

File No. 010127

**REDEVELOPMENT PLAN
FOR THE
PARK WEST "E"
REDEVELOPMENT PROJECT AREA**

Redevelopment Authority
Of The
City of Milwaukee

Prepared by:

Department of City Development
Milwaukee, Wisconsin

May 2001

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EXHIBITS

Exhibit A
Project Plan for Tax Incremental District Number 43 (21st & North Retail Center),
City of Milwaukee

Exhibit B
Lands and Interests to be Acquired

A. INTRODUCTION

This redevelopment plan is prepared pursuant to section 66.1333 (6) (b) 2, Wisconsin Statutes which requires that, "Such redevelopment plan shall conform to the general plan of the City and shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements in the project area, and shall include without being limited to, a statement of the boundaries of the project area; a map showing existing uses and conditions of real property therein; a land use plan showing proposed uses of the area; information showing the standards of population density, land coverage and building intensity in the area after redevelopment; present and potential equalized value for property tax purposes; a statement of proposed changes, if any, in zoning ordinances or maps, and building codes and ordinances; a statement as to the kind and number of site improvements and additional public utilities which will be required to support the new land uses in the area after redevelopment; and a statement of a feasible method proposed for relocation of families to be displaced from the project area."

B. DESCRIPTION OF THE PROJECT

1. Plan Objectives

This redevelopment plan will assist the development of a new retail center. Specifically, the plan will assist the development of a 156,000 s.f. Super K-mart discount department store, 25,000 s.f. of multi-tenant retail space, a 10,000 s.f. outlot pad, and approximately 950 off-street parking spaces. The City's participation will be funded through a tax incremental district (TID), created pursuant to section 66.1105, Wisconsin Statutes. The Project Plan for Tax Incremental District Number 43 (21st & North Retail Center) is incorporated into this redevelopment plan as Exhibit A.

The detailed objectives of this plan are to:

- a) Strengthen the economic vitality of the City's near north side and by introducing a national retailer and that retailer's most modern store format.
- b) Redevelop land that was cleared for the abandoned Park West freeway and that has remained vacant for over 25 years
- c) Promote the coordinated redevelopment of other vacant and underutilized land by the assembly of appropriately sized parcels.
- d) 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.
- e) Impose mandatory standards for property development, including the aesthetic treatment of large buildings and parking lots to connect with potential pedestrian activity.
- f) 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.
- g) Create new employment opportunities, 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 redevelopment plan.

2. Proposed Renewal Actions

To accomplish the objectives of this plan the Redevelopment Authority may exercise any or all of the powers provided to it under section 66.1333, Wisconsin Statutes. Actions that may be necessary are:

- a) Acquisition of real and personal property deemed necessary for the assembly of development parcels suitable in size and shape for the uses permitted in the plan.
- b) Removal of all buildings and other improvements to provide cleared sites for redevelopment.

- c) Elimination of blighting influences and, if feasible, the remediation of environmental contamination to acceptable state and local levels.
- d) Disposition of land acquired in the project area, for uses in accordance with the provisions of this plan, by sale, lease, or dedication for public purposes.

Further information regarding the activities to be undertaken by the Authority may be found in Exhibit A, on pages 4 and 5, in section II.B.1., "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements."

The property to be acquired is identified in Exhibit B attached to this plan. The Authority may decline to acquire properties already owned or under option by the developer in accord with any development agreement entered into by the developer and the Authority.

Required vacations of plat and public rights-of-way, replatting, and rezoning shall be accomplished by separate actions in accordance with the procedures specified in the applicable provisions of local ordinances or Wisconsin law.

3. Land Use Provisions

For the purposes of implementing this plan, the project area is divided into two parts, which are shown on Map 3, "Proposed Land Use Plan," in Exhibit A.

Permitted uses in the "retail" portion are restricted to retail shopping and services compatible with and supportive of a shopping center anchored by a large discount department store. Because the existing Local Business "L/C/40" Zoning District only covers a part of the retail sub-area, a zoning change is needed for the redevelopment. A change either to a retail Detailed Planned Development District "DPD" under Chapter 295, subchapter 25, of the Milwaukee Code of Ordinances or to a retail Development Incentive Zone "DIZ" under Chapter 295, subchapter 6, of the Milwaukee Code of Ordinances would provide regulations adequate to ensure development consistent with the objectives of this plan. Therefore, this plan calls for establishing either a retail "DPD" or a retail "DIZ" to facilitate implementation of this plan. Applications for permits found to be consistent with the provisions of a "DPD" or "DIZ" created specifically for this redevelopment and duly enacted by the Common Council of the City of Milwaukee shall be presumed by the Authority to be in compliance with the requirements of this plan.

Uses in the "residential" portion are restricted to the residential uses permitted by right under the existing Residential "R/C/40" Zoning District in Chapter 295, subchapter 10, of the Milwaukee Code of Ordinances.

4. Developer's Obligation

The developer will be required to abide by the following covenants and provisions that will be included in the agreement for land disposition and conveyance.

- a. The developer shall submit all proposals for development projects to the Authority for its review and approval prior to the start of construction. Proposals shall consist of architectural elevations, site development and landscape plans. In addition, an overall subdivision plat and separate stormwater management plans for lots of 5 acres or greater in area must be submitted.
- b. The developer and any successor shall devote the land only to the uses specified in this plan and shall carry out the development project only as approved by the Authority including any approved revisions to the project.
- c. The agreement will include a reasonable time schedule for which the developer will be held accountable. The Authority reserves the right to terminate any agreements for development projects that are not progressing on a reasonable schedule.
- d. The developer shall not sell, lease, or otherwise transfer such land prior to completion of the development project without prior written consent of the Authority.
- e. The developer shall comply with all applicable local and state codes, ordinances, regulations, and statutes in effect.

5. Authority's Obligation to the Developer

The Authority will furnish the developer with an appropriate certificate upon the satisfactory completion of all building construction and related improvements specified in the final construction plans approved for the project. The purchaser shall have no power to convey the project or any part thereof until the Authority so certifies, as provided by Wisconsin law and the established agreements.

6. Duration of Plan

This Plan, including any approved amendment or modification, shall be in full force and effect from the date this plan is certified to the Common Council of the City of Milwaukee as provided by section 66.1333 (6) (e), Wisconsin Statutes. It shall continue in full force and effect until such time as Tax Incremental District Number 43 (21st & North Retail Center) has been officially terminated pursuant to the provisions of section 66.1105 (7) and (8), Wisconsin Statutes.

C. CONFORMANCE WITH STATE AND LOCAL REQUIREMENTS

1. Conformance to the General Plan of the City of Milwaukee

This plan was reviewed by the City Plan Commission of the City of Milwaukee and determined to be in conformance with the City's Comprehensive Plan.

2. Conformance to Local Objectives

This plan has been prepared to conform to the following local objectives:

Appropriate Land Use: The proposed redevelopment will revitalize the retail character of a historically commercial area.

Public Improvements: The proposed redevelopment is consistent with scheduled public improvements in the area. In particular, the redevelopment is being coordinated with the reconstruction of West Fond du Lac Avenue between North 19th Street and North 36th Street, scheduled for completion in 2001. Other improvements are described in Exhibit A, on pages 4 and 5, in section II.B.1., "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements," and shown on Map 4, "Proposed Improvements."

3. Statement of Project Area Boundaries

The boundaries of this project area are coterminous with the boundaries of TID-43. The boundaries are described more precisely in Exhibit 1 to Exhibit A and are shown on Map 1, "Boundary and Existing Land Use," in Exhibit A.

4. Map of Existing Uses and Conditions of Real Property

Existing uses are shown on Map 1, "Boundary and Existing Land Use," in Exhibit A. The condition of real property is shown on Map 2, "Structure Condition", in Exhibit A.

5. Land Use Plan of Proposed Uses

Proposed land uses are shown on Map 3, "Proposed Land Use Plan," in Exhibit A.

6. Standards of Population Density

The applicable standards of population density for the part of this area planned for residential redevelopment are found in the existing Residential "R/C/40" Zoning District in Chapter 295, subchapter 10, of the Milwaukee Code of Ordinances.

7. Land Coverage and Building Density

These objectives shall be achieved according to the zoning provisions as well as the guidelines for building placement and site design as enacted for this redevelopment. (Refer to section B. 3., Land Use Provisions, above.)

8. Present and Potential Equalized Value for Property Tax Purposes

The present and potential equalized value for property tax purposes is described in the Economic Feasibility Study for TID-43, which is included in Exhibit A.

9. Statement of Proposed Changes in Zoning or Building Codes

The existing zoning in the area is shown on Map 5, "Existing Zoning Map," in Exhibit A. Refer to section B. 3., Land Use Provisions, above, for a description of the proposed changes to the zoning for the retail part of the area.

10. Statement of Required Site Improvements and Additional Public Facilities

Please refer to Exhibit A, pages 4 and 5, section II.B.1., "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements," and Map 4, "Proposed Improvements." The detailed design and specifications for these improvements will be determined jointly by the Commissioner of Public Works, the City Engineer, and the Authority based on definitive redevelopment proposals, and on detailed engineering and urban design studies.

11. Statement of a Feasible Method Proposed for Relocation of Displaced Families

Please refer to Exhibit A, page 9, section II. B. 9, "Proposed Method for Relocation."

D PROCEDURE FOR CHANGES IN THE APPROVED PLAN

At any time after this project area plan has been approved by the Authority and the Common Council of the City of Milwaukee, it may be modified in accordance with the provisions and procedures established in the applicable subsections of section 66.1333, Wisconsin Statutes.

PROJECT PLAN
for
TAX INCREMENTAL DISTRICT NUMBER 43
CITY OF MILWAUKEE
(21st 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 20th Street, West Lloyd Street, and North 23rd 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 21st 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 20th to North 23rd Streets.
2. North 21st Street from a point north of West Lloyd Street to West North Avenue.
3. North 22nd 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 23rd Street to West Fond du Lac Avenue.
2. North 20th 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 Costs¹

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

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

C	<u>Financing</u> Interest payment on tax-exempt bonds	\$1,783,495
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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: \$2,750,000²

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

² 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 23rd 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 20th Street;

Thence approximately 530 feet south along the east line of North 20th 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 21st Street;

Thence south along the east line of North 21st 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 23rd Street;

Thence north along the west line of North 23rd 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:

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		2,094	
3	3500804000	2029 W FOND DU LAC	AV MICHAEL D STONE	3,473	\$1,700	\$13,700		3,473	
4	3500805000	2025 W FOND DU LAC	AV MAYLON RICHARDSON	3,473	\$1,700	\$30,500		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	Parking Lot
7	3500809000	2001 W FOND DU LAC	AV EZEKIEL CHURCH OF GOD IN	3,012	\$0	\$0		3,012	
8	3500810000	2209 N 20TH	ST EARL HINES	3,840	\$2,000	\$12,500		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	Park West ROW
11	3500818000	2210 N 21ST	ST SPRINGER, WILLIAM T & HELEN	2,070	\$1,700	\$11,400		2,070	
12	3500819000	2210 N 21ST	ST SPRINGER, WILLIAM T & HELEN	1,734	\$700	\$5,800		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	
15	3500822000	2222 N 21ST	ST MARIE SYLKEK, LIFE ESTATE &	1,517	\$1,600	\$5,700		1,517	
16	3500823111	2001 W GARFIELD	AV MILWAUKEE COUNTY	77,953	\$0	\$0		77,953	Park West ROW
17	3500854110	2127 W GARFIELD	AV HOLY MT CARMEL MISSIONARY	88,166	\$0	\$0		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	2129 W NORTH	AV A J WILSON	6,784	\$3,400	\$56,600		6,784	
25	3500886000	2125 W NORTH	AV E RANDY RADKE	3,390	\$1,700	\$16,300		3,390	
26	3500887000	2121 W NORTH	AV CITY OF MILWAUKEE	3,390	\$1,700	\$17,000		3,390	
27	3500890100	2111 W NORTH	AV PLASMA RENTALS LLC	10,106	\$10,200	\$270,500		10,106	
28	3500891000	2101 W NORTH	AV NAFISA CHARAB	6,710	\$3,400	\$21,600		6,710	
29	3500892110	2239 N 21ST	ST CITY OF MILWAUKEE	48,311	\$0	\$0		48,311	Parking Lot
30	3500898100	2102 W GARFIELD	AV CITY OF MILWAUKEE	31,705	\$0	\$0		31,705	Park West ROW
31	3500914100	2235 W NORTH	AV CITY OF MILWAUKEE	78,832	\$0	\$0		78,832	Park West ROW
32	3500917110	2213 W NORTH	AV SERA-TEC BIOLOGICALS LTD	32,110	\$16,100	\$83,900		32,110	
33	3500948100	2146 N 23RD	ST HOLY MT CARMEL MISSIONARY	39,810	\$2,000	\$0		39,810	Park West ROW
34	3500962100	2127 N 22ND	ST MITTIE BAKER	7,860	\$2,600	\$13,000		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	
38	3500977000	2126 N 23RD	ST THE HOLY SPIRIT ASSOCIATION	3,930	\$2,100	\$7,700		3,930	
39	3500978000	2130 N 23RD	ST ROY JORDEN	3,930	\$2,100	\$11,300		3,930	
40	3500979000	2136 N 23RD	ST ETHEL COLLINS	3,930	\$2,100	\$17,600		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.

LEGEND

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

PROJECT BOUNDARY

TID - 43

PARKWEST E

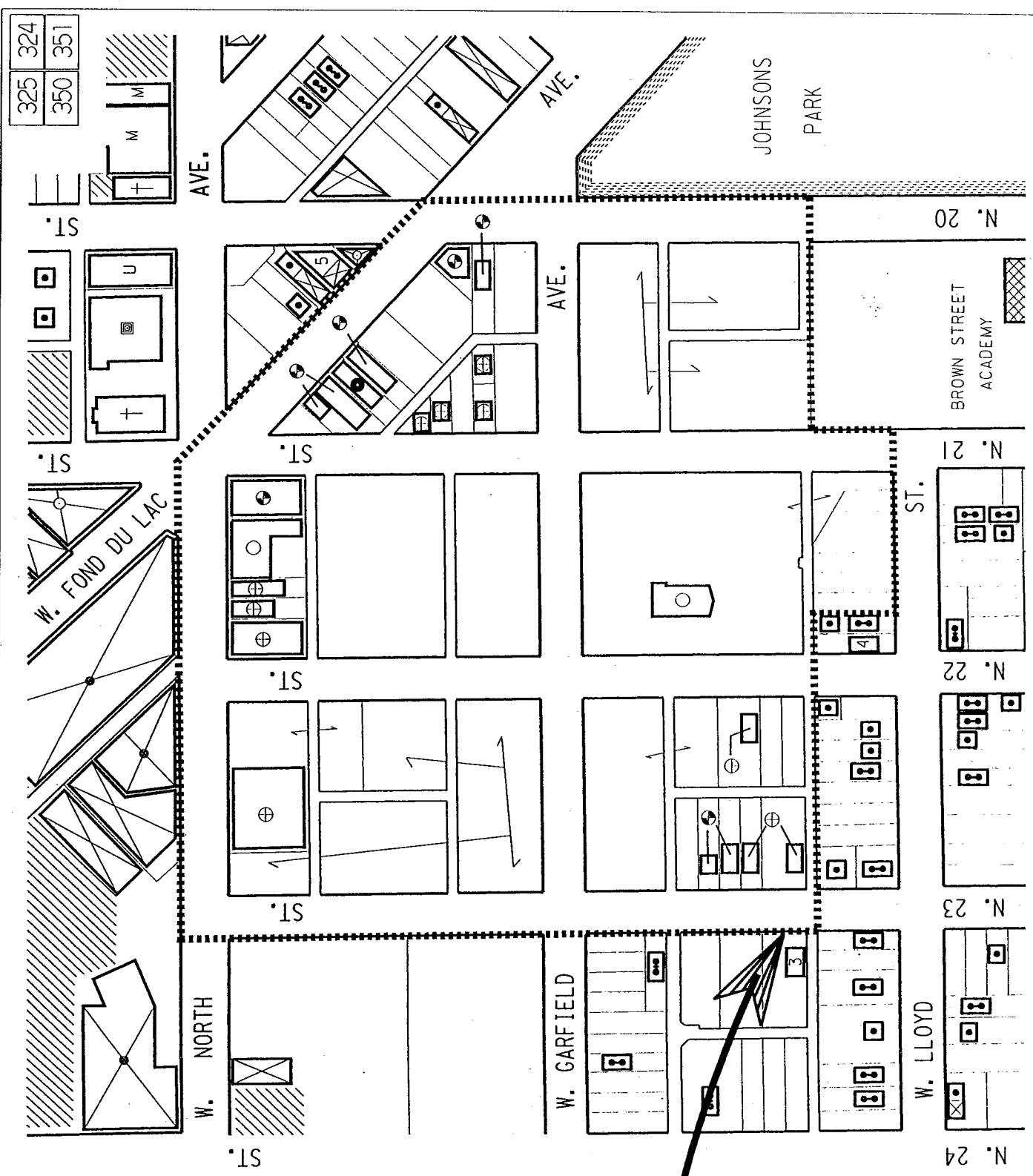
STRUCTURE
CONDITION

MAP NO. 2

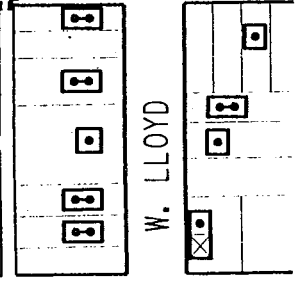
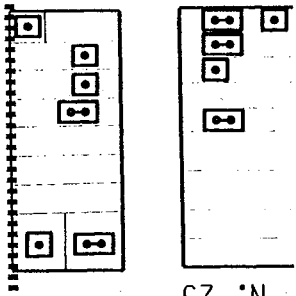
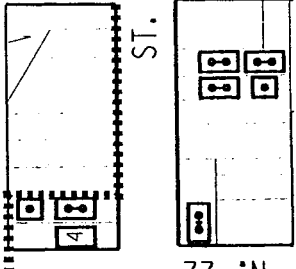
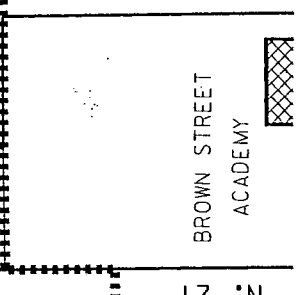
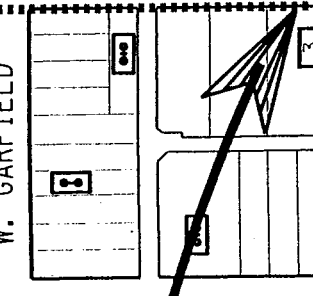
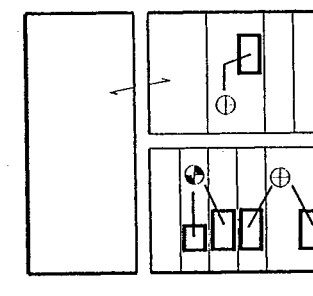
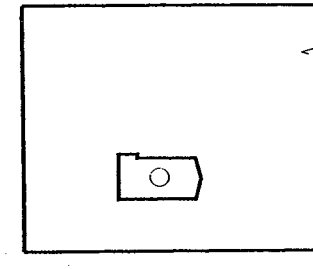
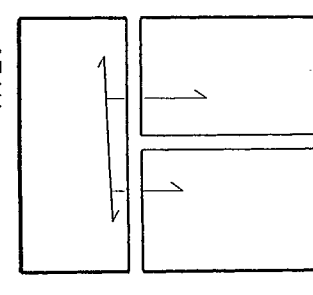
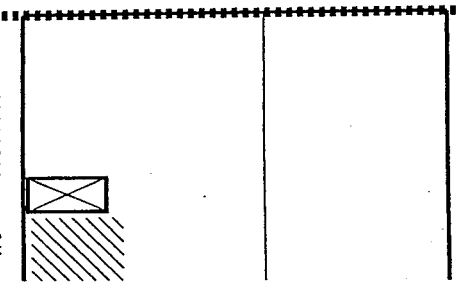
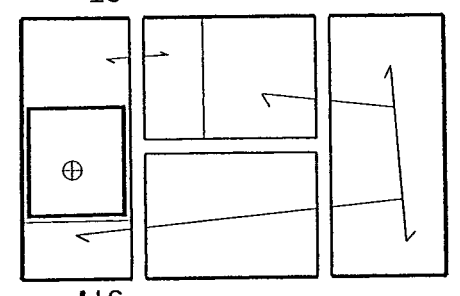
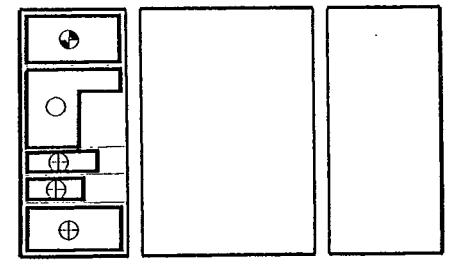
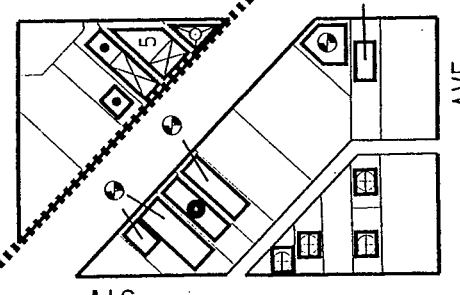
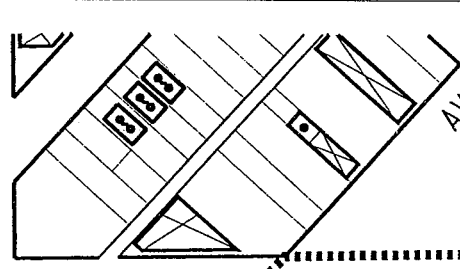
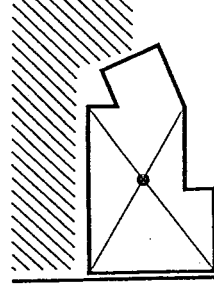
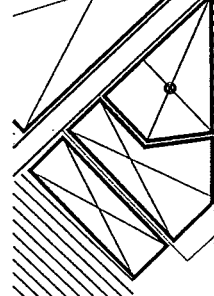
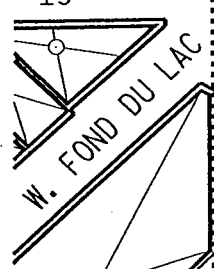
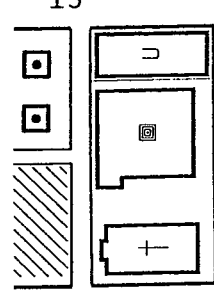


DATE 3/20/01

PREPARED BY THE DEPARTMENT OF CITY DEVELOPMENT, INFORMATION CENTER
 2nd Floor, 1100 N. 1st St., Detroit, MI 48201
 313-224-2200
 313-224-2200
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 313-224-2200



324	325
350	351



N. 20

N. 21

N. 22

N. 23

N. 24

W. FOND DU LAC

AVE.

W. NORTH ST.

AVE.

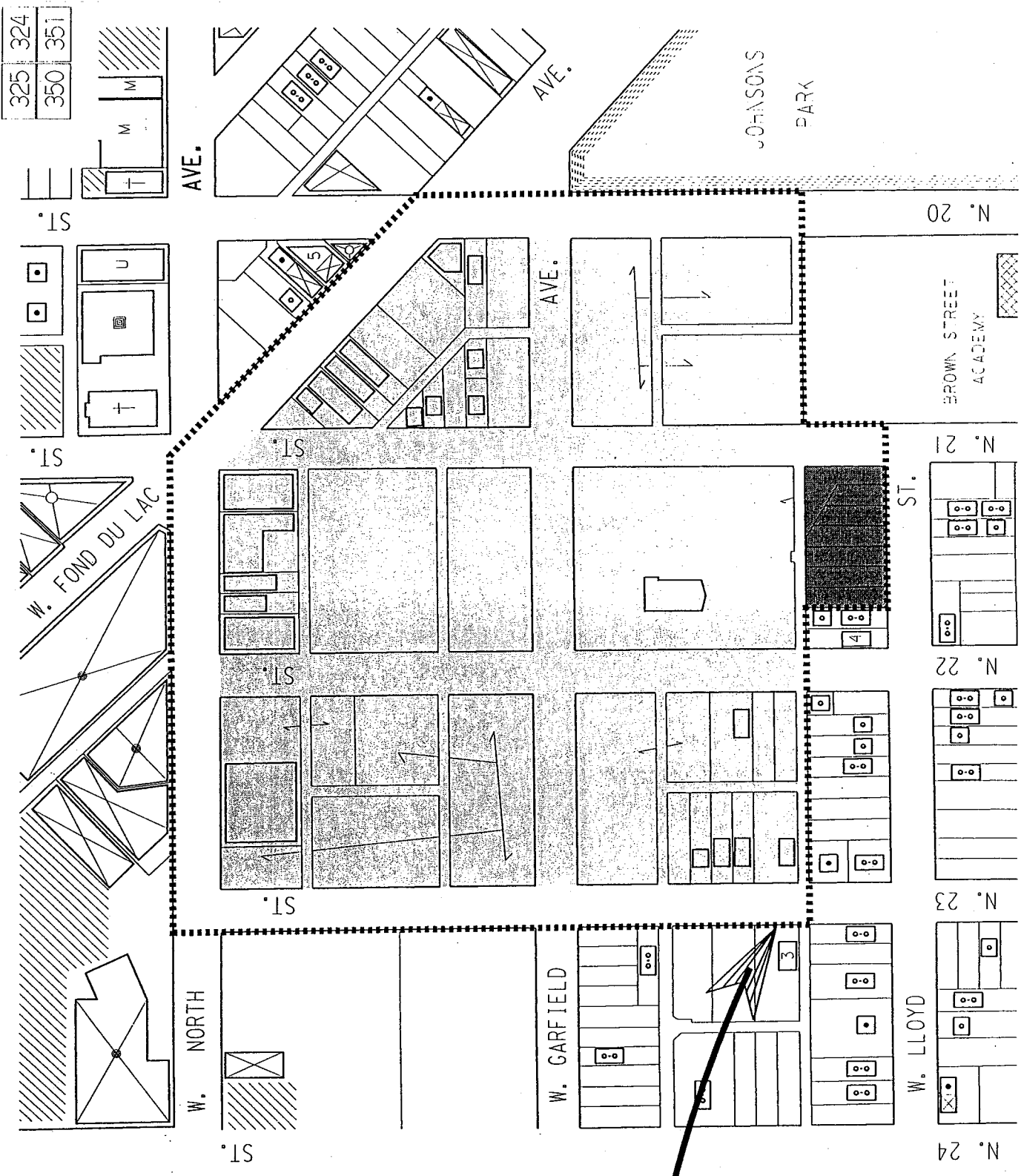
W. GARFIELD

JOHNSONS PARK

BROWN STREET ACADEMY

ST.

W. LLOYD



RETAIL

RESIDENTIAL

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 MAP NO. 4, WHICH ILLUSTRATE BASIC PROJECT OBJECTIVES, MAY BE MODIFIED OR REVISED AS NECESSARY BY RACM DURING THE COURSE OF PROJECT EXECUTION WITHOUT AMENDMENT HEREOF, AS PROVIDED IN OF THIS PLAN.

PROJECT BOUNDARY

TID - 43	
PARKWEST E	
PROPOSED LAND USE PLAN	
MAP NO. 3	
	DATE 3/20/01

PRODUCED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER
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SITE ASSEMBLY (ALL PARCELS WITHIN BOUNDARY)



STREET AND ALLEY VACATIONS

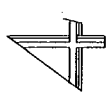



PERIMETER STREETSCAPE AND PERESTRIAN LIGHTING

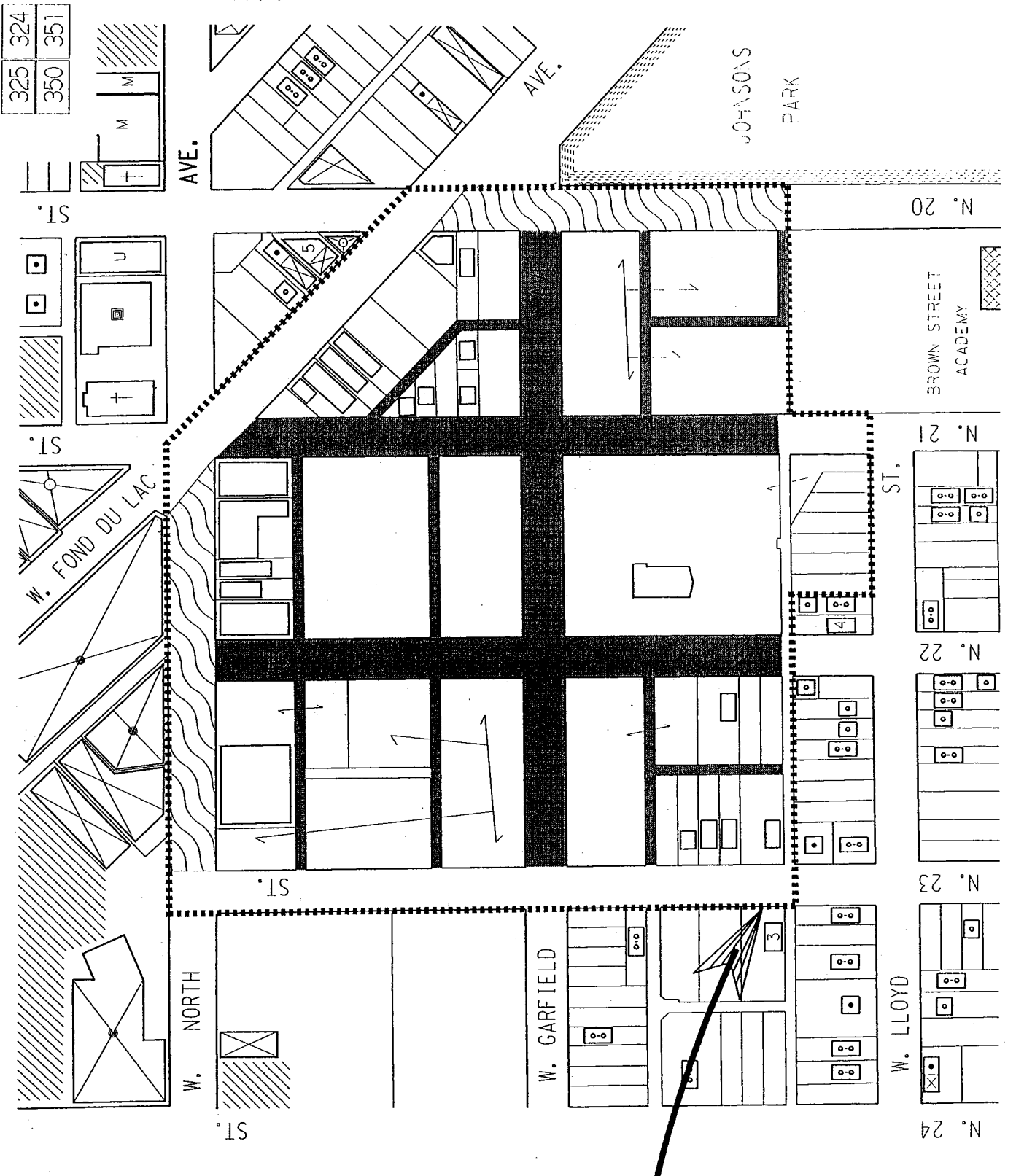


NOTE: IN ORDER TO CONFORM WITH SPECIFIC REDEVELOPMENT PROPOSALS AND WITH ENGINEERING DESIGN REQUIREMENTS ESTABLISHED BY THE CITY ENGINEER AND THE COMMISSIONER OF PUBLIC WORKS OF THE CITY OF MILWAUKEE, THIS AND MAP NO. 3, WHICH ILLUSTRATE BASIC PROJECT OBJECTIVES, MAY BE MODIFIED OR REVISED AS NECESSARY BY RACK DURING THE COURSE OF PROJECT EXECUTION WITHOUT AMENDMENT HEREOF, AS PROVIDED IN THIS PLAN.

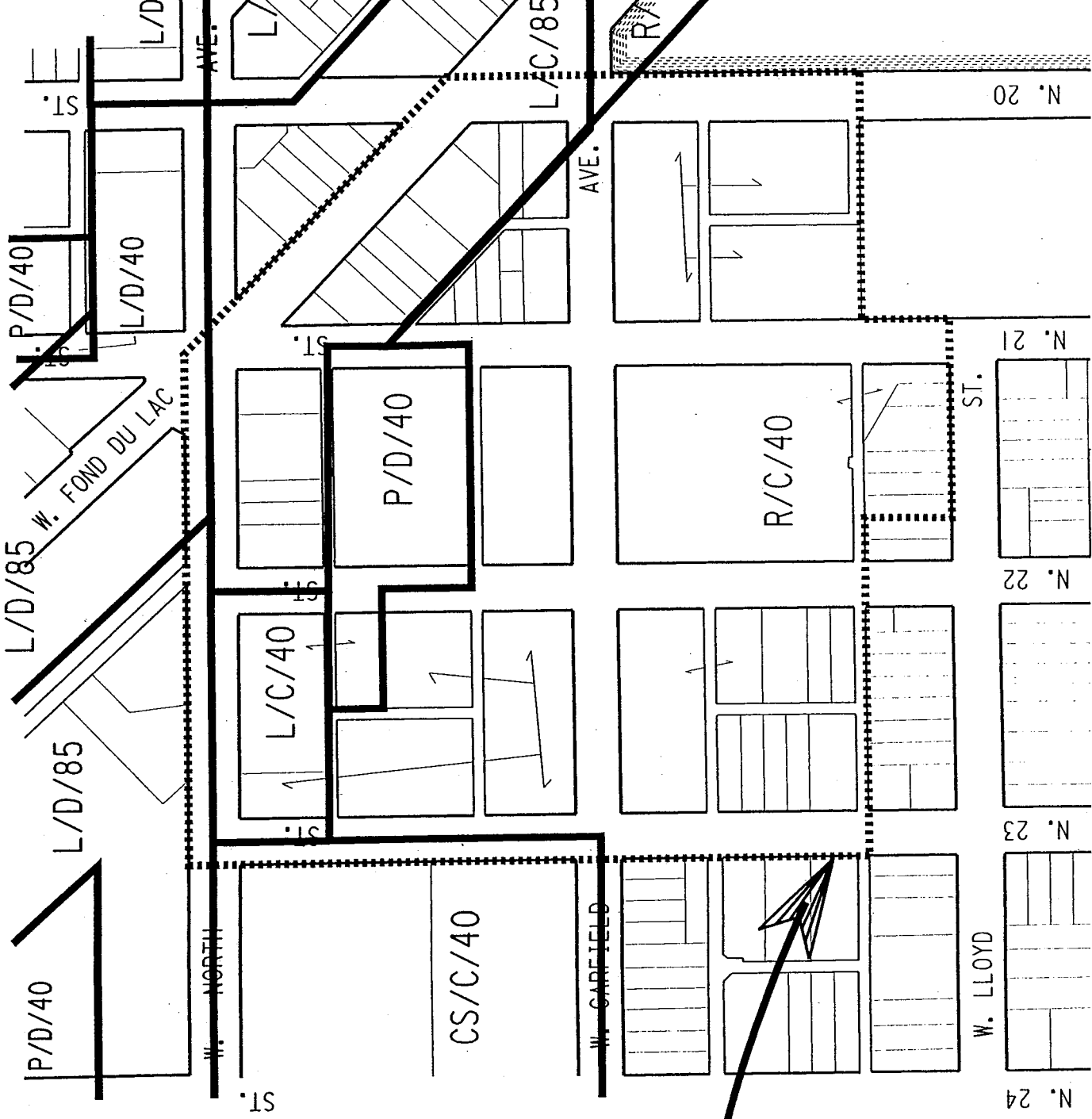
PROJECT BOUNDARY

TID - 43 PARKWEST E	
PROPOSED IMPROVEMENTS	
MAP NO. 	
DATE 3/20/01	

PREPARED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER
 Des Moines, IA 50319
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325	324
350	351



SINGLE-FAMILY RESIDENTIAL	TWO-FAMILY RESIDENTIAL	MULTI-FAMILY RESIDENTIAL	RESIDENTIAL /OFFICE	INSTITUTIONAL	DETAILED PLANNED DEVELOPMENT	GENERAL PLANNED DEVELOPMENT
R/F-1/40 R/F-2/40 R/F-3/40 R/F-5/40	R/F-1/40 R/F-2/40 R/F-4/40	RA/85 RA/125 RA/140 RA/180 R/C/40 R/C/85	RO/85 RO/125 RO/140 RO/180	T/B/85 T/A/125 T/C/40 T/C/80	DPD	GPD
HIGH DENSITY RESIDENTIAL	HIGH DENSITY RESIDENTIAL	RESIDENTIAL AND SPECIALTY USE	RESIDENTIAL AND SPECIALTY USE	NEIGHBORHOOD SHOPPING	MAJOR RETAIL	PARKING
C9A (A) C9A (B) C9A (C)	C9B (A) C9B (B) C9B (C)	C9B (A) C9B (B) C9B (C)	C9B (A) C9B (B) C9B (C)	S/B/40 S/B/80 S/B/120 S/C/40 S/C/80 S/F-3/40 S/F-4/40	C9C	P/C/60 P/O/40 P/A/125
OFFICE AND SERVICE	OFFICE AND SERVICE	OFFICE AND SERVICE	RESTRICTED OFFICE	NEIGHBORHOOD SHOPPING	LOCAL BUSINESS	CIVIC ACTIVITY
C9F (A) C9F (B) C9F (C)	C9F (A) C9F (B) C9F (C)	C9F (A) C9F (B) C9F (C)	O/R/40 O/R/80 O/R/120 O/R/140 O/F-1/40 O/F-2/40	REG. SHOPPING	L/A/85 L/A/125 L/A/140 L/A/180 L/B/40 L/B/80 L/C/40 L/C/85 L/F-1/40 L/F-2/40	C9D
LAKEFRONT	MANUFACTURING	INDUSTRIAL	WAREHOUSING AND LIGHT MANUFACTURING	REG. SHOPPING	COMMERCIAL SERVICE	MIXED ACTIVITY
LF/C/60	M/A/85 M/B/40 M/C/80	I/O/40 I/A/125 I/C/40 I/B/85	C9H	R/S/40 R/S/80 R/S/120 R/S/140 R/S/180 R/S/3/40 R/S/4/40	C9G	C9G

PROJECT BOUNDARY

TID - 43

PARKWEST E

EXISTING ZONING MAP



MAP NO. 5

DATE 3/20/01

Prepared by: City of Milwaukee, Department of City Development, Information Center
 File No: 100-1000000-000000
 Project Name: 100-1000000-000000
 Date: 3/20/01
 Generated by: 100-1000000-000000
 Drawn by: 100-1000000-000000
 M. MAHAJAN

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
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.

The Endeavour Company
 Projected Costs
 Fond Du Lac & North Shopping Center

3:45 PM 2/8/01

Schedule #1

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	

Total - Land Cost(s)			\$1,757,500	\$9.25
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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
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Construction Contingency	5.00%		\$494,350	
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Total - "Hard" Cost(s)			\$10,381,350	\$54.64
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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. .

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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
Total Income	190,000 sf	\$7.36 avg.	\$1,399,200.00

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.
Net Operating Income		\$1,358,575.00	\$7.15 per sf of G.L.A.
Debt Service (Constant)	9.00%	(\$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	@ 75.00%	\$11,321,458.33	\$59.59 per sf of G.L.A.
Capitalized Value	@ 9.00%	\$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							Annual Surplus (Deficit)	Cumulative Surplus (Deficit)
Yr.	Real Prop. Value	Personal Prop. Value	Est. District Value	Base Value	Incremental Value	Tax Inc. Revenue	Bond Payment			
2001	\$724,900	\$ 67,500	\$792,400	\$792,400	\$0	\$0		\$	\$	
2002	\$800,000	\$ -	\$ 800,000	\$792,400	\$7,600	\$0	\$138,406	\$	\$ (138,406)	
2003	\$ 3,000,000	\$ -	\$ 3,000,000	\$792,400	\$ 2,207,600	\$ 213	\$ 138,406	\$	\$ (138,193)	
2004	\$13,206,316	\$ 2,851,313	\$ 16,057,628	\$792,400	\$ 15,265,228	\$ 61,813	\$ 283,779	\$	\$ (221,966)	
2005	\$14,316,316	\$ 2,556,795	\$ 16,873,111	\$792,400	\$ 16,080,711	\$ 427,426	\$ 283,779	\$	\$ (385,198)	
2006	\$14,316,316	\$ 2,112,368	\$ 16,428,683	\$792,400	\$ 15,636,283	\$ 450,260	\$ 283,779	\$	\$ (231,236)	
2007	\$14,316,316	\$ 1,799,775	\$ 16,116,091	\$792,400	\$ 15,323,691	\$ 437,816	\$ 283,779	\$	\$ (84,715)	
2008	\$14,316,316	\$ 1,537,703	\$ 15,854,018	\$792,400	\$ 15,061,618	\$ 429,063	\$ 283,779	\$	\$ 145,284	
2009	\$14,316,316	\$ 1,322,993	\$ 15,639,308	\$792,400	\$ 14,846,908	\$ 421,725	\$ 283,779	\$	\$ 137,946	
2010	\$14,316,316	\$ 1,143,015	\$ 15,459,331	\$792,400	\$ 14,666,931	\$ 415,713	\$ 283,779	\$	\$ 131,934	
2011	\$14,316,316	\$ 985,140	\$ 15,301,456	\$792,400	\$ 14,509,056	\$ 410,674	\$ 283,779	\$	\$ 126,895	
2012	\$14,316,316	\$ 846,210	\$ 15,162,526	\$792,400	\$ 14,370,126	\$ 406,254	\$ 283,779	\$	\$ 122,475	
2013	\$14,316,316	\$ 729,383	\$ 15,045,698	\$792,400	\$ 14,253,298	\$ 402,364	\$ 283,779	\$	\$ 118,585	
2014	\$14,316,316	\$ 473,625	\$ 14,789,941	\$792,400	\$ 13,997,541	\$ 399,092	\$ 283,779	\$	\$ 115,313	
2015	\$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. outlot @ \$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										

EXHIBIT B, LANDS AND INTERESTS TO BE ACQUIRED

BLOCK NO.	PARCEL NO.	TAXKEY	HOUSE DIR STREET	ST	OWNER_NAME_1	INTEREST REQUIRED	LOT_AREA (S.F.)	
							Before	After Taking
1	1	3500914100	2235 W NORTH	AV	CITY OF MILWAUKEE	fee	78,832	78,832
1	2	3500917110	2213 W NORTH	AV	SERA-TEC BIOLOGICALS LTD	fee	32,110	32,110
2	1	3500885000	2129 W NORTH	AV	A J WILSON	fee	6,784	6,784
2	2	3500886000	2125 W NORTH	AV	E RANDY RADKE	fee	3,390	3,390
2	3	3500887000	2121 W NORTH	AV	CITY OF MILWAUKEE	fee	3,390	3,390
2	4	3500890100	2111 W NORTH	AV	PLASMA RENTALS LLC	fee	10,106	10,106
2	5	3500891000	2101 W NORTH	AV	NAFISA CHARAB	fee	6,710	6,710
2	6	3500892110	2239 N 21ST	ST	CITY OF MILWAUKEE	fee	48,311	48,311
2	7	3500898100	2102 W GARFIELD	AV	CITY OF MILWAUKEE	fee	31,705	31,705
3	1	3500801000	2041 W FOND DU LAC	AV	CITY OF MILWAUKEE	fee	2,094	2,094
3	2	3500803100	2033 W FOND DU LAC	AV	RICARDO D MC KENZIE	fee	6,220	6,220
3	3	3500804000	2029 W FOND DU LAC	AV	MICHAEL D STONE	fee	3,473	3,473
3	4	3500805000	2025 W FOND DU LAC	AV	MAYLON RICHARDSON	fee	3,473	3,473
3	5	3500806000	2019 W FOND DU LAC	AV	CITY OF MILWAUKEE	fee	6,693	6,693
3	6	3500808100	2007 W FOND DU LAC	AV	COLUMBIA SAVINGS & LOAN ASSN	fee	10,000	10,000
3	7	3500809000	2001 W FOND DU LAC	AV	EZEKIEL CHURCH OF GOD IN	fee	3,012	3,012
3	8	3500810000	2209 N 20TH	ST	EARL HINES	fee	3,840	3,840
3	9	3500813100	2008 W GARFIELD	AV	CITY OF MILWAUKEE	fee	7,557	7,557
3	10	3500814100	2200 N 21ST	ST	CITY OF MILWAUKEE	fee	7,505	7,505
3	11	3500818000	2210 N 21ST	ST	SPRINGER, WILLIAM T & HELEN	fee	2,070	2,070
3	12	3500819000	2210 N 21ST	ST	SPRINGER, WILLIAM T & HELEN	fee	1,734	1,734
3	13	3500820000	2214 N 21ST	ST	CITY OF MILWAUKEE	fee	3,150	3,150
3	14	3500821000	2216 N 21ST	ST	VIDA MAE ALSTON	fee	2,160	2,160
3	15	3500822000	2222 N 21ST	ST	MARIE SYLKEK, LIFE ESTATE &	fee	1,517	1,517
4	1	3500948100	2146 N 23RD	ST	HOLY MT CARMEL MISSIONARY	fee	39,810	39,810
4	2	3500962100	2127 N 22ND	ST	MITTIE BAKER	fee	7,860	7,860
4	3	3500963000	2123 N 22ND	ST	CITY OF MILWAUKEE	fee	3,917	3,917
4	4	3500964000	2119 N 22ND	ST	CITY OF MILWAUKEE	fee	4,042	4,042
4	5	3500975100	2118 N 23RD	ST	DAVID PITTS	fee	7,860	7,860
4	6	3500977000	2126 N 23RD	ST	THE HOLY SPIRIT ASSOCIATION	fee	3,930	3,930
4	7	3500978000	2130 N 23RD	ST	ROY JORDEN	fee	3,930	3,930
4	8	3500979000	2136 N 23RD	ST	ETHEL COLLINS	fee	3,930	3,930
4	9	3500980000	2138 N 23RD	ST	CITY OF MILWAUKEE	fee	4,149	4,149
5	1	3500854110	2127 W GARFIELD	AV	HOLY MT CARMEL MISSIONARY	fee	88,166	88,166
5	2	3500871200	2104 W LLOYD	ST	CITY OF MILWAUKEE	fee	2,348	2,348
5	3	3500872100	2108 W LLOYD	ST	CITY OF MILWAUKEE	fee	2,807	2,807

EXHIBIT B. LANDS AND INTERESTS TO BE ACQUIRED

5	4	3500873100	2114 W	LLOYD	ST	CITY OF MILWAUKEE	fee	3,538	3,538
5	5	3500874000	2116 W	LLOYD	ST	CITY OF MILWAUKEE	fee	3,302	3,302
5	6	3500875000	2120 W	LLOYD	ST	CITY OF MILWAUKEE	fee	3,446	3,446
5	7	3500876110	2124 W	LLOYD	ST	CITY OF MILWAUKEE	fee	3,474	3,474
6	1	3500823111	2001 W	GARFIELD	AV	MILWAUKEE COUNTY	fee	77,953	77,953
								550,298	550,298

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