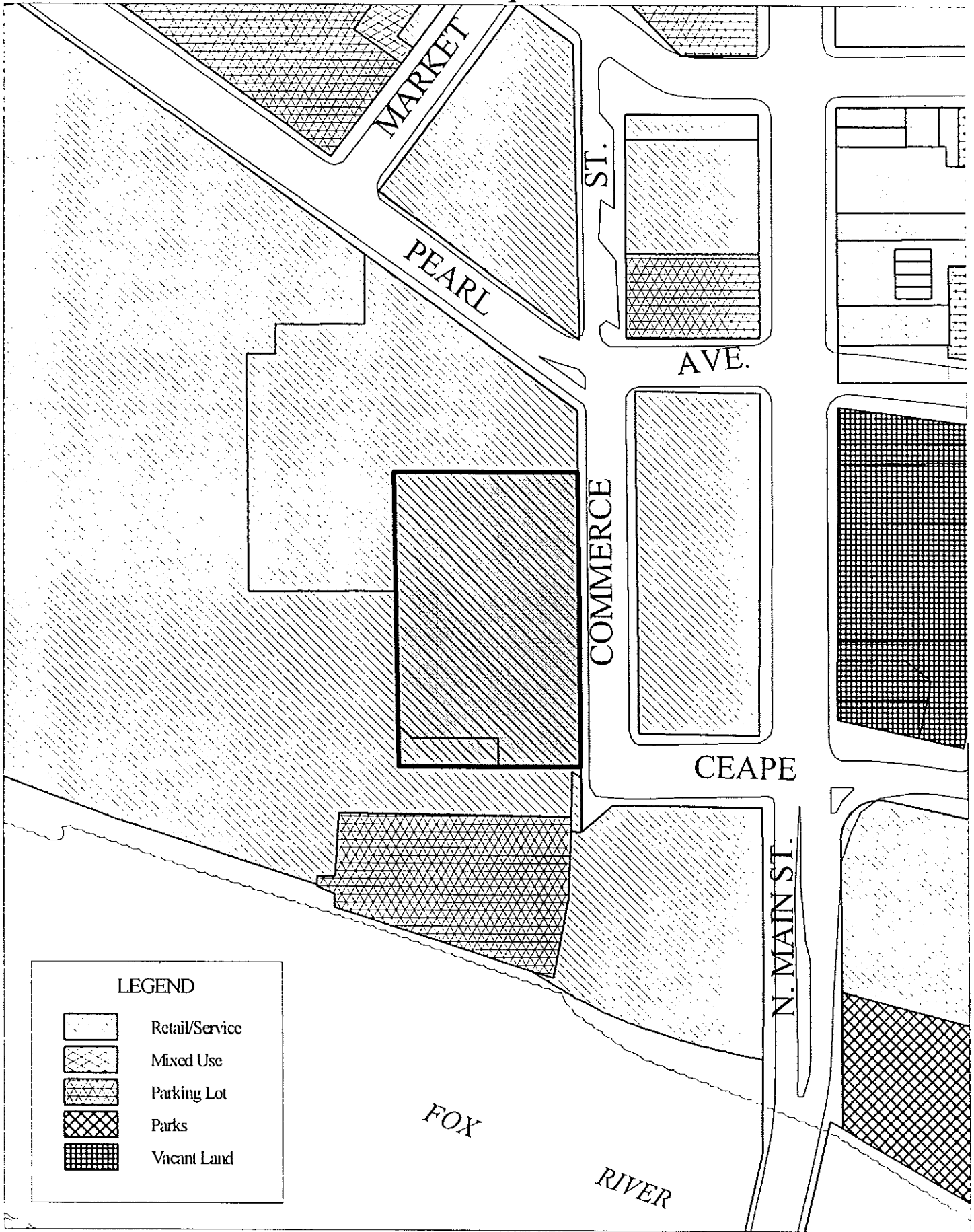
APPENDIX A

TID #15 Boundaries

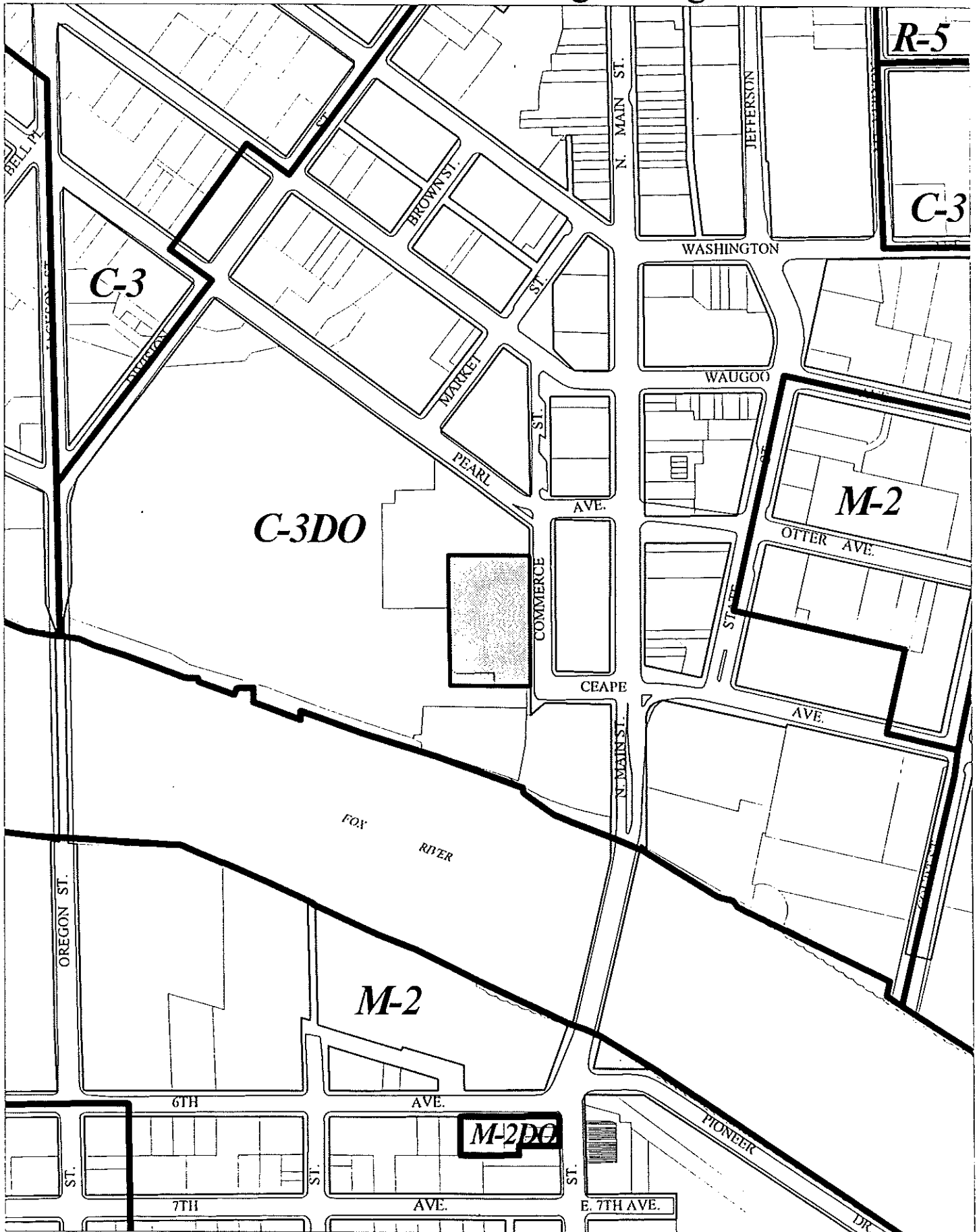




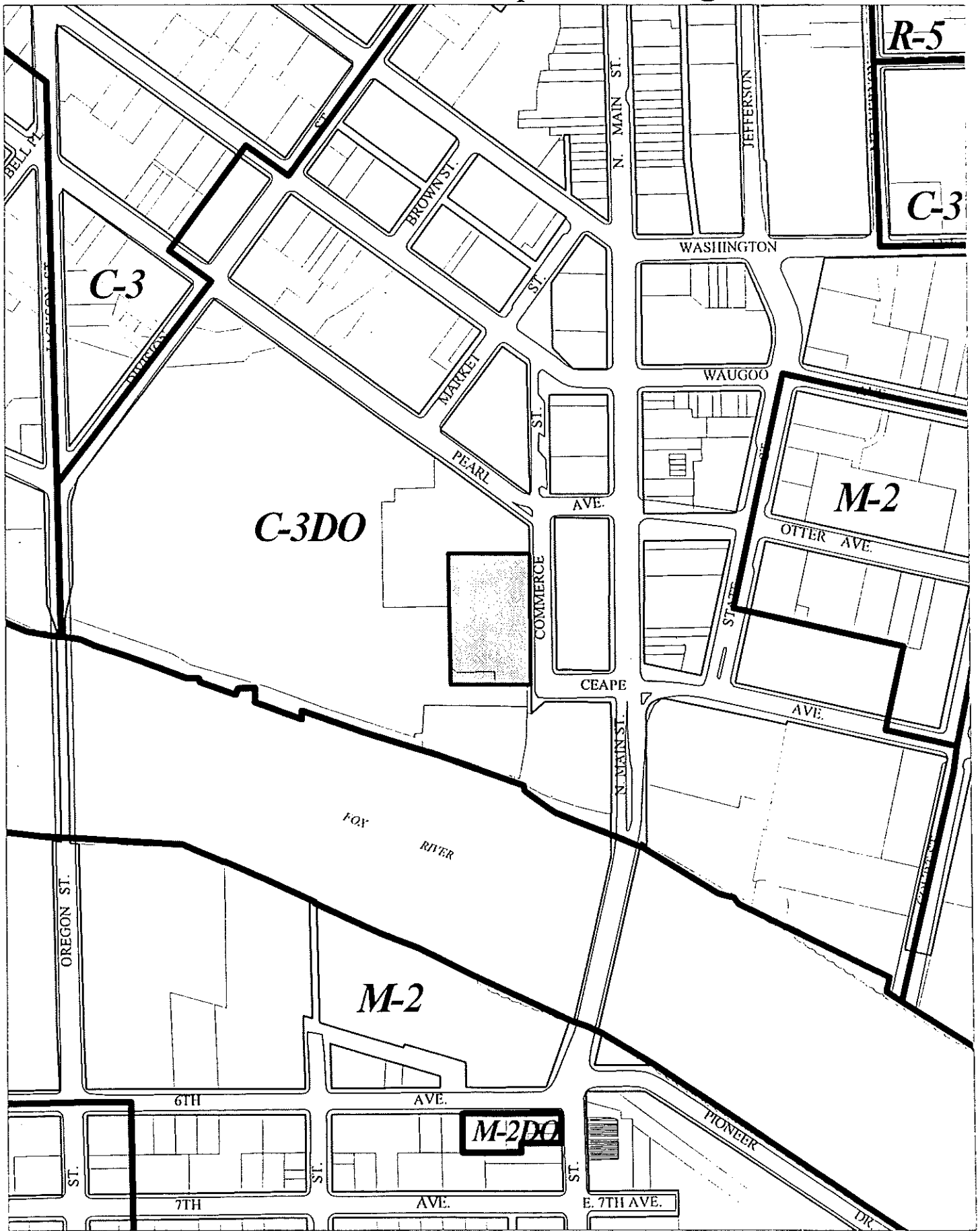


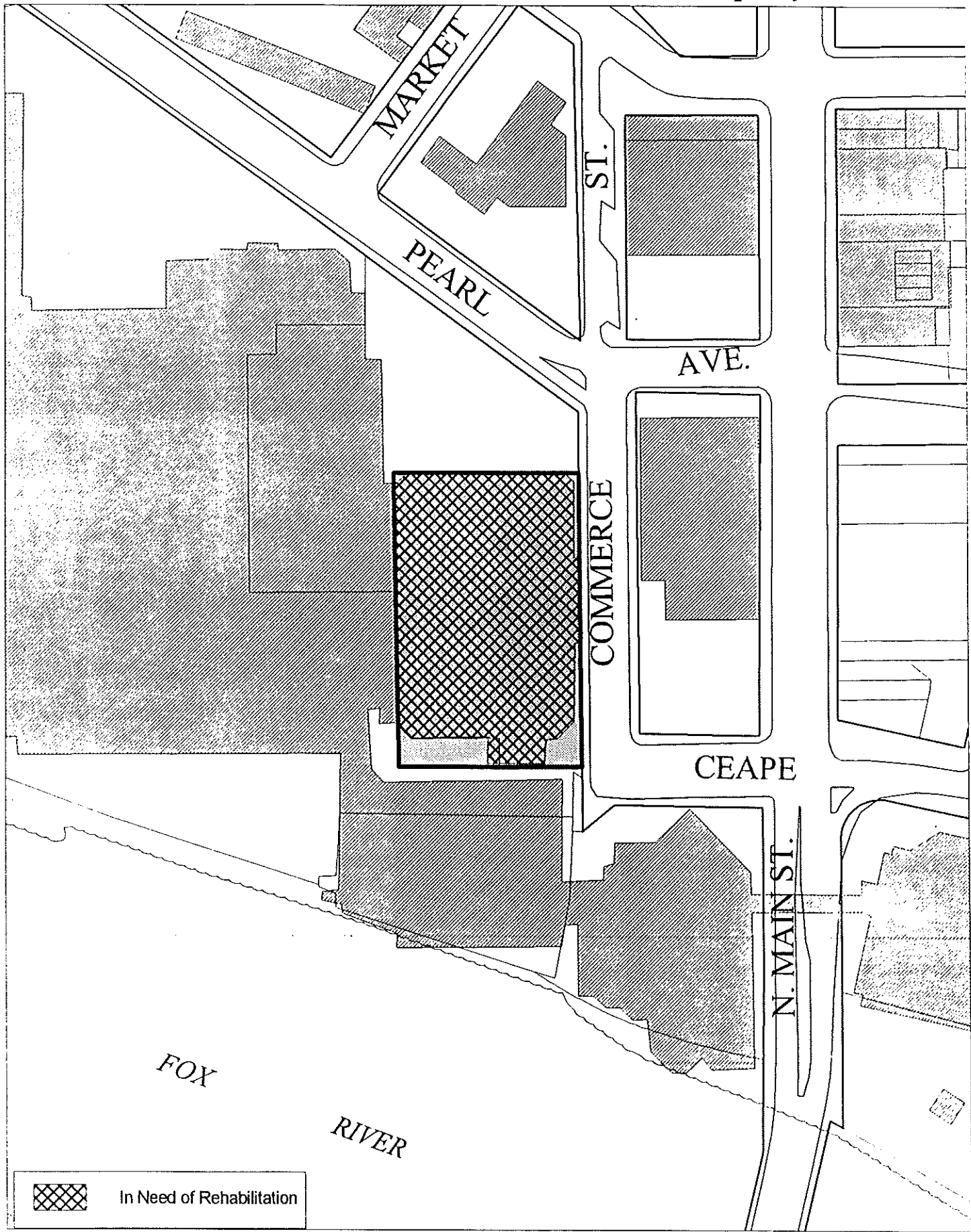


TID #15 Map 5 Existing Zoning



TID #15 Map 6
Proposed Zoning





APPENDIX B

NOTICE OF PUBLIC HEARING
BEFORE THE CITY OF OSHKOSH PLAN COMMISSION

TUESDAY, DECEMBER 5, 2000
4:00 PM, Room 404
City Hall, Oshkosh, WI

The Plan Commission will hear public comments on the designation of a Tax Incremental Financing District. The Project Plan for the proposed district will also be considered at the public hearing. Interested persons are encouraged to attend. The draft Project Plan will be available for review on or about December 1, 2000. For information, call the City of Oshkosh Planning Services Division at 920-236-5055 between 8 am – 4:30 pm, Monday thru Friday.

The district shall be named: Tax Incremental Financing District #15 Park Plaza/
Commerce Street Redevelopment Project.

The general location of the proposed TID is: located in the easternmost building portion of the Park Plaza Mall located south of Pearl Avenue and west of Commerce Street and north of the parking ramp.

Legal Description: Commencing at the intersection of the southwesterly line of Pearl Ave. with the westerly line of Commerce St.; thence S 00-24-46 W 60.83 ft. along the westerly line of Commerce St. to the point of beginning; thence continuing S 00-24-46 W 301.47 ft. along said line; thence S 89-35-00 W 188.28 ft.; thence N 00-25-00 E 301.47 ft.; thence S 89-35-00 E 188.26 ft. to the point of beginning, 1st Ward, City of Oshkosh, Winnebago County, Wisconsin. Said parcel contains 1.303 acres of land. Subject to all easements and restrictions of record.

PUBLISHED: Nov 24 & 27, 2000

EXCERPT FROM DECEMBER 5, 2000 PLAN COMMISSION MINUTES

VIII: PUBLIC HEARING ON PROPOSED CREATION OF TAX INCREMENTAL FINANCING DISTRICT #15 PARK PLAZA/COMMERCE STREET REDEVELOPMENT PROJECT: DESIGNATION OF BOUNDARIES AND APPROVAL OF PROJECT PLAN

Prior to taking action on Tax Incremental District (TID) #15 and the designation of boundaries for said Tax Incremental Financing District, the Plan Commission is to hold a public hearing and take comments concerning the proposed creation of the TID. This public hearing is required as part of the formal process the city must follow in the creation of a TID.

Mr. Kinney introduced the item stating the main reason to create a TID is to retain 4Imprint, a major downtown employer who is projecting to grow by another 200 jobs in the next four years.

Chairman Borsuk opened up the public hearing portion at this time.

Kurt Koepler, 1726 River Mill Road, and Jim Larsen, 627 S. Main Street, stated they were the developers for the 4Imprint project.

Mr. Smith questioned if 4Imprint would be buying the space. Mr. Koepler stated 4Imprint would be tenants. Mr. Smith questioned what would happen if 4Imprint would move out. Mr. Kinney stated the developer has agreed to provide a guarantee to cover any shortfalls in the debt service. Mr. Smith questioned if this would be a separate tax parcel. Mr. Kinney stated that it would become a separate tax parcel with all utilities broken out separately from the Park Plaza Mall. Mr. Koepler stated it would become a commercial condo.

Discussion continued as to why the City should get involved by creating a TID District, the TID laws that allow the City to provide assistance for physical improvements, the decline of the mall, the opportunity to turn around a blighting situation, and the opportunity to retain a major downtown employer.

Mr. Gehling stated that in many cases it is more costly to remodel than to build new, and the City needs to encourage development to remodel.

Mrs. Bloechl questioned what would happen to the old Imprint building. Mr. Larsen stated that A.K. Companies would still own it. Mrs. Bloechl also asked how much it would cost to renovate the old Younkers store. Mr. Koepler stated they estimate a cost of over \$3 Million which includes the acquisition of the Younkers store. Mr. Burich stated the TID would provide \$600,000 over 4 years. Mrs. Bloechl questioned if this was a 20-year TID. Mr. Kinney stated the TID will expire in 7 years and be paid off in 16 years.

Discussion followed regarding the estimated base value of 1 million for the Younkers site as is, and how that figure was arrived at.

Mrs. Bloechl asked what the chances were for 4 Imprint to outgrow the Younkers site. Mr. Koeppler stated there was room to double their space, and they could even build another story, so they should never outgrow the site. Mrs. Bloechl also asked if the parking needs would be adequate. Mr. Larsen stated there are 530 parking spaces located on the top of the parking ramp that haven't been used in 4 years, with 1400 parking spaces available in the ramp.

Mr. Koeppler stated that this development should encourage a lot of commercial services to open in the mall.

Reiner Sommer, Manager of the Park Plaza Hotel, questioned if a TIF would be available for the hotel in the future. Mr. Kinney stated the Hotel is already in a TIF District, but encourage the Manager to give him a call.

Chairman Borsuk closed the public hearing portion of the meeting as this time.

Motion by Krueger to approve the boundaries of TID #15 and the TID #15 Project Plan, and recommend approval of the TID boundaries and Project Plan by the Common Council.

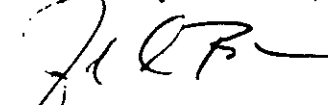
OTHER BUSINESS

I. SMART GROWTH PRESENTATION

Mr. Kinney stated that there will be on meeting on Wisconsin's Smart Growth Law on an off Tuesday during January, however they would be proceeding with the development of a Committee to update the City's Comprehensive Plan.

There being no further business, the meeting adjourned at 6:15 (Krueger/Bloechl) Unanimous.

Respectfully submitted,



JOHN C. BLUEMKE
Principal Planner

JCB/vlr

ITEM VIII: PUBLIC HEARING ON PROPOSED CREATION OF TAX INCREMENTAL FINANCING DISTRICT #15 PARK PLAZA/COMMERCE STREET REDEVELOPMENT PROJECT: DESIGNATION OF BOUNDARIES AND APPROVAL OF PROJECT PLAN - City Administration

Prior to taking action on Tax Incremental District (TID) #15 and the designation of boundaries for said Tax Incremental Financing District, the Plan Commission is to hold a public hearing and take comments concerning the proposed creation of the TID. This public hearing is required as part of the formal process the city must follow in the creation of a TID.

GENERAL DESCRIPTION/BACKGROUND

It is proposed that the city create a TID in a portion of the 367,587 square foot Park Plaza Office Complex and the Shops at Park Plaza Mall to facilitate the retention of a major downtown employer, 4imprint. The company is a rapidly growing corporation located at 210 Commerce Street with approximately 200 employees. The company is projecting to grow by another 200 jobs in the next four years, it is therefore in need of additional office space and parking to accommodate the anticipated growth. The company currently leases 30,000 square feet in its current downtown location.

The TID will be located in the easternmost portion of the structure encompassing approximately 1.303 acres of land and contains a two story structure that formerly housed Younkers prior to the mall's transformation from a regional retail mall to a predominately office center. The developer, Bayshore Development, is proposing to renovate approximately 63,000 square feet of the old Younker's space for 4imprint's new corporate offices with 8,000 square feet located on the first floor and 55,000 square feet on the second floor. Without creation of this TID, 4imprint would in all likelihood choose to relocate from the City's central business district to a greenfield location on the periphery of the city. It is even possible that the company could move out of the city itself with the result being that the city would lose property taxes generated by this development. This would have a negative impact on property values and the business climate in the downtown as well frustrate the city's commitment to overall downtown redevelopment. Furthermore, loss of a major downtown employer may have unanticipated ripple effects into the downtown economy and other business operations that benefit by 4imprint's presence.

Tax Incremental Financing Law, §66.46 of Wisconsin Statutes, provides a mechanism that enables cities and villages to rehabilitate blighted areas, improve business areas, and/or develop industrial sites. The intent of the law is to defray the cost of improvements in a Tax Incremental Financing District by using incremental tax revenue generated by the new development. The value increment is the difference between the certified base value of the TID at the time of creation and the increased value of the property in subsequent years until the TID is dissolved. It is the value increment generated from new development that is used to retire the debt incurred by the city in implementation of project activities. TIDs provide benefits to all taxing entities by promoting development of new taxable value that may not otherwise occur. Since the law was enacted, the City of Oshkosh has created fourteen TIDs, three of which have been dissolved.

The general area surrounding the proposed TID is characterized by commercial uses.

ANALYSIS

TID #15 Project Plan identifies proposed project costs and improvements as well as an economic feasibility analysis of the proposed TID based on the anticipated redevelopment value. The developer has agreed to provide a guarantee to cover any shortfalls in the debt service payments of the district if the value increment is not sufficiently high enough to cover financed debt service.

The purpose of the TID is to help finance building rehabilitation improvements associated with construction of Class A office space for 4imprint's new corporate headquarters. Developer estimates put rehabilitation costs at around \$2,062,500 of which \$600,000 in TID funds will be used to offset these costs with the developer to provide the first year's debt service payment of \$54,454, because no tax increment will have been received. Total anticipated project costs that will be attributed to TID financing are estimated at around \$1,139,077. This includes costs related to rehabilitation, financing, and city administration of the district.

RECOMMENDATIONS/CONDITIONS

The Department of Community Development asks that the Plan Commission approve the boundaries of TID #15 and the TID #15 Project Plan, and recommend approval of the TID boundaries and Project Plan by the Common Council.

APPENDIX E

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 #15 will be in existence for the twenty-three years allowed by Statute.

1. Specific projects that may be undertaken in TID #15 and their estimated costs are listed in Tables 2 and 3 of the Project Plan.
2. The estimated amount of tax increments to be created over the life of TID #15 is shown on Table 4 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 \$6.4 million.
3. Project costs in 1 above are associated with improvements associated with rehabilitating a portion of the Park Plaza structure to provide for Class A office space to be used by 4imprint for new corporate headquarters. TID funds will be used to help finance building improvements, financing, capitalization of interest, and for city administration of the proposed district. The project costs incurred by the TID are necessary for redevelopment of the area. If the property owner had to pay for all project costs, it is unlikely the project would proceed, the property would remain vacant, and a major employer would relocate from the city's central business district.
4. Creation of this TID is in conformity with the city's 1993 Comprehensive Plan and its related amendments and additions.
5. The share of projected tax increments to be paid by the overlying taxing jurisdiction for 2001 is estimated to be as follows: School District 37.01%, City 33.16%, County 21.17%, FVTC 7.81%, State .85%.
6. Benefits received by property owners in the overlying taxing jurisdictions to compensate them for their share of the projected tax increments are as follows: First, property that is in need of rehabilitation and currently vacant will be converted to Class A office corporate headquarters and assessed for such use. Second, if the TID is not created, 4imprint will relocate from the area possibly having a deliritious effect on downtown property values and its business climate.

JANUARY 9, 2001

01-23

RESOLUTION

(CARRIED _____ LOST _____ LAID OVER _____ WITHDRAWN _____)

PURPOSE: APPROVE TAX INCREMENTAL DISTRICT NO. 15 PROJECT PLAN; DESIGNATE TAX INCREMENTAL DISTRICT NO. 15 BOUNDARIES; CREATE TAX INCREMENTAL DISTRICT NO. 15

INITIATED BY: CITY ADMINISTRATION

PLAN COMMISSION RECOMMENDATION: Approved

WHEREAS, pursuant to Section 66.46, Wis. Stats., the City of Oshkosh proposes to create Tax Incremental District No. 15 – Park Plaza/Commerce Street Redevelopment; and

WHEREAS, the City of Oshkosh Plan Commission has prepared and adopted a project plan for Tax Incremental District No. 15 – Park Plaza/Commerce 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. 15 promotes the orderly development of the City.
- 10) Contains an opinion of the City Attorney that the Plan complies with Section 66.46(4)(f), Wis. Stats.

and

WHEREAS, the Plan Commission has held a public hearing on the creation of TID No. 15 and the proposed boundaries thereof 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 which includes property within the District pursuant to Section 66.46, Wis. Stats.; and

WHEREAS, the City of Oshkosh Plan Commission affirms the following per the TID #15 Project Plan:

- 1) More than 50 percent of the real property within the TID is blighted, in need of rehabilitation, or conservation within the meaning of Section 66.435 (2m)(b), Wis. Stats.
- 2) Redevelopment within the TID resulting in the construction of approximately 63,000 square feet of custom designed Class A office space will have a significant positive impact on the value of all real property in the District and assist in stabilizing property values of the Park Plaza and central business district.
- 3) Implementation of this Project Plan is consistent with the City's 1993 Comprehensive Plan and its associated amendments and additions.
- 4) Project costs associated with implementing this project plan are consistent with the purpose for which the District was created.
- 5) 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.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Oshkosh approves said Project Plan for Tax Incremental District No. 15 – Park Plaza/Commerce 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 designates the boundaries of TID No. 15 as described in "Exhibit A".

BE IT FURTHER RESOLVED that the Common Council of the City of Oshkosh hereby approves creation of Tax Incremental Financing District No. 15 – Park Plaza/Commerce Street Redevelopment.

BE IT FURTHER RESOLVED that the improvements contemplated in TID No. 15 – Park Plaza/Commerce Street Redevelopment, are likely to significantly enhance the value of substantially all real property in TID No. 15.

JANUARY 9, 2001

01-23

RESOLUTION
CONT'D

BE IT FURTHER RESOLVED that the value of equalized, taxable property in TID No. 15, 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 #15 is blighted and in need of rehabilitation or conservation within the meaning of Section 66.435(3), Wis. Stats.

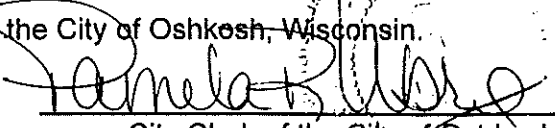
BE IT FURTHER RESOLVED that the project costs are consistent with the purposes for which the Tax Incremental District is created with the primary objective being the redevelopment of a blighted area.

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

I, PAMELA R. UBRIG, 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 a regular meeting held on January 9, 2001.

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

DATED: January 18, 2001



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

"EXHIBIT A"

PROPOSED TAX INCREMENTAL DISTRICT #15

Legal Description:

The proposed boundaries of Tax Increment District No. 15 are described as follows:

A part of White Wright & Jenkins Subdivision, Leach's Map, Block 6, and vacated Marion Road all in the First Ward, City of Oshkosh, Winnebago County, Wisconsin described as follows:

Commencing at the intersection of the southwesterly line of Pearl Avenue with the westerly line of Commerce Street; thence S 00-24-46 W 60.83 ft. along the westerly line of Commerce Street to the point of beginning; thence continuing S 00-24-46 W 301.47 ft. along said line; thence S 89-35-00 W 188.28 ft.; thence N 00-25-00 E 301.47 ft.; thence S 89-35-00 E 188.26 ft. to the point of beginning. Subject to all easements and restrictions of record (1.303 acres of land).

TIF DISTRICT MAP

Map 1
TID #15 Boundaries

