



January 19, 2021

Project Plan

Tax Incremental District No. 40 Miles Kimball Redevelopment

City of Oshkosh, Wisconsin

Organizational Joint Review Board Meeting Held:	January 18, 2021
Public Hearing Held:	January 19, 2021
Approval by Plan Commission:	January 19, 2021
Adoption by Common Council:	March 9, 2021
Approval by the Joint Review Board:	March 11, 2021

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SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 40 (“District”) is a proposed 0.83-acre “In Need of Rehabilitation or Conservation” district consisting of tax parcel 03-01300-200 located at the northwest corner of West 9th Avenue and South Main Street. The District will be created to pay the costs of development incentives needed to facilitate the rehabilitation and conservation of a 24,660 square foot four-story industrial building constructed in 1904 as an addition to the factory operations of the August Streich and Brother wagon factory. The building was later utilized by the Miles Kimball company but has now been vacant and underutilized for over fifteen years. YBR Properties – Miles Kimball LLC (“Developer”) proposes to acquire the property and redevelop the existing structure for use as a 28-unit market rate multi-family building (“Project”). In addition to the incremental property value and housing units that will be created, the Project will serve to rehabilitate a historic structure located at a key intersection within the “Core” subarea of the City’s Sawdust District Redevelopment Plan.



Authority

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

Estimated Total Project Cost Expenditure

The City anticipates making total expenditures of approximately \$1,834,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$1,573,000 in development incentives, \$100,000 for any required public improvements, \$7,000 in interest expense related to projected advances, and \$154,000 for District administrative costs related to its creation and ongoing administration. Based on the cash flow projection and assumptions made in this Plan, the \$1,573,000 development incentive has a present value of \$1,000,000 assuming that the Developer will pay interest at a rate of 4.375% to borrow against the future incentive payments which will be made on a pay as you go basis. The Developer has indicated that they expect to use a portion of the annual payments to secure a loan of approximately \$567,000 to pay Project construction costs, with the balance providing additional cash flow for the Project to support financial feasibility.

Incremental Valuation

The City projects that net new land and improvements value of approximately \$3.48 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate enough tax increment to pay all Project Costs within 23 of its allowable 27 years, representing 21 years of actual tax increment collection. If public improvements expenditures are not required, the District would close one year sooner.

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. A review of the Project’s sources and uses, and cash flow proforma. Without tax increment financing (“TIF”) assistance projected cash on cash annual returns are negative through 2034 and average annual returns remain negative through 2042. With TIF assistance average annual cash on cash returns of 10% are achieved by 2042 after which the TIF assistance payments would end. An investor expectation of an average annual cash on cash return of 10% is reasonable for this Project. Based on Ehlers review, provision of pay as you go incentives in the amount requested is necessary to provide an acceptable return on investment for this Developer and indicates that “but for” the incentives, the Project as proposed would not likely proceed.
 - b. That the Project is not eligible to receive Historic Preservation Tax Credits, New Market Tax Credits, or grants through Wisconsin Economic Development Corporation. Aside from the Property Assessed Clean Energy (PACE) program funding the Project has qualified for, lack of access to other financing programs which could be used to offset some or all the Project’s financing gap necessitate the request for TIF assistance.
2. **The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are**

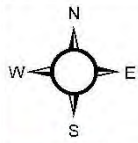
sufficient to compensate for the cost of the improvements. In making this determination, the City has considered that in addition to the incremental value expected to be created, the Project will result in rehabilitation and conservation of a blighted historic structure located within a key redevelopment area, creation of market rate multi-family housing to meet market demand, and provision of employment and commercial opportunities related to the construction and operation of the Project.

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 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. As detailed in Section 4 of this Plan, not less than 50% by area of the real property within the District is in need of rehabilitation or conservation as defined by Wis. Stat. § 66.1337(2m)(a).
5. Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.
6. The Project Costs relate directly to the rehabilitation or conservation of property within 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. 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 Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

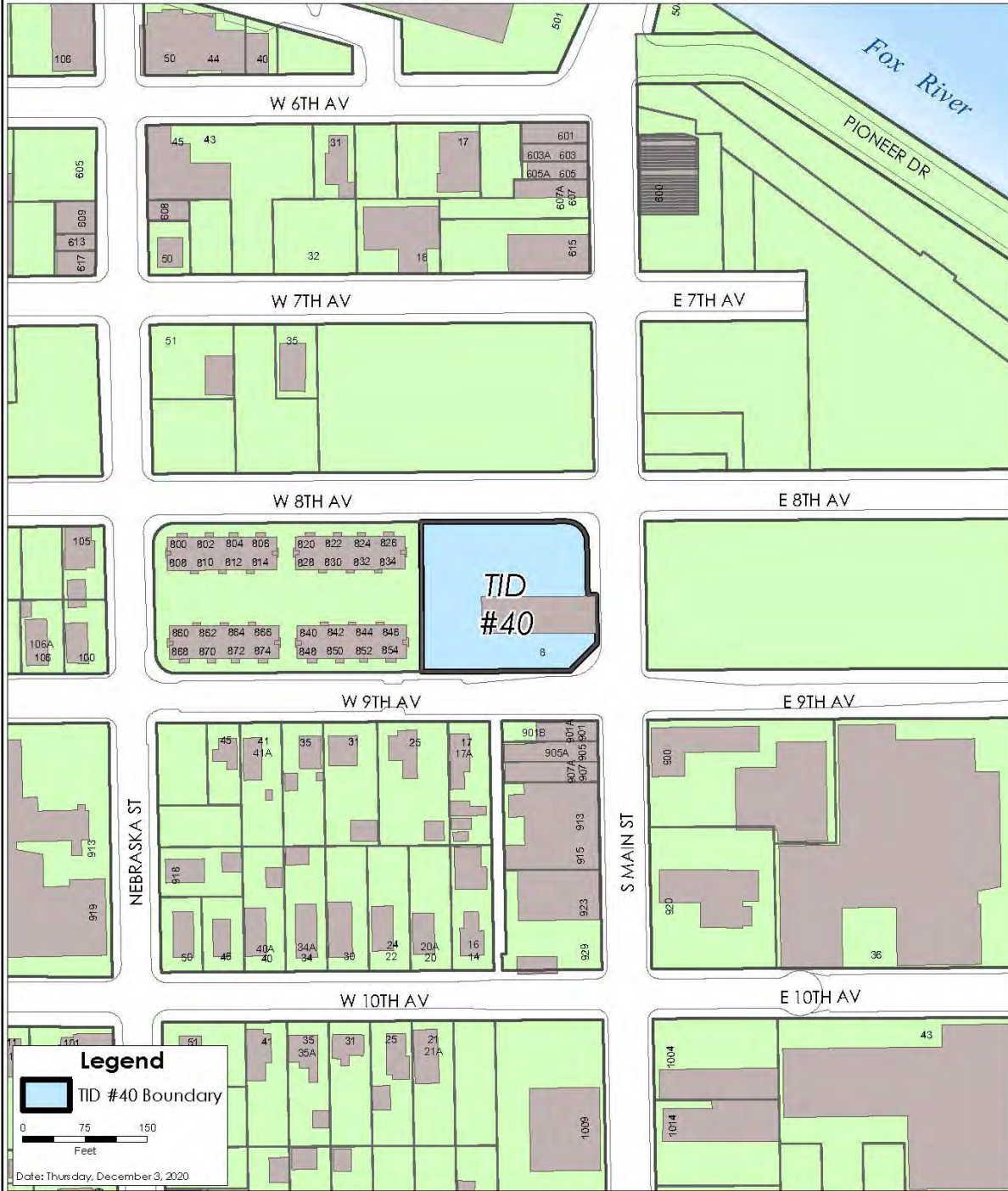
SECTION 2:

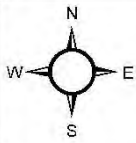
Preliminary Maps of Proposed District Boundary

Maps Found on Following Pages.



Tax Increment District #40 Miles Kimball Redevelopment District Boundary

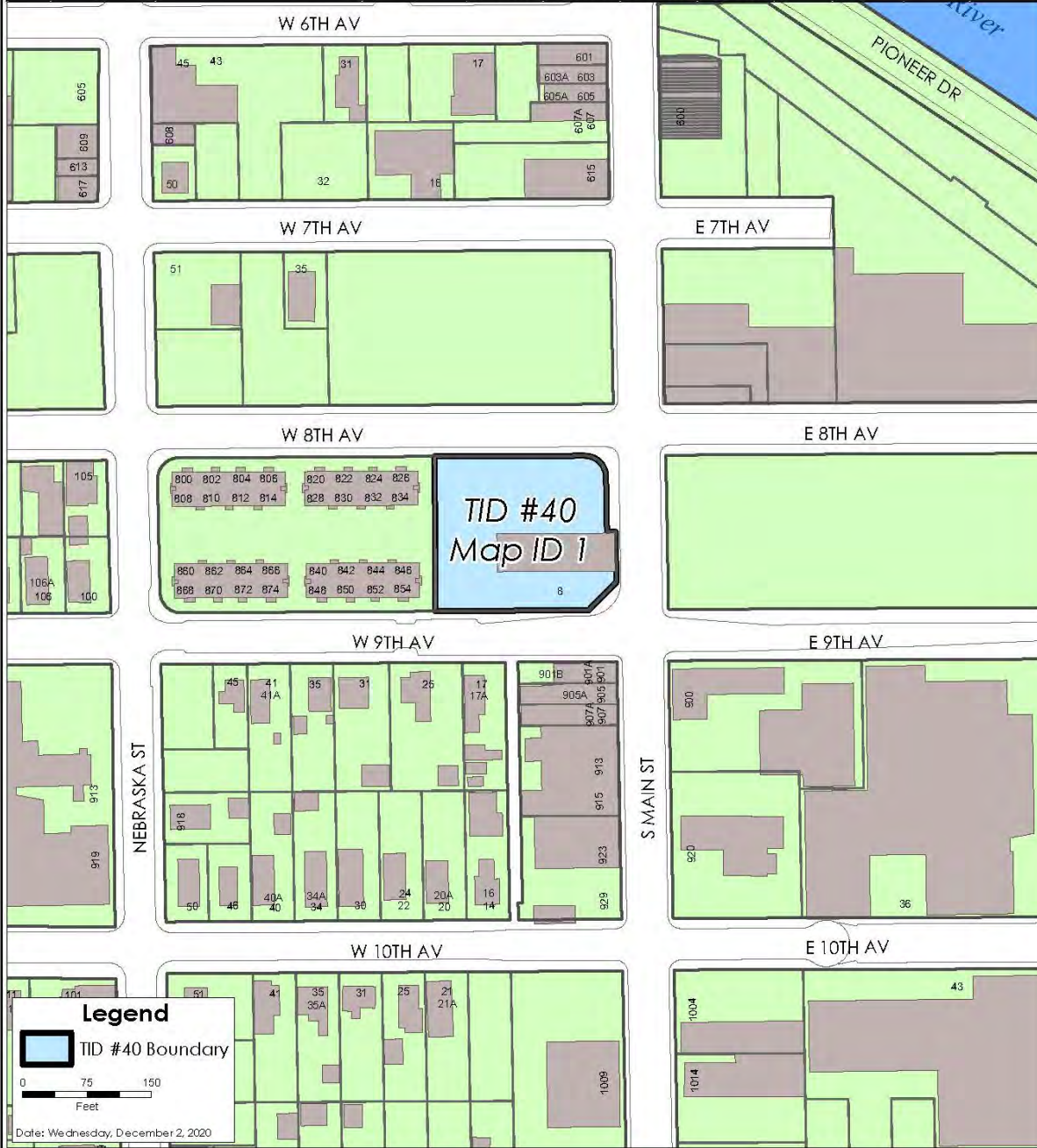


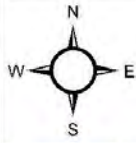


Tax Increment District #40 Miles Kimball Redevelopment Parcel Identification



Map ID	Parcel #	Owner	Local Address	Land Value	Impr. Value	Total Value	Equalized Value	Class	Dwelling Units	Census Tract	Zoning
1	03-0130-0000	BRIDGEVIEW HOLDINGS LLC	8 W 9TH AVE	\$ 90,400	\$ 58,100	\$ 148,500	\$ 167,000	B	0	15	CMU-PD
TOTALS:				\$ 184,500	\$ 58,100	\$ 148,500	\$ 167,000				





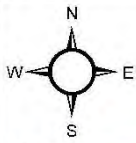
Tax Increment District #40 Miles Kimball Redevelopment Half Mile Buffer



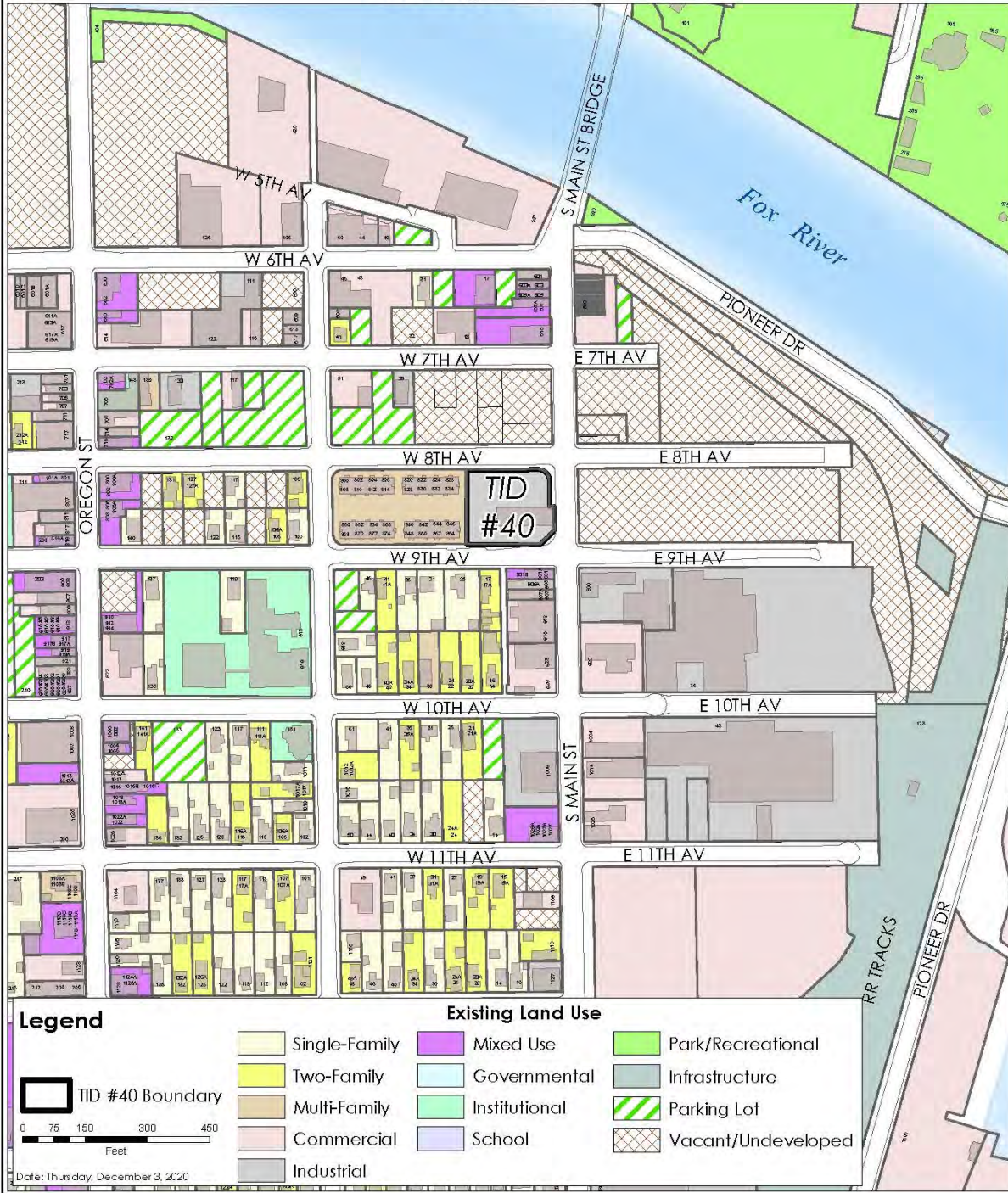
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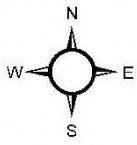
Maps Showing Existing Uses and Conditions

Maps Found on Following Pages.

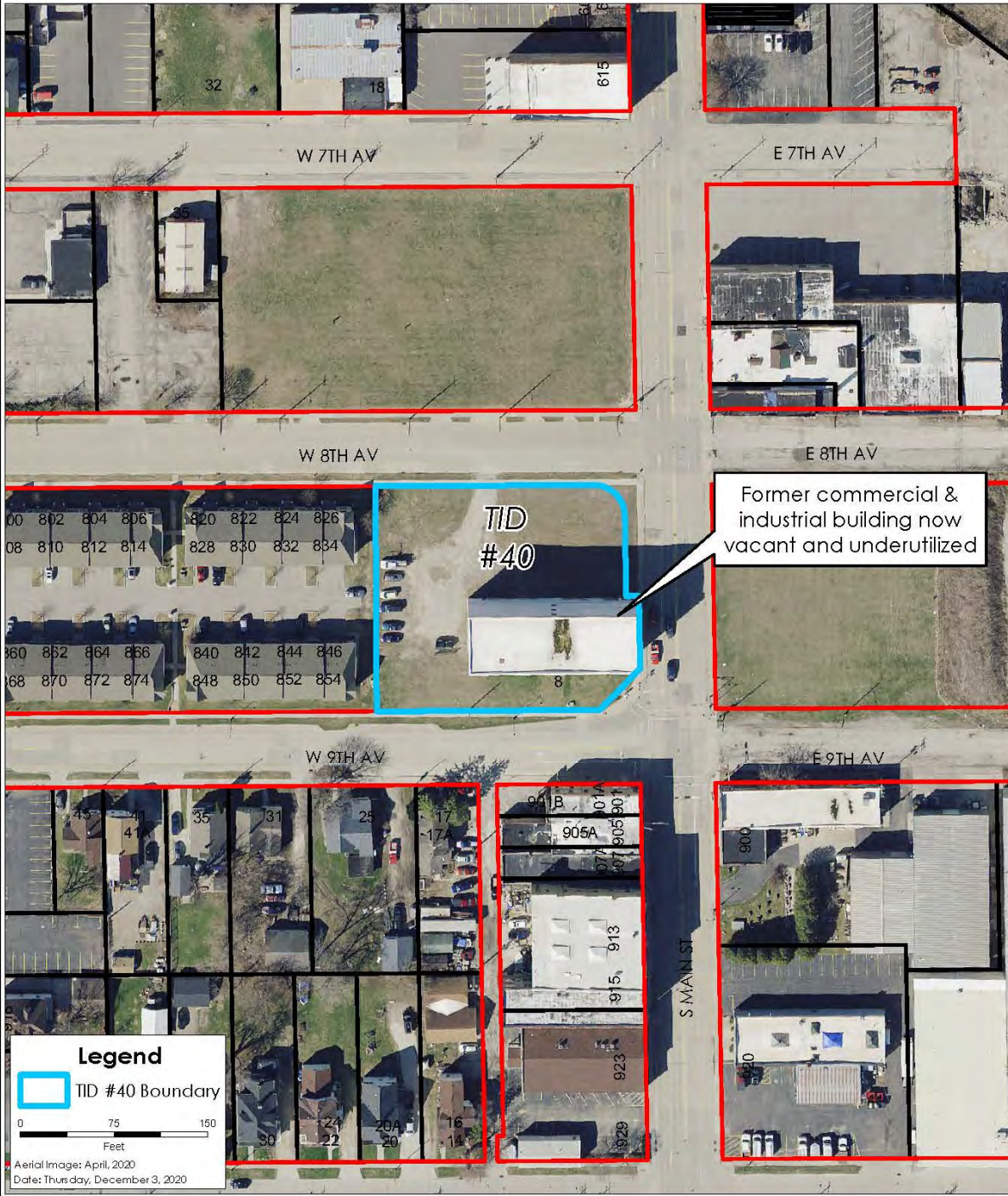


Tax Increment District #40 Miles Kimball Redevelopment Existing Land Use





Tax Increment District #40 Miles Kimball Redevelopment Existing Conditions



SECTION 4: Preliminary Parcel List and Analysis

The District will consist of a single tax parcel:

Parcel Number: 03-0130-0000
 Address: 8 West 9th Avenue
 Owner: Bridgeview Holdings LLC
 Acres: 0.83

Current Value:	Assessed	Equalized
Land	\$90,400	\$101,643
Improvements	\$58,100	\$65,326
Total	\$148,500	\$166,969

The improvements located on the parcel are in need of rehabilitation or conservation as defined by Wis. Stat. § 66.1337(2m)(a). Specifically, the Plan includes:

1. Carrying out plans for a program of voluntary repair and rehabilitation of buildings or other improvements.
2. Rehabilitation of buildings and improvements on the property where necessary to eliminate unhealthful, unsanitary or unsafe conditions, eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove or prevent the spread of blight or deterioration.

The building improvements located on the parcel, roughly 24,660 square feet of space split evenly over four floors, have significant local historical context as the only remaining portion of the August Streich and Brother wagon factory. The building, according to Oshkosh Public Museum records, was constructed in 1904 as an addition to the factory operations which at the time extended across the entire block from South Main St. to Nebraska St. The site was later purchased by the Miles Kimball Company and became part of their operations until the Oshkosh Redevelopment Authority acquired the site in 2005.

Despite its historical significance, the building has substantial obstacles that limits its redevelopment potential. On the second through fourth floors, there is only one window on each of the north and south facing elevations. For apartment use, access and lighting requirements will necessitate the addition of substantial window cuts. The need to substantially change the exterior facade will preclude the use of Historic Preservation Tax Credits as a source of financing.

The site is adjacent to the neighboring Opportunity Zone census tract located on the south side of W 9th Avenue, but not in it, nor is it in a census tract that would be eligible for New Market Tax Credits. Grants through the Wisconsin Economic Development Corporation are also unavailable since the scope of the Project is limited to residential redevelopment. This lack of availability of commonly used development incentives has likely contributed to the building's lack of use or redevelopment over the past 15-plus years.

SECTION 5: 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 \$226,582,269. This value is less than the maximum of \$535,229,292 in equalized value that is permitted for the City.

City of Oshkosh, WI	
Tax Increment District # 40 (Miles Kimball Redevelopment)	
Valuation Test Compliance Calculation	
District Creation Date	2/9/2021
Valuation Data Currently Available	2020
Total EV (TID IN)	4,460,244,100
X 12% (12% Test)	535,229,292
Incremental Value of Existing TIDs	226,415,300
Projected Base Value of District	166,969
Total Value Subject to 12% Test	226,582,269
Compliance	PASS

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligation 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.

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 8 provide additional information as to the kind, number and location of potential 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.

Utilities

Sanitary Sewer System Improvements

To allow development 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 Wis. Stat. § 66.1105(2)(f)1 k.

Water System Improvements

To allow development 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

Development within the District will cause stormwater runoff. 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

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

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

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

To allow development to occur, the City may need to construct or 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; rail crossings and signals; 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 and Landscaping

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, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Miscellaneous

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 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 install public improvements as needed to support the Project. These public improvements may need to be made within the rights-of-way adjoining the District, or in other areas near the District's boundaries.**

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.

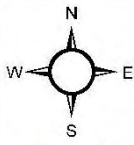
Financing Costs

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.

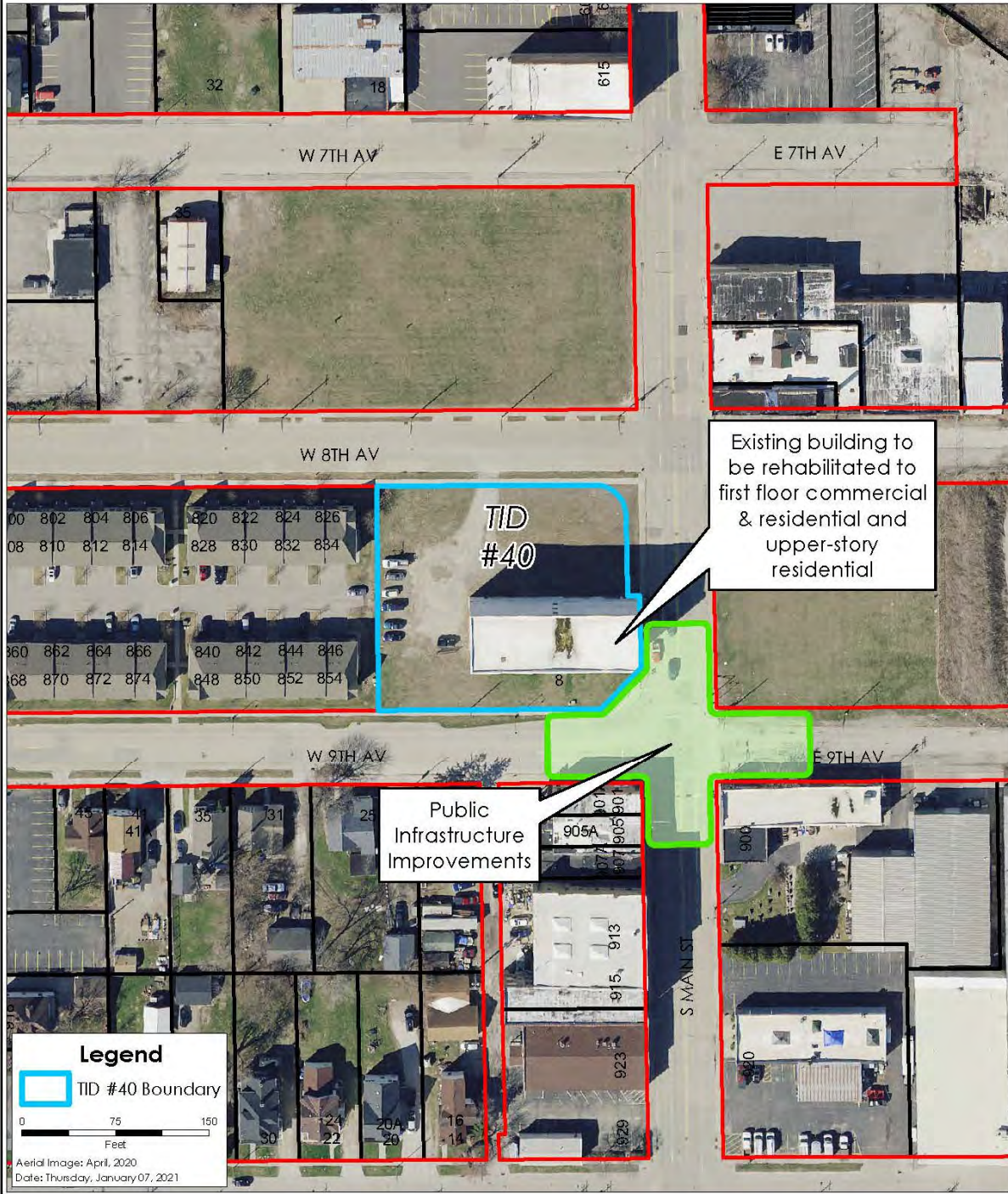
SECTION 7:

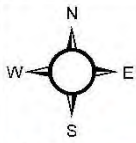
Maps Showing Proposed Improvements and Uses

Maps Found on Following Pages.

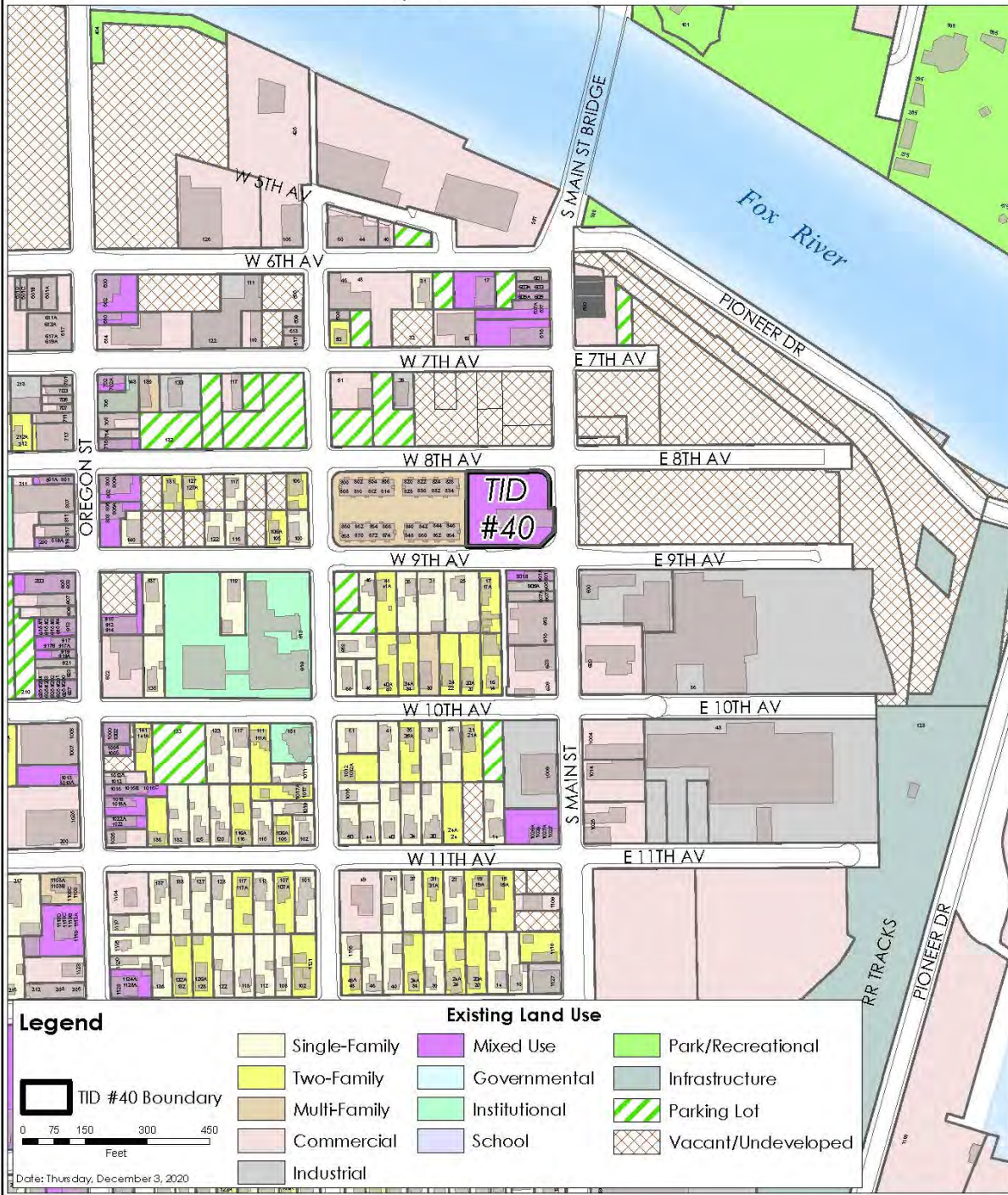


Tax Increment District #40 Miles Kimball Redevelopment Proposed Improvements





Tax Increment District #40 Miles Kimball Redevelopment Proposed Land Use



SECTION 8: Detailed List of Estimated 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 6 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, WI		
Tax Increment District # 40 (Miles Kimball Redevelopment)		
Detailed List of Project Costs		
<u>Project Name/Type</u>	<u>Timeframe</u>	<u>Total</u>
Development Incentive (Pay as You Go) ¹	2023 - 2042	1,572,530
Public Infrastructure ²	2034 - 2043	100,000
Administrative Expenses ³	2021 - 2045	153,917
Interest on Advances ³	2023 - 2040	7,118
Total Projects		<u>1,833,564</u>
Notes:		
¹ Incentive shown reflects requested amount from Developer’s TIF Application dated 11-7-2020, and is identified for purposes of establishing economic feasibility only. The City has not agreed to final terms or conditions with Developer. Based on the cash flow projection and assumptions made in this Plan, the development incentive has a present value of \$1,000,000 assuming that the Developer will pay interest at a rate of 4.375% to borrow against the future incentive payments which will be made on a pay as you go basis.		
² Project location is outside of, but within 1/2 mile of, District boundary.		
³ Costs proposed/projected by Ehlers.		

**SECTION 9:
Economic Feasibility Study, Description of the
Methods of Financing Estimated Project Costs and
the Time When Related Costs or Monetary
Obligations 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 \$3.48 million in incremental value by January 1, 2022. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming a projected equalized TID Interim tax rate of \$25.32 for the 2023 budget year, and a rate of \$25.44 for the 2024 budget year, and no economic appreciation or depreciation, the Project would generate \$2,388,573 in incremental tax revenue over the 27-year term of the District as shown in **Table 2**. The projected tax rates used for this Plan are intended to reflect the anticipated impacts of the recently approved Oshkosh Area School District capital facilities referendum. The current TID interim tax rate for the 2021 budget year is \$24.60 per thousand of equalized value.

City of Oshkosh, WI

Tax Increment District # 40 (Miles Kimball Redevelopment)

Development Assumptions

Construction Year		Actual	Project ¹	Less Base Value	Annual Total	Construction Year	
1	2021		3,645,000	(166,969)	3,478,031	2021	1
2	2022				0	2022	2
3	2023				0	2023	3
4	2024				0	2024	4
5	2025				0	2025	5
6	2026				0	2026	6
7	2027				0	2027	7
8	2028				0	2028	8
9	2029				0	2029	9
10	2030				0	2030	10
11	2031				0	2031	11
12	2032				0	2032	12
13	2033				0	2033	13
14	2034				0	2034	14
15	2035				0	2035	15
16	2036				0	2036	16
17	2037				0	2037	17
18	2038				0	2038	18
19	2039				0	2039	19
20	2040				0	2040	20
21	2041				0	2041	21
22	2042				0	2042	22
23	2043				0	2043	23
24	2044				0	2044	24
25	2045				0	2045	25
26	2046				0	2046	26
27	2047				0	2047	27
Totals		0	3,645,000	(166,969)	3,478,031		

Notes:

¹Projected valuation as estimated by Developer and reviewed by Ehlers in consultation with the City Assessor.

Table 1 - Development Assumptions

City of Oshkosh, WI

Tax Increment District # 40 (Miles Kimball Redevelopment)

Tax Increment Projection Worksheet

Type of District	Rehabilitation	Base Value	148,500
District Creation Date	February 9, 2021	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2021	Base Tax Rate	\$25.44
Max Life (Years)	27	Rate Adjustment Factor	
Expenditure Period/Termination	22 / 2/9/2043		
Revenue Periods/Final Year	27 / 2049		
Extension Eligibility/Years	Yes / 3		
Eligible Recipient District	Yes		

Construction Year	Valuation Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate ¹	Tax Increment	
1	2021	3,478,031	2022	0	3,478,031	2023	\$25.32	88,064
2	2022	0	2023	0	3,478,031	2024	\$25.44	88,481
3	2023	0	2024	0	3,478,031	2025	\$25.44	88,481
4	2024	0	2025	0	3,478,031	2026	\$25.44	88,481
5	2025	0	2026	0	3,478,031	2027	\$25.44	88,481
6	2026	0	2027	0	3,478,031	2028	\$25.44	88,481
7	2027	0	2028	0	3,478,031	2029	\$25.44	88,481
8	2028	0	2029	0	3,478,031	2030	\$25.44	88,481
9	2029	0	2030	0	3,478,031	2031	\$25.44	88,481
10	2030	0	2031	0	3,478,031	2032	\$25.44	88,481
11	2031	0	2032	0	3,478,031	2033	\$25.44	88,481
12	2032	0	2033	0	3,478,031	2034	\$25.44	88,481
13	2033	0	2034	0	3,478,031	2035	\$25.44	88,481
14	2034	0	2035	0	3,478,031	2036	\$25.44	88,481
15	2035	0	2036	0	3,478,031	2037	\$25.44	88,481
16	2036	0	2037	0	3,478,031	2038	\$25.44	88,481
17	2037	0	2038	0	3,478,031	2039	\$25.44	88,481
18	2038	0	2039	0	3,478,031	2040	\$25.44	88,481
19	2039	0	2040	0	3,478,031	2041	\$25.44	88,481
20	2040	0	2041	0	3,478,031	2042	\$25.44	88,481
21	2041	0	2042	0	3,478,031	2043	\$25.44	88,481
22	2042	0	2043	0	3,478,031	2044	\$25.44	88,481
23	2043	0	2044	0	3,478,031	2045	\$25.44	88,481
24	2044	0	2045	0	3,478,031	2046	\$25.44	88,481
25	2045	0	2046	0	3,478,031	2047	\$25.44	88,481
26	2046	0	2047	0	3,478,031	2048	\$25.44	88,481
27	2047	0	2048	0	3,478,031	2049	\$25.44	88,481
Totals	3,478,031		0		Future Value of Increment		2,388,573	

Notes:

¹Tax rate shown is actual 2020/21 equalized rate per DOR Form PC-202 (Tax Increment Collection Worksheet) adjusted to estimate impact of OASD capital referendum approved in 2020.

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

The City anticipates making total expenditures of approximately \$1,834,000 including an estimated \$1,573,000 in development incentives, \$100,000 for any required public improvements, \$7,000 in interest expense related to projected advances, and \$154,000 for District administrative costs related to its creation and ongoing administration. Based on the cash flow projection and assumptions made in this Plan, the \$1,573,000 development incentive has a present value of \$1,000,000 assuming that the Developer will pay interest at a rate of 4.375% to borrow against the future incentive payments which will be made on a pay as you go basis. The Developer has indicated that they expect to use a portion of the annual payments to secure a loan of approximately \$567,000 to pay Project construction costs, with the balance providing additional cash flow for the Project to support financial feasibility. The potential incentive amount is based on Developer's assistance request. To the extent development incentives are provided, the amounts, timing of and related conditions will be determined based on the City's review and confirmation of a demonstrated financing gap and may therefore vary from the assumptions used in the Plan for purposes of assessing economic feasibility.

Development incentive payments will be paid from tax increments as they are collected on a "pay as you go" basis. Administrative expenses will be paid from tax increments collected, or from advances from other funds to the extent those costs exceed cash amounts available. The City will recover any amounts advanced to the District as cash flows permit.

Based on the cash flow exhibit (**Table 3**), the City anticipates that the District will generate enough tax increment to pay all Project Costs by the year 2043, reflecting 21 years of tax increment collections, and 23 years of total elapsed time. If necessary, the District would be permitted to remain open for up to 29 years, allowing for up to a total of 27 years of tax increment collection. The projected 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. If public improvements expenditures are not required, the District would close one year sooner.

City of Oshkosh, WI

Tax Increment District # 40 (Miles Kimball Redevelopment)

Cash Flow Projection

Year	Projected Revenues			Project MRO - Dated 12-1-2021 ²							Balances			Year			
	Tax Increments	Advances ¹	Total Revenues	Begin Bal.	Est. Rate	Acc. Int.	Pymt (11/1)	End Balance	Project MRO ²	Public Infrastructure ³	Repay Adv. @ 2% Int. ¹	Admin.	Total Expenditures		Annual	Cumulative	MRO & Advance Bal.
2021		25,000	25,000										25,000	0	0	25,500	2021
2022		5,000	5,000				1,000,000					5,000	5,000	0	0	1,031,100	2022
2023	88,064		88,064	1,000,000	4.375%	83,854	(79,257)	1,004,597	79,257		3,706	5,100	88,064	0	0	1,032,590	2023
2024	88,481		88,481	1,004,597	4.375%	43,951	(79,633)	968,915	79,633		3,646	5,202	88,481	0	0	995,869	2024
2025	88,481		88,481	968,915	4.375%	42,390	(79,633)	931,672	79,633		3,542	5,306	88,481	0	0	955,623	2025
2026	88,481		88,481	931,672	4.375%	40,761	(79,633)	892,800	79,633		3,436	5,412	88,481	0	0	913,794	2026
2027	88,481		88,481	892,800	4.375%	39,060	(79,633)	852,227	79,633		3,328	5,520	88,481	0	0	870,313	2027
2028	88,481		88,481	852,227	4.375%	37,285	(79,633)	809,878	79,633		3,217	5,631	88,481	0	0	825,109	2028
2029	88,481		88,481	809,878	4.375%	35,432	(79,633)	765,678	79,633		3,105	5,743	88,481	0	0	778,108	2029
2030	88,481		88,481	765,678	4.375%	33,498	(79,633)	719,543	79,633		2,990	5,858	88,481	0	0	729,232	2030
2031	88,481		88,481	719,543	4.375%	31,480	(79,633)	671,390	79,633		2,873	5,975	88,481	0	0	678,400	2031
2032	88,481		88,481	671,390	4.375%	29,373	(79,633)	621,130	79,633		2,753	6,095	88,481	0	0	625,528	2032
2033	88,481		88,481	621,130	4.375%	27,174	(79,633)	568,672	79,633		2,631	6,217	88,481	0	0	570,526	2033
2034	88,481		88,481	568,672	4.375%	24,879	(79,633)	513,918	79,633	616	1,891	6,341	88,481	0	0	513,918	2034
2035	88,481		88,481	513,918	4.375%	22,484	(79,633)	456,769	79,633	2,380		6,468	88,481	0	0	456,769	2035
2036	88,481		88,481	456,769	4.375%	19,984	(79,633)	397,120	79,633	2,251	19,984	6,597	88,481	0	0	397,120	2036
2037	88,481		88,481	397,120	4.375%	17,374	(79,633)	334,861	79,633	2,119	17,374	6,729	88,481	0	0	334,861	2037
2038	88,481		88,481	334,861	4.375%	14,650	(79,633)	269,878	79,633	1,984	14,650	6,864	88,481	0	0	269,878	2038
2039	88,481		88,481	269,878	4.375%	11,807	(79,633)	202,052	79,633	1,847	11,807	7,001	88,481	0	0	202,052	2039
2040	88,481		88,481	202,052	4.375%	8,840	(79,633)	131,259	79,633	1,707	8,840	7,141	88,481	0	0	131,259	2040
2041	88,481		88,481	131,259	4.375%	5,743	(79,633)	57,368	79,633	1,564	5,743	7,284	88,481	0	0	57,368	2041
2042	88,481		88,481	57,368	4.375%	2,510	(59,878)	0	59,878	21,173		7,430	88,481	(0)	0	0	2042
2043	88,481		88,481	0	4.375%	0	0	0	0	64,360			64,360	24,121	24,122	0	2043
2044	88,481		88,481	0	4.375%	0	0	0	0				0	88,481	112,603	0	2044
2045	88,481		88,481	0	4.375%	0	0	0	0				0	88,481	201,084	0	2045
2046	88,481		88,481	0	4.375%	0	0	0	0				0	88,481	289,565	0	2046
2047	88,481		88,481	0	4.375%	0	0	0	0				0	88,481	378,046	0	2047
2048	88,481		88,481	0	4.375%	0	0	0	0				0	88,481	466,527	0	2048
2049	88,481		88,481	0	4.375%	0	0	0	0				0	88,481	555,008	0	2049
Total	2,388,573	30,000	2,418,573			572,530	(1,572,530)		1,572,530	100,000	37,118	153,917	1,863,564				Total

Notes:

¹As needed, the City will advance the District funds to pay administrative costs, and will recover those advances, with interest, from available cash flow.

²Incentive shown reflects requested amount from Developer's TIF Application dated 11-7-2020, and is identified for purposes of establishing economic feasibility only. The City has not agreed to final terms or conditions with the Developer.

³Reflects potential contribution of funds towards any public infrastructure that may be required to implement the Project. May include reimbursement to other funds that may initially pay the cost of improvements.

Projected TID Closure

Table 3 - Cash Flow

SECTION 10: 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 11: 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 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

Current zoning is Central Mixed Use with a Planned Development overlay (CMU-PD). The proposed Plan is in general conformance with the City's current zoning ordinances.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for mixed use development.

Building Codes and Ordinances

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 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced

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 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by rehabilitating and conserving property and providing appropriate financial incentives for private development projects. 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 rehabilitation and conservation of a blighted historic structure located within a key redevelopment area, creation of market rate multi-family housing to meet market demand, and provision of employment and commercial opportunities related to the construction and operation of the Project.

SECTION 15:

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 16:
Legal Opinion Advising Whether the Plan is
Complete and Complies with Wis. Stat. §
66.1105(4)(f)

Legal Opinion Found on Following Page.

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

City of Oshkosh



January 13, 2021

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 prepared for the City of Oshkosh by Ehlers, Inc. for Tax Increment District #40 Miles Kimball Redevelopment for form and to determine whether it contains all required elements pursuant to Section 66.1105(4)(f) of the Wisconsin Statutes.

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 and the time when the costs are to be incurred. The plan indicates no non-project costs are anticipated to be incurred, but does define such costs. The plan contains maps of existing uses and conditions of real property, as well as, proposed improvements and uses. The plan identifies that there will be no change in zoning of the real property in the district and no 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 indicating that there is no anticipated relocation of any persons to be displaced, but that if relocation would become required it will be conducted in accordance with Ch. 32 Wis. Stats. and ADMIN 92. The plan includes a description of how 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



SECTION 17:
Calculation of the Share of Projected Tax
Increments Estimated to be Paid by the Owners of
Property in the Overlying Taxing Jurisdictions

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

Revenue Year	Winnebago County	City of Oshkosh	Oshkosh Area School District	Fox Valley Technical College	Total	Revenue Year
2023	17,076	35,232	32,184	3,571	88,064	2023
2024	17,157	35,399	32,337	3,588	88,481	2024
2025	17,157	35,399	32,337	3,588	88,481	2025
2026	17,157	35,399	32,337	3,588	88,481	2026
2027	17,157	35,399	32,337	3,588	88,481	2027
2028	17,157	35,399	32,337	3,588	88,481	2028
2029	17,157	35,399	32,337	3,588	88,481	2029
2030	17,157	35,399	32,337	3,588	88,481	2030
2031	17,157	35,399	32,337	3,588	88,481	2031
2032	17,157	35,399	32,337	3,588	88,481	2032
2033	17,157	35,399	32,337	3,588	88,481	2033
2034	17,157	35,399	32,337	3,588	88,481	2034
2035	17,157	35,399	32,337	3,588	88,481	2035
2036	17,157	35,399	32,337	3,588	88,481	2036
2037	17,157	35,399	32,337	3,588	88,481	2037
2038	17,157	35,399	32,337	3,588	88,481	2038
2039	17,157	35,399	32,337	3,588	88,481	2039
2040	17,157	35,399	32,337	3,588	88,481	2040
2041	17,157	35,399	32,337	3,588	88,481	2041
2042	17,157	35,399	32,337	3,588	88,481	2042
2043	17,157	35,399	32,337	3,588	88,481	2043
2044	17,157	35,399	32,337	3,588	88,481	2044
2045	17,157	35,399	32,337	3,588	88,481	2045
2046	17,157	35,399	32,337	3,588	88,481	2046
2047	17,157	35,399	32,337	3,588	88,481	2047
2048	17,157	35,399	32,337	3,588	88,481	2048
2049	17,157	35,399	32,337	3,588	88,481	2049
Total	463,166	955,614	872,943	96,850	2,388,573	