

**PROJECT PLAN FOR
TAX INCREMENTAL FINANCING DISTRICT NO. 92
(Sherman Phoenix)**

CITY OF MILWAUKEE

Public Hearing Held: August 17, 2017

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Adopted:

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I. DESCRIPTION OF THE 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.

Section 66.1105 (2)(f) 1.n., permits that Project Plan to fund projects located outside, but within one half-mile of the district’s boundary.

B. District Boundaries and Compliance with Statutory Eligibility Criteria

The Sherman Phoenix District (“District” or “TID”) is comprised of ten properties totaling 113,786 SF (collectively, the “Property”). The District is shown in **Map No. 1, “Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** 51.78% of the real property located within the District was found to be in need of rehabilitation or conservation work within the meaning of Section 66.1105(4)(gm) of the Wisconsin Statutes. 0% of the real property located within the District is considered vacant property within the meaning of Section 66.1105(4)(gm) of the Wisconsin Statutes. **Exhibit 2, “Property Characteristics,”** illustrates how the properties in the District meet the statutory criteria for Tax Incremental Districts. Per Wisconsin Statute 66.1105 (5)(b) the percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is estimated by the City to be 25%.

C. Project Plan Goals and Objectives

One of the most iconic and significant buildings on Milwaukee’s north side is the BMO Harris Bank Branch at 3536 West Fond du Lac Avenue (the “Building”). The 24,887 SF building has undergone a number of owner and name changes throughout the years. It was originally built in 1927 for Sherman Park State Bank, became Northern Bank in 1939, then M&I Bank in 1973 and finally BMO Harris Bank in 2011. A modern addition was completed in 1955 to create a drive-through and additional office space.

In August 2016, following a police incident in Sherman Park, several structures in the neighborhood were damaged by fire, including the Building. While BMO Harris Bank reopened a temporary branch at the Building in September 2016, the Building no longer made sense for them to operate a branch in, due to modern bank branches being much smaller than the Building and the significant fire damage done to the Building. In early 2017, BMO Harris Bank announced their plans to build a new 2,200 SF branch across the street on a surface parking lot at 3637 West Fond du Lac Avenue. That branch is currently under construction and is expected to open later in 2017.

Local developers JoAnne Sabir and Juli Kaufmann are planning to acquire and renovate the Building into retail and commercial space for small businesses, called the Sherman Phoenix (“Sherman Phoenix”). They will be investing \$2.3m in the Building to create an entrepreneurial hub for up to 12 small businesses with a focus on prepared foods, wellness services, and arts and culture. All of the tenants are committed to hiring locally and providing mentorship and training opportunities. Overall, Sherman Phoenix is expected to create over 45 jobs that will be available to neighborhood residents.

Unfortunately, the 2016 fire destroyed the interior historic integrity of the Building, and therefore, it is not eligible for the National Register of Historic Places and the associated tax credits that so many historic buildings are able to access to pay for costly renovations. As a result, alternative funding

sources are needed for a catalytic project like Sherman Phoenix to move forward. This Project Plan is proposing a \$225,000 grant from the District to assist in the Sherman Phoenix redevelopment project.

The District is at the confluence of three of the City's Neighborhood Plans, the Fond du Lac and North (2004), West Side (2009) and Near North (2009) Area Plans. The Sherman Phoenix project is in the Near North Plan, which specifically states, "Promote the reuse and rehabilitation of existing buildings with uses appropriate for major corridors such as Fond du Lac Avenue and Capitol Drive", "Utilize existing buildings and promote new mixed use redevelopment along Fond du Lac Avenue" and "Capitalize on the vitality of the Burleigh Street and Fond du Lac Avenue intersection with retail-based mixed use development." The Sherman Phoenix project meets all of these Near North Plan objectives.

In addition to providing a grant to the Sherman Phoenix project, this District also provides funding to renovate other properties in the area and for public improvements to attract additional private investment and employment opportunities.

More detailed objectives of this Project Plan are to:

- Increase the tax base of the City by developing vacant property and bringing new tenants to existing properties.
- Restore an historic and iconic building in the City.
- Create and retain jobs in the City.
- Provide funding for public improvements and infrastructure.

D. Existing Land Uses and Conditions in the District

The District is currently comprised of ten properties (assessed at \$1,373,800), which are a mix of commercial/retail buildings and parking lots. All of the Property in the District is zoned LB2 (Local Business).

II. PLAN PROPOSALS

The following statements, maps and exhibits are provided in compliance with Section 66.1105(4)(f) of the Wisconsin Statutes.

Funds generated from the District will be used for the following purposes:

Business Attraction/Retention Fund (\$325,000). In an effort to attract or retain office and retail tenants in the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats, fund cash grants or loans to be used for tenant improvements, façade improvements, new signage or other expenses. Grants from this fund are subject to Redevelopment Authority and Common Council approval of future term sheets. Initially, the fund will provide \$225,000 to the Sherman Phoenix project, per the attached Term Sheet, **Exhibit 6, "Sherman Phoenix Term Sheet."**

Public Infrastructure Improvements (\$50,000): Funding for public improvements, infrastructure, engineering and planning, within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats.

The City of Milwaukee may, on its own initiative or through a cooperation agreement with the Redevelopment Authority and/or other entities, undertake any and all project and site improvements and activities considered necessary to achieve project objectives and the commitment of private investment. This Plan is not intended to limit and shall not be interpreted as limiting the Redevelopment Authority in the exercise of its powers under Wis. Stat. 66.1333 (5) within the District.

It is possible that future amendments to this Project Plan for other investments in this area will be proposed.

A. “Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements.”

The specific kind, number, location, and estimated costs of public works and other improvements as identified below are based on preliminary plans and concepts developed in consultation with the Department of Public Works 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 allocated at any time during TID Project execution based on more definitive engineering studies and construction plans without amendment of this TID Project Plan. Actual construction of public works, improvements and infrastructure will be based on detailed final plans, specification, and estimates as approved by the City’s Department of City Development for the TID Project. Actions such as vacation of existing public rights-of- way, land acquisition, site clearance, environmental remediation, and reimbursement to owners of abutting property for costs directly related to the TID Project also may be undertaken, if necessary, for the implementation of this TID Project Plan for the District.

Any expenditures or monetary obligations directly or indirectly related to the construction of public works, improvements and infrastructure are considered "project costs" and shall be eligible to be paid with tax increment revenues of the District. TID Project Costs will be paid in part by any income, special assessments, or other revenues, including user fees or charges. Additional costs identified in this TID Project Plan are preliminary estimates made prior to design finalization and are subject to change after the design process is completed. Allocation of costs between individual line items in this TID Project Plan is also based on estimates and is subject to change based upon implementation and future assessment policies.

The following public improvements and infrastructure expenditures are expected to occur within and around the TID:

- Streetscaping: West Fond du Lac Avenue from roughly North 35th Street to North 36th Street, including the intersection of West Fond du Lac Avenue, North 35th Street and West Burleigh Street. Streetscaping may include new pavement, sidewalks, street trees, landscaping, street lighting (including possible harp lights), bicycle amenities (including a bikeshare station) and pedestrian amenities.
- Parking Lot Improvements: Upgraded landscaping and potential repaving of the City parking lot at 3500 West Burleigh Street.

The number and location of proposed public improvements are shown in **Map No. 3, “Proposed Uses and Improvements.”**

B. “Detailed List of Estimated Project Costs.”

The costs included in this subsection and detailed in Table B which follows are, without limitation because of enumeration, eligible project costs as defined under Section 66.1105(2)(f) and, if appropriate, in any cooperation agreement(s) entered into by and between the City of Milwaukee and eligible designated developer(s), provided further that such expenditures are necessitated by this Project Plan.

This TID Project Plan is meant neither to be a budget nor an appropriation of funds for specific activities, but a framework with which to manage various components of the TID Project. All costs included in this TID Project Plan are estimates based on the best information available. The City

retains the right to remove elements or change the scope and/or timing of elements implemented as they are individually authorized by the City Common Council, without amending this TID Project Plan.

Costs are based on 2017 prices and are preliminary estimates. The City reserves the right to increase these costs to reflect inflationary increases and other unforeseen circumstances between 2017 and the time of construction. The City also reserves the right to increase certain TID Project Costs to the extent others are reduced or not implemented, without amending this TID Project Plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of the TID Project Plan.

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

Capital Costs

The City shall fund an estimated \$375,000 in the form of TID Capital Project Costs enumerated in further detail in **Table A** of this Plan.

TABLE A: TID Capital Project Costs	
Business Attraction/Retention Fund	\$325,000
Public Infrastructure Improvements	\$50,000
TOTAL Capital Project Costs	\$375,000

Other Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs.

Financing Costs

Financing costs include estimated gross interest expenses on bonds that will be issued to pay for Project Costs. Estimates of interest are based on interest rates as set forth in the Economic Feasibility Analysis, attached as **Exhibit 4, “Feasibility Study.”**

TABLE B: Lists of Estimated Project Costs

<u>Capital:</u>	
Business Attraction/Retention Fund	\$325,000
Public Infrastructure Improvements	\$50,000
<u>Other:</u>	
Administration	\$25,000
Total Estimated Project Costs, excluding financing	\$400,000
<u>Financing:</u>	
Interest	\$166,000

C. “Description of Timing and Methods of Financing.”

All expenditures are expected to be incurred during the period from 2017-2027.

The City may proceed to fund any or all Project Costs using general obligation bonds or notes, or RACM revenue bonds to be issued in amounts which can be supported using tax increments in the District.

D. “Economic Feasibility Study.”

The Economic Feasibility Study for this District is attached to this Project Plan as **Exhibit 4, “Feasibility Study.”** The study establishes the dollar value of the Project costs which, based on certain general assumptions and a reasonable margin of safety, can be financed with the revenues projected to be generated by the District.

Based upon the anticipated tax incremental revenue to be generated by the District, the District is financially feasible and is likely to be retired on or before year 2039, the 22nd year of the District. Accordingly, the District is determined to be feasible.

E. “Map Showing Existing Uses and Conditions.”

Please refer to **Map No. 1, “Boundary and Existing Land Use,”** and **Map No. 2, “Structure Condition”** and **Exhibit 3, “Parcel Owners”** in the Exhibits Section which follows.

F. “Map Showing Proposed Uses and Improvements.”

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

G. “Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances.”

Please refer to **Map No. 4, “Existing Zoning,”** in the Exhibits Section which follows. The proposed Project Plan is consistent with the existing zoning, which is LB2 (Local Business). The proposed Project Plan is in accordance with the existing master plan, map, building codes, and other city ordinances. The proposed Project Plan should not require amendments to their provisions, but such amendments could be made if necessary without further amendment to this Project Plan.

H. “List of Estimated Non-Project Costs.”

There are no Non-Project Costs.

I. “Proposed Method for Relocation.”

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

J. “Statement Indicating How District Creation Promotes Orderly City Development.”

The creation of the District will provide a means to strengthen the Sherman Park neighborhood and West Fond du Lac Avenue and West Burleigh Avenue commercial corridors, consistent with the objectives of the Fond du Lac and North (2004), West Side (2009) and Near North (2009) Area Plans. It will facilitate the development of vacant or underutilized property, improved public infrastructure and job creation/retention.

K. “Opinion of the City Attorney.”

Please refer to **Exhibit 5, “Letter from the City Attorney.”**

EXHIBIT 1
Boundary Description

Beginning at a point at the intersection of the west line of North 36th Street and the south line of West Burleigh Street;

Thence, east along the south line of West Burleigh Street to the intersection with the east line of North 35th Street;

Thence, north along the east line of North 35th Street to the intersection with the northwest line extended of the northwest-southeast alley in the block bounded by West Fond du Lac Avenue, North 35th Street, West Auer Avenue and North 36th Street;

Thence, northwest along the northwest line extended of the northwest-southeast alley in the block bounded by West Fond du Lac Avenue, North 35th Street, West Auer Avenue and North 36th Street to the intersection with the east line of the north-south alley in the block bounded by West Fond du Lac Avenue, North 35th Street, West Auer Avenue and North 36th Street;

Thence, north along the east line of the north-south alley in the block bounded by West Fond du Lac Avenue, North 35th Street, West Auer Avenue and North 36th Street to the intersection with north line of West Auer Avenue;

Thence, west along the north line of West Auer Avenue to the intersection with west line of North 36th Street;

Thence, south along the west line of North 36th Street to the intersection with north line of West Fond du Lac Avenue;

Thence, northwest along the north line of West Fond du Lac Avenue to the intersection with the west line of North 37th Street;

Thence, south along the west line of North 37th Street to the intersection with the south line extended of 3142 North 37th Street;

Thence, east along south line extended of 3142 North 37th Street to the intersection with the west line of the north-south alley in the block bounded by West Burleigh Street, North 36th Street, West Fond du Lac Avenue and North 37th Street;

Thence, south along the west line of the north-south alley in the block bounded by West Burleigh Street, North 36th Street, West Fond du Lac Avenue and North 37th Street to the intersection with the south line of the east-west alley in the block bounded by West Burleigh Street, North 36th Street, West Fond du Lac Avenue and North 37th Street;

Thence, east along the south line of the east-west alley in the block bounded by West Burleigh Street, North 36th Street, West Fond du Lac Avenue and North 37th Street to the intersection with the west line of North 36th Street;

Thence, south along the west line of North 36th Street to the point of beginning and more particularly depicted in Map 1 of this Project Plan.

EXHIBIT 2
Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed district is in need or rehabilitation or conservation within the meaning of Section 66.1105(4)(gm)4.a Wisconsin Statutes.

Parcel No.	Address	Taxkey	Owner Name	Land Assessment	Improvement Assessment	Total Assessment	Lot SF	In Need of Rehabilitation or Conservation SF	Vacant SF
1	3637 W FOND DU LAC AV	287-9947-000	COMPASS FDL AVE LLC	\$24,800	\$7,000	\$31,800	12,400	12,400	0
2	3142 N 37TH ST	287-0720-200	UNIVERSAL PEACE IN CHRIST CHURCH	\$0	\$0	\$0	4,787	0	0
3	3611 W FOND DU LAC AV	287-0706-100	UNIVERSAL PEACE IN CHRIST CHURCH	\$0	\$0	\$0	6,680	0	0
4	3127 N 36TH ST	287-0706-200	NORTHCOTT NEIGHBORHOOD HOUSE INC.	\$5,300	\$107,700	\$113,000	5,324	0	0
5	3121 N 36TH ST	287-0708-000	NORTHERN MOTORS LLC	\$5,400	\$54,100	\$59,500	5,400	0	0
6	3500 W BURLEIGH ST	287-0702-100	CITY OF MILWAUKEE	\$0	\$0	\$0	11,826	0	0
7	3500 W FOND DU LAC AV	287-0412-000	HAK JAE KIM	\$11,900	\$454,100	\$466,000	11,852	0	0
8	3520 W FOND DU LAC AV	287-0413-100	SHERMAN PARK COMMUNITY ASSN	\$1,700	\$52,300	\$54,000	5,940	0	0
9	3528 W FOND DU LAC AV	287-0414-100	ALVIN A HOLLOMAN	\$3,100	\$74,400	\$77,500	3,060	0	0
10	3536 W FOND DU LAC AV	287-0416-110	M & I NORTHERN BANK #189 ATTN: CENTRAL ACCTG	\$81,400	\$490,600	\$572,000	46,517	46,517	0

Total: \$133,600 \$1,240,200 \$1,373,800 113,786 58,917 0

Percentage: 51.78% 0.00%

EXHIBIT 3
Parcel Owners

Parcel No.	Address	Taxkey	Owner Name
1	3637 W FOND DU LAC AV	287-9947-000	COMPASS FDL AVE LLC
2	3142 N 37TH ST	287-0720-200	UNIVERSAL PEACE IN CHRIST CHURCH
3	3611 W FOND DU LAC AV	287-0706-100	UNIVERSAL PEACE IN CHRIST CHURCH
4	3127 N 36TH ST	287-0706-200	NORTHCOTT NEIGHBORHOOD HOUSE INC.
5	3121 N 36TH ST	287-0708-000	NORTHERN MOTORS LLC
6	3500 W BURLEIGH ST	287-0702-100	CITY OF MILWAUKEE
7	3500 W FOND DU LAC AV	287-0412-000	HAK JAE KIM
8	3520 W FOND DU LAC AV	287-0413-100	SHERMAN PARK COMMUNITY ASSN
9	3528 W FOND DU LAC AV	287-0414-100	ALVIN A HOLLOMAN
10	3536 W FOND DU LAC AV	287-0416-110	M & I NORTHERN BANK #189 ATTN: CENTRAL ACCTG

EXHIBIT 4

ECONOMIC FEASIBILITY STUDY FOR THE SHERMAN PHOENIX TID

Background:

The City of Milwaukee is proposing to create the Sherman Phoenix Tax Incremental District No. 92 (the “District”) to pay for business attraction/retention funds, public infrastructure improvements and administrative expenses totaling \$400,000 (the “Project Costs”).

The District is comprised of ten properties totaling 113,786 SF of land (the “Property”).

Current Property Valuation:

The assessment of the Property as of 1/1/2017 was \$1,373,800 and thus, that is the estimated base value of the proposed District.

Anticipated Future Value of the District and District Cash Flow:

There are two project that are expected to create incremental value in the District:

1. A new 2,200 SF BMO Harris Bank branch is being constructed at 3637 West Fond du Lac Avenue. The previous BMO Harris Bank branch at 3536 West Fond du Lac Avenue was assessed at \$1,699,000 (\$68/SF), but that was based on a 24,887 SF building. More modern bank branches are a better comparison:
 - PNC Bank at 5216 West Capitol Drive, a 3,450 SF building, is assessed at \$184/SF.
 - Columbia Savings and Loan at 2000 West Fond du Lac Avenue, an 11,821 SF branch and office, is assessed at \$100/SF.

For the purposes of this feasibility, it is assumed that the new BMO Harris branch will be assessed at \$264,000 (\$120/SF) upon completion. The 2017 value of the property is \$31,800, resulting in \$232,200 in incremental value. That incremental value is assumed to be realized in 2018.

2. The Sherman Phoenix project in the old BMO Harris Bank branch at 3536 West Fond du Lac Avenue, which will renovate the building into retail space for multiple small businesses. The building is 24,887 SF and is currently assessed at \$572,000 (\$23/SF). Before a fire in 2016, the property was assessed at \$1,699,000 (\$68/SF). Neighboring commercial properties offer good comparisons:
 - 3528 West Fond du Lac Avenue, a George Webb restaurant, is assessed at \$31/SF.
 - 3501-15 West Burleigh Street, a Jet Beauty store, was assessed at \$52/SF in 2016 before it was damaged in a fire and \$41.80/SF in 2017 after the fire.

For the purposes of this feasibility, it is assumed that the Sherman Phoenix project will be assessed at \$1,119,915 (\$45/SF) upon completion. The 2017 value is \$572,000, resulting in \$547,915 in incremental value. That incremental value is assumed to be realized in 2019.

For the purposes of this feasibility study, it is assumed that no further development occurs in the District. However, a 1% annual appreciation on all Property is assumed.

Attached as Table 1 is a cash flow forecast for the proposed District. Basic parameters of this forecast are:

- Base Value: \$1,373,800

- Tax Rate: 2.90%
- Interest Rate: 3.5%
- Annual Appreciation: 1.00%
- Project Costs: \$400,000
- Issuance Costs: 1.00%

As shown in the forecast, the District is able to amortize the Project Costs in an estimated 22 years. Given this estimate, the proposed District is determined to be feasible and capable of amortizing the Project Costs within the statutory life of the proposed District.

Table 1: Sherman Phoenix TID Feasibility

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Debt Service	Total		Carrying Costs	After reserving for remaining debt Surplus/(deficit)	TID Payoff
								Cash flow	Cum. Cash Flow			
1	2017	2018	1,373,800				(14,140)	(14,140)	(14,140)	(14)	(566,327)	
2	2018	2019	1,373,800	1,606,000	232,200	6,734	(14,140)	(7,406)	(21,560)	(22)	(559,608)	No
3	2019	2020	1,373,800	2,169,975	796,175	23,089	(14,140)	8,949	(12,633)	(13)	(536,540)	No
4	2020	2021	1,373,800	2,191,675	817,875	23,718	(14,140)	9,578	(3,067)	(3)	(512,834)	No
5	2021	2022	1,373,800	2,213,591	839,791	24,354	(39,213)	(14,859)	(17,929)	(18)	(488,484)	No
6	2022	2023	1,373,800	2,235,727	861,927	24,996	(39,213)	(14,217)	(32,164)	(32)	(463,506)	No
7	2023	2024	1,373,800	2,258,085	884,285	25,644	(39,213)	(13,569)	(45,765)	(46)	(437,894)	No
8	2024	2025	1,373,800	2,280,666	906,866	26,299	(39,213)	(12,914)	(58,724)	(59)	(411,640)	No
9	2025	2026	1,373,800	2,303,472	929,672	26,960	(39,213)	(12,252)	(71,035)	(71)	(384,738)	No
10	2026	2027	1,373,800	2,326,507	952,707	27,629	(39,213)	(11,584)	(82,691)	(83)	(357,181)	No
11	2027	2028	1,373,800	2,349,772	975,972	28,303	(39,213)	(10,910)	(93,683)	(94)	(328,960)	No
12	2028	2029	1,373,800	2,373,270	999,470	28,985	(39,213)	(10,228)	(104,005)	(104)	(300,070)	No
13	2029	2030	1,373,800	2,397,002	1,023,202	29,673	(39,213)	(9,540)	(113,649)	(114)	(270,501)	No
14	2030	2031	1,373,800	2,420,972	1,047,172	30,368	(39,213)	(8,845)	(122,608)	(123)	(240,246)	No
15	2031	2032	1,373,800	2,445,182	1,071,382	31,070	(39,213)	(8,143)	(130,873)	(131)	(209,299)	No
16	2032	2033	1,373,800	2,469,634	1,095,834	31,779	(39,213)	(7,434)	(138,438)	(138)	(177,651)	No
17	2033	2034	1,373,800	2,494,330	1,120,530	32,495	(39,213)	(6,717)	(145,294)	(145)	(145,294)	No
18	2034	2035	1,373,800	2,519,274	1,145,474	33,219		33,219	(112,220)	(112)	(112,220)	No
19	2035	2036	1,373,800	2,544,466	1,170,666	33,949		33,949	(78,383)	(78)	(78,383)	No
20	2036	2037	1,373,800	2,569,911	1,196,111	34,687		34,687	(43,774)	(44)	(43,774)	No
21	2037	2038	1,373,800	2,595,610	1,221,810	35,432		35,432	(8,385)	(8)	(8,385)	No
22	2038	2039	1,373,800	2,621,566	1,247,766	36,185		36,185	27,791	28	27,791	YES
23	2039	2040	1,373,800	2,647,782	1,273,982	36,945		36,945	64,765	65	64,765	YES
24	2040	2041	1,373,800	2,674,260	1,300,460	37,713		37,713	102,543	103	102,543	YES
25	2041	2042	1,373,800	2,701,002	1,327,202	38,489		38,489	141,134	141	141,134	YES
26	2042	2043	1,373,800	2,728,012	1,354,212	39,272		39,272	180,547	181	180,547	YES
27	2043	2044	1,373,800	2,755,292	1,381,492	40,063		40,063	220,791	221	220,791	YES
						788,053	(566,327)	221,725			(713)	

Annual appreciation	1.010
Interest Rate	3.50%
Base Value	1,373,800
Projected Value	
Property Tax rate	2.900%
Issuance Costs	4,000
Project Costs	400,000
Carrying Costs %	0.100%

EXHIBIT 5
Letter from the City Attorney

EXHIBIT 6
Sherman Phoenix Term Sheet

TERM SHEET

Sherman Phoenix Project
July 31, 2017

PROJECT:

Sherman Phoenix, LLC is planning to redevelop the 24,887 SF BMO Harris Bank branch at 3536 West Fond du Lac Avenue into the Sherman Phoenix (“Sherman Phoenix”) to consist of retail and commercial space for small businesses. In exchange for façade and interior improvements necessary for the Project, the Redevelopment Authority of the City of Milwaukee will reimburse Sherman Phoenix, LLC for building improvement costs from Tax Incremental District No. 92: Sherman Phoenix (the “TID”), as outlined below.

PARTIES:

Sherman Phoenix, LLC or assigns (“Developer”), City of Milwaukee (“City”), and the Redevelopment Authority of the City of Milwaukee (“RACM”).

DEVELOPER OBLIGATIONS:

Developer shall complete the Project by July 1, 2019 and shall comply with the following requirements:

- A. Renovate the Sherman Phoenix, including the exterior façade, whiteboxing the interior and providing necessary tenant improvements, subject to required permits and approval by the Department of City Development.
- B. Use best efforts to comply with the City’s Small Business Enterprises ordinance for 25% of the construction and supply costs and to use unemployed and underemployed residents for no less than 40% of total “worker hours,” pursuant to the City’s Resident Preference Program.
- C. Enter into a payment in lieu of taxes (PILOT) agreement, to be recorded against title, with the City whereby Developer agrees to make PILOT payments to the City in the event that any portion of the Sherman Phoenix subsequently becomes exempt from real property taxes.
- D. Upon substantial completion of the Sherman Phoenix, Developer will provide the City or RACM with a façade easement to ensure that the façade of the Sherman Phoenix is maintained during the life of the TID.

RACM OBLIGATIONS:

RACM shall reimburse Developer for out of pocket costs up to \$225,000 (the “Grant”) from the TID for building improvements. Invoices for actual costs shall be submitted to RACM’s Executive Director for review and approval. The Grant shall be paid as a reimbursement for Developer’s actual costs.

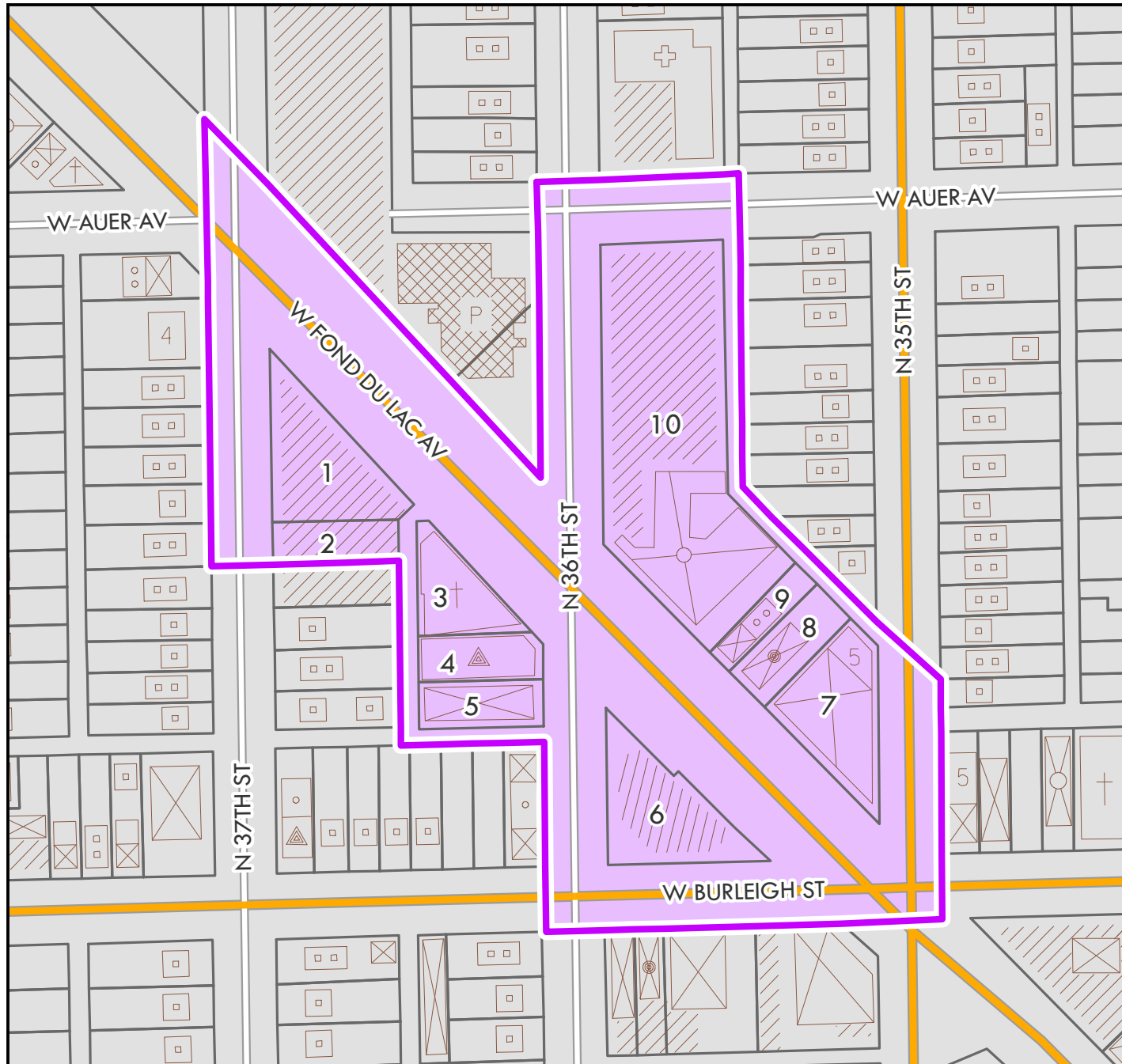
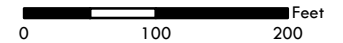
GENERAL:

This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements among City, RACM, and Developer. Resolutions approving this Term Sheet shall provide for the execution of all additional project documents and instruments necessary to implement the Project.

TID 92: SHERMAN PHOENIX, MAP 1

BOUNDARY AND EXISTING LAND USE

Prepared by the Department of City Development Planning Division, 7/13/2017
 Source: City of Milwaukee Information Technology Management Division



PROPERTY LIST

No.	Taxkey	Property Address
1	287-9947-000	3637 W FOND DU LAC AV
2	287-0720-200	3142 N 37TH ST
3	287-0706-100	3611 W FOND DU LAC AV
4	287-0706-200	3127 N 36TH ST
5	287-0708-000	3121 N 36TH ST
6	287-0702-100	3500 W BURLEIGH ST
7	287-0412-000	3500 W FOND DU LAC AV
8	287-0413-100	3520 W FOND DU LAC AV
9	287-0414-100	3528 W FOND DU LAC AV
10	287-0416-110	3536 W FOND DU LAC AV

MAP LEGEND

- TID 92 Boundary
- Parcel Boundary

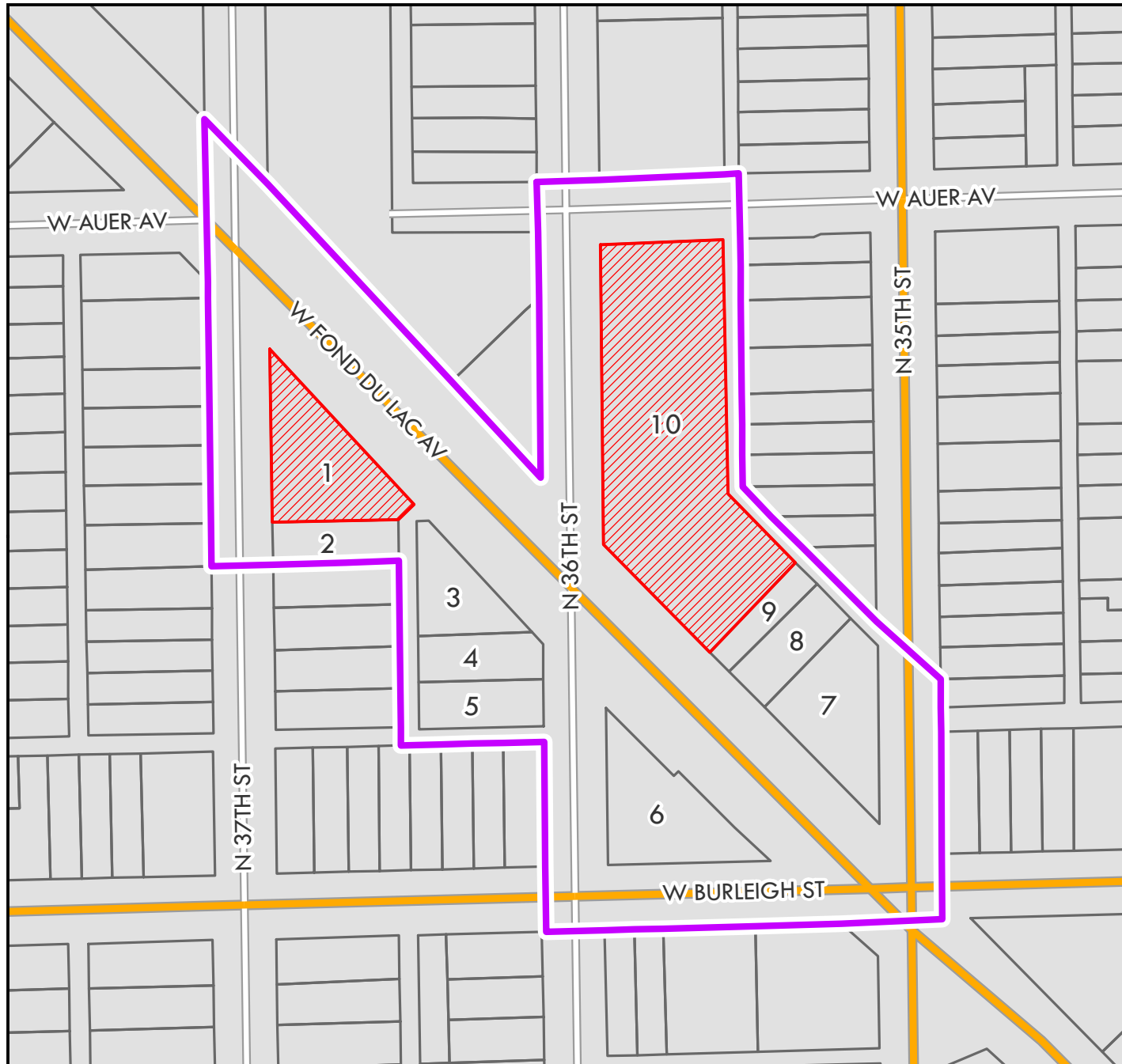
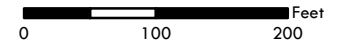
Current Land Use

- SINGLE FAMILY RESIDENTIAL
- TWO FAMILY RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- CONDOMINIUM
- DORMITORY
- ROOMING HOUSE
- HOTEL / MOTEL
- COMMERCIAL WITH RESIDENCE
- COMMERCIAL
- MIXED COMMERCIAL
- OFFICE OR PROFESSIONAL SERVICES
- MANUFACTURING AND WAREHOUSING
- UTILITY COMPANY
- STORAGE TANK
- ACCESSORY BUILDING
- HOSPITAL
- SKILLED CARE FACILITY / GROUP HOME
- PLACE OF WORSHIP
- NON - PUBLIC EDUCATION
- GOVERNMENTAL OR QUASI-PUBLIC BUILDING
- POLICE STATION
- FIRE STATION
- PUBLIC SCHOOL
- PLAYGROUND
- PARK
- CEMETERY
- PARKING
- BASKETBALL COURT
- TENNIS COURT
- FENCE
- ELECTRICAL LINE TRANSMISSION TOWER
- ELECTRICAL LINE
- UNDER CONSTRUCTION

TID 92: SHERMAN PHOENIX, MAP 2

STRUCTURE CONDITION




Prepared by the Department of City Development Planning Division, 7/13/2017
 Source: City of Milwaukee Information Technology Management Division



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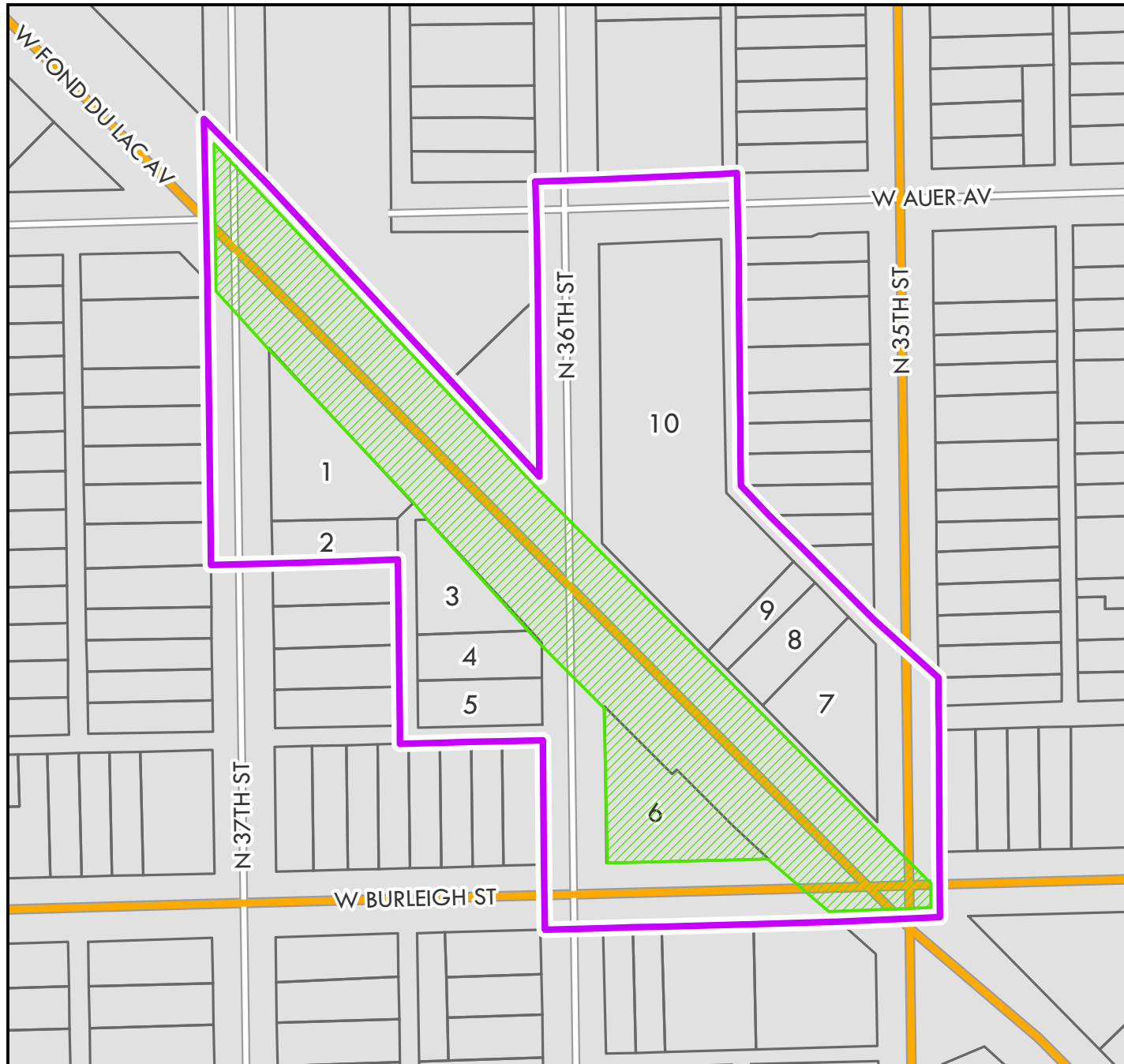
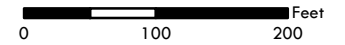
MAP LEGEND

-  TID 92 Boundary
-  Parcel Boundary
-  In Need of Rehabilitation or Conservation

TID 92: SHERMAN PHOENIX, MAP 3

PROPOSED USES AND IMPROVEMENTS




Prepared by the Department of City Development Planning Division, 7/13/2017
 Source: City of Milwaukee Information Technology Management Division



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8	287-0413-100	3520 W FOND DU LAC AV
9	287-0414-100	3528 W FOND DU LAC AV
10	287-0416-110	3536 W FOND DU LAC AV

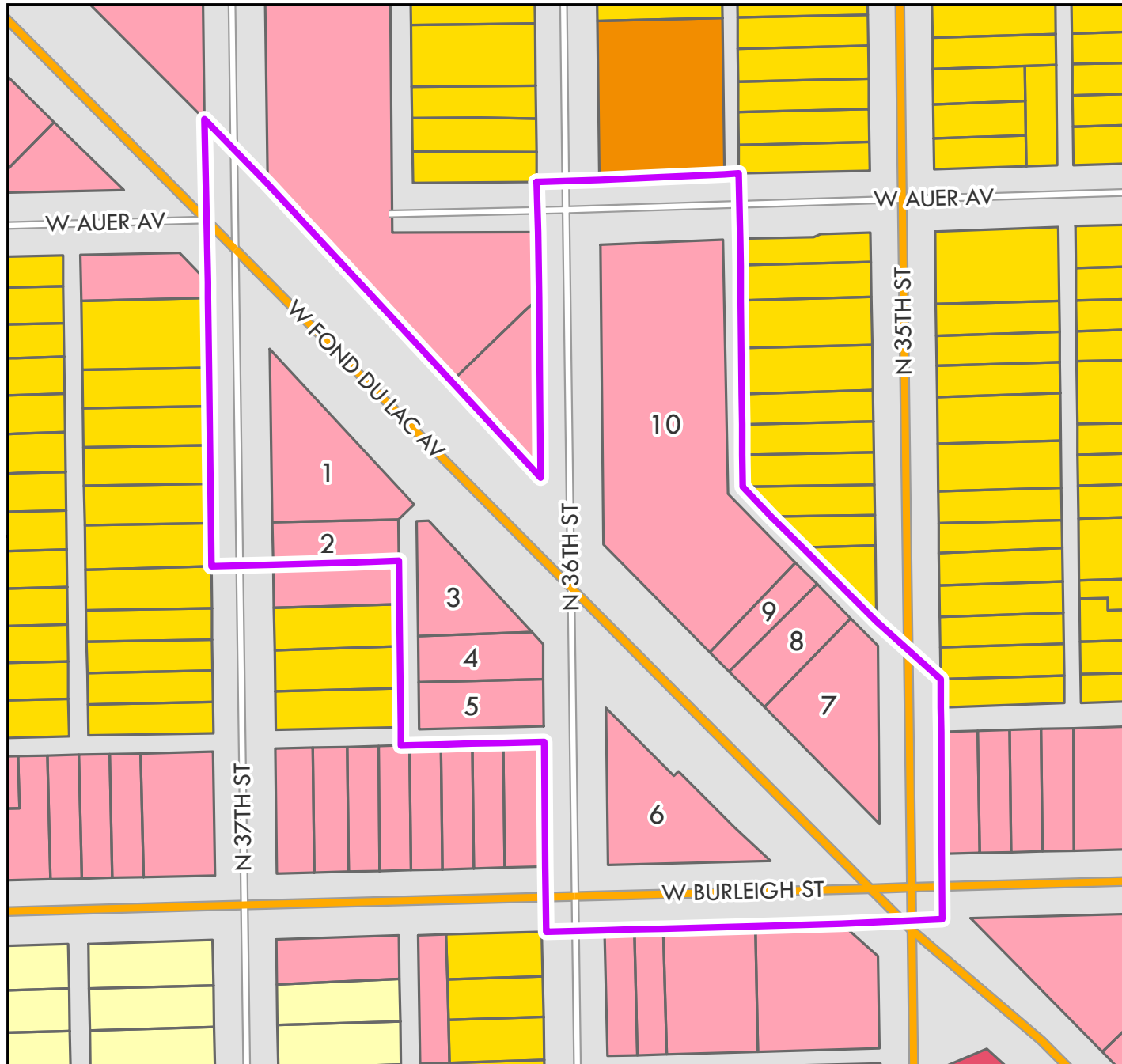
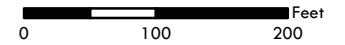
MAP LEGEND

-  TID 92 Boundary
-  Parcel Boundary
-  Public Infrastructure Improvements

TID 92: SHERMAN PHOENIX, MAP 4

EXISTING ZONING








Prepared by the Department of City Development Planning Division, 7/13/2017
 Source: City of Milwaukee Information Technology Management Division



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9	287-0414-100	3528 W FOND DU LAC AV
10	287-0416-110	3536 W FOND DU LAC AV

MAP LEGEND

-  TID 92 Boundary
-  Parcel Boundary
-  Commercial Service
-  Local Business
-  Single Family
-  Two Family
-  Multi-Family