

CITY OF WAUKESHA
TAX INCREMENTAL DISTRICT
NO. 22
FIRST AMENDMENT

JULY 2015



Sunset Homes Condominiums

TAX INCREMENTAL DISTRICT NO. 22 FIRST AMENDMENT OF PROJECT PLAN

HISTORY

The project plan for Tax Incremental District No. 22 (TID No. 22) was prepared by the Community Development Department and adopted in June 2013. The purpose of TID No. 22 is to encourage and promote redevelopment and mixed use development in the district.

At the time the district was adopted the equalized value was \$38,400,500, and, in 2014, just one year later, that value had grown to \$42,382,400. TIF provided storm sewer infrastructure improvements and a development incentive to redevelop a vacant Kmart store, providing additional commercial space.

When the district was created the boundaries included residential property known as the Sunset Homes Condominiums. The project plan referred to the property and noted that substantial repairs were needed to make the property viable and contributing. The project plan did not include any type of estimated costs or financing tools since those details were not known at the time.

Sunset Homes was built in 1973. The complex has received little to no updating or improvements since that time. At present the condominium development, 120 units, has roofs that leak, siding that is deteriorated and the buildings are in a state of serious disrepair. In addition, the parking lot surfaces are far past their useful lives and there are severe drainage issues on the site.

BASIS FOR PROPOSED AMENDMENT

The 120 units were assessed at over \$100,000 per unit in 2009. The units are currently assessed at a little over \$50,000 just 5 years later. These are affordable, entry level housing units. As such, most of the occupants are likely below the County median income. The homeowner's association is not able to secure financing through conventional methods and the homeowner's have a limited ability to pay additional association dues.

The City believes that without immediate intervention this development will rapidly decline to a state that will be blighted. As a result, the blighted condition would negatively impact the property values of other properties in the area and hinder the development of new residential development in the district.

The City also believes that the only option available to the association is public financing for the improvements. The City can provide terms that allow a lower interest rate and longer amortization making the payments affordable to the homeowners.

PLAN AMENDMENT

The Tax Incremental District No. 22 Project Plan, is amended to include funds to provide financing to the Sunset Homes Condominiums Homeowner's Association for common area repairs. Financing will be in the form of a loan to the association upon its agreement to assess its membership the amount necessary to make payments on the loan. The estimated amount of the loan is \$1,650,000. The term of the loan will not extend beyond the life of the district. If the repairs generate an increase in property values, creating increment, portions of the payments may be forgiven. No other amendments are made, and all of the other terms and provisions of Tax Incremental District No. 22 Project Plan remain in effect.

AMENDED PROJECT COSTS	ESTIMATED TOTAL COST	COST PAID BY TIF	INTERIM METHOD OF FINANCING	TIME OF COST INCURRANCE
PLANNING, LEGAL AND CONSULTING	\$ 100,000.00	\$ 100,000.00	G.O.B / G.C.F	2013-2027
ADMINISTRATION	\$ 75,000.00	\$ 75,000.00	G.O.B / G.C.F	2013-2027
DEVELOPMENT INCENTIVES & CASH GRANTS	\$ 2,600,000.00	\$ 2,600,000.00	G.O.B / G.C.F	2013-2027
IMPROVEMENT LOANS - SUNSET HOMES CONDOMINIUMS	\$ 1,650,000.00	\$ 2,500,000.00		
PUBLIC INFRASTRUCTURE	\$ 1,600,000.00	\$ 1,400,000.00	G.O.B / G.C.F	2013-2027
TOTAL PROJECT COSTS	\$ 6,025,000.00	\$ 6,675,000.00		
FINANCING COSTS AND INTEREST	\$ 1,525,000.00	\$ 1,525,000.00	G.O.B / G.C.F	2013-2027
CAPITALIZED INTEREST	\$ 30,000.00	\$ 30,000.00	G.O.B / G.C.F	2013-2027
TOTAL PROJECT COSTS WITH FINANCING COSTS AND INTEREST	\$ 7,580,000.00	\$ 8,230,000.00		

PROPOSED FINDINGS

The project plan, amended as set forth herein, supports the following findings:

1. The project plan amendment will serve a public purpose, fostering immediate action to eliminate potential blight conditions, increase property values and lighten the tax burden of taxpayers citywide.
2. The repairs and improvements described above would not occur without this amendment.
3. The plan, as amended, is feasible and in conformity with the City's 2010 Land Use Plan, as amended.
4. The improvement of the area will enhance the value of substantially all of the other real property in the district.
5. The project costs proposed and previously incurred relate directly to eliminating blight, rehabilitating the area and promoting mixed use development, consistent with the purpose for which the district was created.
6. The equalized value of taxable property of the district plus value increment of all existing districts does not exceed 12% of the total equalized value of taxable property in the City of Waukesha..
7. Any real property within the district that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the district.

The City does not expect that any "displaced persons" within the meaning of Section 32.19 of the Wisconsin Statutes will be displaced or relocated from the TID in connection with the implementation of the TID or this Project Plan. The foregoing notwithstanding, in the event of any such displacement or relocation, the same will be governed by and conducted in full accordance with Section 32.19 of the Wisconsin Statutes, the regulations issued thereunder, and any other applicable federal, state, and/or other laws.

This project plan amendment, based on the findings, is in the interest of the public.

Exhibit A
TID 22 Boundary Map showing Sunset Homes Condominiums

TAX INCREMENTAL FINANCE DISTRICT NO. 22

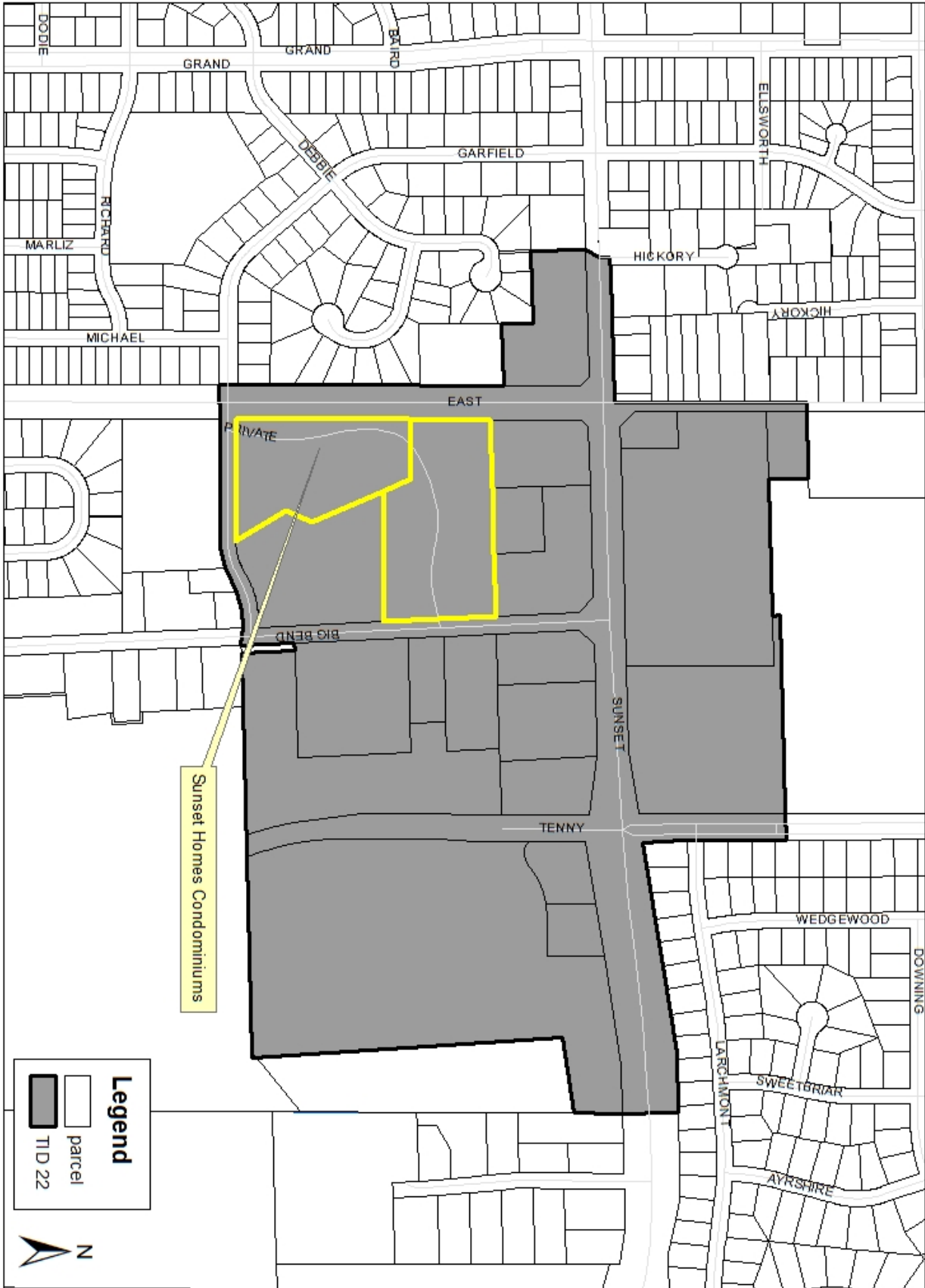


Exhibit B
Original TID 22 Project Plan Map

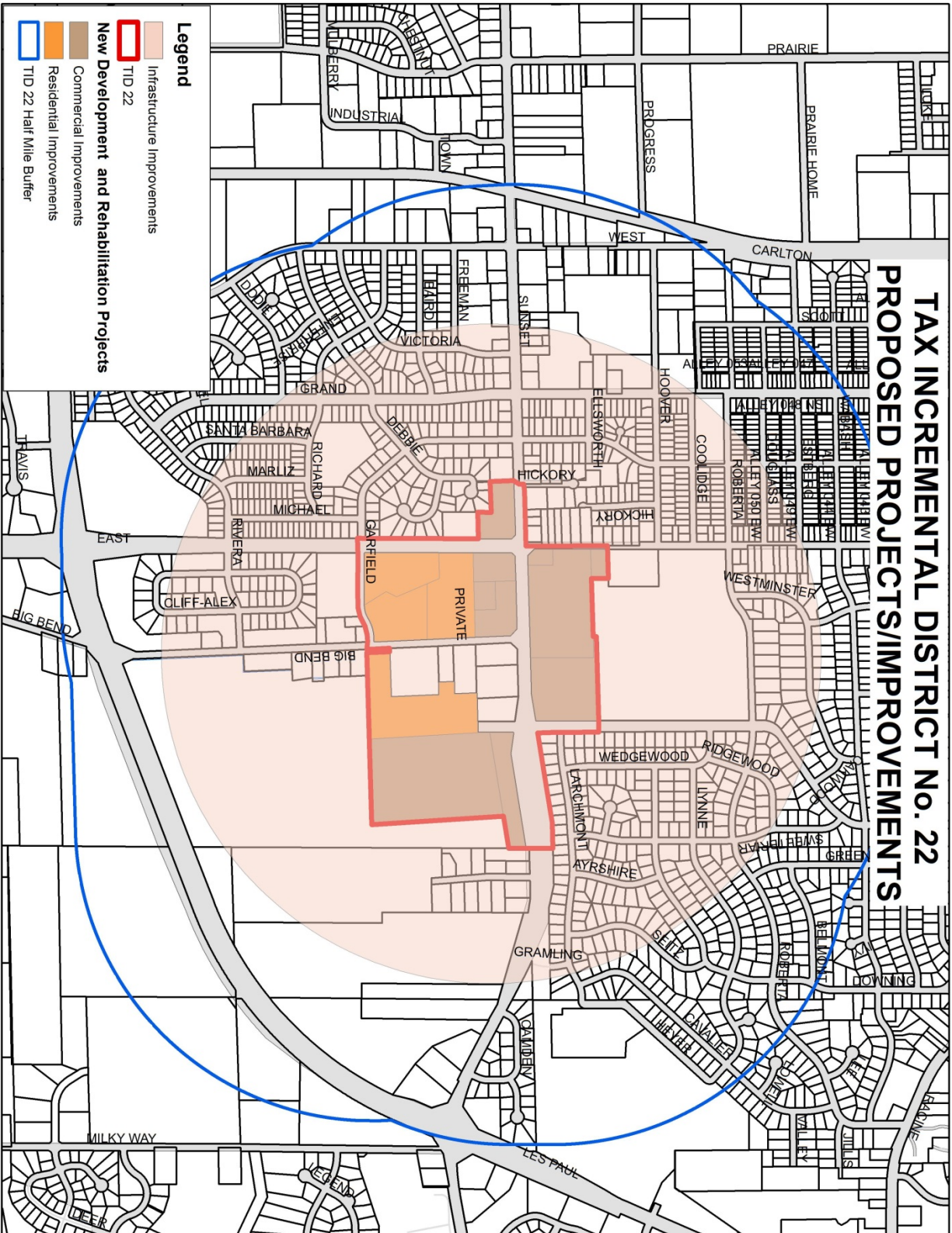
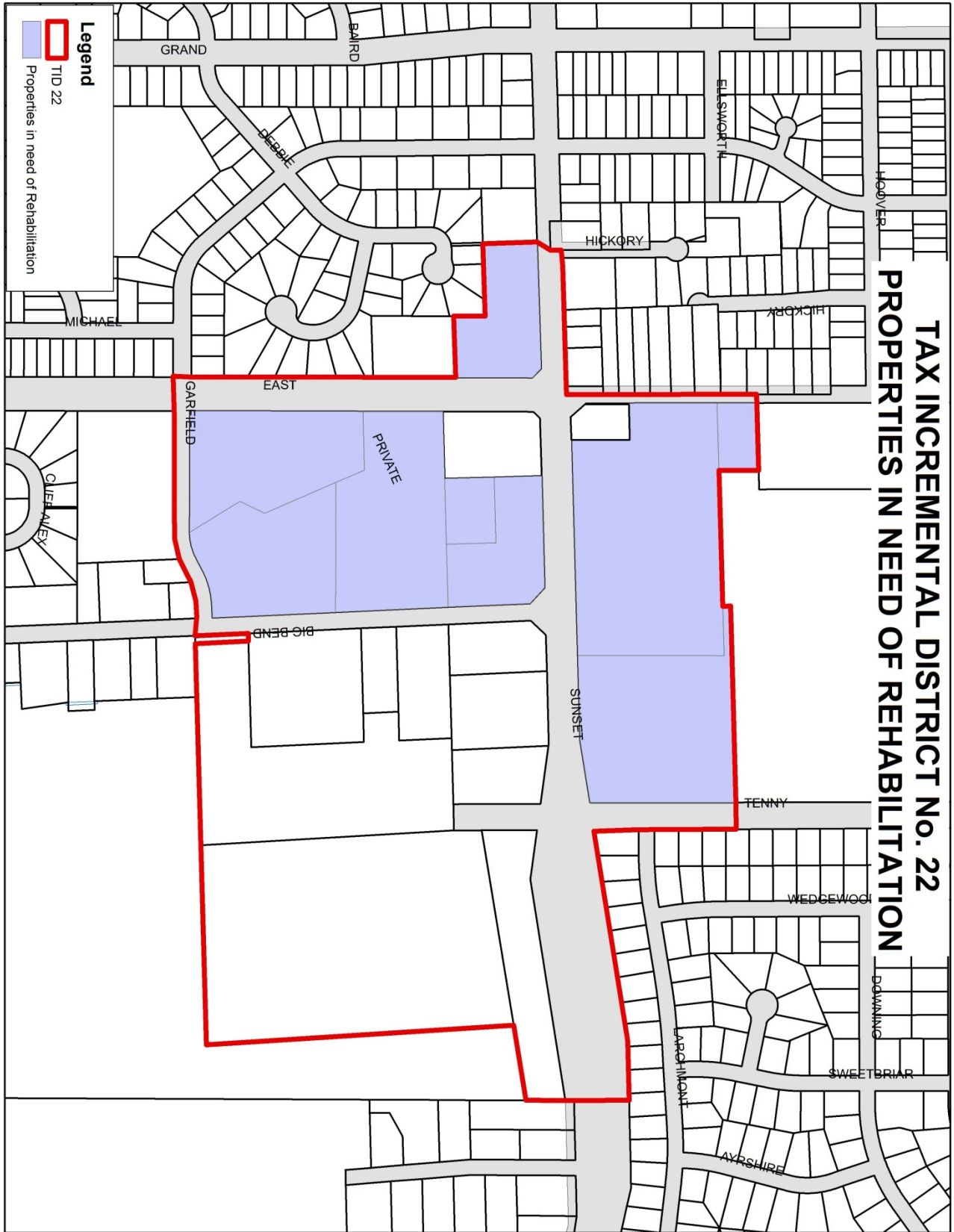
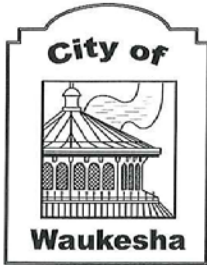


Exhibit C
Original TID 22 Rehab Map



CITY ATTORNEY OPINION



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OPINION OF ATTORNEY FOR THE CITY OF WAUKESHA ADVISING
WHETHER THE PROJECT PLAN IS COMPLETE AND COMPLIES WITH
SECTION 66.1105, WISCONSIN STATUTES

August 28, 2015

Shawn Reilly, Mayor
City of Waukesha
201 Delafield Street
Waukesha, WI 53188

Re: City of Waukesha, Tax Incremental District No. 22

Dear Mayor Reilly:

As City Attorney for the City of Waukesha, I have reviewed the project plan for Tax Incremental District No. 22, located in the City of Waukesha. In my opinion, the project plan is complete and complies with Section 66.1105(4) of the Wisconsin Statutes.

Sincerely,

Brian E. Running
City Attorney

Julie M. Gay
Assistant City Attorney

