

PROJECT PLAN  
for  
TAX INCREMENTAL DISTRICT NUMBER 43  
CITY OF MILWAUKEE  
(21<sup>st</sup> and North Retail Center)

City Plan Commission  
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.

April 2001

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## **I. DESCRIPTION OF PROJECT**

### **A. Introduction**

Section 66.1105(4)(d), Wisconsin Statutes, requires the "preparation and adoption by the planning commission 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 43, City of Milwaukee, (TID 43 and/or District) is an area generally bounded by West North Avenue, West Fond du Lac Avenue, North 20<sup>th</sup> Street, West Lloyd Street, and North 23<sup>rd</sup> Street on the near north side of Milwaukee. 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 solely of whole units of property as are assessed for general tax purposes and which are bounded on one or more sides by city street right of ways. A complete list of properties in the District is provided in Exhibit 2, "Property Characteristics."

The District contains property totaling 550,298 square feet (12.6 acres), more or less, exclusive of public streets and alleys. Approximately 458,742 square feet (10.5 acres) or 83.4% percent by area, of the real property located within the District 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 properties in the District meet the statutory criteria for Tax Incremental Districts. (See Notes to exhibit 2 for further explanation of vacancy/blighted designations.)

### **C. Plan Objectives**

The District is part of the West Fond du Lac Avenue and North 21<sup>st</sup> Street shopping area. Once a source for consumer goods for the residents of Milwaukee's near north side, the area suffered increased competition from outlying shopping centers starting in the mid-1950's. The commercial decline became more severe in the early 1970's when hundreds of homes were removed from its market area for a proposed freeway that was never constructed. The decline culminated in the closing of the Sears store at West Fond du Lac Avenue and West North Avenue in 1981. The area currently has no national or regional retailers, leaving the area's residents with significantly fewer shopping opportunities than other residents of metropolitan Milwaukee.

The objectives of this TID plan are to provide funding for site assembly and public improvements that will aid the private development of new retailing. Specifically, the District will assist the development of a 156,000 s.f., Super K-mart discount department store, 25,000 s.f. in multi-tenant retail space, a 10,000 s.f. outlot pad, and approximately 950 off-street parking spaces. The site of the new retail center will incorporate land that was cleared for the abandoned freeway

and that has remained vacant for over 25 years.

The detailed objectives of this Project Plan are to:

1. Strengthen the economic vitality of the near north side and by reintroducing a national retailer and that retailer's most modern store format.
3. Promote the coordinated redevelopment of vacant and underutilized land including the assembly of appropriately sized commercial parcels.
4. Provide public improvements that are not feasible without public/private cooperation, including, but not limited to, the vacation of public streets and utilities to create an adequately sized site, while maintaining the street grid pattern in the surrounding neighborhood.
5. Impose mandatory standards for property rehabilitation and development, including the aesthetic treatment of large buildings and parking lots to connect with potential pedestrian activity.
6. Eliminate obsolete conditions, blighting influences and environmental deficiencies that impede development and detract from the functionality, aesthetic appearance and economic welfare of this important section of the city.
7. Create new employment opportunities.
8. Maximize the use of Disadvantaged Business Enterprises (DBEs) in any contracting opportunities and maximize the hiring of city residents for any employment opportunities generated as a result of the implementation of this project plan.

#### **D. Proposed Public Action**

Initially, the District will fund an estimated \$2.7 million grant to the Redevelopment Authority and/or the developer for land assembly, environmental remediation, the vacation of public streets, and modifications to infrastructure within the District. The District will also fund approximately \$75,000 in administrative and other costs.

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

## II. PLAN PROPOSALS

### A. Statutory Requirements

Section 66.1105(4)(f), Wisconsin Statutes, requires that a Project Plan for a Tax Incremental District as adopted by a planning commission and submitted to the local legislative body 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."

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. The locations and dimensions of the public improvements shown on this map are conceptual and may be modified to conform with specific redevelopment proposals or engineering design requirements determined by the Department of Public Works, without amendment of this plan. The number and location of the proposed public works and improvements are shown on Map No. 3, titled Proposed Uses, and Map No. 4, Proposed Improvements, and are listed below.

#### A. Site Assembly

1. Property acquisition, as provided under Chapter 32, Wisconsin Statutes, for the assembly of a site suitable for retail development.
2. Relocation payments and services as provided under Chapter ILHR202, Wisconsin Administrative Code.
3. Demolition and site clearance.
4. Environmental remediation, where necessary.

#### B. Street and Alley Vacations

1. West Garfield Avenue from North 20<sup>th</sup> to North 23<sup>rd</sup> Streets.
2. North 21<sup>st</sup> Street from a point north of West Lloyd Street to West North Avenue.
3. North 22<sup>nd</sup> Street from a point north of West Lloyd Street to West North Avenue.
4. All alleys within the district except the east-west alleys immediately north of and parallel to West Lloyd Street.
5. Utility modifications, relocations, and abandonments associated with vacated streets.
6. Traffic control signal and signage changes associated with the vacation of existing streets and creation of points of access to the new development.
7. Public access and utility easements associated with the vacation of existing streets and creation of points of access to the new development.

#### C. Perimeter Streetscape and Pedestrian Lighting

1. West North Avenue, both sides, from North 23<sup>rd</sup> Street to West Fond du Lac Avenue.
2. North 20<sup>th</sup> Street, both sides, from a point north of West Lloyd Street (extended) to West Fond du Lac Avenue.

#### 2. "Detailed List of Estimated Project Costs"

The kind, number, location and estimated costs of public works and improvements necessitated by this project as identified above, 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 reallocated at any time during project execution based on more definitive engineering studies and construction plans without amendment of this Plan.

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

reference, provided further that such expenditures are necessitated by this Project Plan.

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

a. Capital Costs

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

b. Other Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs. Components of the "other costs" include, in general, costs of salaries and employee benefits for employees engaged in planning, engineering, implementing, and administering activities in connection with the tax increment district. Related costs of supplies, materials, contract and consultant services, 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 \$75,000.

c. Financing Costs

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

Table A  
List of Estimated Project Costs<sup>1</sup>

|   |   |                    |
|---|---|--------------------|
| A | <u>Capital</u><br>Grant to RACM and/or developer for:<br>Site acquisition, net (see sec. II B. 8): \$100,000<br>Demolition and relocation: \$1,300,000<br>Environmental remediation: \$500,000<br>Public improvements, including street and alley<br>vactions, utility and traffic work, and streetscaping :<br>\$750,000 | \$2,650,000        |
| B | <u>Other</u><br>Administrative, professional, organizational, and legal:<br>\$75,000  | \$75,000           |
|   | <b>Total Estimated Project Cost, excluding financing:</b>   | <b>\$2,725,000</b> |

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

|   |  |             |
|---|--|-------------|
| C | <u>Financing</u><br>Interest payment on tax-exempt bonds | \$1,783,495 |
|---|--|-------------|

3. "Description of Timing and Methods of Financing"

a. Estimated Timing of Project and Financing Costs

The Summary of Project Costs (Schedule "A" below) identifies the year in which actual expenditures for the cost of public works and improvements described in this plan is expected to be incurred. This schedule anticipates the time costs will be incurred, not the time contracts or other obligations may be entered into. The estimates presented are subject to change as actual circumstances during the project execution period may require. However, all expenditures will be made prior to the year 2008, pursuant to the provisions of s. 66.1105(6)(am), Wisconsin Statutes.

Schedule A

Estimated Timing of Project Costs

| Year | Estimated Project Cost | Cumulative Total |
|------|------------------------|------------------|
| 2001 | \$1,775,000            | \$1,775,000      |
| 2002 | \$750,000              | \$2,525,000      |
| 2003 | \$225,000              | \$2,750,000      |

b. Estimated Method of Financing Project Costs

Sale of General Obligation Bonds: \$2,750,000<sup>2</sup>

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

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

4. "Economic Feasibility Study"

The Economic Feasibility Study for this District, prepared by the Department of

<sup>2</sup> Excluding capitalized interest, if any.



City Development and titled *Economic Feasibility Study: Tax Increment District No. 43, April 2001*, is on file in the Office of the City Plan Commission, 809 North Broadway, Milwaukee, Wisconsin, and in the Office of the City Clerk of the City of Milwaukee, 200 West Wells Street, Room 205, Milwaukee Wisconsin, as attached to Common Council Resolution File Number 001779. 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 2015 before its required termination date of 2028. 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 Map No. 4, "Proposed 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. 5, "Existing Zoning,"

The existing zoning for this TID proposal is Local Business (L/C) along West North Avenue and West Fond du Lac Avenue and Residential (R/C) south and west of those streets. Two parcels abutting the Local Business district are zoned for Parking (P/D) use. Upon completion of assembly of the retail site, Local Business zoning will be requested for the District, except for the seven parcels in the District that front onto West Lloyd Street, which will retain residential zoning.

8. "List of Estimated Non-Project Costs"

The District's assistance is a small portion of the estimated \$17 million total cost of the redevelopment project. However, as detail design of the complementary public improvements by the city and the developer proceeds, some additional costs may be identified and may be eligible for reimbursement through the TID.

The cost of property acquisition reported in Table A, above, is a net figure. It reflects the total gross cost of \$3.1 million, less a \$3.0 million payment by the developer for the site when assembled.

Table "B"

List of Estimated Non-Project Costs

Retail Buildings by Endeavor Company, Urban Developers, and Inner City Redevelopment Corporation (private portion): \$17,000,000

9. "Proposed Method for Relocation"

The Redevelopment Authority, when acting pursuant to sec. 66.1333, Wis. Stats., is authorized to provide relocation assistance and to make relocation payments to persons (defined as including families, business concerns, and others) being displaced from the project. These payments cover moving expenses and losses of property for which reimbursement or compensation is not otherwise made. All persons being displaced during the course of the project by direct action of the Authority shall be afforded the opportunity to be relocated in available accommodations that are safe, sanitary, and otherwise habitable and which are within their financial means, all in accordance with a Relocation Plan prepared pursuant to the applicable provisions of sections 32.19, 32.25 through 32.27, and 66.1333(10), Wis. Stats., and the Federal Uniform Relocation Act, and approved by the Common Council of the city and by the Wisconsin Department of Industry, Labor and Human Relations (DILHR). The costs of the preparation of the Relocation Plan and such relocation activities will be eligible for reimbursement through tax increment revenues.

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

On April 23, 2001, the City Planning Commission determined that the proposed TID is consistent with and will help implement the Comprehensive Plan of the City of Milwaukee. The TID will also implement the Redevelopment Plan for the Park West "E" Redevelopment Project Area, as adopted by the Redevelopment Authority of the City of Milwaukee pursuant to section 66.1333, Wisconsin Statutes.

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                    |
| Map 4          | Proposed Improvements            |
| Map 5          | Existing Zoning                  |
| Attachment 1   | Assessment Commissioner's Letter |
| Attachment 2   | City Attorney's Letter           |

Exhibit 1: Tax Incremental District Number 43  
Metes and Bounds Boundary Description

Tax Incremental District Number 43, located within the Southeast and Southwest Quarter Sections of Section 18 and the Northeast and Northwest Quarter Sections of Section 19, in Town 7 North, Range 22 East, in the City of Milwaukee, Milwaukee County, Wisconsin, is bounded and described as follows:

Beginning at the intersection of the west line of North 23<sup>rd</sup> Street and the north line of West North Avenue;

Thence east along the north line of West North Avenue to the northeast line of West Fond du Lac Avenue;

Thence southeast along the northeast line of West Fond du Lac Avenue to the east line of North 20<sup>th</sup> Street;

Thence approximately 530 feet south along the east line of North 20<sup>th</sup> Street to the south line of the alley immediately north of and parallel to West Lloyd Street;

Thence west along the south line of the alley (extended) to the east line of North 21<sup>st</sup> Street;

Thence south along the east line of North 21<sup>st</sup> Street to the north line of West Lloyd Street;

Thence west along the north line of West Lloyd Street to the west line of lot 22, block 230, of the continuation of Brown's Addition in the Northwest Quarter Section of Section 19, in Town 7 North, Range 22 East (2124 West Lloyd Street);

Thence north along the west line of lot 22, block 230, of the continuation of Brown's Addition to the south line of the alley immediately north of and parallel to West Lloyd Street;

Thence west along the alley to the west line of North 23<sup>rd</sup> Street;

Thence north along the west line of North 23<sup>rd</sup> Street to the point of beginning.

Note: The boundary of Tax Incremental District Number 43 is identical to the boundary of the Park West "E" Redevelopment Project Area adopted by the Redevelopment Authority of the City of Milwaukee and the Common Council of the City of Milwaukee.

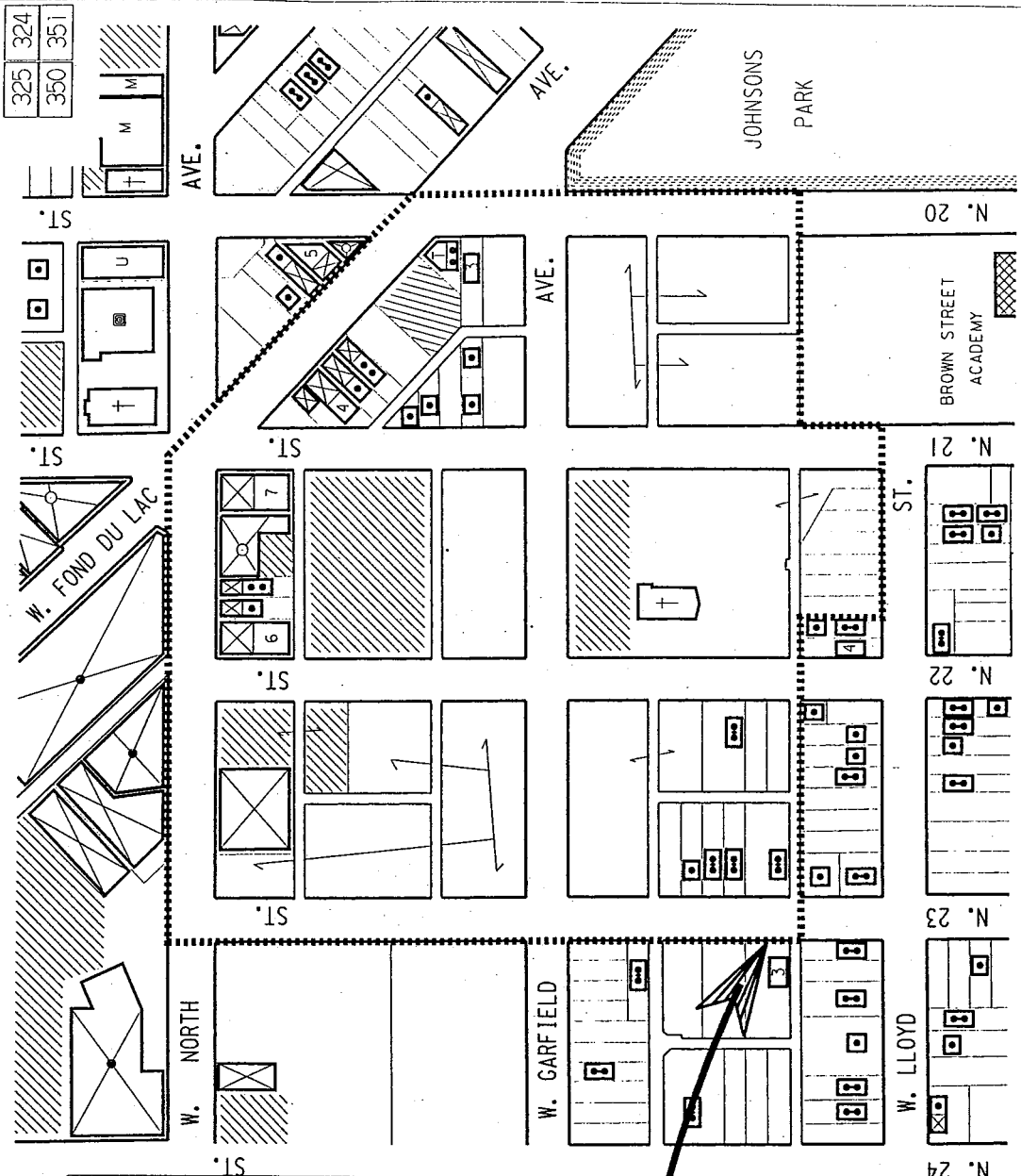
TID-43: EXHIBIT 2. PROPERTY CHARACTERISTICS

| PARCEL NO. | TAXKEY     | HOUSE DIR STREET   | ST OWNER_NAME_1                 | LOT_AREA | C_A_LAND | C_A_IMPROVE | VACANT | "BLIGHTED" NOTES:    |
|------------|------------|--------------------|---------------------------------|----------|----------|-------------|--------|----------------------|
| 1          | 3500801000 | 2041 W FOND DU LAC | AV CITY OF MILWAUKEE            | 2,094    | \$0      | \$0         | 2,094  | 2,094                |
| 2          | 3500803100 | 2033 W FOND DU LAC | AV RICARDO D MC KENZIE          | 6,220    | \$3,100  | \$25,700    | 6,220  | 6,220                |
| 3          | 3500804000 | 2029 W FOND DU LAC | AV MICHAEL D STONE              | 3,473    | \$1,700  | \$13,700    | 3,473  | 3,473                |
| 4          | 3500805000 | 2025 W FOND DU LAC | AV MAYLON RICHARDSON            | 3,473    | \$1,700  | \$30,500    | 3,473  | 3,473                |
| 5          | 3500806000 | 2019 W FOND DU LAC | AV CITY OF MILWAUKEE            | 6,693    | \$0      | \$0         | 6,693  | 6,693                |
| 6          | 3500808100 | 2007 W FOND DU LAC | AV COLUMBIA SAVINGS & LOAN ASSN | 10,000   | \$15,000 | \$3,800     | 10,000 | 10,000 Parking Lot   |
| 7          | 3500809000 | 2001 W FOND DU LAC | AV EZEKIEL CHURCH OF GOD IN     | 3,012    | \$0      | \$0         | 3,012  | 3,012                |
| 8          | 3500810000 | 2209 N 20TH        | ST EARL HINES                   | 3,840    | \$2,000  | \$12,500    | 3,840  | 3,840                |
| 9          | 3500813100 | 2008 W GARFIELD    | AV CITY OF MILWAUKEE            | 7,557    | \$0      | \$0         | 7,557  | 7,557                |
| 10         | 3500814100 | 2200 N 21ST        | ST CITY OF MILWAUKEE            | 7,505    | \$0      | \$0         | 7,505  | 7,505 Park West ROW  |
| 11         | 3500818000 | 2210 N 21ST        | ST SPRINGER, WILLIAM T & HELEN  | 2,070    | \$1,700  | \$11,400    | 2,070  | 2,070                |
| 12         | 3500819000 | 2210 N 21ST        | ST SPRINGER, WILLIAM T & HELEN  | 1,734    | \$700    | \$5,800     | 1,734  | 1,734                |
| 13         | 3500820000 | 2214 N 21ST        | ST CITY OF MILWAUKEE            | 3,150    | \$0      | \$0         | 3,150  | 3,150                |
| 14         | 3500821000 | 2216 N 21ST        | ST VIDA MAE ALSTON              | 2,160    | \$1,700  | \$7,800     | 2,160  | 2,160                |
| 15         | 3500822000 | 2222 N 21ST        | ST MARIE SYLKEK, LIFE ESTATE &  | 1,517    | \$1,600  | \$5,700     | 1,517  | 1,517                |
| 16         | 3500823111 | 2001 W GARFIELD    | AV HOLY MT CARMEL MISSIONARY    | 77,953   | \$0      | \$0         | 77,953 | 77,953 Park West ROW |
| 17         | 3500854110 | 2127 W GARFIELD    | AV HOLY MT CARMEL MISSIONARY    | 88,166   | \$0      | \$0         | 88,166 | 88,166 Park West ROW |
| 18         | 3500871200 | 2104 W LLOYD       | ST CITY OF MILWAUKEE            | 2,348    | \$0      | \$0         | 2,348  | 2,348                |
| 19         | 3500872100 | 2108 W LLOYD       | ST CITY OF MILWAUKEE            | 2,807    | \$0      | \$0         | 2,807  | 2,807                |
| 20         | 3500873100 | 2114 W LLOYD       | ST CITY OF MILWAUKEE            | 3,538    | \$0      | \$0         | 3,538  | 3,538                |
| 21         | 3500874000 | 2116 W LLOYD       | ST CITY OF MILWAUKEE            | 3,302    | \$0      | \$0         | 3,302  | 3,302                |
| 22         | 3500875000 | 2120 W LLOYD       | ST CITY OF MILWAUKEE            | 3,446    | \$0      | \$0         | 3,446  | 3,446                |
| 23         | 3500876110 | 2124 W LLOYD       | ST CITY OF MILWAUKEE            | 3,474    | \$0      | \$0         | 3,474  | 3,474                |
| 24         | 3500885000 | 2125 W NORTH       | AV A J WILSON                   | 6,784    | \$3,400  | \$56,600    | 6,784  | 6,784                |
| 25         | 3500886000 | 2125 W NORTH       | AV E RANDY RADKE                | 3,390    | \$1,700  | \$16,300    | 3,390  | 3,390                |
| 26         | 3500887000 | 2121 W NORTH       | AV CITY OF MILWAUKEE            | 3,390    | \$1,700  | \$17,000    | 3,390  | 3,390                |
| 27         | 3500890100 | 2111 W NORTH       | AV PLASMA RENTALS LLC           | 10,106   | \$10,200 | \$270,500   | 10,106 | 10,106               |
| 28         | 3500891000 | 2101 W NORTH       | AV NAFISA CHARAB                | 6,710    | \$3,400  | \$21,600    | 6,710  | 6,710                |
| 29         | 3500892110 | 2239 N 21ST        | ST CITY OF MILWAUKEE            | 48,311   | \$0      | \$0         | 48,311 | 48,311 Parking Lot   |
| 30         | 3500898100 | 2102 W GARFIELD    | AV CITY OF MILWAUKEE            | 31,705   | \$0      | \$0         | 31,705 | 31,705 Park West ROW |
| 31         | 3500914100 | 2235 W NORTH       | AV CITY OF MILWAUKEE            | 78,832   | \$0      | \$0         | 78,832 | 78,832 Park West ROW |
| 32         | 3500917110 | 2213 W NORTH       | AV SERA-TEC BIOLOGICALS LTD     | 32,110   | \$16,100 | \$83,900    | 32,110 | 32,110               |
| 33         | 3500948100 | 2146 N 23RD        | ST HOLY MT CARMEL MISSIONARY    | 39,810   | \$2,000  | \$0         | 39,810 | 39,810 Park West ROW |
| 34         | 3500962100 | 2127 N 22ND        | ST MITTIE BAKER                 | 7,860    | \$2,600  | \$13,000    | 7,860  | 7,860                |
| 35         | 3500963000 | 2123 N 22ND        | ST CITY OF MILWAUKEE            | 3,917    | \$0      | \$0         | 3,917  | 3,917                |
| 36         | 3500964000 | 2119 N 22ND        | ST CITY OF MILWAUKEE            | 4,042    | \$0      | \$0         | 4,042  | 4,042                |
| 37         | 3500975100 | 2118 N 23RD        | ST DAVID PITTS                  | 7,860    | \$2,600  | \$13,300    | 7,860  | 7,860                |
| 38         | 3500977000 | 2126 N 23RD        | ST THE HOLY SPIRIT ASSOCIATION  | 3,930    | \$2,100  | \$7,700     | 3,930  | 3,930                |
| 39         | 3500978000 | 2130 N 23RD        | ST ROY JORDEN                   | 3,930    | \$2,100  | \$11,300    | 3,930  | 3,930                |
| 40         | 3500979000 | 2136 N 23RD        | ST ETHEL COLLINS                | 3,930    | \$2,100  | \$17,600    | 3,930  | 3,930                |
| 41         | 3500980000 | 2138 N 23RD        | ST CITY OF MILWAUKEE            | 4,149    | \$0      | \$0         | 4,149  | 4,149                |
|            |            |                    |                                 | 550,298  |          |             | 50,517 | 458,742              |
|            |            |                    |                                 |          |          |             | 9.2%   | 83.4%                |

Percent Vacant:  
Percent "Blighted" or "In Need of Conservation":

Notes: Former Park West Freeway Right-of-Way is not considered "vacant" per sec. 66.1105(4)(gm)1, Wis. Stats.  
Parcels used as surface parking lots are not considered vacant.

Sources: City of Milwaukee Master Property File and Department of City Development.



|     |     |
|-----|-----|
| 325 | 324 |
| 350 | 351 |

**LEGEND**

|       |                                |
|-------|--------------------------------|
| ..... | PROJECT BOUNDARY               |
| ..... | 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             |
| ..... | TENNIS COURT                   |
| ..... | BASKETBALL COURT               |

|   |                   |
|---|-------------------|
| T | CHURCH            |
| H | HOTEL / MOTEL     |
| R | ROOMING HOUSE     |
| P | POLICE STATION    |
| F | FIRE STATION      |
| H | HOSPITAL          |
| C | CONDOMINIUM       |
| U | UTILITY COMPANY   |
| T | STORAGE TANK      |
|   | PARK              |
|   | PUBLIC SCHOOL     |
|   | PLAYGROUND        |
|   | PARKING LOT       |
|   | PARKING STRUCTURE |
|   | CEMETERY          |
| D | DORMITORY         |

**PROJECT BOUNDARY**

TID - 43

PARKWEST E

BOUNDARY AND  
EXISTING LAND USE

MAP NO. **1**

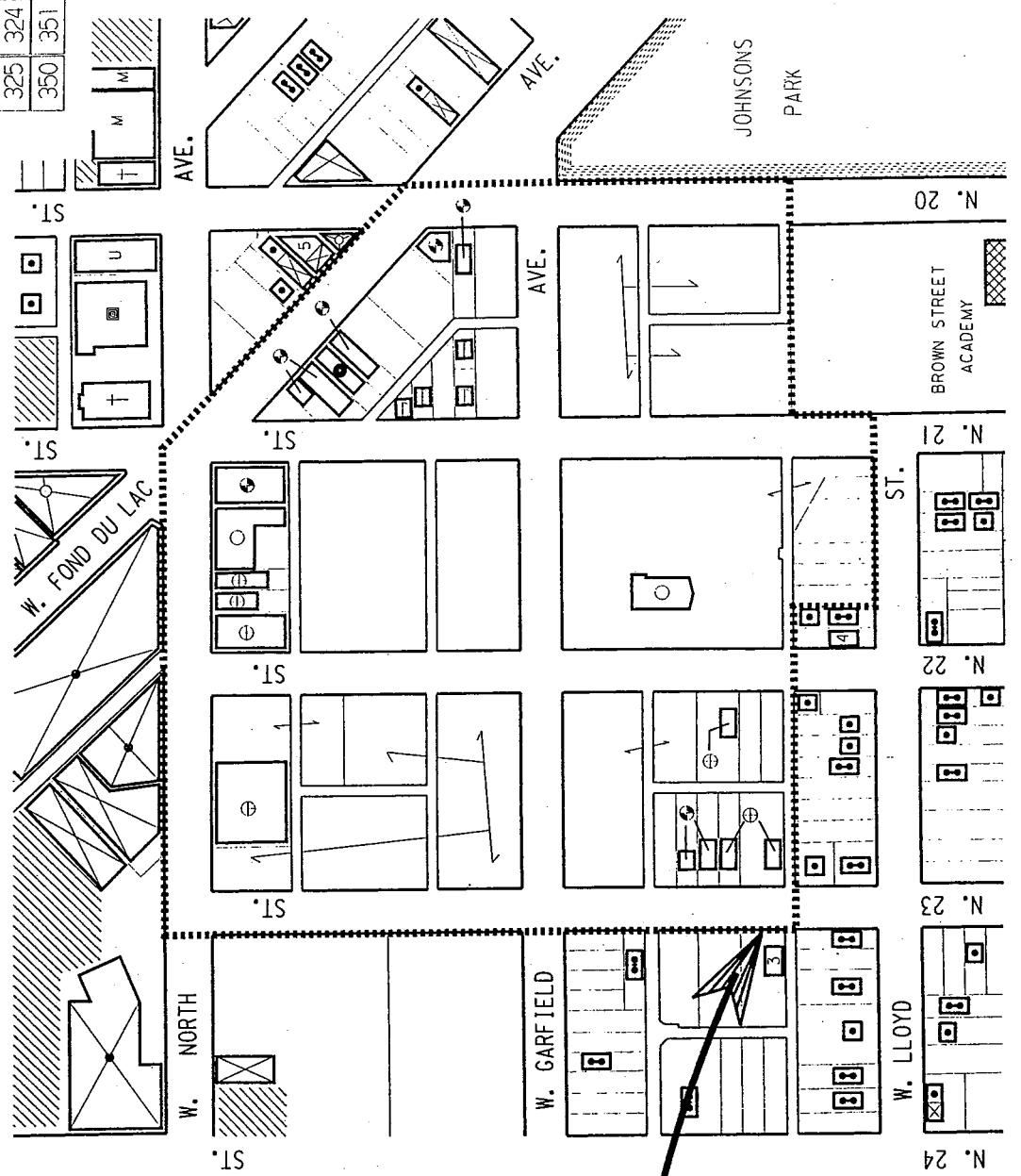
N. J.

0 50 100

DATE 3/20/01

PREPARED BY: THE CITY OF NEW JERSEY CITY DEVELOPMENT INFORMATION CENTER  
 DATE: 3/20/01  
 PROJECT: PARKWEST E  
 DRAWING NO.: 380101.01  
 SCALE: 1" = 50'-0"

325 324  
350 351



LEGEND

- STANDARD
- ◐ MINOR DEFICIENCY
- ◑ MAJOR DEFICIENCY
- SUBSTANDARD

PROJECT BOUNDARY

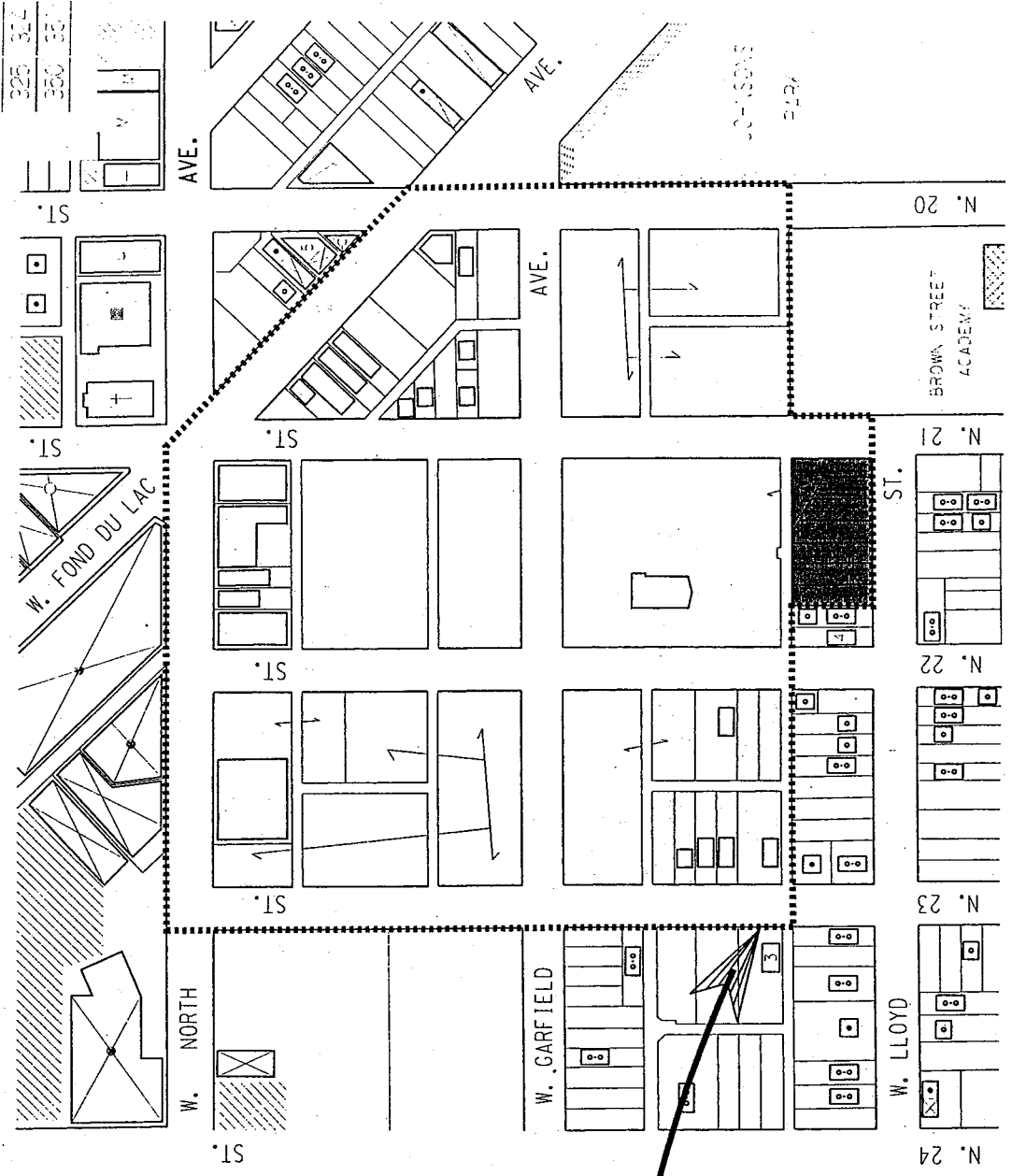
TID - 43  
PARKWEST E  
STRUCTURE  
CONDITION

MAP NO. **2** N.J.

DATE 3/20/01

0 50 100

THIS MAP WAS PREPARED BY CITY ENGINEERS' DEPARTMENT FOR THE CITY OF NEW JERSEY. PARTICIPATING MUNICIPALITIES: ... GROUP: ... DATE: ...



RETAIL

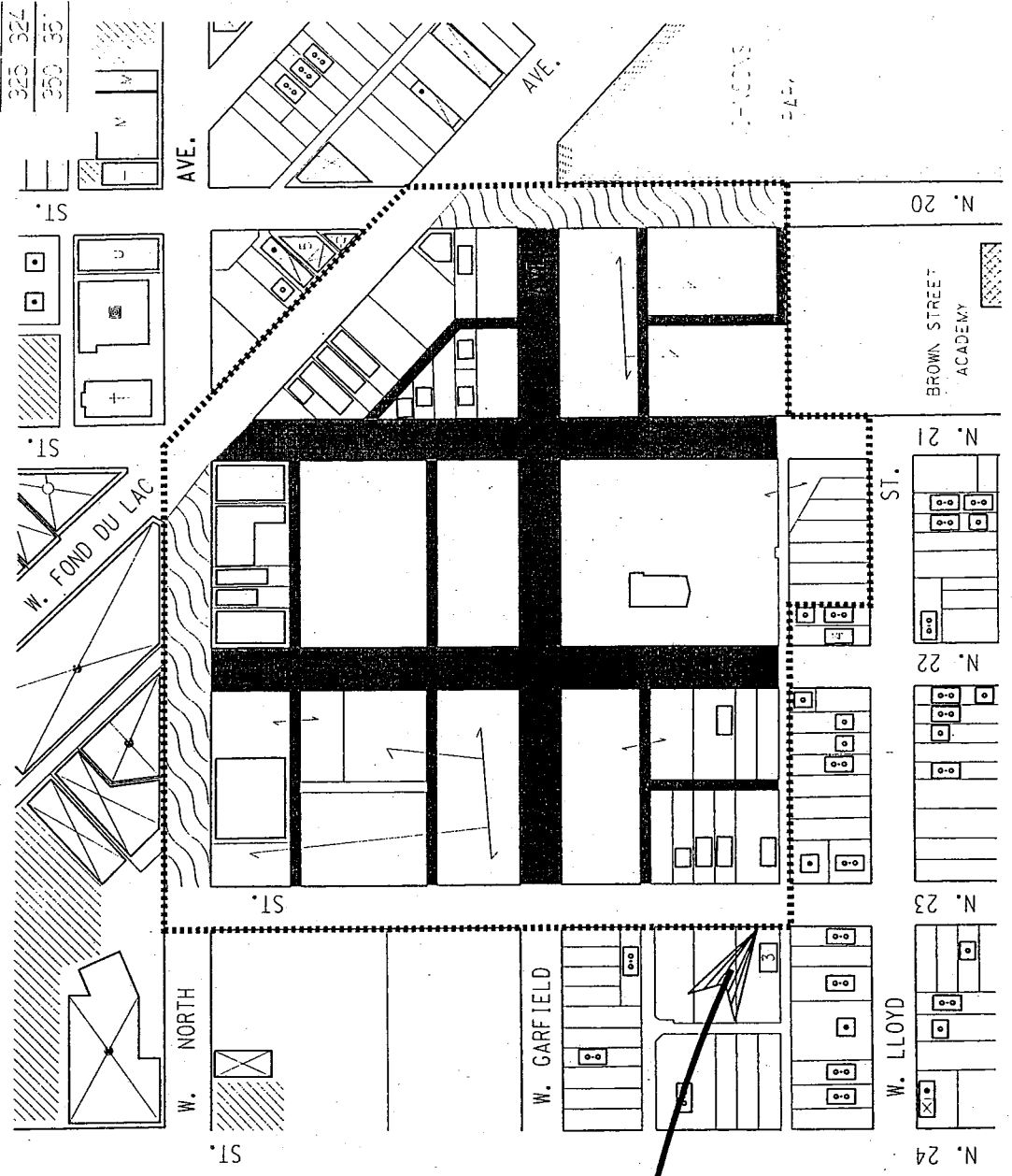
RESIDENTIAL

NOTE: IN ORDER TO OBTAIN A SPECIFIC PERMIT, PROPOSALS AND ALL ENGINEERING DESIGN REQUIREMENTS ESTABLISHED BY THE CITY ENGINEER AND THE COMMISSIONER OF PUBLIC WORKS OF THE CITY OF MILWAUKEE, THIS AND MAP NO. 4, WHICH ILLUSTRATE BASIC PROJECT OBJECTIVES, MAY BE MODIFIED OR REVISED AS NECESSARY BY REW DURING THE COURSE OF PROJECT EXECUTION WITHOUT AFFECTING THE PROJECT AS PROVIDED IN OF THIS PLAN.




PROJECT BOUNDARY

|   |         |
|---|---------|
| TID - 43  |         |
| PARKWEST E  |         |
| PROPOSED  |         |
| LAND USE PLAN   |         |
| MAP NO.   | 3       |
| DATE  | 3/20/01 |
| <p>PRODUCED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER<br/>         DESIGNER: JIM WILSON/ARCHITECT, INC.<br/>         COLOR TABLE: 01/10/01, 01/10/01<br/>         GENERATED: 01/10/01, 01/10/01, 01/10/01<br/>         DRAWING NO.: 01/10/01, 01/10/01, 01/10/01</p> |         |



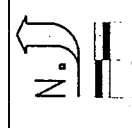


325 324  
350 35

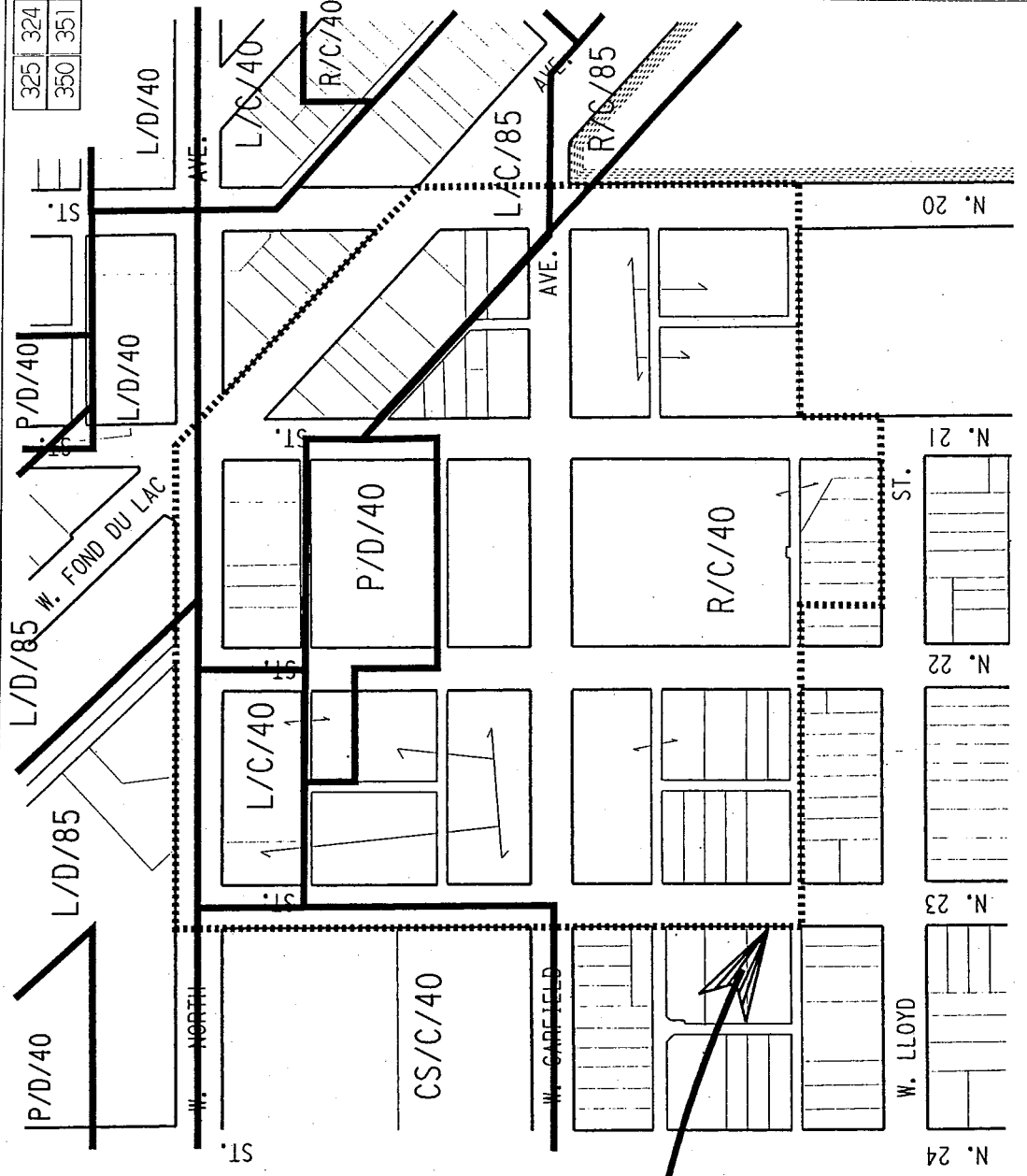
- 
 SITE ASSEMBLY (ALL PARCELS WITHIN BOUNDARY)
- 
 STREET AND ALLEY VACATIONS
- 
 PERIMETER STREETSCAPE AND PERESTRIAN LIGHTING

NOTE: IN ORDER TO CONFORM WITH SPECIFIC REDEVELOPMENT PROPOSALS AND WITH ENGINEERING DESIGN REQUIREMENTS ESTABLISHED BY THE CITY ENGINEER AND THE COMMISSIONER OF PUBLIC WORKS OF THE CITY OF MILWAUKEE, THIS AND ALL OTHER ILLUSTRATIVE BASIC PROJECT OBJECTIVES, MAY BE MODIFIED OR REVISED AS NECESSARY BY THE COURSE OF PROJECT EXECUTION AT THE DISCRETION OF THE ENGINEER, AS PROVIDED IN THIS PLAN.

PROJECT BOUNDARY

|  |         |
|--|---------|
| TID - 43   |         |
| PARKWEST E   |         |
| PROPOSED IMPROVEMENTS  |         |
| MAP NO.  | 4       |
|   |         |
| DATE   | 3/20/01 |
| <small>           PROVIDED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER<br/>           200 EAST WISCONSIN STREET, MILWAUKEE, WI 53202<br/>           PHONE: 414-278-3100 FAX: 414-278-3101<br/>           WWW.CITYOFMILWAUKEE.ORG<br/>           Copyright © 2001 by the City of Milwaukee, Wisconsin<br/>           All rights reserved.         </small> |         |

324  
350  
351



|  |   |   |  |  |   |  |
|--|---|---|--|--|---|--|
| <p><b>SINGLE-FAMILY RESIDENTIAL</b></p> <p>RF-1/40<br/>RF-2/40<br/>RF-3/40<br/>RF-4/40</p> | <p><b>TWO-FAMILY RESIDENTIAL</b></p> <p>RF-1/40<br/>RF-2/40<br/>RF-3/40<br/>RF-4/40</p> | <p><b>MULTI-FAMILY RESIDENTIAL</b></p> <p>MF-1/40<br/>MF-2/40<br/>MF-3/40<br/>MF-4/40</p> | <p><b>RESIDENTIAL OFFICE</b></p> <p>RO-1/40<br/>RO-2/40<br/>RO-3/40</p>                        | <p><b>INSTITUTIONAL</b></p> <p>IA-1/40<br/>IA-2/40<br/>IA-3/40</p>                     | <p><b>DETAILED PLANNED DEVELOPMENT</b></p> <p>DPD</p>                           | <p><b>GENERAL PLANNED DEVELOPMENT</b></p> <p>GPD</p> |
| <p><b>HIGH DENSITY RESIDENTIAL</b></p> <p>C9A (A) C9A (B) C9B (A) C9B (B)</p>              | <p><b>OFFICE AND SERVICE</b></p> <p>C9F (A) C9F (B) C9F (C)</p>                         | <p><b>INDUSTRIAL</b></p> <p>IF-1/40<br/>IF-2/40<br/>IF-3/40</p>                           | <p><b>RESTRICTED OFFICE AND SERVICE</b></p> <p>RO-1/40<br/>RO-2/40<br/>RO-3/40<br/>RO-4/40</p> | <p><b>NEIGHBORHOOD SHOPPING</b></p> <p>NS-1/40<br/>NS-2/40<br/>NS-3/40<br/>NS-4/40</p> | <p><b>LOCAL BUSINESS</b></p> <p>LB-1/40<br/>LB-2/40<br/>LB-3/40<br/>LB-4/40</p> | <p><b>CITY ACTIVITY</b></p> <p>C9D</p>               |
| <p><b>LAKEFRONT</b></p> <p>LF-1/40</p>   | <p><b>MANUFACTURING</b></p> <p>M-1/40<br/>M-2/40<br/>M-3/40</p>                         | <p><b>WAREHOUSING AND LIGHT MANUFACTURING</b></p> <p>C9H</p>                              | <p><b>REGIONAL SHOPPING</b></p> <p>RS-1/40<br/>RS-2/40<br/>RS-3/40<br/>RS-4/40</p>             | <p><b>COMMERCIAL SERVICE</b></p> <p>CS-1/40<br/>CS-2/40<br/>CS-3/40<br/>CS-4/40</p>    | <p><b>MIXED ACTIVITY</b></p> <p>C9G</p>   |  |

PROJECT BOUNDARY

TID - 43

PARKWEST E

EXISTING ZONING MAP

MAP NO. 5

DATE 3/20/01

PREPARED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER  
 PROJECT NO. 01-01-0000  
 DATE 3/20/01  
 DRAWN BY: J. J. WILSON  
 CHECKED BY: J. J. WILSON  
 APPROVED BY: J. J. WILSON

**ECONOMIC FEASIBILITY STUDY**

**TAX INCREMENTAL DISTRICT NO. 43  
CITY OF MILWAUKEE**

**APRIL, 2001**

**ECONOMIC FEASIBILITY STUDY**  
**TAX INCREMENTAL DISTRICT NO. 43, CITY OF MILWAUKEE**  
**April, 2001**

**I. Overview**

TID 43 is being proposed to assist in the development of a major retail center at the intersection of N. Fond du Lac Avenue and W. North Avenue in the City of Milwaukee. The site offers access to over 250,000 individuals who live within a three-mile radius of this intersection. The proposed retail center is also located at the intersection of two main roadways that over 45,300 cars pass through on a daily basis.

This development is being pursued by a unique collaboration of organizations. These include the for-profit development companies, Endeavor Company and Urban Developers, as well as, Inner City Redevelopment Corporation a non-profit, community based organization. Utilizing a 14.8-acre site, the development team will build a retail center that includes a 156,100 s.f. Super K-Mart, 25,000 s.f. of multi-tenant retail space and one 10,000 s.f. outlot pad. This project represents the first urban Super K-Mart development in the State of Wisconsin. The total cost to develop the retail center is estimated at \$17 million and when completed over 500 new jobs should be created. The project schedule calls for a construction start later this year, with the Super K-Mart opening in the 2003.

**II. Description of TID Improvements**

The TID will be used to fund numerous public infrastructure improvements, including manhole relocation, street and alley vacations and streetscaping elements. In addition, the TID will be used to augment the developer's acquisition costs by assuming all financial risk of acquisition (including any relocation expenses), demolition and environmental remediation beyond \$3.0 million. Finally, the TID will also have a small administration budget. The estimated cost for these activities is as follows:

|  |             |
|--|-------------|
| Public Improvements                            | \$750,000   |
| Environmental Remediation                      | \$500,000   |
| Net acquisition costs and RACM development fee | \$100,000   |
| Demolition, relocation                         | \$1,300,000 |
| Administration                                 | \$75,000    |
| <br>   |             |
| Total  | \$2,750,000 |

The developer's project budget can be found in Schedule "1". We have reviewed the budget and found the construction costs to be reasonable and within industry standards.

### **III. Description of Developer's Financial Projections**

The most significant component of the project is the 156,100 s.f. Super K-Mart. The proposed initial net rent of \$986,700 per year is within industry standards. The developer is proposing to lease a 10,000 s.f. outlot to a restaurant at \$6.00 per s.f. This also is within industry standards and given the traffic patterns that the Super K-mart will produce, the outlot should lease quickly. In addition, the project has two multi-tenant buildings totally 25,000 s.f of rentable space. The developer expects to receive \$14.80 per s.f in net rent at these locations. While this appears to be an aggressive rent for this neighborhood, the presence of the Super K-Mart on this site will create a market demand for this multi-tenant space among national retailers who have a history of being willing to pay these types of rents. We have assumed a 10% vacancy factor for the multi-tenant space in estimating the TID's value.

The developer's total budget is approximately \$14.4 million. They expect the project to generate a Net Operating Income of \$1,358,375. The developer assumes that a first mortgage loan with an interest rate of 8.25% and an amortization of 30 years is obtainable. This NOI along with the credit quality associated with a lease from KMART Corporation should allow the developers to attract a first mortgage of \$11.32 million. Approximately \$3.0 million in equity funds will need to be provided from the developer. The remaining cash flow to service the return on this equity is \$340,000 or 11.3% on a cash-on-cash basis. Given the risks associated with the 25,000 s.f. of multi-tenant space, and the limited potential for significant appreciation, due to the length of the K-Mart lease, this return seems reasonable. These projections are all contained in the exhibit labeled Schedule #1, which was prepared by the developer.

### **IV. Tax Incremental District Analysis**

TID 43's anticipated performance is outlined in Exhibit "A". The base year for TID 43 is 2001. The base value will be \$792,400, which includes \$67,500 of personal property.

During much of 2001 and 2002 the site will be assembled, tenants will be relocated and environmental and demolition activities will be undertaken. By the beginning of 2003 the developer should have invested \$3.0 million in acquisition activities and have construction well underway. Therefore we have adjusted the land value for 2003 to \$3.0 million. Exhibit "B" assumes that the Super K-Mart, the outlot and 15,000 s.f. of multi-tenant space is leased and occupied by January 1, 2004. Our analysis assumes the following values are in place:

- \$10.4 million for the Super K-Mart. This is based on the lease revenue and a cap rate of 9.5%. Personal property has been conservatively estimated at \$2.7 million. This represents the fixturing and equipment that will be in both the department store and food store components of the Super K-Mart.

- \$600,000 for the outlot. This is based on the land lease revenues and a cap rate of 10%. \$30,000 of personal property is assumed to be in place.
- \$2.22 million for the multi-tenant buildings. This represents 15,000 s.f. leased at \$14.80 per s.f. and a cap rate of 10%. \$150,000 of personal property is assumed to be in place
- Total district value as of 1/1/2004 is estimated at just under \$15.9 million.

In 2005 another 7,500 s.f. of multi-tenant retail space is leased and fixtured under the same assumptions as the first 15,000 s.f. Personal property is depreciated using a schedule obtain from the Assessor's office. Total district value grows to just under \$16.6.

In 2006 and beyond no more leasing activity is expected since a 10% vacancy factor is utilized for the multi-tenant retail space. Personal property continues to depreciate.

Assuming a tax-exempt borrowing of the \$2.75 million in TID project cost, the district will have collected enough incremental revenues by 2015 to be retired.

## V. Joint Review Board Test

### A. "But For"

The Joint Review Board must consider whether development would occur without the use of tax incremental financing. To evaluate this criterion, we look at whether this project would be feasible without TIF assistance. Without TIF assistance either additional debt or equity would have to be available in order to build the project. Given the project's financial performance replacing the TID expenditure with debt would create debt service coverage of 0.93. Clearly that would never happen. Likewise replacing the TID funds with equity generates cash on cash return of below 6%. This is also not feasible. We believe the "but for" test has been met.

### B. Economic Benefits

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

First, ability to retire TIF debt was considered. As structured the district will close in 2015, well short of its mandated termination date of 2028.

Second, there are significant benefits derived from the investment of over \$17 million dollars into the local economy. These benefits include employment opportunities in the construction trades.

Finally, considerable new job creation will take place in the numerous retail operations that will rent space in the project. We have estimated that over 500 new jobs will ultimately be created by this development.

### **C. Impacts On Other Jurisdictions**

The Joint Review Board must also consider whether the benefits outweigh the anticipated tax increments to be paid by the owners of the property in the overlying taxing districts. The current shopping center is clearly struggling with a 28% occupancy rate. Without this TID district, this pattern is likely to persist and values are likely to continue and fall. The owners of property in the overlying taxing jurisdictions would need to make up this shortfall. This TID preserves the base value in the district and the revenue stream this generates for all the applicable taxing jurisdictions. The owners of the property in the overlying taxing districts also will benefit when TID No. 43 is terminated and its incremental tax revenues can be used for general purposes.

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

|                     |            |               |                     |
|---------------------|------------|---------------|---------------------|
| Site Area           | 15 acres   | Int. Res. @   | 9.00%               |
| Big K Mart          | 165,000 sf | Finance Fees  | 2.00%               |
| Food Store          | 0 sf       |               |                     |
| Small Stores        | 25,000 sf  | Outlots       | 1                   |
| Gross Leasable Area | 190,000 sf |               |                     |
| Parking             | 760 spaces | Parking Ratio | 4.00 spaces/1,000sf |

| Item                                     | Quantity   | Per Unit | Totals        | Per sf / GLA |
|--|------------|----------|---------------|--------------|
| Land (Purchase Price)                    | 653,400 sf | \$4.59   | \$3,000,000   | \$15.79      |
| Outlot                                   | 0 sf       | #DIV/0!  | \$0           | \$0.00       |
| Site Work (Schedule #4)                  |            | \$8.01   | \$1,522,500   | \$8.01       |
| Off Site Work (Sched. #5)                |            | \$1.18   | \$225,000     |              |
| Real Estate Taxes (interim)              |            |          | \$10,000      |              |
| Subtotal - Land Cost(s)                  |            |          | \$4,757,500   | \$25.04      |
| TIF Proceeds                             |            |          | (\$3,000,000) |              |
| Pro Rata Site Work Reimburse-Grnd. Lease |            |          | \$0           |              |

|                             |  |  |                    |               |
|-----------------------------|--|--|--------------------|---------------|
| <b>Total - Land Cost(s)</b> |  |  | <b>\$1,757,500</b> | <b>\$9.25</b> |
|-----------------------------|--|--|--------------------|---------------|

| Building Costs:                     |            |         |             |          |
|-------------------------------------|------------|---------|-------------|----------|
| Big K Mart (Schd#4)                 | 165,000    | \$44.03 | \$7,264,500 | \$38.23  |
| Food Store (Schd.#3)                | 0 sf       | #DIV/0! | \$0         | \$0.00   |
| Other Retail (Schd. #5)             | 25,000 sf  | \$52.86 | \$1,321,500 | \$6.96   |
| Tenant Improvements                 | 25,000 sf  | \$10.00 | \$250,000   |          |
| Commissions: Anchor(s)              | 165,000 sf | \$4.00  | \$660,000   |          |
| Small Store(s)                      | 25,000 sf  | \$4.00  | \$100,000   |          |
| Architectural & Engineering         |            | \$1.18  | \$225,000   |          |
| Environmental Assessment/Permitting |            | \$0.05  | \$10,000    |          |
| Survey Work                         |            | \$0.11  | \$20,000    |          |
| Soils Testing/ Inspection           |            | \$0.16  | \$30,000    |          |
| Building Permit(s)                  |            | \$0.00  | \$0         | Included |
| Signs & Graphics                    |            | \$0.00  | \$0         | Included |
| Insurance                           |            | \$0.03  | \$5,000     |          |
| Government Impact Fees              |            | \$0.00  | \$0         |          |
| Zoning/ Permit Fees                 |            | \$0.01  | \$1,000     |          |
| Other                               |            | \$0.00  | \$0         |          |
| Subtotal - "Hard" Cost(s)           |            |         | \$9,887,000 | \$52.04  |

|                          |       |  |           |  |
|--------------------------|-------|--|-----------|--|
| Construction Contingency | 5.00% |  | \$494,350 |  |
|--------------------------|-------|--|-----------|--|

|                               |  |  |                     |                |
|-------------------------------|--|--|---------------------|----------------|
| <b>Total - "Hard" Cost(s)</b> |  |  | <b>\$10,381,350</b> | <b>\$54.64</b> |
|-------------------------------|--|--|---------------------|----------------|



|                                     |              |                 |           |
|-------------------------------------|--------------|-----------------|-----------|
| Closing & Title                     |              | \$0.26          | \$50,000  |
| Legal, Acct. & Appraisal            |              | \$0.79          | \$150,000 |
| Project Overhead                    |              | \$2.50          | \$475,000 |
| Advertising & Promotion             |              | \$0.05          | \$10,000  |
| Pre Development Expenses            |              | \$1.32          | \$250,000 |
| Finance Fees                        | 2.00%        | \$1.19          | \$226,429 |
| Development Fee                     |              | \$2.63          | \$500,000 |
| Construction Interest - Calculation |              |                 |           |
| Land Costs                          | \$1,757,500  |                 |           |
| Hard Costs                          | \$10,381,350 |                 |           |
| Legal, Acct. & Appraisal            | \$150,000    |                 |           |
| Project Overhead                    | \$237,500    |                 |           |
| Adv. & Promotion                    | \$10,000     |                 |           |
| Development Fee                     | \$250,000    |                 |           |
| Finance Fees                        | \$226,429    |                 |           |
| Subtotal (Const. Int. )             | \$13,012,779 | Note #5 @ 9.00% | \$585,575 |

|                      |             |         |
|----------------------|-------------|---------|
| Total "Soft" Cost(s) | \$2,247,004 | \$11.83 |
|----------------------|-------------|---------|

|                          |              |         |
|--------------------------|--------------|---------|
| Subtotal PROJECT COST(S) | \$14,385,854 | \$75.72 |
|--------------------------|--------------|---------|

Note #5: 60% of const. costs cal. @ stated annual % over 10 mos. .

The Endeavour Company  
 Pro Forma (Income Analysis)  
 Fond Du Lac & North Shopping Center

| Tenant                  | Gross Leaseable Area | Rate               | Total                 |
|-------------------------|----------------------|--------------------|-----------------------|
| Super K Mart            | 165,000 sf           | \$5.98 sf          | \$986,700.00          |
| Food Store              | 0 sf                 | \$0.00 sf          | \$0.00                |
| Small Retail            | 25,000 sf            | \$14.30 avg.       | \$357,500.00          |
| Outlots (Ground Leases) | 10,000 sf            | \$5.50 sf          | \$55,000.00           |
| <b>Total Income</b>     | <b>190,000 sf</b>    | <b>\$7.36 avg.</b> | <b>\$1,399,200.00</b> |

|                             |              |                       |                                |
|-----------------------------|--------------|-----------------------|--------------------------------|
| Gross Income                |              | \$1,399,200.00        |                                |
| Vacancy (Note #1)           | 5.00%        | (\$17,875.00)         |                                |
| Effective Gross Income      |              | \$1,381,325.00        | \$7.27 per sf of G.L.A.        |
| Expenses (Nonreimb.)        |              |                       |                                |
| Management (Note #2)        | 3.00%        | \$0.00                |                                |
| C.A.M.                      |              |                       |                                |
| Taxes                       |              |                       |                                |
| Insurance (Note #3)         |              | (\$3,750.00)          |                                |
| Reserves (Note #4)          |              | (\$19,000.00)         |                                |
| Total Expenses              |              | (\$22,750.00)         | (\$0.12) per sf of G.L.A.      |
| <b>Net Operating Income</b> |              | <b>\$1,358,575.00</b> | <b>\$7.15 per sf of G.L.A.</b> |
| Debt Service (Constant)     | <b>9.00%</b> | (\$1,018,931.25)      | 1.33 Coverage                  |
| 8.25% 30 Year Amort.        |              |                       |                                |
| Net Cash Flow               |              | \$339,643.75          | \$1.79 per sf of G.L.A.        |

|  |                 |                  |                          |
|--|-----------------|------------------|--------------------------|
| Subtotal Project Cost(s)                               |                 | \$14,385,854.23  | \$75.72 per sf of G.L.A. |
| Grant Equity   |                 | (\$1,000,000.00) |                          |
| Total Project Cost(s)                                  |                 | \$13,385,854.23  | \$70.45 per sf of G.L.A. |
| Return on Costs ( N.O.I. / Total Proj. Costs)          |                 | 10.15%           |                          |
| Mortgage Amount  | @ <b>75.00%</b> | \$11,321,458.33  | \$59.59 per sf of G.L.A. |
| Capitalized Value                                      | @ <b>9.00%</b>  | \$15,095,277.78  | \$79.45 per sf of G.L.A. |
| Equity Required  |                 | \$2,064,395.90   | \$10.87 per sf of G.L.A. |
| Return On Equity (Assumes all cash flow , first year.) |                 | 16.45%           |                          |

Note #1: Vacancy calculated as a % of small store space only.

Note #2: All leases except for Super K Mart provide complete reimbursement for management.

Note #3: C.A.M., Taxes, & Insurance cal. at \$2.50 /sf on vacant space.

Note #4: Reserves projected at \$0.10 /sf of G.L.A. .

**EXHIBIT A**

**FORECAST OF DISTRICT CASH FLOW**  
**TAX INCREMENTAL DISTRICT NO. 43**

| Yr. | Real Prop. Value | Personal Prop. Value | Est. District Value | Base Value | Incremental Value | Tax Inc. Revenue | Bond Payment | Annual Surplus (Deficit) | Cumulative Surplus (Deficit) |
|-----|------------------|----------------------|---------------------|------------|-------------------|------------------|--------------|--------------------------|------------------------------|
|     |                  |                      |                     |            |                   |                  |              |                          |                              |
| 001 | \$724,900        | \$ 67,500            | \$792,400           | \$792,400  | \$0               | \$0              |              | \$ -                     | \$ -                         |
| 002 | \$800,000        | -                    | \$ 800,000          | \$792,400  | \$7,600           | \$0              | \$138,406    | \$ (138,406)             | \$ (138,406)                 |
| 003 | \$ 3,000,000     | -                    | \$ 3,000,000        | \$792,400  | \$ 2,207,600      | \$ 213           | \$ 138,406   | \$ (138,193)             | \$ (281,097)                 |
| 004 | \$13,206,316     | \$ 2,851,313         | \$ 16,057,628       | \$792,400  | \$ 15,265,228     | \$ 61,813        | \$ 283,779   | \$ (221,966)             | \$ (512,199)                 |
| 005 | \$14,316,316     | \$ 2,556,795         | \$ 16,873,111       | \$792,400  | \$ 16,080,711     | \$ 427,426       | \$ 283,779   | \$ 143,647               | \$ (385,198)                 |
| 006 | \$14,316,316     | \$ 2,112,368         | \$ 16,428,683       | \$792,400  | \$ 15,636,283     | \$ 450,260       | \$ 283,779   | \$ 166,481               | \$ (231,236)                 |
| 007 | \$14,316,316     | \$ 1,799,775         | \$ 16,116,091       | \$792,400  | \$ 15,323,691     | \$ 437,816       | \$ 283,779   | \$ 154,037               | \$ (84,715)                  |
| 008 | \$14,316,316     | \$ 1,537,703         | \$ 15,854,018       | \$792,400  | \$ 15,061,618     | \$ 429,063       | \$ 283,779   | \$ 145,284               | \$ 57,816                    |
| 009 | \$14,316,316     | \$ 1,322,993         | \$ 15,639,308       | \$792,400  | \$ 14,846,908     | \$ 421,725       | \$ 283,779   | \$ 137,946               | \$ 197,642                   |
| 010 | \$14,316,316     | \$ 1,143,015         | \$ 15,459,331       | \$792,400  | \$ 14,666,931     | \$ 415,713       | \$ 283,779   | \$ 131,934               | \$ 336,000                   |
| 011 | \$14,316,316     | \$ 985,140           | \$ 15,301,456       | \$792,400  | \$ 14,509,056     | \$ 410,674       | \$ 283,779   | \$ 126,895               | \$ 473,815                   |
| 012 | \$14,316,316     | \$ 846,210           | \$ 15,162,526       | \$792,400  | \$ 14,370,126     | \$ 406,254       | \$ 283,779   | \$ 122,475               | \$ 611,688                   |
| 013 | \$14,316,316     | \$ 729,383           | \$ 15,045,698       | \$792,400  | \$ 14,253,298     | \$ 402,364       | \$ 283,779   | \$ 118,585               | \$ 750,153                   |
| 014 | \$14,316,316     | \$ 473,625           | \$ 14,789,941       | \$792,400  | \$ 13,997,541     | \$ 399,092       | \$ 283,779   | \$ 115,313               | \$ 889,846                   |
| 015 | \$14,316,316     | \$ 473,625           | \$ 14,789,941       | \$792,400  | \$ 13,997,541     | \$ 391,931       | \$ 283,779   | \$ 108,152               | \$ 1,026,918                 |
|     |                  |                      | \$ -                |            |                   |                  |              |                          |                              |

**Notes:**

156,100 s.f. Super K-Mart @ \$5.98 per s.f  
 10,000 s.f. outlet @ \$6.00 NNN  
 22,500 s.f. of multi-tenant retail space @ 14.80 NNN  
 Debt Service based on \$2,750,000 @ 4.6%, two years of capitalized interest  
 Personal Property Schedule is based on 100,000 s.f. @ \$15 per foot and 56,100 s.f. @ \$25 per foot  
 and \$10 per foot for the 3,000 s.f. restaurant and 22,500 in occupied multi-tenant space, for a total of  
 \$ 3,157,500  
 Personal Property is depreciated per Assessor's Office Schedule  
 Tax rate is \$28 per \$1,000 of value  
 Outstanding debt balance at the end of 2015 is \$851,337