

**Date:** November 11, 2005 (Revised and Resubmitted December 9, 2005)  
**Subject:** Beer Line TID Economic Feasibility Study  
**From:** *S. B. Friedman & Company*  
**To:** Michael Wisniewski, City of Milwaukee Department of City Development

Based on information and direction provided by the City of Milwaukee's Department of City Development (DCD), *S. B. Friedman & Company (SBFCo)* has produced a revised draft of the projected incremental property tax revenue for the remaining life of the Beer Line Tax Increment District (Beer Line TID). We have also analyzed the stream of revenue produced under a range of development scenarios relative to the estimated debt service required to facilitate existing debt service obligations as well as the \$7.3 million in additional project costs to be included in the upcoming TID budget amendment.

### ***Overall Approach***

*SBFCo* has based its projections on multiple sources of market, assessment, and project-specific data including:

- Characteristics (number of units planned, unit size, and pricing) of recently completed and planned downtown residential developments;
- Real property assessment data obtained from the City Assessor's Office;
- Interviews with staff at the City of Milwaukee Assessor's Office;
- Interviews with real estate developers and other parties with an interest in specific developable properties in the Beer Line TID; and
- Project costs, TID revenue and expenditure history, RFP documents, and project-specific data from DCD.

Since its creation in January 1994, the Beer Line TID has experienced a significant amount of development and redevelopment activity. Information obtained from DCD staff on August 18 and November 18, 2005 indicates that a number of parcels have not been redeveloped or remain under construction at the time of this study. *SBFCo* interviewed developers and prospective developers to verify the anticipated development program for each site. Similar to those developments already completed, projects under construction are primarily residential in nature, complemented by neighborhood-scale commercial uses such as small retail stores, cafés, and restaurants. It is anticipated that the ultimate use of the few remaining undeveloped parcels will follow this pattern as well. Exhibit 1 provides descriptions of developments under-construction and undeveloped parcels, along with their planned/anticipated land uses.

For the purpose of this analysis, *SBFCo* grouped in-progress development projects and undeveloped sites in the Beer Line TID into three categories:

- Approved/Under-Construction Projects (8) – projects currently under construction, as well as those that have received City approval, but have not yet begun construction.
- Proposed Projects (4) – sites over which a developer has site control and has discussed a development program with DCD.
- Un-programmed Sites (3) – sites for which a development program has not yet been identified.

*SBFCo* projected the phasing of new residential and commercial development for approved/under-construction and proposed projects based on interviews with developers. For un-programmed sites, *SBFCo* applied a set of development assumptions based on area plan guidelines and past project activity in the Beer Line TID. A summary of the phasing of residential units and commercial square footage is included as Exhibit 2. The sections that follow discuss *SBFCo's* general economic assumptions, as well as those used for each of the three project categories to project the magnitude and nature of future development, the timing of its inclusion on the tax rolls, and resultant equalized value and incremental tax revenue generation.

## ***General Economic Assumptions***

### **PROPERTY VALUES**

In determining the base assessed value of the TID, *SBFCo* relied upon information provided by the Milwaukee City Assessor's Office. This data indicates a base year (1994) equalized value of \$2,711,300, which was increased to \$7,761,700 upon expansion of the TID boundary in 1999.

The increment projections included in this report are based on information currently available regarding assessed value for each taxkey within the TID. As several taxkeys are in the process of being dropped from the tax rolls to create new taxkeys for individual condominium units, the list of taxkeys used for the purposes of this analysis will change in the coming six months (i.e., prior to issuance of 2006 tax bills). However, as this process does not equate to a boundary amendment, but rather a subdivision of property already within the TID boundary, it should not materially affect the results of this study.

### **GROWTH IN PROPERTY VALUES**

To estimate the amount of increment attributable to inflationary effects on existing and new development, *SBFCo* analyzed historical assessment data for similar properties in the Beer Line TID and surrounding areas (Aldermanic Districts 3, 4, and 6). We have assumed that recent levels of annual residential property appreciation (averaging 3.5% in 2005) will continue for the next five years (through 2010) as the area continues to experience development. We further assume a stabilized 2.5% annual inflation rate for residential properties thereafter, more closely reflecting the long-term rate of general inflation. A rate of 2% annual inflation was applied to retail/restaurant properties for the remaining life of the TID. Combined with a declining tax rate (see discussion on the following page), this results in only minor annual increases in property

taxes for commercial properties. These projections are in line with recent trends and are assumed to continue in the coming years.

## **TAX RATE**

The future assessed-value net property tax rate was projected based on historical trend analysis which indicated a compound annual rate of change over the past five years (2000-2005) of -2.63%. This rate of change is applied on a compound basis to the 2005 assessed-value net tax rate of 2.452% to project the City's future assessed-value net tax rate, the decline of which is halted when it reaches a floor value of 2.0% in 2013 (methodology based on deal review analysis conducted for DCD in spring 2005). The ten-year (1995-2004) average assessment ratio of 96.9% is then applied to each year's projected assessed-value net tax rate to estimate the equalized-value net tax rate in that year.

## ***Development Assumptions by Project Type***

Please refer to the Appendix for the following exhibits that provide detail on items discussed in the sub-sections below:

- Exhibit 2 – Cumulative Phasing of Residential Units and Commercial Square Footage
- Exhibit 3A – Equalized Value, Low-Value Scenario
- Exhibit 3B – Equalized Value, Moderate-Value Scenario
- Exhibit 3C – Equalized Value, High-Value Scenario

## **APPROVED/UNDER-CONSTRUCTION**

DCD has identified eight projects that are under construction or have received City approval to begin construction in the Beer Line TID. For these projects *SBFCo* gathered publicly available data regarding each project's development program, pricing, construction status, and 2005 assessed value. This information was validated and supplemented through telephone interviews with representatives of each development team. Collectively, these projects are expected to be fully constructed by January 1, 2009.

Equalized value, as determined by the City of Milwaukee Assessor's Office and the Wisconsin Department of Revenue, is intended to approximate a property's market value. Therefore, sales prices were used as an estimate of the equalized value of the for-sale residential component of each approved/under-construction project. The value of the commercial component of these projects was calculated on an income capitalization basis, utilizing the anticipated rental income indicated by project developers less a 10% allowance for vacancy and a 15% allowance for unrecoverable operating expenses (typical magnitude assumed by Milwaukee City Assessor for spec commercial properties). This net income is capitalized at a rate of 10%, which is slightly higher than the current market rate of approximately 8.5%<sup>1</sup>, but is intended to reflect the likelihood that cap rates will trend upward over the long term. Residential and commercial

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<sup>1</sup> Second quarter 2005 Real Estate Research Corporation terminal cap rate for neighborhood/community retail in the Midwest region

values were phased in over one or more years for each project, based on the construction schedules conveyed by development team contacts.

Three of the approved/under-construction projects were already under development prior to January 1, 2005. The 2005 assessment for one of these properties reflects the improvement value of this partially completed new construction. While this would typically be the case for the other two properties as well, they are currently in the process of being subdivided for condominium construction, and new taxkeys reflecting the partial construction that has taken place are not yet recorded with the Assessor's office. Therefore, construction value that would have otherwise been included in their 2005 assessments is reflected in 2006 for the purpose of the economic feasibility study. The impact of this minor adjustment does not have a material impact on *SBFCo's* conclusions regarding the ability of the TID to cover additional project costs.

## PROPOSED

DCD has identified three parcels in the Beer Line TID for which developers hold site control and have discussed proposed development programs with City staff. Staff identified one additional parcel for which a tentative development program has been proposed by a developer who is currently negotiating with the City to purchase the property. As none of these four projects has yet received City approval, *SBFCo* relied solely on developer-provided information regarding these projects' tentative development programs and time frame for construction. Collectively, they are expected to complete construction by January 1, 2009.

Because the parameters of these proposed projects have not yet been finalized or approved by the City, their eventual price points (for-sale residential pricing and commercial rent levels) and consequent equalized value are less certain than for the approved/under-construction projects described in the previous section. *SBFCo* therefore relied on valuation of comparable properties in the Beer Line TID and surrounding areas (Aldermanic Districts 3, 4, and 6) to establish a potential range of values for each of these projects. The assumptions applied to each project are outlined in Table 1.

**Table 1. Valuation Assumptions for Proposed Projects**

	Condominiums	Restaurant	Retail	
			Stand-Alone/Prime	Multi-Tenant/Secondary
<b>Average Size (GSF)<sup>[1]</sup></b>	1,500	N/A	N/A	N/A
<b>\$AV/SF – Low</b>	\$125	\$135	\$100	\$85
<b>\$AV/SF – Moderate</b>	\$180	\$155	\$110	\$95
<b>\$AV/SF – High</b>	\$240	\$175	\$140	\$105

[1] GSF includes allowance for common areas. Efficiency ratio of 85% results in average unit size of 1,275 net square feet.

## UN-PROGRAMMED

DCD has identified three developable sites in the Beer Line TID which are expected to be developed/redeveloped in the next several years. These include one for-sale site in which a

developer has expressed interest, one site recently acquired by a developer but not yet programmed, and one City-controlled site that will be offered for sale via formal RFP process. To determine likely development programs for these sites, *SBFCo* relied on a combination of two sources:

- Land use and development parameters outlined in the Beer Line B Master Plan and Neighborhood Code; and
- Scale of existing development in the Beer Line and in surrounding neighborhoods (Aldermanic Districts 3, 4, and 6).

*SBFCo* assumes that all three parcels will be developed as mixed-use structures, composed of ground-floor commercial space and upper-floor condominium units. Based on the two information sources identified above, the total land area of each parcel, and its linear feet of primary street frontage, *SBFCo* estimated the residential and commercial development capacity of each site. Commercial capacity was estimated based on the magnitude of such development included on similarly-sized parcels in the surrounding area, while residential capacity was based on existing projects in the surrounding area, resulting in a maximum density of 80 units per acre and average unit size of 1,500 gross square feet.

Equalized value of these hypothetical development projects was estimated based on the same valuation assumptions used for development of proposed projects (see Table 1). Collectively, it is assumed that these developments will be completed by January 1, 2010.

### ***Increment Projections and Revenue***

*SBFCo* created four development scenarios to test sensitivity of the incremental property tax projections to changes in development assumptions. In the first three scenarios, it is assumed that all 14 identified projects will occur; only the value of proposed projects and the value of future development on currently un-programmed sites are varied. Projected land uses, unit counts, square footage estimates, and project phasing remain constant across these scenarios. The value of approved/under-construction projects also remains unchanged because it is based on developer expectations, which represent the most accurate valuation information currently available.

In these first three scenarios, the value of proposed projects and development on un-programmed sites is varied based on the valuation assumptions shown in Table 1. In the Low-Value scenario, all planned projects and un-programmed sites are evaluated using the low end of the range of assessed values per square foot for each land use. The middle of the range of assessed values is applied to arrive at the Moderate-Value scenario, and the upper end of the range is applied to arrive at the High-Value scenario.

The final scenario tests the ability of the TID to generate incremental property tax revenue if no development occurs beyond those projects that are already under construction or approved to begin construction. The results of each scenario are summarized on the following page, and detailed projections are attached as Exhibits 4A through 4D in the Appendix.

**Table 2. Summary of Scenario Results (\$ millions)**

	<b>Low-Value</b>	<b>Moderate-Value</b>	<b>High-Value</b>	<b>Approved/Under-Construction Only</b>
Cumulative EV Additions, 2020 <sup>[1]</sup>	\$233	\$290	\$359	\$92
Incremental Tax Revenue, 2006 – 2021 <sup>[2]</sup>	\$88	\$100	\$114	\$60
PV of Revenue Stream to 2006 @ 6%	\$52	\$58	\$66	\$36

[1] Figures for each land use are NOT net of EV deductions for demolition.

[2] Calculated based on new EV net of demolitions of existing EV. TID expires in 2020, with collection of 2020 tax revenue by January 31, 2021.

Source: *S. B. Friedman & Company*

### ***Projected Debt Service and Cash Flow Analysis***

The Beer Line TID budget is being amended to incorporate \$7.3 million in project costs not included in the current TID project plan budget (as amended in 2001). These costs are attributable both to projects that have already been undertaken and future projects that have yet to be undertaken.

**Table 3. Beer Line TID Additional Project Costs**

<b>Current Activities</b>	<b>Totals</b>
Payroll Deficit (DPW)	\$11,393
Paving – Booth Street	\$78,143
Trostel Riverwalk	\$156,981
Other Outstanding Invoices (DPW)	\$505,514
<b><i>Subtotal Current Activities</i></b>	<b><i>\$752,031</i></b>
<b><i>New Project Costs</i></b>	
Riverwalk at Pleasant Street Market (50% of \$1,242,000)	\$621,000
New Street adjacent to Pleasant Street Market	\$37,300
Riverwalk at Brewer's Pt. (50% of \$608,000)	\$304,000
Various Upgrades to Holton St Marsupial Bridge	\$1,100,000
New Street north of Holton	\$33,130
Riverwalk-1890 N Commerce (50% of \$2,120,000)	\$1,060,000
Riverwalk-2070 N Commerce (50% of \$1,242,000)	\$621,000
Riverwalk-2176 N Riverwalk Rd (50% of \$2,295,000)	\$1,147,500
Enhancements to Humboldt St Bridge	\$450,000
Overruns for base Marsupial Bridge project (DPW)	\$250,000
Maintenance of Kilbourn Park thru 2007	\$60,000
Kilbourn Park Upgrade (DPW)	\$50,000
Administration	\$250,000
Contingency @ 10%	\$598,393
<b><i>Subtotal New Project Costs</i></b>	<b><i>\$6,582,323</i></b>
<b>TOTAL ADDITIONAL PROJECT COSTS</b>	<b>\$7,334,354</b>

The City anticipates issuing bonds to finance these project costs on or about November 1, 2006. **Based on expected debt service parameters provided by DCD and the schedule of payments due on debt currently being repaid by the TID, incremental tax revenue projected to be generated by the TID will be sufficient to retire this new debt (\$7.3 million) by 2012 even under the most conservative increment scenario (Approved/Under Construction Projects Only).** Existing debt service obligations are currently scheduled to be repaid through the year 2019. Please see Exhibit 5 for *SBFCo's* specific assumptions and a detailed debt service schedule.

### ***Conclusions***

Based on information currently available, *SBFCo's* economic feasibility study indicates that future incremental property tax revenue will be sufficient to cover debt service on the additional \$7.3 million in TID project costs. In the most conservative development scenario (Approved/Under Construction Projects Only; see Exhibit 4D), **the stream of incremental tax revenue is adequate to meet current debt service requirements plus those associated with the additional project costs.** Under scenarios that incorporate additional future development (proposed projects and development of currently un-programmed sites), more revenue will be available sooner and in aggregate than in this most conservative scenario.

City of Milwaukee - Beer Line TID

Exhibit 1: Parcels Under Construction or Undeveloped

December 9, 2005

Type	Development Name	Taxkey(s)	Address	Planned/Anticipated Use(s)
A/UC	Invivo River Center	3540412100	2060 N. Humboldt Ave.	Commercial/Retail
A/UC	Park Terrace	3541452100	2001 N. Commerce St.	Rowhomes/Townhomes
		3541461000		
		3541462000	3541476000	
		3541463000	3541477000	
		3541464000	3541478000	
		3541465000	3541479000	
		3541466000	3541480000	
		3541467000	3541481000	
		3541468000	3541491000	
		3541469000	3541492000	
		3541470000	3541493000	
		3541471000	3541494000	
		3541472000	3541495000	
		3541473000	3541496000	
		3541474000	3541482000	
A/UC	Pleasant Street Market	3610002211	306 E. Pleasant St.	Commercial
A/UC	Riverbridge Phase III	3540901113	1905-25 N. Water St.	Condominiums
A/UC	RiverCrest Phase I	3551731000	2160 N. Commerce St.	Condominiums
		3551732000		
		3551733000	3551752000	
		3551734000	3551753000	
		3551735000	3551754000	
		3551736000	3551755000	
		3551737000	3551756000	
		3551738000	3551757000	
		3551739000	3551758000	
		3551740000	3551759000	
		3551741000	3551760000	
		3551742000	3551761000	
		3551743000	3551762000	
		3551744000	3551763000	
		3551745000	3551764000	
		3551746000	3551765000	
		3551747000	3551766000	
		3551748000	3551767000	
	3551749000	3551768000		
	3551750000	3551769000		
		3551770000		
A/UC	Union Point	3541241000	2101 N. Humboldt Ave.	Condominiums/Commercial
A/UC	[New Land Ent. Ownership]	[to be created 2006]	1911 N. Humboldt Ave.	Commercial
A/UC	RiverCrest Phase II	3551522000	2240 N. Commerce St.	Condominiums
P	[New Land Ent. Ownership]	3531262100	301 E. Vine St.	Commercial
P	The Edge	3540405000	1890 N. Commerce St.	Condominiums
P	Highbridge Phase II	3540610100	1910 N. Water St.	Condominiums
P	RACM/MMSD Negotiated Sale	3541032000, 3541033000	1855 - 75 N. Commerce St.	Condominiums/Commercial
U	Melanec's Wheelhouse	3540421100	2176 N. Riverboat Rd.	Condominiums/Commercial
U	RACM RFP	3541293000, 3541294000	2113 N. Humboldt Ave.	Condominiums/Commercial
U	[IRES/Olson purchase option]	3540409000, 3540410000	2056-2070 N. Commerce St.	Condominiums/Commercial

A/UC = Approved/Under Construction

P = Planned/Proposed Development

U = Un-programmed Site



Beer Line TID Economic Feasibility Study  
 Exhibit 2. Cumulative Phasing of Residential Units & Commercial Square Footage  
 December 9, 2005

**Projection - Newly Assessed Residential Units**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U	Total by Year	
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	New Land Enterprises	RiverCrest Phase II	New Land Enterprises	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	IRES/Olson (purchase option)		
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.		
Built by 12/31	Assessed as of 1/1																
2004	2005															138	
2005	2006	12			39	28	59									99	
2006	2007	14				12	13			33	16	11				130	
2007	2008	11						14		67	31	7				186	
2008	2009							14		33	8		53	33	45	129	
2009	2010												52	32	45	0	
2010	2011															0	
2011	2012															0	
<b>Total by Project</b>		0	37	0	39	40	72	0	28	0	133	55	18	105	65	90	<b>682</b>

**Projection - Newly Assessed Commercial Square Footage**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U	Total by Year	
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	New Land Enterprises	RiverCrest Phase II	New Land Enterprises	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	IRES/Olson (purchase option)		
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.		
Built by 12/31	Assessed as of 1/1																
2004	2005															0	
2005	2006	20,000		44,000		11,000	2,700									77,700	
2006	2007								2,500			11,500				14,000	
2007	2008															0	
2008	2009												5,000	10,000	15,000	30,000	
2009	2010															0	
2010	2011															0	
2011	2012															0	
<b>Total by Project</b>		20,000	0	44,000	0	0	11,000	2,700	0	2,500	0	0	11,500	5,000	10,000	15,000	<b>121,700</b>

A/UC = Approved/Under Construction  
 P = Planned/Proposed Development  
 U = Un-programmed site/Lack of developer site control

Beer Line TID Economic Feasibility Study  
 Exhibit 3A. New Equalized Value, Low-Value Scenario (\$ Inflation-Year)  
 December 9, 2005

**Residential Value**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U	Total by Year				
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	[New Land Ent. Ownership]	RiverCrest Phase II	[New Land Ent. Ownership]	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	[IRES/Olson purchase option]					
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.					
Built by 12/31	Assessed as of 1/1																			
2004	2005																			
2005	2006	\$ 3,000,000	\$ 412,470	\$ 9,359,000	\$ 9,440,000											\$ 29,711,530				
2006	2007	\$ 4,132,652	\$ 7,912,530	\$ 4,151,385	\$ 3,027,375											\$ 24,387,820				
2007	2008	\$ 5,731,054											\$ 6,608,667	\$ 3,204,202	\$ 3,263,539	\$ 33,205,975				
2008	2009											\$ 5,012,797	\$ 13,887,212	\$ 6,425,427	\$ 2,149,486	\$ 42,086,775				
2009	2010											\$ 5,188,245	\$ 7,079,369	\$ 1,716,211	\$ 11,369,896	\$ 7,079,369	\$ 9,653,685	\$ 28,642,484		
2010	2011																\$ 11,545,807	\$ 7,105,112	\$ 9,991,564	\$ -
2011	2012																			\$ -
<b>Total by Project</b>		\$ -	\$ 12,863,705	\$ -	\$ 8,325,000	\$ 13,510,385	\$ 12,467,375	\$ -	\$ 10,201,043	\$ -	\$ 27,575,248	\$ 11,345,839	\$ 5,413,025	\$ 22,915,703	\$ 14,184,481	\$ 19,645,249	<b>\$ 158,447,054</b>			

**Commercial Value**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U	Total by Year				
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	[New Land Ent. Ownership]	RiverCrest Phase II	[New Land Ent. Ownership]	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	[IRES/Olson purchase option]					
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.					
Built by 12/31	Assessed as of 1/1																			
2004	2005															\$ -				
2005	2006															\$ 8,227,956				
2006	2007	\$ 2,295,000	\$ 4,039,200	\$ 1,472,625	\$ 421,131											\$ 1,908,932				
2007	2008											\$ 362,353	\$ 1,546,578				\$ -			
2008	2009																\$ 753,985	\$ 949,463	\$ 1,424,194	\$ 3,127,642
2009	2010																			\$ -
2010	2011																			\$ -
2011	2012																			\$ -
<b>Total by Project</b>		\$ 2,295,000	\$ -	\$ 4,039,200	\$ -	\$ -	\$ 1,472,625	\$ 421,131	\$ -	\$ 362,353	\$ -	\$ -	\$ 1,546,578	\$ 753,985	\$ 949,463	\$ 1,424,194	<b>\$ 13,264,530</b>			

A/UC = Approved/Under Construction  
 P = Planned/Proposed Development  
 U = Un-programmed Site

**\$ 171,711,584**

**Beer Line TID Economic Feasibility Study**  
**Exhibit 3B. New Equalized Value, Moderate-Value Scenario (\$ Inflation-Year)**  
**December 9, 2005**

**Residential Value**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U	Total by Year	
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	[New Land Ent. Ownership]	RiverCrest Phase II	[New Land Ent. Ownership]	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	[IRES/Olson purchase option]		
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.		
Built by 12/31	Assessed as of 1/1																
2004	2005			\$ 412,470													
2005	2006	\$ 3,000,000		\$ 7,912,530	\$ 9,359,000	\$ 9,440,000										\$ 29,711,530	
2006	2007	\$ 4,132,652			\$ 4,151,385	\$ 3,027,375				\$ 9,516,480	\$ 4,614,051	\$ 4,699,496				\$ 30,141,439	
2007	2008	\$ 5,731,054							\$ 5,012,797	\$ 19,997,585	\$ 9,252,614	\$ 3,095,259				\$ 43,089,310	
2008	2009								\$ 5,188,245	\$ 10,194,292	\$ 2,471,343		\$ 16,372,650	\$ 10,194,292	\$ 13,901,307	\$ 58,322,128	
2009	2010												\$ 16,625,963	\$ 10,231,362	\$ 14,387,852	\$ 41,245,177	
2010	2011															\$ -	
2011	2012															\$ -	
<b>Total by Project</b>		\$ -	\$ 12,863,705	\$ -	\$ 8,325,000	\$ 13,510,385	\$ 12,467,375	\$ -	\$ 10,201,043	\$ -	\$ 39,708,357	\$ 16,338,009	\$ 7,794,756	\$ 32,998,613	\$ 20,425,653	\$ 28,289,159	<b>\$ 202,922,054</b>

**Commercial Value**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U	Total by Year	
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	[New Land Ent. Ownership]	RiverCrest Phase II	[New Land Ent. Ownership]	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	[IRES/Olson purchase option]		
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.		
Built by 12/31	Assessed as of 1/1																
2004	2005																
2005	2006															\$ -	
2006	2007	\$ 2,295,000		\$ 4,039,200		\$ 1,472,625	\$ 421,131									\$ 8,227,956	
2007	2008								\$ 416,035			\$ 1,759,159				\$ 2,175,194	
2008	2009															\$ -	
2009	2010												\$ 865,687	\$ 1,061,164	\$ 1,591,746	\$ 3,518,597	
2010	2011															\$ -	
2011	2012															\$ -	
<b>Total by Project</b>		\$ 2,295,000	\$ -	\$ 4,039,200	\$ -	\$ -	\$ 1,472,625	\$ 421,131	\$ -	\$ 416,035	\$ -	\$ -	\$ 1,759,159	\$ 865,687	\$ 1,061,164	\$ 1,591,746	<b>\$ 13,921,747</b>

A/UC = Approved/Under Construction  
P = Planned/Proposed Development  
U = Un-programmed Site

**\$ 216,843,802**

**Beer Line TID Economic Feasibility Study**  
**Exhibit 3C. New Equalized Value, High-Value Scenario (\$ Inflation-Year)**  
**December 9, 2005**

**Residential Value**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U		
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	[New Land Ent. Ownership]	RiverCrest Phase II	[New Land Ent. Ownership]	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	[IRES/Olson purchase option]		
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.	<b>Total by Year</b>	
<b>Built by 12/31</b>	<b>Assessed as of 1/1</b>																
2004	2005			\$ 412,470													
2005	2006	\$ 3,000,000		\$ 7,912,530	\$ 9,359,000	\$ 9,440,000											\$ 29,711,530
2006	2007	\$ 4,132,652			\$ 4,151,385	\$ 3,027,375				\$ 12,688,640	\$ 6,152,068	\$ 6,265,995					\$ 36,418,115
2007	2008	\$ 5,731,054						\$ 5,012,797		\$ 26,663,447	\$ 12,336,819	\$ 4,127,012					\$ 53,871,130
2008	2009							\$ 5,188,245		\$ 13,592,389	\$ 3,295,125		\$ 21,830,200	\$ 13,592,389	\$ 18,535,076		\$ 76,033,423
2009	2010												\$ 22,167,950	\$ 13,641,816	\$ 19,183,803		\$ 54,993,569
2010	2011																\$ -
2011	2012																\$ -
<b>Total by Project</b>	\$ -	\$ 12,863,705	\$ -	\$ 8,325,000	\$ 13,510,385	\$ 12,467,375	\$ -	\$ 10,201,043	\$ -	\$ 52,944,476	\$ 21,784,011	\$ 10,393,008	\$ 43,998,150	\$ 27,234,204	\$ 37,718,879		<b>\$ 251,440,237</b>

**Commercial Value**

Project Type	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	A/UC	P	P	P	P	U	U	U		
Project Name/Developer	Invivo River Center	Park Terrace	Pleasant Street Market	Riverbridge Phase III	RiverCrest Phase I	Union Point	[New Land Ent. Ownership]	RiverCrest Phase II	[New Land Ent. Ownership]	The Edge	Highbridge Phase II	RACM/MMSD Negotiated Sale	Melanec's Wheelhouse	RACM RFP	[IRES/Olson purchase option]		
Project Address	2060 N. Humboldt Ave.	2001 N. Commerce St.	306 E. Pleasant St.	1905-25 N. Water St.	2160 N. Commerce St.	2101 N. Humboldt Ave.	1911 N. Humboldt Ave.	2240 N. Commerce St.	301 E. Vine St.	1890 N. Commerce St.	1888 N. Water St.	1855 - 75 N. Commerce St.	2176 N. Riverboat Rd.	2113 N. Humboldt Ave.	2056-2070 N. Commerce St.	<b>Total by Year</b>	
<b>Built by 12/31</b>	<b>Assessed as of 1/1</b>																
2004	2005																\$ -
2005	2006	\$ 2,295,000		\$ 4,039,200		\$ 1,472,625	\$ 421,131										\$ 8,227,956
2006	2007								\$ 469,717			\$ 2,040,453					\$ 2,510,170
2007	2008																\$ -
2008	2009												\$ 977,388	\$ 1,172,866	\$ 1,759,299		\$ 3,909,552
2009	2010																\$ -
2010	2011																\$ -
2011	2012																\$ -
<b>Total by Project</b>	\$ 2,295,000	\$ -	\$ 4,039,200	\$ -	\$ -	\$ 1,472,625	\$ 421,131	\$ -	\$ 469,717	\$ -	\$ -	\$ 2,040,453	\$ 977,388	\$ 1,172,866	\$ 1,759,299		<b>\$ 14,647,678</b>

A/UC = Approved/Under Construction  
P = Planned/Proposed Development  
U = Un-programmed Site

**\$ 266,087,915**

**Beer Line TID Economic Feasibility Study**  
**Exhibit 4A. Incremental Tax Revenue Projections, Low-Value Scenario**  
**December 9, 2005**

Inputs and Assumptions	
1994 Base Equalized Value	\$ 2,711,300
1999 Base Equalized Value	\$ 7,761,700
Annual Growth in Real Property-Residential, 2005-2010	3.50%
Annual Growth in Real Property-Residential, 2011 & beyond	2.50%
Annual Growth in Real Property - Commercial	2.00%
Tax Collection Rate	97.00%

Year of TID	Assessment Year (Jan. 1) [1], [2]	Inflation Real Property - Residential [3]	Inflation Real Property - Commercial [3]	Frozen Base EV of TID Parcels [4]	Cumulative EV Deductions, 2006 & Beyond [5]	Cumulative EV Additions, 2006 & Beyond [6]			Total EV of TID Parcels [7]	Incremental EV Above Base EV [8]	Tax Rate [9]	Tax Revenues Collected (Jan. 31) @ 97% [10]
						Residential	Commercial	TOTAL				
1	1994	3.5%	2.0%	\$ 2,711,300					\$ 2,711,300	\$ -	3.60%	
2	1995	3.5%	2.0%	\$ 2,711,300					\$ 2,190,200	\$ -	3.34%	
3	1996	3.5%	2.0%	\$ 2,711,300					\$ 2,124,200	\$ -	2.91%	
4	1997	3.5%	2.0%	\$ 2,711,300					\$ 2,231,000	\$ -	2.75%	
5	1998	3.5%	2.0%	\$ 2,711,300					\$ 4,548,200	\$ 1,836,900	2.80%	\$ -
6	1999	3.5%	2.0%	\$ 7,761,700					\$ 11,708,500	\$ 3,946,800	2.62%	\$ 54,799
7	2000	3.5%	2.0%	\$ 7,761,700					\$ 14,126,400	\$ 6,364,700	2.83%	\$ 253,674
8	2001	3.5%	2.0%	\$ 7,761,700					\$ 26,727,800	\$ 18,966,100	2.76%	\$ 190,377
9	2002	3.5%	2.0%	\$ 7,761,700					\$ 35,875,100	\$ 28,113,400	2.67%	\$ 534,850
10	2003	3.5%	2.0%	\$ 7,761,700					\$ 60,292,400	\$ 52,530,700	2.54%	\$ 783,421
11	2004	3.5%	2.0%	\$ 7,761,700					\$ 68,523,600	\$ 60,761,900	2.50%	\$ 1,387,205
12	2005	3.5%	2.0%	\$ 7,761,700					\$ 105,981,786	\$ 98,220,086	2.38%	\$ 1,583,479
13	2006	3.5%	2.0%	\$ 7,761,700	\$ (1,254,964)	\$ 29,711,530	\$ -	\$ 29,711,530	\$ 137,696,176	\$ 129,934,476	2.31%	\$ 2,263,780
14	2007	3.5%	2.0%	\$ 7,761,700	\$ (3,256,217)	\$ 55,139,253	\$ 8,227,956	\$ 63,367,209	\$ 172,713,419	\$ 164,951,719	2.25%	\$ 2,916,082
15	2008	3.5%	2.0%	\$ 7,761,700	\$ (3,620,799)	\$ 90,275,102	\$ 10,301,447	\$ 100,576,549	\$ 213,029,482	\$ 205,267,782	2.19%	\$ 3,604,738
16	2009	3.5%	2.0%	\$ 7,761,700	\$ (4,748,674)	\$ 135,521,506	\$ 10,507,476	\$ 146,028,982	\$ 260,937,443	\$ 253,175,743	2.14%	\$ 4,367,965
17	2010	3.5%	2.0%	\$ 7,761,700	\$ (4,868,611)	\$ 168,907,243	\$ 13,845,267	\$ 182,752,510	\$ 301,240,273	\$ 293,478,573	2.08%	\$ 5,245,923
18	2011	2.5%	2.0%	\$ 7,761,700	\$ (4,974,596)	\$ 173,129,924	\$ 14,122,172	\$ 187,252,096	\$ 308,551,606	\$ 300,789,906	2.03%	\$ 5,921,308
19	2012	2.5%	2.0%	\$ 7,761,700	\$ (5,082,916)	\$ 177,458,172	\$ 14,404,616	\$ 191,862,788	\$ 316,041,329	\$ 308,279,629	1.97%	\$ 5,909,435
20	2013	2.5%	2.0%	\$ 7,761,700	\$ (5,193,623)	\$ 181,894,626	\$ 14,692,708	\$ 196,587,334	\$ 323,713,813	\$ 315,952,113	1.94%	\$ 5,897,515
21	2014	2.5%	2.0%	\$ 7,761,700	\$ (5,306,770)	\$ 186,441,992	\$ 14,986,562	\$ 201,428,554	\$ 331,573,538	\$ 323,811,838	1.94%	\$ 5,939,703
22	2015	2.5%	2.0%	\$ 7,761,700	\$ (5,422,412)	\$ 191,103,042	\$ 15,286,294	\$ 206,389,335	\$ 339,625,094	\$ 331,863,394	1.94%	\$ 6,087,460
23	2016	2.5%	2.0%	\$ 7,761,700	\$ (5,540,604)	\$ 195,880,618	\$ 15,592,019	\$ 211,472,637	\$ 347,873,184	\$ 340,111,484	1.94%	\$ 6,238,825
24	2017	2.5%	2.0%	\$ 7,761,700	\$ (5,661,404)	\$ 200,777,633	\$ 15,903,860	\$ 216,681,493	\$ 356,322,624	\$ 348,560,924	1.94%	\$ 6,393,884
25	2018	2.5%	2.0%	\$ 7,761,700	\$ (5,784,870)	\$ 205,797,074	\$ 16,221,937	\$ 222,019,011	\$ 364,978,353	\$ 357,216,653	1.94%	\$ 6,552,728
26	2019	2.5%	2.0%	\$ 7,761,700	\$ (5,911,061)	\$ 210,942,001	\$ 16,546,376	\$ 227,488,377	\$ 373,845,429	\$ 366,083,729	1.94%	\$ 6,715,450
27	2020	2.5%	2.0%	\$ 7,761,700	\$ (6,040,038)	\$ 216,215,551	\$ 16,877,303	\$ 233,092,854	\$ 382,929,034	\$ 375,167,334	1.94%	\$ 6,882,146
	2021											\$ 7,052,912
Total Proceeds, 2006 - 2021 (Not Discounted)												\$ 87,989,853
Present Value, 2006 - 2021 @: 6.0%												\$ 52,011,484

Source: S. B. Friedman & Company

Figures in *italics* are actual values obtained from the City of Milwaukee Assessor's Office and/or City of Milwaukee Department of City Development

- [1] The TID was established in December 1993 with a base year of 1994.
- [2] Properties in the City of Milwaukee are reassessed every year as of January 1.
- [3] 3.5% inflation is assumed to be applied annually to residential properties through 2010; 2.5% inflation is applied annually beginning in 2011. 2.0% is applied annually to commercial properties.
- [4] Frozen base EVs are shown for the original TID boundary (1994 - 1998) and for the amended TID boundary (1999 and beyond).
- [5] Deductions resulting from demolition or replacement, adjusted for inflation.
- [6] Additions resulting from new development, adjusted for inflation.
- [7] EV after all adjustments, adjusted for inflation.
- [8] Total EV (adjusted for inflation) less Base EV.
- [9] The assessed value tax rate is projected to decline at an annual rate of 2.63%, stabilizing at a tax rate of 2.0%.  
This is converted to an equalized value tax rate in each year by applying the assessment ration for that year (10-year average of 96.9% applied to 2005 - 2020).
- [10] Tax revenues are collected one year after the taxing year at a 97% collection rate.

**Beer Line TID Economic Feasibility Study**  
**Exhibit 4B. Incremental Tax Revenue Projections, Moderate-Value Scenario**  
**December 9, 2005**

Inputs and Assumptions	
1994 Base Equalized Value	\$ 2,711,300
1999 Base Equalized Value	\$ 7,761,700
Annual Growth in Real Property-Residential, 2005-2010	3.50%
Annual Growth in Real Property-Residential, 2011 & beyond	2.50%
Annual Growth in Real Property - Commercial	2.00%
Tax Collection Rate	97.00%

Year of TID	Assessment Year (Jan. 1) [1], [2]	Inflation Real Property - Residential [3]	Inflation Real Property - Commercial [3]	Frozen Base EV of TID Parcels [4]	Cumulative EV Deductions, 2006 & Beyond [5]	Cumulative EV Additions, 2006 & Beyond [6]			Total EV of TID Parcels [7]	Incremental EV Above Base EV [8]	Tax Rate [9]	Tax Revenues Collected (Jan. 31) @ 97% [10]
						Residential	Commercial	TOTAL				
1	1994	3.5%	2.0%	\$ 2,711,300					\$ 2,711,300	\$ -	3.60%	
2	1995	3.5%	2.0%	\$ 2,711,300					\$ 2,190,200	\$ -	3.34%	
3	1996	3.5%	2.0%	\$ 2,711,300					\$ 2,124,200	\$ -	2.91%	
4	1997	3.5%	2.0%	\$ 2,711,300					\$ 2,231,000	\$ -	2.75%	
5	1998	3.5%	2.0%	\$ 2,711,300					\$ 4,548,200	\$ 1,836,900	2.80%	\$ -
6	1999	3.5%	2.0%	\$ 7,761,700					\$ 11,708,500	\$ 3,946,800	2.62%	\$ 54,799
7	2000	3.5%	2.0%	\$ 7,761,700					\$ 14,126,400	\$ 6,364,700	2.83%	\$ 253,674
8	2001	3.5%	2.0%	\$ 7,761,700					\$ 26,727,800	\$ 18,966,100	2.76%	\$ 190,377
9	2002	3.5%	2.0%	\$ 7,761,700					\$ 35,875,100	\$ 28,113,400	2.67%	\$ 534,850
10	2003	3.5%	2.0%	\$ 7,761,700					\$ 60,292,400	\$ 52,530,700	2.54%	\$ 783,421
11	2004	3.5%	2.0%	\$ 7,761,700					\$ 68,523,600	\$ 60,761,900	2.50%	\$ 1,387,205
12	2005	3.5%	2.0%	\$ 7,761,700					\$ 105,981,786	\$ 98,220,086	2.38%	\$ 1,583,479
13	2006	3.5%	2.0%	\$ 7,761,700	\$ (1,254,964)	\$ 29,711,530	\$ -	\$ 29,711,530	\$ 137,696,176	\$ 129,934,476	2.31%	\$ 2,263,780
14	2007	3.5%	2.0%	\$ 7,761,700	\$ (3,256,217)	\$ 60,892,873	\$ 8,227,956	\$ 69,120,829	\$ 178,467,038	\$ 170,705,338	2.25%	\$ 2,916,082
15	2008	3.5%	2.0%	\$ 7,761,700	\$ (3,620,799)	\$ 106,113,433	\$ 10,567,709	\$ 116,681,143	\$ 229,134,075	\$ 221,372,375	2.19%	\$ 3,730,473
16	2009	3.5%	2.0%	\$ 7,761,700	\$ (4,748,674)	\$ 165,678,188	\$ 10,779,064	\$ 176,457,252	\$ 291,365,713	\$ 283,604,013	2.14%	\$ 4,710,660
17	2010	3.5%	2.0%	\$ 7,761,700	\$ (4,868,611)	\$ 212,722,102	\$ 14,513,242	\$ 227,235,344	\$ 345,723,107	\$ 337,961,407	2.08%	\$ 5,876,411
18	2011	2.5%	2.0%	\$ 7,761,700	\$ (4,974,596)	\$ 218,040,154	\$ 14,803,507	\$ 232,843,661	\$ 354,143,171	\$ 346,381,471	2.03%	\$ 6,818,807
19	2012	2.5%	2.0%	\$ 7,761,700	\$ (5,082,916)	\$ 223,491,158	\$ 15,099,577	\$ 238,590,735	\$ 362,769,276	\$ 355,007,576	1.97%	\$ 6,805,145
20	2013	2.5%	2.0%	\$ 7,761,700	\$ (5,193,623)	\$ 229,078,437	\$ 15,401,569	\$ 244,480,006	\$ 371,606,484	\$ 363,844,784	1.94%	\$ 6,791,439
21	2014	2.5%	2.0%	\$ 7,761,700	\$ (5,306,770)	\$ 234,805,398	\$ 15,709,600	\$ 250,514,998	\$ 380,659,982	\$ 372,898,282	1.94%	\$ 6,840,055
22	2015	2.5%	2.0%	\$ 7,761,700	\$ (5,422,412)	\$ 240,675,533	\$ 16,023,792	\$ 256,699,325	\$ 389,935,084	\$ 382,173,384	1.94%	\$ 7,010,255
23	2016	2.5%	2.0%	\$ 7,761,700	\$ (5,540,604)	\$ 246,692,421	\$ 16,344,268	\$ 263,036,689	\$ 399,437,235	\$ 391,675,535	1.94%	\$ 7,184,621
24	2017	2.5%	2.0%	\$ 7,761,700	\$ (5,661,404)	\$ 252,859,732	\$ 16,671,153	\$ 269,530,885	\$ 409,172,016	\$ 401,410,316	1.94%	\$ 7,363,256
25	2018	2.5%	2.0%	\$ 7,761,700	\$ (5,784,870)	\$ 259,181,225	\$ 17,004,576	\$ 276,185,801	\$ 419,145,144	\$ 411,383,444	1.94%	\$ 7,546,263
26	2019	2.5%	2.0%	\$ 7,761,700	\$ (5,911,061)	\$ 265,660,756	\$ 17,344,668	\$ 283,005,423	\$ 429,362,476	\$ 421,600,776	1.94%	\$ 7,733,752
27	2020	2.5%	2.0%	\$ 7,761,700	\$ (6,040,038)	\$ 272,302,275	\$ 17,691,561	\$ 289,993,836	\$ 439,830,015	\$ 432,068,315	1.94%	\$ 7,925,832
	2021											\$ 8,122,615
Total Proceeds, 2006 - 2021 (Not Discounted)												\$ 99,639,446
Present Value, 2006 - 2021 @: 6.0%												\$ 58,449,862

Source: S. B. Friedman & Company

Figures in *italics* are actual values obtained from the City of Milwaukee Assessor's Office and/or City of Milwaukee Department of City Development

- [1] The TID was established in December 1993 with a base year of 1994.
- [2] Properties in the City of Milwaukee are reassessed every year as of January 1.
- [3] 3.5% inflation is assumed to be applied annually to residential properties through 2010; 2.5% inflation is applied annually beginning in 2011. 2.0% is applied annually to commercial properties.
- [4] Frozen base EVs are shown for the original TID boundary (1994 - 1998) and for the amended TID boundary (1999 and beyond).
- [5] Deductions resulting from demolition or replacement, adjusted for inflation.
- [6] Additions resulting from new development, adjusted for inflation.
- [7] EV after all adjustments, adjusted for inflation.
- [8] Total EV (adjusted for inflation) less Base EV.
- [9] The assessed value tax rate is projected to decline at an annual rate of 2.63%, stabilizing at a tax rate of 2.0%.  
This is converted to an equalized value tax rate in each year by applying the assessment ration for that year (10-year average of 96.9% applied to 2005 - 2020).
- [10] Tax revenues are collected one year after the taxing year at a 97% collection rate.

**Beer Line TID Economic Feasibility Study**  
**Exhibit 4C. Incremental Tax Revenue Projections, High-Value Scenario**  
**December 9, 2005**

Inputs and Assumptions	
1994 Base Equalized Value	\$ 2,711,300
1999 Base Equalized Value	\$ 7,761,700
Annual Growth in Real Property-Residential, 2005-2010	3.50%
Annual Growth in Real Property-Residential, 2011 & beyond	2.50%
Annual Growth in Real Property - Commercial	2.00%
Tax Collection Rate	97.00%

Year of TID	Assessment Year (Jan. 1) [1], [2]	Inflation Real Property - Residential [3]	Inflation Real Property - Commercial [3]	Frozen Base EV of TID Parcels [4]	Cumulative EV Deductions, 2006 & Beyond [5]	Cumulative EV Additions, 2006 & Beyond [6]			Total EV of TID Parcels [7]	Incremental EV Above Base EV [8]	Tax Rate [9]	Tax Revenues Collected (Jan. 31) @ 97% [10]
						Residential	Commercial	TOTAL				
1	1994	3.5%	2.0%	\$ 2,711,300					\$ 2,711,300	\$ -	3.60%	
2	1995	3.5%	2.0%	\$ 2,711,300					\$ 2,190,200	\$ -	3.34%	
3	1996	3.5%	2.0%	\$ 2,711,300					\$ 2,124,200	\$ -	2.91%	
4	1997	3.5%	2.0%	\$ 2,711,300					\$ 2,231,000	\$ -	2.75%	
5	1998	3.5%	2.0%	\$ 2,711,300					\$ 4,548,200	\$ 1,836,900	2.80%	\$ -
6	1999	3.5%	2.0%	\$ 7,761,700					\$ 11,708,500	\$ 3,946,800	2.62%	\$ 54,799
7	2000	3.5%	2.0%	\$ 7,761,700					\$ 14,126,400	\$ 6,364,700	2.83%	\$ 253,674
8	2001	3.5%	2.0%	\$ 7,761,700					\$ 26,727,800	\$ 18,966,100	2.76%	\$ 190,377
9	2002	3.5%	2.0%	\$ 7,761,700					\$ 35,875,100	\$ 28,113,400	2.67%	\$ 534,850
10	2003	3.5%	2.0%	\$ 7,761,700					\$ 60,292,400	\$ 52,530,700	2.54%	\$ 783,421
11	2004	3.5%	2.0%	\$ 7,761,700					\$ 68,523,600	\$ 60,761,900	2.50%	\$ 1,387,205
12	2005	3.5%	2.0%	\$ 7,761,700					\$ 105,981,786	\$ 98,220,086	2.38%	\$ 1,583,479
13	2006	3.5%	2.0%	\$ 7,761,700	\$ (1,254,964)	\$ 29,711,530	\$ -	\$ 29,711,530	\$ 137,696,176	\$ 129,934,476	2.31%	\$ 2,263,780
14	2007	3.5%	2.0%	\$ 7,761,700	\$ (3,256,217)	\$ 67,169,549	\$ 8,227,956	\$ 75,397,504	\$ 184,743,714	\$ 176,982,014	2.25%	\$ 2,916,082
15	2008	3.5%	2.0%	\$ 7,761,700	\$ (3,620,799)	\$ 123,391,612	\$ 10,902,685	\$ 134,294,298	\$ 246,747,230	\$ 238,985,530	2.19%	\$ 3,867,639
16	2009	3.5%	2.0%	\$ 7,761,700	\$ (4,748,674)	\$ 203,743,742	\$ 11,120,739	\$ 214,864,480	\$ 329,772,942	\$ 322,011,242	2.14%	\$ 5,085,456
17	2010	3.5%	2.0%	\$ 7,761,700	\$ (4,868,611)	\$ 265,868,342	\$ 15,252,706	\$ 281,121,048	\$ 399,608,811	\$ 391,847,111	2.08%	\$ 6,672,227
18	2011	2.5%	2.0%	\$ 7,761,700	\$ (4,974,596)	\$ 272,515,050	\$ 15,557,760	\$ 288,072,810	\$ 409,372,320	\$ 401,610,620	2.03%	\$ 7,906,020
19	2012	2.5%	2.0%	\$ 7,761,700	\$ (5,082,916)	\$ 279,327,926	\$ 15,868,915	\$ 295,196,842	\$ 419,375,383	\$ 411,613,683	1.97%	\$ 7,890,198
20	2013	2.5%	2.0%	\$ 7,761,700	\$ (5,193,623)	\$ 286,311,125	\$ 16,186,294	\$ 302,497,418	\$ 429,623,897	\$ 421,862,197	1.94%	\$ 7,874,337
21	2014	2.5%	2.0%	\$ 7,761,700	\$ (5,306,770)	\$ 293,468,903	\$ 16,510,019	\$ 309,978,922	\$ 440,123,906	\$ 432,362,206	1.94%	\$ 7,930,746
22	2015	2.5%	2.0%	\$ 7,761,700	\$ (5,422,412)	\$ 300,805,625	\$ 16,840,220	\$ 317,645,845	\$ 450,881,604	\$ 443,119,904	1.94%	\$ 8,128,140
23	2016	2.5%	2.0%	\$ 7,761,700	\$ (5,540,604)	\$ 308,325,766	\$ 17,177,024	\$ 325,502,790	\$ 461,903,336	\$ 454,141,636	1.94%	\$ 8,330,378
24	2017	2.5%	2.0%	\$ 7,761,700	\$ (5,661,404)	\$ 316,033,910	\$ 17,520,565	\$ 333,554,475	\$ 473,195,606	\$ 465,433,906	1.94%	\$ 8,537,579
25	2018	2.5%	2.0%	\$ 7,761,700	\$ (5,784,870)	\$ 323,934,758	\$ 17,870,976	\$ 341,805,734	\$ 484,765,076	\$ 477,003,376	1.94%	\$ 8,749,867
26	2019	2.5%	2.0%	\$ 7,761,700	\$ (5,911,061)	\$ 332,033,127	\$ 18,228,395	\$ 350,261,522	\$ 496,618,575	\$ 488,856,875	1.94%	\$ 8,967,366
27	2020	2.5%	2.0%	\$ 7,761,700	\$ (6,040,038)	\$ 340,333,955	\$ 18,592,963	\$ 358,926,918	\$ 508,763,098	\$ 501,001,398	1.94%	\$ 9,190,204
	2021											\$ 9,418,514
Total Proceeds, 2006 - 2021 (Not Discounted)												\$ 113,728,534
Present Value, 2006 - 2021 @:												\$ 66,228,673

Source: S. B. Friedman & Company

Figures in *italics* are actual values obtained from the City of Milwaukee Assessor's Office and/or City of Milwaukee Department of City Development

[1] The TID was established in December 1993 with a base year of 1994.

[2] Properties in the City of Milwaukee are reassessed every year as of January 1.

[3] 3.5% inflation is assumed to be applied annually to residential properties through 2010; 2.5% inflation is applied annually beginning in 2011. 2.0% is applied annually to commercial properties.

[4] Frozen base EVs are shown for the original TID boundary (1994 - 1998) and for the amended TID boundary (1999 and beyond).

[5] Deductions resulting from demolition or replacement, adjusted for inflation.

[6] Additions resulting from new development, adjusted for inflation.

[7] EV after all adjustments, adjusted for inflation.

[8] Total EV (adjusted for inflation) less Base EV.

[9] The assessed value tax rate is projected to decline at an annual rate of 2.63%, stabilizing at a tax rate of 2.0%.

This is converted to an equalized value tax rate in each year by applying the assessment ration for that year (10-year average of 96.9% applied to 2005 - 2020).

[10] Tax revenues are collected one year after the taxing year at a 97% collection rate.

**Beer Line TID Economic Feasibility Study**  
**Exhibit 4D. Incremental Tax Revenue Projections, Approved/Under-Construction Projects Only**  
**December 9, 2005**

Inputs and Assumptions	
1994 Base Equalized Value	\$ 2,711,300
1999 Base Equalized Value	\$ 7,761,700
Annual Growth in Real Property-Residential, 2005-2010	3.50%
Annual Growth in Real Property-Residential, 2011 & beyond	2.50%
Annual Growth in Real Property - Commercial	2.00%
Tax Collection Rate	97.00%

Year of TID	Assessment Year (Jan. 1) [1], [2]	Inflation Real Property - Residential [3]	Inflation Real Property - Commercial [3]	Frozen Base EV of TID Parcels [4]	Cumulative EV Deductions, 2006 & Beyond [5]	Cumulative EV Additions, 2006 & Beyond [6]			Total EV of TID Parcels [7]	Incremental EV Above Base EV [8]	Tax Rate [9]	Tax Revenues Collected (Jan. 31) @ 97% [10]
						Residential	Commercial	TOTAL				
1	1994	3.5%	2.0%	\$ 2,711,300					\$ 2,711,300	\$ -	3.60%	
2	1995	3.5%	2.0%	\$ 2,711,300					\$ 2,190,200	\$ -	3.34%	
3	1996	3.5%	2.0%	\$ 2,711,300					\$ 2,124,200	\$ -	2.91%	
4	1997	3.5%	2.0%	\$ 2,711,300					\$ 2,231,000	\$ -	2.75%	
5	1998	3.5%	2.0%	\$ 2,711,300					\$ 4,548,200	\$ 1,836,900	2.80%	\$ -
6	1999	3.5%	2.0%	\$ 7,761,700					\$ 11,708,500	\$ 3,946,800	2.62%	\$ 54,799
7	2000	3.5%	2.0%	\$ 7,761,700					\$ 14,126,400	\$ 6,364,700	2.83%	\$ 253,674
8	2001	3.5%	2.0%	\$ 7,761,700					\$ 26,727,800	\$ 18,966,100	2.76%	\$ 190,377
9	2002	3.5%	2.0%	\$ 7,761,700					\$ 35,875,100	\$ 28,113,400	2.67%	\$ 534,850
10	2003	3.5%	2.0%	\$ 7,761,700					\$ 60,292,400	\$ 52,530,700	2.54%	\$ 783,421
11	2004	3.5%	2.0%	\$ 7,761,700					\$ 68,523,600	\$ 60,761,900	2.50%	\$ 1,387,205
12	2005	3.5%	2.0%	\$ 7,761,700					\$ 105,981,786	\$ 98,220,086	2.38%	\$ 1,583,479
13	2006	3.5%	2.0%	\$ 7,761,700	\$ (1,254,964)	\$ 29,711,530	\$ -	\$ 29,711,530	\$ 137,696,176	\$ 129,934,476	2.31%	\$ 2,263,780
14	2007	3.5%	2.0%	\$ 7,761,700	\$ (2,980,828)	\$ 42,062,845	\$ 8,227,956	\$ 50,290,801	\$ 159,912,399	\$ 152,150,699	2.25%	\$ 2,916,082
15	2008	3.5%	2.0%	\$ 7,761,700	\$ (3,271,597)	\$ 54,278,896	\$ 8,392,515	\$ 62,671,411	\$ 175,473,545	\$ 167,711,845	2.19%	\$ 3,324,993
16	2009	3.5%	2.0%	\$ 7,761,700	\$ (3,360,124)	\$ 61,366,902	\$ 8,560,365	\$ 69,927,268	\$ 186,224,279	\$ 178,462,579	2.14%	\$ 3,568,799
17	2010	3.5%	2.0%	\$ 7,761,700	\$ (3,451,230)	\$ 63,514,744	\$ 8,731,573	\$ 72,246,317	\$ 192,151,462	\$ 184,389,762	2.08%	\$ 3,697,830
18	2011	2.5%	2.0%	\$ 7,761,700	\$ (3,528,501)	\$ 65,102,613	\$ 8,906,204	\$ 74,008,817	\$ 196,754,422	\$ 188,992,722	2.03%	\$ 3,720,301
19	2012	2.5%	2.0%	\$ 7,761,700	\$ (3,607,524)	\$ 66,730,178	\$ 9,084,328	\$ 75,814,506	\$ 201,468,439	\$ 193,706,739	1.97%	\$ 3,713,024
20	2013	2.5%	2.0%	\$ 7,761,700	\$ (3,688,339)	\$ 68,398,432	\$ 9,266,015	\$ 77,664,447	\$ 206,296,210	\$ 198,534,510	1.94%	\$ 3,705,689
21	2014	2.5%	2.0%	\$ 7,761,700	\$ (3,770,986)	\$ 70,108,393	\$ 9,451,335	\$ 79,559,728	\$ 211,240,496	\$ 203,478,796	1.94%	\$ 3,732,325
22	2015	2.5%	2.0%	\$ 7,761,700	\$ (3,855,509)	\$ 71,861,103	\$ 9,640,362	\$ 81,501,465	\$ 216,304,127	\$ 208,542,427	1.94%	\$ 3,825,274
23	2016	2.5%	2.0%	\$ 7,761,700	\$ (3,941,949)	\$ 73,657,630	\$ 9,833,169	\$ 83,490,799	\$ 221,490,001	\$ 213,728,301	1.94%	\$ 3,920,467
24	2017	2.5%	2.0%	\$ 7,761,700	\$ (4,030,352)	\$ 75,499,071	\$ 10,029,832	\$ 85,528,904	\$ 226,801,088	\$ 219,039,388	1.94%	\$ 4,017,959
25	2018	2.5%	2.0%	\$ 7,761,700	\$ (4,120,761)	\$ 77,386,548	\$ 10,230,429	\$ 87,616,977	\$ 232,240,428	\$ 224,478,728	1.94%	\$ 4,117,804
26	2019	2.5%	2.0%	\$ 7,761,700	\$ (4,213,224)	\$ 79,321,212	\$ 10,435,038	\$ 89,756,249	\$ 237,811,138	\$ 230,049,438	1.94%	\$ 4,220,060
27	2020	2.5%	2.0%	\$ 7,761,700	\$ (4,307,788)	\$ 81,304,242	\$ 10,643,738	\$ 91,947,980	\$ 243,516,410	\$ 235,754,710	1.94%	\$ 4,324,786
	2021											\$ 4,432,041
Total Proceeds, 2006 - 2021 (Not Discounted)												\$ 59,501,215
Present Value, 2006 - 2021 @: 6.0%												\$ 36,283,352

Source: S. B. Friedman & Company

Figures in *italics* are actual values obtained from the City of Milwaukee Assessor's Office and/or City of Milwaukee Department of City Development

- [1] The TID was established in December 1993 with a base year of 1994.
- [2] Properties in the City of Milwaukee are reassessed every year as of January 1.
- [3] 3.5% inflation is assumed to be applied annually to residential properties through 2010; 2.5% inflation is applied annually beginning in 2011. 2.0% is applied annually to commercial properties.
- [4] Frozen base EVs are shown for the original TID boundary (1994 - 1998) and for the amended TID boundary (1999 and beyond).
- [5] Deductions resulting from demolition or replacement, adjusted for inflation.
- [6] Additions resulting from new development, adjusted for inflation.
- [7] EV after all adjustments, adjusted for inflation.
- [8] Total EV (adjusted for inflation) less Base EV.
- [9] The assessed value tax rate is projected to decline at an annual rate of 2.63%, stabilizing at a tax rate of 2.0%.  
This is converted to an equalized value tax rate in each year by applying the assessment ration for that year (10-year average of 96.9% applied to 2005 - 2020).
- [10] Tax revenues are collected one year after the taxing year at a 97% collection rate.



**Beer Line TID Economic Feasibility Study**  
**Exhibit 5. Projected Bond Amortization for Amended Project Costs**  
**December 9, 2005**

Issuance Date	11/1/2006
Interest Rate	4.50%
Reinvestment Rate	3.25%
Net Proceeds to Amended Project Costs	\$ 7,334,354
Amortization Period (Years)	5
Annual Payment (Fixed P&I)	1,680,973
Cap Interest Required	\$ -
Less Earnings on Cap Interest	\$ -
Issuance Costs- Professional Fees Allowance	\$ -
Issuance Costs- Additional 0.5% of Bond Amount	\$ 45,077
Total Bond Proceeds	\$ 7,379,431
Assumed Debt Coverage Requirement	1.0

Year of TID	Bond Year	Annual Inc. Tax Revenues Collected (Jan. 31) @ 97%	Annual Inc. Tax Avail. for Debt Service (after DCR)	Service on Prior Years' Debt Issuances	Tax Increment Avail. to Fund New Debt Service [1]	Beginning Principal Balance	Interest Due	Cap Int Yr	Cap Interest Payment	Total P&I Payment	Principal Reduction	Annual Surplus/Reserve	Cumulative Surplus/Reserve
12	2005												
13	2006	\$ 2,263,780	\$ 2,263,780	\$ 1,293,607	\$ 970,173	\$ 7,379,431	\$ 332,074	N	-	\$ 332,074	\$ -	\$ 638,099	\$ 638,099
14	2007	\$ 2,916,082	\$ 2,916,082	\$ 1,617,453	\$ 1,936,728	\$ 7,379,431	\$ 332,074	N	-	\$ 332,074	\$ -	\$ 966,555	\$ 1,604,654
15	2008	\$ 3,324,993	\$ 3,324,993	\$ 1,907,535	\$ 3,022,112	\$ 7,379,431	\$ 332,074	N	-	\$ 1,680,973	\$ 1,348,898	\$ (263,514)	\$ 1,341,139
16	2009	\$ 3,568,799	\$ 3,568,799	\$ 1,835,188	\$ 3,074,750	\$ 6,030,532	\$ 271,374	N	-	\$ 1,680,973	\$ 1,409,599	\$ 52,638	\$ 1,393,777
17	2010	\$ 3,697,830	\$ 3,697,830	\$ 1,775,739	\$ 3,315,869	\$ 4,620,934	\$ 207,942	N	-	\$ 1,680,973	\$ 1,473,031	\$ 241,118	\$ 1,634,896
18	2011	\$ 3,720,301	\$ 3,720,301	\$ 1,692,261	\$ 3,662,936	\$ 3,147,903	\$ 141,656	N	-	\$ 1,680,973	\$ 1,539,317	\$ 347,067	\$ 1,981,963
19	2012	\$ 3,713,024	\$ 3,713,024	\$ 1,605,788	\$ 4,089,200	\$ 1,608,586	\$ 72,386	N	-	\$ 1,680,973	\$ 1,608,586	\$ 426,264	\$ 2,408,227
20	2013	\$ 3,705,689	\$ 3,705,689	\$ 1,560,835	\$ 4,553,081	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 2,144,854	\$ 4,553,081
21	2014	\$ 3,732,325	\$ 3,732,325	\$ 1,322,441	\$ 6,962,965	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 2,409,884	\$ 6,962,965
22	2015	\$ 3,825,274	\$ 3,825,274	\$ 846,430	\$ 9,941,809	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 2,978,844	\$ 9,941,809
23	2016	\$ 3,920,467	\$ 3,920,467	\$ 267,941	\$ 13,594,336	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 3,652,526	\$ 13,594,336
24	2017	\$ 4,017,959	\$ 4,017,959	\$ 573,100	\$ 17,039,194	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 3,444,859	\$ 17,039,194
25	2018	\$ 4,117,804	\$ 4,117,804	\$ 550,460	\$ 20,606,538	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 3,567,344	\$ 20,606,538
26	2019	\$ 4,220,060	\$ 4,220,060	\$ 178,015	\$ 24,648,583	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 4,042,045	\$ 24,648,583
27	2020	\$ 4,324,786	\$ 4,324,786		\$ 28,973,369	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 4,324,786	\$ 28,973,369
	2021	\$ 4,432,041	\$ 4,432,041		\$ 33,405,410	\$ (0)	\$ (0)	N	-	\$ -	\$ 0	\$ 4,432,041	\$ 33,405,410
<b>TOTALS</b>		<b>\$ 59,501,215</b>	<b>\$ 59,501,215</b>	<b>\$ 17,026,793</b>			<b>\$ 1,689,581</b>			<b>\$ 9,069,012</b>	<b>\$ 7,379,431</b>		

Source: S. B. Friedman & Company

[1] Assumes reserve/surplus is made available for debt service.

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.