

PROJECT PLAN
for
TAX INCREMENTAL DISTRICT NUMBER 51
CITY OF MILWAUKEE
(Granville Station)

Redevelopment Authority
of the
City of Milwaukee
Milwaukee, Wisconsin

Prepared by
Department of City Development
(11/27/02)

In conformance with the provisions
of Section 66.1105, Wisconsin Statutes,
as amended.

(Scheduled for the Redevelopment Authority of the City of Milwaukee on December 19, 2002)

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EXHIBITS

I. DESCRIPTION OF PROJECT

A. Introduction

Section 66.1105(4)(d), Wisconsin Statutes, requires the "preparation and adoption... of a proposed project plan for each tax incremental district." This Project Plan is submitted in fulfillment of this requirement and the related provisions of section 66.1105, Wisconsin Statutes.

B. District Boundaries

Tax Incremental District Number 51, City of Milwaukee (Granville Station) comprises 4 of 5 properties of the former Northridge Mall, a regional retail center. The area consists of whole units of property as are assessed for general tax purposes. The District is shown on Map 1, "Boundary and Existing Land Use", and described more precisely in Exhibit 1, "Boundary Description". A complete list of properties that comprise TID No. 51 is provided in Exhibit 2, "Property Characteristics."

Tax Incremental District Number 51 contains property totaling approximately 90.18 acres, exclusive of public streets and alleys. This exhibit documents the findings that more than 100% by area of the real property in the District is a "blighted area" within the meaning of sec. 66.1105(2)(a) Wisconsin Statutes, and/or "obsolescence" and/or "an area which...consists of land...or otherwise, substantially impairs or arrests the sound growth of the community." within the meaning of sec. 66.1105(2)(b) Wisconsin Statutes. Exhibit 2 illustrates how the properties in TID No. 51 meet the statutory criteria for Tax Incremental Districts.

C. Plan Objectives

Northridge Mall opened to the public in 1972 and represented the state of the art in regional shopping centers. It contained just less than 1.1 million square feet of retail space including four department stores and approximately 400,000 leasable square feet of in-line store space and a six-screen movie theater complex. Northridge operated successfully until the early 1990's when the number of shoppers utilizing the mall began to decline rapidly. Today all of the 1.1 million square feet of retail space is closed except the 153,968 square foot Boston Store Department Store. This represents a vacancy factor of 86%.

The Northridge Mall site has also declined significantly in value over the last 12 years. In 1990, the mall property was assessed at \$107 million. In 1996, that value decreased 41% to \$63 million. Five years later, Tucker Development Corporation purchased the site for only \$3.5 million. Today the total assessment of the property is \$3,500,500 with the building assessed at only \$100.

Northridge Mall has been faced with a decline in occupancy, rents, sales and has lost its status as a regional shopping center. As the business of retailing evolves, the growth of suburban strip malls and "big box" retail has challenged older shopping centers. The owners of this site must now respond to changes in modern retailing in order to regain status as a location to shop.

The objective of this TID plan is to provide funding for improvements that will assist in the redevelopment of new retail services on the land now occupied by the vacant mall and vacant department stores.

The more detailed objectives of this Project Plan are to:

1. Strengthen the economic vitality of the West Brown Deer Road commercial district by introducing new retail development.
2. Promote the coordinated development of vacant and underutilized land and buildings for appropriate retail, commercial/office, commercial services and/or public use.
3. Eliminate obsolete conditions, blighting influences and environments deficiencies that impede development and detract from the functionality, aesthetic appearance and economic welfare of this important section of the city.
4. Create new employment opportunities.

D. Proposed Public Action

Initially, the District will fund a \$4.4 million development grant to the developer, Tucker Development Corporation of Phase I Granville Station. The District will also fund \$100,000 in administrative and other costs.

Phase I improvements will consist of combining a portion of the former regional shopping center and the former Sears property. Through demolition and regrading of this site, sufficient area would be created for the development of a 161,640 square foot home improvement center, a 61,000 grocery store building with an additional 15,000 of expansion space and an outlot.

While the development grant to the developer is expected to be the principal means of achieving the objectives of this Plan, the City of Milwaukee may, on its own initiative or through a cooperation agreement with the Redevelopment Authority and/or other entities, undertake any and all project and site improvements and activities considered necessary to achieve project objectives and the commitment of private investment. This Plan is not intended to limit and shall not be interpreted as limiting the Redevelopment Authority in the exercise of its powers under Section 66.1333(5), Wisconsin Statutes, within the District.

II. PLAN PROPOSALS

A. Statutory Requirements

Section 66.1105(4)(f), Wisconsin Statutes, requires that a Project Plan for a Tax Incremental District shall include:

"... a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in subsection (2)(f)1.k., outside the district, an economic feasibility study, a detailed list of estimated project costs, and a description of the methods of financing all estimated project costs and the time when the costs or monetary obligations related thereto are to be incurred. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances; a list of estimated non-project costs; and a statement of a proposed method for the relocation of any persons to be displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city."

The plan shall also include an opinion of the City Attorney or of any attorney retained by the City advising whether such plan is complete and complies with Section 66.1105(4)(f), Wisconsin Statutes.

B. Compliance with Statutory Requirements

The following statements, maps and exhibits are provided in compliance with the statutory requirements.

1. "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements."

a. The plan includes the public works and improvements described in general below.

The specific kind, number, and locations of public works and other improvements will be based on detailed final plans, specifications and estimates as approved by the city's Department of City Development for project and site development. While not anticipated at this time, improvements such as vacation of existing public rights-of-way, site clearance, environmental remediation, and reimbursement to owners of abutting property for costs directly related to the project also may be undertaken if necessary for the implementation of the plan for the District.

b. The number and location of the proposed public works or improvements are shown on Map No. 3, titled Proposed Improvements and Uses, and are described below.

The developer of Phase I Granville Station, Tucker Development Corporation, will demolish the former Sears department store buildings and regrade approximately 26.8 acres of the site to create sufficient area for the development of a 161,640 square foot home improvement center, a 61,000 grocery store building with an additional 15,000 of expansion space and an outlet.

2. "Detailed List of Estimated Project Costs."

The kind, number, location and estimated costs are based on preliminary plans by the developer of Phase I Granville Station, Tucker Development Corporation, as part of the preparation of the economic feasibility study for the District. These may be modified as to kind, number, location, and the costs reallocated at any time during project execution based on more definitive engineering studies and construction plans without amendment of this Plan.

The costs included in this subsection and detailed in Table "A" which follows are, without limitation hereof because of enumeration, claimed as eligible Project Costs as defined under Section 66.1105(2) (f) and in any Cooperation Agreement (s) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, and/or eligible designated redeveloper(s), which agreements are incorporated herein by reference, provided further that such expenditures are necessitated by this Project Plan.

These costs and cost estimates are more fully described as follows:

a. Capital Costs

A statement of the kinds of activities proposed for the project is included in subsection III.B.1. of this Plan.

b. Other Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs. Components of the "other costs" include, in general, costs of salaries and employee benefits for employees engaged in planning, engineering, implementing, and administering activities in connection with the tax increment district. Related costs of supplies, materials, contract and consultant services, travel, rental of space and equipment, and the reasonable costs of City departments and agencies having oversight responsibilities due to the creation of this District. Such services include but are not limited to purchasing, property appraisals, personnel, legal, accounting, auditing, the provision of space and maintenance, and costs charged in accordance with an approved cost allocation plan. These costs are estimated at \$100,000.

c. Financing Costs

Financing costs include estimated gross interest expense on bonds that will be issued to pay for Project Costs. Estimates of bond interest are based on interest rates as set forth in the Economic Feasibility Analysis for this Project.

Table A
List of Estimated Project Costs¹

| | | |
|---|---|-------------|
| A | <u>Capital:</u> Development Grant to Tucker Development Corporation for site improvements | \$4,400,000 |
| B | <u>Other:</u> Administrative, professional, organizational and legal: \$100,000 Capitalized interest: \$400,500 | \$500,500 |
| | Total Estimated Project Costs, excluding financing | \$4,900,500 |
| C | <u>Financing:</u> Interest payment on tax-exempt bonds | \$1,920,556 |

3. "Description of Timing and Methods of Financing."

a. Estimated Timing of Project and Financing Costs

The Summary of Project Costs (Schedule "A" below) identifies the year in which actual expenditures for the cost of improvements described in this plan are expected to be incurred. This schedule anticipates the time costs will be incurred, not the time contracts or other obligations may be entered into. The estimates presented are subject to change as actual circumstances during the project execution period may require. However, all expenditures will be made prior to the year 2010, pursuant to the provisions of s. 66.1105(6)(am), Wisconsin Statutes.

¹ The City of Milwaukee and RACM reserve the right to make only those improvements and to undertake only those activities that are deemed economically feasible and appropriate during the course of project implementation and which are commensurate with positive growth in the tax increment.

Schedule A
Estimated Timing of Project Costs

| Year | Estimated Project Cost | Cumulative Total |
|------|------------------------|------------------|
| 2003 | \$4,420,000 | \$4,420,000 |
| 2004 | \$220,250 | \$4,640,250 |
| 2005 | \$220,250 | \$4,860,500 |
| 2006 | \$20,000 | \$4,880,500 |
| 2007 | \$20,000 | \$4,900,500 |

b. Estimated Method of Financing Project Costs

Sale of General Obligation Bonds: \$4.5 million²

The estimated method of financing may be subject to change during the project period. Consequently, the method identified may, as circumstances warrant, be redefined and the dollar amount adjusted without formal modification of this Plan during the course of project implementation.

The funding source for payment of financing costs will be from tax increment revenues pursuant to Section 66.1105(6)(c), or from other funds ordinarily used for payment of borrowing obligations. It is the City's intent to maximize the use of TIF funds for the cost of City participation in this project.

4. "Economic Feasibility Study."

The Economic Feasibility Study for this District, prepared by the Department of City Development and titled *Economic Feasibility Study: Tax Increment District No. 51, City of Milwaukee, December 2002*, is on file in the Office of the Redevelopment Authority of the City of Milwaukee, 809 North Broadway, Milwaukee, Wisconsin, and in the Office of the City Clerk of the City of Milwaukee, 200 West Wells Street, Room 205, Milwaukee Wisconsin, as attached to Common Council Resolution File Number [REDACTED]. The study is incorporated herein by reference. The study establishes the dollar value of project costs which, based on certain general assumptions and a reasonable margin of safety, can be financed with the revenues projected to be generated by the proposed tax incremental district.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible and is likely to be retired on or before the year 2019 but could run to the year 2024. Should incremental revenues be generated in excess of those currently anticipated, they will be used to offset the public costs of Plan implementation.

² Excluding capitalized interest, if any.

5. "Map Showing Existing Uses and Conditions."

Please refer to Map No. 1, "Boundary and Existing Land Use," and Map No. 2, "Structure Condition," in the Exhibits Section, which follows.

6. "Map Showing Proposed Improvements and Uses."

Please refer to Map No. 3, "Proposed Improvements and Uses," in the Exhibits Section which follows.

7. "Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances."

Please refer to Map No. 4, "Existing Zoning," and to Map No. 5, "Redevelopment Project Areas." The proposed project is consistent with the existing RB1 zoning, and the existing master plan, map, building codes, and other city ordinances; the project will not require amendments to their provisions.

8. "List of Estimated Non-Project Costs."

The District's assistance is a small portion of the estimated \$14.4 million total cost of the project. Non-project costs of approximately \$23.4 million are anticipated. This includes the investment for the development of the home improvement store, grocery store, outlot and other related costs.

Table "B"
List of Estimated Non-Project Costs

| | |
|--|--------------|
| Retail developments in Phase I Granville Station | \$23,400,000 |
|--|--------------|

9. "Proposed Method for Relocation."

This Plan does not anticipate the acquisition of property by the City of Milwaukee or by the Redevelopment Authority. Accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. Should the acquisition of property by condemnation and requiring relocation be necessary, the cost and method of relocation will be included in a Redevelopment Plan and associated Relocation Plan prepared pursuant to sec. 66.1333 and sec. 32.05, Wis. Stats. The costs of such activities will be eligible for reimbursement through tax increment revenues should such revenues be generated during the statutory life of the District.

10. "Statement Indicating How District Creation Promotes Orderly City Development."

The creation of TID No. 51 is consistent with and will help implement the Comprehensive Plan for the City of Milwaukee.

11. "Opinion of the City Attorney."

Please refer to the letter of the City Attorney in the Exhibits Section.

EXHIBITS

| <u>Exhibit</u> | <u>Title</u> |
|----------------|---|
| Exhibit 1 | Boundary Description |
| Exhibit 2 | Property Characteristics |
| Map 1 | Boundary and Existing Land Use |
| Map 2 | Structure Condition |
| Map 3 | Proposed Uses and Proposed Improvements |
| Map 4 | Existing Zoning |
| Map 5 | Redevelopment Project Areas |
| Attachment 1 | Assessment Commissioner's Letter |
| Attachment 2 | City Attorney's Letter (in preparation) |
| Attachment 3 | Economic Feasibility Study |

Exhibit 1

SEARS SITE

That part of the S E 1/4 of Section 4, T 8 N, R 21 E, in the City of Milwaukee, Milwaukee County, Wisconsin, which is bounded and described as follows: Commencing at the Southwest corner of said 1/4 Section; thence North along the West line of said 1/4 Section 784.21 ft. to the point of beginning of the land herein described:

continuing thence North along the West line of said 1/4 Section 358.79 ft. to a point; thence East at right angles to the West line of said 1/4 Section 334.10 ft. to a point; thence North $47^{\circ}06'40''$ East 126.93 ft. to a point; thence North $42^{\circ}53'20''$ West 30.00 ft. to a point; thence North $47^{\circ}06'40''$ East 339.67 ft. to a point; thence North $02^{\circ}06'40''$ East 141.42 ft. to a point; thence South $42^{\circ}53'20''$ East 152.00 ft. to a point; thence North $47^{\circ}06'40''$ East 1.0 ft. to a point; thence South $42^{\circ}53'20''$ East 370.00 ft. to a point in the Northwestern line of lands conveyed by Northridge Company to Federated Department Stores, Inc. by Deed dated December 29, 1969, which point is 54.17 ft. North $47^{\circ}06'40''$ East of the most Westerly corner of lands conveyed to Federated Department Stores, Inc. by said Deed; thence South $47^{\circ}06'40''$ West 54.17 ft. to a point; thence South $42^{\circ}53'20''$ East 172.00 ft. to a point; thence South $47^{\circ}06'40''$ West 27.50 ft. to a point; thence South $42^{\circ}53'20''$ East 513.93 ft. to a point; thence South $47^{\circ}06'40''$ West 59.20 ft. to the point of beginning of a curve; thence Southwesterly 75.01 ft. along the arc of a curve whose center lies to the Northwest whose radius is 179.15 ft. and whose chord bears South $59^{\circ}06'20''$ West 74.46 ft. to a point; thence South $71^{\circ}06'00''$ West 105.00 ft. to a point; thence South $18^{\circ}54'00''$ East 56.16 ft. to a point; thence South $71^{\circ}06'00''$ West 452.80 ft. to the point of beginning of a curve; thence Southwesterly 39.04 ft. along the arc of a curve whose center lies to the Southeast whose radius is 30.60 ft. and whose chord bears South $34^{\circ}33'12''$ West 36.44 ft. to a point; thence South $01^{\circ}59'36''$ East 234.04 ft. to the point of beginning of a curve; thence Southerly 5.04 ft. along the arc of a curve; whose center lies to the East, whose radius is 24.42 ft. and whose chord bears South $07^{\circ}54'03''$ East 5.03 ft. to a point in the North line of West Brown Deer Road; thence South $88^{\circ}00'25''$ West along the North line of West Brown Deer Road 78.19 ft. to a point; thence Northerly 5.04 ft. along the arc of a curve whose center lies to the West whose radius is 24.42 ft. and whose chord bears North $03^{\circ}54'51''$ East 5.03 ft. to a point; thence North $01^{\circ}59'36''$ West 220.58 ft. to the point of beginning of a curve; thence Northwesterly 38.36 ft. along the arc of a curve whose center lies to the Southwest whose radius is 24.42 ft. and whose chord bears North $46^{\circ}59'36''$ West 34.54 ft. to a point; thence South $88^{\circ}00'24''$ West 71.00 ft. to the point of beginning of a curve; thence Northwesterly 337.75 ft. along the arc of a curve whose center lies to the Northeast whose radius is 394.09 ft. and whose chord bears North $67^{\circ}26'28''$ West 327.51 ft. to a point; thence North $42^{\circ}53'20''$ West 90.00 ft. to a point; thence Westerly 38.36 ft. along the arc of a curve whose center lies to the South whose radius is 24.42 ft. and whose chord bears North $87^{\circ}53'20''$ West 34.54 ft. to a point; thence South $47^{\circ}06'40''$ West 69.23 ft. to the point of beginning of a curve; thence Westerly 118.27 ft. along the arc of a curve whose center lies to the North whose radius is 158.00 ft. and whose chord bears South $68^{\circ}33'20''$ West 115.53 ft. to a point; thence West at right angles to the West line of said 1/4 Section 56.96 ft. to a point in the West line of said 1/4 Section, said point being 450.05 ft. North of the Southwest corner of said 1/4 Section; thence North along the West line of said 1/4 Section 56.16 ft. to a point; thence East at right angles to the West line of said 1/4 Section 56.96 ft. to the point of beginning of a curve; thence Easterly 76.23 ft. along the arc of a curve whose center lies to the North, whose radius is 101.84 ft. and whose chord bears North $68^{\circ}33'20''$ East 74.47 ft. to a point; thence North $47^{\circ}06'40''$ East 69.23 ft. to the point of beginning of a curve; thence Northerly 38.36 ft. along the arc of a curve whose center lies to the West, whose radius is 24.42 ft. and whose chord bears North $02^{\circ}06'40''$ East 34.54 ft. to a point; thence North $42^{\circ}53'20''$ West 144.24 ft. to the point of beginning of a curve; thence Northwesterly 74.97 ft. along the arc of a curve whose center lies to the Northeast whose radius is 189.54 ft. and whose chord bears North $31^{\circ}33'26''$ West 74.48 ft. to a point; thence West at right angles to the West line of said 1/4 Section 41.11 ft. to the point of beginning of the land herein described:

The parcel herein described contains 23.8061 acres, more or less.

NORTHBRIDGE MALL MILWAUKEE, WISCONSIN
SHOPPING CENTER SITE

That part of the S E 1/4 and the N E 1/4 of Section 4, T 8 N, R 21 E, in the City of Milwaukee, Milwaukee County, Wisconsin, bounded and described as follows: Commencing at the Southeast corner of the S E 1/4 of said Section; running thence North 00° 21' 10" West along the East line of the S E 1/4 of said Section 1614.48 ft. to a point; thence South 89° 38' 50" West 87.00 ft. to a point; thence Northwesterly 40.32 ft. along the arc of a curve whose center lies to the Southwest whose radius is 59.42 ft. and whose chord bears North 55° 54' 42" West 39.55 ft. to a point; thence North 75° 21' 10" West 66.13 ft. to a point; thence South 89° 38' 50" West 149.08 ft. to the point of beginning of a curve; thence Southwesterly 38.36 ft. along the arc of a curve whose center lies to the Southeast whose radius is 24.42 ft. and whose chord bears South 44° 38' 50" West 34.54 ft. to the point of beginning of the land herein described;

thence Southerly 452.75 ft. along the arc of a curve whose center lies to the West whose radius is 691.39 ft. and whose chord bears South 18° 24' 25" West 444.70 ft. to a point; thence North 52° 50' 00" West 56.16 ft. to a point; thence Southwesterly 110.25 ft. along the arc of a curve whose center lies to the Northwest whose radius is 635.23 ft. and whose chord bears South 42° 08' 20" West 110.11 ft. to a point; thence South 47° 06' 40" West 88.48 ft. to a point; thence North 42° 53' 20" West 735.93 ft. to a point; thence South 47° 06' 40" West 133.17 ft. to a point; thence North 42° 53' 20" West 30.00 ft. to a point; thence South 47° 06' 40" West 1.00 ft. to a point; thence North 42° 53' 20" West 76.25 ft. to a point; thence South 47° 06' 40" West 92.00 ft. to a point; thence North 42° 53' 20" West 32.42 ft. to a point; thence South 47° 06' 40" West 89.33 ft. to a point; thence South 42° 53' 20" East 32.42 ft. to a point; thence South 47° 06' 40" West 100.00 ft. to a point; thence South 42° 53' 20" East 32.00 ft. to a point; thence South 47° 06' 40" West 56.00 ft. to a point; thence South 42° 53' 20" East 71.25 ft. to a point; thence South 47° 06' 40" West 1.00 ft. to a point; thence South 42° 53' 20" East 53.00 ft. to a point; thence South 47° 06' 40" West 189.33 ft. to a point; thence North 42° 53' 20" West 370.00 ft. to a point; thence South 47° 06' 40" West 1.00 ft. to a point; thence North 42° 53' 20" West 152.00 ft. to a point; thence South 02° 06' 40" West 141.42 ft. to a point; thence South 47° 06' 40" West 339.67 ft. to a point; thence South 42° 53' 20" East 30.00 ft. to a point; thence South 47° 06' 40" West 126.93 ft. to a point; thence West at right angles to the West line of the SE 1/4 of said Section 334.10 ft. to a point in the West line of the SE 1/4 of said Section, said point being 1143.00 ft. North of the Southwest corner of the SE 1/4 of said Section; thence North, along the West line of the SE 1/4 of said Section 260.29 ft. to a point; thence East at right angles to the West line of the SE 1/4 of said Section 85.58 ft. to a point; thence North and parallel to the West line of the SE 1/4 of said Section 300.00 ft. to the point of beginning of a curve; thence Northeasterly 331.04 ft. along the arc of a curve whose center lies to the Southeast whose radius is 402.61 ft. and whose chord bears North 23° 33' 20" East 321.80 ft. to a point; thence North 47° 06' 40" East 103.38 ft. to a point; thence South 42° 53' 20" East 532.42 ft. to a point; thence North 47° 06' 40" East 324.00 ft. to a point; thence South 42° 53' 20" East 102.00 ft. to a point; thence North 47° 06' 40" East 1.00 ft. to a point; thence South 42° 53' 20" East 24.16 ft. to a point; thence North 47° 06' 40" East 49.00 ft. to a point; thence South 42° 53' 20" East 57.00 ft. to a point; thence North 47° 06' 40" East 96.00 ft. to a point; thence North 42° 53' 20" West 57.00 ft. to a point; thence North 47° 06' 40" East 61.00 ft. to a point; thence North 42° 53' 20" West 51.33 ft. to a point; thence North 47° 06' 40" East 1.00 ft. to a point; thence North 42° 53' 20" West 68.00 ft. to a point; thence North 47° 06' 40" East 170.00 ft. to a point; thence North 19° 42' 12" East 91.24 ft. to a point; thence North 42° 53' 20" West 553.41 ft. to a point; thence North 47° 06' 40" East 33.17 ft. to the point of beginning of a curve; thence Easterly 443.92 ft. along the arc of a curve whose center lies to the South whose radius is 444.84 ft. and whose chord bears North 75° 42' 00" East 425.73 ft. to

a point; thence South 75° 42' 40" East 330.00 ft. to a point; thence South 14° 17' 20" West 56.16 ft. to a point; thence North 75° 42' 40" West 290.00 ft. to a point; thence South 14° 17' 20" West 104.29 ft. to a point; thence South 42° 53' 20" East 244.11 ft. to a point; thence South 47° 06' 40" West 289.17 ft. to a point; thence South 42° 53' 20" East 566.00 ft. to a point; thence North 47° 06' 40" East 304.00 ft. to a point; thence South 42° 53' 20" East 525.66 ft. to a point; thence South 02° 14' 06" East 49.50 ft. to a point on a curve; thence Northerly 90.00 ft., along the arc of a curve whose center lies to the West whose radius is 635.23 ft. and whose chord bears North 03° 42' 22" East 69.93 ft. to a point; thence North 89° 38' 50" East 56.16 ft. to the point of beginning of the land described.

ALSO that part of the S E 1/4 and the N E 1/4 of Section 4, T 8 N, R 21 E, in the City of Milwaukee, Milwaukee County, Wisconsin, bounded and described as follows:

Commencing at the Southeast corner of the N E 1/4 of said Section; thence North 00° 24' 30" West along the East line of the N E 1/4 of said Section 328.45 ft. to a point; thence South 89° 35' 30" West 87.00 ft. to the point of beginning of the land herein described;

thence Northwesterly 11.65 ft. along the arc of a curve whose center lies to the Southwest whose radius is 29.42 ft. and whose chord bears North 64° 03' 49" West 11.57 ft. to a point; thence North 75° 24' 30" West 120.11 ft. to a point; thence North 85° 00' 00" West 106.05 ft. to a point; thence South 89° 35' 30" West 169.12 ft. to the point of beginning of a curve; thence Southwesterly 201.53 ft. along the arc of a curve whose center lies to the Southeast whose radius is 326.71 ft. and whose chord bears South 71° 55' 18" West 190.35 ft. to a point of compound curvature; thence Southwesterly 178.56 ft. along the arc of a curve whose center lies to the Southeast whose radius is 310.42 ft. and whose chord bears South 37° 46' 23" West 176.11 ft. to a point; thence South 21° 17' 40" West 266.28 ft. to the point of beginning of a curve; thence Southeasterly 41.35 ft. along the arc of a curve whose center lies to the Northeast whose radius is 24.42 ft. and whose chord bears South 27° 12' 27" East 36.58 ft. to a point; thence North 75° 42' 40" West 105.79 ft. to a point; thence Northeasterly 35.37 ft. along the arc of a curve whose center lies to the Northwest whose radius is 24.42 ft. and whose chord bears North 62° 47' 30" East 32.36 ft. to a point; thence North 21° 17' 40" East 279.18 ft. to the point of beginning of a curve; thence Northeasterly 210.86 ft. along the arc of a curve whose center lies to the Southeast whose radius is 366.58 ft. and whose chord bears North 37° 46' 23" East 207.97 ft. to a point of compound curvature; continuing thence Northeasterly 236.17 ft. along the arc of a curve whose center lies to the Southeast whose radius is 302.67 ft. and whose chord bears North 71° 55' 18" East 232.45 ft. to a point; thence North 89° 35' 30" East 169.12 ft. to a point; thence North 83° 38' 46" East 106.19 ft. to a point; thence North 89° 35' 30" East 113.35 ft. to the point of beginning of a curve; thence Northeasterly 13.71 ft. along the arc of a curve whose center lies to the Northwest whose radius is 24.42 ft. and whose chord bears North 73° 30' 26" East 13.53 ft. to a point; thence South 00° 24' 30" East on a line which lies 87.00 ft. West of and parallel to the East line of the N E 1/4 of said Section 117.13 ft. to the point of beginning.

ALSO that part of the S E 1/4 of Section 4, T 8 N, R 21 E, in the City of Milwaukee, Milwaukee County, Wisconsin, which is bounded and described as follows:

Commencing at the Northeast corner of said 1/4 Section; running thence South 00° 21' 10" East along the East line of said 1/4 Section 234.42 ft. to a point; thence South 89° 38' 50" West 87.00 ft. to the point of beginning of the land to be described;

thence South 00° 21' 10" East along a line which is 87.00 ft. West of and parallel to the East line of said 1/4 Section 84.66 ft. to a point on a curve; thence Northwesterly 13.71 ft. along the arc of a curve whose center lies to the Southwest whose radius is 24.42 ft. and whose chord bears North 74° 16' 14" West 13.53 ft.

to a point; thence South $89^{\circ} 38' 50''$ West 205.54 ft. to a point; thence North $78^{\circ} 29' 34''$ West 51.09 ft. to a point on a curve; thence Southwesterly 126.17 ft along the arc of a curve whose center lies to the Southeast whose radius is 169.95 ft and whose chord bears South $68^{\circ} 22' 45''$ West 123.29 ft. to a point; thence Southerly 38.36 ft. along the arc of a curve whose center lies to the East whose radius is 24.42 ft. and whose chord bears South $02^{\circ} 06' 40''$ West 34.54 ft. to a point; thence North $42^{\circ} 53' 20''$ West 105.00 ft. to a point; thence Easterly 38.36 ft. along the arc of a curve whose center lies to the North whose radius is 24.42 ft. and whose chord bears South $67^{\circ} 53' 20''$ East 34.54 ft. to a point; thence Northeasterly 167.86 ft. along the arc of a curve whose center lies to the Southeast whose radius is 226.11 ft. and whose chord bears North $68^{\circ} 22' 45''$ East 162.04 ft. to a point; thence North $77^{\circ} 47' 14''$ East 51.09 ft. to a point; thence North $89^{\circ} 38' 50''$ East 205.54 ft. to the point of beginning of a curve; thence Easterly 13.71 ft. along the arc of a curve whose center lies to the North whose radius is 24.42 ft. and whose chord bears North $73^{\circ} 33' 54''$ East 13.53 ft. to the point of beginning of the land described.

The parcels herein described contain 32.0175 acres, more or less.

NORTHBRIDGE FALL MILWAUKEE, WISCONSIN
PENNEY SITE

That part of the SE $\frac{1}{4}$ and the NE $\frac{1}{4}$ of Section 4 T 8 N, R 21 E in the City of Milwaukee, Milwaukee County, Wisconsin, bounded and described as follows:

Commencing at the Northwest corner of said SE $\frac{1}{4}$ of said Section thence South along the West line of the SE $\frac{1}{4}$ of said Section 280.00 ft. to the point of beginning of the land herein to be described:

running thence East at right angles to the West line of the SE $\frac{1}{4}$ of said Section 80.00 ft. to a point; thence Easterly 65.45 ft. along the arc of a curve whose center lies to the South whose radius is 193.90 ft. and whose chord bears South $80^{\circ} 19' 46''$ East 65.14 ft. to a point; thence North $47^{\circ} 06' 40''$ East 53.88 ft. to a point; thence North and parallel to the West line of the SE $\frac{1}{4}$ of said Section 79.16 ft. to a point; thence North $47^{\circ} 06' 40''$ East 616.00 ft. to a point; thence South $42^{\circ} 53' 20''$ East 315.42 ft. to a point; thence South $47^{\circ} 06' 40''$ West 33.17 ft. to a point; thence South $42^{\circ} 53' 20''$ East 553.41 to a point; thence South $19^{\circ} 42' 12''$ West 91.24 ft. to a point; thence South $47^{\circ} 06' 40''$ West 170.00 ft. to a point; thence South $42^{\circ} 53' 20''$ East 68.00 ft. to a point; thence South $47^{\circ} 06' 40''$ West 1.00 ft. to a point; thence South $42^{\circ} 53' 20''$ East 51.33 ft. to a point; thence South $47^{\circ} 06' 40''$ West 61.00 ft. to a point; thence South $42^{\circ} 53' 20''$ East 57.00 ft. to a point; thence South $47^{\circ} 06' 40''$ West 96.00 ft. to a point; thence North $42^{\circ} 53' 20''$ West 57.00 ft. to a point; thence South $47^{\circ} 06' 40''$ West 49.00 ft. to a point; thence North $42^{\circ} 53' 20''$ West 24.16 ft. to a point; thence South $47^{\circ} 06' 40''$ West 1.00 ft. to a point; thence North $42^{\circ} 53' 20''$ West 102.00 ft. to a point; thence South $47^{\circ} 06' 40''$ West 324.00 ft. to a point; thence North $42^{\circ} 53' 20''$ West 532.42 ft. to a point; thence South $47^{\circ} 06' 40''$ West 103.38 ft. to the point of beginning of a curve; thence Southwesterly 331.04 ft. along the arc of a curve whose center lies to the Southeast whose radius is 402.61 ft. and whose chord bears South $23^{\circ} 33' 20''$ West 321.80 ft. to a point; thence South and parallel to the West line of the SE $\frac{1}{4}$ of said Section 300.00 ft. to a point; thence West at right angles to the West line of the SE $\frac{1}{4}$ of said Section 85.58 ft. to a point in the West line of the SE $\frac{1}{4}$ of said Section, said point being 1,403.29 ft. North of the Southwest corner of the SE $\frac{1}{4}$ of said section; thence North along the West line of the SE $\frac{1}{4}$ of said Section 438.00 ft. to a point; thence East at right angles to the West line of the SE $\frac{1}{4}$ of said Section 50.67 ft. to a point on a curve; thence Northeasterly 237.05 ft. along the arc of a curve whose center lies to the Southeast whose radius is 458.77 ft. and whose chord bears North $32^{\circ} 18' 31''$ East 234.42 ft. to a point; thence North $47^{\circ} 06' 40''$ East 137.55 ft. to the point of beginning of a curve; thence Northeasterly 38.36 ft. along the arc of a curve whose center lies to the Northwest whose radius is 24.42 ft. and whose chord bears North $02^{\circ} 06' 40''$ East 34.54 ft. to a point; thence North $42^{\circ} 53' 20''$ West 142.66 ft. to the point of beginning of a curve; thence Northwesterly 113.26 ft. along the arc of a curve whose center lies to the Southwest whose radius is 137.74 ft. and whose chord bears North $66^{\circ} 26' 40''$ West 110.09 ft. to a point of compound curvature; thence Westerly 89.72 ft. along the arc of a curve whose center lies to the South whose radius is 109.42 ft. and whose chord bears South $66^{\circ} 30' 34''$ West 87.23 ft. to a point in the West line of the SE $\frac{1}{4}$ of said Section, said point being 2281.29 ft. North of the Southwest corner of the SE $\frac{1}{4}$ of said Section; thence North along the West line of the SE $\frac{1}{4}$ of said Section 90.93 ft. to the point of beginning of the land described. The parcel herein described contains 18.1342 acres, more or less.

NORTHBRIDGE MALL MILWAUKEE, WISCONSIN
GIMBEL SITE

That part of the S E 1/4 and the N E 1/4 of Section 4, T 8 N, R 21 E, in the City of Milwaukee, Milwaukee County, Wisconsin, bounded and described as follows: Commencing at the Southeast corner of said S E 1/4 of said Section; thence North 00° 21' 10" West along the East line of the S E 1/4 of said Section 1614.48 ft. to a point; thence South 89° 38' 50" West 87.00 ft. to the point of beginning of the land to be described;

thence Northwesterly 40.32 ft. along the arc of a curve whose center lies to the Southwest whose radius is 59.42 ft. and whose chord bears North 55° 54' 42" West 39.55 ft. to a point; thence North 75° 21' 10" West 66.13 ft. to a point; thence South 59° 38' 50" West 149.08 ft. to the point of beginning of a curve; thence Southwesterly 38.36 ft. along the arc of a curve whose center lies to the Southeast whose radius is 24.42 ft. and whose chord bears South 44° 38' 50" West 34.54 ft. to a point; thence South 69° 38' 50" West 56.16 ft. to a point; thence Southerly 90.00 ft. along the arc of a curve whose center lies to the West whose radius is 635.23 ft. and whose chord bears South 03° 42' 22" West 89.93 ft. to a point; thence North 82° 14' 06" West 49.50 ft. to a point; thence North 42° 53' 20" West 525.66 ft. to a point; thence South 47° 06' 40" West 304.00 ft. to a point; thence North 42° 53' 20" West 566.00 ft. to a point; thence North 47° 06' 40" East 269.17 ft. to a point; thence North 42° 53' 20" West 244.11 ft. to a point; thence North 14° 17' 20" East 104.29 ft. to a point; thence South 75° 42' 40" East 290.00 ft. to a point; thence North 14° 17' 20" East 56.16 ft. to a point; thence South 75° 42' 40" East 307.85 ft. to the point of beginning of a curve; thence Southeasterly 159.76 ft. along the arc of a curve whose center lies to the Southwest whose radius is 278.89 ft. and whose chord bears South 59° 18' 00" East 157.59 ft. to a point; thence South 42° 53' 20" East 231.61 ft. to the point of beginning of a curve; thence Southeasterly 324.24 ft. along the arc of a curve whose center lies to the Southwest, whose radius is 436.75 ft. and whose chord bears South 21° 37' 15" East 316.85 ft. to a point; thence South 00° 21' 10" East 206.42 ft. to the point of beginning of a curve; thence Southeasterly 38.36 ft. along the arc of a curve whose center lies to the Northeast whose radius is 24.42 ft. and whose chord bears South 45° 21' 10" East 34.54 ft. to a point; thence North 89° 38' 50" East 232.58 ft. to a point; thence Easterly 13.71 ft. along the arc of a curve whose center lies to the North, whose radius is 24.42 ft. and whose chord bears North 73° 33' 54" East 13.53 ft. to a point; thence South 00° 21' 10" East on a line which lies 87.00 ft. West of and parallel to the East line of the S E 1/4 of said Section 136.39 ft. to the point of beginning.

The parcel herein described contains 16.2186 acres, more or less.

Attached to and made part of certain Warranty Deed wherein Northridge Company is party of the first part and Gimbel Brothers, Inc. is party of the second part.

(Part of Tax Key Nos. 032-9997-110 and 006-9999-110)

Exhibit 2: Property Characteristics, Proposed TID #51, Granville Station

| Taxkey | Property Address | Owner | 2002 Land | 2002 Improve | Lot Area | Lot Acreage | Current Area Vacant | % Blight |
|-------------------|-------------------------------|---|-------------|--------------|------------------|----------------|---------------------|----------------|
| 032-9997-114 | 7700-7700S W. Brown Deer Road | Sears Roebuck & Company D/768TAX, B2-116A | \$2,490,500 | \$500 | 1,037,164 | 23.8100 | 1,037,164 | 1,037,164 |
| 032-9997-115 | 7700-7700M W. Brown Deer Road | TDC Milwaukee LLC | \$3,500,400 | \$100 | 1,394,661 | 32.0170 | 1,394,661 | 1,394,661 |
| 032-9997-113 | 7700-7700P W. Brown Deer Road | J C Penney Company, Inc. | \$1,816,400 | \$600 | 789,743 | 18.1300 | 789,743 | 789,743 |
| 032-9997-112 | 7700-7700G W. Brown Deer Road | Anthony A. Palermo | \$1,625,000 | \$1,000 | 706,543 | 16.2200 | 706,543 | 706,543 |
| TOTAL S.F. | | | | | 3,928,111 | 90.1770 | 3,928,111 | 100.00% |

| Taxkey | Property Address | Owner | 2002 | | | Previous (2000) | | | 1998 | | |
|--------------------|-------------------------------|---|--------------------|----------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | | | Land | Improve | Total Assessment | Land | Improve | Total Assessment | Land | Improve | Total Assessment |
| 032-9997-114 | 7700-7700S W. Brown Deer Road | Sears Roebuck & Company D/768TAX, B2-116A | \$2,490,500 | \$500 | \$2,491,000 | \$2,490,500 | \$1,674,500 | \$4,165,000 | \$2,634,500 | \$3,429,500 | \$6,064,000 |
| 032-9997-115 | 7700-7700M W. Brown Deer Road | TDC Milwaukee LLC | \$3,500,400 | \$100 | \$3,500,500 | \$3,500,400 | \$100 | \$3,500,500 | \$4,162,200 | \$58,837,800 | \$63,000,000 |
| 032-9997-113 | 7700-7700P W. Brown Deer Road | J C Penney Company, Inc. | \$1,816,400 | \$600 | \$1,817,000 | \$1,816,400 | \$1,502,600 | \$3,319,000 | \$1,816,400 | \$3,581,600 | \$5,398,000 |
| 032-9997-112 | 7700-7700G W. Brown Deer Road | Anthony A. Palermo | \$1,625,000 | \$1,000 | \$1,626,000 | \$1,625,000 | \$1,667,000 | \$3,292,000 | \$1,625,000 | \$3,660,000 | \$5,285,000 |
| TOTAL VALUE | | | \$9,432,300 | \$2,200 | \$9,434,500 | \$9,432,300 | \$4,844,200 | \$14,276,500 | \$10,238,100 | \$69,508,900 | \$79,747,000 |

* Assessment Data is from Assessor's Property Database

Exhibit 2: PROPERTY CHARACTERISTICS, PROPOSED TID 51, GRANVILLE STATION

Notes to Exhibit 2

This exhibit documents the findings that 100% by area of the real property in the District is a "blighted area" within the meaning of sec. 66.1105(2)(a) Wisconsin Statutes, and/or "obsolescence" and/or "An area which...consists of land...or otherwise, substantially impairs or arrests the sound growth of the community." within the meaning of sec. 66.1105(2)(b) Wisconsin Statutes.

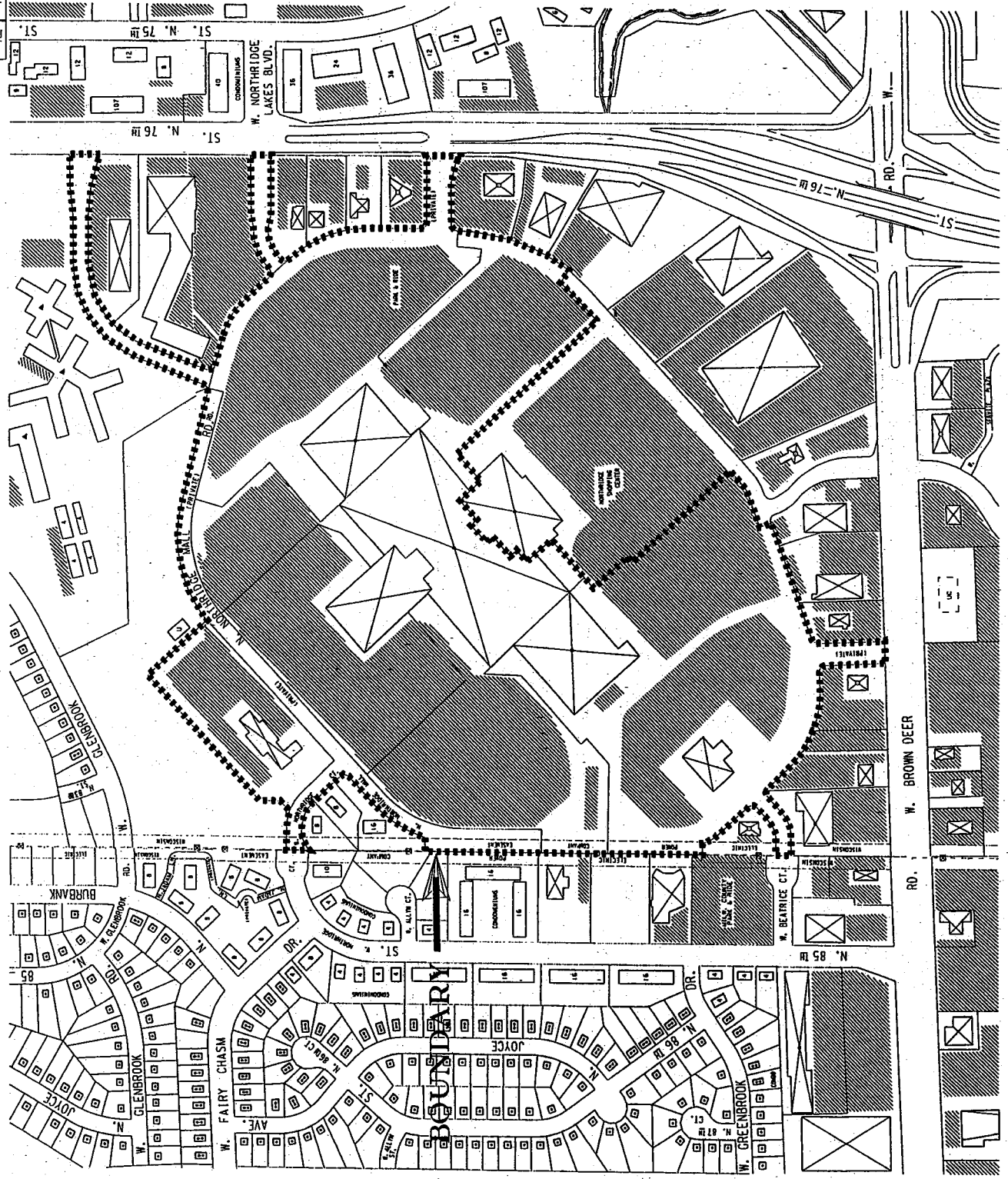
Using the analysis, 3,928,111 square feet, or 100% of the real property in the District is currently vacant, but has not been vacant for an entire 7 year period within the meaning of 66.1105(4)(gm)1 Wisconsin Statutes. The exhibit documents that five years ago, in 1998, the assessed fair market value of the improvements were higher than the assessed fair market value of the land for all four parcels. In addition, each taxkey number below shows the dates in which each building in the District went vacant.

| Taxkey | Name | Date of Vacancy |
|--------------|-----------|------------------|
| 032-9997-114 | Sears | January 21, 2001 |
| 032-9997-115 | Mall | August 3, 2002 |
| 032-9997-113 | JC Penney | July 5, 2000 |
| 032-9997-112 | Yonkers | March 6, 2000 |

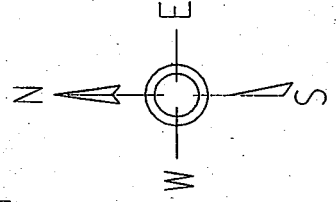
Calculation of Area

The calculation of property area in this exhibit is based on data from the City of Milwaukee's Office of the City Assessor.

| | | |
|----|----|----|
| 5 | 6 | 7 |
| 33 | 32 | 31 |
| 42 | 43 | 44 |



TID
BOUNDARY



LEGEND

- PROJECT BOUNDARY
- CHURCH
- HOTEL / MOTEL
- ROOMING HOUSE
- POLICE STATION
- FIRE STATION
- HOSPITAL
- CONDOMINIUM
- UTILITY COMPANY
- STORAGE TANK
- PARK
- PUBLIC SCHOOL
- PLAYGROUND
- PARKING LOT
- PARKING STRUCTURE
- SINGLE OR DUPLEX RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- MIXED COMMERCIAL / RESIDENTIAL
- COMMERCIAL OR LOCAL BUSINESS
- OFFICE / PROFESSIONAL SERVICES
- MIXED COMMERCIAL
- SKILLED CARE FACILITY
- VACANT PARCEL
- NON - PUBLIC EDUCATION
- PUBLIC BUILDING
- MANUFACTURING AND WAREHOUSING
- ACCESSORY BUILDING
- CEMETERY
- TENNIS COURT
- BASKETBALL COURT
- DORMITORY

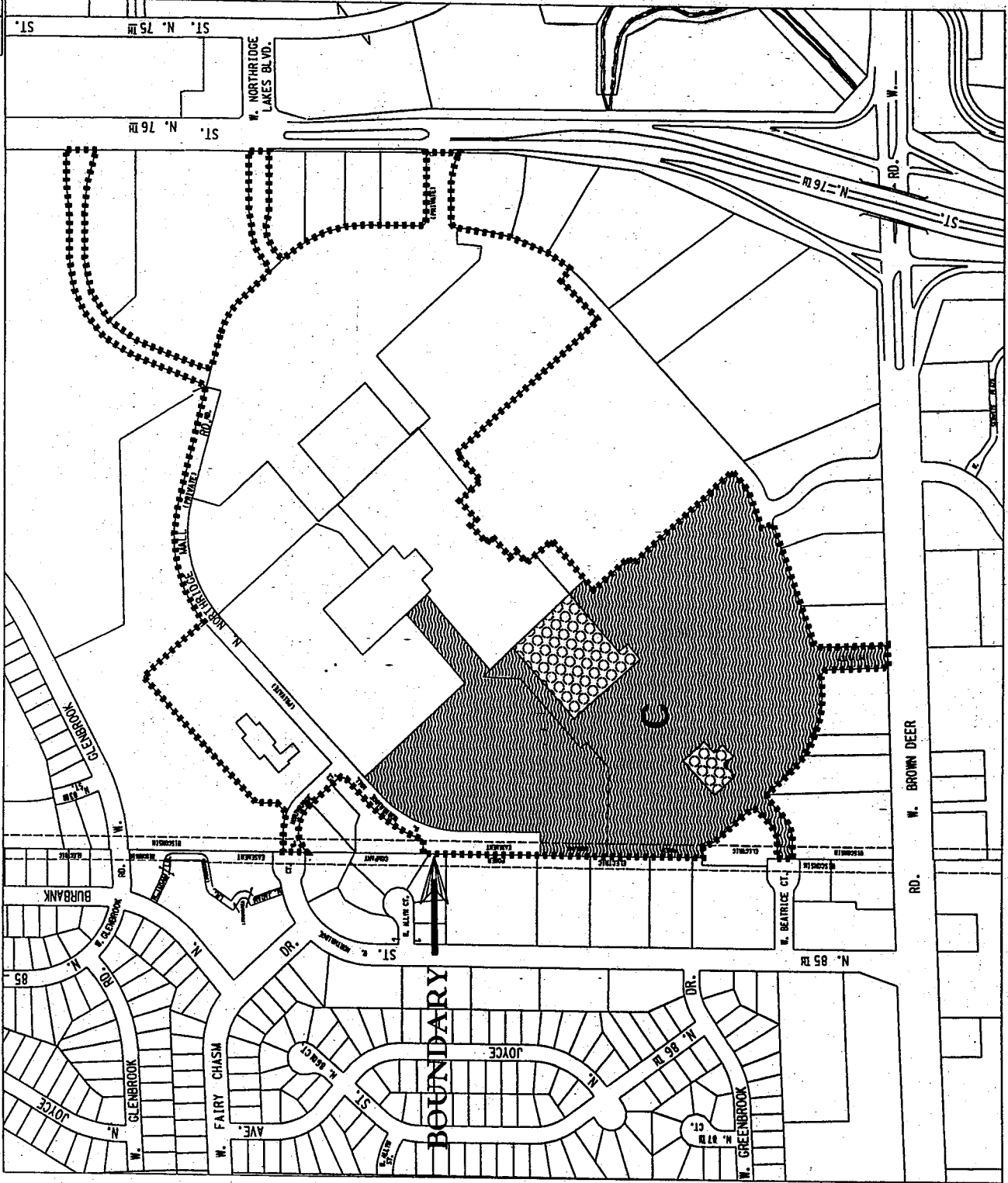
MAP NO. **TID - 51**

BOUNDARY AND EXISTING LAND USE

DATE

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| 5 | 6 | 7 |
| 33 | 32 | 31 |
| 42 | 43 | 44 |



TID BOUNDARY

LEGEND



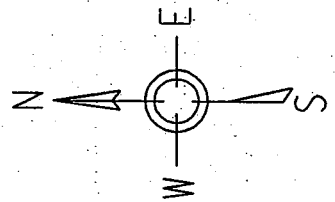
Regrade area



For demolition

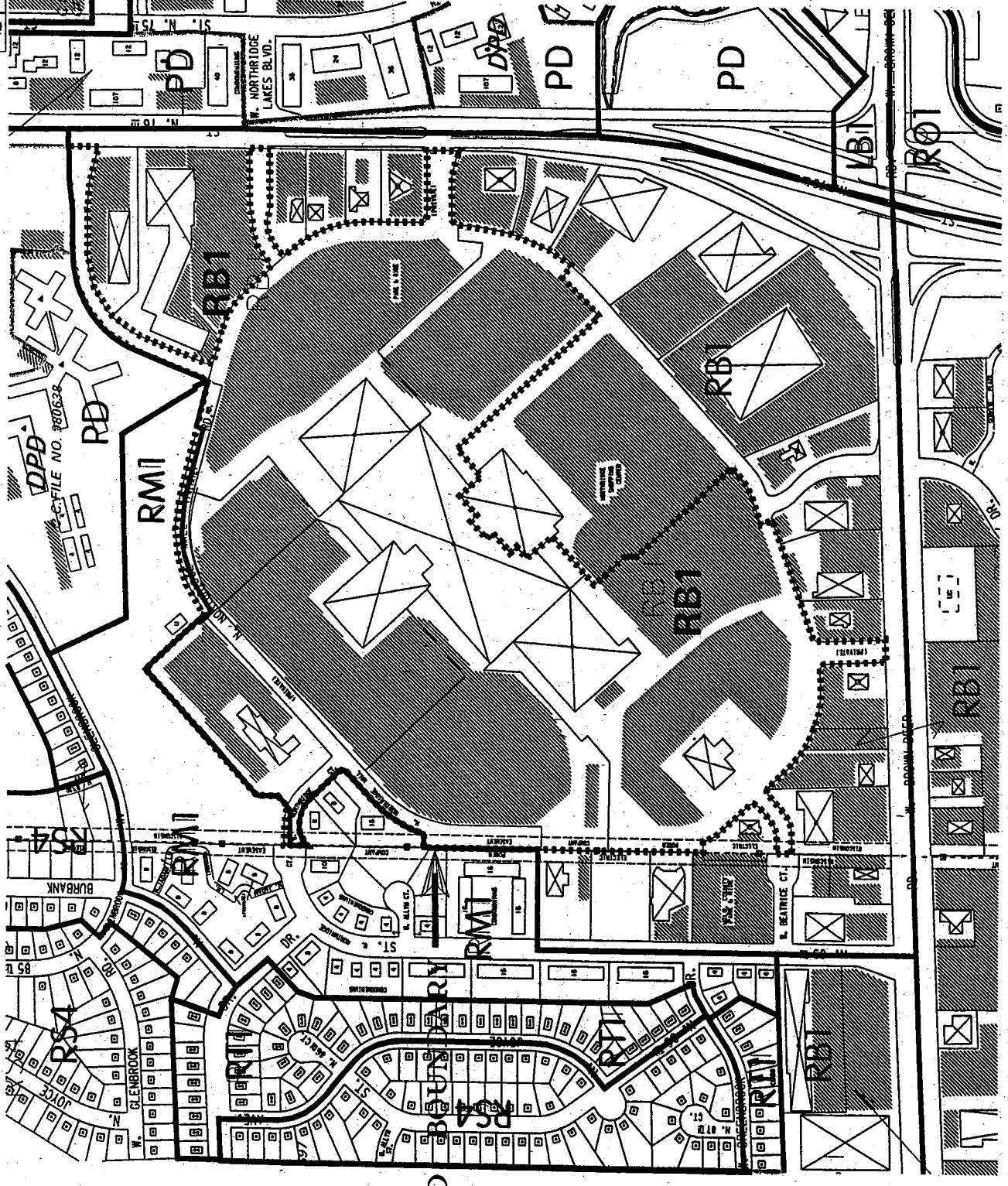


For commercial uses

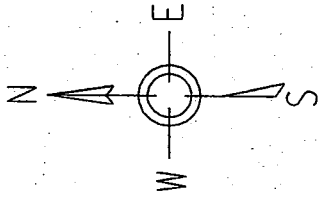


| | |
|--|----------|
| MAP NO. | TID - 51 |
| 3 PROPOSED IMPROVEMENTS AND USES | |
| PAGE 1. | DATE |
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|----|----|----|
| 5 | 6 | 7 |
| 33 | 32 | 31 |
| 42 | 43 | 44 |



TID BOUNDARY



| Zoning Legend | |
|---|--|
| Residential | Commercial Retail Service |
| SINGLE-FAMILY RESIDENTIAL RS1 RS2 RS3 RS4 RS5 RS6 C9A(A) C9A(B) | MULTI-FAMILY RESIDENTIAL RM1 RM2 RM3 RM4 RM5 RM6 RM7 RESIDENTIAL SERVICE C9B(A) C9B(B) |
| LOCAL OFFICES LB1 LB2 NEIGHBORHOOD RETAIL C9C | NEIGHBORHOOD SHOPPING NS1 NS2 MAJOR RETAIL C9E |
| PLANNED DEVELOPMENT PD | REGIONAL SHOPPING RB1 RB2 COMMERCIAL SERVICE CS |
| OFFICE AND SERVICE C9F(A) C9F(B) C9F(C) | INSTITUTIONAL TL |
| INDUSTRIAL LIGHT IL1 IL2 C9G | INSTITUTIONAL DEVELOPMENT DPD IN RED OVERLAY |
| INDUSTRIAL MEDIUM IM MANUFACTURING AND LIGHT MANUFACTURING C9H | OFFICE IO1 IO2 PARK PK |
| INDUSTRIAL HEAVY IH C9G | INDUSTRIAL MANUFACTURING IO1 IO2 C9F(C) |
| STEELMAN REVIEW OVERLAY DISTRICT SPROD IN RED OVERLAY | INDUSTRIAL HEAVY IH |
| OTHER OVERLAY DISTRICTS DEVELOPMENT INCENTIVE ZONE OVERLAY DISTRICT DIZ IN RED OVERLAY | LARGEST ZONE OVERLAY DISTRICT LF IN RED OVERLAY |

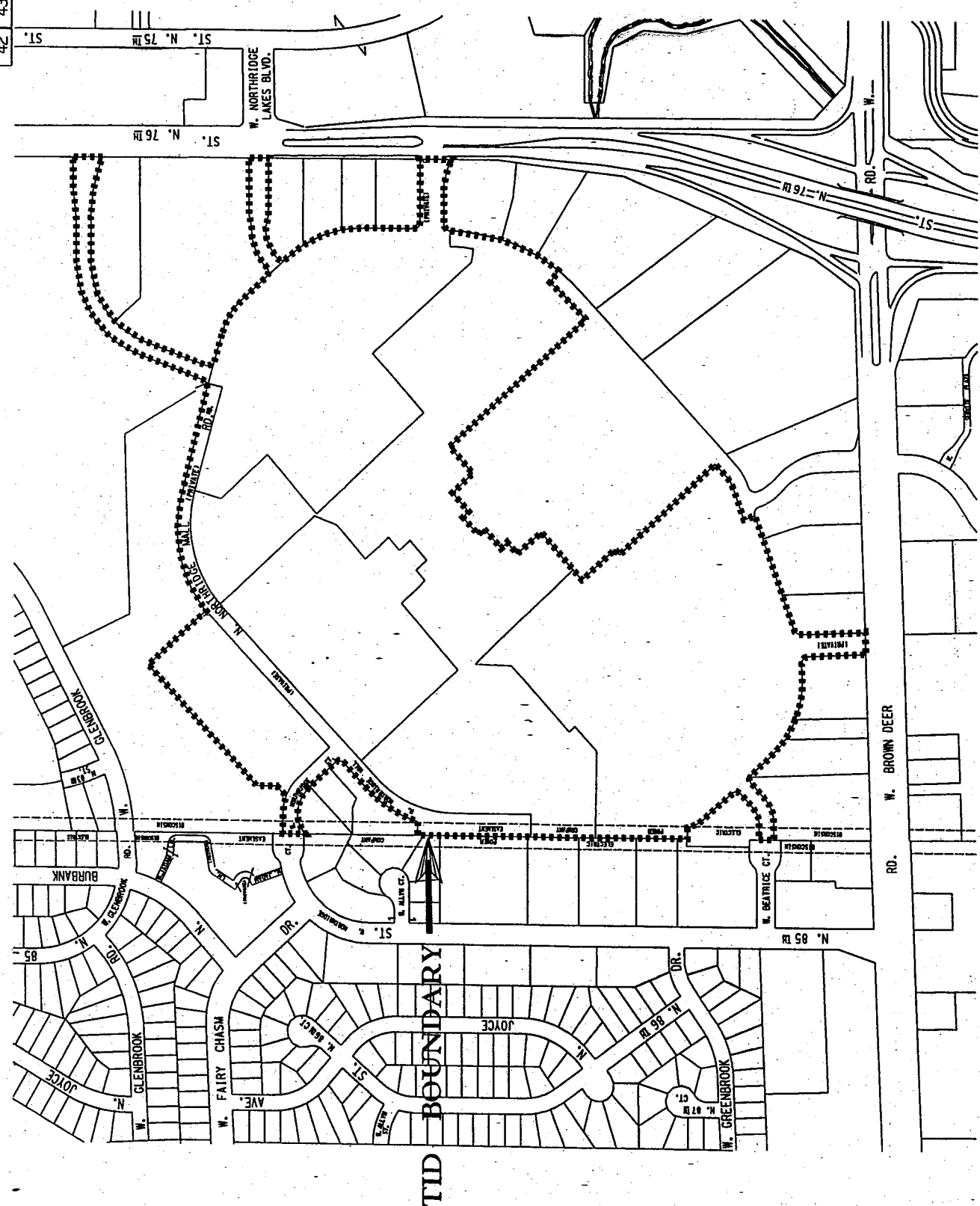
MAP NO. TID - 51

4 EXISTING ZONING MAP

DATE

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| 33 | 32 | 31 |
| 42 | 43 | 44 |



LEGEND

Current Renewals NONE

TID BOUNDARY

.....

| | |
|--|------------------------------------|
| MAP NO. | TID - 51 |
| 5 | REDEVELOPMENT PROJECT AREAS |
| DATE | |
| PRODUCED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER Design file - W:\TID\TID51.dgn 11/05/15 Plot file - c:\r11\bw.ctb (param project name) .1 Generated / 05-DEC-2002 , Scale - (555.500000:1.000000) Queue / s:\NATHENS\DCI\WV\Legend - (13.465149, 8.000000) MILWAUKEE, WI. | |



RECEIVED
DEPT. OF CITY DEVELOPMENT

02 DEC -3 PM 3:34

Amended

ASSESSOR'S OFFICE

December 2, 2002

Mary P. Reavey
Assessment Commissioner

Peter C. Weissenfluh
Chief Assessor

Julie A. Penman, Commissioner
Department of City Development
809 North Broadway
Milwaukee, WI 53201

RE: Proposed Tax Incremental District: Northridge TID

Dear Ms Penman:

The value of this proposed TID does not exceed the percentage limits allowed by the alternative formulas pursuant to Sec. 66.1105. The formulas and percentages are as follows:

Total Equalized Value (Proposed TID) + (All Other TIDS) as a percent of the Total City Equalized Value is less than the 7% requirement.

Total TID Increment (All Other TIDS) + Total Equalized Value Proposed TID as a percent of the Total City Equalized Value is less than the 5% requirement.

Please provide the TID number in writing when officially approved.

Do not hesitate to contact me if you have questions.

Sincerely,

Mary Reavey
Mary Reavey
Assessment Commissioner

Cc: Jim Scherer

J:\MGOLDS\TIDS\ProposedTidNorthridge_%ChkLtr.doc

CITY OF MILWAUKEE

Form CA-43

GRANT F. LANGLEY
City Attorney

RUDOLPH M. KONRAD
Deputy City Attorney

THOMAS E. HAYES
PATRICK B. McDONNELL
LINDA ULISS BURKE
Special Deputy City Attorneys



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TELEPHONE (414) 286-2601
TDD 286-2025
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BEVERLY A. TEMPLE
THOMAS O. GARTNER
BRUCE D. SCHRIFF
ROXANE L. CRAWFORD
SUSAN D. BICKERT
HAZEL MOSLEY
HARRY A. STEIN
STUART S. MUKAMAL
THOMAS J. BEAMISH
MAURITA F. HOUREN
JOHN J. HEINEN
MICHAEL G. TOBIN
DAVID J. STANOSZ
SUSAN E. LAPPEN
DAVID R. HALBROOKS
JAN A. SMOKOWICZ
PATRICIA A. FRICKER
HEDI WICK SPOERL
KURT A. BEHLING
GREGG C. HAGOPIAN
ELLEN H. TANGEN
MELANIE R. SWANK
JAY A. UNORA
DONALD L. SCHRIEFER
EDWARD M. EHRlich
LEONARD A. TOKUS
MIRIAM R. HORWITZ
MARYNELL REGAN
G. O'SULLIVAN-CROWLEY

Assistant City Attorneys

January 6, 2003

Ms. Julie A. Penman, Commissioner
Department of City Development
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

RE: Proposed Tax Incremental District Number 51
(Granville Station Project Plan)

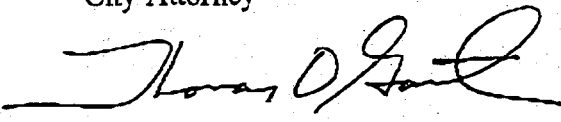
Dear Commissioner Penman:

Pursuant to your December 11, 2002, request, we have reviewed the project plan for the above-captioned proposed Tax Incremental District No. 51.

Based upon that review, it is our opinion that the plan is complete and complies with the provisions of sec. 66.1105(4)(l), Stats.

Very truly yours,


GRANT F. LANGLEY
City Attorney


THOMAS O. GARTNER
Assistant City Attorney
TOG/kg
c: Gregg C. Hagopian
1050-2002-3849
62084

**ECONOMIC FEASIBILITY STUDY
TAX INCREMENTAL DISTRICT NO. 51, CITY OF MILWAUKEE
GRANVILLE STATION**

December, 2002

I. OVERVIEW

TID 51 is proposed to assist the redevelopment of the former Northridge Shopping Mall. Located on the City's northwest side, Northridge opened to the public in 1972 and represented the state of the art in regional shopping centers. It contained just under 1.1 million s.f. of retail space including 4 department stores and approximately 400,000 leasable s.f. of in-line store space including a six-screen movie theater complex. Northridge operated successfully until the early 1990's when the number of shoppers utilizing the mall began to decline rapidly. As of the date of this study all of the 1.1 million s.f. of retail space is closed except the 153,968 s.f. Boston Store Department Store. This represents a vacancy factor of 86%.

In 1990 the in-line store space was assessed at \$107 million. As late as 1998 the same mall portion of the development was assessed at \$63 million. This same real estate was sold in February 2001 to Tucker Development Corporation for \$3.5 million. The Milwaukee area has not been witness to a more devastating decline in retail property value.

The redevelopment challenges that this property faces are substantial. They include the numerous ownership interests involved with the 103-acre site. Specifically Tucker Development Corporation owns the in-line store space and a portion of the malls parking fields. Each of the four department store properties and their parking fields are owned by different entities. Adding to this challenge is how the original mall property owners allowed for outlots to be developed in a manner that blocked a strong visual connection to be made from either W. Brown Deer Road or N. 76th Street. The 103-acre site is located within a ring road and is situated like an island, without a strong connection to the city's street grid.

Additional challenges include instilling a sense of confidence in the retailing community that a site, which has fallen so far, can once again attract sufficient consumer traffic to be successful. To manage this challenge successfully, issues like image, formats, and the perception of public safety will need to be addressed.

However the key ingredients for the successful redevelopment of this important area of the city are present. These ingredients include the strong buying power of the site's primary trade area, the proposed configuration of the Phase I site and the repositioning strategy being proposed by the developer.

Specifically, within a three-mile radius, there are over 18,000 households with an average household income of over \$51,000. West Brown Deer Road remains a strong retail corridor that is site of such successful retailers like Wal-Mart, Best Buy and Toys R Us. The site location adjacent to N. 76th Street and W. Brown Deer Road is well position to take advantage of the significant 24-hour traffic counts of 21,100 and 41,200. The buying public is well represented in this area. A successful retail strategy will once again tap into this market.

Phase I of this strategy seeks to combine approximately 3 acres of the former mall property with the former Sears Department Store building and then after demolishing the Sears store and extensive re-grading of the site, construct 222,640 s.f. of large format retail space and an outlot pad. The retail space will include a 61,000 s.f. Pick N Save grocery store and a 161,640 s.f. Menard's home improvement center. By starting at the southern portion of the 103-acre site, these initial retailers can operate independently from the balance of the complex. Future phases can be developed in a sequential manner that adds to this strong base.

The reposition strategy will be further enhanced by the renaming of the property to Granville Station. A site plan showing how Phase I would be physically organized is contained in Exhibit "A".

The developer of this project is Tucker Development Corporation (TDC), based in Highland Park, Illinois. TDC specializes in developing and redeveloping shopping centers and other retail properties. Company President Richard Tucker, who has more than 20 years of retail real estate experience, founded the firm in 1996. Since that time, TDC has successfully completed five shopping centers in the Chicago area with two additional centers currently under construction. The company has also developed one center in Pennsylvania.

TID 51 seeks to provide \$4.4 million in development assistance for Phase I of this development. These funds will be used to offset the expenses associated with the acquisition and demolition of the Sears property, and the extensive re-grading of the property. Approximately 13.5 acres of the re-graded site will be sold to Menard's who will construct their own retail space. TDC will construct and lease the grocery store back to Pick N Save's parent company, Roundy's, Inc.

II. DESCRIPTION OF TID IMPROVEMENTS

A complete description of the project's cost can be found in Exhibit "B". One of the challenges the project faces is how to recoup costs incurred in the initial purchase and site planning but is not directly involved in Phase I. These costs include Tucker Development's initial \$3.5 million expenditure (and return on that capital) for the mall property, holding costs for the mall property and \$75,000 expended for master planning work. For the "gap financing" underwriting standards we used in analyzing the level of TID assistance to provide to this project, we only allocated those cost directly related to Phase I activities.

Therefore, significant developer expenditures were not included in our analysis. For example only \$328,007 of the developer's original mall purchase of \$3.5 million expenditure is allocated for Phase I. The balance of those funds and their associated carrying costs are still the sole responsibility of Tucker Development Corporation. Similarly, we reduced the project's budget by any fees or commissions that were scheduled to be paid to Tucker Development Corporation or a related entity. The only fee to Tucker Development Corporation we allowed was a customary development fee of 5% of project costs. In summary, for Phase I TID underwriting purposes we allocated approximately \$14.4 million of Tucker Development's \$19.8 million total project costs. The balance of these expenditures will have to be recovered by Tucker Development Corporation in future project phases. A breakdown of these allocations can be found in Exhibit "B". In addition to Tucker Development's expenditures, Menards will invest approximately \$7.0 million in the construction of their store and outdoor lumberyard. Also an outlot that can leverage a 6,000 to 8,000 s.f. tenant(s) is proposed for Phase I. This should leverage an additional \$1.0 million investment.

An independent review of the construction costs for Voss Jorgensen Schueler Co. Inc. and ACM Construction Services jointly conducted the project and their report is also contained in Exhibit "B". Based upon the information available the construction costs appear to be reasonable to accomplish the proposed development.

A project of this complexity will also incur significant costs associated with site acquisition, design and engineering, leasing, financing, project management and insurance. A review was undertaken of these cost categories and after the allocations mentioned earlier, these costs are well within industry norms.

Pending approval of TID 51, Phase I activities will get underway in February of 2003 and be completed prior to the end of that year.

III. Description of Developer's Financial Projections

Phase I financial information is based on the following:

- Sale of a re-graded 13.42-acre site to Menards for \$4.5 million (\$335,320 per acre).
- Lease of a 61,000 s.f. grocery store to Roundy's for \$8.50 per s.f./NNN (\$518,500 per year).
- Lease of one outlot for \$35,000 per year.
- Unrecovered expenses of \$36,000
- Annual Net Operating Income of \$517,500

The sale price to Menards is well within industry norms. The lease rent to Roundy's reflects the more limited incremental sales volume that Roundy's believes can be obtained from this new store based on the location of other Roundy's food stores in the area. It also reflects the level of risk a tenant takes in being part of the initial phase of a redevelopment project. The outlot lease rate and unrecovered expenses were reviewed and are well within industry norms.

A net operating income of \$517,500 for a retail development such as Phase I should be able to attract debt-financing equal to 80% of its value. Assuming a 9.5 cap rate, the value of the Roundy's and outlot portion of Phase I is projected to be \$5,447,368. Therefore a first mortgage of approximately \$4.3 should be obtainable. Assuming a debt service structure of a loan with 20-year amortization and an interest cost of 6.75% creates an annual debt service of \$398,037. This leaves \$119,463 of cash flow available to service an equity investment. Allowing for a 10% cash on cash return, an equity investment of \$1.2 million can be leveraged. Therefore it is possible to attract a total of \$5.5 million of conventional financing to the Roundy's and outlot portion of Phase I. Combining this conventional sources of financing with the \$4.5 million obtained by selling the 13.42-acre site to Menards, leaves a \$4.4 million gap in the \$14.4 million Phase I budget.

It is important to emphasize that Tucker Development Corporation will have several million dollars of additional expenses related to the redevelopment of Granville Station that have not been included in our TID underwriting analysis, but are outlined in Exhibit "B".

IV. Tax Incremental District Analysis

Based upon Phase I developments only, the anticipated performance of TID 51 is outlined in Exhibit "C". The base year for TID 51 will be 2003. After discussions with the City's Assessor Office staff, it appears that the 2003 assessment for the properties located in TID 51 will be the same as the Year 2002 assessments. Our analysis assumes this to be case.

We assume that during 2003 both the Menards and Pick N Save are constructed and are operating prior to January 1, 2004. Therefore the 2004 assessments reflect an increase of over \$14.8 million. We assume that by January 1, 2005 the proposed outlot is leased and the outlot building is built and operating. This adds another \$1.37 million to the TID's value for a total district value over \$25.6 million.

We propose to finance the TID expenditures through the issuance of City of Milwaukee General Obligation tax-exempt bonds. Our analysis assumes that these bonds are issued in late 2003, and are structured to include two years of capitalized interest and then 15 annual level debt payments. We used an average interest rate of 4.45%.

Assuming no other improvements within the TID, in 2019 the district has a sufficient surplus to be retired. We firmly believe that the development of Phase I will cause the land values in the balance of the TID to be maintained if not increased. We also believe that the success of Phase I will trigger more confidence in the marketplace for the reuse of other properties located in TID 51. This reuse should produce additional value and cause the term of TID 51 to be further reduced.

V. Joint Review Board Test

In this section we evaluate the 3 tests, which the Joint Review must apply in determining whether or not to approve this amendment.

A. "But For"

The Joint Review Board must consider whether development would occur without the use of tax incremental financing. To evaluate this criterion, we look at whether this project would be feasible without TIF assistance. Without TIF assistance either additional debt or equity would have to be available in order to build the project. Given the project's financial performance replacing the TID expenditure with additional debt or equity is not possible. Debt of 80% of value is already contemplated and it is highly unlikely that the property can be further leveraged. Likewise replacing the TID funds with equity is not likely. Our analysis assumes modest 10% cash on cash return, but Tucker Development's true return is much less given their additional investments in the project. We believe the "but for" test has been met.

B. Economic Benefits

The Joint Review Board is charged with determining whether the economic benefits are sufficient to justify the investment of public funds. This has been evaluated in several ways.

First, ability to retire TIF debt was considered. As structured the district will close in 2019, short of its mandated termination date of 2024.

Second, there are significant benefits derived from the investment of over \$27.8 million dollars into the local economy. These benefits include employment opportunities in the construction trades.

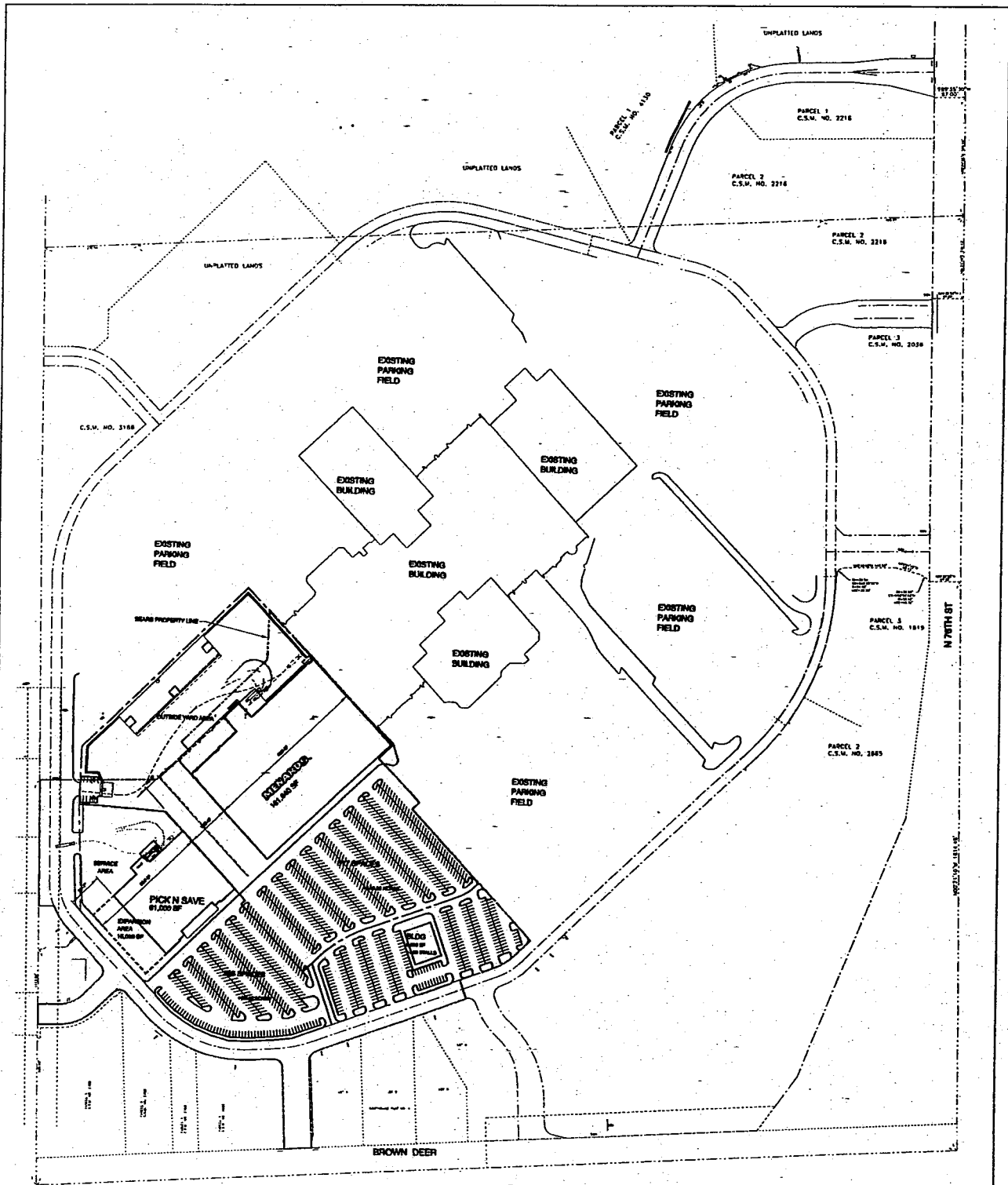
Finally, considerable new job creation will take place in the numerous retail operations that will rent space in the project. We have estimated that approximately 240 full time equivalent jobs will be created by Phase I.

C. Impacts On Other Jurisdictions

The Joint Review Board must also consider whether the benefits outweigh the anticipated tax increments to be paid by the owners of the property in the overlying taxing districts. The current shopping center is clearly struggling with a 14% occupancy rate. Without this TID district, this pattern is likely to persist and values are likely to continue and fall. The owners of property in the overlying taxing jurisdictions would need to make up this shortfall. This TID preserves the base value in the district and the revenue stream this generates for all the applicable taxing jurisdictions. The owners of the property in the overlying taxing districts also will benefit when TID No. 51 is terminated and its incremental tax revenues can be used for general purposes.

In our opinion, the project clearly meets the Joint Review Board tests.

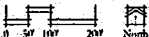
EXHIBIT A



Lot Areas:

| | |
|---------------|--------------|
| Menards - | ±13.82 Acres |
| Pick N Save - | ±6.42 Acres |
| Outlots - | ±2.95 Acres |
| Ring Road - | ±2.90 Acres |

Development Site Plan - Phase 1



COST PROFORMA BY PHASE

PROJECT: *Granville Station*

Date Revised: 12/9/02

EXHIBIT B

| | Land/Acquisition Cost Allocation | Development Cost Allocation | Lot Size in Acres | Lot Size in Square Feet | Bldg SF | Total | PHASE I |
|--|----------------------------------|-----------------------------|-------------------|-------------------------|-----------|-------------|------------------|
| | \$2.51 per acre | \$2.65 per acre | | | | | |
| LAND ACQUISITION | | | | | | | |
| 010-010-01 Purchase Price - Mail | 3.00 acres | | | | | 328,007 | 100.0% |
| Purchase Price - Seas | 23.80 acres | | | | | 2,750,000 | 100.0% |
| | 26.80 sq.ft. | | | | | 1,167,844 | 26.81 |
| | | | | | | 222,640 | 222,640 |
| Balance of Mail | | | | | | | |
| 010-020-01 Transfer Taxes | | | | | 3,171,993 | | 3,171,993 |
| Sub-Total | | | | | | 6,250,000 | |
| SOFT COSTS | | | | | | | |
| DUE DILIGENCE | | | | | | | |
| 020-015-01 CSM | | | | | | 0 | 0 |
| 020-010-01 Boundary Survey | | | | | | 5,500 | 5,500 |
| 020-070-01 ALTA As-Built Survey | | | | | | 21,000 | 21,000 |
| 020-010-01 Topo Survey | | | | | | 7,500 | 7,500 |
| 020-060-01 Site Planning | | | | | | 75,000 | 75,000 |
| 020-050-01 Geo Technical | | | | | | 8,500 | 8,500 |
| 020-040-01 Environmental (Ph I) | | | | | | 8,500 | 8,500 |
| 020-040-01 Environmental (Ph II/ Legal) | | | | | | 1,500 | 1,500 |
| 020-020-01 Watershed Assessment | | | | | | 36,000 | 36,000 |
| 020-030-01 Traffic Analysis | | | | | | 12,000 | 12,000 |
| 020-090-01 Legal | | | | | | 5,000 | 5,000 |
| 020-085-01 Miscellaneous | | | | | | 110,000 | 110,000 |
| Sub-Total | | | | | | 250,000 | 250,000 |
| | | | | | | 313,500 | 313,500 |
| DESIGN & ENGINEERING | | | | | | | |
| 040-010-01 Civil-Site and Offsite | | | 61,000 sq.ft. | | | 175,000 | 175,000 |
| 040-020-01 Architectural | | | | | | 213,500 | 213,500 |
| Mechanical | | | | | | 0 | 0 |
| Electrical-Site | | | | | | 3,800 | 3,800 |
| 040-030-01 Landscape Design | | | | | | 10,000 | 10,000 |
| 040-040-01 Traffic Engineering | | | | | | 5,000 | 5,000 |
| Sign Design | | | | | | 10,000 | 10,000 |
| Reimbursable | | | | | | 750 | 750 |
| Sub-Total | | | | | | 418,050 | 418,050 |
| PURCHASES/LEASE | | | | | | | |
| 050-050-01 Menard's Sale | | | | | | (4,500,000) | (4,500,000) |
| Sub-Total | | | | | | (4,500,000) | (4,500,000) |
| Commissions | | | | | | | |
| 050-020-01 Commissions | Acquisition | | | | | 0 | 0 |
| 050-020-01 Commissions | Round's | 61,000 | \$4.00 | per ft. | | 244,000 | 244,000 |
| 050-030-05 Commissions | Menard's | 0 | 10% | per ft. | | 450,000 | 450,000 |
| | Outlot | \$35,000 | ann rent/10% x10% | | | 35,000 | 35,000 |
| Legal | | | | | | | |
| 050-040-01 Public Relations | | | | | | 150,000 | 150,000 |
| 050-090-01 Miscellaneous | | | | | | 25,000 | 25,000 |
| Sub-Total | | | | | | 175,000 | 175,000 |
| REGULATORY APPROVALS | | | | | | | |
| 030-010-01 Application Costs | Based on | 61,000 | sq.ft. | | | 7,000 | 7,000 |
| 020-018-01 Rezonning Costs | | | | | | 1,500 | 1,500 |
| 030-055-01 Legal | | | | | | 50,000 | 50,000 |
| 030-060-01 Other Permits | | | | | | 63,000 | 63,000 |
| 030-065-01 Permit Expediting | | | | | | 0 | 0 |
| 050-040-01 Public Relations | | | | | | 40,000 | 40,000 |
| 050-090-01 Miscellaneous | | | | | | 25,000 | 25,000 |
| Sub-Total | | | | | | 186,500 | 186,500 |
| IMPACT & CONNECTION FEES | | | | | | | |
| 030-030-01 Traffic Impact Fees | Based on | 222,640 | sq.ft. | | | 0 | 0 not applicable |
| 030-020-01 Municipal Impact Fees | | | | | | 0 | 0 not applicable |
| 030-040-01 Environmental Impact Fees Allowance | | | | | | 0 | 0 not applicable |
| 030-045-01 Utility Relocation Fees/Assessments Allowance | | | | | | 65,000 | 65,000 |
| 030-030-01 Utility Connection Fees Allowance | | | | | | 25,000 | 25,000 |

COST PROFORMA BY PHASE
PROJECT: Granville Station

Date Revised: 12/9/02

| | Land/Acquisition Cost Allocation | Development Cost Allocation | Lot Size in Acres | Lot Size in Square Feet | Blgd SF | Total | PHASE 1 |
|--|----------------------------------|-----------------------------|-------------------|-------------------------|---------|-------------------|-------------------|
| | 100.00% | 100.00% | 26.81 | 1,167,844 | 222,640 | 100.00% | 100.00% |
| 080-030-01 Appraisal | | | | | 25,000 | | 25,000 |
| 080-080-01 Inspection | | | | 10,000 | | | 10,000 |
| As-Built Survey | | | | | 0 | | 0 |
| 080-040-01 Title Insurance | | | | 20,000 | | | 20,000 |
| 080-070-01 Recording Costs | | | | 1,000 | | | 1,000 |
| Sub-Total | | | | | | 163,000 | 163,000 |
| INTERIM INTEREST (1/4 a.m. rate term) | | | | | | | |
| 080-090-01 | \$10,900,000 | | 1 year | 457,800 | | | 457,800 |
| 080-090-01 | 50 | | 1 year | 0 | | | 0 |
| 080-090-01 | \$3,500,000 | | 2 years | 700,000 | | | 700,000 |
| Equity Interest | | | | | | | 1,157,800 |
| Sub-Total | | | | | | | 1,157,800 |
| PERMANENT FINANCE | | | | | | | |
| 090-010-01 Application Fee | | | | 40,000 | | | 40,000 |
| 090-020-01 Loan Fee (NOI/9%*80%LTY) | \$4,000,000 | | | 0 | | | 0 |
| 090-030-01 Inspection Fee | | | | 30,000 | | | 30,000 |
| 090-030-01 Mortgage Broker Fee | \$4,000,000 | | | 15,000 | | | 15,000 |
| 090-040-01 Borrowers Legal | | | | 0 | | | 0 |
| 090-050-01 Lenders Legal | | | | 0 | | | 0 |
| 090-060-01 Title Insurance | | | | 0 | | | 0 |
| 090-070-01 Closing Fee/Taxes/Recording | | | | 0 | | | 0 |
| Sub-Total | | | | | | | 85,000 |
| SUB TOTAL | | | | | | 14,850,250 | 14,850,250 |
| CONTINGENCY | | | | | | 445,508 | 445,508 |
| Menard's costs | | | | | | 7,000,000 | 7,000,000 |
| Menard's Land add back | | | | | | 4,500,000 | 4,500,000 |
| GRAND TOTAL | | | | | | 26,795,758 | 26,795,758 |

PROPOSED TID GRANT
PROPOSED TID GRANT - PERCENTAGE OF COSTS

| | | |
|--|-----------|--------|
| | 4,400,000 | 16.42% |
| | 4,400,000 | 16.42% |

EXHIBIT B

**GRANVILLE STATION PHASE I
TID UNDERWRITING COSTS**

| | | |
|--------------------------|----|------------|
| LAND | \$ | 3,078,007 |
| DUE DILIGENCE | \$ | 265,500 |
| DESIGN & ENGINEERING | \$ | 418,050 |
| PURCHASE/SALE/LEASE | \$ | 559,000 |
| REGULATORY APPROVALS | \$ | 186,500 |
| IMPACT & CONNECTION FEES | \$ | 92,000 |
| REAL ESTATE TAXES | \$ | 90,000 |
| INSURANCE | \$ | 8,500 |
| PROJECT MANAGEMENT | \$ | 545,000 |
| DEMOLITION, SITE WORK | \$ | 4,392,900 |
| BUILDING CONSTRUCTION | \$ | 3,660,000 |
| INTERIM FINANCING | \$ | 165,000 |
| INTERIM INTEREST | \$ | 457,800 |
| PERMANENT FINANCING | \$ | 85,000 |
| CONTINGENCY | \$ | 418,080 |
| TOTAL | \$ | 14,421,337 |

Exhibit B

Executive Summary

The City of Milwaukee contracted with Voss Jorgensen Schueler, Inc. to "review design plans and estimates of cost and provide RACM with its independent judgment as to the reasonableness of the developer's proposed budget."

Review of Design Plans

The developer provided plans and specifications delineated in Appendix A. The development site plan is conceptual in nature. It identifies the size and location of the planned buildings and their related site access, parking, storage yard, and service areas. Topography, site improvements, and site utilities are not shown.

Discussions were held with John Donohue from Tucker Development on Tuesday, December 3, 2002. During the course of this conversation, Mr. Tucker explained his concept of the site development. The following is the very basic description of the work being planned:

- The existing Sears building will be demolished. The existing topography allows for entry to the first floor of the Sears building from the south and entry on the north elevation of the Sears building is from the north. The grade differential from the south to the north entry levels varies but is roughly 18 feet.
- The planned buildings are single level structures with a first floor elevation similar to the existing first floor elevation of Sears. Therefore, in order to provide entry level access and yard space on the north sides of the two new buildings, significant cuts in the grades are required. The majority of the dirt excavated is planned to be hauled off site. This is a reasonable assumption.
- After the re-grading operation, site utilities, building structures, and site improvements will take place.
- Retaining walls are implied on the plan as part of the re-development. However, the budget does not include a specific line item for this work. A reasonable assumption is that retaining walls will be incorporated in to the final design.

Voss Jorgensen Schueler, Inc. is not qualified to comment on the documentation provided relative to hazardous material abatement or soil remediation.

Review of the Developer Cost Estimates for Construction

The developer provided cost information delineated in Appendix A. Mr. Donohue indicated one change to the Site work Phase 1 estimate was the quantity of Clay Haul Off. A re-calculation from the A/E suggested an increase of 10,657 cy. Using the same unit price of \$14.00 per cy the estimated cost for this line item is \$149,198. The overall

estimate will be increased by this amount plus adjustments to the various line items that use construction cost as a basis in their calculation.

In general, we have determined the cost estimates for the hard cost construction related items is reasonable. Please refer to the Discussion of the Developer Cost Estimate for additional details.

Recommendations for Changes to the Developer Budget

No changes to the developer budget are recommended.

Source: Voss Jorgensen Schueler, Inc.

Discussion of the Developer Cost Estimate

SITWORK PHASE 1

A. **Excavation and Grading Improvements**

In general, the assumptions made to arrive at the line items and quantities in this section appear complete and reasonable. The largest single line item is the excavated material to be hauled off site. Performing a detailed quantity survey to compare with the developer's figures cannot be calculated without a finish grading plan. However, a very broad brush analysis generates a volume of material totaling 106,667 cy (200' x 800' x 18'/27) which is very close to the developer's. The unit price of \$14.00 is on the high end but this is the type of unit price that fluctuates significantly depending on how far the material has to be trucked.

Retaining walls are implied on the plan but are not listed as a line item on the estimate. Mr. Donohue agreed that retaining walls to some degree will most likely become part of the overall final design solution. However, he feels there is enough elasticity in the overall earthwork budget to handle the cost of this work.

The remaining line items in this section are reasonable both in terms of quantities and unit pricing.

B. **Storm Sewer Improvements**

The scope of the storm sewer work is not defined on the plan. However, the assumptions described by Mr. Donohue to arrive at his quantities are reasonable as well as the unit pricing.

C. **Water Main Improvements**

The scope of the water main work is not defined on the plan. However, the assumptions described by Mr. Donohue to arrive at his quantities are reasonable as well as the unit pricing.

D. **Sanitary Sewer Improvements**

The scope of the sanitary work is not defined on the plan. However, the assumptions described by Mr. Donohue to arrive at his quantities are reasonable as well as the unit pricing.

E. **Parking Lot Improvements**

The estimate only includes the Pick N Save lot. The total Pick N Save lot is roughly 6.42 acres. Subtracting the footprint of the Pick N Save building, the remaining area is 24,309 sy. The area of paved surface in the developer's

estimate is 24,361 sy. The scope of work and unit pricing in this section of the estimate are reasonable.

F. Site Lighting Improvements

Again, these improvements only relate to the Pick N Save lot. The scope of the site lighting work is not defined on the plan. However, the assumptions described by Mr. Donohue to arrive at his quantities are reasonable as well as the unit pricing.

The bond, general conditions, and fees listed are usual and within industry standards.

COST PROFORMA BY PHASE

Voss Jorgensen Schueler, Inc. is qualified to comment on the following items:

Design & Engineering - the fees listed are within normal market rates

Demolition – the budget price of \$4.00 per square foot (\$730,400) is conservative but reasonable given the risky nature of the work. Mr. Donohue offered during our Tuesday conversation that he has a low bid of roughly \$650,000. We find the budget is reasonable.

EXHIBIT C

FORECAST OF DISTRICT CASH FLOW

TAX INCREMENTAL DISTRICT NO. 51

| Yr. | Real Prop. Value | Personal Prop. Value | Est. District Value | Base Value | Incremental Value | Tax Inc. Revenue | Bond Payment | Annual Surplus (Deficit) | Cumulative Surplus (Deficit) |
|------|------------------|----------------------|---------------------|-------------|-------------------|------------------|--------------|--------------------------|------------------------------|
| 2003 | \$ 9,434,500 | \$ 25,000 | \$ 9,459,500 | \$9,459,500 | \$0 | \$0 | \$0 | \$ - | \$ - |
| 2004 | \$ 23,194,940 | \$ 1,100,000 | \$ 24,294,940 | \$9,459,500 | \$ 14,835,440 | \$0 | \$0 | \$ - | \$ - |
| 2005 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 415,392 | \$0 | \$ 415,392 | \$ 415,392 |
| 2006 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 419,566 |
| 2007 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 423,771 |
| 2008 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 428,040 |
| 2009 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 432,361 |
| 2010 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 436,737 |
| 2011 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 441,167 |
| 2012 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 445,653 |
| 2013 | \$ 24,563,361 | \$ 1,100,000 | \$ 25,663,361 | \$9,459,500 | \$ 16,203,861 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 450,195 |
| 2014 | \$ 25,205,467 | \$ 1,100,000 | \$ 26,305,467 | \$9,459,500 | \$ 16,845,967 | \$ 453,708 | \$ 454,737 | \$ (1,029) | \$ 454,793 |
| 2015 | \$ 25,205,467 | \$ 1,100,000 | \$ 26,305,467 | \$9,459,500 | \$ 16,845,967 | \$ 471,687 | \$ 454,737 | \$ 16,950 | \$ 477,428 |
| 2016 | \$ 25,205,467 | \$ 1,100,000 | \$ 26,305,467 | \$9,459,500 | \$ 16,845,967 | \$ 471,687 | \$ 454,737 | \$ 16,950 | \$ 500,346 |
| 2017 | \$ 25,205,467 | \$ 1,100,000 | \$ 26,305,467 | \$9,459,500 | \$ 16,845,967 | \$ 471,687 | \$ 454,737 | \$ 16,950 | \$ 523,551 |
| 2018 | \$ 25,205,467 | \$ 1,100,000 | \$ 26,305,467 | \$9,459,500 | \$ 16,845,967 | \$ 471,687 | \$ 454,737 | \$ 16,950 | \$ 547,045 |
| 2019 | \$ 25,205,467 | \$ 1,100,000 | \$ 26,305,467 | \$9,459,500 | \$ 16,845,967 | \$ 471,687 | \$ 454,737 | \$ 16,950 | \$ 570,833 |

NOTES:

Base value uses 2002 assessment values. Since the properties are vacant little personal property value is present

2004 incremental value is based on Menards and Pick N Save being opened by 1/1/04

2005 incremental value is increased by development and land leasing of proposed outlot

2014 increase is based on \$1.00 per s.f. rent increase for Pick N Save

Personal property is based on average outstanding balance of \$2.50 per s.f.

Debt Service is based on \$4.9 million bond issue with a rate of 4.45% and a 15 year amortization.

Outstanding debt service in 2019 is \$454,737