

June 7, 2016

Project Plan

Tax Incremental District No. 29 Morgan Redevelopment



Organizational Joint Review Board Meeting Held:	June 21, 2016
Public Hearing Held:	June 21, 2016
Consideration for Approval by Plan Commission:	June 21, 2016
Consideration for Adoption by Common Council:	July 12, 2016
Consideration for Approval by the Joint Review Board:	August 2, 2016

Project Plan

Tax Incremental District No. 29

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SECTION 1: Executive Summary

Description of District

Type of District, Size and Location

Tax Incremental District No. 29 (the “TID” or “District”) is a proposed 36 acre blighted area district located in downtown Oshkosh on the south side of the Fox River in the general area of Oregon Street and Sixth Avenue. The proposed District, referred to as the “Morgan District” will be created to facilitate a proposed 27 acre \$55 million redevelopment project consisting of residential, commercial and retail uses. The City owns an additional 8.9 acres within the proposed District with redevelopment potential. A map of the proposed District boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures

The City anticipates making total Project Cost expenditures of approximately \$38.8 million to facilitate redevelopment within the District. This total is comprised of \$26.3 million in potential “pay as you go” development incentives, \$5.7 million for riverwalk improvements and \$6.8 million in street and other public infrastructure improvements. The projections included in this plan indicate that while the District will be able to fully fund the proposed development incentives, it will only be able to contribute approximately \$10 million towards the \$12.5 million in costs for the riverwalk and other public improvements which do not include the costs of related debt service. As such, it is expected that the City will need to contribute other funds through its normal capital improvements planning to fully implement the Projects outlined in the Plan.

Economic Development

As a result of the creation of this District, the City projects that additional land and improvements value of approximately \$57.7 million will be created as a result of redevelopment projects. This additional value will be a direct result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment and associated values is located in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to remain open for its 27 year maximum statutory life. As noted in the summary of Estimated Total Project Expenditures above, the District is not expected to fully fund all related public improvements. This could change if valuations exceed projections, or if properties within the area gain in value as a result of economic appreciation which this Plan does not assume.

Summary of Findings

As required by Wisconsin Statutes Section 66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In making this determination, the City has considered the following information:

- The economics associated with redevelopment projects which typically involve additional costs related to demolition, site preparation, installation of necessary public and private infrastructure, provision of adequate off-street parking, and other similar costs. As such, the City believes that these sites are not likely to be redeveloped under normal market conditions without public investment and participation.
 - The lack of other financial resources to pay the costs of the public infrastructure improvements and other related expenditures that will be required to facilitate redevelopment including: development incentive payments; repair or replacement of pavement surfaces; curb and gutter; sidewalks; and repair or replacement of underlying utilities including sanitary sewer, storm sewer and water main. Without the use of TIF to pay for or partially offset these costs, the City will not undertake these improvements and expenditures.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
- As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are sufficient to pay for the cost of the development incentives needed to facilitate the desired redevelopment, and to also pay for a substantial portion of the public improvements the City expects to make within the area.
 - The redevelopment expected to occur within the District will create approximately 400 residential units, providing a variety of housing opportunities for City residents. Commercial and retail uses to be located within the District will provide employment opportunities and services to residents living within the District and the larger downtown area.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
- If approved, the District’s creation would become effective for valuation purposes as of January 1, 2016. As of this date, the values of all existing real and personal property within the District would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2016 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.

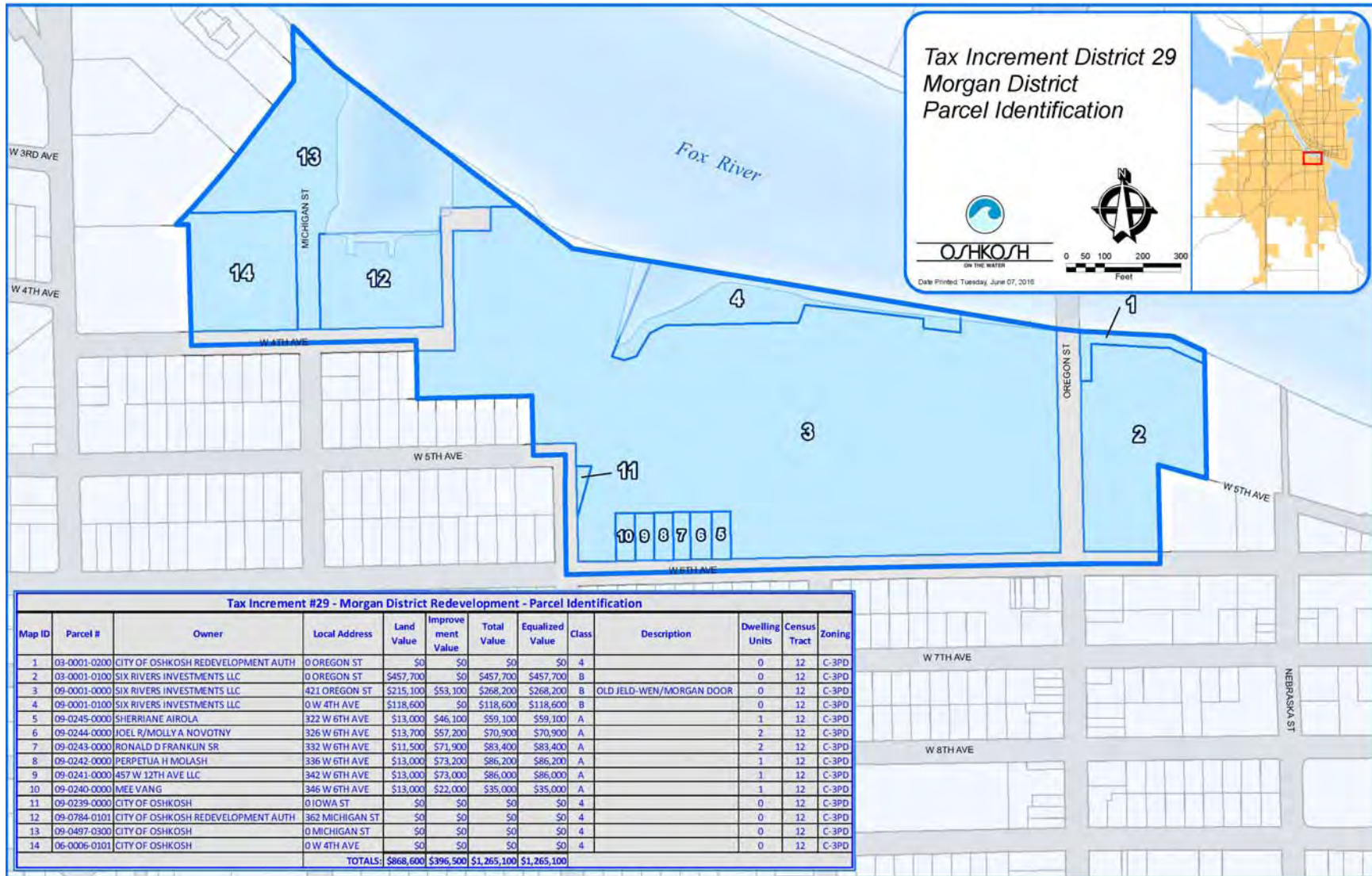
- 4. Not less than 50% by area of the real property within the District is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1.**
- 5. Based upon the finding stated above the District is declared to be a Blighted Area District based on the identification and classification of the property included within the District.**
- 6. The project costs relate directly to promoting the elimination of blight consistent with the purpose for which the District is created.**
- 7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.**
- 8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.**
- 9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.**
- 10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.**

SECTION 2: Type and General Description of District

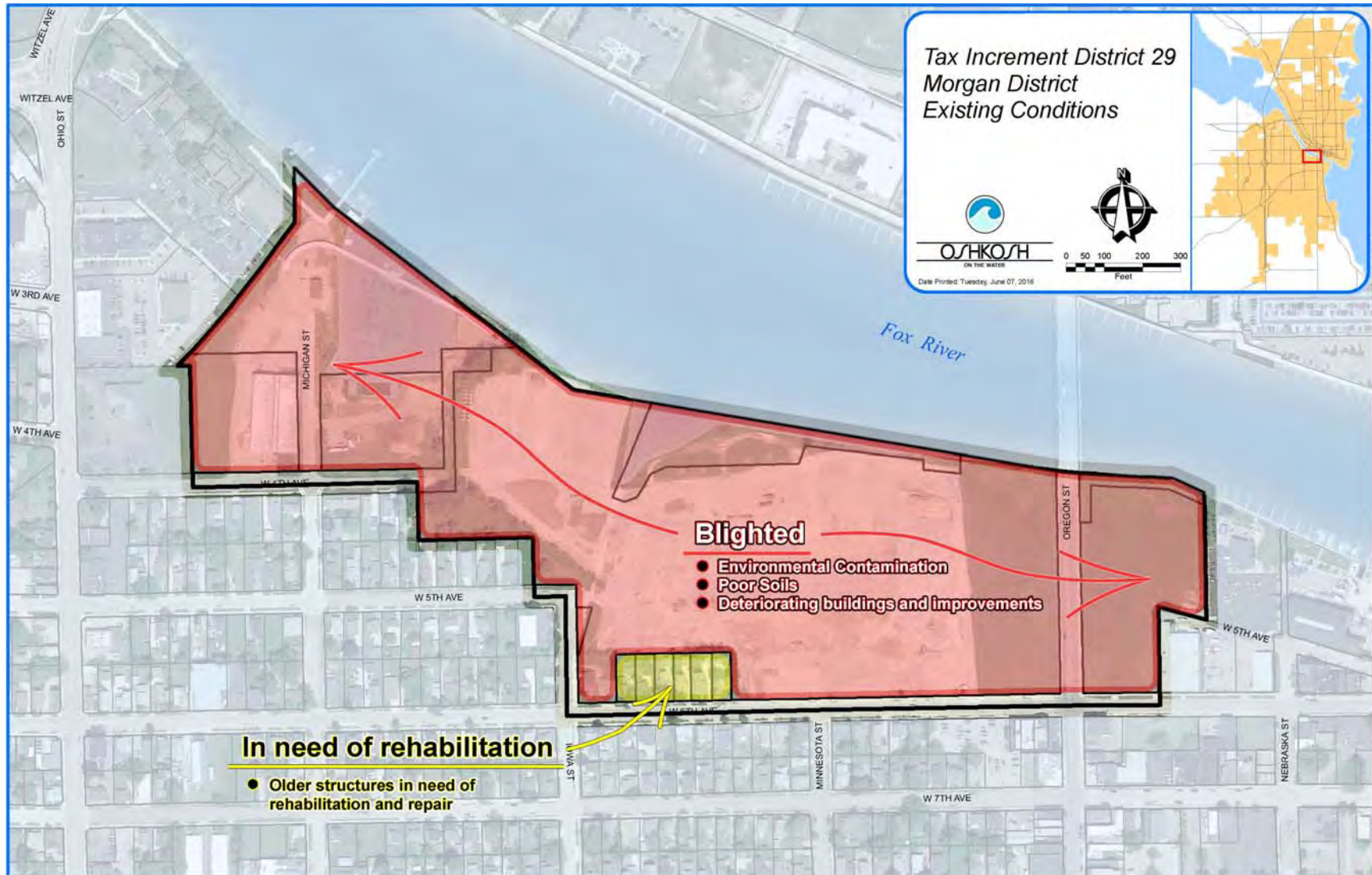
The District, comprising 36 acres in downtown Oshkosh is being created by the City under the authority provided by Wisconsin Statute Section 66.1105 and will be classified as a “blighted area” district based on a finding that at least 50%, by area, of the real property within the District meets that condition as defined in Wisconsin Statute Section 66.1105(2)(ae)1. The preliminary parcel list included in Section 5 to this Plan identifies those parcels meeting those criteria. Collectively, these parcels represent 73.64% of the total TID area.

Creation of the District is intended to facilitate achievement of the City’s project goals and desired outcomes for this area by providing the means to recover a majority of the costs of the public investment that will need to be made in the area, and to incentivize developers to make the necessary private investment. A preliminary map of the proposed District boundary can be found in Section 3 of this Plan.

SECTION 3: Preliminary Map of Proposed District Boundary



SECTION 4: Map Showing Existing Uses and Conditions



SECTION 5:
Preliminary Parcel List and Analysis

City of Oshkosh, Wisconsin																	
Tax Increment District # 29																	
Base Property Information																	
Property Information							Assessment Information ²				Equalized Value				District Classification		
Map Ref #	Parcel Number	Street Address	Owner	Acreage ¹	Part of Existing TID? ...Indicate TID #		Land	Imp	PP	Total	Equalized Value Ratio ³	Land	Imp	PP	Total	Blighted Area ⁴	
1	03-0001-0200	0 OREGON ST	CITY OF OSHKOSH REDEVELOPMENT AUTH	0.2992	TID 20		-	-	-	-	100.13%	-	-	-	-	0.2992	Morgan District Redevelopment Project
2	03-0001-0100	0 OREGON ST	SIX RIVERS INVESTMENTS LLC	3.4708	TID 20		457,700	-	-	457,700	100.13%	457,106	-	-	457,106	3.4708	Morgan District Redevelopment Project
3	09-0001-0000	421 OREGON ST	SIX RIVERS INVESTMENTS LLC	21.3846	TID 20		215,100	53,100	-	268,200	100.13%	214,821	53,031	-	267,852	21.3846	Morgan District Redevelopment Project
4	09-0001-0100	0 W 4TH AVE	SIX RIVERS INVESTMENTS LLC	1.8410	TID 20		118,600	-	-	118,600	100.13%	118,446	-	-	118,446	1.8410	Morgan District Redevelopment Project
5	09-0245-0000	322 W 6TH AVE	SHERRIANE AIROLA	0.1435			13,000	46,100	-	59,100	100.13%	12,983	46,040	-	59,023		In Need of Rehabilitation
6	09-0244-0000	326 W 6TH AVE	JOEL R/MOLLY A NOVOTNY	0.1578			13,700	57,200	-	70,900	100.13%	13,682	57,126	-	70,808		In Need of Rehabilitation
7	09-0243-0000	332 W 6TH AVE	RONALD D FRANKLIN SR	0.1263			11,500	71,900	-	83,400	100.13%	11,485	71,807	-	83,292		In Need of Rehabilitation
8	09-0242-0000	336 W 6TH AVE	PERPETUA H MOLASH	0.1435			13,000	73,200	-	86,200	100.13%	12,983	73,105	-	86,088		In Need of Rehabilitation
9	09-0241-0000	342 W 6TH AVE	457 W 12TH AVE LLC	0.1435			13,000	73,000	-	86,000	100.13%	12,983	72,905	-	85,888		In Need of Rehabilitation
10	09-0240-0000	346 W 6TH AVE	MEE VANG	0.1435			13,000	22,000	-	35,000	100.13%	12,983	21,971	-	34,955		In Need of Rehabilitation
11	09-0239-0000	0 IOWA ST	CITY OF OSHKOSH	0.0631	TID 20		-	-	-	-	100.13%	-	-	-	-	0.0631	Morgan District Redevelopment Project
12	09-0784-0101	362 MICHIGAN ST	CITY OF OSHKOSH REDEVELOPMENT AUTH	1.8363	TID 20		-	-	-	-	100.13%	-	-	-	-		Future Redevelopment Site
13	09-0497-0300	0 MICHIGAN ST	CITY OF OSHKOSH	5.0000	TID 20		-	-	-	-	100.13%	-	-	-	-		Future Redevelopment Site
14	06-0006-0101	0 W 4TH AVE	CITY OF OSHKOSH	1.9920	TID 20		-	-	-	-	100.13%	-	-	-	-		Future Redevelopment Site
Total Acreage 36.75							868,600	396,500	-	1,265,100		867,472	395,985	0		27.0587 73.64%	
											Estimated Base Value 1,263,458						

NOTES:

¹Parcel acreages obtained on 2-10-2016 from City property records as listed at <http://opa.ci.oshkosh.wi.us/pt/search/commonsearch.aspx?mode=owner>.

²Land and improvements value as of 1-1-2015 taken from D. Burich e-mail dated 2-9-2016.

³Equalized value ratio taken from Wisconsin Department of Revenue Preliminary Major Class Comparison Report for 2015 posted at <https://www.revenue.wi.gov/equ/mclass/index.html>.

⁴Parcels noted consist of land upon which buildings or structures have been demolished and which because of obsolete platting, diversity of ownership, deteriorating of structures or site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wisconsin Statutes Section.66.1105(4)(gm)4.c. which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City. The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$245,544,700. This value is less than the maximum of \$449,237,400 in equalized value that is permitted for the City of Oshkosh. The City therefore anticipates that it will be in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Oshkosh, Wisconsin			
Tax Increment District # 29			
Valuation Test Compliance Calculation			
District Creation Date	7/12/2016		
	Valuation Data	Percent	Valuation Data
	Currently Available	Change	Est. Creation Date
	2015		
Total EV (TID In)	3,743,645,000		3,743,645,000
12% Test	449,237,400		449,237,400
Increment of Existing TIDs			
TID #7	140,981,300		140,981,300
TID #10	568,200		568,200
TID #11	266,200		266,200
TID #12	3,972,600		3,972,600
TID #13	10,624,400		10,624,400
TID #14	18,070,500		18,070,500
TID #15	7,736,900		7,736,900
TID #16	5,095,700		5,095,700
TID #17	11,724,400		11,724,400
TID #18	13,335,400		13,335,400
TID #19	9,302,100		9,302,100
TID #20	0		0
TID #21	5,700,300		5,700,300
TID #23	0		0
TID #24	8,327,900		8,327,900
TID #25	9,838,800		9,838,800
TID #26	0		0
TID #27	0		0
Total Existing Increment	245,544,700		245,544,700
Projected Base of New or Amended District	1,263,458	1.00%	1,276,092
Total Value Subject to 12% Test	246,808,158		246,820,792
Compliance	PASS		PASS

SECTION 7:

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

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred, by the City as outlined in this Plan.

Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges received. To the extent the costs of a Project benefit the City outside the District that proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning is completed. Pro-ration of costs in the Plan are also estimates and subject to change based upon implementation, future assessment policies and user fee adjustments.

The following is a list of public works and other TIF-eligible projects that the City may need to implement in conjunction with this District. Any costs necessary or convenient to the creation of the District or directly or indirectly related to the public works and other projects are considered Project Costs and eligible to be paid with tax increment revenues of the District.

Property, Right-of-Way and Easement Acquisition

Property Acquisition

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

Acquisition of Rights-of-Way

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

Acquisition of Easements

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

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wisconsin Statutes Sections 32.19 and 32.195.

Site Preparation Activities

Environmental Audits and Remediation

There have been no known environmental studies performed within the proposed District. If, however, it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

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

Site Grading

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

Utilities

Sanitary Sewer System Improvements

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

Water System Improvements

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

Stormwater Management System Improvements

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

Electric Service

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

Gas Service

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

Communications Infrastructure

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

Streets and Streetscape

Street Improvements

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

Streetscaping, Landscaping and Riverwalk

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

RDA Type Activities

Contribution to Redevelopment Authority

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

Revolving Loan/Grant Program

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

Miscellaneous

Cash Grants (Development Incentives)

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

Projects Outside the Tax Increment District

Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. **The City intends to repair or replace pavement surfaces, curb and gutter, sidewalks, and underlying utilities (sanitary sewer, storm sewer and water main) on portions of Oregon Street, Iowa Street, Minnesota Street, and West Fourth and Fifth Avenues. Segments of each identified street project comprise either a portion of the TID boundary, or lie just outside of the TID boundary. The City intends for the full cost of all identified street projects to be eligible Project Costs utilizing this provision.**

Professional Service and Organizational Costs

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

Administrative Costs

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

Financing Costs

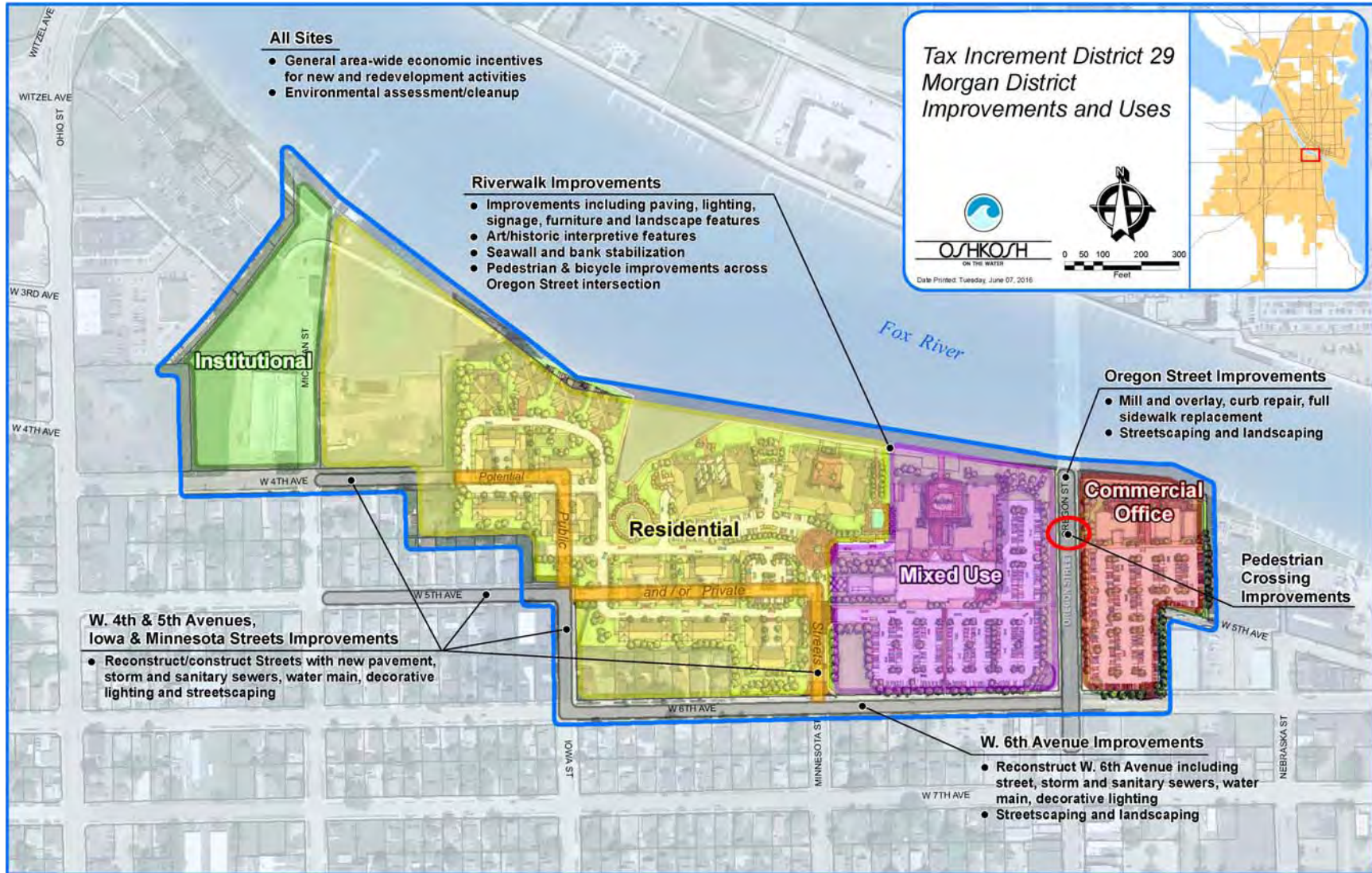
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

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

In the event any of the Project Cost expenditures included in this Plan are determined not to be reimbursable out of the TIF fund by counsel retained by the City for purposes of making such determination, or a court of record so rules in a final order, then such Project Cost is deleted from this Plan and the remainder of the Projects shall be deemed the entirety of the Projects for purposes of this Plan.

The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

SECTION 8: Map Showing Proposed Improvements and Uses



SECTION 9: Detailed List of Project Costs

All costs are based on 2016 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2016 and the time the expenditure is made. The City also reserves the right to increase certain Project Costs to the extent others are reduced or not implemented without amending the Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the Plan.

This Plan is not meant to be a budget nor an appropriation of funds for specific projects, but a framework within which to manage projects. All costs included in the Plan are estimates based on best information available. The City retains the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without amending the Plan.

Proposed TIF Project Cost Estimates

City of Oshkosh, Wisconsin							
Tax Increment District # 29							
Estimated Project List							
Project ID	Project Name/Type	Projected Year >	Development Incentives 2016-2044	Riverwalk 2016-2020	Street Improvements 2017-2025	Administration 2016-2038	Total
1	Development Incentives		26,259,597				26,259,597
2	Riverwalk ¹			5,700,000			5,700,000
3	Street Projects ^{2, 3 & 4}						
a.	Oregon Street - Fox River to 100' south of W. 6th Avenue				951,732		951,732
b.	W. 4th Avenue - Michigan Street to Iowa Street				960,966		960,966
c.	W. 5th Avenue - Michigan Street to Iowa Street				1,199,881		1,199,881
d.	W. 5th Avenue - Iowa Street to Minnesota Street				876,090		876,090
e.	Iowa Street - W. 4th Avenue to W. 5th Avenue				1,082,452		1,082,452
f.	Iowa Street - W. 5th Avenue to W. 6th Avenue				1,194,727		1,194,727
g.	Minnesota Street - W. 5th Avenue to W. 6th Avenue				517,690		517,690
4	Administration					42,000	42,000
Total Projects			<u>26,259,597</u>	<u>5,700,000</u>	<u>6,783,538</u>	<u>42,000</u>	<u>38,785,135</u>

Notes:

¹Estimated costs for riverwalk provided by D. Burich. E-mail dated 4-28-2016.

²Estimated costs for street projects provided by Jeff Nau. E-mail dated 3-9-2016).

³Scope of work varies by project but may include repair or replacement of pavement surfaces, curb and gutter, sidewalks, and underlying utilities (sanitary sewer, storm sewer and watermain).

⁴Segments of each identified street project comprise either a portion of the TID boundary, or lie outside of the TID boundary. The full cost of all identified street projects are eligible Project Costs as their completion is necessitated by the redevelopment proposed within the District. To the extent a portion of a street project is located outside of the TID boundary, it remains an eligible Project Cost under the provisions of Wisconsin Statute 66.1105(2)(f)1.n. (1/2 Mile Rule).

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

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects in one or multiple phases, and can adjust the timing of implementation as needed to coincide with the pace of private development. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the Projects. Within this Section are tables identifying: 1) the development and redevelopment expected to occur; 2) a projection of tax increments to be collected resulting from that development and redevelopment and other economic growth within the District; and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Available Financing Methods

To the extent Project Costs cannot be paid from cash on hand, the following is a list of the types of debt obligations that the City could utilize to raise the capital needed to finance Project Costs or to pay commitments to developers.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the City may have outstanding at any point in time to an amount not greater than five percent of its total equalized value. As of December 31, 2015 the City had approximately \$41.8 million in unused G.O. debt capacity available.

Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by a Redevelopment Authority. Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

The Plan includes potential Project Cost expenditures of approximately \$38.8 million to facilitate redevelopment within the District. This total is comprised of \$26.3 million in potential "pay as you go" development incentives, \$5.7 million for riverwalk improvements and \$6.8 million in street and other public infrastructure improvements. The projections included in this plan indicate that while the District will be able to fully fund the proposed development incentives, it will only be able to contribute approximately \$10 million towards the \$12.5 million in costs for the riverwalk and other public improvements which do not include the costs of related debt service. As such, it is expected that the City will need to contribute other funds through its normal capital improvements planning to fully implement the Projects outlined in the Plan.

It is important to note that this Plan does not constitute approval of any particular projects. Based on the 27 year maximum life of the District and corresponding 22 year expenditure period, it can be expected that economic conditions will change throughout the District's life and will alter the projections contained in this Plan. Decisions to undertake specific Projects through the life of the District must be made in the context of the current financial position of the TID and forecasts updated to reflect the best information available at that time.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

Development Assumptions

City of Oshkosh, Wisconsin Tax Increment District # 29 Development Assumptions^{1 & 2}

Construction Year	Actual	Morgan District Phase I	Morgan District Phase II	Morgan District Phase III	Morgan District Phase IV	Morgan District Phase V	Parcels 12 & 14 ³	Annual Total	Construction Year
1 2016								0	2016 1
2 2017		16,100,000						16,100,000	2017 2
3 2018			7,200,000					7,200,000	2018 3
4 2019				12,800,000	9,000,000			21,800,000	2019 4
5 2020						8,900,000		8,900,000	2020 5
6 2021								0	2021 6
7 2022								0	2022 7
8 2023							3,700,000	3,700,000	2023 8
9 2024								0	2024 9
10 2025								0	2025 10
11 2026								0	2026 11
12 2027								0	2027 12
13 2028								0	2028 13
14 2029								0	2029 14
15 2030								0	2030 15
16 2031								0	2031 16
17 2032								0	2032 17
18 2033								0	2033 18
19 2034								0	2034 19
20 2035								0	2035 20
21 2036								0	2036 21
22 2037								0	2037 22
23 2038								0	2038 23
24 2039								0	2039 24
25 2040								0	2040 25
26 2041								0	2041 26
27 2042								0	2042 27
Totals	0	16,100,000	7,200,000	12,800,000	9,000,000	8,900,000	3,700,000	57,700,000	

Notes:

¹Assumptions as to timing for Morgan District project taken from "Tax Incremental Financing Application: Morgan District Redevelopment" submitted December 2015 by The Morgan District, LLC.

²Assumptions as to value for the Morgan District project provided by City assessor per D. Burich e-mail received 3-2-2016.

³Projected value for other future redevelopment sites assumes same average valuation per acre as Morgan District project. Parcel 13 is excluded from calculation.

Increment Revenue Projections

City of Oshkosh, Wisconsin									
Tax Increment District # 29									
Tax Increment Projection Worksheet									
Type of District	Blighted Area			Base Value	1,263,458		Apply to Base Value		
District Creation Date	July 12, 2016			Appreciation Factor	0.00%				
Valuation Date	Jan 1,	2016		Base Tax Rate	\$25.95				
Max Life (Years)	27			Rate Adjustment Factor					
Expenditure Periods/Termination	22	7/12/2038		Tax Exempt Discount Rate	4.00%				
Revenue Periods/Final Year	27	2044		Taxable Discount Rate	5.50%				
Extension Eligibility/Years	Yes	3							
Recipient District	Yes								

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate ¹	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1	2016	0	2017	0	0	2018	\$25.95	0	0
2	2017	16,100,000	2018	0	16,100,000	2019	\$25.95	417,776	386,257
3	2018	7,200,000	2019	0	23,300,000	2020	\$25.95	604,607	923,750
4	2019	21,800,000	2020	0	45,100,000	2021	\$25.95	1,170,291	1,924,120
5	2020	8,900,000	2021	0	54,000,000	2022	\$25.95	1,401,235	3,075,833
6	2021	0	2022	0	54,000,000	2023	\$25.95	1,401,235	4,183,249
7	2022	0	2023	0	54,000,000	2024	\$25.95	1,401,235	5,248,072
8	2023	3,700,000	2024	0	57,700,000	2025	\$25.95	1,497,245	6,342,095
9	2024	0	2025	0	57,700,000	2026	\$25.95	1,497,245	7,394,040
10	2025	0	2026	0	57,700,000	2027	\$25.95	1,497,245	8,405,525
11	2026	0	2027	0	57,700,000	2028	\$25.95	1,497,245	9,378,107
12	2027	0	2028	0	57,700,000	2029	\$25.95	1,497,245	10,313,282
13	2028	0	2029	0	57,700,000	2030	\$25.95	1,497,245	11,212,489
14	2029	0	2030	0	57,700,000	2031	\$25.95	1,497,245	12,077,111
15	2030	0	2031	0	57,700,000	2032	\$25.95	1,497,245	12,908,479
16	2031	0	2032	0	57,700,000	2033	\$25.95	1,497,245	13,707,870
17	2032	0	2033	0	57,700,000	2034	\$25.95	1,497,245	14,476,516
18	2033	0	2034	0	57,700,000	2035	\$25.95	1,497,245	15,215,598
19	2034	0	2035	0	57,700,000	2036	\$25.95	1,497,245	15,926,255
20	2035	0	2036	0	57,700,000	2037	\$25.95	1,497,245	16,609,578
21	2036	0	2037	0	57,700,000	2038	\$25.95	1,497,245	17,266,620
22	2037	0	2038	0	57,700,000	2039	\$25.95	1,497,245	17,898,390
23	2038	0	2039	0	57,700,000	2040	\$25.95	1,497,245	18,505,862
24	2039	0	2040	0	57,700,000	2041	\$25.95	1,497,245	19,089,970
25	2040	0	2041	0	57,700,000	2042	\$25.95	1,497,245	19,651,612
26	2041	0	2042	0	57,700,000	2043	\$25.95	1,497,245	20,191,652
27	2042	0	2043	0	57,700,000	2044	\$25.95	1,497,245	20,710,922
Totals	57,700,000		0		Future Value of Increment		36,341,288		

Notes:
¹Tax rate is actual rate for 2015/16 taken from the City's Tax Increment Worksheet (DOR Form PC-202).

Cash Flow

City of Oshkosh, Wisconsin																		
Tax Increment District # 29																		
Cash Flow Projection																		
Year	Projected Revenues			Expenditures									Balances			Year		
	Tax Increments	City Advance From Other Funds ¹		Development Incentives					Morgan Dist. Project ²	Other Redev. Sites	Riverwalk & Street Projects ³			Total Expenditures	Annual		Cumulative	Incentives & Debt Principal Outstanding
		Total Revenues	Site 1	Site 2	Site 3 & 4	Site 5	Repayment of Advance ¹	Admin.			Total							
2016		20,000	20,000	73.50%	73.50%	73.50%	73.50%					20,000	20,000	0	0		2016	
2017		1,000	1,000									1,000	1,000	0	0		2017	
2018		0	1,000									1,000	1,000	0	0	7,983,692	2018	
2019	417,776		417,776	307,065				307,065		24,040	85,671	1,000	417,776	0	0	11,109,652	2019	
2020	604,607		604,607	307,065	137,321			444,386			159,221	1,000	604,607	0	0	20,643,927	2020	
2021	1,170,291		1,170,291	307,065	137,321	415,778		860,164			309,127	1,000	1,170,291	0	0	23,687,877	2021	
2022	1,401,235		1,401,235	307,065	137,321	415,778	169,744	1,029,908			370,328	1,000	1,401,235	0	0	22,657,969	2022	
2023	1,401,235		1,401,235	307,065	137,321	415,778	169,744	1,029,908			370,327	1,000	1,401,235	0	0	21,628,061	2023	
2024	1,401,235		1,401,235	307,065	137,321	415,778	169,744	1,029,908			370,328	1,000	1,401,235	0	0	21,558,259	2024	
2025	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	20,480,346	2025	
2026	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	19,402,433	2026	
2027	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	18,324,520	2027	
2028	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	17,246,607	2028	
2029	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	16,168,694	2029	
2030	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	15,090,781	2030	
2031	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	14,012,868	2031	
2032	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	12,934,955	2032	
2033	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	11,857,042	2033	
2034	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	10,779,129	2034	
2035	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	9,701,217	2035	
2036	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,246	0	0	8,623,304	2036	
2037	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	7,545,391	2037	
2038	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		418,333	1,000	1,497,245	0	0	6,467,478	2038	
2039	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		419,333		1,497,245	0	0	5,389,565	2039	
2040	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		419,333		1,497,245	0	0	4,311,652	2040	
2041	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		419,333		1,497,245	0	0	3,233,739	2041	
2042	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		419,333		1,497,245	0	0	2,155,826	2042	
2043	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		419,333		1,497,245	0	0	1,077,913	2043	
2044	1,497,245		1,497,245	307,065	137,321	415,778	169,744	1,029,908	48,005		419,333		1,497,245	0	0	0	2044	
Total	36,341,288	22,000	36,363,288	7,983,692	3,433,026	9,978,661	3,904,113	25,299,491	960,105	24,040	10,037,651	42,000	36,363,287				Total	
				3,805,265	1,675,025	4,985,480	1,997,911	12,463,680	Present Value of Incentive Payments @ 6.5%									
				4,037,000	1,615,000	5,197,000	1,595,000	12,444,000	"Monetized TIF Note" Amount From Developer Sources & Uses				Projected TID Closure					
Notes:																		
¹ Prior to the time that tax increments are received, the City expects to fund costs associated with creation of the TID and annual administrative costs with advances from other City funds, to be recovered with 3% accrued interest.																		
² Developer has requested 90% of tax increments generated. City analysis assumes 73.5% of increment will be paid as an incentive which generates a present value approximately equal to the "Monetized TIF Note" amount requested by developer.																		
³ Represents projected annual amount available to offset City debt service issued to pay the costs of riverwalk and street improvement costs, or to repay advances to the TID for that purpose.																		

SECTION 11: Annexed Property

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

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

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13: Proposed Zoning Ordinance Changes

The proposed Plan is in general conformance with the City of Oshkosh's present zoning and no changes are anticipated to the Plan area's C-3 PD Central Commercial Planned Development Overlay zoning to implement the Plan.

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

The proposed Plan is in general conformance with the City of Oshkosh's Comprehensive Plan identifying the area as appropriate for mixed downtown development. All development within the District will be required to conform to the State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes, thus, no changes to the existing regulations are proposed or needed.

SECTION 15: Relocation

Where the relocation of individuals and business operations would take place as a result of the City's acquisition activities occurring within the District, relocation will be carried out in accordance with the relocation requirements set forth in Chapter 32 of the Wisconsin Statutes and the Federal Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 (P.L. 91-646) as applicable.

SECTION 16: Orderly Development of the City of Oshkosh

Creation of the District and the implementation of the projects in its Plan will promote the orderly redevelopment of the City of Oshkosh by eliminating blight, facilitating the assembly of parcels of land suitable for redevelopment, providing necessary public infrastructure improvements and providing appropriate financial incentives for private redevelopment projects. By utilizing the provisions of the Tax Increment Finance Law, the City can stabilize property values and attract new investment that results in increased tax base. Redevelopment will occur in an orderly fashion in accordance with approved plans so that the projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as additional housing opportunities; increased employment opportunities; and amenities such as public open spaces and riverwalks that will enhance the quality of life and recreational opportunities for residents and workers within the District and the community at large.

SECTION 17: List of Estimated Non-Project Costs

Non-Project costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with TIF funds.

Examples would include:

A public improvement made within the District that also benefits property outside the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

A public improvement made outside the District that only partially benefits property within the District. That portion of the total project costs allocable to properties outside of the District would be a non-project cost.

Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not anticipate making any non-project costs in connection with the implementation of this Plan.



City Attorney's Office
Phone: (920) 236-5115
Fax: (920) 236-5106
<http://www.ci.oshkosh.wi.us>

June 22, 2016

Darryn Burich
Director of Planning Services
City of Oshkosh
215 Church Avenue
Oshkosh, WI 54903-1130

Dear Mr. Burich:

I reviewed the project plan for, City of Oshkosh Tax Increment District # 29 Morgan Redevelopment, pursuant to Section 66.1105(4)(f) of the 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, the time when the costs are to be incurred, and a list of estimated non-project costs. The plan contains maps of existing uses and conditions of real property, as well as, proposed improvements and uses. The plan shows any proposed changes in zoning of the real property in the district, and any proposed changes in the City's master plan, map or other municipal codes required or proposed as part of the district. The plan includes a statement of the proposed method for relocation of any persons to be displaced. The plan further shows that the district will promote the orderly development within the City, which is consistent with the City's Comprehensive Plan (Master Plan), building codes, and other city ordinances in relation to project elements.

Upon adoption of the project plan by the Plan Commission 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 Wis. Stat. § 66.1105.

Sincerely,
CITY OF OSHKOSH

Lynn A. Lorensen
City Attorney

LL/ah

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

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlying district would pay by jurisdiction.						
Statement of Taxes Data Year:		2014		Percentage		
Winnebago County	19,340,255			19.73%		
City of Oshkosh	40,840,022			41.67%		
Oshkosh Area School District	33,943,225			34.63%		
Fox Valley Technical College	3,890,900			3.97%		
Total	98,014,402					

Revenue Year	Winnebago County	City of Oshkosh	Oshkosh Area School District	Fox Valley Technical College	Total	Revenue Year
2018	0	0	0	0	0	2018
2019	82,436	174,076	144,679	16,585	417,776	2019
2020	119,301	251,924	209,381	24,001	604,607	2020
2021	230,922	487,629	405,282	46,457	1,170,291	2021
2022	276,492	583,858	485,260	55,625	1,401,235	2022
2023	276,492	583,858	485,260	55,625	1,401,235	2023
2024	276,492	583,858	485,260	55,625	1,401,235	2024
2025	295,437	623,863	518,509	59,436	1,497,245	2025
2026	295,437	623,863	518,509	59,436	1,497,245	2026
2027	295,437	623,863	518,509	59,436	1,497,245	2027
2028	295,437	623,863	518,509	59,436	1,497,245	2028
2029	295,437	623,863	518,509	59,436	1,497,245	2029
2030	295,437	623,863	518,509	59,436	1,497,245	2030
2031	295,437	623,863	518,509	59,436	1,497,245	2031
2032	295,437	623,863	518,509	59,436	1,497,245	2032
2033	295,437	623,863	518,509	59,436	1,497,245	2033
2034	295,437	623,863	518,509	59,436	1,497,245	2034
2035	295,437	623,863	518,509	59,436	1,497,245	2035
2036	295,437	623,863	518,509	59,436	1,497,245	2036
2037	295,437	623,863	518,509	59,436	1,497,245	2037
2038	295,437	623,863	518,509	59,436	1,497,245	2038
2039	295,437	623,863	518,509	59,436	1,497,245	2039
2040	295,437	623,863	518,509	59,436	1,497,245	2040
2041	295,437	623,863	518,509	59,436	1,497,245	2041
2042	295,437	623,863	518,509	59,436	1,497,245	2042
2043	295,437	623,863	518,509	59,436	1,497,245	2043
2044	295,437	623,863	518,509	59,436	1,497,245	2044
	<u>7,170,883</u>	<u>15,142,458</u>	<u>12,585,298</u>	<u>1,442,648</u>	<u>36,341,288</u>	

Notes:
 The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.

Exhibit A

Tax Incremental Financing Application

Morgan District Redevelopment

City of Oshkosh



Project Sponsor

The Morgan District, LLC

601 Oregon Street

Oshkosh, WI 54902

Submitted

December 2015

Table of Contents

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 - Site 5

- Certification/Agreement Page

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 - City Summary Letter
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 - Appraisal
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Application Information

Page from TIF Application

Tax Incremental Financing Policy and Application

Please complete and submit the following information to the City of Oshkosh for a more detailed review of the feasibility of your request for Tax Incremental Financing (TIF) assistance. The application is comprised of five parts:

1. Applicant Information
2. Project/Property Information
3. Project Narrative
4. Project Budget/Financial Information
5. Buyer Certification and Acknowledgement.

Where there is not enough space for your response or additional information is requested, please use an attachment. Use attachments only when necessary and to provide clarifying or additional information.

The Department of Community Development (DCD) reviews all applications for TIF assistance. Failure to provide all required information in a complete and accurate manner could delay processing of your application and DCD reserves the right to reject or halt processing the application for incomplete submittals.

For further information please refer to the "City of Oshkosh Tax Incremental Financing Policy" document.

Applicant Information:

Legal Name: _____

Mailing Address: _____

Primary Contact #: _____ Cell #: _____

E-mail: _____ FAX #: _____

Attorney: _____

Legal Entity: Individual(s) _____ Joint Tenants _____ Tenants in Common _____ Corporation _____
LLC _____ Partnership _____ Other _____

If not a Wisconsin corporation/partnership/LLC, state where organized: _____

Will a new entity be created for ownership? Yes _____ No _____

Principals of existing or proposed corporation/partnership/LLC and extent of ownership interest.

Name:	Address:	Title:	Interest:
-------	----------	--------	-----------

_____	_____	_____	_____
-------	-------	-------	-------

_____	_____	_____	_____
-------	-------	-------	-------

_____	_____	_____	_____
-------	-------	-------	-------

Is any owner, member, stockholder, partner, officer or director of any previously identified entities, or any member of the immediate family of any such person, an employee of the City of Oshkosh? Yes _____ No _____

If yes, give the name and relationship of the employee: _____

Have any of the applicants (including the principals of the corporation/partnership/LLC) ever been charged or convicted of a misdemeanor or felony? Yes _____ No _____

If yes, please furnish details: _____

Project/Property Summary

Pages from TIF Application

Project Narrative

Development Team Narrative

Tax Incremental Financing Policy and Application

Project/Property Summary:

Overall Project Summary and Objectives: _____

Current and Proposed Uses: _____

Description of End Users: _____

<p>Property Summary: Parcel/Land Area: _____ SF Building Area: _____ SF # of Dwelling Units: _____ # of Stories: _____ # of Parking Spaces: _____</p>
--

Describe any zoning changes that will be needed:

Identify any other approvals, permits or licenses (i.e. Liquor License, Health Department, etc):

Describe briefly what the project will do for the property and neighborhood:

Tax Incremental Financing Policy and Application

Project/Property Summary:

Project Timetable

Date

Final Plan/Specification Preparation: _____

Bidding and Contracting: _____

Firm Financing Approval: _____

Construction/Rehabilitation: _____

Landscaping/Site Work: _____

Occupancy/Lease Up: _____

Development Team

Developer: _____

Architect: _____

Surveyor: _____

Contractor: _____

Other Members: _____

Describe Team expertise and experience in developing similar projects:

Other current Team projects in development:

Financial ability of the applicant to complete the project:

Full and part-time jobs to be created by the proposed project including estimated salary:

Professional Studies

Market Studies: Applications for commercial and residential projects must include a comprehensive market study. The market study must identify target markets, analysis of competition, demographics, market rents, letters of intent/interest from prospective tenants, or for housing developments, sale prices or rental rates of comparable properties.

Appraisal: All projects that involve the transfer of land must include a recent appraisal. Projects that include land as a form of equity or collateral must also submit a recent appraisal. The appraisal must value the property “as is”, and the impact on value must be considered for such items as demolition, environmental remediation, relocation of utilities, lease buy-outs, and other work necessary to make the site developable. The property must be valued assuming that the highest and best use is the proposed use.

Project Narrative

Current Status

All structures and foundations have been removed from the site. Additional site work and planning has continued in 2015 with anticipated groundbreaking for site 1 of the Project in fall 2016.

Proposed Development

The Project is anticipated to be completed in five or more phases over several years. Currently there is a strong market demand for multifamily properties and commercial space. Taking that into consideration, the initial phases are anticipated to contain residential development along with commercial space to provide amenity access to the residential tenants and the community. The Developer is working with a grocer to fill the majority of the commercial space for site 1. Depending on the timeliness of the Project and the approval of the TIF, the market demand could change and dictate the Developer to reevaluate future phases of the Project prior to commencement. It is the Developer's ultimate goal to have a successful long-term development that provides benefits to the community, supports the City of Oshkosh's development goals, and provides the required rate of return to the Developer.

Timing and Sources Overview

The commencement of construction is currently anticipated to be:

- Site 1: fall 2016
- Site 2: fall 2017
- Site 3: fall 2018
- Site 4: fall 2018
- Site 5: fall 2019

The current total development cost for all five phases of planned development is approximately \$68.6 million. Substantial costs are involved with the site and public/private infrastructure work necessary for redevelopment of the riverfront property. The Project is estimated to leverage no more than \$40.4 million in private debt coupled with approximately \$15.8 million of Developer equity, deferred financing, or additional federal and state funding sources that can be raised for the redevelopment leaving a \$12.4 million development funding gap. The Developer is requesting a Pay-As-You-Go TIF Note to support the redevelopment and make the Project feasible to develop.

Since the first TIF application was submitted to the City in September 2014, the federal New Markets Tax Credit ("NMTC") program and a grant from the State of Wisconsin have been identified as potential sources for supporting the development of the grocery store and infrastructure needs for site 1. The funding from these two sources, if any, have not been quantified or included in the financial analysis because the programs require applications and approvals from various agencies. However, the financial gap for site 1 is large enough that TIF assistance in addition to support from other programs is required. Community Development Entities ("CDEs"), the intermediaries that award NMTC allocations, and the State of Wisconsin will look favorably on the

Project with the TIF commitment from the City. It will demonstrate a strong public-private partnership. Baker Tilly Virchow Krause, LLP is assisting the Developer in the process of applying to CDEs for a NMTC allocation. More information about these programs can be provided in the future as the Project moves forward.

TIF Request

The Developer is requesting a Pay-As-You-Go TIF Note to support the Project. It is anticipated that a new 27 year Tax Increment District (“TID”) will be created by the City and that the Developer will receive 90% of the property tax increment generated from the Project for the remaining life of the TID for each site. The Developer understands that this percentage of TIF assistance surpasses the City’s guidelines for the typical development requesting TIF. The request is 18.08% of total Project costs, falling below the TIF Cap of 25%. The detailed sources and uses, operating pro forma assumptions, and reversion calculations are included in the appendix for each site that demonstrate why the Developer’s request is necessary to make the Project financially feasible. The ‘Detailed Project Narrative’ in the appendix also details the TIF funding criteria that the Project meets or exceeds.

At this time the Developer is seeking a TIF Note from the City just for site 1, but the projected need for TIF assistance for future sites is included in this application to support the City’s efforts to create a new TID.

Lender Relationships

The Developer has very strong relationships with many lending institutions and could have financing in place before the commencement of any Phase of the Project. The Developer is willing to provide letters of financial reference from lending institutions upon request.

Development Team Narrative

The Development Team at this point consists of the following.

Developer – The Morgan District, LLC

Contractor – Northcentral Construction Corporation

Surveyor, Engineer, and Environmental– The Sigma Group

Accounting Company and Market Analysis – Baker Tilly Virchow Krause, LLP

Legal Firm – Whyte Hirschboeck & Dudek S.C.

*Please note that this is a list of companies that the Developer has used this far and this list can change based on the final scope of the Project.

1. Morgan District, LLC is comprised of Jeff Kowalik, Grant and Dennis Schwab, Nicholas and Peter Lang.

- Jeff Kowalik has over 25 years in the commercial and multifamily construction field and founded Northcentral Construction in 1990. Northcentral Construction Corporation has extensive development experience that is detailed below. Jeff has also earned the designation of Senior Certified Development Professional from ICSC for his work.
- Lang Development partners Peter and Nicholas Lang manage, own and have developed a number of commercial, retail and multi-family properties through their family of companies. They are a second generation company grounded in a strong Midwest work ethic. The Lang's also have a proven track record in the remediation, clean up and redevelopment of Brownfield sites.
- Schwab Properties, LLC, which is operated by Dennis and Grant Schwab, was started in 1967 by Dennis Schwab focused on the purchase and rehabilitation of multifamily properties. Over the past 40 plus years Schwab Properties has grown into owning and developing retail, multifamily, and commercial projects around the Fox Valley area and the State of Wisconsin. Currently Schwab Properties owns and manages over 400 multifamily units in the City of Oshkosh. The Schwab Group was integral in redevelopment of the former foundry site.

2. Northcentral Constuction Corporation (“NCC”)

- NCC was founded in 1990. The Company is built around the core vision of understanding and exceeding client’s needs and deadlines. They are located in Fond du Lac, WI and serve clients throughout the Midwest in a variety of sectors including: multifamily, senior housing, tax credit, retail, commercial, hospitality, health care, and rehabilitation. They have constructed in excess of 6,000 multifamily units, is a preferred contractor for Walgreen’s, TJ Maxx, and JoAnn Fabrics in the Midwest, and has built for a vast array of other retailers including: PetSmart, Staples, Roundy’s, Petco, and McDonald’s.

3. The Sigma Group (“Sigma”)

- Sigma focuses on creating functional, innovative solutions that optimize results. They offer a diverse range of services, expertise and can-do attitude that enables their clients to achieve a successful balance between today’s challenges and the long-term need to preserve important resources.

4. Baker Tilly Virchow Krause, LLP (“BTVK”)

- BTVK is one of the top 15 accounting and advisory firms in the United States. They offer innovative financial solutions and solid business strategies through diverse industry and service specialization.

5. Whyte Hirschboeck & Dudek S.C. (“WHD”)

- WHD is a full-service law firm founded in 1943. Much has changed since then, but, throughout, there remains a notable constant: WHD's commitment to the success of each client. Just as experience is important in other types of business, legal experience is an essential component in WHD’s ability to deliver effective and efficient services. With more than 150 professionals, WHD offers clients the legal experience necessary to provide the technical, yet practical, advice that every client deserves. Many of WHD’s attorneys have gone beyond the study of law and have earned graduate degrees in a wide variety of fields including engineering, medicine, business, technology, tax, political science and dispute resolution.

Project Budget/Financial Information

Summary Sources and Uses

Site 1

Site 2

Site 3

Site 4

Site 5

Morgan District Redevelopment
Summary of Sources and Uses

Timing	Phase I: 2016	Phase II: 2017	Phase III: 2018	Phase IV: 2018	Phase V: 2019	
Sources						
	Site I	Site II	Site III	Site IV	Site V	Total
Private First Mortgage	\$ 12,700,000	\$ 5,500,000	\$ 11,100,000	\$ 3,500,000	\$ 7,600,000	\$ 40,400,000
Equity	\$ 5,961,521	\$ 1,400,000	\$ 3,200,000	\$ 2,340,500	\$ 1,900,000	\$ 14,802,021
Monetized TIF Note	\$ 4,037,000	\$ 1,615,000	\$ 3,018,000	\$ 2,179,000	\$ 1,595,000	\$ 12,444,000
Deferred Developers Fee	\$ 297,979	\$ 146,500	\$ 220,000	\$ -	\$ 325,400	\$ 989,879
	\$ 22,996,500	\$ 8,661,500	\$ 17,538,000	\$ 8,019,500	\$ 11,420,400	\$ 68,635,900
Uses						
Land	\$ 175,000	\$ 225,000	\$ 245,000	\$ 200,000	\$ 80,000	\$ 925,000
Site Work	\$ 4,400,000	\$ 782,000	\$ 1,960,000	\$ 280,000	\$ 1,960,000	\$ 9,382,000
Hard Costs	\$ 16,800,000	\$ 6,240,000	\$ 12,900,000	\$ 6,487,000	\$ 7,400,000	\$ 49,827,000
Soft Costs	\$ 387,500	\$ 225,000	\$ 790,500	\$ 795,000	\$ 637,500	\$ 2,835,500
Financing Fees	\$ 562,500	\$ 375,000	\$ 787,500	\$ 187,500	\$ 587,500	\$ 2,500,000
Professional Fees	\$ 34,500	\$ 34,500	\$ 85,000	\$ 70,000	\$ 105,400	\$ 329,400
Developer Fee/Reserves	\$ 637,000	\$ 780,000	\$ 770,000	\$ -	\$ 650,000	\$ 2,837,000
	\$ 22,996,500	\$ 8,661,500	\$ 17,538,000	\$ 8,019,500	\$ 11,420,400	\$ 68,635,900

NOTE: PHASE I ONLY: Since the first TIF application was submitted to the City in September 2014, the federal New Markets Tax Credit (“NMTC”) program and a grant from the State of Wisconsin have been identified as potential sources for supporting the development of the grocery store and infrastructure needs for site 1. The funding from these two sources, if any, have not been quantified or included in the financial analysis because the programs require applications and approvals from various agencies. However, the financial gap for site 1 is large enough that TIF assistance in addition to support from other programs is required. Community Development Entities (“CDEs”), the intermediaries that award NMTC allocations, and the State of Wisconsin will look favorably on the Project with the TIF commitment from the City. It will demonstrate a strong public-private partnership. Baker Tilly Virchow Krause, LLP is assisting the Developer in the process of applying to CDEs for a NMTC allocation. More information about these programs can be provided in the future as the Project moves forward.

DRAFT

Morgan District Site I, LLC

Oregon & West 5th Avenue - Oshkosh, WI

12/8/2015

Financial Model

TIF Application Update Supporting Model

NOTE: Since the first TIF application was submitted to the City in September 2014, the federal New Markets Tax Credit (“NMTC”) program and a grant from the State of Wisconsin have been identified as potential sources for supporting the development of the grocery store and infrastructure needs for site 1. The funding from these two sources, if any, have not been quantified or included in the financial analysis because the programs require applications and approvals from various agencies. However, the financial gap for site 1 is large enough that TIF assistance in addition to support from other programs is required. Community Development Entities (“CDEs”), the intermediaries that award NMTC allocations, and the State of Wisconsin will look favorably on the Project with the TIF commitment from the City. It will demonstrate a strong public-private partnership. Baker Tilly Virchow Krause, LLP is assisting the Developer in the process of applying to CDEs for a NMTC allocation. More information about these programs can be provided in the future as the Project moves forward.

**Morgan District Site I, LLC
PROJECT ASSUMPTIONS**

1.25

PROJECT INFORMATION

Owner:	Morgan District Site I, LLC
County	Winnebago
Number of Units	121
LP Formation	
Year	2016
Month	1
Construction Start	
Year	2016
Month	1
Construction Period	12
Operations	
Year	2017
Month	1
Placed in Service Date	
Year	2017
Month	1
Day	1

FINANCING ASSUMPTIONS

Construction Loan A	\$ 12,997,979
Interest rate	4.50%
Term (months)	24
First Mortgage	\$ 12,700,000
Interest Rate	4.50%
Amortization	20
Term	15
Lender Required DCR	1.25
Start Year	2016
Start Month	1
Monetized TIF Note	\$ 4,037,000
Interest Rate	0.00%
Amortization	0
Term	0
Start Year	2015
Start Month	4
New Markets Tax Credits/State Grant	\$ -
Interest Rate	0.00%
Amortization	Cash Flow
Term	0
Start Year	0
Start Month	0
Deferred Developer Fee	\$ 297,979
Interest Rate	0.00%

Equity Information

General Partner's Capital Contribution		Percent of Ownership	
Entry Date:	Year	General Partner	0.01%
	Month	Investor	99.99%
	Day	Total	100.00%
Equity	\$5,961,521	Cash Flow Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Income, Loss & Credits	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Sale Proceeds Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%

**Morgan District Site I, LLC
PROJECT ASSUMPTIONS**

OPERATING EXPENSES	Residential	Per Unit	Commercial
Professional Fees	200,000	1,653	12,000
Maintenance & Repairs	100,000	826	12,000
Operating Expenses	100,000	826	6,000
Insurance	100,000	826	6,000
Real Estate Taxes	-	-	-
	<u>500,000</u>	<u>4,132</u>	<u>36,000</u>
			Based on RE Tax calc
			Total Recoverable Expenses (Commercial Only)
Replacement Reserve	-	-	16,920
Property Management Fee	-	-	28,200
Total	<u>500,000</u>	<u>4,132</u>	<u>81,120</u>
			Total Annual Expense

Annual Operating Exp. Increase	3.00%
Annual Real Estate Tax Increase	3.00%
Annual Management Fee Increase	3.00%
Annual Reserve Increase	3.00%
Interest rate on reserves	0.15%
Annual Commercial Exp. Increase	2.00%

RENTAL INCOME

Number of Bedrooms	Units	Baths	SF per Unit*	Rent PSF/month	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Annual Net Rent	Annual Gross Rent
Commercial Space	1	NA	35,000	\$ 14.00	\$40,833			490,000	0
Apartment Building	120	NA	900	\$ 925.00	\$ 925.00			1,332,000	0
Total	121		143,000					1,822,000	0

INCOME

Base Gross Rent	\$ 1,822,000
Rent Increases	2.00%
Income Increases	2.00%
Vacancy Loss	5.00%
Other Income (PUPM)	\$ -
Other Income (annually)	\$ -

Morgan District Site I, LLC
SOURCES AND USES

SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage	\$ -	\$ 12,700,000	\$ 12,700,000
Equity	5,961,521	-	5,961,521
Monetized TIF Note	4,037,000	-	4,037,000
New Markets Tax Credits/State Grant	-	-	-
Deferred Developers Fee	-	297,979	297,979
Construction Loan	12,997,979	(12,997,979)	-
Total Sources Of Funds	\$ 22,996,500	\$ -	\$ 22,996,500
USES OF FUNDS	Construction	Post Construction	Total Permanent
Land Acquisition	175,000	-	175,000
Site Work			
Excavation/ Erosion Control	187,500	-	187,500
Environmental/ Disposal	137,500	-	137,500
Site Utilities	618,500	-	618,500
Site Concrete	157,500	-	157,500
Asphalt Paving	380,000	-	380,000
Landscaping	125,000	-	125,000
Utility Allowance	200,000	-	200,000
Site Lighting	75,000	-	75,000
Signage	75,000	-	75,000
Rammed Agg. Piers	500,000	-	500,000
Construction Contingency	190,400	-	190,400
Hard Costs			
Apartment/Commercial Building	18,363,200	-	18,363,200
Soft Costs			
Architecture	187,500	-	187,500
Engineering	315,400	-	315,400
Title	20,000	-	20,000
Building Permit	10,000	-	10,000
Real Estate Taxes	5,000	-	5,000
Marketing	15,000	-	15,000
Insurance	25,000	-	25,000
Financing Fees			
Financing Fees	62,500	-	62,500
Construction Loan Interest	500,000	-	500,000
Professional Fees			
Appraisal	5,000	-	5,000
Market Study	4,500	-	4,500
Legal/Accounting	25,000	-	25,000
Developer Fees / Reserves			
Developer Fee	637,000	-	637,000
Total Uses Of Funds	\$ 22,996,500	\$ -	\$ 22,996,500

Morgan District Site I, LLC
FORECAST OF NET CASH FLOW FROM OPERATIONS

	1	2	3	4	5	6	7	8	9	10
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
INCOME										
Residential:										
Rental Income	721,503	1,332,000	1,358,640	1,385,813	1,413,529	1,441,800	1,470,636	1,500,048	1,530,049	1,560,650
Vacancy	-5.00%	(66,600)	(67,932)	(69,291)	(70,676)	(72,090)	(73,532)	(75,002)	(76,502)	(78,033)
EGI Residential	721,503	1,265,400	1,290,708	1,316,522	1,342,853	1,369,710	1,397,104	1,425,046	1,453,547	1,482,617
Commercial:										
Base Gross Commercial Income	408,333	490,000	499,800	509,796	519,992	530,392	541,000	551,820	562,856	574,113
Commercial Expense Reimbursement	10,658	219,854	409,944	421,875	434,157	446,800	459,814	473,211	487,003	501,199
Commercial Vacancy	(20,417)	(24,500)	(24,990)	(25,490)	(26,000)	(26,520)	(27,050)	(27,591)	(28,143)	(28,706)
EGI Commercial	398,574	685,354	884,754	906,182	928,150	950,672	973,764	997,439	1,021,716	1,046,606
Total Effective Gross Income	1,120,078	1,950,754	2,175,462	2,222,703	2,271,003	2,320,381	2,370,867	2,422,486	2,475,263	2,529,223
EXPENSES										
Residential										
Professional Fees	108,820	200,000	206,000	212,180	218,545	225,101	231,854	238,810	245,974	253,353
Maintenance & Repairs	54,410	100,000	103,000	106,090	109,273	112,551	115,928	119,406	122,988	126,678
Operating Expenses	54,410	100,000	103,000	106,090	109,273	112,551	115,928	119,406	122,988	126,678
Insurance	54,410	100,000	103,000	106,090	109,273	112,551	115,928	119,406	122,988	126,678
Residential Operating Expenses	272,050	500,000	515,000	530,450	546,364	562,754	579,638	597,028	614,938	633,387
Commercial										
Professional Fees	6,529	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060
Maintenance & Repairs	6,529	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060
Operating Expenses	3,265	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
Insurance	3,265	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
Real Estate Taxes	-	183,854	373,224	384,421	395,954	407,832	420,067	432,669	445,650	459,019
Management Fee	20,417	24,500	24,990	25,490	26,000	26,520	27,050	27,591	28,143	28,706
Reserve for Replacement	3.00%	16,920	17,428	17,950	18,489	19,044	19,615	20,203	20,809	21,434
Commercial Operating Expenses	40,004	261,274	452,362	465,316	478,646	492,363	506,479	521,005	535,955	551,338
Total Operating Expenses	312,054	761,274	967,362	995,766	1,025,010	1,055,117	1,086,117	1,118,033	1,150,893	1,184,725
Net Operating Income	808,023	1,189,480	1,208,100	1,226,938	1,245,993	1,265,265	1,284,750	1,304,453	1,324,370	1,344,498
Debt Service										
Debt Service - 1st mortgage	-	964,158	964,158	964,158	964,158	964,158	964,158	964,158	964,158	964,158
DSCR- 1st	-	1.23	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.39
Cash Flow	808,023	225,322	243,943	262,780	281,835	301,107	320,593	340,295	360,213	380,341

PRELIMINARY DRAFT- FOR DISCUSSION PURPOSES ONLY

12/8/2015

Morgan District Site I, LLC
 Before Tax Cash Flow Equity Analysis

NOTE: Project not financially feasible but for other sources discussed in the application narrative (not detailed here) and the monetized TIF note to reduce equity required for development

		With TIF Note	Without TIF Note
IRR		-3.62%	-10.31%
		Projected Cash Flows	Projected Cash Flows
Period	Year		Equity Required
0	2016	\$ (5,961,521)	\$ (9,998,521)
1	2017	\$ 808,023	\$ 808,023
2	2018	\$ 225,322	\$ 225,322
3	2019	\$ 243,943	\$ 243,943
4	2020	\$ 262,780	\$ 262,780
5	2021	\$ 281,835	\$ 281,835
6	2022	\$ 301,107	\$ 301,107
7	2023	\$ 320,593	\$ 320,593
8	2024	\$ 340,295	\$ 340,295
9	2025	\$ 360,213	\$ 360,213
10	2026	\$ 1,532,768	\$ 1,532,768
			Cash Flow Year 10 + Proceeds from Reversion

Proceeds from Reversion Analysis

Year 10 NOI	\$ 1,344,498	Per Cash Flow Tab
Cap Rate @ Sell	7.0%	
Sales Price	\$ 19,207,119	NOI/Cap Rate
Selling Expenses	\$ 1,152,427	6%
Net Sales Price	\$ 18,054,692	SP - SE
Gain/Proceeds from Reversion	\$ 1,152,427	

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Morgan District Site II, LLC
Oregon & West 5th Avenue - Oshkosh, WI
12/3/2015

Financial Model

TIF Application Update Supporting Model

**Morgan District Site II, LLC
PROJECT ASSUMPTIONS**

PROJECT INFORMATION

Owner:	Morgan District Site II, LLC
County	Winnebago
Number of Units	2
LP Formation	
Year	2017
Month	1
Construction Start	
Year	2017
Month	1
Construction Period	12
Operations	
Year	2018
Month	1
Placed in Service Date	
Year	2018
Month	1
Day	1

FINANCING ASSUMPTIONS

Construction Loan A	\$ 5,646,500
Interest rate	4.50%
Term (months)	24
First Mortgage	\$ 5,500,000
Interest Rate	4.50%
Amortization	20
Term	15
Lender Required DCR	1.25
Start Year	2016
Start Month	1
Monetized TIF Note	\$ 1,615,000
Interest Rate	0.00%
Amortization	0
Term	0
Start Year	2015
Start Month	4
Deferred Developer Fee	\$ 146,500
Interest Rate	0.00%

Equity Information

General Partner's Capital Contribution		Percent of Ownership	
Entry Date:	Year 2015	General Partner	0.01%
	Month 1	Investor	99.99%
	Day 1	Total	100.00%
Equity	\$1,400,000	Cash Flow Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Income, Loss & Credits	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Sale Proceeds Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%

**Morgan District Site II, LLC
PROJECT ASSUMPTIONS**

OPERATING EXPENSES		<u>Commercial</u>
Professional Fees		12,000
Maintenance & Repairs		12,000
Operating Expenses		6,000
Insurance		6,000
Real Estate Taxes		Based on RE tax Calc
		<u>36,000</u> Total Recoverable Expenses (Commercial Only)
Replacement Reserve		20,160
Property Management Fee		36,600
Total		<u>92,760</u> Total Annual Expense
Annual Operating Exp. Increase	3.00%	
Annual Real Estate Tax Increase	3.00%	
Annual Management Fee Increase	3.00%	
Annual Reserve Increase	3.00%	
Interest rate on reserves	0.15%	
Annual Commercial Exp. Increase	2.00%	

RENTAL INCOME

Number of Bedrooms	Units	Baths	SF per Unit*	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Annual Net Rent	Annual Gross Rent
Building 1	1	NA	24,000	\$ 14.00	\$28,000			336,000	0
Building 2	1	NA	24,000	\$ 14.00	\$28,000			336,000	0
Total	2		48,000					672,000	0

COMMERCIAL INCOME

Base Gross Commercial Income	\$ 672,000
Commercial Expense Recovery	100%
Commercial Expense Reimbursement	\$ -
Commercial Income Increase	2.0%
Commercial Vacancy	5.0%
Other Income PSF	\$ -
Other Income (annually)	\$ -

Morgan District Site II, LLC
SOURCES AND USES

SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage	\$ -	\$ 5,500,000	\$ 5,500,000
Equity	1,400,000	-	1,400,000
Monetized TIF Note	1,615,000	-	1,615,000
Deferred Developers Fee	-	146,500	146,500
Construction Loan	5,646,500	(5,646,500)	-
Total Sources Of Funds	\$ 8,661,500	\$ -	\$ 8,661,500
USES OF FUNDS			
	Construction	Post Construction	Total Permanent
Land Acquisition	225,000	-	225,000
Site Work			
Excavation/ Erosion Control	125,000	-	125,000
Environmental/ Disposal	70,000	-	70,000
Site Utilities	60,000	-	60,000
Site Concrete	72,000	-	72,000
Asphalt Paving	105,000	-	105,000
Landscaping	50,000	-	50,000
Utility Allowance	30,000	-	30,000
Site Lighting	30,000	-	30,000
Signage	35,000	-	35,000
Rammed Agg. Piers	205,000	-	205,000
Hard Costs			
Office Building #1	2,400,000	-	2,400,000
Office Building # 2	2,400,000	-	2,400,000
Office Interior Finish	1,440,000	-	1,440,000
Soft Costs			
Architecture	100,000	-	100,000
Engineering	50,000	-	50,000
Title	20,000	-	20,000
Building Permit	10,000	-	10,000
Real Estate Taxes	5,000	-	5,000
Marketing	15,000	-	15,000
Insurance	25,000	-	25,000
Financing Fees			
Financing Fees	50,000	-	50,000
Construction Loan Interest	325,000	-	325,000
Professional Fees			
Appraisal	5,000	-	5,000
Market Study	4,500	-	4,500
Legal/Accounting	25,000	-	25,000
Developer Fees / Reserves			
Developer Fee	780,000	-	780,000
Total Uses Of Funds	\$ 8,661,500	\$ -	\$ 8,661,500

**Morgan District Site II, LLC
FORECAST OF NET CASH FLOW FROM OPERATIONS**

	1	2	3	4	5	6	7	8	9	10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
INCOME										
Commercial:										
Base Gross Commercial Income	532,000	672,000	685,440	699,149	713,132	727,394	741,942	756,781	771,917	787,355
Commercial Expense Reimbursement	45,563	116,677	200,494	206,141	211,951	217,928	224,076	230,401	236,907	243,601
Commercial Vacancy	(26,600)	(33,600)	(34,272)	(34,957)	(35,657)	(36,370)	(37,097)	(37,839)	(38,596)	(39,368)
EGI Commercial	550,963	755,077	851,662	870,333	889,427	908,952	928,921	949,343	970,228	991,588
Total Effective Gross Income	550,963	755,077	851,662	870,333	889,427	908,952	928,921	949,343	970,228	991,588
EXPENSES										
Commercial										
Professional Fees	13,500	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060
Maintenance & Repairs	13,500	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060
Operating Expenses	6,750	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
Insurance	6,750	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
Real Estate Taxes	-	80,677	163,774	168,687	173,748	178,960	184,329	189,859	195,554	201,421
Management Fee	26,600	33,600	34,272	34,957	35,657	36,370	37,097	37,839	38,596	39,368
Reserve for Replacement 3.00%	-	20,160	20,765	21,388	22,029	22,690	23,371	24,072	24,794	25,538
Commercial Operating Expenses	67,100	170,437	255,531	262,487	269,637	276,988	284,544	292,312	300,297	308,507
Total Operating Expenses	67,100	170,437	255,531	262,487	269,637	276,988	284,544	292,312	300,297	308,507
Net Operating Income	483,863	584,640	596,131	607,846	619,789	631,965	644,377	657,031	669,931	683,082
Debt Service										
Debt Service - 1st mortgage	-	417,549	417,549	417,549	417,549	417,549	417,549	417,549	417,549	417,549
DSCR- 1st	-	1.40	1.43	1.46	1.48	1.51	1.54	1.57	1.60	1.64
Cash Flow	483,863	167,091	178,583	190,298	202,241	214,416	226,829	239,482	252,382	265,533

Morgan District Site II, LLC
 Before Tax Cash Flow Equity Analysis

		With TIF Note	Without TIF Note	
IRR		14.63%	-0.77%	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> NOTE: Project not financially feasible but for the monetized TIF note to reduce equity required for development </div>
Period	Year	Projected Cash Flows	Projected Cash Flows	
0	2016	\$ (1,400,000)	\$ (3,015,000)	Equity Required
1	2017	\$ 483,863	\$ 483,863	
2	2018	\$ 167,091	\$ 167,091	
3	2019	\$ 178,583	\$ 178,583	
4	2020	\$ 190,298	\$ 190,298	
5	2021	\$ 202,241	\$ 202,241	
6	2022	\$ 214,416	\$ 214,416	
7	2023	\$ 226,829	\$ 226,829	
8	2024	\$ 239,482	\$ 239,482	
9	2025	\$ 252,382	\$ 252,382	
10	2026	\$ 720,921	\$ 720,921	Cash Flow Year 10 + Proceeds from Reversion

Proceeds from Reversion Analysis

Year 10 NOI	\$	683,082	Per Cash Flow Tab
Cap Rate @ Sell		9.0%	
Sales Price	\$	7,589,795	NOI/Cap Rate
Selling Expenses	\$	455,388	6%
Net Sales Price	\$	7,134,407	SP - SE
Gain/Proceeds from Reversion	\$	455,388	

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Morgan District Site III, LLC
Oregon & West 5th Avenue - Oshkosh, WI
12/9/2015

Financial Model

TIF Application Supporting Model

Multi Family Units

**Morgan District Site III, LLC
PROJECT ASSUMPTIONS**

1.25

PROJECT INFORMATION

Owner:	Morgan District Site III, LLC
County	Winnebago
Number of Units	156
LP Formation	
Year	2015
Month	1
Construction Start	
Year	2015
Month	1
Construction Period	12
Operations	
Year	2018
Month	1
Placed in Service Date	
Year	2018
Month	1
Day	1

FINANCING ASSUMPTIONS

Construction Loan A	\$ 11,320,000
Interest rate	4.50%
Term (months)	24
First Mortgage	\$ 11,100,000
Interest Rate	4.50%
Amortization	20
Term	15
Lender Required DCR	1.25
Start Year	2016
Start Month	1
Monetized TIF Note	\$ 3,018,000
Interest Rate	0.00%
Amortization	0
Term	0
Start Year	2015
Start Month	4
Deferred Developer Fee	\$ 220,000
Interest Rate	0.00%

Equity Information

General Partner's Capital Contribution		Percent of Ownership	
Entry Date:	Year 2015	General Partner	0.01%
	Month 1	Investor	99.99%
	Day 1	Total	100.00%
Equity	\$3,200,000	Cash Flow Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Income, Loss & Credits	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Sale Proceeds Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%

**Morgan District Site III, LLC
PROJECT ASSUMPTIONS**

OPERATING EXPENSES	Residential	Per Unit
Professional Fees	25,000	160
Maintenance & Repairs	41,000	263
Operating Expenses	70,000	449
Insurance	50,000	321
Real Estate Taxes	-	-
	<u>186,000</u>	<u>1,192</u>
Replacement Reserve	-	-
Property Management Fee	81,713	524
Total	<u>267,713</u>	<u>1,716</u>
Annual Operating Exp. Increase	3.00%	
Annual Real Estate Tax Increase	3.00%	
Annual Management Fee Increase	3.00%	
Annual Reserve Increase	3.00%	
Interest rate on reserves	0.15%	
Annual Commercial Exp. Increase	2.00%	

RENTAL INCOME

Number of Bedrooms	Units	Baths	SF per Unit*	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Annual Net Rent	Annual Gross Rent
TBD	156	0	850	\$ 900.00	\$140,400	\$0	140,400	1,684,800	0
Total	156		132,600					1,684,800	0

RESIDENTIAL INCOME

Base Gross Residential Rent	\$ 1,684,800
Rent Increases	2.00%
Residential Income Increases	2.00%
Residential Vacancy Loss	3.00%
Other Income (PUPM)	\$ -
Other Income (annually)	\$ -

Morgan District Site III, LLC
SOURCES AND USES

SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage	\$ -	\$ 11,100,000	\$ 11,100,000
Equity	3,200,000	-	3,200,000
Monetized TIF Note	3,018,000	-	3,018,000
Deferred Developers Fee	-	220,000	220,000
Construction Loan	11,320,000	(11,320,000)	-
Total Sources Of Funds	\$ 17,538,000	\$ -	\$ 17,538,000
USES OF FUNDS			
	Construction	Post Construction	Total Permanent
Land Acquisition	245,000	-	245,000
Site Work			
Excavation/ Erosion Control	350,000	-	350,000
Environmental/ Disposal	175,000	-	175,000
Site Utilities	140,000	-	140,000
Site Concrete	105,000	-	105,000
Asphalt Paving	245,000	-	245,000
Landscaping	105,000	-	105,000
Utility Allowance	52,500	-	52,500
Site Lighting	52,500	-	52,500
Signage	35,000	-	35,000
Rammed Agg. Piers	700,000	-	700,000
Hard Costs			
2 large MF Buildings	12,900,000	-	12,900,000
Soft Costs			
Architecture	262,500	-	262,500
Engineering	175,000	-	175,000
Title	100,000	-	100,000
Building Permit	75,000	-	75,000
Real Estate Taxes	25,000	-	25,000
Marketing	78,000	-	78,000
Insurance	75,000	-	75,000
Soft Cost Contingency	-	-	-
Financing Fees			
Financing Fees	87,500	-	87,500
Construction Loan Interest	700,000	-	700,000
Professional Fees			
Appraisal	10,000	-	10,000
Soil Testing	15,000	-	15,000
Market Study	10,000	-	10,000
Legal/Accounting	50,000	-	50,000
Developer Fees / Reserves			
Developer Fee	770,000	-	770,000
Reserves and Escrows	-	-	-
Total Uses Of Funds	\$ 17,538,000	\$ -	\$ 17,538,000

Morgan District Site III, LLC
FORECAST OF NET CASH FLOW FROM OPERATIONS

	1	2	3	4	5	6	7	8	9	10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
INCOME										
Residential:										
Rental Income	1,238,400	1,684,800	1,718,496	1,752,866	1,787,923	1,823,682	1,860,155	1,897,358	1,935,306	1,974,012
Other Income	-	-	-	-	-	-	-	-	-	-
Vacancy	-3.00%	(50,544)	(51,555)	(52,586)	(53,638)	(54,710)	(55,805)	(56,921)	(58,059)	(59,220)
EGI Residential	1,238,400	1,634,256	1,666,941	1,700,280	1,734,285	1,768,972	1,804,350	1,840,437	1,877,247	1,914,792
Total Effective Gross Income	1,238,400	1,634,256	1,666,941	1,700,280	1,734,285	1,768,972	1,804,350	1,840,437	1,877,247	1,914,792
EXPENSES										
Residential										
Professional Fees	18,110	25,000	25,750	26,523	27,319	28,139	28,983	29,852	30,748	31,670
Maintenance & Repairs	29,700	41,000	42,230	43,497	44,802	46,146	47,530	48,956	50,425	51,938
Operating Expenses	50,708	70,000	72,100	74,263	76,491	78,786	81,150	83,585	86,093	88,676
Insurance	36,220	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339
Real Estate Taxes	-	164,910	334,766	344,809	355,154	365,808	376,783	388,086	399,729	411,720
Management Fee	61,920	81,713	83,347	85,014	86,714	88,449	90,218	92,022	93,862	95,740
Reserve for Replacement	3.00%	-	-	-	-	-	-	-	-	-
Residential Operating Expenses	196,658	432,623	609,693	627,151	645,117	663,603	682,627	702,203	722,351	743,082
Total Operating Expenses	196,658	432,623	609,693	627,151	645,117	663,603	682,627	702,203	722,351	743,082
Net Operating Income	1,041,742	1,201,633	1,057,248	1,073,129	1,089,169	1,105,369	1,121,723	1,138,234	1,154,896	1,171,710
Debt Service										
Debt Service - 1st mortgage	-	842,689	842,689	842,689	842,689	842,689	842,689	842,689	842,689	842,689
DSCR- 1st	-	1.43	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.39
Cash Flow	1,041,742	358,944	214,559	230,440	246,480	262,680	279,034	295,545	312,207	329,021

Morgan District Site III, LLC
 Before Tax Cash Flow Equity Analysis

		With TIF Note	Without TIF Note
IRR		6.88%	-4.88%
Period	Year	Projected Cash Flows	Projected Cash Flows
0	2016	\$ (3,200,000)	\$ (6,218,000) Equity Required
1	2017	\$ 1,041,742	\$ 1,041,742
2	2018	\$ 358,944	\$ 358,944
3	2019	\$ 214,559	\$ 214,559
4	2020	\$ 230,440	\$ 230,440
5	2021	\$ 246,480	\$ 246,480
6	2022	\$ 262,680	\$ 262,680
7	2023	\$ 279,034	\$ 279,034
8	2024	\$ 295,545	\$ 295,545
9	2025	\$ 312,207	\$ 312,207
10	2026	\$ 1,333,343	\$ 1,333,343 Cash Flow Year 10 + Proceeds from Reversion

NOTE: Project not financially feasible but for the monetized TIF note to reduce equity required for development

Proceeds from Reversion Analysis

Year 10 NOI	\$ 1,171,710	Per Cash Flow Tab
Cap Rate @ Sell	7.0%	
Sales Price	\$ 16,738,709	NOI/Cap Rate
Selling Expenses	\$ 1,004,323	6%
Net Sales Price	\$ 15,734,387	SP - SE
Gain/Proceeds from Reversion	\$ 1,004,323	

Morgan District Redevelopment
 Site IV
 For Sale Waterfront Condos

	With TIF Note		Without TIF Note	
Total Units	24		24	
Sources		Per Unit		Per Unit
Equity	2,340,500	97,521	4,519,500	188,313
Debt	3,500,000	145,833	3,500,000	145,833
TIF	2,179,000	90,792	0	0
Total Sources	\$ 8,019,500	\$ 334,146	\$ 8,019,500	\$ 334,146
Uses				
Land Acquisition	200,000	8,333	200,000	8,333
Site Work	280,000	11,667	280,000	11,667
Hard Costs	6,487,000	270,292	6,487,000	270,292
Soft Costs	795,000	33,125	795,000	33,125
Financing Fees	187,500	7,813	187,500	7,813
Professional Fees	70,000	2,917	70,000	2,917
Developer Fee/Reserves	0	0	0	0
Total Uses	\$ 8,019,500	\$ 334,146	\$ 8,019,500	\$ 334,146
Sales Price (Avg Per Unit)	\$ 375,000		\$ 375,000	
Gross Profit	\$ 9,000,000		\$ 9,000,000	
SE @ 7% of GP	\$ 630,000	26,250	\$ 630,000	26,250
Net Profit	\$ 350,500	14,604	\$ 350,500	14,604
Return on Equity (before tax)	15.0%		7.8%	

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Morgan District Site V, LLC
Oregon & West 5th Avenue - Oshkosh, WI
12/9/2015

Financial Model

TIF Application Update Supporting Model

9 Townhouse Buildings - 108 Units

**Morgan District Site V, LLC
PROJECT ASSUMPTIONS**

PROJECT INFORMATION

Owner:	Morgan District Site V, LLC
County	Winnebago
Number of Units	108
LP Formation	
Year	2019
Month	1
Construction Start	
Year	2019
Month	1
Construction Period	12
Operations	
Year	2020
Month	1
Placed in Service Date	
Year	2020
Month	1
Day	1

FINANCING ASSUMPTIONS

Construction Loan A	\$ 7,925,400
Interest rate	4.50%
Term (months)	24
First Mortgage	\$ 7,600,000
Interest Rate	4.50%
Amortization	20
Term	15
Lender Required DCR	1.2
Start Year	2016
Start Month	1
Monetized TIF Note	\$ 1,595,000
Interest Rate	0.00%
Amortization	0
Term	0
Start Year	2015
Start Month	4
Deferred Developer Fee	\$ 325,400
Interest Rate	0.00%

Equity Information

General Partner's Capital Contribution		Percent of Ownership	
Entry Date:	Year	General Partner	0.01%
	Month	Investor	99.99%
	Day	Total	100.00%
Equity	\$1,900,000	Cash Flow Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Income, Loss & Credits	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%
		Sale Proceeds Distribution	
		General Partner	0.01%
		Investor	99.99%
		Total	100.00%

**Morgan District Site V, LLC
PROJECT ASSUMPTIONS**

OPERATING EXPENSES	Residential	Per Unit
Professional Fees	25,000	231
Maintenance & Repairs	50,000	463
Operating Expenses	25,000	231
Insurance	40,000	370
Real Estate Taxes	-	-
	<u>140,000</u>	<u>1,296</u>
Replacement Reserve	-	-
Property Management Fee	56,570	524
Total	<u>196,570</u>	<u>1,820</u>
Annual Operating Exp. Increase	3.00%	
Annual Real Estate Tax Increase	3.00%	
Annual Management Fee Increase	3.00%	
Annual Reserve Increase	3.00%	
Interest rate on reserves	0.15%	
Annual Commercial Exp. Increase	2.00%	

RENTAL INCOME

Number of Bedrooms	Units	Baths	SF per Unit*	Rent PSF	Monthly Net Rent	Monthly Utility/CAM	Monthly Gross Rent	Annual Net Rent	Annual Gross Rent
TBD	108	TBD	900	\$ 1.11	\$97,200	\$0	97,200	1,166,400	0
Total	108		97,200					1,166,400	0

RESIDENTIAL INCOME

Base Gross Residential Rent	\$ 1,166,400
Rent Increases	2.00%
Residential Income Increases	2.00%
Residential Vacancy Loss	3.00%
Other Income (PUPM)	\$ 15.00
Other Income (annually)	\$ 19,440

Morgan District Site V, LLC
SOURCES AND USES

SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage	\$ -	\$ 7,600,000	\$ 7,600,000
Equity	1,900,000	-	1,900,000
Monetized TIF Note	1,595,000	-	1,595,000
Deferred Developers Fee	-	325,400	325,400
Construction Loan	7,925,400	(7,925,400)	-
Total Sources Of Funds	\$ 11,420,400	\$ -	\$ 11,420,400
USES OF FUNDS			
	Construction	Post Construction	Total Permanent
Land Acquisition	80,000	-	80,000
Site Work			
Excavation/ Erosion Control	350,000	-	350,000
Environmental/ Disposal	175,000	-	175,000
Site Utilities	140,000	-	140,000
Site Concrete	105,000	-	105,000
Asphalt Paving	245,000	-	245,000
Landscaping	105,000	-	105,000
Utility Allowance	52,500	-	52,500
Site Lighting	52,500	-	52,500
Signage	35,000	-	35,000
Rammed Agg. Piers	700,000	-	700,000
Hard Costs			
9 - Townhouse Buildings	7,400,000	-	7,400,000
Soft Costs			
Architecture	262,500	-	262,500
Engineering	175,000	-	175,000
Title	40,000	-	40,000
Building Permit	20,000	-	20,000
Real Estate Taxes	15,000	-	15,000
Marketing	75,000	-	75,000
Insurance	50,000	-	50,000
Financing Fees			
Financing Fees	87,500	-	87,500
Construction Loan Interest	500,000	-	500,000
Professional Fees			
Appraisal	10,000	-	10,000
Soil Testing	15,000	-	15,000
Market Study	8,000	-	8,000
Legal/Accounting	40,000	-	40,000
Commissions	32,400	-	32,400
Developer Fees / Reserves			
Developer Fee	650,000	-	650,000
Total Uses Of Funds	\$ 11,420,400	\$ -	\$ 11,420,400

**Morgan District Site V, LLC
FORECAST OF NET CASH FLOW FROM OPERATIONS**

	1 2020	2 2021	3 2022	4 2023	5 2024	6 2025	7 2026	8 2027	9 2028	10 2029
INCOME										
Residential:										
Rental Income	637,200	1,166,400	1,189,728	1,213,523	1,237,793	1,262,549	1,287,800	1,313,556	1,339,827	1,366,624
Vacancy -3.00%	-	(34,992)	(35,692)	(36,406)	(37,134)	(37,876)	(38,634)	(39,407)	(40,195)	(40,999)
EGI Residential	637,200	1,131,408	1,154,036	1,177,117	1,200,659	1,224,673	1,249,166	1,274,149	1,299,632	1,325,625
Total Effective Gross Income	637,200	1,131,408	1,154,036	1,177,117	1,200,659	1,224,673	1,249,166	1,274,149	1,299,632	1,325,625
EXPENSES										
Residential										
Professional Fees	13,503	25,000	25,750	26,523	27,319	28,139	28,983	29,852	30,748	31,670
Maintenance & Repairs	27,005	50,000	51,500	53,045	54,636	56,275	57,963	59,702	61,493	63,338
Operating Expenses	13,503	25,000	25,750	26,523	27,319	28,139	28,983	29,852	30,748	31,670
Insurance	21,604	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671
Real Estate Taxes	-	114,168	231,761	238,714	245,876	253,252	260,849	268,675	276,735	285,037
Management Fee	31,860	56,570	57,702	58,856	60,033	61,234	62,458	63,707	64,982	66,281
Reserve for Replacement 3.00%	-	-	-	-	-	-	-	-	-	-
Residential Operating Expenses	107,474	310,738	433,663	446,097	458,892	472,059	485,607	499,551	513,901	528,667
Total Operating Expenses	107,474	310,738	433,663	446,097	458,892	472,059	485,607	499,551	513,901	528,667
Net Operating Income	529,726	820,670	720,373	731,020	741,767	752,614	763,559	774,598	785,731	796,957
Debt Service										
Debt Service - 1st mortgage	-	576,976	576,976	576,976	576,976	576,976	576,976	576,976	576,976	576,976
DSCR- 1st	-	1.42	1.25	1.27	1.29	1.30	1.32	1.34	1.36	1.38
Cash Flow	529,726	243,693	143,397	154,044	164,791	175,638	186,582	197,622	208,755	219,981

Morgan District Site V, LLC
 Before Tax Cash Flow Equity Analysis

		With TIF Note	Without TIF Note	
IRR		7.86%	-2.89%	
Period	Year	Projected Cash Flows	Projected Cash Flows	
0	2016	\$ (1,900,000)	\$ (3,495,000)	Equity Required
1	2017	\$ 529,726	\$ 529,726	
2	2018	\$ 243,693	\$ 243,693	
3	2019	\$ 143,397	\$ 143,397	
4	2020	\$ 154,044	\$ 154,044	
5	2021	\$ 164,791	\$ 164,791	
6	2022	\$ 175,638	\$ 175,638	
7	2023	\$ 186,582	\$ 186,582	
8	2024	\$ 197,622	\$ 197,622	
9	2025	\$ 208,755	\$ 208,755	
10	2026	\$ 903,088	\$ 903,088	Cash Flow Year 10 + Proceeds from Reversion

NOTE: Project not financially feasible but for the monetized TIF note to reduce equity required for development

Proceeds from Reversion Analysis

Year 10 NOI	\$	796,957	Per Cash Flow Tab
Cap Rate @ Sell		7.0%	
Sales Price	\$	11,385,107	NOI/Cap Rate
Selling Expenses	\$	683,106	6%
Net Sales Price	\$	10,702,000	SP - SE
Gain/Proceeds from Reversion	\$	683,106	

Certification/Agreement

Certification per TIF Application

Agreement

(per page 17 of TIF Application)

I, by signing this application, agree to the following:

1. I have read and will abide by all the requirements of the City for Tax Incremental Financing.
2. The information submitted is correct.
3. I agree to pay all costs involved in the legal and fiscal review of this project. These costs may include, but not be limited to, bond counsel, outside legal assistance, and outside financial assistance, and all costs involved in the issuance of the bonds or loans to finance the project.
4. I understand that the City reserves the right to deny final approval, regardless of preliminary approval or the degree of construction completed before application for final approval.
5. The undersigned authorizes the City of Oshkosh to check credit references and verify financial and other information.
6. The undersigned also agrees to provide any additional information as may be requested by the City after filing of this application.

Applicant Name: Morgan District, LLC

Grant Schwab

Date: December 2015

Tax Incremental Financing Application

Morgan District Redevelopment

December 2015

Appendix

City Summary Letter

Detailed Project Narrative

Site Map

Project Renderings

Appraisal

Market Study

Filing Fee

The Morgan District, LLC
601 Oregon Street
Oshkosh, WI

Mark Rohloff
City Manager
City of Oshkosh
215 Church Avenue
Oshkosh, WI 54903-1130

**RE: Morgan District Redevelopment
City Summary Letter**

Dear Mark,

The Morgan District, LLC is pleased to submit a Tax Increment Financing (“TIF”) Policy Application to the City of Oshkosh for our proposed redevelopment of 27 acres of land located along the Fox River. We seek to transform the property into a vibrant new mixed-use community connecting the redevelopment with downtown, the riverfront and creating a place to work, shop, and play along prime riverfront property.

The Morgan District Redevelopment Project is comprised of approximately 23.5 acres west of Oregon Street and 3.5 acres of land east of Oregon Street (the “Project”). The Project is proposed to consist of a mix of multifamily housing, light commercial and retail uses, and a combination of middle to high end condominiums. End users of the property will include individuals and families living on the site, community members frequenting and working at the commercial and retail uses, and business owners renting space from the Developer.

The Developer and Owner, The Morgan District, LLC; is currently renting the property to Oshkosh Corporation, formerly Oshkosh Truck. Oshkosh Corporation is using the site for vehicle parking as they design and build specialty trucks and truck bodies. All structures and foundations have been removed from the site. Additional site work and planning has continued since the first application to the City in September 2014. Groundbreaking for the first phase of the Project is anticipated to be late fall 2016. The Project is anticipated to be completed in five or more phases.

The Project meets the criteria and threshold required for TIF funding. The Project represents a redevelopment of underutilized land which will provide many benefits to the City and the properties surrounding area and is not financially feasible but for TIF funding. The Project will aid/provide the following benefits:

1. Attracting businesses to the community to improve the economic base.
2. Meeting recommendations outlined in the City’s strategic planning documents by supporting development along the Fox River and downtown.
3. Involving retail development.
4. Contributing to public infrastructure.

5. Creating new employment in the area with the creation of retail and office spaces and from the management and maintenance of the residential units.
6. Enhancing the streetscape and pedestrian experience by providing land for the City River walk, improving underutilized land providing a more appealing view for all existing and new neighbors.
7. Providing direct benefit to the distressed area through the elimination of blight and abatement of the environmentally contaminated land and structures that were on the site.
8. Including quality design and overall aesthetic for final plans including a comprehensive redevelopment approach taking into account modern design, universal design, integrated site planning with sustainable design of buildings and landscaping demanded by the people and businesses that the City of Oshkosh wishes to attract and retain.

The current total development cost for all five phases of planned development is approximately \$68.6 million. Substantial costs are involved with the site and public/private infrastructure work necessary for redevelopment of the riverfront property. The Project is estimated to leverage no more than \$40.4 million in private debt coupled with approximately \$15.8 million of Developer equity, deferred financing, or additional federal and state funding sources that can be raised for the redevelopment leaving a \$12.4 million development funding gap. The Developer is requesting a Pay-As-You-Go TIF Note along with the creation of a new 27 year Tax Increment District to support the redevelopment and make the Project feasible to develop.

Included with this application package are initial projections of development sources and uses, operating pro forma assumptions, and reversion calculations for review. The Developer has very strong relationships with many lending institutions and will have financing in place before the commencement of any phase of the Project. The Developer is willing to provide letters of financial reference from lending institutions upon request.

It is the Developer's ultimate goal to have a successful long-term development that provides benefits to the community, supports the City of Oshkosh's development goals, and provides the required rate of return to the Developer. The Project will bring construction jobs to the community for several years to come as the Project is completed in phases. The commercial development will create permanent part- and full-time jobs. Once development plans have been finalized the economic impact of the Project can be provided to the City if requested.

Thank you for reviewing our application for Tax Increment Financing for the Morgan District Redevelopment project. We look forward to future discussions and working with you and others to see this worthy Project move forward. Please do not hesitate to reach out to me if you have any other questions.

Sincerely,

Grant Schwab
Representative of Morgan District, LLC

Detailed Project Narrative

The Morgan District Redevelopment Project is comprised of approximately 23.5 acres west of Oregon Street and 3.5 acres of land east of Oregon Street (the “Project”). The Project is proposed to consist of a mix of multifamily housing, light commercial and retail uses, and a combination of middle to high end condominiums. End users of the property will include individuals and families living on the site, community members frequenting and working at the commercial and retail uses, and business owners renting space from the Developer.

Current Use

The Developer and Owner, The Morgan District, LLC; is currently renting the property to Oshkosh Corporation, formerly Oshkosh Truck. Oshkosh Corporation is using the site for vehicle parking as they design and build specialty trucks and truck bodies.

Project Overview and Timing

All structures and foundations have been removed from the site. Additional site work and planning has continued since the first application to the City in September 2014. Groundbreaking for site 1 of the Project is anticipated to be late fall 2016. The Project is anticipated to be completed in five or more phases.

Site 1: fall 2016

New construction of 120 rentable multifamily residential units and 35,000 square feet of rentable commercial development along the west side of Oregon Street with on grade parking.

Site 2: fall 2017

New construction of 48,000 square feet of rentable commercial development along the east side of Oregon Street with on grade parking.

Site 3: fall 2018

New construction of 156 “eUrban” residential rental units within three large elevator buildings with a diverse mix of units and bedroom sizes to match market demand.

Site 4: fall 2018

New construction of 24 waterfront condos for sale to the public.

Site 5: fall 2019

New construction of nine “Big House” multifamily rental buildings with 12 units per building for a total of 108 rental residential units with a diverse mix of units and bedroom sizes to match market demand.

Meets TIF Policy Requirements

The Project meets the criteria and threshold required for TIF funding. The Project represents a redevelopment of underutilized land which will provide many benefits to the City and the properties surrounding area and is not financially feasible but for TIF funds. The Project will aid/provide the following benefits:

1. Attracting businesses to the community to improve the economic base.
2. Meeting recommendations outlined in the City's strategic planning documents by supporting development along the Fox River and downtown.
3. Involving retail development.
4. Contributing to public infrastructure.
5. Creating new employment in the area with the creation of retail and office spaces and from the management and maintenance of the residential units.
6. Enhancing the streetscape and pedestrian experience by providing land for the City River walk, improving underutilized land providing a more appealing view for all existing and new neighbors.
7. Providing direct benefit to the distressed area through the elimination of blight and abatement of the environmentally contaminated land and structures that were on the site.
8. Including quality design and overall aesthetic for final plans including a comprehensive redevelopment approach taking into account modern design, universal design, integrated site planning with sustainable design of buildings and landscaping demanded by the people and businesses that the City of Oshkosh wishes to attract and retain.

Financing Overview

Since the first TIF application was submitted to the City in September 2014, the federal New Markets Tax Credit ("NMTC") program and a grant from the State of Wisconsin have been identified as potential sources for supporting the development of the grocery store and infrastructure needs for site 1. The funding from these two sources, if any, have not been quantified or included in the financial analysis because the programs require applications and approvals from various agencies. However, the financial gap for site 1 is large enough that TIF assistance in addition to support from other programs is required. Community Development Entities ("CDEs"), the intermediaries that award NMTC allocations, and the State of Wisconsin will look favorably on the Project with the TIF commitment from the City. It will demonstrate a strong public-private partnership. Baker Tilly Virchow Krause, LLP is assisting the Developer in the process of applying to CDEs for a NMTC allocation. More information about these programs can be provided in the future as the Project moves forward.

The current total development cost for all five phases of planned development is approximately \$68.6 million. Substantial costs are involved with the site and public/private infrastructure work necessary for redevelopment of the riverfront property. The Project is estimated to leverage no more than \$40.4 million in private debt coupled with approximately \$15.8 million of Developer equity, deferred financing, or additional federal and state funding sources that can be raised for the redevelopment leaving a \$12.4 million development funding gap. The Developer is requesting a Pay-As-You-Go TIF Note to support the redevelopment and make the Project feasible to develop.

The Developer is requesting a Pay-As-You-Go TIF Note to support the Project. It is anticipated that a new 27 year Tax Increment District (“TID”) will be created by the City and that the Developer will receive 90% of the property tax increment generated from the Project for the remaining life of the TID for each site. The Developer understands that this percentage of TIF assistance surpasses the City’s guidelines for the typical development requesting TIF. The request is 18.08% of total Project costs, falling below the TIF Cap of 25%. The detailed sources and uses, operating pro forma assumptions, and reversion calculations are included in the appendix for each site that demonstrate why the Developer’s request is necessary to make the Project financially feasible. The ‘Detailed Project Narrative’ in the appendix also details the TIF funding criteria that the Project meets or exceeds.

At this time the Developer is seeking a TIF Note from the City just for site 1, but the projected need for TIF assistance for future sites is included in this application to support the City’s efforts to create a new TID.

The Developer has very strong relationships with many lending institutions and will have financing in place before the commencement of any phase of the Project. The Developer is willing to provide letters of financial reference from lending institutions upon request.

Below is a summary table of sources and uses for all five sites. Detailed sources and uses, operating pro forma assumptions, and reversion calculations are included in the appendix for each site. Please note as discussed above, site 1 is pursuing other federal and state funding resources.

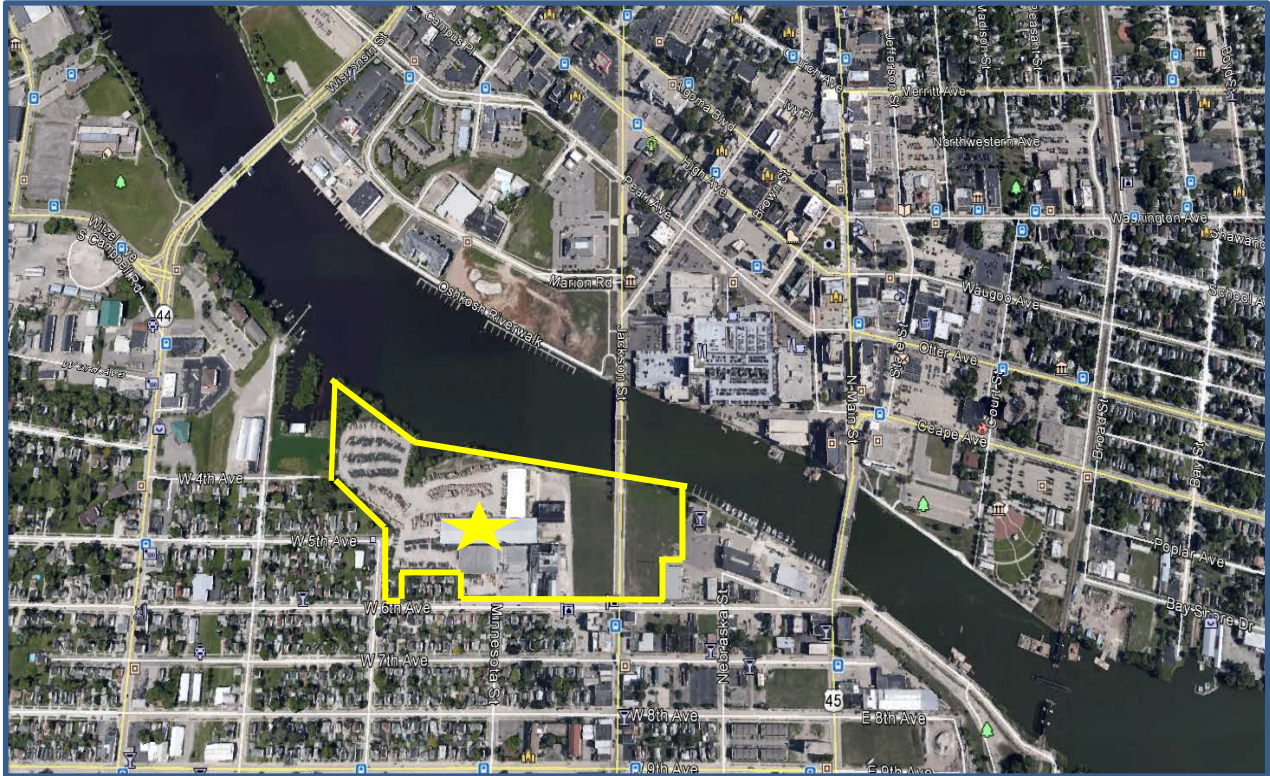
Sources	Site I	Site II	Site III	Site IV	Site V	Total
Private First Mortgage	\$ 12,700,000	\$ 5,500,000	\$ 11,100,000	\$ 3,500,000	\$ 7,600,000	\$ 40,400,000
Equity	\$ 5,961,521	\$ 1,400,000	\$ 3,200,000	\$ 2,340,500	\$ 1,900,000	\$ 14,802,021
Monetized TIF Note	\$ 4,037,000	\$ 1,615,000	\$ 3,018,000	\$ 2,179,000	\$ 1,595,000	\$ 12,444,000
Deferred Developers Fee	\$ 297,979	\$ 146,500	\$ 220,000	\$ -	\$ 325,400	\$ 989,879
	\$ 22,996,500	\$ 8,661,500	\$ 17,538,000	\$ 8,019,500	\$ 11,420,400	\$ 68,635,900
Uses						
Land	\$ 175,000	\$ 225,000	\$ 245,000	\$ 200,000	\$ 80,000	\$ 925,000
Site Work	\$ 4,400,000	\$ 782,000	\$ 1,960,000	\$ 280,000	\$ 1,960,000	\$ 9,382,000
Hard Costs	\$ 16,800,000	\$ 6,240,000	\$ 12,900,000	\$ 6,487,000	\$ 7,400,000	\$ 49,827,000
Soft Costs	\$ 387,500	\$ 225,000	\$ 790,500	\$ 795,000	\$ 637,500	\$ 2,835,500
Financing Fees	\$ 562,500	\$ 375,000	\$ 787,500	\$ 187,500	\$ 587,500	\$ 2,500,000
Professional Fees	\$ 34,500	\$ 34,500	\$ 85,000	\$ 70,000	\$ 105,400	\$ 329,400
Developer Fee/Reserves	\$ 637,000	\$ 780,000	\$ 770,000	\$ -	\$ 650,000	\$ 2,837,000
	\$ 22,996,500	\$ 8,661,500	\$ 17,538,000	\$ 8,019,500	\$ 11,420,400	\$ 68,635,900

It is the Developer’s ultimate goal to have a successful long-term development that provides benefits to the community, supports the City of Oshkosh’s development goals, and provides the required rate of return to the Developer. The Project will bring construction jobs to the community for several years to come as the Project is completed in phases. The commercial development will create permanent part- and full-time jobs. Once development plans have been finalized the economic impact of the Project can be provided to the City if requested.

Site Map

The following site plan is for all five development sites contemplated within the Morgan District Redevelopment plans. New buildings, jobs, and infrastructure are to be created on both sides of Oregon Street. The building plans and layout are conceptual to provide an overview of use, density and site design.

Location Map



Tax Incremental Financing Application - Morgan District Redevelopment



W. 6TH AVENUE

OREGON STREET

0 60' 120'
Scale: 1" = 60'-0"



Morgan Partners Oshkosh Fox River Lp03

15-26

November 8, 2015

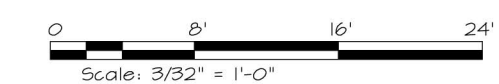
Project Renderings

Building and site renderings can be provided for all sites in the future upon request and as needed for development approval and financing. Right now a rendering for site 1 is included.



① CONCEPTUAL ELEVATION

SCALE: 3/32" = 1'-0"



Morgan Partners Oshkosh Fox River Lp01

October 3, 2015
15-26

Appraisal

Third party reporting including the appraisal will be furnished upon request and as needed for development approval and financing.

Market Study

Third party reporting including the market study will be furnished upon request and as needed for development approval and financing.

Filing Fee

The Developer has donated a significant amount of linear feet of river walk land to the City of Oshkosh to allow the City to develop the river walk. The Developer is in the process of negotiating to donate more land to the City for even further continuation of the river walk.

The Developer is requesting that the City take this in consideration since they have not submitted the filing fee with this application.

PLAN COMMISSION MINUTES

June 21, 2016

PRESENT: Thomas Fojtik, John Hinz, Steve Cummings, Kathleen Propp, Donna Lohry, Karl Nollenberger

EXCUSED: David Borsuk, Ed Bowen, Jeffrey Thoms, Benjamin Krumenauer, Robert Vajgrt

STAFF: Darryn Burich, Director of Planning Services; Brian Slusarek, Zoning Code Enforcement Inspector; Deborah Foland, Recording Secretary

Chairperson Fojtik called the meeting to order at 4:00 pm. Roll call was taken and a quorum declared present.

The minutes of June 7, 2016 were approved as presented. (Nollenberger/Cummings)

I. CONDITIONAL USE PERMIT APPROVAL FOR AN EXCEPTION TO THE PROVISIONS OF THE DOWNTOWN OVERLAY DISTRICT AT 531 NORTH MAIN STREET (DEALERSOCKET)

The applicant is requesting approval of a conditional use permit for an exception to the signage standards of the Downtown Overlay District to allow a hand painted sign, greater than 32 square feet in size, to be placed higher than 18 feet above grade and above the second floor window sill.

Mr. Slusarek presented the item and reviewed the site and surrounding area as well as the land use and zoning classifications in this area. He discussed the history of the site and reviewed a photo of the sign which he stated was consistent with the historical sign that was in the same location on the building when it was originally constructed. He reviewed a photo of the building from the 1920's depicting the original signage on the structure and stated that the Landmarks Commission had reviewed and recommended approval of the signage as it is historically accurate.

*Motion by Nollenberger to approve a conditional use permit for an exception to the provisions of the Downtown Overlay District at 531 N. Main Street.
Seconded by Propp.*

Ms. Propp commented that she liked the look of the new signage.

Mr. Hinz agreed however he would have preferred to see the vertical lettering on the current sign to be more similar to the original historical lettering of the original signage.

Motion carried 6-0.

II. PUBLIC HEARING ON PROPOSED CREATION OF TAX INCREMENT FINANCING DISTRICT #29 MORGAN REDEVELOPMENT; DESIGNATION OF BOUNDARIES AND APPROVAL OF PROJECT PLAN

Tax Incremental District #29 (the “TID” or “District”) is a proposed 36 acre blighted area district located in downtown Oshkosh on the south side of the Fox River in the general area of Oregon Street and Sixth Avenue. The proposed District, referred to as the “Morgan District” will be created to facilitate a proposed 27 acre \$55 million redevelopment project consisting of residential, commercial and retail uses. The City owns an additional 8.9 acres within the proposed District with redevelopment potential. Five residential parcels at the edge of the district have also been included for future rehabilitation or redevelopment activity.

Mr. Burich presented the item and reviewed the site and surrounding area as well as the land use and zoning classifications in this area. He discussed the 14 parcels to be included in the district and the life span of the TID which is proposed to be 27 years. He discussed the uses to be included within the district which consist of residential, commercial and retail including mixed use and the costs related to this project. He further stated that the redevelopment would occur in five phases and reviewed the anticipated uses in each phase. He discussed the city expenditures for this project which would include development incentives, riverwalk construction, street reconstruction, and administrative costs. He explained that the properties currently possess a zoning classification of C-3 PD Central Commercial District with a Planned Development Overlay which would remain and the developments would be required to come back to the Plan Commission for further review when moving forward. The plans are consistent with the City’s 1993 and 2005 Comprehensive Plans as well as the “Let’s Be Pioneers” riverfront visioning project and the Vision Report. He explained why the TIF assistance is necessary for the redevelopment of this area and reviewed the cash flow analysis both with and without the TIF. He discussed the next steps in the process which would be developing plans to move forward with Phase I of the redevelopment and planned development review for the entire site based on the concept plan, a developer’s agreement and more detailed plans for Phase 1. He stated that the planned development overlay will require approval of each phase by the Plan Commission and Common Council and reviewed the area as it currently exists and photos of the site from the past history of this portion of the city. He reviewed the parcels included in the district and the land use plan for the proposed district and discussed the completion of the riverwalk in this area. He also reviewed a concept plan for the district and reviewed the areas involved with each phase of development and reviewed a rendering of Phase 1.

Ms. Propp stated that there appeared to be six to seven private properties included in the district and questioned if there were any down side to the property owners.

Mr. Burich responded that this should be a benefit to the property owners as the City could create “mini paygos” to make development incentives available to property owners who desire to do improvements to their homes. He further stated that it also opens the possibility for the properties to be acquired and incorporated in the overall development. He further discussed the paygo options for rehabilitation of the private homes and how the property owner could be provided grant or loan money to assist with home repairs and increased tax assessments that could help offset the costs of the improvements.

William Carey, 247 W. 6th Avenue, displayed on the map where his home was located and questioned how the traffic generated from this development would be handled and if there will be trees along the perimeter or if he would be looking at a view of a parking lot from his residence.

Gary Gray, 815 W. Linwood Avenue, stated that the map on page 5 of the project plan is labeled as preliminary and questioned if this was the actual map or if it could be altered.

Mr. Burich responded that everything is preliminary at this point.

Mr. Gray then questioned if the actual map would be approved at a later date.

Mr. Burich responded affirmatively.

Mr. Gray commented that there was previously a TIF district #20 in this area that would overlay the current district area of TIF #29 and how this would be handled.

Mr. Burich replied that TIF #20 would be frozen and TIF #29 would receive the new tax increment.

Mr. Gray also discussed the Valuation Test Compliance Calculation on page 8 and asked for further explanation on the evaluation data.

Todd Taves, Ehlers, Inc., explained the increment values in each TID district and the current values of each existing district plus the base value of the proposed new district which to date cannot exceed the 12% threshold of the City's overall equalized value which the table reflects that the increments pass the compliance calculation. He further explained the margin available in this calculation which is in compliance with the statutory test.

Mr. Gray felt that the table should be updated to reflect the 2016 values as it reflects the valuation data from 2015. He also questioned if there is going to be any site preparation to be paid by the city in regard to pollutants or contamination.

Mr. Burich replied that the city would only be paying for the riverwalk construction areas and any work on the site preparation would be paid by the developer.

Mr. Gray felt that there should be two or three options on how to fund the expected expense to the city as he felt it would be helpful for the Common Council to evaluate expenses for the riverwalk construction and street reconstruction that is not covered by the TIF. He discussed the street reconstruction which he felt should be extended from W. 6th Avenue to W. 8th Avenue and that the Capital Improvement Program, (CIP), includes the reconstruction of Oregon Street from 8th Avenue to 28th Avenue in the coming years.

Ken Voss, 507 W. 4th Avenue, questioned if W. 4th Avenue was going to be extended through to Iowa Street and W. 6th Avenue.

Mr. Burich indicated that this has not yet been determined and the planned development approval in the future will address this issue as part of the plan includes potential reconstruction of streets in this area.

Mr. Voss then questioned what the area adjacent to the old City's Sanitation building is proposed to be used for.

Mr. Burich responded that the building was to be demolished and it was proposed to be possibly for park extension as well as parking for the trail and boat/kayak launch and other public use.

Dorothy Reinke, 333 W. 6th Avenue, inquired about access and egress to the proposed new development and how the traffic generated from these new uses would be addressed.

Mr. Burich explained that the main access to the site would be through Minnesota Street and traffic studies could be completed to address any concerns.

Ms. Reinke then questioned if there would be additional traffic lights installed.

Mr. Burich responded that this has not yet been determined and the west side of the development would require future consideration as far as traffic control.

Ms. Reinke discussed street repairs necessary and with the extra traffic and additional wear and tear of the streets in this area due to the increased traffic from this development, if property owners would receive some type of break in the expense of the street reconstruction costs.

Mr. Burich replied that he did not have any information on that issue and felt that the normal assessment policy for property owners would be utilized and the TIF district may be able to offset some of those costs.

Ms. Reinke commented that the acquisition of existing residential homes was a possibility and questioned if it was just the homes located within the TID district area or would that be applied to other residential properties in the vicinity.

Mr. Burich responded that the acquisition of residential homes was the properties located within the district only.

Ms. Reinke inquired if the grant money mentioned that could be available for residential property owners would apply to her home or was this just for the properties within the TID district area only.

Mr. Burich indicated that the grant money associated with the TID district would be for properties within the district area only however the city has other programs available for residential homeowners. He discussed the housing rehabilitation program that the City administers and that if a neighborhood association would be created in this area it could offer more assistance for opportunities for financial aid with home improvements through neighborhood programs.

Paulette Feld, 416 W. 5th Avenue, stated that street improvements were scheduled for next summer and questioned if this project would delay this and if it will increase the responsibilities to the property owners.

Mr. Burich responded that the CIP improvements scheduled will still be moving forward as proposed and that W. 6th Avenue and Oregon Street will be the main access for this development and W. 5th Avenue should not be impacted by this proposal.

Nicholas Lang, 1950 White Swan Drive, Grant Schwab, 4006 Stonegate Drive, and Peter Lang, 2300 White Swan Drive, were present as the developers for this proposal. Mr. Lang discussed the plans that they have been working on for the last three years and that landscaping and other details

of the redevelopment will come back to the Plan Commission for review and approval at a later date. He discussed the riverwalk plans for the City at this location and the 27 acres of the site to be redeveloped.

Ms. Propp requested a further description of the concept plan.

Mr. Schwab displayed the area on W. 6th Avenue that would serve as the main entrance to the development and discussed the grocery store, apartments, and parking facilities planned for this area. He further described the outdoor patio for the residential uses, the two additional apartment buildings, condominiums and townhouses, and office buildings which would be constructed at a later date than the residential uses. He displayed on the map the location of the proposed uses described and stated that the apartments will be market rate units.

Mr. Lang added that there would be no low-income housing units in this development.

Ms. Lohry questioned if there would be shrubs located along the perimeter of the development on Oregon Street.

Mr. Schwab responded that the conceptual plan is preliminary at this time and that the site is very large and the landscaping depicted on the plan is conceptual only.

Ms. Lohry questioned how the parking facilities would be handled for the development.

Mr. Schwab responded that there would be parking for one car per apartment unit underground and surface parking for the remaining stalls necessary. He further discussed the placement of parking facilities for the remaining development.

Ms. Lohry stated that the developer should keep in mind that the Commission likes trees and green space within developments and not largely visible parking areas.

Mr. Schwab replied that the developers are all local parties who desire to construct the perfect project for this site which will be aesthetically pleasing.

Ms. Propp questioned if there would be any park area located by the riverwalk.

Mr. Schwab responded affirmatively.

Ms. Propp also questioned if there would be any boat launches constructed within this area.

Mr. Schwab stated that it was not part of the project at this time but they will be working with the DNR on transient docks within the development area. He displayed on the map where there are currently transient docks located in the area.

Mr. Lang added that they have had discussions with the City Parks Department in regard to this matter and would like to maximize as many docks as possible for the residential uses for the condominiums and that transient docks funded by the City are not currently proposed as there are already multiple transient docks in the area for public use. He continued to discuss the amount of water frontage in Oshkosh and the desire to take advantage of this amenity.

Jeff Maurer, owner of grocery establishments in other community's campus locations, discussed an overview of the urban market that is proposed as part of Phase I of the redevelopment project. He discussed his campus grocery stores that are designed for development in high density areas such as this one and the background of his other stores currently in operation. He stated that his concept works well in multi use buildings and reviewed a floor plan of one of his other establishments. He also discussed the construction of transient docks that he felt would make use of his establishment as it provides ready-made, high quality food products that could be utilized by boating enthusiasts and reviewed photos of his other locations and some of the products they had to offer. He discussed his concept of building smaller stores that offer online shopping and free deliveries to homes as well as a catering program and that his facility utilizes smaller parking lots due to these features. He further discussed their products and quality of foods offered and that they have been in the grocery business for 40 years.

Ms. Lohry inquired about the ability to order groceries and have free delivery to homes.

Mr. Maurer responded that they offer shopping online or in the store with the benefit of having the groceries delivered at no cost which promotes more pedestrian and bicycle traffic and reduces the amount of parking necessary as the order can be delivered.

Ms. Lohry commented that she is a representative of aging and disabled citizens and is looking for benefits such as this for their purpose.

Mr. Maurer stated that orders can be called in or may be placed online if the individual cannot find transportation to come to the store.

Mr. Fojtik commented that he felt it was a very nice concept.

*Motion by Nollenberger to approve the designated boundaries and Project Plan for TID #29-Morgan Redevelopment.
Seconded by Cummings. Motion carried 6-0.*

There being no further business, the meeting adjourned at approximately 4:50 pm. (Hinz/Propp)

Respectfully submitted,

Darryn Burich
Director of Planning Services

**RESOLUTION DESIGNATING PROPOSED BOUNDARIES
AND APPROVING A PROJECT PLAN
FOR TAX INCREMENTAL DISTRICT NO. 29,
CITY OF OSHKOSH, WISCONSIN**

WHEREAS, the City of Oshkosh (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Incremental District No. 29 (the "District") is proposed to be created by the City as a blighted area district in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, a Project Plan for the District has been prepared that includes:

- a. A statement listing of the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f); and

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to owners of all property in the proposed District, to the chief executive officers of Winnebago County, the Oshkosh Area School District, and the Fox Valley Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on June 21, 2016 held a public hearing concerning the project plan and boundaries and proposed creation of the District, providing interested parties a reasonable opportunity to express their views thereon.

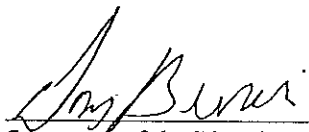
NOW, THEREFORE, BE IT RESOLVED by the Plan Commission of the City of Oshkosh that:

1. It recommends to the Common Council that Tax Incremental District No. 29 be created with boundaries as designated in Exhibit A of this Resolution.
2. It approves and adopts the Project Plan for the District, attached as Exhibit B, and recommends its approval to the Common Council.
3. Creation of the District promotes orderly development in the City.

Adopted this 21st day of June, 2016.



Plan Commission Chair



Secretary of the Plan Commission

(CARRIED 7-0 LOST _____ LAID OVER _____ WITHDRAWN _____)

PURPOSE: APPROVE TAX INCREMENT DISTRICT NO. 29 PROJECT PLAN;
DESIGNATE TAX INCREMENT DISTRICT NO. 29 BOUNDARIES;
CREATE TAX INCREMENT DISTRICT NO. 29 MORGAN
REDEVELOPMENT

INITIATED BY: CITY ADMINISTRATION

PLAN COMMISSION RECOMMENDATION: Approved

WHEREAS, the City of Oshkosh (the "City") has determined that use of Tax Incremental Financing is required to promote development and redevelopment within the City; and

WHEREAS, Tax Increment District No. 29 (the "District") is proposed to be created by the City as a blighted area district in accordance with the provisions of Wisconsin Statutes Section 66.1105 (the "Tax Increment Law"); and

WHEREAS, a Project Plan for the District has been prepared that includes:

- a. A statement listing the kind, number and location of all proposed public works or improvements within the District, or to the extent provided in Wisconsin Statutes Sections 66.1105(2)(f)1.k. and 66.1105(2)(f)1.n., outside of the District;
- b. An economic feasibility study;
- c. A detailed list of estimated project costs;
- d. A description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
- e. A map showing existing uses and conditions of real property in the District;
- f. A map showing proposed improvements and uses in the District;
- g. Proposed changes of zoning ordinances, master plan, map, building codes and City ordinances;
- h. A list of estimated non-project costs;
- i. A statement of the proposed plan for relocation of any persons to be displaced;
- j. A statement indicating how the District promotes the orderly development of the City;
- k. An opinion of the City Attorney or of an attorney retained by the City advising that the plan is complete and complies with Wisconsin Statutes Section 66.1105(4)(f); and

WHEREAS, prior to its publication, a copy of the notice of public hearing was sent to owners of all property in the proposed district, to the chief executive officers of Winnebago County, the Oshkosh Area School District, and the Fox Valley Technical College District, and any other entities having the power to levy taxes on property located within the District, in accordance with the procedures specified in the Tax Increment Law; and

WHEREAS, in accordance with the procedures specified in the Tax Increment Law, the Plan Commission, on June 21, 2016 held a public hearing concerning the project plan and boundaries and proposed creation of the District, providing interested parties a reasonable opportunity to express their views thereon; and

WHEREAS, after said public hearing, the Plan Commission designated the boundaries of the District, adopted the Project Plan, and recommended to the Common Council that it create such District and approve the Project Plan

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Oshkosh that:

1. The boundaries of the District shall be named "City of Oshkosh Tax Increment District No. 29, Morgan Redevelopment", are hereby established as specified in Exhibit A of this Resolution.
2. The District is created effective as of January 1, 2016.
3. The Common Council finds and declares that:
 - (a) Not less than 50% by area of the real property within the District is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(a)1.
 - (b) Based upon the findings, as stated in 3(a) above, the District is declared to be a blighted area district based on the identification and classification of the property included within the District.
 - (c) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
 - (d) The equalized value of the taxable property in the District plus the value increment of all other existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.

- (e) The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
 - (f) The project costs relate directly to promoting the elimination of blight of the area consistent with the purpose for which the District is created.
 - (g) All property within TID #29 was within the City boundaries as of January 1, 2004.
4. The Project Plan for "City of Oshkosh Tax Increment District No. 29, Morgan Redevelopment " (attached as Exhibit B) is hereby approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

BE IT FURTHER RESOLVED that the Common Council of the City of Oshkosh hereby approves creation of Tax Incremental Financing District No. 29 Morgan Redevelopment.

**JOINT REVIEW BOARD
RESOLUTION APPROVING THE CREATION OF
TAX INCREMENTAL DISTRICT NO. 29,
CITY OF OSHKOSH**

WHEREAS, the City of Oshkosh (the "City") seeks to create Tax Incremental District No. 29 (the "District"); and

WHEREAS, Wisconsin Statutes Section 66.1105 requires that a Joint Review Board (the "JRB") shall convene to review the proposal; and

WHEREAS, the JRB consists of one representative chosen by the School District; one representative chosen by the Technical College District; and one representative chosen by the County, all of whom have the power to levy taxes on property within the District; and one representative chosen by the City and one public member; and

WHEREAS, the public member and JRB's chairperson were selected by a majority vote of the other JRB members before the public hearing was held, under Wisconsin Statutes Sections 66.1105 (4)(a) and (e), and

WHEREAS, all JRB members were appointed and the first JRB meeting was held within 14 days after the notice was published under Wisconsin Statutes Sections 66.1105 (4)(a) and (e); and

WHEREAS, the JRB has reviewed the public record, planning documents, the resolution adopted by the Plan Commission approving the boundaries of the District and adopting the Project Plan, and the resolution passed by the Common Council approving the creation of the District under Wisconsin Statutes Section 66.1105 (4)(gm); and

WHEREAS, project costs benefitting the District are to be made outside of, but within a one-half mile radius of the District, pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, as identified in the Project Plan; and

WHEREAS, the JRB has considered whether, and concluded that, the District meets the following criteria:

1. The development expected in the District would not occur without the use of tax increment financing and the creation of a tax incremental district.
2. The economic benefits of the District, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements.
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

NOW, THEREFORE, BE IT RESOLVED that the JRB approves the creation of this District.

BE IT FURTHER RESOLVED that in the judgment of the JRB, the development described in the Project Plan, the information provided by the City, and the public record and planning documents relating to the District, would not occur without the creation of the District.

Passed and adopted this 2nd day of August, 2016.

Joint Review Board

Representing

Mark J. Harin

Winnebago County

Barbara J. Hennig

Oshkosh Area School District

Melissa Kohn

Fox Valley Technical College District

Rob

City of Oshkosh

W. Curtis J.

Public Member