

October 7, 2008

Albert J. Franitza
Principal Planner
City of Milwaukee Dept. of City Development
809 N. Broadway
Milwaukee, WI 53202

RE: Economic Impact
Proposed Dretzka Park Villas

Dear Mr. Franitza:

As additional information regarding our proposed Dretzka Park Villas, I would like to offer some positive economic impacts for the City's consideration:

- Over the first fifteen years of the project, incremental tax revenues collected versus the "as-is" value would likely exceed \$1 million (see attached)
- The project represents a \$10 million investment in the City of Milwaukee, of which an estimated \$8 million is construction and approximately \$3.5 million of that amount is construction job creation.
- The project will utilize Emerging Business Enterprise contractors for at least 25% of the construction costs.
- The property will create ongoing property management and maintenance employment.
- Dretzka Park Villas will be restricted to persons aged 55 and over, so a cost burden will not be placed on the school system.
- The drives within the project will be privately maintained and trash collection will be private, further reducing the cost of City services.

We believe that this project offers important economic benefits to the City of Milwaukee and hope that this is taken into consideration as the project is evaluated on its merit.

Please share this letter with participants in the approval process as you deem appropriate. As always, thank you for your time and efforts.

Sincerely,

SILVERSTONE PARTNERS, INC.


Thomas W. Sather
President

cc: Alderman Puente

ESTIMATE OF INCREMENTAL TAX REVENUES GENERATED
Proposed Dretzka Park Villas, 8500 & 8501 Pfeil Street, Milwaukee, WI

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Tax Revenues (as-is)	\$14,468	\$14,902	\$15,349	\$15,809	\$16,284	\$16,772	\$17,275	\$17,794	\$18,327	\$18,877	\$19,443	\$20,027	\$20,628	\$21,246	\$21,884
Tax Revenues (as-proposed)	\$14,468	\$53,801	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133
Annual Increment Generated	\$0	\$38,899	\$80,132	\$82,536	\$85,012	\$87,563	\$90,189	\$92,895	\$95,682	\$98,552	\$101,509	\$104,554	\$107,691	\$110,922	\$114,249
Total Increment Generated	\$0	\$38,899	\$119,031	\$201,567	\$286,580	\$374,142	\$464,332	\$557,227	\$652,909	\$751,461	\$852,970	\$957,524	\$1,065,215	\$1,176,137	\$1,290,386

Assumptions:

- 50% assessment Year 1 of project development, full assessment thereafter
- 3% annual increase in real estate tax assessments
- \$1,000/unit/year taxes due (typical)