

PROJECT PLAN
for
TAX INCREMENTAL DISTRICT NUMBER 45
CITY OF MILWAUKEE
(Wilson Commons)

Redevelopment Authority
of the
City of Milwaukee
Milwaukee, Wisconsin

Prepared by
Department of City Development

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

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 45, City of Milwaukee, (TID 45 and/or District) is an area generally bounded by South 13th Street, Wilson Creek (a tributary of the Kinnikinnic River), and Wilson Park (a Milwaukee County park). The District is shown on Map No. 1, "Boundary and Existing Land Use," and described more precisely in Exhibit 1, "Boundary Description." The area consists of one property as assessed for general tax purposes.

The District contains property totaling 359,942 square feet (8.263 acres), more or less, exclusive of public streets and alleys. The entire site was found to be "blighted" within the meaning of Section 66.1105(2)(a), Wisconsin Statutes and/or "in need of rehabilitation or conservation work" within the meaning of Section 66.435(3), Wisconsin Statutes. Exhibit 2 illustrates how the property in the District meets the statutory criteria for Tax Incremental Districts.

C. Plan Objectives

The district is the site of the former DePaul Hospital and Treatment Center located at 4143 South 13th Street. The property was acquired in the late 1990's by Vencor Hospital Limited Partnership with the intent to renovate the existing building for hospital purposes. Construction was stopped shortly after the original interior building improvements of the main hospital were removed, and the property has been left bankrupt and unoccupied since. The site is surrounded by a mix of land uses that include large institutional-type and small, two story type commercial buildings located adjacent to residential uses. Tarantino & Company, LLC has since obtained a contract to acquire the five- (5) story, six- (6) level complex that has remained vacant for several years.

The objectives of this TID plan are to provide funding for site redevelopment and public improvements that will aid the private development of new senior housing. Specifically, the District will assist the removal of the existing one hundred seventy nine thousand (179,000) s.f. building and three hundred nine (309) space parking lot in addition to the development of a three hundred fifty nine thousand nine hundred forty-two (359,942) s.f. Wilson Commons Senior Living Community. The development also includes a proposed new private street that will act as an entry drive and is anticipated to terminate into a turn-a-bout.

The site will be redeveloped into a campus that provides three (3) distinct integrated housing options for seniors. The first is a Villa complex of up to seventeen (17) one-story units and will employ twenty six thousand five hundred fifty-four (26,554) s.f. Access to the resident garages is planned by a narrow roadway (or alley) similar to existing patterns in surrounding neighborhoods. Three (3) of the Villa groupings are planned to face 13th Street in a manner that defines the street

edge. The second option is a seventy-four (74)-unit Residential Care Apartment Complex which will occupy seventeen thousand nine hundred thirty-four (15,200) s.f. The building defines and frames the end of the main entry drive. A service drive to the south of the building is designed as the area for trash pickup and deliveries. The final option will be a forty five thousand three hundred forty-six (45,346) s.f. Independent Living Center with one hundred fifty-two (152) units. The Center is located in a manner that defines the street of the main entry drive to the site. In addition, twenty eight thousand five hundred sixty (28,560) s.f. will be designated to Gazebos and sidewalks, and roads (including the proposed private street) will occupy seventy one thousand five hundred forty-five (71,545) s.f. One hundred seventy thousand and three (170,003) s.f. will be appointed to landscaped open space. There will be up to two hundred (200) parking spaces available, of which one hundred thirty- nine (139) will be underground. The site of the new senior center will incorporate the common architectural themes of many single-family homes and intensively utilize the surrounding green space.

The detailed objectives of this Project Plan include:

1. Razing the existing buildings and infrastructure (parking lots, sidewalks, utilities, etc.) located on the site.
2. Development of three (3) distinctive, integrated senior housing options.
3. Site improvements that create a sense of place, encourage residents to utilize the programming options in certain buildings and provide outdoor amenities (community garden, seating areas and flower planting areas).
4. Placement of buildings that define the street edge and encourage resident movement and utilization of programming in each building.
5. Eliminate obsolete conditions, blighting influences and environmental deficiencies that impede development and detract from the functionality, aesthetic appearance and economic welfare of this section of the city.
6. Create new employment opportunities.

D. Proposed Public Action

Funds generated from the TID will be used for a grant to the developer for the following purposes: demolition of existing structures, \$500,000; site utility and parking lot demolition, \$360,000; fill/site grading, \$240, 000; site improvements, \$121,000; environmental remediation, \$89,000, and engineering/fees/permits, \$90,000.

The District will fund an estimated \$1.4 million grant to the developer. The District will also fund approximately \$55,000 in administrative and other costs.

While the 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 of the City of Milwaukee (RACM) 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 and improvements are shown on

Map No. 3, titled Proposed Improvements and Uses, and are listed below:

1. Grant to the developer to assist in the redevelopment of the site.

2. "Detailed List of Estimated Project Costs"

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 and/or the Redevelopment Authority of the City of Milwaukee, and the developer, which agreements are incorporated herein by reference, provided further that such expenditures are necessitated by this Project Plan.

The kind, number, location and estimated costs of public works and improvements necessitated by the project as described above, are based on preliminary plans and concepts developed in consultation with the collaborating agencies and 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.

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, 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 \$55,000.

c. Financing Costs

Financing costs include estimated gross interest expense on the loan that is capitalizing the TIF. Estimates of 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	Capital Grant to developer for demolition of existing structures; site improvements, infrastructure, and environmental remediation.	\$1,405,000
B	Other Administrative, professional, organizational, and legal: \$55,000	\$55,000
	Total Estimated Project Cost, excluding financing:	\$1,460,000
C	Financing Interest on bonds or contribution agreement	\$445,000

3. "Description of Timing and Methods of Financing"

a. Estimated Timing of Project and Financing Costs

a. Estimated Timing of Project Costs

The incremental revenue from the District will be used to pay the financing obtained by the developer for the project. It is expected that the financing will be paid off in six years by 2008. 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 2008, pursuant to the provisions of s. 66.1105(6)(am), Wisconsin Statutes.

b. Estimated Method of Financing Project Costs

General obligation bonds or the proceeds of a cooperation agreement: \$1,460,000²

Financing for the District's project costs will be accomplished through the proceeds of a Cooperation and Contribution agreement with the developer, who would, in turn, borrow the funds from a local financial institution. Under this approach, the City would repay funds advanced by the developer, including an interest charge, but only to the extent of the actual tax incremental revenue received in the District each year.

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. 45, July 2001*, 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

¹ The City of Milwaukee reserves 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.

² Excluding capitalized interest, if any.

Wells Street, Room 205, Milwaukee Wisconsin, as attached to Common Council Resolution File Number 010226. 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, could 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 in the year 2008, before its required termination date of 2021. Should incremental revenues be generated in excess of those currently anticipated, they will be used to offset the public costs of Plan implementation.

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 Uses and Improvements" 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,"

The existing zoning is General Plan Development (GPD). The GPD zoning has been tailored specifically for the Wilson Commons project. Therefore no change to the present zoning ordinances, master plan, official map, building codes, or other City ordinances is necessary to accomplish the purposes and intent of this Plan.

8. "List of Estimated Non-Project Costs"

The proposed level of assistance from the TID will leverage significant private investment, as total project costs in excess of the TID contribution are estimated at \$23.2 million. These include all costs associated with the acquisition and development of the project.

9. "Proposed Method for Relocation"

This Plan does not provide for the acquisition of private property through condemnation by the City of Milwaukee or RACM and, accordingly, no relocation activities or expenditures for relocation payments or services are provided.

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

On June 19, 2000, the City Planning Commission endorsed the Wilson Commons Project and found it to be consistent with the Comprehensive Plan of the City of Milwaukee by approving

General Plan Development zoning for the property. The change to GPD zoning was enacted by the Common Council of the City of Milwaukee on July 25, 2000 as Common Council File No. 000155. The proposed TID will assist the implementation of the approved GDP zoning.

11. "Opinion of the City Attorney"

Please refer to the letter of the City Attorney in the Exhibits Section. [In preparation.]

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 Improvements
Map 4	Existing Zoning
Map 5	Existing Redevelopment Project Areas
Attachment 1	Assessment Commissioner's Letter [in preparation]
Attachment 2	City Attorney's Letter [in preparation]

EXHIBIT 1: BOUNDARY DESCRIPTION, TID 45

Please refer to the legal description on the City Assessor's summary that is attached to Exhibit 2.

EXHIBIT 2: PROPERTY CHARACTERISTICS, TID 45

This exhibit documents the findings that not less than 50% by area of the real property in the District is “blighted area” within the meaning of sec. 66.1105(2)(a), Wisconsin Statutes, and/or “in need of rehabilitation or conservation work” within the meaning of sec. 66.1337(3), Wisconsin Statutes. The exhibit also documents that not more than 25%, by area of the real property in the District is vacant within the meaning of sec. 66.1105(4)(gm)1, Wisconsin Statutes.

Calculation of Area:

The proposed District consists of the single parcel of 359,283 square feet.

The calculation of property area in this exhibit is based on the City of Milwaukee’s master property file (MPROP) and the descriptions of parcels provided on the plat pages prepared by the Office of the City Assessor. A summary of the City Assessor’s information for this parcel is attached to this exhibit.

“Blighted Property”:

The District’s single parcel is classified as “blighted” because the structures on it show dilapidation, deterioration, age, and physical and economic obsolescence. In addition to their physical condition, long-term vacancy and vacancy of a significant portions of structures also are considered to be evidence of obsolescence. As noted in this project plan, the structures were purpose-built as in-patient medical facilities. Attempts during the bankruptcy to market the buildings for reuse proved unsuccessful.

For this reason the “blighted area” within the District equals 100% of the District.

Vacant Land:

There are no vacant parcels – parcels without buildings and other site improvements – in the proposed District. Also, on the District’s single parcel, the assessed values for the structural improvements on the parcel exceed the assessed value of the land. (See the attached summary.)

Therefore, no property in the District is “vacant” within the meaning of sec. 66.1105(4)(gm)1, Wisconsin Statutes.

PROPERTY ASSESSMENT RESULTS

TAX ACCOUNT BALANCE

GENERAL INFORMATION

ADDRESS	4143 THRU 4143 S 13TH ST
TAXKEY	578-9987-110-5
OWNER	VENCOR HOSPITALS LTD PTN C O VENCOR, INC ATTN: TAX DEPT #4684
OWNER ADDRESS	680 S 4TH ST LOUISVILLE, KY 402022412

ASSESSMENT

	2001	2000
LAND	\$329,900	\$329,900
IMPROVEMENTS	\$1,120,100	\$1,120,100
TOTAL	\$1,450,000	\$1,450,000
CURRENT CLASS	SPECIAL COMM'L	

Assessments reflect the estimated value on January 1st .of the indicated year.

OTHER PROPERTY INFORMATION

- LAST CONVEYANCE:
 - DATE: 04/98
 - TRANSFER FEE: \$15000.00 ([CLICK HERE FOR FEE EXPLANATION](#))
- STORIES: 5.0
- RESIDENTIAL BUILDING STYLE:
- EXTERIOR WALL TYPE:
- YEAR BUILT: 1972
- DWELLING UNITS: 0 ([CLICK HERE FOR DWELLING UNITS EXPLANATION](#))
- TOTAL SQUARE FEET FLOOR AREA: 0
 - FIRST FLOOR AREA:
 - SECOND FLOOR AREA:
 - THIRD FLOOR AREA:
 - FINISHED ATTIC AREA:
 - FINISHED HALF STORY AREA:
 - BASEMENT LIVING AREA:
- ROOM-COUNTS

- TOTAL ROOMS: 0
- BEDROOMS: 0
- BATHS: 0
- HALF BATHS: 0
- CENTRAL AIR CONDITIONING: NO
- BASEMENT: NONE
- FIRE PLACE:
- GARAGE TYPE: NONE
- LOT SIZE: 359283
- PLAT PAGE: 57801
- ZONING: GPD General Planned Development ([CLICK HERE FOR ZONING EXPLANATION](#))
(For zoning information contact Milwaukee Development Center at 286-8211.)
- ASSESSMENT NEIGHBORHOOD 6440
- ALDERMANIC DISTRICT: 13
- CENSUS TRACT: 213
- LEGAL DESCRIPTION:
LEGALS LANDS IN NE 1/4 SEC 19-6-22
DESCRIPTION COM 1201.52' N & 45' W OF SE COR SD 1/4 SEC-TH W 700'-TH S
40'-TH W 239.95'-TH SE 411.87'-TH SE 527.38'-TH E 222.04'
-TH N TO BEG

For more information contact the Assessor's office at 414-286-3651

LEGEND	
.....	PROJECT BOUNDARY
+	CHURCH
H	HOTEL / MOTEL
R	ROOMING HOUSE
P	POLICE STATION
F	FIRE STATION
+	HOSPITAL
C	CONDOMINIUM
U	UTILITY COMPANY
T	STORAGE TANK
	PARK
P.S.	PUBLIC SCHOOL
P.G.	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 - 45

BOUNDARY AND

EXISTING LAND USE

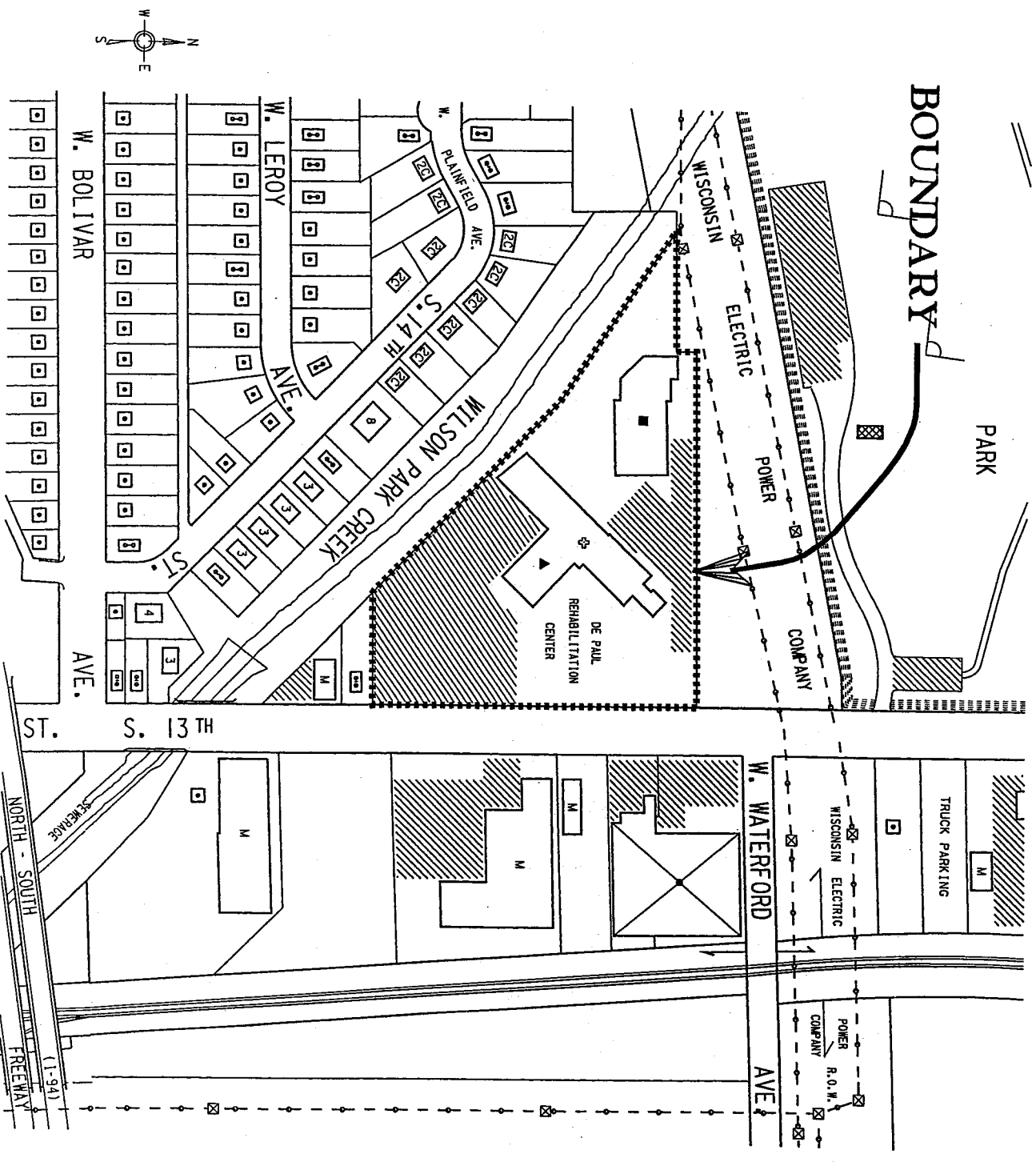
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TID

BOUNDARY

PARK



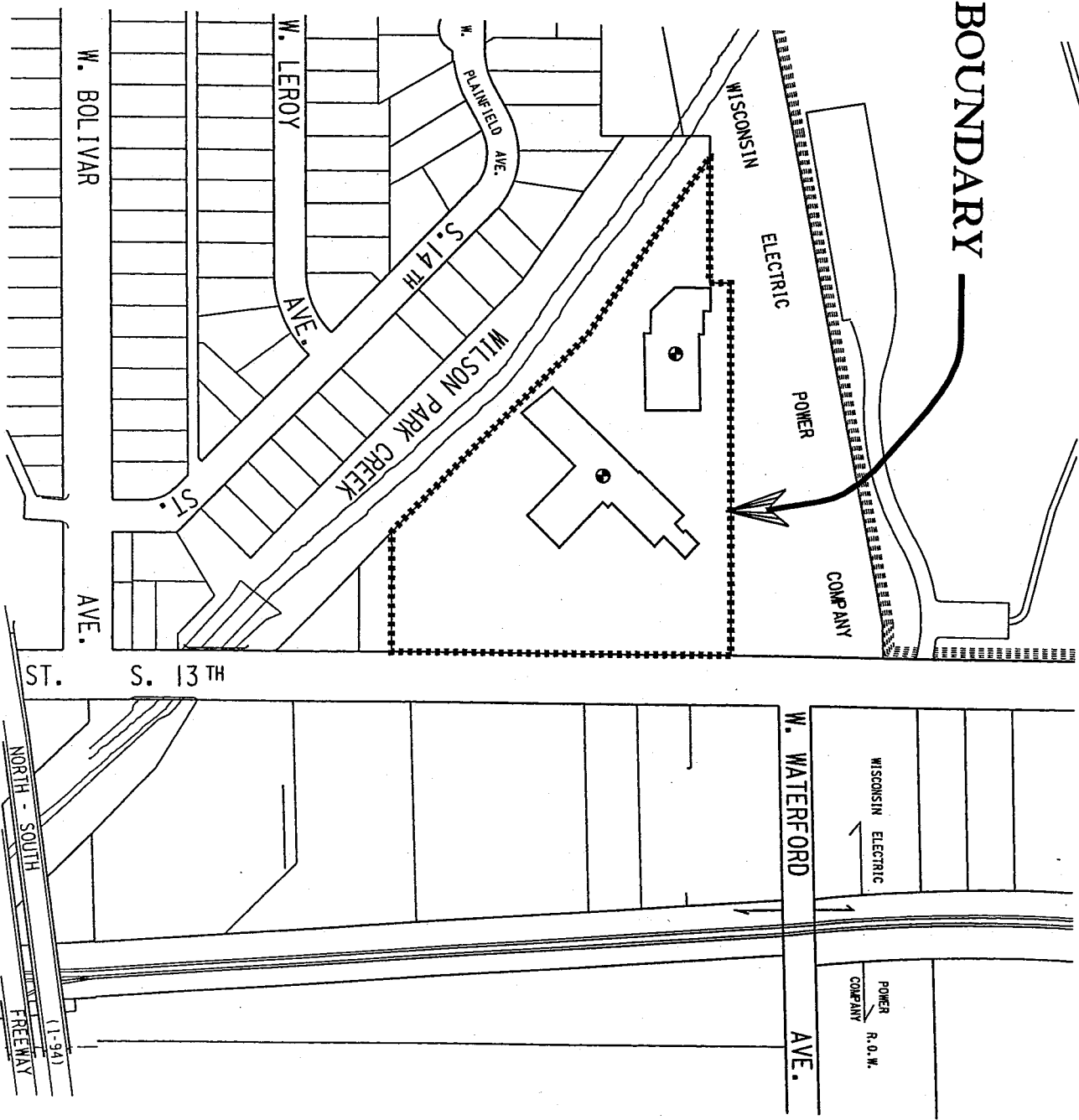
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597	596

TID BOUNDARY

LEGEND

- STANDARD
- ⊕ MINOR DEFICIENCY
- ⊗ MAJOR DEFICIENCY
- SUBSTANDARD



MAP NO.

TID - 45

2

STRUCTURE CONDITION

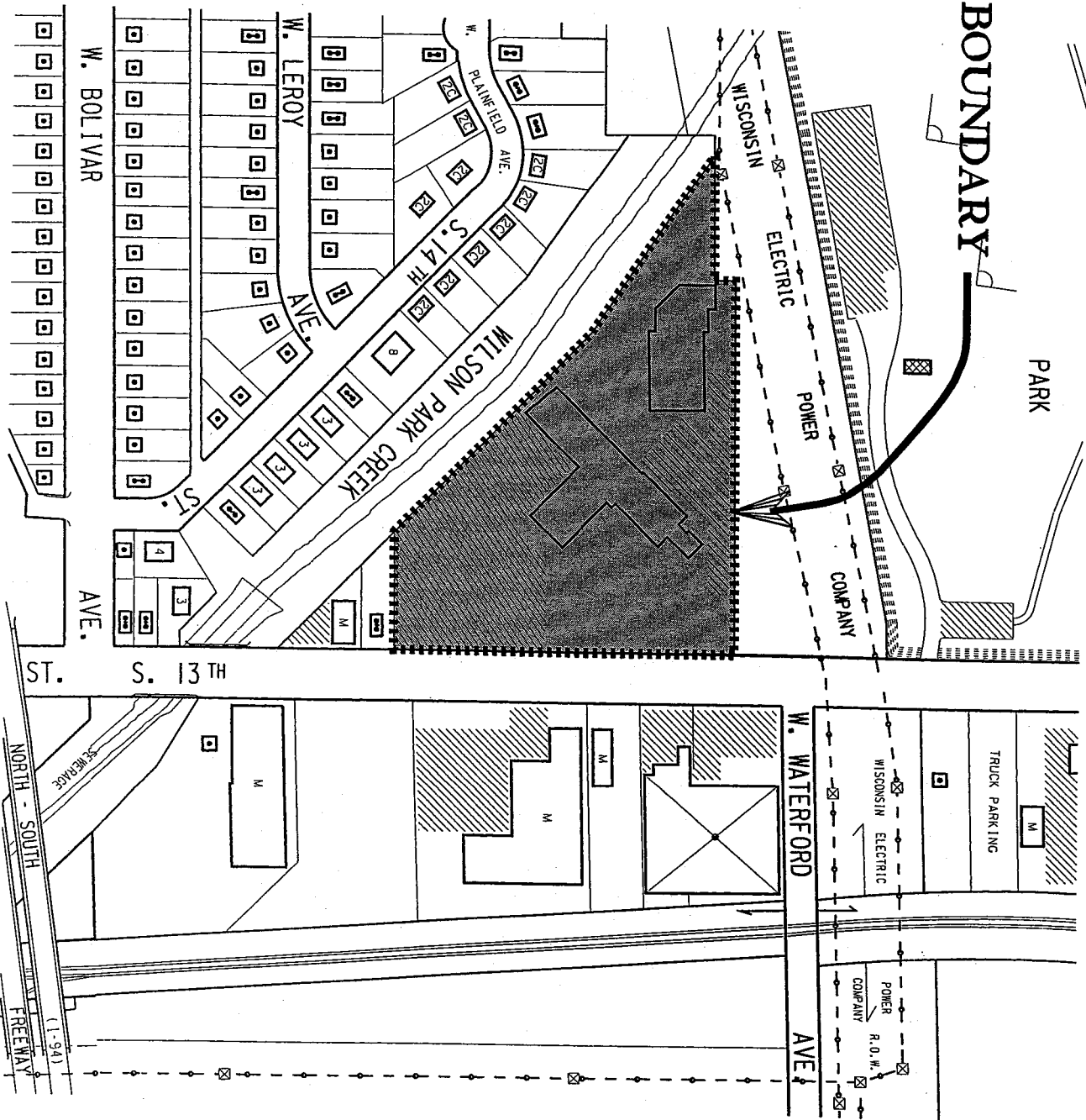
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Multi Family Residential (Senior Living)

TID

BOUNDARY

PARK



PROPOSED
LAND USE PLAN

TID - 45

MAP NO.

3

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597	596

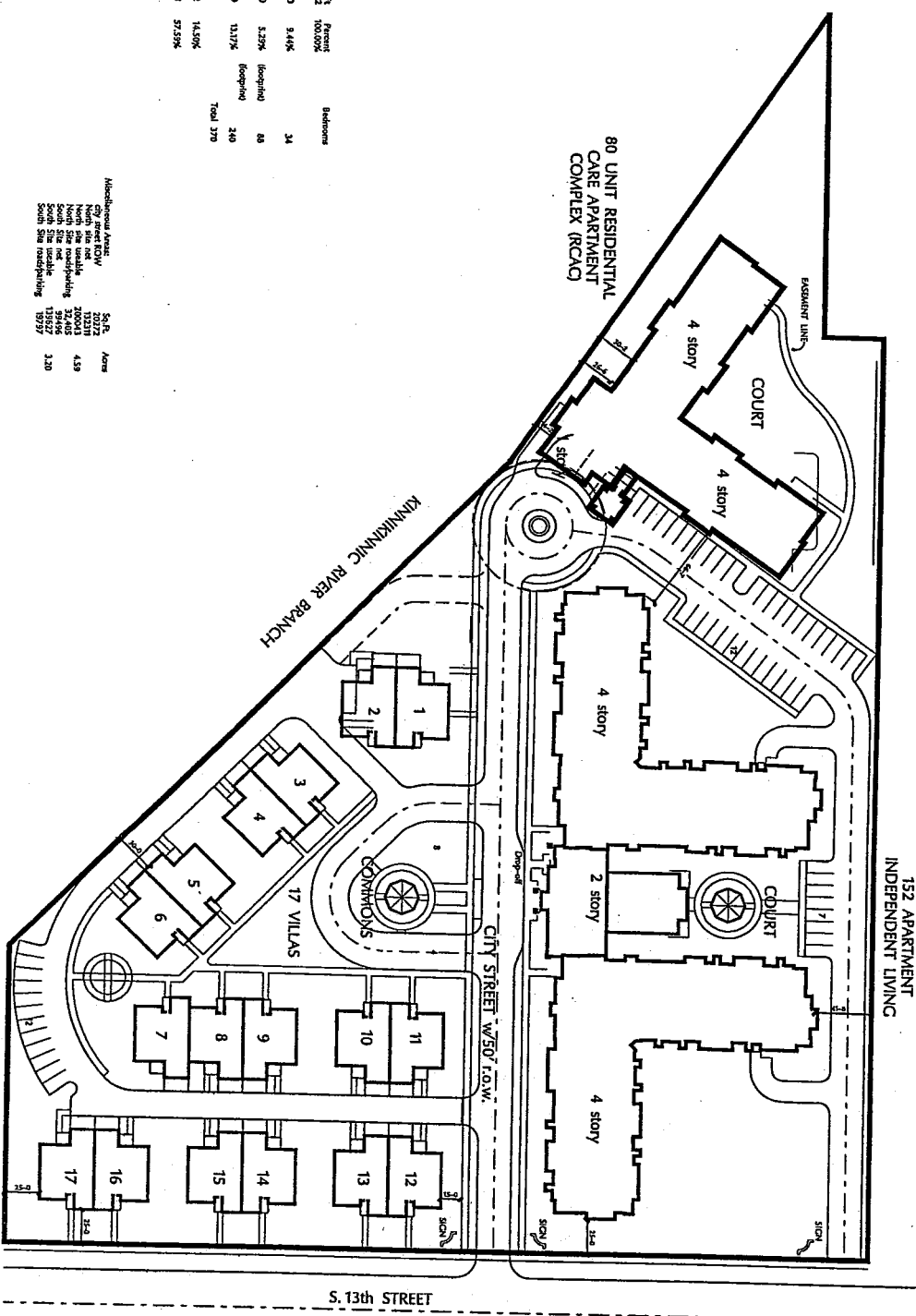
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Proposed Improvements
Map #4

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SITE AREA ANALYSIS

Item	Area	Sq. Ft.	Percent	Bedrooms
Total Gross Site Area	8,283	339,412	100.00%	
Villa 17 @ 2000	0.78	34,000	9.44%	34
Residential Care Apartment Complex	0.437	18,040	5.25%	88
80 Unit Residential Care Apartment Complex (RCAC)	1.088	47,409	13.17%	240
Independent Living	1.198	52,002	14.50%	Total 370
152 Apartments	4.759	207,291	57.59%	

Item	Sq. Ft.	Area
Maximum Area	22,572	
North site net	200,043	4.59
North site available	200,043	4.59
South site net	79,496	
South site available	79,496	
South site available	138,527	3.20
South site available	138,527	3.20



SITE PLAN

WILSON COMMONS
 A Senior Living Community
 Milwaukee, Wisconsin



DESIGN DEVELOPMENT

SITE PLAN SD1

26 MAY 2001

000001

PROJECT NO. 000001
 PROJECT NAME: WILSON COMMONS
 SHEET NO. SD1
 DATE: 26 MAY 2001
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]

SINGLE-FAMILY RESIDENTIAL R/F-1/40 R/F-2/40 R/F-3/40 R/F-4/40 R/F-5/40	TWO-FAMILY RESIDENTIAL R/C-1/40 R/D-1/40 R/E/40	MULTI-FAMILY RESIDENTIAL R/A/25 R/C/25 R/A/125 R/C/125 R/B/40 R/D/40 R/B/60 R/D/60 R/C/80 R/D/80	RESIDENTIAL /OFFICE R/O/4/35 R/O/C/40 R/O/D/40
DETAILED PLANNED DEVELOPMENT DPPD	GENERAL PLANNED DEVELOPMENT GPPD	HIGH DENSITY RESIDENTIAL C9A (A) C9A (B)	RESIDENTIAL & SPECIALTY USE C9B (A) C9B (B)
NEIGHBORHOOD RETAIL C9C	CIVIC ACTIVITY C9D (A) C9D (B)	MAJOR RETAIL C9E	OFFICE AND SERVICE C9F (A) C9F (B) C9F (C)
MIXED ACTIVITY C9G	WAREHOUSING AND LIGHT MANUFACTURING C9H	PARKING P/C/60 P/O/40 P/R/25 P/A/15	RESTRICTED OFFICE O/B/60 O/C/40 O/E/40 O/F-3/40 O/F-4/40
LOCAL BUSINESS L/A/85 L/O/40 L/A/125 L/O/60 L/B/40 L/D/85 L/C/60 L/E-1/40 L/C/60 L/F-3/40 L/C/85 L/F-4/40	COMMERCIAL SERVICE C5/B/60 C5/C/40 C5/C/60 C5/C/85 C5/D/40 C5/F-4/40	REGIONAL SHOPPING R5/C/40 R5/D/40 R5/D/85 R5/F-3/40 R5/F-3/60 R5/F-3/125	NEIGHBORHOOD SHOPPING S/B/40 S/D/40 S/B/60 S/E/40 S/A/85 S/F-1/40 S/C/40 S/F-3/40
MANUFACTURING M/B/85 M/A/125 M/C/60	INDUSTRIAL I/D/40 I/A/125 I/D/60 I/E/60 I/B/85	LAKEFRONT L/F/C/60	INSTITUTIONAL T/B/85 T/A/125 T/C/60

MAP NO.

TID - 45

EXISTING ZONING

MAP

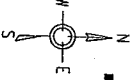
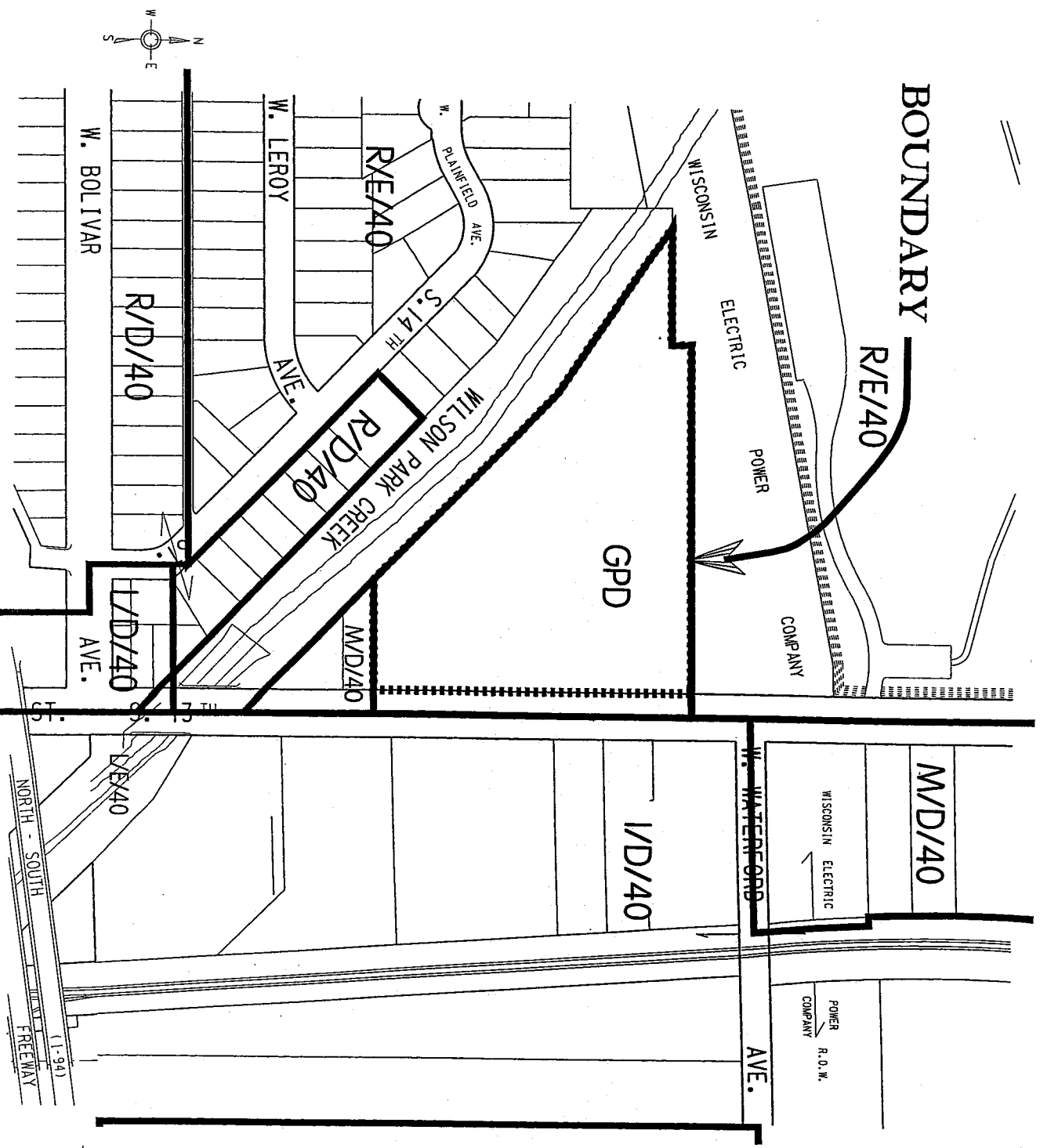
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TID

BOUNDARY

R/E/40



R/E/40

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**ECONOMIC FEASIBILITY STUDY
TAX INCREMENTAL DISTRICT NO. 45
CITY OF MILWAUKEE**

July 10, 2001

OVERVIEW

TID 45 is proposed to assist in the redevelopment of the former De Paul Hospital site on Milwaukee's southside. The current complex of buildings, constructed in 1972 as a drug and alcohol dependency treatment facility was closed in 1996. In 1997, Vencor (the operator of a chain of nursing homes and hospitals) purchased the hospital campus and began gutting the buildings. Shortly after, they filed for federal bankruptcy protection, and the building has remained vacant.

Tarantino and Company, L.L.C., has the site under contract. Tarantino and Company, L.L.C., is an experienced developer and manager of senior residential complexes throughout the metropolitan area.

Redevelopment plans for the proposed project ("Wilson Commons") call for the demolition of the existing buildings, and the development of three distinctive and integrated senior housing options with a total of 243 housing units. These include:

Senior Living Center

The Senior Living Center will contain 152 one and two bedroom apartment units. 31 of the units will be designated as "affordable" (available for seniors with incomes less than 60% of area median) and the balance will be market rate. Rent ranges, at stabilized occupancy, will be \$609-\$1,212 per month.

A common area will include a management office, community room with a serving kitchen, hair salon, convenience store, branch bank and other supportive amenities.

Residential Care Apartment Complex

The Residential Care Apartment Complex (RCAC) will contain 74 primarily one bedroom apartment units. 37 of the units will be designated as affordable, and the balance will be market rate. Residents will have the options of choosing from a menu of supportive services, including meals, laundry and housekeeping. Rent ranges, at stabilized occupancy, will be \$999-\$1,612 per month.

The common areas will include a management office, hair salon, library convenience store, and a dining room with food preparation as well as serving capacity.

Villas

The Villas will contain 17 townhouse style units to provide a housing option to seniors who no longer to desire to maintain a single family home, yet do not desire to live in an apartment community. Rent ranges, at stabilized occupancy, will be \$1,459-\$1,486 per month.

The development is designed with a number of site improvements and amenities designed to create a sense of neighborhood and encourage residents to utilize programming options available throughout the complex.

DESCRIPTION OF COSTS

TID 45 will provide \$1.4 million in development assistance to offset expenses associated with demolition of the existing buildings, infrastructure costs, and site improvements. The developer will borrow funds to pay for the proposed TID improvements. The borrowing would be repaid by the City, but only to the extent of the actual tax incremental revenue received from the development each year.

Total costs for all components of the project are \$24.6 million. This includes the costs of acquisition, demolition, and site preparation and all construction and soft costs. A cost breakdown is included as Exhibit "A."

The costs attributable to the land are the purchase price of \$1,450,000 (the property is currently assessed at (\$1,450,000) and demolition costs of approximately \$500,000. This equates to a per unit land cost of \$8,100. In a review of comparable land costs for multifamily and elderly projects developed recently in the metropolitan area, this is about twice the cost of land on a per unit basis. The cost and in large part, the need for TID assistance, is being driven by the decision to demolish all of the existing structures and infrastructure and replace them with new construction. Given the length of time the buildings have been vacant and their current condition, it is unlikely that a feasible and quality adaptive reuse alternative would be forthcoming. Therefore, we believe the approach is warranted and will ultimately result in a higher and better use, as well as a significantly higher tax base for the City.

Total hard construction costs are \$16,799,800, or an average of \$69,100 per unit and appear reasonable in relation to new construction costs for similar multi-family projects.

Soft costs total \$5,434,100. Of this amount \$2,659,700 is a development fee. However, \$1,994,800 of the fee remains in the project as additional equity, so the "net" fee to the developer is \$664,900 or 3% of total costs, which is well within an acceptable range for a project of this size. The next largest category of soft

costs is financing fees and interest totaling \$1,911,500. The project will utilize tax-exempt bonds totaling \$17,559,000. \$916,000 is attributable to interest expense during the construction/lease up period and the balance of \$995,000 is underwriting, issuer, and pre-paid letter of credit fees associated with bond issuance. All other soft costs, including architectural and engineering fees, and legal costs, are reasonable for a project of this size and complexity.

FINANCIAL PROJECTIONS

Exhibit "B" includes operating projections for the development. Completion for all three housing components is anticipated in November of 2004. Full lease up for the apartment units and townhomes is projected for November of 2003, and full lease up for the assisted living units is anticipated for November of 2004. This represents an average of absorption rate of approximately 9 units per month and appears achievable given the history of other elderly new construction projects developed in the metropolitan area.

Both market rents and affordable rents are priced in the range of \$.95 - \$1.19 per square foot. These are approximately 15%-20% higher than surrounding elderly projects in the City of Milwaukee which are typically older buildings and do not contain the quality or amenities that are being proposed for Wilson Commons. The rate ranges compare with elderly new construction projects developed in the suburban areas and reflect the introduction of a "new product" to the area. A 5% vacancy rate on the apartments and townhomes and a 7% vacancy rate for the assisted living units were utilized, which are adequate, particularly for an elderly development that is typically more stable in terms of turnover.

Operating projections reflect a Net Operating Income (NOI) at full stabilized occupancy (2005) of \$1,797,800. NOI before real estate taxes is \$2,335,800. Utilizing a 9.5% capitalization rate and a 2.83% tax rate yields an estimated value for the project, at stabilized occupancy of \$18,944,000.

Utilizing the information above, Exhibit "C" estimates projected property value, incremental value, incremental revenue, and the projected payback of TID. The value in 2003 reflects the apartment homes at 50% of stabilized occupancy, the assisted care facility at 49% of stabilized occupancy and the townhomes at 29% of stabilized occupancy. Similarly, the 2004 projected value reflects stabilized occupancy for both the apartments and townhomes, and the assisted care facility at 73% of stabilized occupancy. Full value is achieved in 2005. Thereafter, a 1% annual increase in property value is projected. Utilizing an estimated interest rate of 6.8%, it is estimated that incremental revenue from the District will fully amortize the City contribution in 2011.

BUT FOR....

The Joint Review Board must consider whether the development would occur without the use of tax incremental financing. To evaluate this criterion, we have

tested whether or not the projected would be financially feasible without TIF assistance.

Without TIF assistance, the project would have to support either additional debt of equity in the amount of \$1,400,000. Adequate cash flow would have to be available to support additional interest and principal payments or the equity would have to earn a reasonable rate of return.

The developer's current cash on cash return on equity is currently 10 % – within and acceptable band of returns given the nature of the project and the associated risks. Increasing the equity in the project would drive the return down to 7.2% and make the project unattractive for investors.

Increasing the amount of financing is similarly difficult. Total project debt is already at 80% of completed value, and it is unlikely that additional debt could be added, given the perceived risk and the ratio of debt to equity.

It is unlikely that either of these options could be supported through increased revenues, since the product being developed is new to the area, and the rent structure is already reflective of a higher end market.

We therefore believe that without TIF assistance, this project would not proceed.

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, the developer is taking on all of the risk associated with financing the TID improvements. The increment will be available only to the extent the project is built and developed as proposed.

Second, there are significant benefits associated with removing this long vacant and blighting property. The project being proposed will add over \$18 million of new value to City's tax base, and represents a higher and better use for the project, which is currently standing vacant and idle.

Third, the project is introducing a new high quality-housing alternative for local elderly residents, many already living in surrounding neighborhoods. This has the potential for keeping residents in the neighborhood and the City.

Fourth, the project will create constructions jobs, and the labor dollars will be returned to the local economy.

TARANTINO and COMPANY
WILSON COMMONS
PROSPECTIVE SENIOR HOUSING DEVELOPMENT
MILWAUKEE, WISCONSIN

Preliminary Analysis
For Discussion Only

Exhibit "A"

Reference Number	Category Description	Senior Living Center		Apartment Homes		Residential Care Apartment Complex		Total Campus		
		Total Cost	Percent of Total Living Unit	Total Cost	Percent of Total Living Unit	Total Cost	Percent of Total Living Unit	Total Cost	Percent of Total Living Unit	
1	HARD COST:									
2	Total Construction Cost (Per Square Foot)	\$10,441,818	69.11%	\$2,009,332	13.30%	\$118,196	\$4,339,763	\$28,551	\$16,790,914	68.09%
3	Furniture, Fixtures, Equipment	\$273,600	1.81%	\$2,280	0.02%	\$134	\$185,000	\$1,217	\$460,880	1.87%
4	Land Acquisition Cost (Per Living Unit)	\$1,234,609	8.17%	\$138,081	0.91%	\$8,122	\$601,060	\$3,954	\$1,973,750	8.00%
5	Total Hard Cost (Per Living Unit)	\$11,950,028	8.17%	\$2,149,694	0.91%	\$126,453	\$5,125,822	\$33,723	\$19,225,544	77.96%
6	SOFT COST:									
7	Capitalized Interest	\$432,090	2.86%	\$2,843	1.03%	\$9,183	\$327,803	\$2,157	\$916,010	3.71%
8	Permitting Fees (See Schedule)	\$336,425	2.23%	\$2,213	0.40%	\$3,521	\$153,017	\$1,007	\$549,294	2.23%
9	Housing Revenue Bond Fees (See Schedule)	\$256,504	1.70%	\$1,688	0.41%	\$3,659	\$127,520	\$839	\$446,229	1.81%
10	Taxes During Construction	\$179,896	1.19%	\$1,184	0.13%	\$1,184	\$87,581	\$576	\$287,596	1.17%
11	Architectural Review	\$2,500	0.02%	\$16	0.02%	\$147	\$2,500	\$16	\$7,500	0.03%
12	Development Consultant Fees	\$15,638	0.10%	\$103	0.01%	\$103	\$7,613	\$50	\$25,000	0.10%
13	Soil Investigation	\$3,500	0.02%	\$23	0.02%	\$206	\$3,500	\$23	\$10,500	0.04%
14	Builder's Risk Insurance	\$5,500	0.04%	\$36	0.04%	\$324	\$5,500	\$36	\$16,500	0.07%
15	Business Organization Expenses	\$15,000	0.10%	\$99	0.05%	\$441	\$7,500	\$49	\$30,000	0.12%
16	Land Survey	\$3,500	0.02%	\$23	0.02%	\$206	\$3,500	\$23	\$10,500	0.04%
17	Real Estate Legal Fees	\$10,000	0.07%	\$66	0.07%	\$588	\$10,000	\$66	\$30,000	0.12%
18	Title, Recording, etc.	\$11,050	0.07%	\$73	0.01%	\$112	\$1,900	\$13	\$14,850	0.06%
19	Marketing Expenses (Per Living Unit)	\$231,500	1.53%	\$1,523	0.19%	\$1,706	\$114,500	\$733	\$375,000	1.52%
20	Contingency	\$33,812	0.22%	\$222	0.04%	\$371	\$15,299	\$101	\$55,411	0.22%
21	Total Soft Cost	\$1,536,914	10.17%	\$10,111	2.45%	\$21,750	\$867,733	\$5,709	\$2,774,390	11.25%
22	Total Hard and Soft Cost	\$13,486,942	89.26%	\$88,730	89.28%	\$148,202	\$5,993,555	\$39,431	\$21,999,934	89.21%
23	Development Fee	\$1,622,965	10.74%	\$10,677	2.00%	\$17,790	\$734,348	\$4,831	\$2,659,748	10.79%
24	Debt Service Reserve LOC	\$0	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%
25	Total Development Cost	\$15,109,907	100.00%	\$99,407	91.28%	\$165,992	\$6,727,903	\$44,263	\$24,659,682	100.00%
26	Equity Requirements:									
27	Developer Cash Issuance Cost Over 2%	(\$35,668)	0.24%	(\$235)	0.17%	(\$1,479)	(\$28,858)	(\$190)	(\$89,671)	-0.36%
28	Debt Service Reserve LOC	\$0	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%
29	City of Milwaukee Tax Incremental Financing	(\$875,720)	5.80%	(\$5,761)	0.65%	(\$5,761)	(\$426,337)	(\$2,805)	(\$1,400,000)	-5.68%
30	Development Fee	(\$1,217,224)	8.06%	(\$8,008)	1.50%	(\$13,343)	(\$550,761)	(\$3,622)	(\$1,994,811)	-8.09%
31	Owner Cash	(\$2,105,295)	13.93%	(\$13,851)	4.29%	(\$38,115)	(\$862,947)	(\$5,677)	(\$3,616,200)	-14.66%
32	Land Value	\$0	0.00%	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%
33	Total Equity Requirements	(\$4,233,907)	28.02%	(\$27,620)	6.60%	(\$38,698)	(\$1,868,903)	(\$12,106)	(\$7,100,682)	-28.79%
34	First Mortgage Amount	\$10,876,000	71.98%	\$71,787	84.68%	\$107,294	\$4,859,000	\$32,157	\$17,559,000	71.21%

TARANTINO and COMPANY
 WILSON COMMONS
 PROSPECTIVE SENIOR HOUSING DEVELOPMENT
 MILWAUKEE, WISCONSIN

Preliminary Analysis
 For Discussion Only

DEVELOPMENT BUDGET

Construction Cost Schedule

Reference Number	Category Description		Total Cost	Percent of Total	Cost Per Living Unit
1	SENIOR LIVING CENTER				
2	Building Construction Cost				
3	Base Construction Cost	\$53.50 /sf	\$8,889,000	85.13%	\$58,480
4	Site Utility Construction Cost	\$45,000 /acre	\$135,000	1.29%	\$888
5	Land Improvements	\$30,000 /acre	\$90,000	0.86%	\$592
6	Subtotal		\$9,114,000	87.28%	\$59,961
7	General Requirements @	5.00%	\$456,000	4.37%	\$3,000
8	Subtotal		\$9,570,000	91.65%	\$62,961
9	Contractor's Overhead	2.00%	\$191,000	1.83%	\$1,257
10	Contractor's Profit @	3.00%	\$287,100	2.75%	\$1,889
11	Construction Administration	0.00%	\$0	0.00%	\$0
12	Bond Premium @	0.00%	\$0	0.00%	\$0
13	Total Construction Cost	\$60.48 /sf	\$10,048,100	96.23%	\$66,106
14	Architectural Design Fee	2.80% of Cost	\$281,300	2.69%	\$1,851
15	Architectural Supervision	0.87% of Cost	\$87,418	0.84%	\$575
16	Out-of-pocket Cost		\$9,500	0.09%	\$63
17	DILHR Plan Review Fee		\$7,500	0.07%	\$49
18	Engineering Fees	4.19% of Cost	\$8,000	0.08%	\$53
19	Total Architectural Fees		\$393,718	3.77%	\$2,590
20	Total Building Cost	\$62.85 /sf	\$10,441,818	100.00%	\$71,286
21	Apartment Homes				
22	Building Construction Cost				
23	Base Construction Cost	\$58.00 /sf	\$1,528,000	14.63%	\$89,882
24	Site Utility Construction Cost	\$45,000 /acre	\$135,000	1.29%	\$7,941
25	Land Improvements	\$30,000 /acre	\$90,000	0.86%	\$5,294
26	Subtotal		\$1,753,000	16.79%	\$103,118
27	General Requirements @	5.00%	\$88,000	0.84%	\$5,176
28	Subtotal		\$1,841,000	17.63%	\$108,294
29	Contractor's Overhead	2.00%	\$37,000	0.35%	\$2,176
30	Contractor's Profit @	3.00%	\$55,200	0.53%	\$3,247
31	Construction Administration	0.00%	\$0	0.00%	\$0
32	Bond Premium @	0.00%	\$0	0.00%	\$0
33	Total Construction Cost	\$73.37 /sf	\$1,933,200	18.51%	\$113,718
34	Architectural Design Fee	2.80% of Cost	\$54,100	0.52%	\$3,182
35	Architectural Supervision	0.70% of Cost	\$13,532	0.13%	\$796
36	Out-of-pocket Cost		\$2,500	0.02%	\$147
37	DILHR Plan Review Fee		\$1,000	0.01%	\$59
38	Engineering Fees	13.51% of Cost	\$5,000	0.05%	\$294
39	Total Architectural Fees		\$76,132	0.73%	\$4,478
40	Total Building Cost	\$76.26 /sf	\$2,009,332	19.24%	\$118,196
41	RESIDENTIAL CARE APARTMENT COMPLEX				
42	Building Construction Cost				
43	Base Construction Cost	\$60.00 /sf	\$3,641,000	34.87%	\$49,203
44	Site Utility Construction Cost	\$45,000 /acre	\$90,000	0.86%	\$1,216
45	Land Improvements	\$30,000 /acre	\$60,000	0.57%	\$811
46	Subtotal		\$3,791,000	36.31%	\$51,230
47	General Requirements @	5.00%	\$190,000	1.82%	\$2,568
48	Subtotal		\$3,981,000	38.13%	\$53,797
49	Contractor's Overhead	2.00%	\$80,000	0.77%	\$1,081
50	Contractor's Profit @	3.00%	\$119,400	1.14%	\$1,614
51	Construction Administration	0.00%	\$0	0.00%	\$0
52	Bond Premium @	0.00%	\$0	0.00%	\$0
53	Total Construction Cost	\$68.88 /sf	\$4,180,400	40.04%	\$56,492
54	Architectural Design Fee	2.80% of Cost	\$117,100	1.12%	\$1,582
55	Architectural Supervision	0.70% of Cost	\$29,263	0.28%	\$395
56	Out-of-pocket Cost		\$2,500	0.02%	\$34
57	DILHR Plan Review Fee		\$2,500	0.02%	\$34
58	Engineering Fees	10.00% of Cost	\$8,000	0.08%	\$108
59	Total Architectural Fees		\$159,363	1.53%	\$2,154
60	Total Building Cost	\$71.51 /sf	\$4,339,763	41.56%	\$58,645
61	TOTAL CAMPUS				
62	Building Construction Cost				
63	Base Construction Cost		\$14,058,000	83.72%	\$57,852
64	Site Utility Construction Cost		\$360,000	2.14%	\$1,481
65	Land Improvements		\$240,000	1.43%	\$988
66	Subtotal		\$14,658,000	87.30%	\$60,321
67	General Requirements @		\$734,000	4.37%	\$3,021
68	Subtotal		\$15,392,000	91.67%	\$63,342
69	Contractor's Overhead		\$308,000	1.83%	\$1,267
70	Contractor's Profit @		\$461,700	2.75%	\$1,900
71	Construction Administration		\$0	0.00%	\$0
72	Bond Premium @		\$0	0.00%	\$0
73	Total Construction Cost	\$63.83 /sf	\$16,161,700	96.25%	\$66,509
74	Architectural Design Fee		\$452,500	2.69%	\$1,862
75	Architectural Supervision		\$130,214	0.78%	\$536
76	Out-of-Pocket Cost		\$14,500	0.09%	\$60
77	DILHR Plan Review Fee		\$11,000	0.07%	\$45
78	Engineering Fees		\$21,000	0.13%	\$86
79	Total Architectural Fees	\$2.49 /sf	\$629,214	3.75%	\$2,589
80	Total Building Cost	\$66.32 /sf	\$16,790,914	100.00%	\$69,098

TARANTINO and COMPANY
 WILSON COMMONS
 PROSPECTIVE SENIOR HOUSING DEVELOPMENT
 MILWAUKEE, WISCONSIN

Preliminary Analysis
 For Discussion Only

DEVELOPMENT BUDGET
 Schedule of Bond Issuance Expenses

Reference Number	Category Description	Total Cost	Senior Living Center	Apartment Homes	Residential Care Apartment Complex
1	Bond and Underwriter Legal Counsel	\$37,500	\$12,500	\$12,500	\$12,500
2	Bond Underwriter	\$241,436	\$149,545	\$25,080	\$66,811
3	Owner Legal Counsel	\$7,500	\$2,500	\$2,500	\$2,500
4	Bond Issuance Out of Pocket Expenses	\$6,000	\$2,000	\$2,000	\$2,000
5	Bond Trustee Placement Fee and First Year Fee	\$3,600	\$1,200	\$1,200	\$1,200
6	Bond Issuer Fee	\$131,693	\$81,570	\$13,680	\$36,443
7	Bank Legal Counsel	\$15,000	\$5,000	\$5,000	\$5,000
8	Other	\$3,500	\$2,189	\$245	\$1,066
9	Total Housing Revenue Bond Issuance Fees	\$446,229	\$256,504	\$62,205	\$127,520
10	2% Limit of the Payment of Issuance Expenses	(\$336,538)	(\$220,836)	(\$37,068)	(\$98,662)
11	Developer Cash Required	\$89,671	\$35,668	\$25,145	\$28,858
12	Living Unit Allocation				
13	Senior Living Center	152	62.55%	1.375%	
14	Apartment Homes	17	7.00%	1.375%	
15	Residential Care Apartment Complex	74	30.45%	1.375%	
16	Total	243	100.00%		

TARANTINO and COMPANY
WILSON COMMONS
PROSPECTIVE SENIOR HOUSING DEVELOPMENT
MILWAUKEE, WISCONSIN

Statement Category Description	CASH FLOW INFORMATION											
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Senior Living Center	\$450,743	\$1,501,520	\$1,898,532	\$1,945,995	\$1,994,645	\$2,044,511	\$2,095,624	\$2,148,014	\$2,201,715	\$2,256,758	\$2,313,177	\$2,371,006
Apartment Homes	\$50,929	\$176,188	\$302,577	\$310,142	\$317,995	\$325,843	\$333,989	\$342,338	\$350,897	\$359,669	\$368,661	\$377,877
Residential Care Apartment Complex	\$397,074	\$1,008,640	\$1,430,531	\$1,669,762	\$1,711,507	\$1,754,294	\$1,798,152	\$1,843,105	\$1,889,183	\$1,936,413	\$1,984,823	\$2,034,443
Total	\$898,746	\$2,686,348	\$3,631,640	\$3,925,899	\$4,024,047	\$4,124,648	\$4,227,764	\$4,333,458	\$4,441,795	\$4,552,839	\$4,666,660	\$4,783,327
5.00% Variable Allowance	\$0	\$0	(\$105,535)	(\$392,899)	(\$235,432)	(\$241,318)	(\$247,351)	(\$253,535)	(\$259,873)	(\$266,370)	(\$273,029)	(\$279,855)
Effective Gross Income	\$898,746	\$2,686,348	\$3,526,105	\$3,696,209	\$3,788,614	\$3,883,329	\$3,980,413	\$4,079,923	\$4,181,921	\$4,286,469	\$4,393,631	\$4,503,472
4.00% Operating Expenses	\$437,453	\$606,600	\$630,870	\$656,100	\$682,340	\$709,630	\$738,020	\$767,540	\$798,240	\$830,170	\$863,380	\$897,920
Senior Living Center	\$73,791	\$76,740	\$102,320	\$106,410	\$110,670	\$115,100	\$119,700	\$124,490	\$129,470	\$134,650	\$140,040	\$145,640
Apartment Homes	\$423,124	\$651,274	\$915,300	\$951,910	\$998,990	\$1,029,590	\$1,070,770	\$1,113,600	\$1,158,140	\$1,204,470	\$1,252,650	\$1,302,760
Residential Care Apartment Complex	\$934,369	\$1,334,614	\$1,648,490	\$1,744,420	\$1,783,000	\$1,854,320	\$1,928,890	\$2,005,630	\$2,085,850	\$2,169,290	\$2,256,070	\$2,346,320
Total	\$44,937	\$134,317	\$176,305	\$184,811	\$189,431	\$194,167	\$199,020	\$203,996	\$209,096	\$214,323	\$219,681	\$225,174
5.00% Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$979,306	\$1,468,931	\$1,824,795	\$1,899,231	\$1,972,431	\$2,048,487	\$2,127,510	\$2,209,626	\$2,294,946	\$2,383,613	\$2,475,751	\$2,571,494
Net Operating Income	1294	\$1,217,417	\$1,701,310	\$1,796,978	\$1,816,183	\$1,834,842	\$1,852,903	\$1,871,297	\$1,886,975	\$1,902,856	\$1,917,880	\$1,931,978
1.20% Debt Service	\$0	\$706,250	\$1,173,147	\$1,173,147	\$1,173,147	\$1,173,147	\$1,173,147	\$1,173,147	\$1,173,147	\$1,173,147	\$1,173,147	\$1,173,147
First Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Development Fee Note	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount Letter of Credit Fee	\$0	\$218,146	\$218,146	\$215,754	\$212,290	\$207,882	\$204,994	\$200,163	\$195,992	\$191,600	\$186,974	\$182,102
Total Debt Service	\$0	\$924,396	\$1,391,293	\$1,388,901	\$1,385,537	\$1,381,029	\$1,378,141	\$1,373,310	\$1,369,139	\$1,364,747	\$1,360,121	\$1,355,239
Budgeted Operating Shortfall	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replacement Reserve	\$0	\$0	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450
Debt Available for Distribution	(\$90,539)	\$293,021	\$323,567	\$371,627	\$394,196	\$417,363	\$438,312	\$460,537	\$481,386	\$501,659	\$521,308	\$540,279
Cash Available for Distribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage	0.00	0.00	1.223	1.294	1.311	1.329	1.344	1.362	1.378	1.394	1.410	1.426
Second Mortgage	0.00	0.00	1.223	1.294	1.311	1.329	1.344	1.362	1.378	1.394	1.410	1.426
Third Mortgage	0.00	0.00	1.223	1.294	1.311	1.329	1.344	1.362	1.378	1.394	1.410	1.426
Income Tax Analysis	(\$90,539)	\$1,217,417	\$1,701,310	\$1,796,978	\$1,816,183	\$1,834,842	\$1,852,903	\$1,871,297	\$1,886,975	\$1,902,856	\$1,917,880	\$1,931,978
Net Operating Income	\$0	\$706,250	\$934,971	\$922,041	\$908,676	\$894,599	\$879,773	\$864,158	\$847,711	\$830,389	\$812,145	\$792,929
Interest-First Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest-Second Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest-Development Fee Note	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Letter of Credit Fee	\$119,959	\$218,146	\$218,146	\$215,754	\$212,290	\$207,882	\$204,994	\$200,163	\$195,992	\$191,600	\$186,974	\$182,102
Amortization	\$168,794	\$397,052	\$105,552	\$103,552	\$103,552	\$99,552	\$99,552	\$99,552	\$99,552	\$99,552	\$99,552	\$99,552
Depreciation	\$288,754	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691
Total	(\$309,278)	(\$1,997,139)	\$1,934,360	\$1,919,038	\$1,902,309	\$1,881,724	\$1,860,010	\$1,839,564	\$1,818,946	\$1,797,232	\$1,775,069	\$1,752,222
taxable income (loss)	\$168,794	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691	\$675,691
Depreciation	\$121,138	\$397,052	\$103,552	\$103,552	\$103,552	\$99,552	\$99,552	\$99,552	\$99,552	\$99,552	\$99,552	\$99,552
Amortization	\$0	\$0	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450	\$36,450
Replacement Reserve	\$0	\$0	\$238,416	\$251,106	\$264,471	\$278,348	\$293,374	\$308,990	\$325,436	\$342,758	\$361,003	\$380,218
Principal First Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Second Mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Development Fee Note	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash for Distribution	(\$19,346)	\$293,021	\$273,327	\$371,627	\$394,196	\$417,363	\$438,312	\$460,536	\$481,386	\$501,659	\$521,308	\$540,279

Exhibit "C"		FORECAST OF DISTRICT CASH FLOW TAX INCREMENTAL DISTRICT NO. 45									
Yr.	Real Prop. Value	Est. District Value	Base Value	Incremental Value	Tax Incremental Revenue	Payment To Tarantino	Interest @ 6.80%	Principal	Principal Balance		
2001	\$1,450,000	1,450,000	1,450,000	\$0	\$0				\$1,460,000		
2002	\$1,450,000	1,450,000	1,450,000	\$0	\$0	\$0			1,559,280		
2003	\$9,031,200	9,031,200	1,450,000	7,581,200	\$0	0	99,280	-99,280	1,559,280		
2004	\$17,447,700	17,447,700	1,450,000	15,997,700	212,274	212,274	106,031	106,243	1,453,037		
2005	\$18,944,000	18,944,000	1,450,000	17,494,000	447,936	447,936	98,807	349,129	1,103,908		
2006	\$19,133,440	19,133,440	1,450,000	17,683,440	489,832	489,832	75,066	414,766	689,142		
2007	\$19,324,774	19,324,774	1,450,000	17,874,774	495,136	495,136	46,862	448,275	240,868		
2008	\$19,518,022	19,518,022	1,450,000	18,068,022	500,494	257,247	16,379	240,868	0		
2009	\$19,713,202	19,713,202	1,450,000	18,263,202	505,905	0	0	0	0		
2010	\$19,910,334	19,910,334	1,450,000	18,460,334	511,370	0	0	0	0		
2011	\$20,109,438	20,109,438	1,450,000	18,659,438	516,889	0	0	0	0		
2012	\$20,310,532	20,310,532	1,450,000	18,860,532	522,464	0	0	0	0		
2013	\$20,513,637	20,513,637	1,450,000	19,063,637	528,095	0	0	0	0		
2014	\$20,718,774	20,718,774	1,450,000	19,268,774	533,782	0	0	0	0		
2015	\$20,925,962	20,925,962	1,450,000	19,475,962	539,526	0	0	0	0		
2016	\$21,135,221	21,135,221	1,450,000	19,685,221	545,327	0	0	0	0		
2017	\$21,346,573	21,346,573	1,450,000	19,896,573	551,186	0	0	0	0		
2018	\$21,560,039	21,560,039	1,450,000	20,110,039	557,104	0	0	0	0		
2019	\$21,775,639	21,775,639	1,450,000	20,325,639	563,081	0	0	0	0		
2020	\$21,993,396	21,993,396	1,450,000	20,543,396	569,118	0	0	0	0		
2021	\$22,213,330	22,213,330	1,450,000	20,763,330	575,215	0	0	0	0		
2022	\$22,435,463	22,435,463	1,450,000	20,985,463	581,373	0	0	0	0		
2023	\$22,659,818	22,659,818	1,450,000	21,209,818	587,593	0	0	0	0		
2024	\$22,886,416	22,886,416	1,450,000	21,436,416	593,875	0	0	0	0		
						TOTAL	\$442,424	\$1,460,001			