



April 5, 2022

## Project Plan

# Tax Incremental District No. 42 Morgan Crossing Phase II

## City of Oshkosh, Wisconsin

Organizational Joint Review Board Meeting Held:	April 1, 2022
Public Hearing Held:	April 5, 2022
Approval by Plan Commission:	April 5, 2022
Adoption by Common Council:	April 26, 2022
Approval by the Joint Review Board:	May 2, 2022

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# **SECTION 1:**

## **Executive Summary**

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### **Description of District**

Tax Incremental District (“TID”) No. 42 (“District”) is a proposed 1.41-acre Blighted Area district consisting of tax parcel 01-02440-200 located at the southwest corner of Pearl Avenue and Riverway Drive. The District will be created to pay the costs of development incentives, public infrastructure and other related costs needed to facilitate construction of a 5-story 83-unit multi-family building (“Project”) to be developed by Morgan Crossing 2, LLC (“Developer”). In addition to the incremental property value that will be created, the City expects the Project will result in the provision of housing units geared towards young professionals, University of Wisconsin - Oshkosh staff, co-living, and senior living residents. The Project will also result in the creation of interim construction jobs, and an estimated five new permanent jobs related to the operation of the Project.

### **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 \$2,467,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs includes \$2,250,000 in development incentives, \$122,000 for public infrastructure, \$2,678 in interest expense related to projected advances, and \$92,060 for District administrative costs related to its creation and ongoing administration.

### **Incremental Valuation**

The City projects that new land and improvements value of approximately \$10 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 sufficient tax increment to pay all Project Costs within 13 of its allowable 27 years, representing 11 years of actual tax increment collection.

## 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 undertaken by Ehlers in 2020 of the original Project’s sources and uses, and cash flow proforma. (The originally proposed Project consisted of a 4-story 74-unit multi-family building). Due to costs associated with environmental remediation and provision of underground parking, the Project’s projected returns on investment over 10 years without TIF assistance were negative. The Developer initially requested that the City provide incentive payments on a pay as you go basis with a future value of \$1,850,000. With this level of TIF assistance, cash on cash returns reached only 2% by the third year of operations, and 6% in year ten with an adjusted internal rate of return slightly less than breakeven. The Developer subsequently paused the Project due to issues related to utilities and in 2022 submitted a revised assistance request for \$2,250,000 in future value incentive payments based on further increases in cost. The size of the Project was also increased to a 5-story building with a total of 83-units. Based on Ehlers original review, provision of pay as you go incentives in the amount requested was necessary to provide an acceptable return on investment for this Developer and indicated that “but for” the incentives, the project would not likely proceed. Given the additional costs now associated with the Project, the City concludes that the “but for” test continues to be met.
- 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 development of a blighted area, remediation of contaminated soils, 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 a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1.
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. 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 Plan of the City.

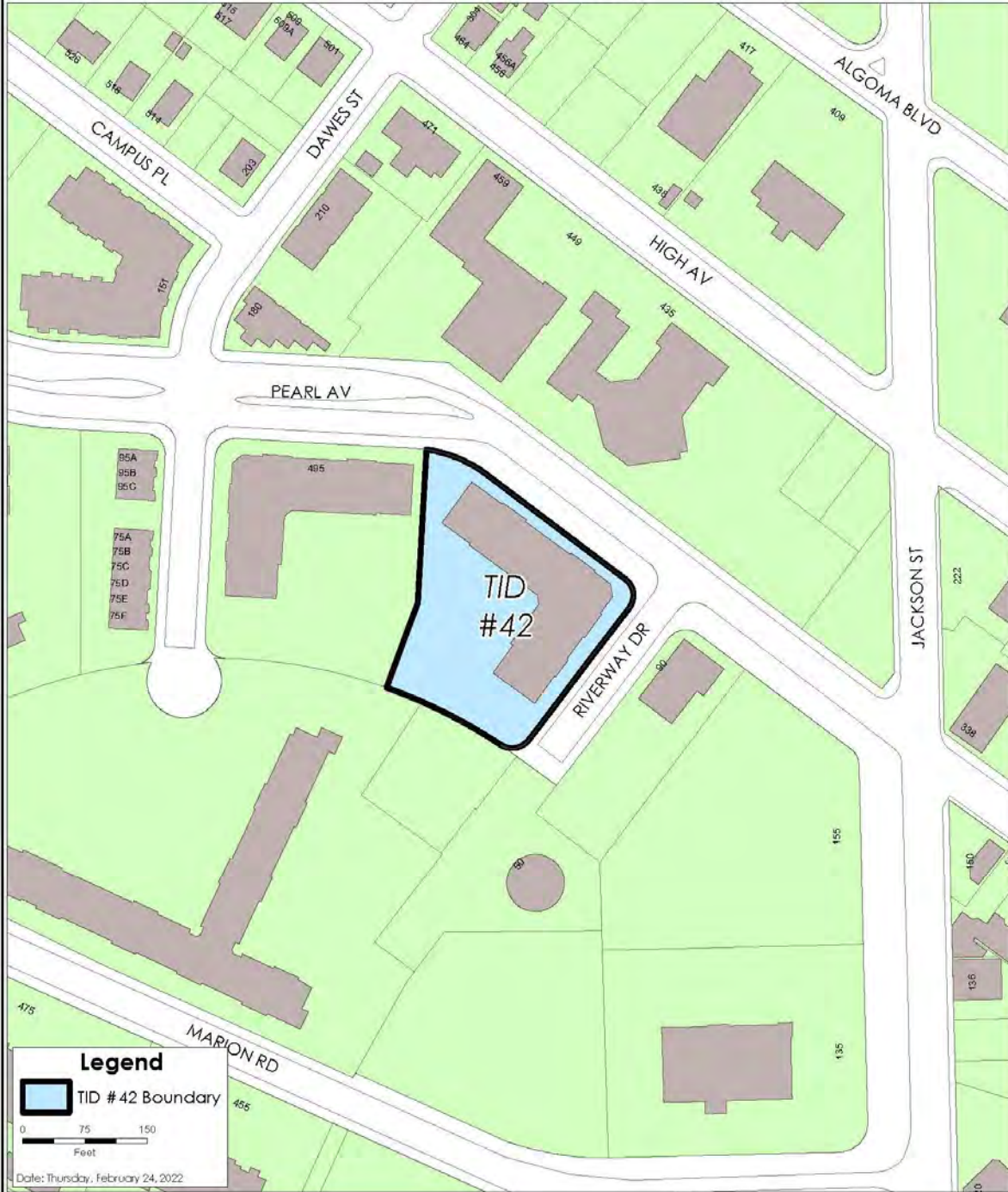
## **SECTION 2:** **Preliminary Maps of Proposed District Boundary**

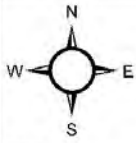
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Maps Found on Following Pages.



# Tax Increment District #42 Morgan Crossing Phase II Development District Boundary

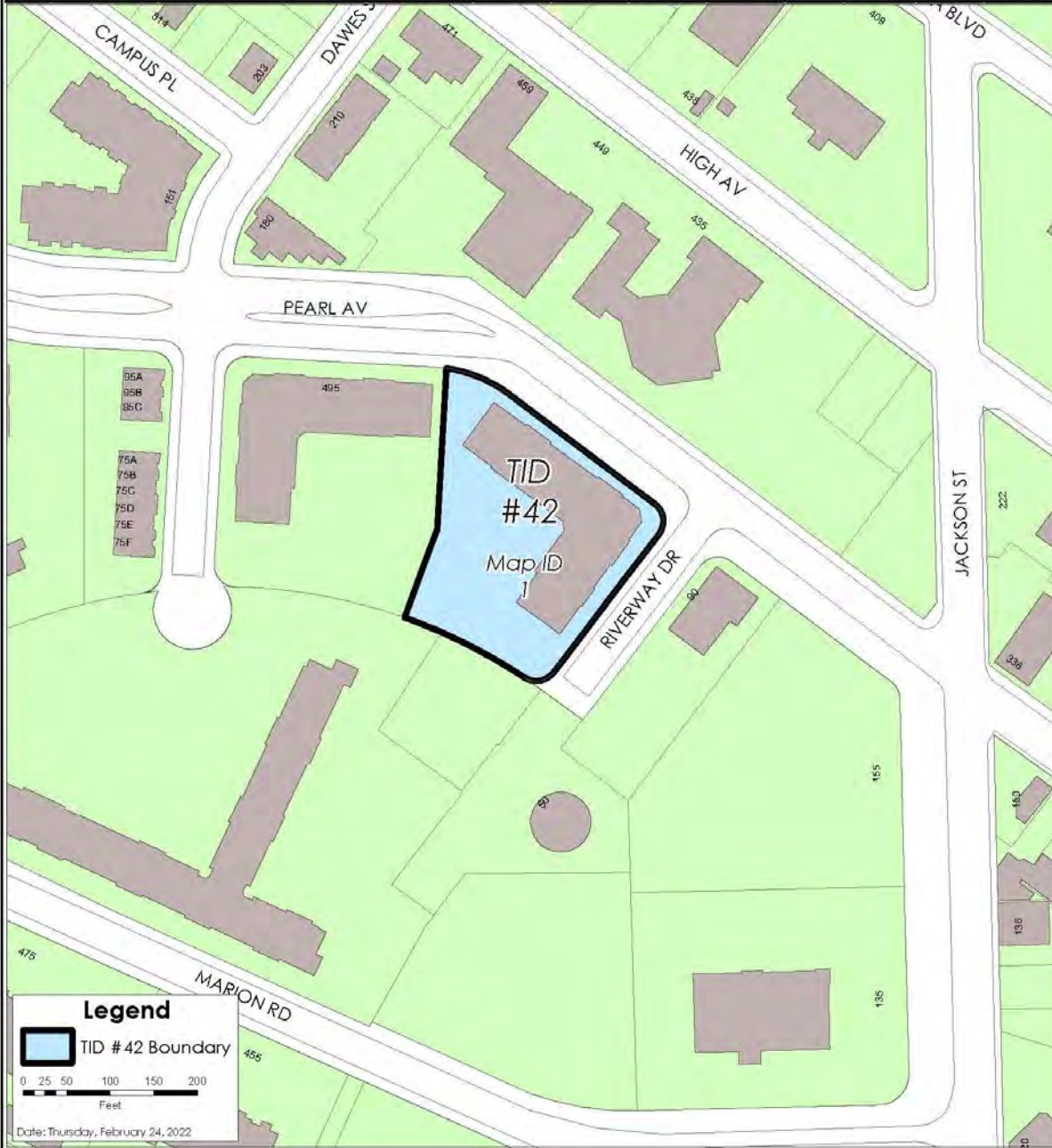




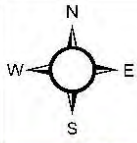
# Tax Increment District #42 Morgan Crossing Phase II Development District Boundary



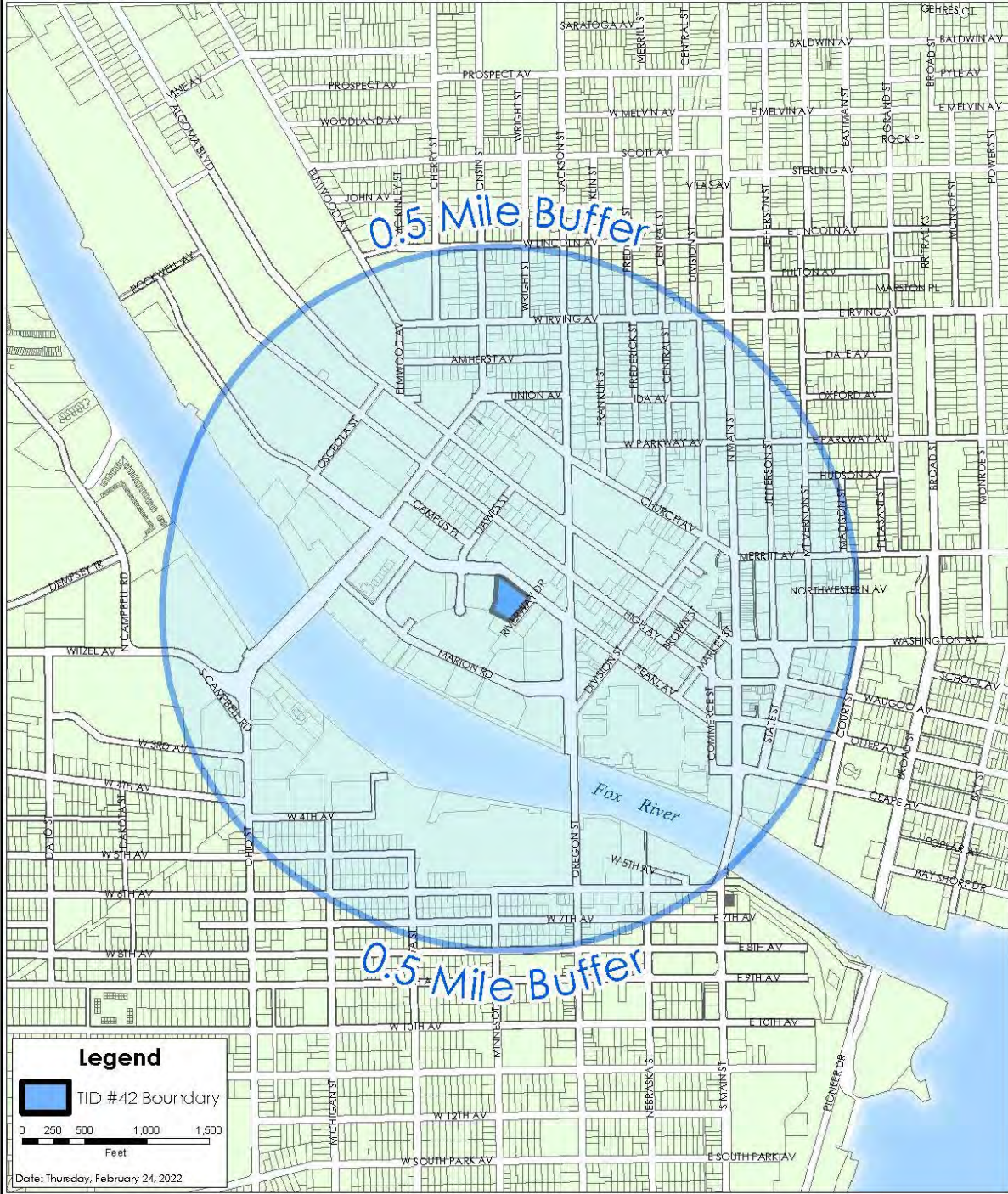
Map ID	Parcel #	Owner	Local Address	Land Value	Impr. Value	Total Value	Equalized Value	Class	Dwelling Units	Census Tract	Zoning
1	01-0244-02-00	MORGAN CROSSING 2 LLC	0 PEARL AVE	\$184,500	\$ -	\$184,500	\$222,600	B	0	5	UMU-PD
TOTALS:				\$184,500	\$ -	\$184,500	\$222,600				







# Tax Increment District #42 Morgan Crossing Phase II Development Half Mile Buffer

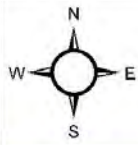


## **SECTION 3:**

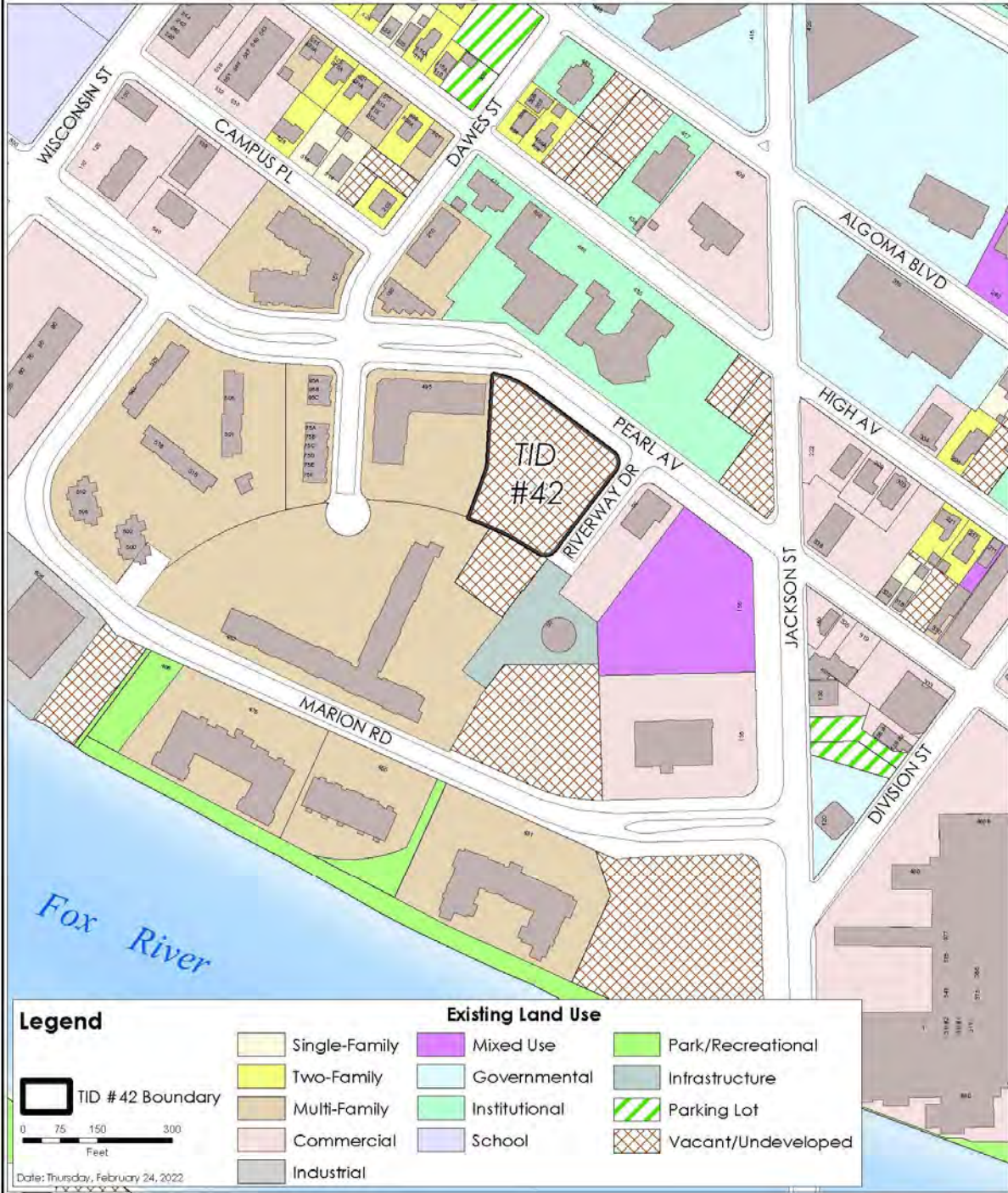
# **Maps Showing Existing Uses and Conditions**

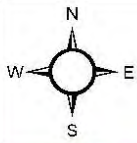
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Maps Found on Following Pages.



# Tax Increment District #42 Morgan Crossing Phase II Development Existing Land Use





# Tax Increment District #42 Morgan Crossing Phase II Development Existing Conditions



## **SECTION 4: Preliminary Parcel List and Analysis**

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The District will consist of a single tax parcel:

Parcel Number:	01-0244-02-00
Address:	0 Pearl Avenue
Owner:	Morgan Crossing 2 LLC

**The parcel is also presently located within the City’s Tax Incremental Districts No. 13 and No. 21.**

The parcel is a “blighted area” as defined in Wis. Stat. § 66.1105(2)(ae), as an area which is predominantly open that 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 its current state, development of the property has not occurred as the land contains soil contamination resulting from prior uses. Developer, working with an environmental engineering consultant, has prepared a plan to remove or cap all contaminated soils on the site. Costs associated with this remediation have resulted in the property not developing under normal market conditions, substantially impairing and arresting the sound growth of the community, rendering the parcel blighted.

Details regarding the environmental conditions at the site are described within Phase I and Phase II Environmental Site Assessments, and within a Remedial Action Plan prepared for the site. These reports are on file with the City and further support the finding that the site is a blighted area.

# 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 \$258,409,200. This value is less than the maximum of \$578,533,500 in equalized value that is permitted for the City.

<b>City of Oshkosh, WI</b> <b>Tax Increment District # 42 (Morgan Crossing Phase II)</b> <b>Valuation Test Compliance Calculation</b>	
District Creation Date	4/26/2022
Valuation Data Currently Available	2021
Total EV (TID IN)	4,821,112,500
<b>X 12% (12% Test)</b>	<b>578,533,500</b>
Incremental Value of Existing TIDs	258,409,200
Projected Base Value of District	222,600
Less Value of Any Underlying TID Parcels	(222,600)
<b>Total Value Subject to 12% Test</b>	<b>258,409,200</b>
<b>Compliance</b>	<b>PASS</b>

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

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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.

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

### **Property, Right-of-Way and Easement Acquisition**

#### **Acquisition of Rights-of-Way**

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

#### **Acquisition of Easements**

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs

incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

### **Relocation Costs**

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include but are not limited to preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

### **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.

### **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.

## **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**

### **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 make the following project cost expenditures outside the District: **installation of cul-de-sacs at the present terminations of Dawes Street and Riverway Drive.**

### **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.

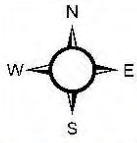
**Financing Costs**

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:**

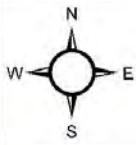
# **Maps Showing Proposed Improvements and Uses**

Maps Found on Following Pages.

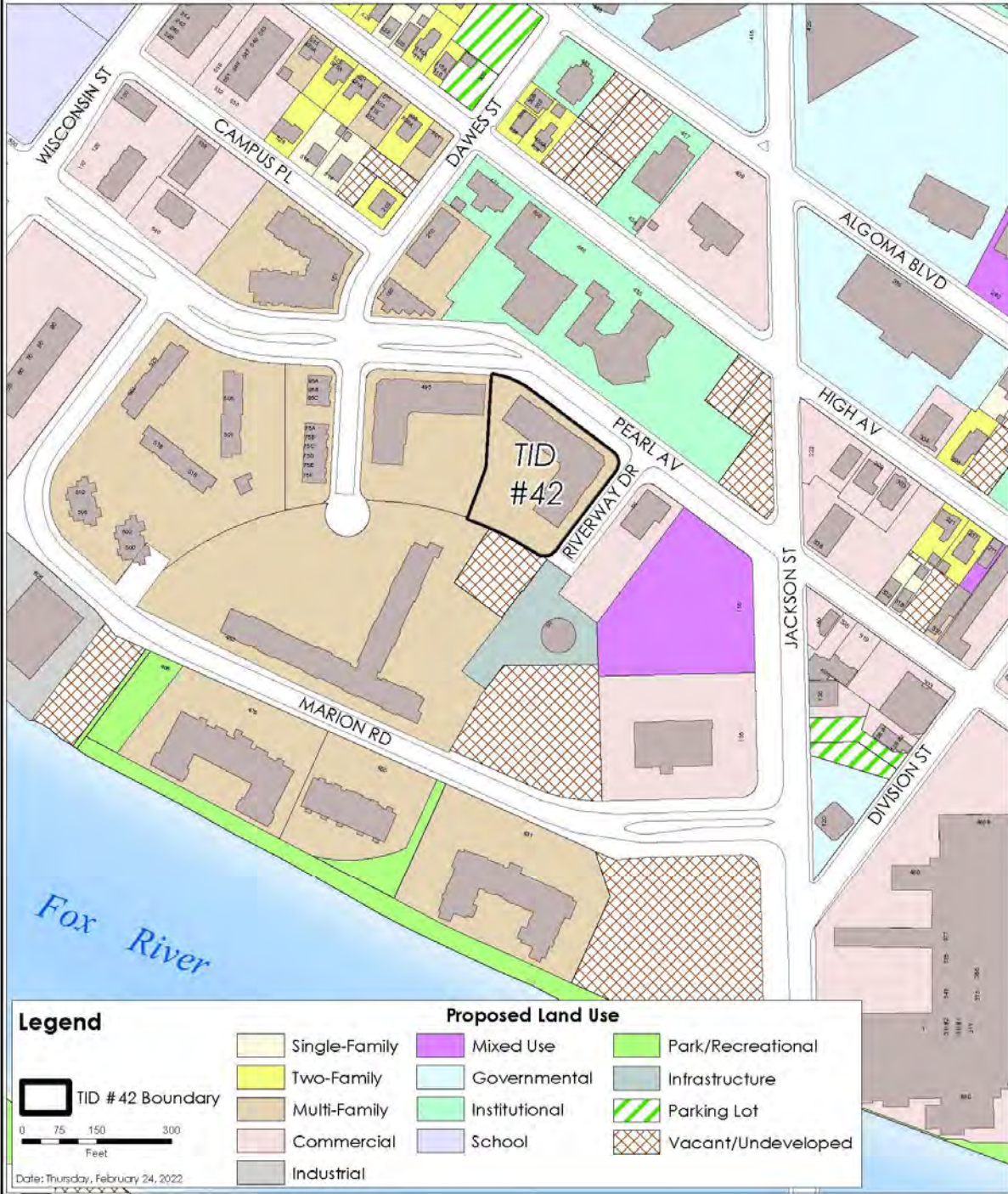


# Tax Increment District #42 Morgan Crossing Phase II Development Proposed Improvements





# Tax Increment District #42 Morgan Crossing Phase II Development 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 # 42 (Morgan Crossing Phase II)		
Detailed List of Project Costs		
<u>Project Name/Type</u>	<u>Timeframe</u>	<u>Total</u>
Development Incentive (Pay as You Go) <sup>1</sup>	2024 - 2034	2,250,000
Cul-de-Sac Construction (Dawes St. & Riverway Dr.) <sup>2&amp;3</sup>	2034	122,000
Administrative Expenses <sup>4</sup>	2022- 2034	92,060
Interest on Advances <sup>4</sup>	2023 - 2026	2,678
<b>Total Projects</b>		<b><u>2,466,739</u></b>
<b>Notes:</b>		
<sup>1</sup> Incentive shown reflects requested amount from Developer’s TIF Application dated 7-17-2020, and is identified for purposes of establishing economic feasibility only. The City has not agreed to final terms or conditions with Developer.		
<sup>2</sup> Cost estimate per City staff. (K. Nieforth e-mail dated 8-20-2020).		
<sup>3</sup> Project location is outside of, but within 1/2 mile of, District boundary.		
<sup>4</sup> 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**

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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 \$10 million in incremental value by January 1, 2024. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City’s current equalized TID Interim tax rate of \$24.41 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$6,383,007 in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

# City of Oshkosh, WI

## Tax Increment District # 42 (Morgan Crossing Phase II)

### Development Assumptions

Construction Year		Actual	Project <sup>1</sup>	Annual Total	Construction Year	
1	2022		1,500,000	1,500,000	2022	1
2	2023		8,500,000	8,500,000	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
<b>Totals</b>		<b>0</b>	<b>10,000,000</b>	<b>10,000,000</b>		

**Notes:**

<sup>1</sup>Projected valuation reflects City Assessor's revised estimate as noted in email from City staff dated 2-3-2022.

**Table 1 - Development Assumptions**

# City of Oshkosh, WI

## Tax Increment District # 42 (Morgan Crossing Phase II)

### Tax Increment Projection Worksheet

Type of District	Blighted Area	Base Value	0
District Creation Date	April 26, 2022	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2022	Base Tax Rate	\$24.41
Max Life (Years)	27	Rate Adjustment Factor	
Expenditure Period/Termination	22 4/26/2044		
Revenue Periods/Final Year	27 2050		
Extension Eligibility/Years	Yes 3		
Eligible Recipient District	Yes		

Construction		Valuation	Inflation	Total	Revenue	Tax		
Year	Value Added	Year	Increment	Increment	Year	Tax Rate <sup>1</sup>	Increment	
1	2022	1,500,000	2023	0	1,500,000	2024	\$24.41	36,614
2	2023	8,500,000	2024	0	10,000,000	2025	\$24.41	244,092
3	2024	0	2025	0	10,000,000	2026	\$24.41	244,092
4	2025	0	2026	0	10,000,000	2027	\$24.41	244,092
5	2026	0	2027	0	10,000,000	2028	\$24.41	244,092
6	2027	0	2028	0	10,000,000	2029	\$24.41	244,092
7	2028	0	2029	0	10,000,000	2030	\$24.41	244,092
8	2029	0	2030	0	10,000,000	2031	\$24.41	244,092
9	2030	0	2031	0	10,000,000	2032	\$24.41	244,092
10	2031	0	2032	0	10,000,000	2033	\$24.41	244,092
11	2032	0	2033	0	10,000,000	2034	\$24.41	244,092
12	2033	0	2034	0	10,000,000	2035	\$24.41	244,092
13	2034	0	2035	0	10,000,000	2036	\$24.41	244,092
14	2035	0	2036	0	10,000,000	2037	\$24.41	244,092
15	2036	0	2037	0	10,000,000	2038	\$24.41	244,092
16	2037	0	2038	0	10,000,000	2039	\$24.41	244,092
17	2038	0	2039	0	10,000,000	2040	\$24.41	244,092
18	2039	0	2040	0	10,000,000	2041	\$24.41	244,092
19	2040	0	2041	0	10,000,000	2042	\$24.41	244,092
20	2041	0	2042	0	10,000,000	2043	\$24.41	244,092
21	2042	0	2043	0	10,000,000	2044	\$24.41	244,092
22	2043	0	2044	0	10,000,000	2045	\$24.41	244,092
23	2044	0	2045	0	10,000,000	2046	\$24.41	244,092
24	2045	0	2046	0	10,000,000	2047	\$24.41	244,092
25	2046	0	2047	0	10,000,000	2048	\$24.41	244,092
26	2047	0	2048	0	10,000,000	2049	\$24.41	244,092
27	2048	0	2049	0	10,000,000	2050	\$24.41	244,092
<b>Totals</b>		<b>10,000,000</b>		<b>0</b>	<b>Future Value of Increment</b>			<b>6,383,007</b>

**Table 2 - Tax Increment Projection Worksheet**

## **Financing and Implementation**

The City anticipates making total expenditures of approximately \$2,467,000 including \$2,250,000 in development incentives, \$122,000 for public infrastructure, \$2,678 in interest expense related to projected advances, and \$92,060 for District administrative costs related to its creation and ongoing administration.

Development incentive payments will be paid from tax increments as they are collected on a “pay as you go” basis. Infrastructure improvements will also be paid from cash as it is available. 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 2034, reflecting 11 years of tax increment collections, and 13 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.

# City of Oshkosh, WI

## Tax Increment District # 42 (Morgan Crossing Phase II)

### Cash Flow Projection

Year	Projected Revenues			Expenditures				Balances			Year	
	Tax Increments	Advances <sup>1</sup>	Total Revenues	Project MRO <sup>2</sup>	Public Infrastructure <sup>3</sup>	Repay Advance @ 2% Interest <sup>1</sup>	Admin.	Total Expenditures	Annual	Cumulative		MRO & Advance Outs. Bal.
2022		25,000	25,000	0			25,000	25,000	0	0	2,275,500	2022
2023		5,000	5,000	0			5,000	5,000	0	0	2,281,100	2023
2024	36,614	1,439	38,053	32,952			5,100	38,052	0	0	2,250,215	2024
2025	244,092		244,092	219,683		17,769	5,202	242,653	1,439	1,439	2,013,393	2025
2026	244,092		244,092	219,683		16,349	5,306	241,337	2,755	4,194	1,777,682	2026
2027	244,092		244,092	219,683			5,412	225,095	18,997	23,191	1,557,999	2027
2028	244,092		244,092	219,683			5,520	225,203	18,889	42,079	1,338,316	2028
2029	244,092		244,092	219,683			5,631	225,314	18,778	60,858	1,118,633	2029
2030	244,092		244,092	219,683			5,743	225,426	18,666	79,524	898,950	2030
2031	244,092		244,092	219,683			5,858	225,541	18,551	98,075	679,268	2031
2032	244,092		244,092	219,683			5,975	225,658	18,434	116,508	459,585	2032
2033	244,092		244,092	219,683			6,095	225,778	18,314	134,823	239,902	2033
2034	244,092		244,092	239,902	122,000		6,217	368,119	(124,027)	10,796	0	2034
2035	244,092		244,092					0	244,092	254,888	0	2035
2036	244,092		244,092					0	244,092	498,980	0	2036
2037	244,092		244,092					0	244,092	743,072	0	2037
2038	244,092		244,092					0	244,092	987,164	0	2038
2039	244,092		244,092					0	244,092	1,231,256	0	2039
2040	244,092		244,092					0	244,092	1,475,348	0	2040
2041	244,092		244,092					0	244,092	1,719,440	0	2041
2042	244,092		244,092					0	244,092	1,963,532	0	2042
2043	244,092		244,092					0	244,092	2,207,624	0	2043
2044	244,092		244,092					0	244,092	2,451,717	0	2044
2045	244,092		244,092					0	244,092	2,695,809	0	2045
2046	244,092		244,092					0	244,092	2,939,901	0	2046
2047	244,092		244,092					0	244,092	3,183,993	0	2047
2048	244,092		244,092					0	244,092	3,428,085	0	2048
2049	244,092		244,092					0	244,092	3,672,177	0	2049
2050	244,092		244,092					0	244,092	3,916,269	0	2050
<b>Total</b>	<b>6,383,007</b>	<b>31,439</b>	<b>6,414,446</b>	<b>2,250,000</b>	<b>122,000</b>	<b>34,117</b>	<b>92,060</b>	<b>2,498,178</b>				<b>Total</b>

**Notes:**

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

<sup>2</sup>Revised incentive request per email from City staff dated 2-2-2022 and is identified for purposes of establishing economic feasibility only. The City has not agreed to final terms or conditions with Developer.

<sup>3</sup>Installation of cul-de-sacs on Dawes Street and Riverway Drive.

Projected TID Closure

**Table 3 - Cash Flow**

## **SECTION 10: Annexed Property**

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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**

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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**

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### **Zoning Ordinances**

Current zoning is Urban Mixed Use with a Planned Development overlay (UMU-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 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**

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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**

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Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by eliminating blighted areas, providing necessary public infrastructure improvements 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 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**

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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. Installation of the cul-de-sac on Dawes Street may provide benefit to areas outside the District. The current estimate of that benefit is \$30,500, which is a Non-Project Cost. The total cost of the Dawes Street cul-de-sac is included in this Plan as the City will make a final determination of the benefits to areas outside the District at the time the cul-de-sac is completed, and the allocation may vary.



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

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Legal Opinion Found on Following Page.



March 15, 2022

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 #42 Morgan Crossing II 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 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 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. Lorenson  
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	6,721	14,430	14,109	1,354	36,614	2024
2025	44,805	96,198	94,060	9,029	244,092	2025
2026	44,805	96,198	94,060	9,029	244,092	2026
2027	44,805	96,198	94,060	9,029	244,092	2027
2028	44,805	96,198	94,060	9,029	244,092	2028
2029	44,805	96,198	94,060	9,029	244,092	2029
2030	44,805	96,198	94,060	9,029	244,092	2030
2031	44,805	96,198	94,060	9,029	244,092	2031
2032	44,805	96,198	94,060	9,029	244,092	2032
2033	44,805	96,198	94,060	9,029	244,092	2033
2034	44,805	96,198	94,060	9,029	244,092	2034
2035	44,805	96,198	94,060	9,029	244,092	2035
2036	44,805	96,198	94,060	9,029	244,092	2036
2037	44,805	96,198	94,060	9,029	244,092	2037
2038	44,805	96,198	94,060	9,029	244,092	2038
2039	44,805	96,198	94,060	9,029	244,092	2039
2040	44,805	96,198	94,060	9,029	244,092	2040
2041	44,805	96,198	94,060	9,029	244,092	2041
2042	44,805	96,198	94,060	9,029	244,092	2042
2043	44,805	96,198	94,060	9,029	244,092	2043
2044	44,805	96,198	94,060	9,029	244,092	2044
2045	44,805	96,198	94,060	9,029	244,092	2045
2046	44,805	96,198	94,060	9,029	244,092	2046
2047	44,805	96,198	94,060	9,029	244,092	2047
2048	44,805	96,198	94,060	9,029	244,092	2048
2049	44,805	96,198	94,060	9,029	244,092	2049
2050	44,805	96,198	94,060	9,029	244,092	2050
<b>Total</b>	<b>1,171,649</b>	<b>2,515,589</b>	<b>2,459,660</b>	<b>236,110</b>	<b>6,383,007</b>	