

June 11, 2019

Project Plan for the Creation of Tax Incremental District No. 36 (Merge Redevelopment Project)



Organizational Joint Review Board Meeting:	May 7, 2019
Public Hearing:	May 7, 2019
Approval by Plan Commission:	May 7, 2019
Adoption by Common Council:	June 11, 2019
Approval by the Joint Review Board:	June 28, 2019

Tax Incremental District No. 36 Creation Project Plan

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SECTION 1: Executive Summary

Description of District

Tax Incremental District (“TID”) No. 36 (“District”) is a proposed 5.82-acre blighted area district consisting of three parcels currently owned by the City’s Redevelopment Authority located on Marion Road and Jackson Street. The District will be created to pay the costs of incentives needed to facilitate development of a mixed-use project consisting of 240 residential units and approximately 39,000 square feet of commercial space (“Project”) to be developed by Merge Urban Development Group (“Developer”). The parcels to be included in the District are currently located within both Tax Incremental District No. 13 and Tax Incremental District No. 21. Any increased valuation occurring after January 1, 2019 will be captured as increment within Tax Incremental District No. 36.

Authority

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$10 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$9.8 million in development incentive principal and interest, and an estimated \$215,000 in District administrative expense.

Incremental Valuation

The City projects that an increase in land and improvements value of approximately \$26 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. Assumptions as to the development timing and associated values are included in Section 10 of this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 10 of this Plan, the City anticipates that the District will generate enough tax increment to pay all Project Costs within 17 of its allowable 27 years.

Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this 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 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 reaching this determination, the City has considered a review of the Project’s sources and uses, and cash flow proforma. Ehlers’ evaluation examined the Project’s cash on cash returns. From Project stabilization in 2023 through 2029 the average cash on cash return without incentives is 3.55%. With incentives, this return improves to an average of 7.69%. To attract investment capital, most projects require a cash on cash return of 8% to 12% dependent on the risk profile. At the end of the incentive term, the Project reflects

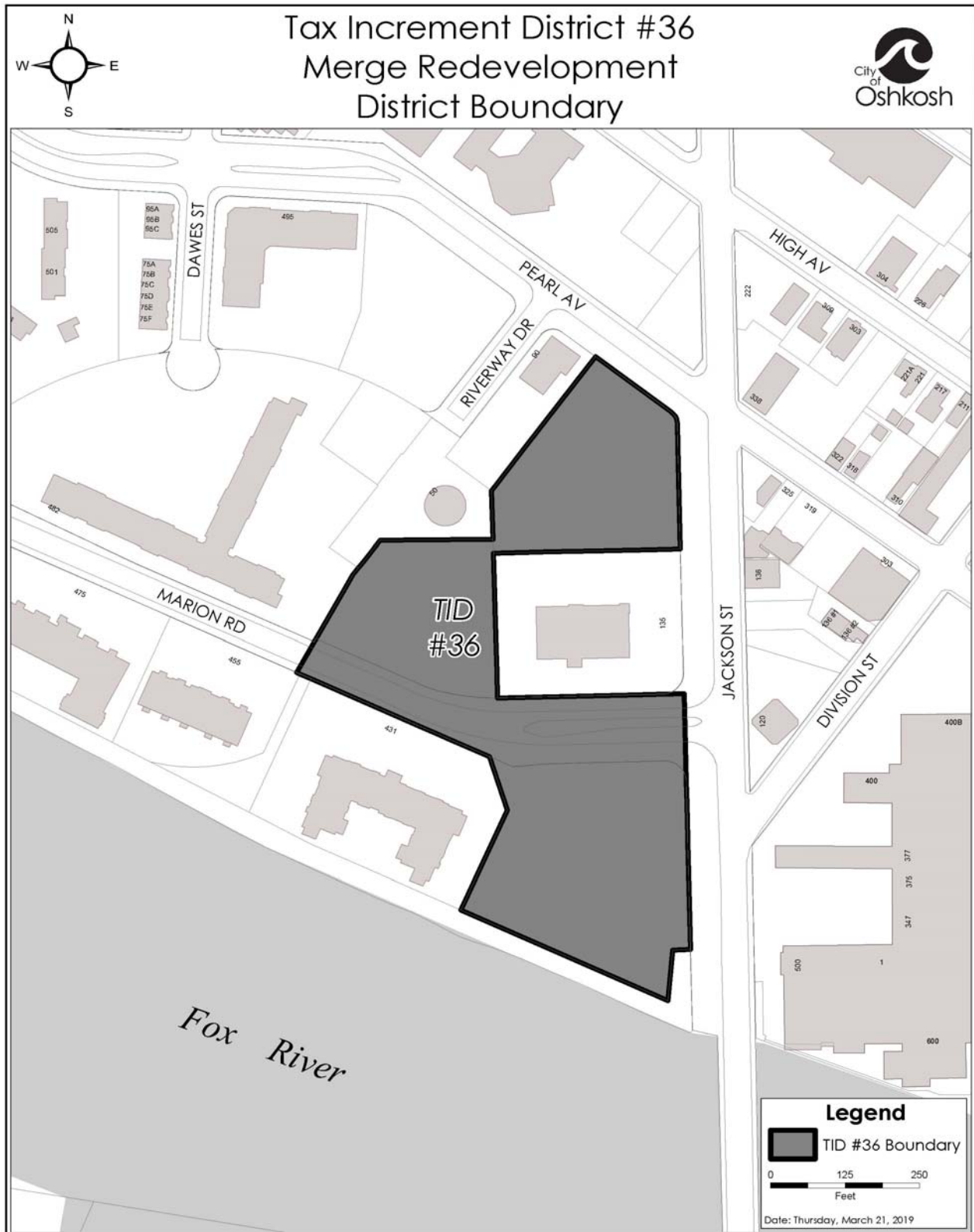
projected returns of 10% or greater. Based on Ehlers review, provision of pay as you go development incentives in the amount requested is necessary to provide an acceptable return on investment and indicates that “but for” the assistance, the project would not likely proceed.

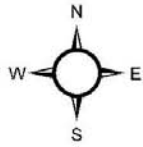
2. **The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered that the Project will provide increased employment opportunities, provision of housing to meet existing demand and provision of space to accommodate retail and service businesses to support residents and workers in the 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.** As required by Wis. Stat. § 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 prepared and can be found in Appendix A of this plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1. and as further detailed in Section 5 of the Plan.
5. Based on the foregoing finding, the District is designated as a blighted area district.
6. The Project Costs relate directly to the elimination of blight in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value 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. That there are no parcels to be included within the District that were annexed by the City within the three-year period preceding adoption of this Resolution.
10. 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).
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2: Type and General Description of District

The District is a proposed 5.82-acre blighted area district consisting of three parcels currently owned by the City's Redevelopment Authority located on Marion Road and Jackson Street. The District will be created to pay the costs of incentives needed to facilitate development of a mixed-use project consisting of 240 residential units and approximately 39,000 square feet of commercial space ("Project") to be developed by Merge Urban Development Group ("Developer"). The parcels to be included in the District are currently located within both Tax Incremental District No. 13 and Tax Incremental District No. 21. Any increased valuation occurring after January 1, 2019 will be captured as increment within Tax Incremental District No. 36.

SECTION 3: Preliminary Maps of Proposed District Boundary

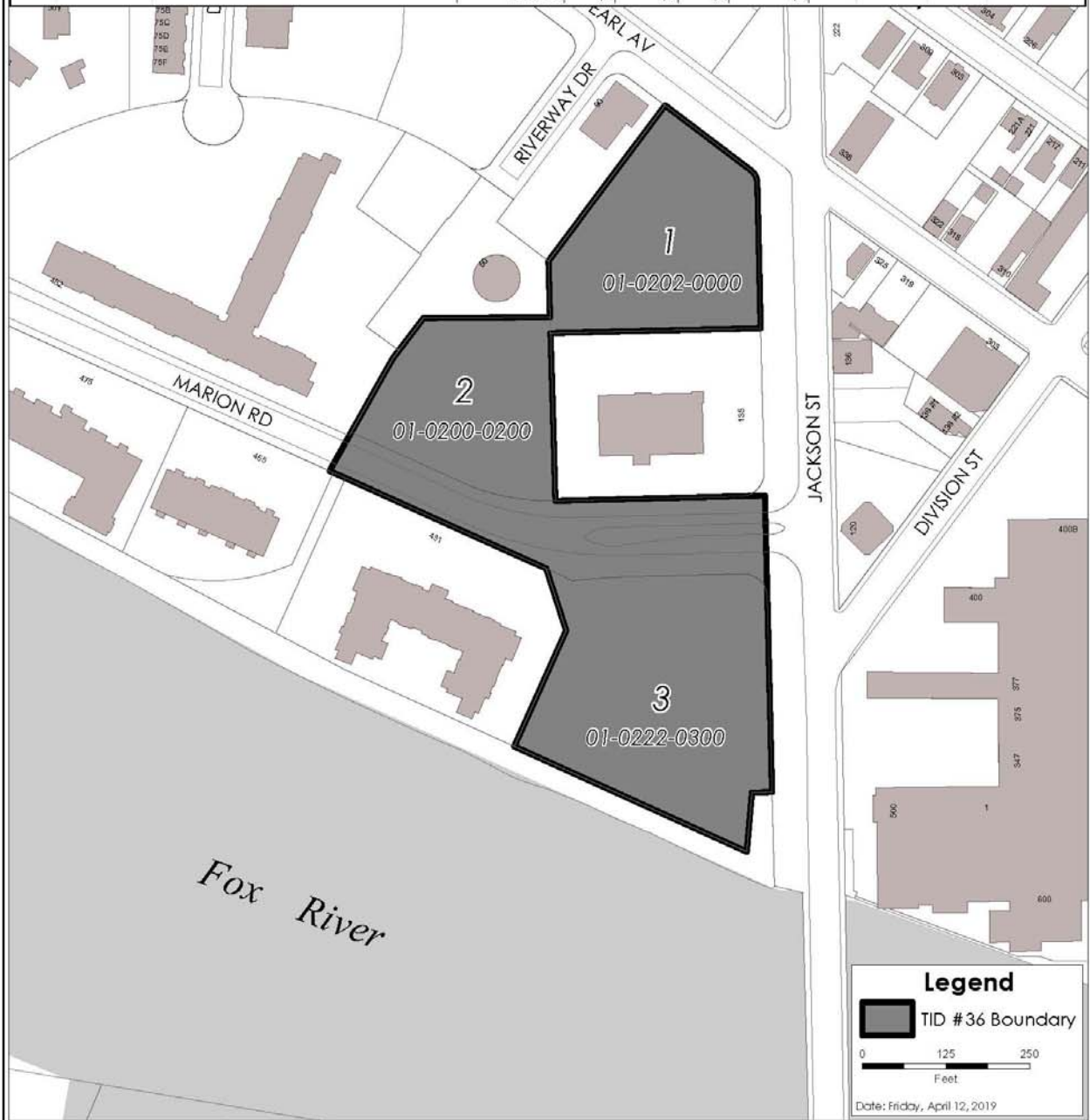


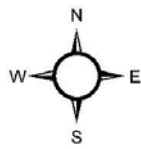


Tax Increment District #36 Merge Redevelopment Parcel Identification

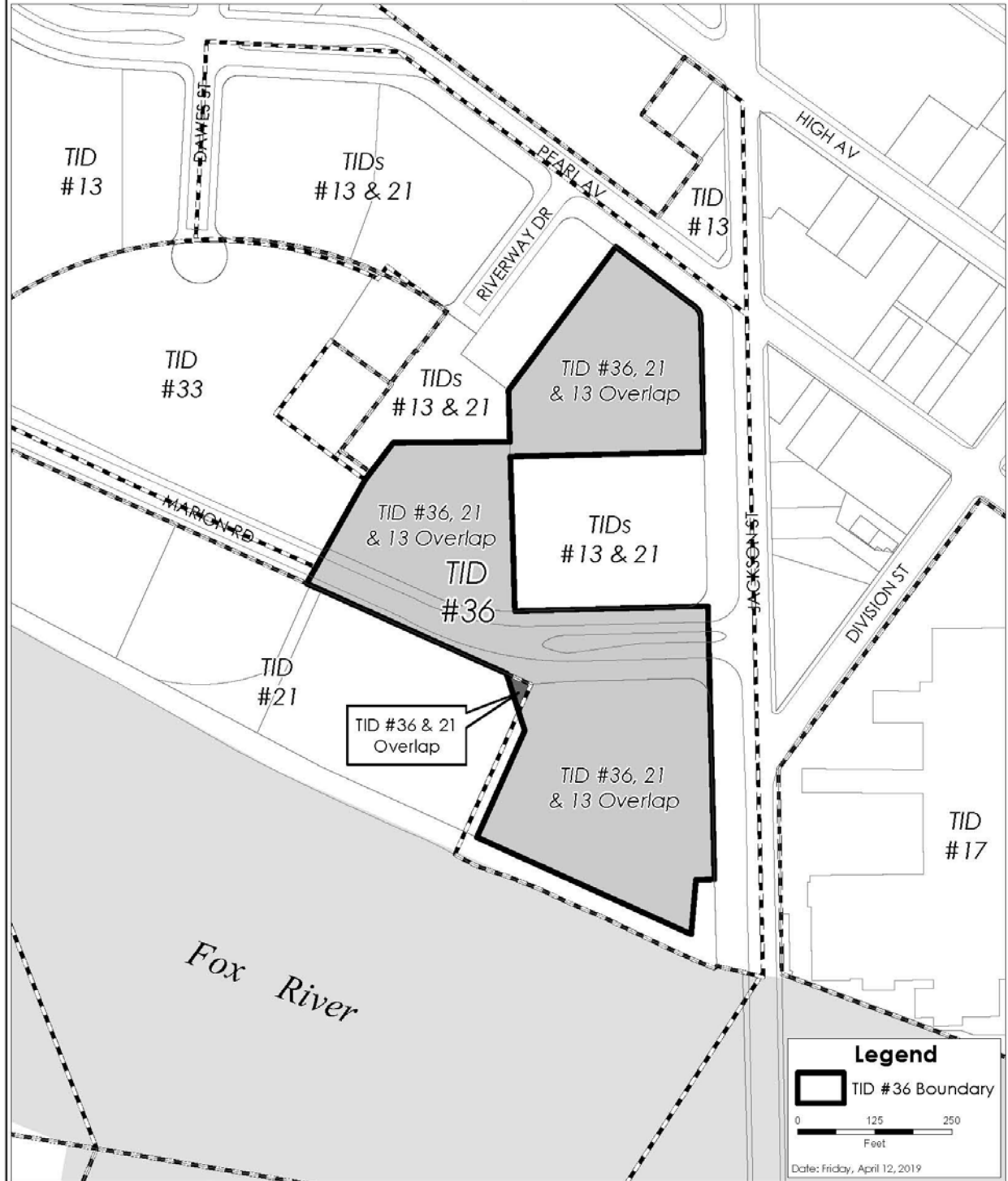


Tax Increment District #36 - Merge Redevelopment - Parcel Identification											
Map ID	Parcel #	Owner	Local Address	Land Value	Improv. Value	Total Value	Equalized Value	Class	Dwelling Units	Census Tract	Zoning
1	01-0202-0000	REDEVELOPMENT AUTH CITY OF OSHKOSH	0 JACKSON ST	\$0	\$0	\$0	\$0	4	0	5	UMU-PD
2	01-0200-0200	REDEVELOPMENT AUTH CITY OF OSHKOSH	0 MARION RD	\$0	\$0	\$0	\$0	4	0	5	UMU-PD
3	01-0222-0300	REDEVELOPMENT AUTH CITY OF OSHKOSH	0 MARION RD	\$0	\$0	\$0	\$0	4	0	5	RMU-PD-RFO
TOTALS:				\$0	\$0	\$0	\$0				

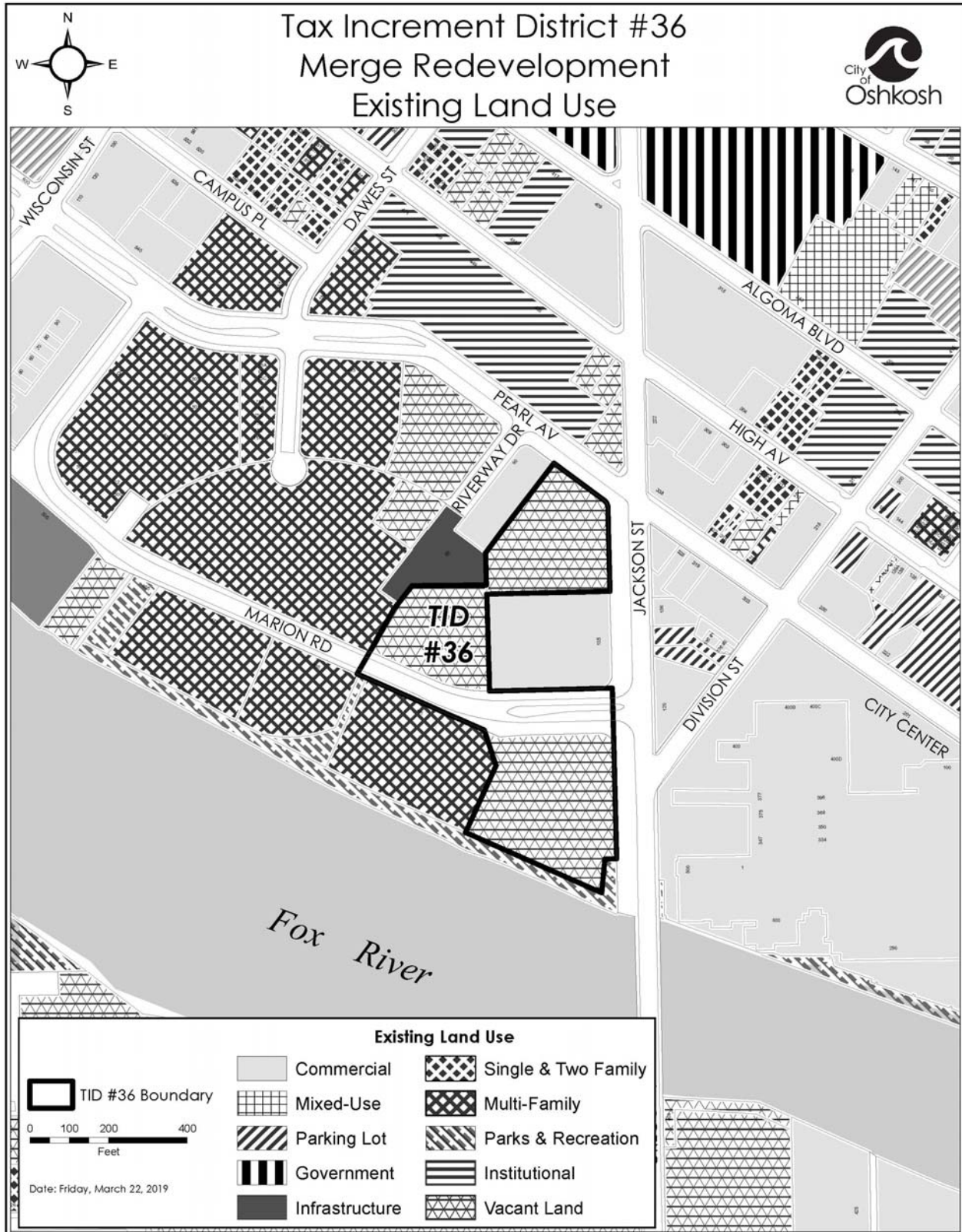


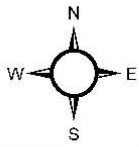


Tax Increment District #36 Merge Redevelopment TID Overlaps Areas

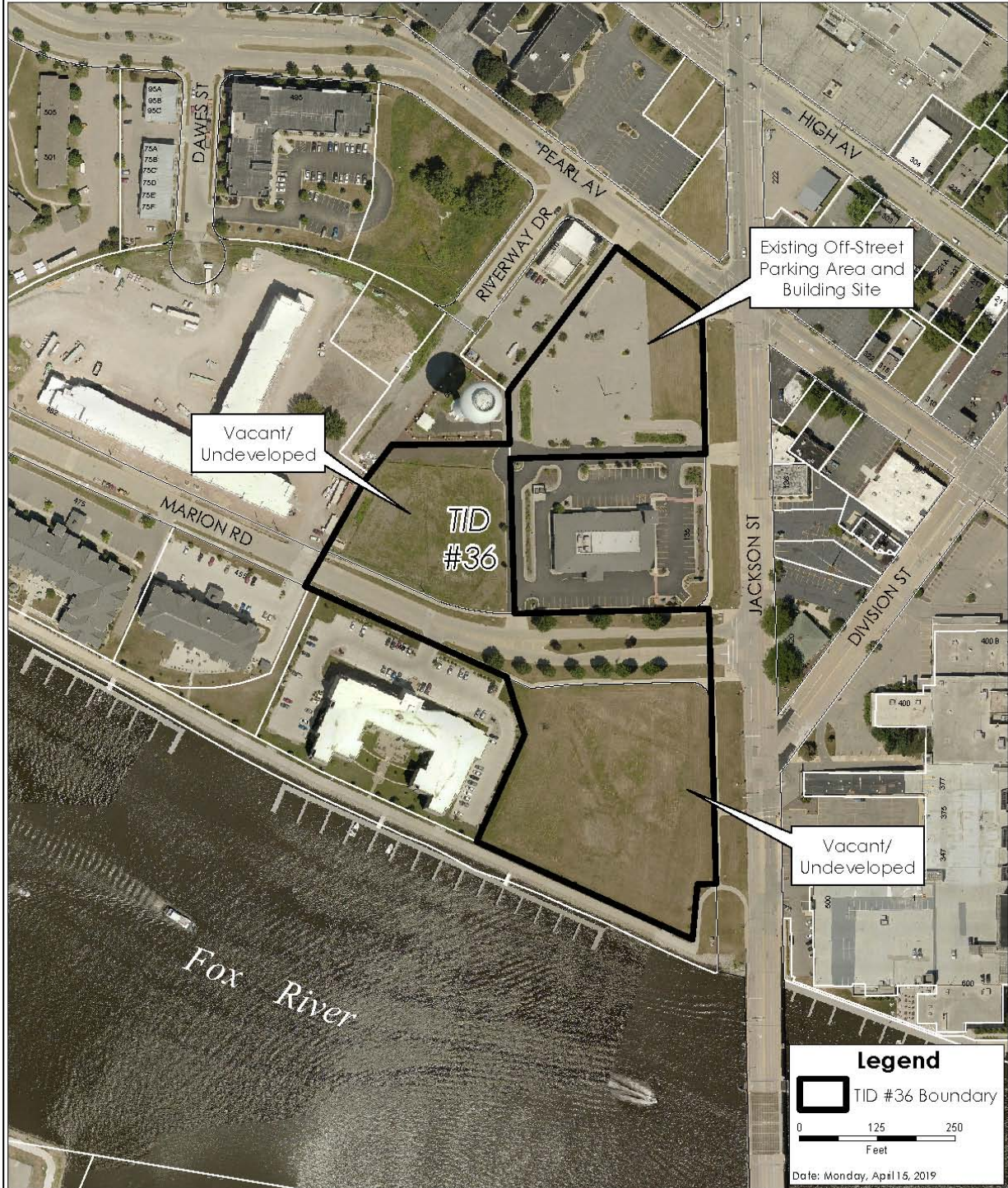


SECTION 4: Maps Showing Existing Uses and Conditions





Tax Increment District #36 Merge Redevelopment Existing Conditions



SECTION 5: Preliminary Parcel List and Analysis

The following table identifies the parcels to be included in the District. The entirety of the area is a blighted area as defined in Wis. Stat. § 66.1105(2)(ae). Specifically, the District consists of land upon which buildings or structures have been demolished and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.

City of Oshkosh, Wisconsin																
Tax Increment District # 36																
Base Property Information																
Property Information						Assessment Information				Equalized Value				District Classification		
Map ID #	Parcel Number	Street Address	Owner	Acreage	TID Overlaps	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Blighted Area	
1	01-0202-0000	0 JACKSON ST	REDEVELOPMENT AUTH CITY OF OSHKOSH	1.78	TID 13/ TID 21	0	0	0	0	94.83%	0	0	0	0	1.78	
2	01-0200-0200	0 MARION RD	REDEVELOPMENT AUTH CITY OF OSHKOSH	1.41	TID 13/ TID 21	0	0	0	0	94.83%	0	0	0	0	1.41	
3	01-0222-0300	0 MARION RD	REDEVELOPMENT AUTH CITY OF OSHKOSH	2.63	TID 13/ TID 21	0	0	0	0	94.83%	0	0	0	0	2.63	
				Total Acreage	5.82	0	0	0	0	94.83%	0	0	0	0	5.82	
														Estimated Base Value	0	100.00%

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of 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 \$147,710,300. This value is less than the maximum of \$488,841,912 in equalized value that is permitted for the City.

City of Oshkosh, Wisconsin			
Tax Increment District # 36			
Valuation Test Compliance Calculation			
District Creation Date	5/28/2019		
	Valuation Data Currently Available 2018	Percent Change	Valuation Data Est. Creation Date
Total EV (TID In)	4,073,682,600		4,073,682,600
12% Test	488,841,912		488,841,912
Increment of Existing TIDs	147,710,300		147,710,300
Total Existing Increment	147,710,300		147,710,300
Projected Base of New or Amended District	0		0
Less Value of Any Underlying TID Parcels	0		0
Total Value Subject to 12% Test	147,710,300		147,710,300
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 as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a 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, design and construction is completed. With all Project Costs, 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. The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 9 provide additional information as to the kind, number and location of potential Project Costs.

Public Improvements

Jackson Street Bridge Construction or Rehabilitation

The Wisconsin Department of Transportation has advised the City that it plans to reconstruct or rehabilitate the Jackson Street Bridge, although the timeline and scope of work is uncertain. To the extent the reconstruction or rehabilitation work requires the City to modify existing infrastructure such as sidewalks or the riverwalk within the District, the adjoining rights of way or other areas located within ½ mile of the District's boundaries, the City's cost for such infrastructure are eligible Project Costs to the extent they benefit the District and are necessary for the implementation of its Project Plan. The City has not specifically identified a cost for these improvements in the Detailed List of Project Costs section of this Plan as they remain unknown. To the extent incurring these costs becomes necessary, they would be made in addition to the specific costs identified in this Plan without requiring that this Plan be further amended.

Site Preparation Activities

Environmental Audits and Remediation

If 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.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for 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.

Miscellaneous

Professional Service and Organizational Costs

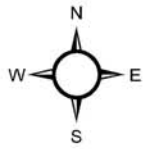
The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; 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

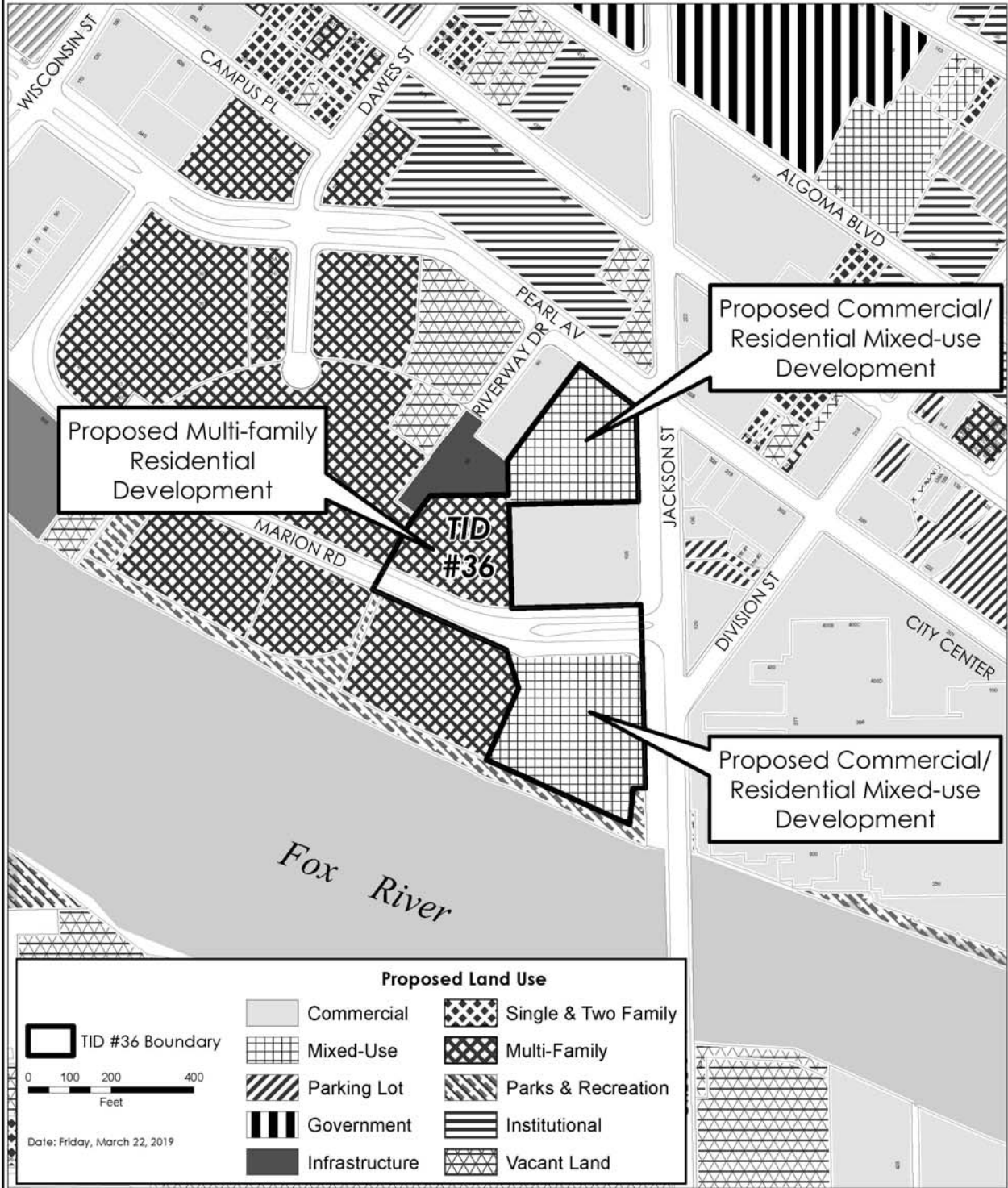
The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

SECTION 8: Map Showing Proposed Improvements and Uses





Tax Increment District #36 Merge Redevelopment Proposed Land Use



SECTION 9: Detailed List of Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District's Plan. All projects identified, and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 7 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs

City of Oshkosh, Wisconsin	
Tax Increment District # 36	
Detailed List of Project Costs	
<u>Project Name/Type</u>	<u>Estimated Cost</u>
Development Incentives ¹	9,820,250
TIF Administrative Expenses	215,256
Total Projects	<u>10,035,506</u>
Notes:	
¹ Incentive amount shown for purposes of establishing economic feasibility only. The City has not agreed to terms or conditions with the proposed Developer as to any public participation in the project.	

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

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create \$26 million in incremental value by January 1, 2023. The development Project estimated valuations and timing are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$25.11 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$16,971,029 in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

City of Oshkosh
Tax Increment District No. 36
Development Assumptions

Construction Year		Building Site J	Building Site I	Building Site H	Annual Total	Construction Year	
1	2019	7,370,542			7,370,542	2019	1
2	2020	11,167,489	357,776	850,712	12,375,977	2020	2
3	2021	3,796,946	542,085	850,712	5,189,743	2021	3
4	2022		184,309	876,491	1,060,800	2022	4
5	2023				0	2023	5
6	2024				0	2024	6
7	2025				0	2025	7
8	2026				0	2026	8
9	2027				0	2027	9
10	2028				0	2028	10
11	2029				0	2029	11
12	2030				0	2030	12
13	2031				0	2031	13
14	2032				0	2032	14
15	2033				0	2033	15
16	2034				0	2034	16
17	2035				0	2035	17
18	2036				0	2036	18
19	2037				0	2037	19
20	2038				0	2038	20
21	2039				0	2039	21
22	2040				0	2040	22
23	2041				0	2041	23
24	2042				0	2042	24
25	2043				0	2043	25
26	2044				0	2044	26
27	2045				0	2045	27
Totals		<u>22,334,977</u>	<u>1,084,170</u>	<u>2,577,916</u>	<u>25,997,063</u>		

Table 1 – Development Assumptions

City of Oshkosh

Tax Increment District No. 36

Tax Increment Projection Worksheet

Type of District	Blighted Area		Base Value	0
District Creation Date	May 28, 2019		Appreciation Factor	0.00%
Valuation Date	Jan 1,	2019	Base Tax Rate	\$25.11
Max Life (Years)	27		Rate Adjustment Factor	
Expenditure Period/Termination	22	5/28/2041		
Revenue Periods/Final Year	27	2047		
Extension Eligibility/Years	Yes	3	Tax Exempt Discount Rate	0.00%
Recipient District	Yes		Taxable Discount Rate	0.00%

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate ¹	Tax Increment	
1	2019	7,370,542	2020	0	7,370,542	2021	\$25.11	185,043
2	2020	12,375,977	2021	0	19,746,519	2022	\$25.11	495,750
3	2021	5,189,743	2022	0	24,936,263	2023	\$25.11	626,043
4	2022	1,060,800	2023	0	25,997,063	2024	\$25.11	652,675
5	2023	0	2024	0	25,997,063	2025	\$25.11	652,675
6	2024	0	2025	0	25,997,063	2026	\$25.11	652,675
7	2025	0	2026	0	25,997,063	2027	\$25.11	652,675
8	2026	0	2027	0	25,997,063	2028	\$25.11	652,675
9	2027	0	2028	0	25,997,063	2029	\$25.11	652,675
10	2028	0	2029	0	25,997,063	2030	\$25.11	652,675
11	2029	0	2030	0	25,997,063	2031	\$25.11	652,675
12	2030	0	2031	0	25,997,063	2032	\$25.11	652,675
13	2031	0	2032	0	25,997,063	2033	\$25.11	652,675
14	2032	0	2033	0	25,997,063	2034	\$25.11	652,675
15	2033	0	2034	0	25,997,063	2035	\$25.11	652,675
16	2034	0	2035	0	25,997,063	2036	\$25.11	652,675
17	2035	0	2036	0	25,997,063	2037	\$25.11	652,675
18	2036	0	2037	0	25,997,063	2038	\$25.11	652,675
19	2037	0	2038	0	25,997,063	2039	\$25.11	652,675
20	2038	0	2039	0	25,997,063	2040	\$25.11	652,675
21	2039	0	2040	0	25,997,063	2041	\$25.11	652,675
22	2040	0	2041	0	25,997,063	2042	\$25.11	652,675
23	2041	0	2042	0	25,997,063	2043	\$25.11	652,675
24	2042	0	2043	0	25,997,063	2044	\$25.11	652,675
25	2043	0	2044	0	25,997,063	2045	\$25.11	652,675
26	2044	0	2045	0	25,997,063	2046	\$25.11	652,675
27	2045	0	2046	0	25,997,063	2047	\$25.11	652,675
Totals	25,997,063		0		Future Value of Increment		16,971,029	

Notes:

¹Tax rate shown is actual rate for 2018/19 levy taken from DOR Form PC-202 (Tax Increment Collection Worksheet).

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

Expected District Project Costs consist of development incentive principal and interest in an estimated amount of \$9.8 million, and an estimated \$215,000 in District administrative expense. All Project Costs will be paid from tax increment as it is received, and the City's obligation to make development incentive payments will be limited to tax increment generated by the Project and subject to annual appropriation. The City will advance funds as needed to pay District administrative expenses prior to the availability of tax increments.

Based on assumed \$6.3 million development incentive payment accruing interest at 5% as shown in the cash flow exhibit (**Table 3**), the District is projected to accumulate enough funds by the year 2037 to pay off all Project related debt and other District liabilities and obligations. The projected early closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Cash Flow

City of Oshkosh												
Tax Increment District No. 36												
Cash Flow Projection												
Year	Projected Revenues		Projected Expenditures						Balances			Year
	Tax Increments	Total Revenues	Municipal Revenue Obligation (MRO) 6,300,000			Total MRO Payment	TIF Admin.	Total Expenditures	Annual	Cumulative	MRO Principal Outstanding	
			Principal	Est. Rate	Interest							
2019		0					30,000	30,000	(30,000)	(30,000)		2019
2020		0					5,000	5,000	(5,000)	(35,000)	6,300,000	2020
2021	185,043	185,043	0	5.00%	315,000		5,100	5,100	179,943	144,943	6,300,000	2021
2022	495,750	495,750	0	5.00%	315,000	630,000	5,202	635,202	(139,452)	5,491	6,300,000	2022
2023	626,043	626,043	210,000	5.00%	309,750	519,750	5,306	525,056	100,987	106,478	6,090,000	2023
2024	652,675	652,675	280,000	5.00%	297,500	577,500	5,412	582,912	69,763	176,240	5,810,000	2024
2025	652,675	652,675	290,000	5.00%	283,250	573,250	5,520	578,770	73,904	250,145	5,520,000	2025
2026	652,675	652,675	305,000	5.00%	268,375	573,375	5,631	579,006	73,669	323,813	5,215,000	2026
2027	652,675	652,675	320,000	5.00%	252,750	572,750	5,743	578,493	74,181	397,995	4,895,000	2027
2028	652,675	652,675	340,000	5.00%	236,250	576,250	5,858	582,108	70,566	468,561	4,555,000	2028
2029	652,675	652,675	355,000	5.00%	218,875	573,875	5,975	579,850	72,824	541,385	4,200,000	2029
2030	652,675	652,675	375,000	5.00%	200,625	575,625	6,095	581,720	70,955	612,340	3,825,000	2030
2031	652,675	652,675	395,000	5.00%	181,375	576,375	6,217	582,592	70,083	682,423	3,430,000	2031
2032	652,675	652,675	415,000	5.00%	161,125	576,125	6,341	582,466	70,209	752,632	3,015,000	2032
2033	652,675	652,675	435,000	5.00%	139,875	574,875	6,468	581,343	71,332	823,963	2,580,000	2033
2034	652,675	652,675	455,000	5.00%	117,625	572,625	6,597	579,222	73,452	897,416	2,125,000	2034
2035	652,675	652,675	480,000	5.00%	94,250	574,250	6,729	580,979	71,695	969,111	1,645,000	2035
2036	652,675	652,675	505,000	5.00%	69,625	574,625	6,864	581,489	71,186	1,040,297	1,140,000	2036
2037	652,675	652,675	530,000	5.00%	43,750	573,750	7,001	580,751	71,924	1,112,220	610,000	2037
2038	652,675	652,675	610,000	5.00%	15,250	625,250	7,141	632,391	20,283	1,132,504	0	2038
2039	652,675	652,675		5.00%	0	0	7,284	7,284	645,391	1,777,894	0	2039
2040	652,675	652,675		5.00%	0	0	7,430	7,430	645,245	2,423,139	0	2040
2041	652,675	652,675		5.00%	0	0	7,578	7,578	645,096	3,068,236	0	2041
2042	652,675	652,675		5.00%	0	0	7,730	7,730	644,945	3,713,181	0	2042
2043	652,675	652,675		5.00%	0	0	7,884	7,884	644,790	4,357,971	0	2043
2044	652,675	652,675		5.00%	0	0	8,042	8,042	644,633	5,002,603	0	2044
2045	652,675	652,675		5.00%	0	0	8,203	8,203	644,472	5,647,075	0	2045
2046	652,675	652,675		5.00%	0	0	8,367	8,367	644,308	6,291,383	0	2046
2047	652,675	652,675		5.00%	0	0	8,534	8,534	644,140	6,935,523	0	2047
Total	16,971,029	16,971,029	6,300,000		3,520,250	9,820,250	215,256	10,035,506				Total

Notes:
¹Incentive amounts, payment percentages, term and interest rate shown for purposes of establishing economic feasibility only. The City has not agreed to terms or conditions with the proposed Developer as to any public participation in the project.

Projected TID Closure

Table 3

SECTION 11: Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

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

Pursuant to Wis. Stat. § 66.1105(5)(b), 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's current zoning ordinances. Individual properties may require rezoning at the time of development.

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's Comprehensive Plan identifying the area as appropriate for mixed use development. Development within the District will be required to conform to 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. No changes to the existing regulations are proposed or needed.

SECTION 15: Relocation

Implementation of this Plan will not require relocation of individuals or business operations. Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

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 development of the City through elimination of blight and the provision of appropriate financial incentives that will create opportunities for mixed use development. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development 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 increased employment opportunities, provision of housing to meet existing demand and provision of space to accommodate retail and service businesses to support residents and workers in the area.

SECTION 17: List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- 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.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 18:
Opinion of Attorney for the City of Oshkosh Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

CITY HALL
215 Church Avenue
P.O. Box 1130
Oshkosh, Wisconsin
54903-1130

City of Oshkosh



May 1, 2019

H. Allen Davis
Director of Community Development
City of Oshkosh
215 Church Avenue
Oshkosh, WI 54903-1130

Dear Mr. Davis:

I reviewed the project plan for, City of Oshkosh Tax Increment District #36 Merge Redevelopment Project, 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 within and outside the District. It includes 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 identifies 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 specifies 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, will 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/tw



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 Overlaying District Would Pay by Jurisdiction ¹							
DOR Form PC-202		2018/19	Percentage				
Winnebago County		749,693	20.22%				
City of Oshkosh		1,482,441	39.98%				
Oshkosh Area School District		1,320,217	35.60%				
School District			0.00%				
Fox Valley Technicial College		156,024	4.21%				
Total		3,708,374					
Revenue Year	Winnebago County	City of Oshkosh	Oshkosh Area School District	Fox Valley Technicial College	Total	Revenue Year	
2021	37,409	73,972	65,877	7,785	185,043	2021	
2022	100,222	198,179	176,492	20,858	495,750	2022	
2023	126,562	250,264	222,877	26,340	626,043	2023	
2024	131,946	260,910	232,358	27,460	652,675	2024	
2025	131,946	260,910	232,358	27,460	652,675	2025	
2026	131,946	260,910	232,358	27,460	652,675	2026	
2027	131,946	260,910	232,358	27,460	652,675	2027	
2028	131,946	260,910	232,358	27,460	652,675	2028	
2029	131,946	260,910	232,358	27,460	652,675	2029	
2030	131,946	260,910	232,358	27,460	652,675	2030	
2031	131,946	260,910	232,358	27,460	652,675	2031	
2032	131,946	260,910	232,358	27,460	652,675	2032	
2033	131,946	260,910	232,358	27,460	652,675	2033	
2034	131,946	260,910	232,358	27,460	652,675	2034	
2035	131,946	260,910	232,358	27,460	652,675	2035	
2036	131,946	260,910	232,358	27,460	652,675	2036	
2037	131,946	260,910	232,358	27,460	652,675	2037	
2038	131,946	260,910	232,358	27,460	652,675	2038	
2039	131,946	260,910	232,358	27,460	652,675	2039	
2040	131,946	260,910	232,358	27,460	652,675	2040	
2041	131,946	260,910	232,358	27,460	652,675	2041	
2042	131,946	260,910	232,358	27,460	652,675	2042	
2043	131,946	260,910	232,358	27,460	652,675	2043	
2044	131,946	260,910	232,358	27,460	652,675	2044	
2045	131,946	260,910	232,358	27,460	652,675	2045	
2046	131,946	260,910	232,358	27,460	652,675	2046	
2047	131,946	260,910	232,358	27,460	652,675	2047	
		3,430,900	6,784,252	6,041,848	714,029	16,971,029	

Notes:

¹The projection shown above is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.



CITY OF OSHKOSH MARION ROAD REDEVELOPMENT PLAN

TIF APPLICATION



MERGE
URBAN DEVELOPMENT GROUP

730 WILLIAMSON STREET #331, MADISON, WI 53703 / 604 CLAY STREET, CEDAR FALLS, IA 50613
WWW.MERGEURBANDEVELOPMENT.COM



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DEVELOPER'S COVER LETTER

MERGE
URBAN DEVELOPMENT GROUP

604 Clay Street
Cedar Falls, IA 50613
(319) 768-7235

April 26, 2019

City of Oshkosh
% Mark Rohloff, City Manager
215 Church Avenue
Oshkosh, WI 54901

RE: Marion Road Redevelopment TIF Application

Dear Mr. Rohloff,

On behalf of our development and architectural teams, thank you for the opportunity to present our proposal to Common Council last week. We have enjoyed working with the dedicated City Staff and connecting with your community leaders and look forward to meeting more individuals like yourself, committed to the future of Oshkosh.

The plan Merge Urban Development Group is proposing will transform a series of empty and underutilized lots into a neighborhood with population density, retail activity, waterfront views and access for both tenants and the greater community. The Marion Road District has always been a fulcrum point for the city; its businesses and industry provided the very first electrical power to the First, Second, and Fifth Wards in 1885 (Oshkosh Electric Light & Power) and have literally and metaphorically served as cornerstones to Oshkosh's built environment (Cook & Brown Lime Co.).

The 21st century vision for Marion Road maintains the area's place as a fulcrum for energy and activity. The mixed-use proposal includes various residential unit sizes designed to serve a wide range of price points, including attainable micro units & studios. We expect the mix to attract a demographic and generational mix of renters. The retail space is designed to include a waterfront restaurant, offices, micro space for entrepreneurs, a food market, and health/fitness use. Like the residential users, we expect a variety of end users to enjoy the first-floor of the development.

Site Statistics:

Estimated Value	\$30,000,000+	+ Micro - 400 sqft
Building Square Footage (total)	235,000	+ Studio - 500 sqft
Quantity of Residential Units	240	+ 1 Bed - 650 sqft
Parking Stalls	281	+ 1 Bed - 700 sqft
Rentable Commercial Area	38,000	+ 2 Bed - 900 sqft
(approximate)		+ Townhomes & Waterfront Walk-ups - 1200+ sqft



DEVELOPER'S COVER LETTER

Two construction types are currently being evaluated. The first option is a first-floor precast podium (1A) with a four story wood frame structure (5A). The second option is a five-story wood frame structure (3A). The will reflect Oshkosh's history - from the limestone found in Lake Winnebago and its connection to Niagara Falls to the logging industry that coined the name Sawdust City. We intend to use a limestone product (Eldorado Stone) and wood siding product either a char technique or dark stain. The remaining materials will be a dark running bond standard brick and millennium forms pac-clad panel.

Green Features:

- + Brownfield Site - contaminated soils will be addressed and mitigated to preserve quality of life for future generations
- + Native Plant Material - the native Wisconsin plant palette is diverse and well-suited for the weather extremes of the region, using native plant material will greatly reduce the need for irrigation beyond the establishment period and will have a greater initial success rate, reducing waste / replanting resources
- + Locally-sourced Construction Materials - decorative stone, Wisconsin Urban Wood, concrete pavers, and crushed granite walking surfaces are all local options that will be explored with the goal of using as much locally-sourced construction materials as possible
- + Low Impact Design - stormwater infiltration will improve water quality design by reducing stormwater contaminants and suspended solids, stormwater will be directed from impervious surfaces to pervious surfaces
- + Public Greenspace - public and public/private shared greenspace will be weaved in and around the site to improve the quality of life for residents and the greater community, quality street trees and native plantings will contribute to walkable public streetscape, public/private shared greenspace will run through the heart of the development connecting pedestrians to the Fox River riverfront
- + Kayak Launch and River Access - connecting people with our water bodies is an important environmental concept, rivers connect people with other people as well as other rivers, lands, lakes, and oceans creating an infinite linkage to the world around us, this increases awareness of the interconnected world we live in

With an aggressive approval timeline, our team is prepared to break ground as soon as approval and design allows. The buildings on Site J will be constructed first. Sites H & I will follow seamlessly for construction completion in 2022 through 2023 and full project stabilization and occupancy by 2024. (Greater detail to the construction and leasing timeline is offered in the TIF application.)

Our team compliments the City of Oshkosh for their foresight to create the Imagine Oshkosh Plan and position their Opportunity Zone census tracts for expedient private investment. With this guidance and vision, we believe the proposal delivers on the community's plan.

Given the history of the area's use, there will be additional expenses associated with site investigation and



DEVELOPER'S COVER LETTER

remediation. Our designs are thoughtful to maximize the use of space, but being the first product of its type in a market comes with risk and rental rate uncertainty compared to proven / larger markets. Construction cost in relation to rents and in turn marketability of a stabilized asset at the rents the area accepts are challenges for this level of investment. Our team worked to bring you the best product we could imagine for Oshkosh because we believe the project will have a momentous impact on community pride, talent attraction & retention, and facilitate meaningful connections among public and private resources. This level of development will require a partnership from the City of Oshkosh in the form of a TIF incentive. Additional materials and the TIF request are available within the application. Please do not hesitate to contact us for further information.

We thank you again for welcoming us to Oshkosh and look forward to moving toward a development agreement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brent Dahlstrom'.

Brent Dahlstrom



CITY APPLICATION

City of
Oshkosh

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 or call the Economic Development Division at 920.235.5055

Applicant Information:

Legal Name: Merge, LLC an Iowa Limited Liability Company

Mailing Address: 730 Williamson Street #331 Madison, WI 53703

Primary Contact #: Brent Dahlstrom - 1-319-505-3609 Cell #: _____

E-mail: brent@mergeurbandevelopment.com joy@mergeurbandevelopment.com FAX#: _____

Attorney: Christopher J. Rausch, Phoenix Law PLLC // chris@phoenixrelaw.com // 4834 Wingham Drive - Waterloo, Iowa 50701

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

If not a Wisconsin corporation/partnership/LLC, state where organized: Iowa NOTE: Opportunity Zone project will require us to set up an OZ Fund to make the investment in property.

Will a new entity be created for ownership? (see note) Yes _____ No

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

Name:	Address:	Title:	Interest:
<u>Brent Dahlstrom</u>	<u>604 Clay Street - Cedar Falls, Iowa 50613</u>	<u>Manager / Partner</u>	<u>80%</u>
<u>Joy Hannemann</u>	<u>730 Williamson Street #331 - Madison, WI 53703</u>	<u>Manager / Partner</u>	<u>20%</u>
_____	_____	_____	_____
_____	_____	_____	_____

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: _____



CITY APPLICATION

**City of
Oshkosh**

Tax Incremental Financing Policy and Application

**Please attach additional pages if necessary*

Overall Project Summary and Objectives: _____

Current and Proposed Uses:

SEE ATTACHED

Description of End Users:

Property Summary:

Parcel/Land Area: _____ SF
Building Area: _____ SF
of Dwelling Units: _____
of Stories: _____
of Parking Spaces: _____

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:



CITY APPLICATION

City of
Oshkosh

Tax Incremental Financing Policy and Application

Project Timetable

Date

Final Plan/Specification Preparation: _____
Bidding and Contracting: _____
Firm Financing Approval: _____
Construction/Rehabilitation: _____
Landscaping/Site Work: _____
Occupancy/Lease Up: _____

Architectural Design (begins upon approval): 6 months
Bidding Contracting: concurrent with design
Firm Financing: Upon initial bidding
Construction: 18 months to first C/O 24 months to completion
Occupancy / Lease Up: Stabilization in 2024
*greater detail in attachment

Development Team

Developer: Merge Urban Development Group
Architect: Slingshot Architecture
Surveyor: TBD
Contractor: TBD
Other Members: TBD

Describe Team expertise and experience in developing similar projects:

Brent Dahlstrom has developed in the Cedar Falls area for 10+ years. Slingshot Architecture is based in Des Moines and specializes in urban infill / mixed use. Please see "Pullback" packet for more information.

Other current Team projects in development:

The Merge / Slingshot team is executing a similar size / scope project in Stevens Point, WI.
Echo Development Group and Slingshot Architecture have partnered on various (non-opportunity zone) developments in the State of Iowa.

Financial ability of the applicant to complete the project:

See attached letter from US Bank.

History of use of other city or government financial incentives:

See attached letter from Quentin Hart, City of Waterloo.

Professional Studies

Market Studies: Applications for commercial and residential projects may at the option of the city be required to include a comprehensive market study. The market study should 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 may at the option of the city 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.



CITY APPLICATION

**City of
Oshkosh**

Tax Incremental Financing Policy and Application

Project Budget/Financial Information:

Sources and Uses of Funds

Identify the sources of funds used to finance the project. Typical sources include equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and any other types or methods of financing.

Uses of Funds	Amount (\$)	\$ per SF of Building Area
Land Acquisition:	_____	_____
Demolition:	_____	_____
Environmental Remediation:	_____	_____
Site Clearance and Preparation:	_____	_____
Soft Costs/ Fees:	_____	_____
Soft Cost Contingency:	_____	_____
Hard Construction Costs:	_____	_____
Total Project Costs:	_____	_____

See the attached financial analysis based upon Merge financials provided to Ehler's. The Pay-As-You-Go TIF request amounts to \$6.3 million.

Sources of Funds

% of total project costs

Equity

Developer Equity:	\$ _____	_____ %
Other Equity: (_____)	\$ _____	_____ %
Total Equity:	\$ _____	_____ %

Loans

		Rate	Term	
Construction Financing:	\$ _____	_____ %	_____ mos.	_____ %
Permanent Financing:	\$ _____	_____ %	_____ yrs.	_____ %

TIF Assistance

TIF Assistance:	\$ _____	_____ %
Other: (_____)	\$ _____	_____ %
Total Sources of Funds	\$ _____	100%

Financing

Source	Amount	Terms: Years/Interest	Contact Information
Equity:	_____		
Loans			
	1:	_____	_____
	2:	_____	_____
	3:	_____	_____
	4:	_____	_____



CITY APPLICATION

**City of
Oshkosh**

Tax Incremental Financing Policy and Application

Filing Requirements, Notes, Certification and Agreement

Filing Requirements

You must provide all of the following items with your signed application:

1. **Fee:** An application fee of 1% of the requested TIF assistance or \$10,000, whichever is greater. This fee is to cover City costs associated with evaluating the TIF application **and does not cover the use of outside consultants, which if required will be paid for by the applicant.** Make your check payable to the City of Oshkosh.
2. **Site Maps:** Provide a map that shows the location of the site. Also provide a map that focuses on the project and its immediate surroundings. Both maps should be no larger than 11x17 inches. Larger maps will be required for projects presented to the Plan Commission, Redevelopment Authority, or Common Council.
3. **Project Renderings:** Provide preliminary architectural drawings, plans and renderings for the project. These drawings should be no larger than 11x17 inches. Larger maps will be required for projects presented to the Plan Commission, Redevelopment Authority, or Common Council.

Notes

- The City retains an administrative fee of 5% of the annual tax increment revenue.
- If the project requires planning and zoning approvals, you must make these applications concurrent with this request.

Agreement

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 developing Project Plan or Development Agreement. These costs may include, but not be limited to, bond counsel, outside legal assistance, outside financial assistance, planning, engineering, etc. 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 _____

[Signature]

Date 3-5-19



APPLICATION NARRATIVES

Marion Road Redevelopment Plan – TIF Application

Attachment to Application Page 9

Overall Project Summary:

The Marion Road Redevelopment Proposal submitted by Merge Urban Development Group and Slingshot Architecture is a 3-site redevelopment designed to be a community asset that will enhance downtown Oshkosh's connection to the waterfront. The total site area is 5.82 acres. From a community development perspective, the mixed-income market rate housing and active first floor will create a fulcrum for engagement among shoppers/diners, students, tourists, retirees, families, young professionals, recreation enthusiasts, and more.

Objectives:

- Activate the waterfront
- Capture unmet housing demand
- Attract and retain talent through housing and amenities that facilitate a desirable lifestyle & community connection
- Achieve feeling of cohesion in the neighborhood
- Narrow gap between neighboring districts
- Extend the urban environment of Main Street through pedestrian-friendly design
- Orient to the waterfront (views & access) for both tenants and greater community

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

Creates a community destination downtown – The development and its demographically / generationally diverse offerings will make Marion Road a destination for health/wellness, entertainment, commerce, waterfront enjoyment/access and socializing.

Density – This neighborhood plan creates 240 residential units in downtown Oshkosh. The community is aware of an unmet housing demand and the variety of unit types & price points within the development will attract people across demand segments to downtown for the universal charm of urban lifestyle.

Extend the urban environment – The development expands the activity on Main Street toward the water in a pedestrian-friendly manner. The series of buildings proposed and spaces around them de-emphasize the car (through shared parking strategies and smart urban design principles), to foster walkability and safety.

Cohesion in the neighborhood – The purpose of a phased neighborhood strategy in this development is to maximize waterfront activity (minimize parking on Site J) and connect neighboring district assets through density and proximity of destinations. The series of mixed-use buildings will blend the current residential (suburban) nature of Marion Road toward Main Street, across the Oregon Street Bridge, and toward the campus area. The end product will feel unique and distinct but also connected and cohesive.



APPLICATION NARRATIVES

Marion Road Redevelopment Plan – TIF Application

Current and Proposed Uses:

Sites J & I are currently vacant. Site H is partially vacant land along with a surface parking lot. The proposal on Site J consists of two 5-story mixed-use buildings and a row of townhomes along Marion Road. To create a walkable neighborhood, Site I consists of 2-story walk-up residential units that shield a significant amount of parking from the street-view. Site H's existing condition and place in the city is ideal for mixed-use. Site H includes additional residential units in a two-story building with first-floor retail.

Residential Units + Parking				
	J	I	H	Total
Units	217	9	14	240
Parking Stalls	62	91	128	281

Building Square Feet				
	J	I	H	Total
Commercial Square Feet	28,819		10,800	39,619
Residential Square Feet (rentable)	138,050	8,100	9,100	155,250

Description of End Users:

The various residential unit sizes, including micros and studios, are designed to serve a wide range of price points. We expect the mix to attract a demographic mix: grad students, young professionals, empty-nesters, transitioning professionals – executives or nurses, families, etc.

Retail space is designed to include a waterfront restaurant, offices, micro space for entrepreneurs, a food market, and health/fitness use. Like the residential users, we expect a variety of end users to enjoy the first floor of the development. We are proposing a kayak launch, so water users will also have the opportunity to enjoy access to the development.



APPLICATION NARRATIVES

Marion Road Redevelopment Plan – TIF Application

Describe any zoning changes that will be needed:

- 1) RMU requires a 10'-0" side and street setback. The corner of our northeast building is currently set closer than the 10'-0" minimum set back.
- 2) According to Article III Section 30-79: Multiple Use Building, Riverfront Overlay is requiring ground floor area to consist of 30% residential and 70% commercial. We are currently 54.6% commercial and 45.4% residential.

Identify any other approvals, permits or licenses:

- 1) Liquor license for waterfront restaurant
- 2) Approval for kayak launch

For additional information and figures related to architectural design, zoning, and site assessment, please contact zhahn@slingshotarchitecture.com.



APPLICATION NARRATIVES

Marion Road Redevelopment Plan – TIF Application

Attachment to Application Page 10

Construction & Leasing Timeline:

The individual sites will be delivered upon the approximate schedule. The entire project will be stabilized in 2024. Projected vacancy is 5% for residential units and 10% for commercial units.

Building Deliveries

Site J – 2022

Site I – 2022

Site H – 2023

Project Timeline			
	J - waterfront	I – walk-ups	H - liner
2019	Approvals / Site Clean-up		
2020	Break Ground		
2021		Break Ground	Break Ground
2022	C/O - Leasing	C/O - Leasing	
2023	Leasing/Stabilized	Leasing/Stabilized	C/O - Leasing
2024	Stabilized	Stabilized	Stabilized



SITE PLAN

2018.42 OSHKOSH

OSHKOSH OPPORTUNITY ZONE

SITE PLAN

PROJECT NUMBERS:

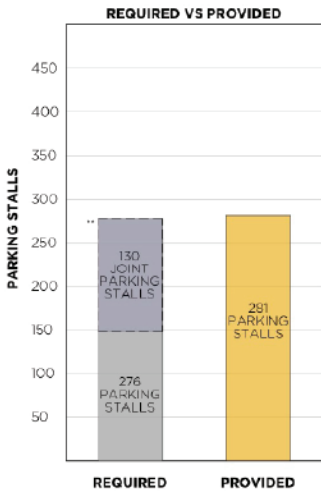
217 RESIDENTIAL UNITS - SITE J
 9 TOWN HOME UNITS - SITE I
 14 RESIDENTIAL UNITS - SITE H

1.15 PER DWELLING X 240 TOTAL RESIDENTIAL UNITS = 276 STALLS REQUIRED

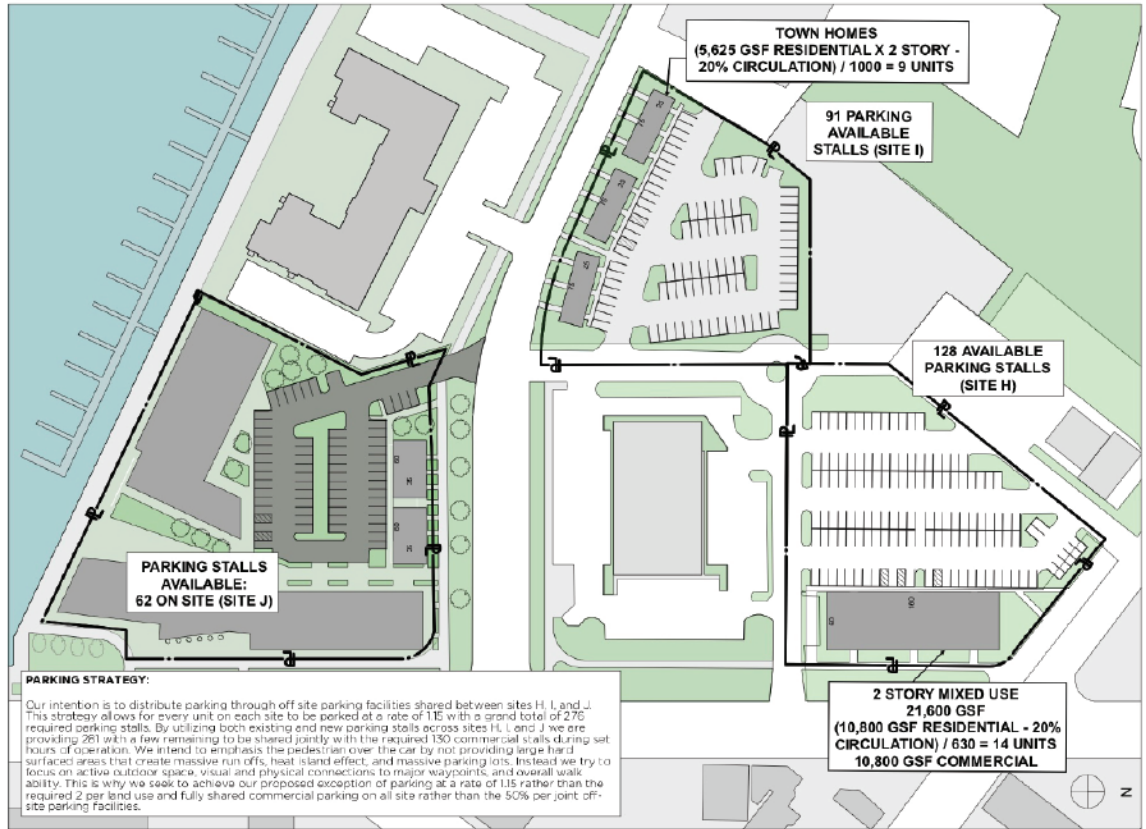
28,819 GSF COMMERCIAL/OFFICE/MARKET SITE J + 10,160 GSF COMMERCIAL SITE H / 300 SQFT = 130 STALLS REQUIRED

62 RESIDENTIAL PARKING STALLS
 91 RESIDENTIAL PARKING STALLS
 128 RESIDENTIAL PARKING STALLS

TOTAL PARKING STALLS = 281 PROVIDED



** OI 30 Zoning Ordinance Article 18 - Joint Off-Site Parking Facilities





US BANK LETTER OF SUPPORT



425 Cedar St
PO Box 88
Waterloo, IA 50704-0088
319.235.3285

usbank.com

February 25, 2019

City of Oshkosh
Oshkosh, WI

RE: Brent Dahlstrom

To Whom It May Concern:

The letter is to serve as support and confirmation that Brent Dahlstrom is a valued customer with US Bank, N.A. who has experience and history with US Bank, N.A. partnered projects to finance and develop over 300 multi-family units and mixed-use projects. US Bank, N.A. can acknowledge that based on history and current financial soundness that Mr. Dahlstrom has the experience, expertise and financial capacity to propose and complete a development project in Oshkosh, WI.

Should you have any questions or concerns please contact me at 319-273-8750.

Sincerely,
US Bank, N.A.



Dana Jergenson
Vice President



CAPITAL PARTNER LETTER OF SUPPORT



March 4, 2019

City of Oshkosh
Attn: Mayor Cummings, Common Council and Staff
215 Church Ave
Oshkosh, WI 54901

Oshkosh Stakeholders,

The purpose of this letter is to introduce ourselves as the capital partner in Merge Urban Development Group's project in the Marion Road Redevelopment Area.

Opportunity Zone projects are a great fit for Skydeck and we are excited to be working with the Merge team. We have a common set of core values and belief in the potential for Opportunity Zones in the Midwest. We thank your community in advance for seeing the potential.

Skydeck has many goals we target on real estate investments. Financial viability is the most important - taking into account the many risks projects face, in order to deliver the desired long-term outcomes. This means we seek innovative, creative and differentiated projects, working closely with the community and key stakeholders. Investing in sustainable, impact-oriented projects is a part of our guiding principles. With your support, this project will be a success both financially as well as non-financial considerations.

On a personal note, in 2005 I chose to relocate from Chicago to Cedar Falls, IA for family connections and quality of life. There are many parallels between Cedar Falls and Oshkosh—college town, quality employment opportunities, strong connections to the water, access to natural spaces/trails and an exceptional Main Street to name a few. In fact, after 17 years of a being a homeowner, I transitioned to an apartment in downtown Cedar Falls to be a part of the energy and access to the urban amenities I missed in Chicago. It was a great decision!

Brent Dahlstrom and the Merge team are truly innovators when it comes to understanding their market, taking calculated risks, and delivering projects that people thought were not possible. They lead quality infill projects playing off the strengths of the neighborhood, local housing and commercial demands not realized by more traditional developers. Brent has found a way to collaborate with communities on a shared vision, addressing housing needs and commercial experiences keeping the urban core relevant, competitive and a place people want to be.

With your support, this will be a hallmark project for Oshkosh. We look forward to partnering with the community to untap the great potential of this site and connectivity to the downtown and water.

Sincerely,

Jonathan Taiber, Vice President

Skydeck LLC
One South Wacker Drive
Suite 1810
Chicago, IL 60606
www.skydeckllc.com



LETTER OF RECOMMENDATION



CITY OF WATERLOO, IOWA

CITY HALL • 715 Mulberry Street • Waterloo, IA 50703 • (319) 291-4301 Fax (319) 291-4286

February 27, 2019

Dear Community Representatives:

I am pleased to recommend Brent Dahlstrom and his development team to your community.

Over the past years, the City of Waterloo and Mr. Dahlstrom's team have developed a very constructive partnership, culminating in the completion of many real estate projects and community assets. He has continually demonstrated an investment in the City of Waterloo with a genuine care for the community. Many times, the City of Waterloo has used TIF and other incentives to spur development that would not have been possible but for financial partnership.

Whether projects are completed, under construction/contract, or conceptual, Mr. Dahlstrom's team showcases consistent effort, commitment, and professionalism. Their attention to detail and drive to provide a quality finished product in a timely manner has resulted in numerous projects that our community is proud of.

I would not hesitate to engage in a partnership with Mr. Dahlstrom and his team based on these successes.

Sincerely,

A handwritten signature in blue ink that reads 'Quentin Hart'.

Quentin Hart
Mayor

CITY WEBSITE: www.cityofwaterlooiowa.com

WE'RE WORKING FOR YOU!

An Equal Opportunity/Affirmative Action Employer



EHLERS FINANCIAL ANALYSIS



City of Oshkosh
Merge Development Marion Road
Mixed Use 240 Units / 38,979 sf Commercial

Marion & Jackson Rd, Oshkosh, Wisconsin TID # 36

SOURCES		
	Amount	Pct.
Developer Financing - Series A	25,500,000	83.46%
Developer Financing - Series B		0.00%
DEVELOPER EQUITY - Land	1,000,000	2.49%
DEVELOPER EQUITY - Cash	13,681,200	34.05%
Subtotal	40,181,200	100.00%
Grants		0.00%
Grants		0.00%
Deferred Developer Fee		0.00%
Fee Waiver		0.00%
Other		0.00%
Subtotal	0	0.00%
TOTAL SOURCES	40,181,200	100.00%

USES			
	Amount	% of Cost	Per Unit
ACQUISITION COSTS	125,001	0.31%	521
Land	1	0.00%	0
Demo/Asbestos Abatement		0.00%	0
Assessments	100,000	0.25%	417
Relocation		0.00%	0
Closing Costs	25,000	0.06%	104
CONSTRUCTION COSTS	34,107,377	84.88%	142,114
Building/Land Improvements	30,097,252	74.90%	125,405
Tenant Improvements		0.00%	0
Permits	1,364	0.00%	6
SAC/WAC/Met C SAC/UAC		0.00%	0
Park Dedication		0.00%	0
General Requirements	2,046,504	5.99%	8,527
Contractors Fee	937,981	2.33%	3,908
Builder's Risk	1,023	0.00%	4
Contingency 3%	1,023,252	3.09%	4,264
SOFT COSTS	2,022,622.00	5.03%	8,428
PROFESSIONAL SERVICES	1,921,600	4.78%	8,007
Architectural, Engineering & Professional Fees	1,921,600	0.00%	0
Site		0.00%	0
Soils		0.00%	0
Environmental		0.00%	0
Survey		0.00%	0
FF&E		0.00%	0
Legal - Development		0.00%	0
Soft Cost Contingency	101,022	5.26%	421
FINANCING COSTS	2,485,000	6.18%	10,354
Construction Period Interest	1,275,000	3.17%	5,313
Issuance Fee	125,000	0.31%	521
Underwriter	5,000	0.01%	21
Bridge Loan		0.00%	0
Title Insurance	10,000	0.02%	42
Lender Legal	20,000	0.05%	83
Mortgage Registration Tax		0.00%	0
Debt Service Reserve	800,000	1.99%	3,333
Financing Fee	250,000	0.62%	1,042
Title/Recording/Mortgage Registration Tax		0.00%	0
PERMANENT LOAN		0.00%	0
ACCRUED EXPENSES		0.00%	0
REAL ESTATE TAXES		0.00%	0
PROJECT MANAGEMENT	1,441,200	3.59%	6,005
Developer Fee	1,441,200	3.59%	6,005
CASH ACCOUNTS	0	0.00%	0
Inputted Expenses		0.00%	0
Working Cap		0.00%	0
Management Start up		0.00%	0
TOTAL USES	40,181,200		167,422

(0)

OSHKOSH TIF POLICY

Developer must have minimum 15% equity of total project costs	pass
PAYGO structures can provide UP TO 90% of annual increment	pass
Preference given to projects with payback periods of 10 years or less	fail
Total TIF assistance should not exceed 25% of total project costs	pass
Project should generate sufficient increment to cover the requested TIF assistance	pass
IRR should not exceed 20%	pass
City will retain a maximum of 10% of the tax increment for additional TID costs	pass
Projects receiving assistance will be subject to a "look back" provision	tbd



EHLERS FINANCIAL ANALYSIS



City of Oshkosh

Merge Development Marion Road

Mixed Use 240 Units / 38,979 sf Commercial

(assumptions per Merge proforma revisions 4.2, 4.8.2019)

Income					
Rent - Residential	Monthly Rent	Units	Annual Revenue	Sq/Ft	Rent/Sq/Ft
Building J	\$220,700	217	\$2,648,400	138,050	\$1.60
Micro (furnished studio)	\$775	42	\$390,600	425	\$1.82
Studio	\$850	42	\$428,400	475	\$1.79
1BR / 1 Bath 650sf	\$950	42	\$478,800	650	\$1.46
1BR / 1 Bath 700sf	\$1,050	42	\$529,200	725	\$1.45
2 Bed 1 Bath	\$1,300	32	\$499,200	850	\$1.53
Townhome	\$1,500	8	\$144,000	900	\$1.67
Waterfront Walkup	\$1,650	9	\$178,200	900	\$1.83
Building I	\$13,500	9	\$162,000	8,100	\$1.67
Townhome	\$1,500	9	\$162,000	900	\$1.67
Waterfront Walkup	\$1,650		\$0	900	\$1.83
Building H	\$13,300	14	\$159,600	9,100	\$1.46
1BR / 1 Bath 650sf	\$950	14	\$159,600	650	\$1.46
1BR / 1 Bath 700sf	\$1,050		\$0	725	\$1.45
Total Apartment Rental Income	247,500	240	\$2,970,000	155,250	\$1.59
				Rent/Unit	\$1,031
Other Residential Income					
Garage J	\$50	40	\$24,000	Bldg J	89,400
Garage I	\$50	91	\$54,600		
Garage H	\$50	120	\$72,000	Bldg I	57,600
Misc Fees J	\$50	109	\$65,400		
Misc Fees I	\$50	5	\$3,000	Bldg H	76,200
Misc Fees H	\$50	7	\$4,200		
Total Other Residential Income			\$223,200		
Bldg J - Commercial / Office / Market			\$288,180	28,818	\$10.00
Bldg H - Commercial Rent			\$101,600	10,160	\$10.00
Commercial Expense Recovery					
Total Commercial Rent			\$389,780	38,978	
Gross Revenue			\$3,582,980	194,228	total SF
Apartment Vacancy Loss	5%		(\$159,660)		
Commercial Vacancy (including CAM & Taxes)	10%		(\$38,978)		
Effective Gross Income			\$3,384,342		

Expense					
Residential Operating Costs	Total			Per Unit or SF	
Administrative	\$4,300	0.12%		Unit	\$18
Payroll (Incl in Prop Mgmt)	\$0	0%		Unit	\$0
Marketing	\$5,016	0.14%		Unit	\$21
Total Utilities	\$41,563	1.16%		Unit	\$173
Insurance	\$125,763	3.51%		Unit	\$524
Turnover	\$35,830	1.00%		Unit	\$149
Snow & Trash Removal	\$20,781	0.58%			
Total Maintenance	\$184,100	4.58%		Unit	\$684
Total Residential Operating	\$397,352				\$1,656
Management and Other Costs					
Management Fees	\$250,809	7.00%	% of EGI		\$1,045
Property Taxes	\$728,420	20.33%			\$3,035
Reserves	\$48,370	1.35%			201,542,625
Total Expenses	\$1,424,951	39.77%			\$5,937
Net Operating Income	\$1,959,391			Operating Expense Ratio	42.10%



EHLERS FINANCIAL ANALYSIS

City of Oshkosh							
Tax Increment District #							
Development Assumptions							
Construction Year	Actual	Building J	Building I	Building H	Area D	Annual Total	Construction Year
1	2019		7,370,542			7,370,542	2019 1
2	2020	11,167,489		357,776	850,712	12,375,977	2020 2
3	2021	3,796,946		542,085	850,712	5,189,743	2021 3
4	2022			184,309	876,491	1,060,800	2022 4
5	2023					0	2023 5
6	2024					0	2024 6
7	2025					0	2025 7
8	2026					0	2026 8
9	2027					0	2027 9
10	2028					0	2028 10
11	2029					0	2029 11
12	2030					0	2030 12
13	2031					0	2031 13
14	2032					0	2032 14
15	2033					0	2033 15
16	2034					0	2034 16
17	2035					0	2035 17
18	2036					0	2036 18
19	2037					0	2037 19
20	2038					0	2038 20
21	2039					0	2039 21
22	2040					0	2040 22
23	2041					0	2041 23
24	2042					0	2042 24
25	2043					0	2043 25
26	2044					0	2044 26
27	2045					0	2045 27
Totals	0	22,334,977	1,084,170	2,577,916	0	25,997,063	

Notes:

Total Dev	% of Total SF	\$
J	85.91%	\$ 22,334,977
I	4.17%	\$ 1,084,170
H	9.92%	\$ 2,577,916



EHLERS FINANCIAL ANALYSIS

City of Oshkosh										
Tax Increment District #										
Tax Increment Projection Worksheet										
Type of District	Blighted Area			Base Value	0					
District Creation Date	January 1, 2019			Appreciation Factor	0.00%		<input checked="" type="checkbox"/> Apply to Base Value			
Valuation Date	Jan 1, 2019			Base Tax Rate	\$25.11					
Max Life (Years)	27			Rate Adjustment Factor						
Expenditure Period/Termination	22 1/1/2041			Tax Exempt Discount Rate	3.50%					
Revenue Periods/Final Year	27 2047			Taxable Discount Rate	5.00%					
Extension Eligibility/Years	Yes 3									
Recipient District	Yes									

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1 2019	7,370,542	2020	0	7,370,542	2021	\$25.11	185,043	166,898	159,847
2 2020	12,375,977	2021	0	19,746,519	2022	\$25.11	495,750	598,916	567,702
3 2021	5,189,743	2022	0	24,936,263	2023	\$25.11	626,043	1,126,027	1,058,223
4 2022	1,060,800	2023	0	25,997,063	2024	\$25.11	652,675	1,656,978	1,545,259
5 2023	0	2024	0	25,997,063	2025	\$25.11	652,675	2,169,975	2,009,102
6 2024	0	2025	0	25,997,063	2026	\$25.11	652,675	2,665,623	2,450,858
7 2025	0	2026	0	25,997,063	2027	\$25.11	652,675	3,144,511	2,871,578
8 2026	0	2027	0	25,997,063	2028	\$25.11	652,675	3,607,204	3,272,264
9 2027	0	2028	0	25,997,063	2029	\$25.11	652,675	4,054,251	3,653,869
10 2028	0	2029	0	25,997,063	2030	\$25.11	652,675	4,486,180	4,017,303
11 2029	0	2030	0	25,997,063	2031	\$25.11	652,675	4,903,503	4,363,430
12 2030	0	2031	0	25,997,063	2032	\$25.11	652,675	5,306,714	4,693,075
13 2031	0	2032	0	25,997,063	2033	\$25.11	652,675	5,696,289	5,007,023
14 2032	0	2033	0	25,997,063	2034	\$25.11	652,675	6,072,691	5,306,021
15 2033	0	2034	0	25,997,063	2035	\$25.11	652,675	6,436,363	5,590,781
16 2034	0	2035	0	25,997,063	2036	\$25.11	652,675	6,787,738	5,861,981
17 2035	0	2036	0	25,997,063	2037	\$25.11	652,675	7,127,231	6,120,266
18 2036	0	2037	0	25,997,063	2038	\$25.11	652,675	7,455,243	6,366,252
19 2037	0	2038	0	25,997,063	2039	\$25.11	652,675	7,772,163	6,600,525
20 2038	0	2039	0	25,997,063	2040	\$25.11	652,675	8,078,365	6,823,642
21 2039	0	2040	0	25,997,063	2041	\$25.11	652,675	8,374,213	7,036,134
22 2040	0	2041	0	25,997,063	2042	\$25.11	652,675	8,660,057	7,238,507
23 2041	0	2042	0	25,997,063	2043	\$25.11	652,675	8,936,234	7,431,244
24 2042	0	2043	0	25,997,063	2044	\$25.11	652,675	9,203,072	7,614,803
25 2043	0	2044	0	25,997,063	2045	\$25.11	652,675	9,460,887	7,789,621
26 2044	0	2045	0	25,997,063	2046	\$25.11	652,675	9,709,983	7,956,114
27 2045	0	2046	0	25,997,063	2047	\$25.11	652,675	9,950,655	8,114,679
Totals	25,997,063		0				Future Value of Increment 16,971,029		

Notes:
 Actual results will vary depending on development, inflation of overall tax rates.
 NPV calculations represent estimated amount of funds that could be borrowed (including project cost, capitalized interest and issuance costs).



EHLERS FINANCIAL ANALYSIS

City of Oshkosh

Tax Increment District #

Cash Flow Projection

Year	Projected Revenues				Expenditures					Balances			Year	
	Tax Increments	Admin	City Portion	Total Revenues	MRO 6,300,000 Dated Date: Principal	Est. Rate	Interest	Total MRO	Capitalized Interest	Total Expenditures	Annual	Cumulative		Principal Outstanding
2019		2%	10%	0		5.00%				0	0	0		2019
2020				0						0	0	0	6,300,000	2020
2021	185,043	(5,000)	(18,504)	161,538	0	5.00%	315,000	315,000		315,000	(153,462)	(153,462)	6,300,000	2021
2022	495,750	(5,100)	(49,575)	441,075	0	5.00%	315,000	315,000		315,000	126,075	(27,386)	6,300,000	2022
2023	626,043	(5,202)	(62,604)	558,236	210,000	5.00%	309,750	519,750		519,750	38,486	11,100	6,090,000	2023
2024	652,675	(5,306)	(65,267)	582,101	280,000	5.00%	297,500	577,500		577,500	4,601	15,701	5,810,000	2024
2025	652,675	(5,412)	(65,267)	581,995	290,000	5.00%	283,250	573,250		573,250	8,745	24,446	5,520,000	2025
2026	652,675	(5,520)	(65,267)	581,887	305,000	5.00%	268,375	573,375		573,375	8,512	32,958	5,215,000	2026
2027	652,675	(5,631)	(65,267)	581,776	320,000	5.00%	252,750	572,750		572,750	9,026	41,985	4,895,000	2027
2028	652,675	(5,743)	(65,267)	581,664	340,000	5.00%	236,250	576,250		576,250	5,414	47,399	4,555,000	2028
2029	652,675	(5,858)	(65,267)	581,549	355,000	5.00%	218,875	573,875		573,875	7,674	55,072	4,200,000	2029
2030	652,675	(5,975)	(65,267)	581,432	375,000	5.00%	200,625	575,625		575,625	5,807	60,879	3,825,000	2030
2031	652,675	(6,095)	(65,267)	581,312	395,000	5.00%	181,375	576,375		576,375	4,937	65,817	3,430,000	2031
2032	652,675	(6,217)	(65,267)	581,190	415,000	5.00%	161,125	576,125		576,125	5,065	70,882	3,015,000	2032
2033	652,675	(6,341)	(65,267)	581,066	435,000	5.00%	139,875	574,875		574,875	6,191	77,073	2,580,000	2033
2034	652,675	(6,468)	(65,267)	580,939	455,000	5.00%	117,625	572,625		572,625	8,314	85,387	2,125,000	2034
2035	652,675	(6,597)	(65,267)	580,810	480,000	5.00%	94,250	574,250		574,250	6,560	91,947	1,645,000	2035
2036	652,675	(6,729)	(65,267)	580,678	505,000	5.00%	69,625	574,625		574,625	6,053	98,000	1,140,000	2036
2037	652,675	(6,864)	(65,267)	580,543	530,000	5.00%	43,750	573,750		573,750	6,793	104,793	610,000	2037
2038	652,675	(7,001)	(65,267)	580,406	610,000	5.00%	15,250	625,250		625,250	(44,844)	59,949	0	2038
2039	652,675	(7,141)	(65,267)	580,266		5.00%	0	0		0	580,266	640,215	0	2039
2040	652,675	(7,284)	(65,267)	580,123		5.00%	0	0		0	580,123	1,220,339	0	2040
2041	652,675	(7,430)	(65,267)	579,978		5.00%	0	0		0	579,978	1,800,316	0	2041
2042	652,675	(7,578)	(65,267)	579,829		5.00%	0	0		0	579,829	2,380,145	0	2042
2043	652,675	(7,730)	(65,267)	579,677		5.00%	0	0		0	579,677	2,959,822	0	2043
2044	652,675	(7,884)	(65,267)	579,523		5.00%	0	0		0	579,523	3,539,345	0	2044
2045	652,675	(8,042)	(65,267)	579,365		5.00%	0	0		0	579,365	4,118,710	0	2045
2046	652,675	(8,203)	(65,267)	579,204		5.00%	0	0		0	579,204	4,697,914	0	2046
2047	652,675	(8,367)	(65,267)	579,040		5.00%	0	0		0	579,040	5,276,955	0	2047
Total	16,971,029	(176,722)	(1,697,103)	15,097,205	6,300,000		3,520,250	9,820,250	0	9,820,250				Total

Notes: TIF assistance subject to maximum of 25% of total project costs
 Total Costs \$40,181,200 x 25% = \$10,045,300
 Total MRO payments = 9,820,250

Projected TID Closure

PLAN COMMISSION MINUTES

May 7, 2019

PRESENT: Ed Bowen, Michael Ford, John Hinz, Lori Palmeri, Thomas Perry, Kathleen Propp, Robert Vajgrt

EXCUSED: Thomas Fojtik, Derek Groth, John Kiefer, Andrew Mott

STAFF: Darryn Burich, Planning Director; Kelly Nieforth, Economic Development Services Manager; Justin Gierach, Engineering Division Manager / City Engineer; Mark Lyons, Principal Planner; Jeff Nau, Associate Planner; Brian Slusarek, Assistant Planner; Steven Wiley, Assistant Planner; Mina Kuss, Recording Secretary

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

The minutes of April 16, 2019 were approved as presented. (Vajgrt/Hinz)

V. PUBLIC HEARING: PROPOSED CREATION OF TAX INCREMENT FINANCING DISTRICT NO. 36 MERGE REDEVELOPMENT PROJECT; DESIGNATION OF BOUNDARIES AND APPROVAL OF PROJECT PLAN

Site Inspections Report: Mr. Ford and Ms. Propp reported visiting the site.

Staff report accepted as part of the record.

Tax Incremental District No. 36 (the "TID" or "District") is a proposed 5.82 acre blighted area district located in the vicinity of the Jackson Street/Marion Road/Pearl Avenue intersections. The proposed district is comprised of three parcels owned by the City's Redevelopment Authority. Proposed TID No. 36 would overlap TIDs No. 13 (Marion Road) and TID No. 21 (Fox River Corridor) with any increased valuation occurring after January 1, 2019 being captured by the new district.

Mr. Burich presented the item and discussed the purpose of the proposed TID creation. The City is projecting that new land and improvements value of approximately \$26 million will result from redevelopment activity within the District. The developer is proposing a mixture of residential, commercial and office uses. The parcels are described as Parcels J, H and I as found in the Marion Road Pearl Avenue Redevelopment Plan. Site J is approximately 2.62 acres and is proposed to consist of three buildings and associated surface parking. Site H is approximately 1.78 acres in size and is proposed to consist of parking lot and a 2-story mixed use building. Site I is 1.41 acres in size and is proposed to consist of nine two-story town home units and a surface parking lot. The developer is anticipating being able to fully develop the district by sometime in 2022 starting with the \$22 million Site J on the river. The District is being created as a blighted area district as defined in Wis. Stat. 66.1105(2)(ae). Specifically, the District consists of land upon which buildings or

structures have been demolished and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community. In this particular case, all of the parcels involved contain either some levels of environmental contamination or poor structural soils due to the historic industrial uses of the area increasing development costs. The proposed Plan is in general conformance with the City of Oshkosh's Comprehensive Plan identifying the area as appropriate for Center City mixed use development. The development is also consistent with the Marion Road/Pearl Avenue Redevelopment Guidelines 2003 identifying the area as appropriate for a mixed-use development pattern with strong urban streetwall fabric which the associated Planned Development is proposing.

Ms. Propp opened up technical questions to staff.

Ms. Propp inquired about the Plan Commission's function.

Mr. Burich stated the Plan Commission's role is to look at the project plan and decide if it is consistent with the Comprehensive and local plans. He said they have relied heavily on Common Council to make the decisions about the cash flow portion. He said it is all part of the plan but would prefer Plan Commission to focus on consistency with other plans.

Ms. Palmeri questioned if Anthem would consider having a building that is one story taller as a problem in terms of views.

Mr. Burich said he has not heard anything from Anthem.

Ms. Palmeri questioned the rent rate of the upper floors and if the project would devalue Anthem's rates.

Mr. Burich said he wouldn't think so. He said Anthem will have an impacted view but will still have good views of the river. He said only one side is impacted.

Ms. Propp opened up the public hearing.

There were no public comments on this item.

Ms. Propp closed the public hearing.

Motion by Vajgrt to adopt the project plan and recommending the boundaries to the council and adopting the staff report as the findings.

Seconded by Ford.

Ms. Propp asked if there was any discussion about the motion.

Ms. Propp inquired about the TIF districts overlapping.

Mr. Burich explained the new value would go to the new TIF #36 and the old value would be frozen / maintained.

Motion carried 6-0.

There being no further business, the meeting adjourned at approximately 6:25 pm. (Vajgrt/Hinz)

Respectfully submitted,

Darryn Burich
Director of Planning Services

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

PURPOSE: APPROVE TAX INCREMENT DISTRICT NO. 36 PROJECT PLAN; DESIGNATE TAX INCREMENT DISTRICT NO. 36 BOUNDARIES; CREATE TAX INCREMENT DISTRICT NO. 36 MERGE 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. 36 (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)(k) and 66.1105(4)(gm), 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 May 7, 2019 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. 36, Merge Redevelopment", are hereby established as specified in Exhibit A of this Resolution.
2. The District is created effective as of January 1, 2019.
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)(ae)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 significantly enhance 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 incremental value 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 elimination of blight consistent with the purpose for which the District is created.
 - (g) All property within TID #36 was within the City boundaries as of January 1, 2004.
4. The attached Project Plan for "City of Oshkosh Tax Increment District No. 36, Merge Redevelopment" 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. 36 Merge Redevelopment.

“Exhibit A”
TID 36 Merge Redevelopment
Legal Description

ALL OF LOT 2 OF CERTIFIED SURVEY MAP NUMBER 6553 RECORDED AS DOCUMENT NUMBER 1577796, WINNEBAGO COUNTY REGISTER OF DEEDS, LOT 3 OF CERTIFIED SURVEY MAP NUMBER 7068 RECORDED AS DOCUMENT NUMBER 1709684, WINNEBAGO COUNTY REGISTER OF DEEDS, LOT 2 OF CERTIFIED SURVEY MAP NUMBER 7150 RECORDED AS DOCUMENT NUMBER 1724920, WINNEBAGO COUNTY REGISTER OF DEEDS, AND PART OF MARION ROAD, ALL LOCATED IN THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ AND THE NORTHEAST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$, SECTION 23, TOWNSHIP 18 NORTH, RANGE 16 EAST, CITY OF OSHKOSH, WINNEBAGO COUNTY, WISCONSIN, BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING FROM THE EAST $\frac{1}{4}$ CORNER OF SAID SECTION 23, TOWNSHIP 18 NORTH, RANGE 16 EAST; THENCE S89°34'30"W, 70.48 FEET ALONG THE SOUTH LINE OF SAID SOUTHEAST $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$ TO A POINT ON THE WEST LINE OF JACKSON STREET AND POINT OF BEGINNING; THENCE S01°20'11"E, 3.93 FEET ALONG SAID WEST LINE TO THE SOUTHEAST CORNER OF SAID LOT 2 OF CERTIFIED SURVEY MAP NUMBER 6553; THENCE S88°39'43"W, 314.04 FEET ALONG THE SOUTH LINE OF SAID LOT 2 TO A POINT ON THE EAST LINE OF SAID LOT 2 OF CERTIFIED SURVEY MAP NUMBER 7150; THENCE S01°39'28"E, 249.88 FEET ALONG THE EAST LINE OF SAID LOT 2 TO A POINT ON THE NORTH LINE OF MARION ROAD, ALSO BEING THE BEGINNING OF A 349.43 FOOT RADIUS CURVE CONCAVE TO THE NORTH; THENCE 2.75 FEET ALONG SAID CURVE WITH A CHORD BEARING N88°47'20"E, 2.75 FEET; THENCE N88°33'48"E, 310.32 FEET ALONG SAID NORTH LINE AND EXTENDED NORTH OF MARION ROAD TO A POINT ON THE EXTENDED WEST LINE OF JACKSON STREET; THENCE S01°24'37"E, 441.96 FEET ALONG SAID EXTENDED WEST LINE AND WEST LINE OF JACKSON STREET; THENCE S88°35'23"W, 30.00 FEET ALONG A SOUTH LINE OF SAID LOT 3 OF CERTIFIED SURVEY MAP NUMBER 7068; THENCE S05°06'42"W, 88.04 FEET ALONG AN EAST LINE OF SAID LOT 3; THENCE N65°43'26"W, 381.07 FEET ALONG A SOUTH LINE OF SAID LOT 3 TO THE SOUTHWEST CORNER OF SAID LOT 3; THENCE N24°13'38"E, 188.89 FEET ALONG A WEST LINE OF SAID LOT 3; THENCE N17°49'37"W, 97.21 FEET ALONG A WEST LINE OF SAID LOT 3 TO THE NORTHWEST CORNER OF SAID LOT 3, ALSO BEING A POINT ON THE SOUTH LINE OF MARION ROAD; THENCE N65°54'10"W, 91.57 FEET ALONG SAID SOUTH LINE; THENCE N65°26'22"W, 262.96 FEET ALONG SAID SOUTH LINE TO A POINT ON THE EXTENDED WEST LINE OF SAID LOT 2 OF CERTIFIED SURVEY MAP NUMBER 7150; THENCE N29°21'00"E, 190.85 FEET ALONG SAID EXTENDED WEST LINE AND WEST LINE OF SAID LOT 2; THENCE N37°23'42"E, 15.13 FEET ALONG THE WEST LINE OF SAID LOT 2; THENCE N37°20'01"E, 60.15 FEET ALONG THE WEST LINE OF SAID LOT 2 TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE N89°34'30"E, 189.24 FEET ALONG THE NORTH LINE OF SAID LOT 2 TO THE NORTHEAST CORNER OF SAID LOT 2, ALSO BEING A POINT ON THE WEST LINE OF SAID LOT 2 OF CERTIFIED SURVEY MAP NUMBER 6553; THENCE N01°39'28"W, 83.71 FEET ALONG THE WEST LINE OF SAID LOT 2; THENCE N36°57'26"E, 290.27 FEET ALONG THE NORTHWESTERLY LINE OF SAID LOT 2 TO A POINT ON THE SOUTHERLY LINE OF PEARL AVENUE; THENCE S53°02'34"E, 159.59 FEET ALONG SAID SOUTHERLY LINE TO THE BEGINNING OF A 25.00 FOOT RADIUS CURVE CONCAVE TO THE SOUTHWEST; THENCE 22.56 FEET ALONG SAID CURVE WITH A CHORD BEARING S27°11'23"E, 21.80 FEET TO A POINT ON THE WEST LINE OF JACKSON STREET; THENCE S01°20'11"E, 212.53 FEET ALONG SAID WEST LINE TO THE POINT OF BEGINNING.

SAID AREA CONTAINS 315,041 SQUARE FEET OR 7.232 ACRES, MORE OR LESS.

**STANDING JOINT REVIEW BOARD
RESOLUTION APPROVING THE CREATION OF
TAX INCREMENTAL DISTRICT NO. 36,
CITY OF OSHKOSH**

WHEREAS, the City of Oshkosh (the "City") seeks to create Tax Incremental District No. 36;
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 minutes 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; or would not occur in the manner, at the values, or within the timeframe desired by the City 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 28th day of June, 2019.

Joint Review Board

Representing

Mark J. Harris

Winnebago County

Barbara J. Henry

Oshkosh Area School District

Amy Vanstraten

Fox Valley Technical College District

Heidi Johnson

City of Oshkosh

Burt Tower

Public Member