

September 21, 2021

PROJECT PLAN

City of Oshkosh, Wisconsin

Tax Incremental District No. 41 (Smith School Redevelopment)



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BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	September 17, 2021 (Scheduled)
Public Hearing Held:	September 21, 2021 (Scheduled)
Approval by Plan Commission:	September 21, 2021 (Scheduled)
Adoption by Common Council:	October 12, 2021 (Scheduled)
Approval by the Joint Review Board:	TBD

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SECTION 1:

Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 41 (“District”) is a proposed district in need of rehabilitation or conservation consisting of a 2.66-acre parcel located at 1745 Oregon Street, the former Oshkosh Area School District Smith Elementary School which was sold in 2019. The City has received an application from Northpointe Development Corporation (“Developer”) for tax incremental financing (“TIF”) assistance to support rehabilitation of the school structure for use as low-income apartments (“Project”). The Project will include a total of 31 one-, two- and three-bedroom apartment units and construction of 44 garage spaces with additional off-street parking. The Project would be financed with a combination of Low-Income Housing Tax Credits (LIHTC), Historic Tax Credits, DOA Home program funds and a “pay as you go” development incentive provided by the District.

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 \$1,647,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$1,482,000 in development incentives and \$164,000 for District administrative costs related to its creation and ongoing administration. Based on the cash flow projection and assumptions made in this Plan, the \$1,482,000 development incentive has a present value of approximately \$780,000 that the Developer will monetize through WHEDA at a 4.25% discount rate.

INCREMENTAL VALUATION

The City projects that new land and improvements value of approximately \$2.05 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 need to remain open for its entire 27 year life to generate sufficient tax increment to pay all Project Costs.

SUMMARY OF FINDINGS

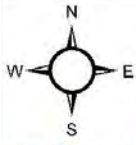
As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

- 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.** The City recognizes the community need for affordable housing which typically requires TIF participation. The Developer’s application for TIF assistance reflects an Internal Rate of Return of 3.59% for the tax credit investor if approximately \$1,482,000 in development incentives are provided to the Project, and a negative 0.78% return without incentives. Based on the Developer’s representations in their application for TIF assistance, the City has concluded that the Project would not likely proceed without a development incentive. The specific amount and terms of any incentive provided to the Project will be subject to additional due diligence undertaken by the City prior to approval of a development agreement.
- 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 the former school building, creation of affordable housing, 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. Not less than 50% by area of the real property within the District is in need of rehabilitation or conservation work as defined by Wis. Stat. § 66.1337(2m)(a).** (See Section 4 of this Plan for basis of finding).
- 5. Based on the foregoing finding, the District is designated as a district in need of rehabilitation or conservation.**

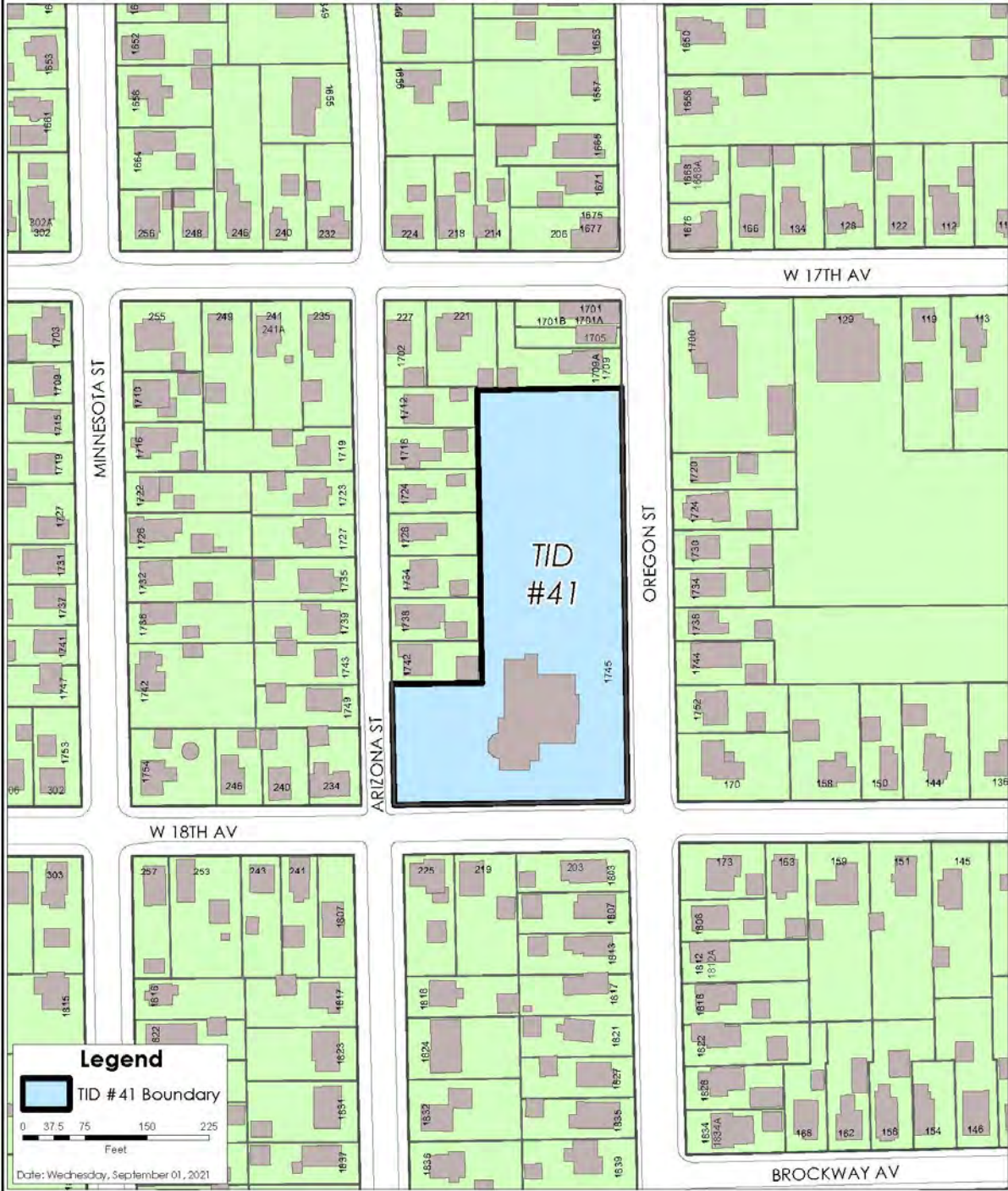
6. The Project Costs relate directly to the rehabilitation or conservation of property and improvements in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the 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. The City estimates that none 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 (Comprehensive) Plan of the City.

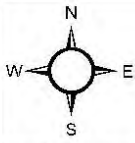
SECTION 2: Preliminary Maps of Proposed District Boundary

Maps Found on Following Pages.



Tax Increment District #41 Smith School Redevelopment District Boundary

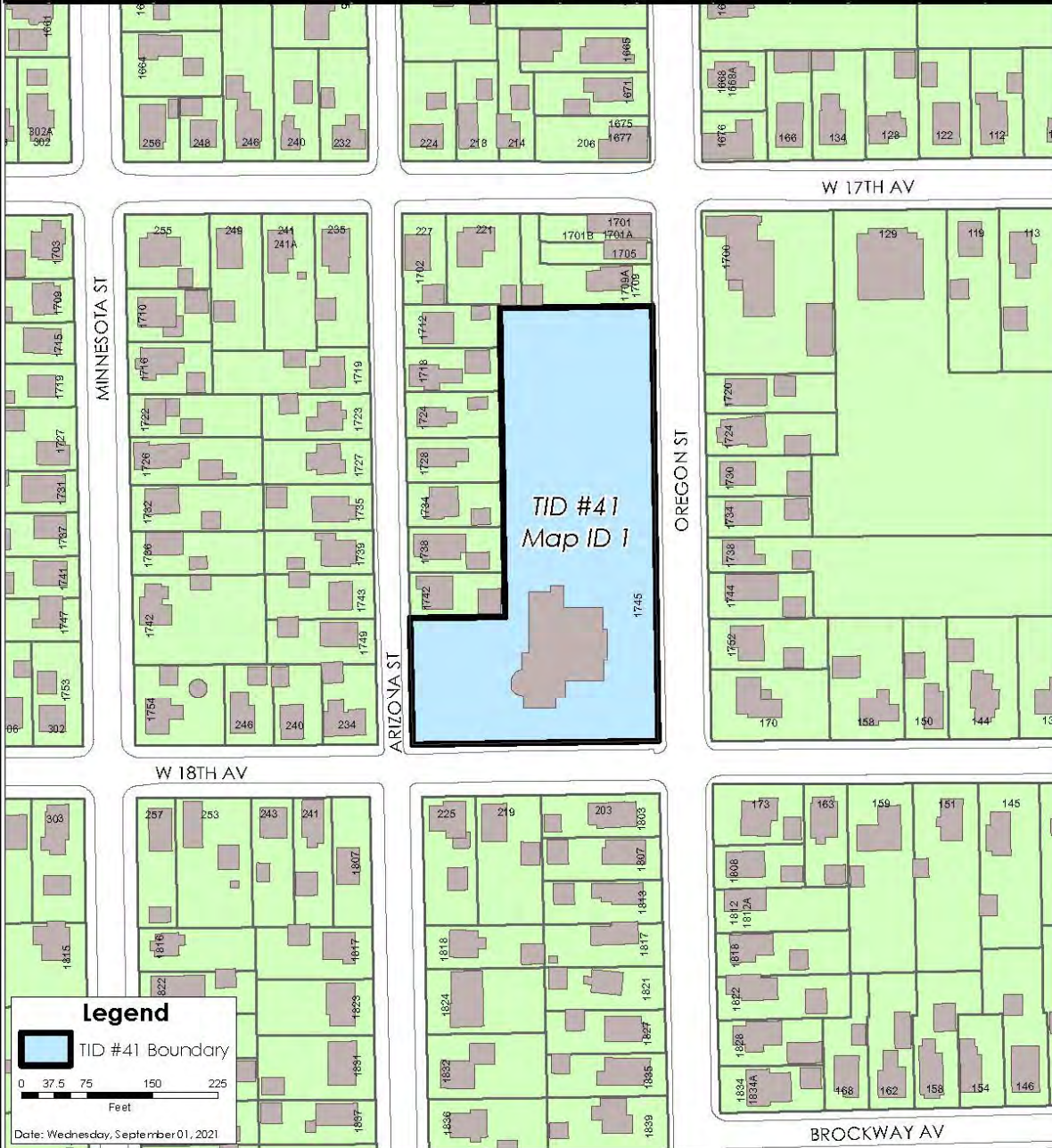


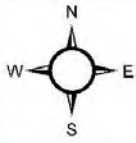


Tax Increment District #41 Smith School Redevelopment Parcel Identification



Map ID	Parcel #	Owner	Local Address	Land Value	Impr. Value	Total Value	Equalized Value	Class	Dwelling Units	Census Tract	Zoning
1	14-0363-0000	SMITH SCHOOL LOFTS LLC	1745 OREGON ST	\$152,100	\$148,900	\$301,000	\$338,400	B	0	15	I-PD
TOTALS:				\$152,100	\$148,900	\$301,000	\$338,400				





Tax Increment District #41 Smith School Redevelopment Half Mile Buffer

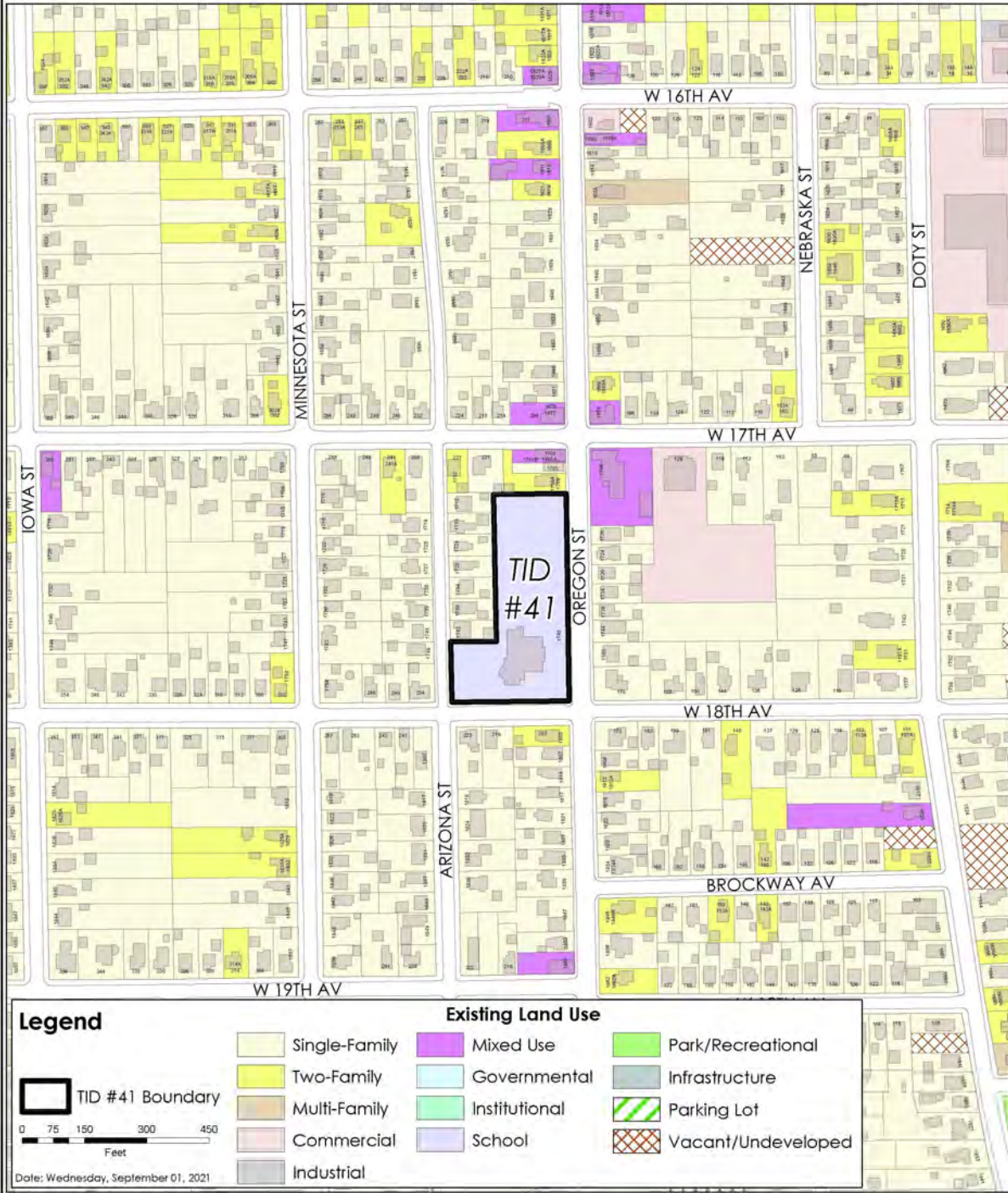


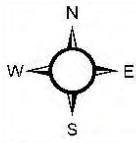
SECTION 3: Map Showing Existing Uses and Conditions

Map Found on Following Page.



Tax Increment District #41 Smith School Redevelopment Existing Land Use





Tax Increment District #41 Smith School Redevelopment Existing Conditions



SECTION 4: Preliminary Parcel List and Analysis

The District will consist of a single tax parcel:

Parcel Number: 14-0360-000
 Address: 1745 Oregon Street
 Owner: Smith School Lofts LLC
 Acres: 2.66

Current Value:

	Assessed	Equalized*
Land	\$152,100	\$187,800
Improvements	\$148,900	\$183,800
Total	\$301,000	\$371,600

* Assessor's estimated 2021 equalization ratio as reported in Invista Analytics, LLC's "Investment Analysis Report" dated August 17, 2021.

The improvements located on the parcel, the former Smith Elementary School, 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 original school was designed by noted Oshkosh architect William Waters in 1896 as a four-classroom building with a central stair. In 1929, the firm of Auler, Jensen and Brown designed an addition to the west adding an additional 6 classrooms and recreational space. In 1996 the Oshkosh Area School District ("OASD") added a gymnasium with two additional classrooms and central offices to the building. In June of 2019, the Oshkosh Board of Education voted to close Smith School after 124 years of educational service citing \$3.7 million in needed repairs and maintenance.

These costs are detailed in a presentation prepared by OASD dated May 22, 2019 titled “Facilities Planning: Smith Elementary” and in a related document titled “3315_OASD Study Document_8.1.17_smith.pdf” both of which are on file with the City. Some of the costs cited include replacement of the original building roof, correction of water infiltration into occupied space, exterior envelope tuck pointing, replacement of dated and failing plumbing fixtures, mold remediation, and building wide window replacement. The costs cited by the OASD support the conclusion that the property is in need of rehabilitation given that adaptive reuse of the property will require that many of the same repairs be made.

In May of this year, the Wisconsin Historic Preservation Review Board voted to include Smith School on the state register of historic places and nominated it for the National Register of historic places. A preliminary determination by the National Park Service suggested that this property is likely to be listed on the National Registry. It is anticipated that the National Park Service will make the final National Registry determination soon.

Architectural plans developed by Wesenberg Architects show the building being transformed into 31 total apartments including one-, two-, and three-bedroom units. These plans have been reviewed by the Wisconsin Historical Society’s State Historic Preservation Office and have been determined to be consistent with the Secretary of the Interior’s standards for historic preservation by the state. Should the National Park Service make an affirmative final determination on the National Registry Listing, as well as approve the proposed development plan, the project will be eligible to receive both federal and state historic preservation tax credits.

The historic status and local significance of the property, its inclusion on the state register of historic places and potential inclusion on the National Register of historic places combined with the need for rehabilitation work support the conclusion that the property is also in need of conservation.

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 \$258,780,805. This value is less than the maximum \$578,533,500 in equalized value that is permitted for the City.

City of Oshkosh, WI Tax Increment District # 41 (Smith School Redevelopment) Valuation Test Compliance Calculation	
District Creation Date	10/12/2021
Valuation Data Currently Available	2021
Total EV (TID IN)	4,821,112,500
X 12% (12% Test)	578,533,500
Incremental Value of Existing TIDs	258,409,200
Projected Base Value of District	371,605
Total Value Subject to 12% Test	258,780,805
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 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.

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.

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 riverbanks; 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. While the cashflow projections in this Plan indicate that no funds will be available at the end of the District's expenditure period to pay costs other than those identified in Section 8 of the Plan, should the District's performance exceed expectations the City may need to make public infrastructure improvements to benefit the District. In that case, the City will utilize District funds to pay for those costs to the extent funds are available and the work benefits the Project and District.**

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

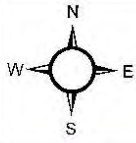
The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

Financing Costs

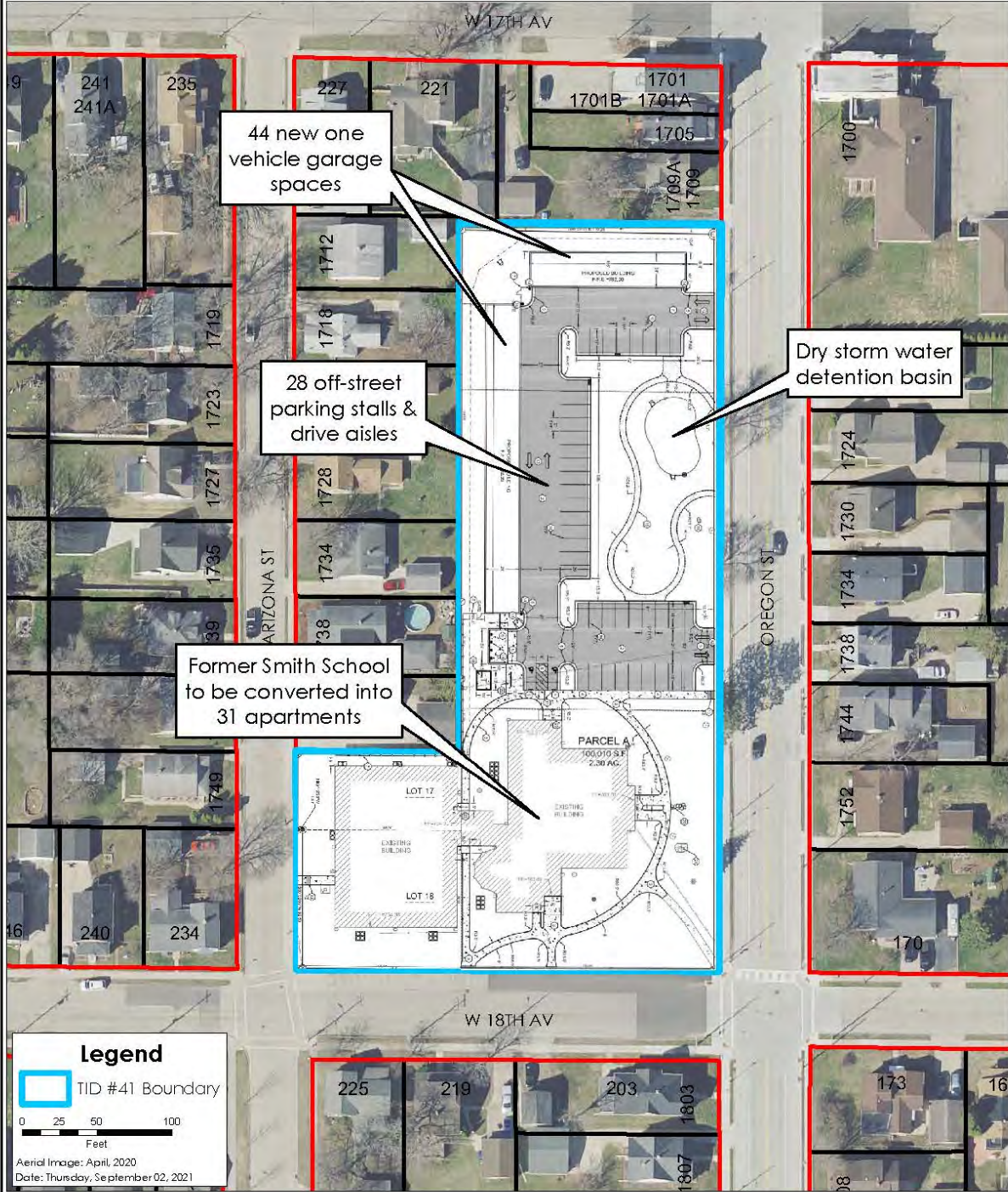
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7: **Map Showing Proposed Improvements and Uses**

Maps Found on Following Pages.

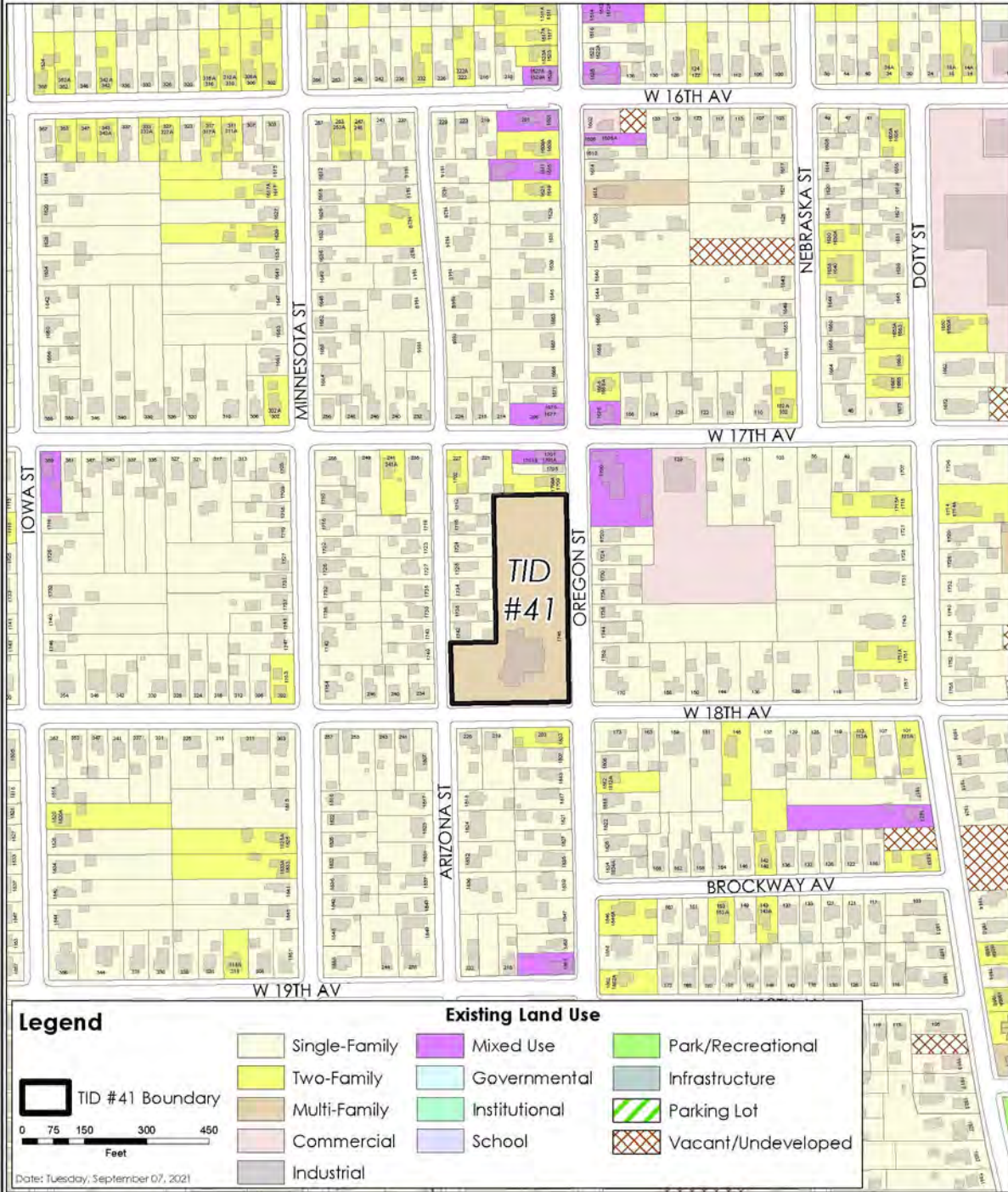


Tax Increment District #41 Smith School Redevelopment Proposed Improvements





Tax Increment District #41 Smith School 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. While the cashflow projections in this Plan indicate that no funds will be available at the end of the District’s expenditure period to pay costs other than those identified in this Section, should the District’s performance exceed expectations the City may need to make public infrastructure improvements to benefit the District. In that case, the City will utilize District funds to pay for those costs to the extent funds are available and the work benefits the Project and District.

City of Oshkosh, WI		
Tax Increment District # 41 (Smith School Redevelopment)		
Detailed List of Project Costs		
<u>Project Name/Type</u>	<u>Timeframe</u>	<u>Total</u>
Development Incentive (Pay as You Go) ¹	2024 - 2050	1,482,335
Administrative Expenses ²	2024 - 2050	164,704
Total Projects		<u>1,647,039</u>
Notes:		
¹ Projected incentive shown reflects requested amount from Developer's TIF Application dated August 17, 2021 and is identified for purposes of establishing economic feasibility only. Developer has requested payments equal to 90% of incremental taxes collected to produce a present value amount of \$760,621 to be monetized by WHEDA at a 4.25% discount rate. The City has not agreed to final terms or conditions with the Developer.		
² Equal to 10% of projected annual tax increment collection.		

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 \$2.05 million in incremental value by January 1, 2023. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming a projected equalized TID Interim tax rate of \$25.44 per thousand of equalized value and an annual 1% increase in the value of the Project due to economic appreciation the Project would generate approximately \$1.65 million in incremental tax revenue over the 27-year term of the District as shown in **Table 2**. The projected tax rate used for this Plan is intended to reflect the anticipated impacts of the Oshkosh Area School District capital facilities referendum approved in 2020. 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 # 41 (Smith School Redevelopment)
Development Assumptions

Construction Year		Actual	Project ¹	Less Estimated Base Value	Annual Total	Construction Year	
1	2022		2,426,128	(371,605)	2,054,523	2022	1
2	2023				0	2023	2
3	2024				0	2024	3
4	2025				0	2025	4
5	2026				0	2026	5
6	2027				0	2027	6
7	2028				0	2028	7
8	2029				0	2029	8
9	2030				0	2030	9
10	2031				0	2031	10
11	2032				0	2032	11
12	2033				0	2033	12
13	2034				0	2034	13
14	2035				0	2035	14
15	2036				0	2036	15
16	2037				0	2037	16
17	2038				0	2038	17
18	2039				0	2039	18
19	2040				0	2040	19
20	2041				0	2041	20
21	2042				0	2042	21
22	2043				0	2043	22
23	2044				0	2044	23
24	2045				0	2045	24
25	2046				0	2046	25
26	2047				0	2047	26
27	2048				0	2048	27
Totals		0	2,426,128	(371,605)	2,054,523		

Notes:

¹Projected valuation as estimated by City Assessor in e-mail dated 8-31-2021.

Table 1 - Development Assumptions

Tax Increment District # 41 (Smith School Redevelopment)

Tax Increment Projection Worksheet

Type of District	Rehabilitation		Base Value	371,605
District Creation Date	October 12, 2021		Appreciation Factor	1.00%
Valuation Date	Jan 1,	2022	Base Tax Rate	\$25.44
Max Life (Years)	27		Rate Adjustment Factor	
Expenditure Period/Termination	22	10/12/2043		
Revenue Periods/Final Year	27	2050		
Extension Eligibility/Years	Yes	3		
Eligible Recipient District	Yes			

	Construction		Valuation Year	Inflation Increment	Total Increment	Revenue		Tax Increment
	Year	Value Added				Year	Tax Rate ¹	
1	2022	2,054,523	2023		2,054,523	2024	\$25.44	52,267
2	2023	0	2024	24,261	2,078,784	2025	\$25.44	52,884
3	2024	0	2025	24,504	2,103,288	2026	\$25.44	53,508
4	2025	0	2026	24,749	2,128,037	2027	\$25.44	54,137
5	2026	0	2027	24,996	2,153,034	2028	\$25.44	54,773
6	2027	0	2028	25,246	2,178,280	2029	\$25.44	55,415
7	2028	0	2029	25,499	2,203,779	2030	\$25.44	56,064
8	2029	0	2030	25,754	2,229,533	2031	\$25.44	56,719
9	2030	0	2031	26,011	2,255,544	2032	\$25.44	57,381
10	2031	0	2032	26,271	2,281,815	2033	\$25.44	58,049
11	2032	0	2033	26,534	2,308,350	2034	\$25.44	58,724
12	2033	0	2034	26,800	2,335,149	2035	\$25.44	59,406
13	2034	0	2035	27,068	2,362,217	2036	\$25.44	60,095
14	2035	0	2036	27,338	2,389,555	2037	\$25.44	60,790
15	2036	0	2037	27,612	2,417,167	2038	\$25.44	61,493
16	2037	0	2038	27,888	2,445,054	2039	\$25.44	62,202
17	2038	0	2039	28,167	2,473,221	2040	\$25.44	62,919
18	2039	0	2040	28,448	2,501,669	2041	\$25.44	63,642
19	2040	0	2041	28,733	2,530,402	2042	\$25.44	64,373
20	2041	0	2042	29,020	2,559,422	2043	\$25.44	65,112
21	2042	0	2043	29,310	2,588,732	2044	\$25.44	65,857
22	2043	0	2044	29,603	2,618,336	2045	\$25.44	66,610
23	2044	0	2045	29,899	2,648,235	2046	\$25.44	67,371
24	2045	0	2046	30,198	2,678,433	2047	\$25.44	68,139
25	2046	0	2047	30,500	2,708,934	2048	\$25.44	68,915
26	2047	0	2048	30,805	2,739,739	2049	\$25.44	69,699
27	2048	0	2049	31,113	2,770,853	2050	\$25.44	70,490
Totals		2,054,523		716,330		Future Value of Increment		1,647,039

Table 2 - Tax Increment Projection Worksheet

Financing and Implementation

The City anticipates making total expenditures of approximately \$1,647,000 including an estimated \$1,482,000 in development incentives and \$165,000 for District administrative costs related to its creation and ongoing administration. Based on the cash flow projection and assumptions made in this Plan, the \$1,647,000 development incentive has a present value of approximately \$780,000 that the Developer will monetize through WHEDA at a 4.25% discount rate.

The potential incentive amount included in this Plan is based on Developer's TIF assistance request. The specific amount and terms of any incentive provided to the Project will be subject to additional due diligence undertaken by the City prior to approval of a development agreement.

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 need to remain open for its entire 27-year life to generate enough tax increment to pay all Project Costs.

While the cashflow projection indicates that no funds will be available at the end of the District's expenditure period to pay costs other than those identified in the projection and in Section 8 of this Plan, should the District's performance exceed expectations the City may need to make public infrastructure improvements to benefit the District. In that case, the City will utilize District funds to pay for those costs to the extent funds are available and the work benefits the Project and District.

City of Oshkosh, WI

Tax Increment District # 41 (Smith School Redevelopment)

Cash Flow Projection

Year	Projected Revenues		Project MRO ¹					Project MRO		Total Expenditures	Balances			Year
	Tax Increments	Total Revenues	Begin Bal.	Est. Rate	Acc. Int.	Pymt (11/1)	End Balance	@ 90% ¹	Admin. @ 10%		Annual	Cumulative	MRO Prin. Bal Outstanding	
2022		0	779,596	4.250%	33,133	0	812,728	0		0	0	0	2022	
2023		0	812,728	4.250%	34,541	0	847,269	0		0	0	847,269	2023	
2024	52,267	52,267	847,269	4.250%	36,009	(47,040)	836,238	47,040	5,227	52,267	0	836,238	2024	
2025	52,884	52,884	836,238	4.250%	35,540	(47,596)	824,182	47,596	5,288	52,884	0	824,182	2025	
2026	53,508	53,508	824,182	4.250%	35,028	(48,157)	811,053	48,157	5,351	53,508	0	811,053	2026	
2027	54,137	54,137	811,053	4.250%	34,470	(48,724)	796,799	48,724	5,414	54,137	0	796,799	2027	
2028	54,773	54,773	796,799	4.250%	33,864	(49,296)	781,367	49,296	5,477	54,773	0	781,367	2028	
2029	55,415	55,415	781,367	4.250%	33,208	(49,874)	764,702	49,874	5,542	55,415	0	764,702	2029	
2030	56,064	56,064	764,702	4.250%	32,500	(50,458)	746,744	50,458	5,606	56,064	0	746,744	2030	
2031	56,719	56,719	746,744	4.250%	31,737	(51,047)	727,433	51,047	5,672	56,719	0	727,433	2031	
2032	57,381	57,381	727,433	4.250%	30,916	(51,643)	706,706	51,643	5,738	57,381	0	706,706	2032	
2033	58,049	58,049	706,706	4.250%	30,035	(52,244)	684,496	52,244	5,805	58,049	0	684,496	2033	
2034	58,724	58,724	684,496	4.250%	29,091	(52,852)	660,735	52,852	5,872	58,724	0	660,735	2034	
2035	59,406	59,406	660,735	4.250%	28,081	(53,466)	635,351	53,466	5,941	59,406	0	635,351	2035	
2036	60,095	60,095	635,351	4.250%	27,002	(54,085)	608,268	54,085	6,009	60,095	0	608,268	2036	
2037	60,790	60,790	608,268	4.250%	25,851	(54,711)	579,408	54,711	6,079	60,790	0	579,408	2037	
2038	61,493	61,493	579,408	4.250%	24,625	(55,343)	548,690	55,343	6,149	61,493	0	548,690	2038	
2039	62,202	62,202	548,690	4.250%	23,319	(55,982)	516,027	55,982	6,220	62,202	0	516,027	2039	
2040	62,919	62,919	516,027	4.250%	21,931	(56,627)	481,331	56,627	6,292	62,919	0	481,331	2040	
2041	63,642	63,642	481,331	4.250%	20,457	(57,278)	444,510	57,278	6,364	63,642	0	444,510	2041	
2042	64,373	64,373	444,510	4.250%	18,892	(57,936)	405,465	57,936	6,437	64,373	0	405,465	2042	
2043	65,112	65,112	405,465	4.250%	17,232	(58,601)	364,097	58,601	6,511	65,112	0	364,097	2043	
2044	65,857	65,857	364,097	4.250%	15,474	(59,272)	320,300	59,272	6,586	65,857	0	320,300	2044	
2045	66,610	66,610	320,300	4.250%	13,613	(59,949)	273,963	59,949	6,661	66,610	0	273,963	2045	
2046	67,371	67,371	273,963	4.250%	11,643	(60,634)	224,972	60,634	6,737	67,371	0	224,972	2046	
2047	68,139	68,139	224,972	4.250%	9,561	(61,325)	173,208	61,325	6,814	68,139	0	173,208	2047	
2048	68,915	68,915	173,208	4.250%	7,361	(62,024)	118,546	62,024	6,892	68,915	0	118,546	2048	
2049	69,699	69,699	118,546	4.250%	5,038	(62,729)	60,855	62,729	6,970	69,699	0	60,855	2049	
2050	70,490	70,490	60,855	4.250%	2,586	(63,441)	0	63,441	7,049	70,490	(0)	0	2050	
Total	1,647,039	0	1,647,039		635,065	(1,482,335)		1,482,335	164,704	1,647,039			Total	

Notes:

¹Projected incentive shown reflects requested amount from Developer's TIF Application dated August 17, 2021 and is identified for purposes of establishing economic feasibility only. Developer has requested payments equal to 90% of incremental taxes collected through the 27 year TID life to be monetized by WHEDA at a 4.25% discount rate. The City has not agreed to final terms or conditions with the Developer.

779,596 Present Value of Project MRO Payments @ 4.25% Discount¹

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 none 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

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for multi-family 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, creation of affordable 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.



September 15, 2021

Kelly Nieforth
Director of Community Development
City of Oshkosh
215 Church Avenue
Oshkosh, WI 54903-1130

Dear Ms. Nieforth:

I reviewed the project plan prepared for the City of Oshkosh by Ehlers, Inc. for Tax Increment District #41 Smith School 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
2024	10,135	21,056	18,964	2,112	52,267	2024
2025	10,254	21,305	19,188	2,137	52,884	2025
2026	10,375	21,556	19,414	2,162	53,508	2026
2027	10,497	21,810	19,643	2,187	54,137	2027
2028	10,621	22,066	19,873	2,213	54,773	2028
2029	10,745	22,325	20,106	2,239	55,415	2029
2030	10,871	22,586	20,342	2,265	56,064	2030
2031	10,998	22,850	20,580	2,292	56,719	2031
2032	11,126	23,117	20,820	2,318	57,381	2032
2033	11,256	23,386	21,062	2,345	58,049	2033
2034	11,387	23,658	21,307	2,373	58,724	2034
2035	11,519	23,933	21,554	2,400	59,406	2035
2036	11,652	24,210	21,804	2,428	60,095	2036
2037	11,787	24,490	22,057	2,456	60,790	2037
2038	11,924	24,773	22,312	2,485	61,493	2038
2039	12,061	25,059	22,569	2,513	62,202	2039
2040	12,200	25,348	22,829	2,542	62,919	2040
2041	12,340	25,639	23,092	2,571	63,642	2041
2042	12,482	25,934	23,357	2,601	64,373	2042
2043	12,625	26,231	23,625	2,631	65,112	2043
2044	12,770	26,531	23,895	2,661	65,857	2044
2045	12,916	26,835	24,168	2,691	66,610	2045
2046	13,063	27,141	24,444	2,722	67,371	2046
2047	13,212	27,451	24,723	2,753	68,139	2047
2048	13,363	27,763	25,005	2,784	68,915	2048
2049	13,515	28,079	25,289	2,816	69,699	2049
2050	13,668	28,398	25,576	2,848	70,490	2050
Total	319,363	663,531	597,598	66,547	1,647,039	