TAX INCREMENTAL DISTRICT 16 AMENDMENT I INFORMATION AND FINANCIAL ANALYSIS

PREPARED BY THE DEPARTMENT OF COMMUNITY DEVELOPMENT

1. Background Information.

Tax Incremental District No. 16 in the City of Waukesha was created in 2007 to promote the redevelopment of the downtown central city as authorized in Wisconsin Statutes 66.1105, to provide greater employment opportunities, increased downtown central city housing opportunities and to broaden the property tax base to relieve the tax burden of residents and homeowners. There were areas within the district boundaries that are blighted and one of the goals of this district was for rehabilitation and/or infill projects in these areas in and around Downtown Waukesha. The original project plan established a TIF loan program to aid residents with repairs to their homes in and around downtown, which contains the oldest housing stock in the City. Additionally the project plan envisioned using TIF for developer incentives as detailed below:

- South St. Townhouses:
- Commercial Redevelopment of existing buildings on southwest corner of South St. and Barstow
- Redevelopment of historic train depot site
- Redevelopment of post office and flower shop
- Joint parking structure to serve WCTC, YMCA, Post Office
- Redevelopment of northwest corner of Hartwell and Broadway
- Redevelopment of video store site
- Townhouse development on Barney
- Redevelopment of commercial site between the railroad and Pleasant St.
- Northwest corner of Barney St. and McCall St. converted to 2 single family lots.

It was anticipated these projects when completed would have added and estimated 20 million dollars in new taxable value to the district. Unfortunately the timing of the projects within this district coincided with the Great Recession and the anticipated projects have not occurred.

In addition to these projects we had some properties within the district became tax exempt as they were acquired by non-profit entities. This includes East Terrace, a large 9-story senior apartment

building. This property had a taxable value of \$3,957,900.00 when the TID was created. It was purchased by the Wisconsin Housing Preservation Corporation (WHPC) and is now tax-exempt.

Due to these setbacks the base value of the district has declined from a 2007 base value of \$51,142,800 to its current 2014 value of \$36,939,600.

This project plan is being done solely to redetermine the base value of the district. Earlier in 2014 the State of Wisconsin passed legislation that allows for a base value adjustment for a TID in a decrement situation as defined under state law (sec. 66.1105(2)(aj). In order to qualify for a base value redetermination the following criteria must be met:

- TID's Equalized Value (see Tax Incremental Value Reports) must be at least 10 percent below the current base value of the TID for two consecutive years (decrement)
- Municipality's resolution date stating a decrement exists determines the two consecutive years (ex: May 21, 2014 resolution date requires both the 2012 and 2013 TIDs to be 10 percent below the TID's current base value)
- TID must be created under state law (sec. 66.1105, Wis. Stats.)
- One base value redetermination is allowed during the life of a TID
- Decrement determination does not impact the four allowed amendments in the TID's life
- Distressed or severely distressed TIDs qualify.

City of Waukesha Tax Incremental District Number 16 qualifies for a base value redetermination. The District's equalized value for the years 2012 and 2013 was 21.7 percent and 27.6 percent lower than the established base, far exceeding the 10 percent decline from the base value in two consecutive years required by State Statutes. The current equalized value for 2014 is still 27.8 percent lower than the base value. Table 1 below shows the loss in base value for TID No. 16 for the last seven (7) years.

TABL	E 1: TID Number 1	6 Base Value 2008-2	2014
	TID #16 Total	Loss in Value	Percent Decline from
	Value	from Base Year	Base Year
2007 Base Value	\$ 51,142,800		
2011 Revised Base Value*	\$ 49,974,700		
2008	\$ 47,289,700	\$ 3,853,100	7.5%
2009	\$ 46,208,300	\$ 4,934,500	9.6%
2010	\$ 41,741,200	\$ 9,401,600	18.4%
2011	\$ 37,578,900	\$ 13,563,900	26.5%
2012	\$ 40,043,600	\$ 11,099,200	21.7%
2013	\$ 37,047,000	\$ 14,095,800	27.6%
2014	\$ 36,939,600	\$ 14,203,200	27.8%

^{*} Reflects Dept. of Revenue adjustment of (\$1,168,100) for current method of valuation that applies municipality level of assessment versus the prior method that applied the level by class of property.

Under the new state law the municipality must include one of three options (3, 4, or 5) defined in Sec 66.1105(5)(i) of the State Statutes when redetermining a TID's base value. These options are:

- Option 3: The project plan specifies that, with regard to the total value of public infrastructure improvements in the district that occur after approval by the joint review board under par. (h) 2., at least 51 percent of the value of such improvements must be financed by a private developer, or other private entity, in return for the city's agreement to repay the developer or other entity for those costs solely through the payment of cash grants as described in sub. (2)(f) 2. d. To receive the cash grants, the developer or other private entity must enter into a development agreement with the city as described in sub. (2) (f) 2. d.
- Option 4: The project plan specifies that the city expects all project costs to be paid within 90 percent of the tax incremental district's remaining life, based on the district's termination date as calculated under sub. (7)(ak)to(au).
- Option 5: The project plan specifies that expenditures may be made only within the first half of the tax incremental district's remaining life, based on the district's termination date as calculated under sub. (7) (ak) to (au), except that expenditures may be made after this period if the expenditures are approved by a unanimous vote of the joint review board. No expenditure under this subdivision may be made later than the time during which an expenditure may be made under sub. (6)(am).

The City of Waukesha is selecting Option 4. All of the project costs for TID No. 16 will be paid within 90 percent of the district's remaining life based on the district's termination date as calculated under sub. (7)(ak)to(au) of State Statutes Section 66.1105.

2. Financial Analysis.

The following materials are required by state statute for the financial analysis that must be performed by the Common Council before approving the redetermination of the District's base value. They are presented in the order listed in the statute.

- a. List of Public Works. There are no planned public works within the District.
- b. Economic Feasibility Study. The City had its financial advisor, R.W. Baird, run a Cash Flow Proforma analysis for TID No. 16 and with the redetermined base value set at the 2014 level of \$36,939,600 it is projected the TID expenditures would be recovered in 2027 using a 1% rate of inflation. All of the project costs for TID No. 16 will be paid within 90 percent of the district's remaining life based on the district's termination date as calculated under sub. (7)(ak)to(au) of State Statutes Section 66.1105.

The Cash Flow Proforma Analysis is on the next page.

Tax Increment District No. 16 Cash Flow Proforma Analysis City of Waukesha



3.00%	Investment rate
0.00%	Annual Adjustment to tax rate
\$22.76	2013 Gross Tax Rate (per \$1000 Equalized Value)\$22.71
1.00%	Annual Inflation Guing Life of LD

Col.	### Combined Annual Cumulative Principal Interest Debt Service Balance			_	***************************************	***************************************		
(b) Value (d) (e) (f) (f) (g) (h) (h) (h) (h) (h) (h) (h) (h) (h) (h	### Combined Annual Cumulative Balance Balance Balance Cost Recovery ### Cost Recovery #### Cost Recovery #### Cost Recovery #### Cost Recovery ###################################	П		I.T		\$8,584,		
(b) (c) (d)	### Principal Interest Debt.Service Combined Annual Cumulative							
(b) Value (c) (d) (e) (f) (g) (h) (h) (h) (h) (h) (h) (h) (h) (h) (h	### Combined Combined Computative End Cost Recovery Cost Rec	\$211,982		٠,	~		\$45,073,332	2034
Change C	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery \$ 29,520 \$ \$5,520 \$ \$5,520 \$ \$1,023 \$ \$25,533 \$ \$3,520 \$ \$3,52	\$196,362	_	.~			\$44,627,061	2033
Column C	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery (Oexamber 31) (Oexa	\$181,292		•	,	عد	\$44,185,209	2032
C C C C C C C C	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery (Pearmber 31) \$1,520 \$9,520 \$9,520 \$9,520 \$9,233 \$9,520 \$9,233 \$9,520 \$9,520 \$9,238 \$9,520 \$9,520 \$9,238 \$9,520 \$9,520 \$9,238 \$9,520 \$9,520 \$9,238 \$9,520	\$166,752		-		-	\$43,/4/,/32	1507
(b) (c) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Combined Combined Combined Continual Continu	\$152,728					543,314,586	2030
(b) (c) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery (Pearmber 31) (Pear	\$139,203		_			444,000,74V	1000
D	## Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt.Service Principal Interest Debt.Service Principal Interest Debt.Service Debt.Servic	\$1.20,102		_			\$42,401,110	2000
Diagram Diag	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery (Oexamber 31) (Sp. 520 \$5,5	# F F C C C C C C C C C C C C C C C C C					440 464 410	200
(b) (c) (d) (e) (f) (g) (h)	## Combined Annual Cumulative Balance Balance Balance Cost Recovery ### Principal Interest Debt Service Balance Cost Recovery ### S9,520						\$42,040,711	2027
(b) (c) (d) (e) (f) (f) (g) (h) (i) (j) (j) (k) (i) (m) (k) (i) (m) (j) (j) (j) (j) (j) (j) (j) (j) (j) (j	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery (Oexamber 31) \$0 \$9,620 \$9,620 \$9,620 \$1,023 \$2,5290 \$9,238 \$41,232 \$9,620 \$					_	\$41,624,466	2026
(b) (c) (d) (e) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Combined Annual Cumulative Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery \$55.520 \$55.520 \$(\$5.520) \$(\$15.623) \$(\$25.523) \$(\$2					_	\$41,212,342	2025
(b) (c) (d) (e) (f) (g) (h) (f) (g) (h) (f) (g) (h) (f) (g) (h) (g) (g) (h) (g) (g) (g) (g) (g) (g) (g) (g) (g) (g	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Balance Cost Recovery (Oexamber 31) \$1,520 \$5,520 \$5,520 \$25,533 \$1,520 \$5,520 \$1,023 \$25,520 \$1,520 \$5,520 \$1,023 \$25,520 \$1,520 \$5,520 \$1,023 \$1,282 \$1,521 \$1,523 \$1,282 \$2,522 \$1,523 \$1,282 \$3,500 \$1,520 \$5,520 \$1,7,334 \$1,282 \$4,500 \$1,520 \$5,520 \$1,7,334 \$1,282 \$4,500 \$1,520 \$1,520 \$1,7,34 \$4,500 \$1,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,34 \$5,520 \$1,520 \$1,7,534 \$5,520					_	\$40,804,299	2024
(b) (c) (d) (e) (f) (g) (h) (g) (g) (g) (g) (g) (g) (g) (g) (g) (g	Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Cost Recovery (Oexember 31) \$ 50	_		_			\$40,400,296	2023
(b) value (d) (e) (f) (g) (h) (g) (h) (g) (h) (g) (h) (g) (g) (g) (g) (g) (g) (g) (g) (g) (g	## Combined Annual Cumulative Balance Balance Balance Cost Recovery Principal Interest Debt Service Balance Balance Cost Recovery			_		_	\$40,000,294	2022
(b) (c) (d) (e) (f) (g) (h) (l) (l) (l) (k) (l) (m) (n) (o) (p) (p) (p) (l) (l) (l) (l) (m) (n) (o) (p) (p) (p) (p) (p) (p) (p) (p) (p) (p	Principal Interest Debt Service Annual Cumulative Balance Balance Balance Gost Recovery (Oexamber 31) 50 \$9,620			-			\$39,604,251	1707
(b) (c) (d) (e) (f) (g) (h) (l) (l) (l) (k) (l) (m) (n) (o) (p) (p) (p) (p) (p) (p) (p) (p) (p) (p	Principal Interest Debt Service Annual Cumulative Principal Interest Debt Service Balance Balance Cost Recovery (Overmber 31) \$0 \$9,620 \$9,620 \$1,023 (\$25,523) \$1,023 \$9,620 \$9,620 \$1,023 \$			•			339,414,130	0707
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (ii) (m) (n) (o) (p) (p) Transition Tile Increment Tax Tax Investment Total Combined Combined Combined Construction Tile Increment Tax Tax Investment Total Combined Combi	Principal Interest Debt Service Annual Cumulative Balance Balance Cost Recovery (Oexamber 31) 50 \$9,520 \$			•			430,040,004	200
(b) (c) (d) (e) (f) (g) (h) (l) (l) (k) (l) (m) (n) (o) (p) (p) Teament Tax Value Inflation Construction TIF Increment Tax Value Increment	Principal Interest Debt Service Annual Cumulative Balance Balance Cost Recovery Principal Interest Debt Service Balance Balance Cost Recovery (Determber 31) \$5,520 \$5,520 \$1,520 (\$15,893) \$5,520 \$5,520 \$1,023 \$25,520) \$5,520 \$5,520 \$1,023 \$25,520) \$5,520 \$5,520 \$1,023 \$25,520) \$5,520 \$5,520 \$1,023 \$25,520)	-					106 508 854	2010
(b) (c) (d) (e) (f) (g) (h) (l) (l) (k) (l) (m) (n) (o) (o) (p) (p) (p) (p) (p) (p) (p) (p) (p) (p	Principal Interest Debt Service Balance Balance Cost Recovery Principal Interest Debt Service Balance Balance Cost Recovery (Oexamber 31) (Oexamber 31) (\$15,893) \$1,023 \$9,620 (\$26,513) \$1,023 \$9,620 \$1,023 (\$25,523) \$2,00 \$2,020 \$3,620 \$1,023 (\$25,520) \$3,620 \$3,620 \$3,620 \$1,023 (\$25,520)						438 430 405	2018
(b) (c) (d) (e) (f) (g) (h) (i) (i) (k) (ii) (m) (n) (o) (p) TIF District of Exempt Inflation Construction TIF Increment Tax (Valuation Computers Increment Increment Tax (Valuation Computers Increment Increment Tax (Valuation Computers Increment Increment Over Base Rate (Valuation Computers Increment Increment Increment Tax Investment Total Computers Increment Increment Increment Increment Total Computers Revenues Principal Interest Debt Service Balance Cost Recovery (Overniber 31) SSS.142.000 \$172.000 \$18.93 \$18.93 \$18.93 \$18.93 \$18.93 \$18.93 \$19.200 \$18.93 \$18.93 \$18.93 \$18.93 \$19.200 \$1.97.000 \$1.97.	Combined Cost Recovery		-				\$38.058.907	2017
(b) (c) (d) (e) (f) (g) (h) (i) (i) (k) (ii) (m) (n) (n) (n) (p) (p) (p) (p) (p) (p) (p) (p) (p) (p	Combined Annual Cumulative Principal Interest Debt Service Balance Balance Cost Recovery (Occamber 31) 50 39,620 39,620 (\$16,893) (\$26,613)			-			\$37,682,086	2016
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (ii) (m) (n) (n) (n) (p) IIF District of Evernit Inflation Construction TIF Increment Tax Value (Valuation Computers Infrarement Increment Over Base Rate (Valuation Computers Increment	Combined Annual Cumulative Principal Interest Debt Service Balance Balance Cost Recovery (Oexember 31)	50 1	0\$		•			2015
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) TIF District of Exempt Inflation Construction TIF Increment Tax Valuation Computers Increment Increment City (1) (2) SET Value Computers 11 (2) (2) (2) (2) (2) (2) (2) (2) (2) (2)	Combined Annual Cumulative Principal Interest Debt. Service Balance Balance Cost Recovery (Oxember 31)					į	٦	2014
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (ii) (m) (n) (o) (p) TIF District of Evernit Inflation Construction TIF Increment Tax Value Valuation, Computers Increment Increment Over Base Rate Proceeds Revenues S51.142.300 S51.14	Combined Annual Cumulative Principal Interest Debt Service Balance Balance Cost Recovery (Oexamber 31)							2013
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (ii) (m) (n) (n) (n) (p) (p) (p) (p) (p) (p) (p) (p) (p) (p	Principal Interest Debt Service Balance Balance Cost Recovery (Oxeamber 31)	-		_	(\$12,76	\$162,200	\$40,043,500	2012
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (ii) (m) (n) (o) (p) TIF District of Exempt Inflation Construction TIF Increment Tax Valuation, Computers Increment Increment Over Base Rate (January 1) (Permiter 31) (Permiter 31) (2) (2) (2) (2) (2) (2) (2) (2) (3) (2) (2) (3) (3) (4) (2) (3) (4) (2) (4) (2) (4) (4) (4) (6) (6) (6) (6) (6) (6) (6) (6) (6) (6	Principal Interest Debt Service Balance Balance Cost Recovery Oceanbor 31)			_	(\$9,77	\$157,070	\$37,578,900	2011
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (n) (n) (n) (p) (n) (n) (n) (n) (n) (n) (n) (n) (n) (n	Combined Annual Cumulative Principal Interest Debt Service Balance Balance Cost Recovery (Occumber 31)			_	(\$12,17	\$218,900		2010
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (ii) (m) (n) (o) (p) IIF District of Exempt Inflation Construction TIF Increment Tax (Valualities Increment Increment Over Base Rate (January 1) (J) (Z) SELI-142-800 (SEA-762-200) (SECHVABURE (SEG)-9600 (SECHVABURE (SEG)-9600 (SECHVABURE (SEG)-9600 (SECHVABURE (SEG)-9600 (SEG-17-200) (SE	Principal Interest Debt Service Balance Balance Cost Recovery (Occumulative Cost Recovery				(\$9,20	\$197,800		2009
(b) (c) (d) (e) (f) (g) (h) (i) (i) (k) (r) (m) (n) (o) (o) (o) (f) (f) (f) (f) (f) (f) (f) (f) (f) (f	Year End Combined Annual Cumulative Principal Interest Debt Service Balance Balance (Overnb or 31)			_	(\$4.76	\$172,300		2008
(b) (c) (d) (e) (f) (g) (h) (i) (i) (k) (ii) (m) (n) (o) (o) (o) (o) (o) (o) (o) (o) (o) (o	Principal Interest Debt Service Balance Balance (Occumber 31)						000,000,000	1444
(c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) Value of Evernot Inflation Construction TIF Increment Tax Computers Increment Increment Over Base Rate (Pscomber 31) (d) (e) (f) (g) (h) (i) (k) (l) (m) (n) (o) (o) (o) (o) (o) (o) (o) (o) (o) (o	Principal Interest Debt Service Balance Balance (Oecember 31)						sed value) (2)
(c) (d) (e) (f) (g) (h) (i) (i) (k) (i) (m) (n) (o) Value of Exempt Computers Increment Computers Increment Increm	Principal Interest Debt Service Balance Balance (Overniber 3.1)						\$49,974,700	2007
(b) (c) (d) (e) (f) (g) (h) (i) (i) (k) complete to Example Infration Construction TIF Increment Tax Investment Total Valuation Computers Increment Increment Over Base Rate (January 1) (December 31) (4) (2) (4) (6) (7) (9) (h) (i) (k) (ii) (k) (k) (m) (m) (n) (o) (ii) (ii) (k) (iii) (k) (iii) (m) (n) (o) (iii)	Principal Interest Debt Service Balance Balance (Overaber 31)						sed Value	Rev
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) Interest Debt Service Balance (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) Interest Debt Service Balance (c) (d) (e) (f) (g) (h) (i) (j) (k) Interest Debt Service Balance (d) (e) (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) Interest Debt Service (f) (g) (h) (i) (j) (k) (i) (i) (i) (i) (i) (i) (i) (i) (i) (i	Principal Interest Debt Service Balance Balance (Oecember 31)						551,142,800	
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (n) (n) (n) (n) (n) (n) (n) (n) (n	Year End Combined Annual Cumulative Principal Interest Debt Service Balance Balance (Occurror 3.)							89
(b) (c) (d) (e) (f) (g) (h) (i) (i) (k) (ii) (m) (n) (o) (o) (o) (o) (o) (o) (o) (o) (o) (o	Combined Annual Cumulative Principal Interest Debt Service Balance Balance	_ <u> </u> 						
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (ii) (m) (n) (o) (o) (o) Value Value (iii) (Combined Annual Cumulative				Increment			Date
(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o)	Year Fox	Total			Construction			۷ ف
	(n) (n) (a)						(5)	9
		1000000		See New York	STREET STREET STREET		(h)	

²⁰⁰⁷ TID Inception
2029 Final Year to Incur TIF Related Costs
2024 Maximum Legal Life of TID (27 Years)

the prior method that applied the level by dass of property.
(2) 2014 tax rate reflects an \$0.89 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts and lower levy amou

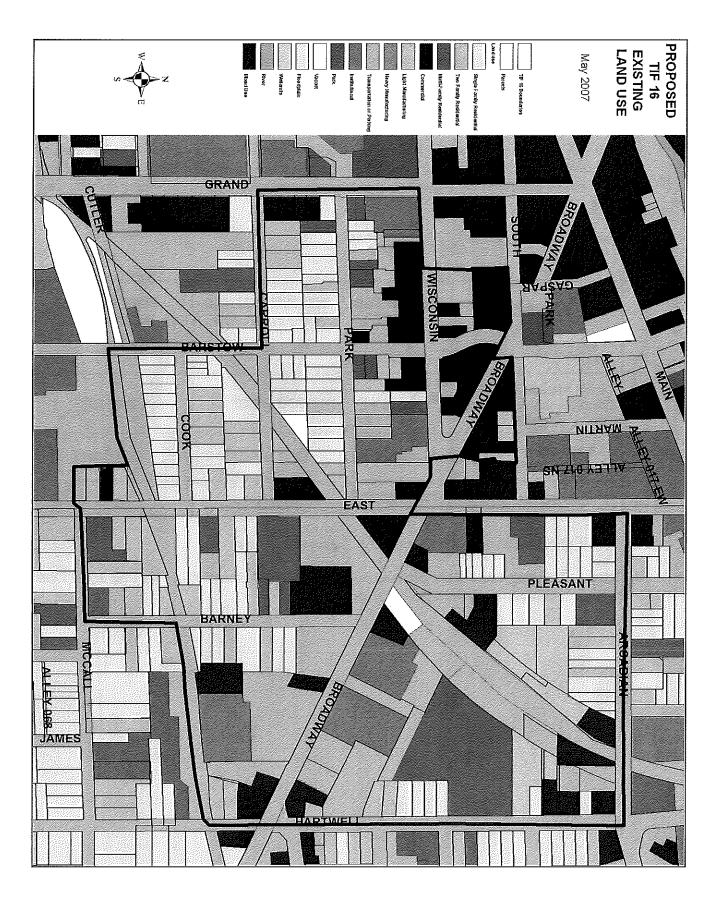
Robert W. So Ind & Co. Incorporation is proveing this information to you for discussion purposes. The materials do not contemplate or relate to a future issuance of municipal securities. Saind is referenameneding that you take any action, and this information is not interreded to be regarded as "any sec" within the meaning of Section 150 of the Securities Exchange Act of 1504 or the rules thereunder.

c. Estimated Project Costs, Methods of Financing, and Time of Cost Incurrence. The City could acquire parcels for City and/or private use. In addition, the City could provide funds for site clearance, conducting a phase one and/or two environmental assessments, grading the land and then reselling the land to a developer at less than the cost of acquisition and clearance. Also, the City could fund special projects on private property such as loans for exterior façade improvements to existing commercial buildings and public infrastructure improvements if deemed a benefit to the district. The City may also provide low or no interest loans to home owners adding substantial value to the district through property improvements. Land acquisition, write downs, loans and special projects will all aid in providing for the sound growth of the community and foster redevelopment and increased property values. Any incentives for development outside of Redevelopment District No. 6 would be available only to projects that are consistent with the current zoning on the property.

Also see the following table:

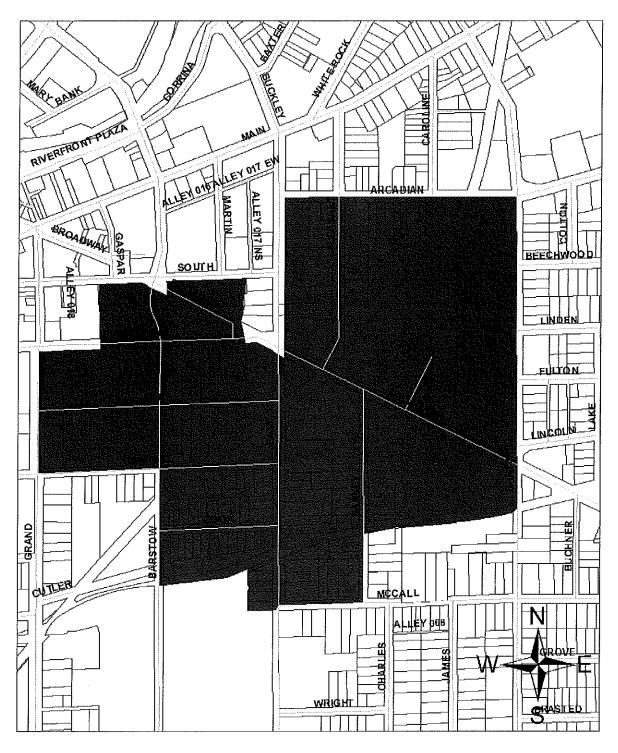
	PROJECT	ESTIMATED COST	INTERIM METHOD OF FINANCING	TIME OF COST INCURRENCE
		TIF		
1	Land Acquisition, Write Downs, Loans and Special Projects	\$5,000,000.00	GOB or GCF ¹	2007-2027
2	Capitalization, interest, issuance	\$4,000,000.00	GOB or GCF ¹	2007-2027
	TOTAL	\$9,000,000.00		

- 1. GOB = general obligation bond; GCF = general city fund
- d. Map of Existing Land Use. See map on next page. More than 50% of the land in the District is blighted, as that term is defined in state statutes.

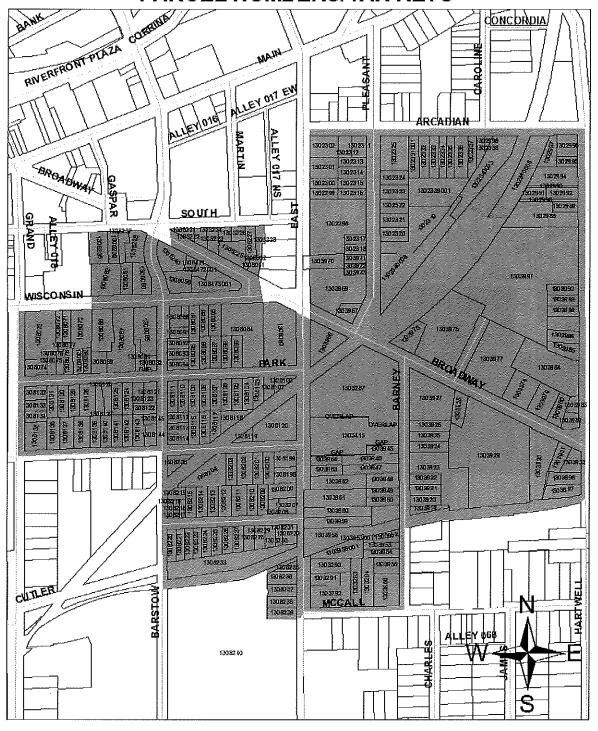


e. Maps of District Boundaries, Parcels and Key Numbers.

CITY OF WAUKESHA TAX INCREMENTAL DISTRICT NO. 16 BOUNDARIES



CITY OF WAUKESHA TAX INCREMENTAL DISTRICT NO. 16 PARCEL NUMBERS/TAX KEYS



- f. Locations of Projects within District. Projects will occur throughout the District.
- g. Changes to Zoning Ordinances, Master Plan, Building Codes or Other Ordinances. Certain properties may need to be rezoned to accommodate land use changes recommended in the Redevelopment District 6 Project Plan.

No changes to any City ordinances are planned.

- h. Method of Relocating Displaced Persons. No displacements are expected.
- i. Non-Project Costs. None.
- j. Project Costs, Amount to Be Paid from Increment, Amount of Increment Generated over Life of District. See the Cash Flow Proforma Analysis on page 4.



City of Waukesha Tax Incremental District 16 Project Plan Amendment

Redetermination of Base Value

This Amendment to City of Waukesha Tax Incremental District Number 16 Project Plan, referred to herein as the Amendment, is done pursuant to Wis. Stats. §§66.1105(5)(i) and 66.1105(4)(h)(1), in order to obtain a redetermination by the Department of Revenue of the tax incremental base of Tax Incremental District Number 16, referred to herein as the District, because the District is in a decrement situation, as defined in Wis. Stats. §66.1105(2)(aj).

The original Project Plan for the District, which was approved by the Plan Commission on June 13, 2007, and approved by the Common Council June 17, 2007, remains unamended and in effect except as specifically amended by this Amendment.

Background

The District was created to promote the redevelopment of the central city, provide greater employment opportunities, increase central city housing opportunities, and to broaden the property tax base. Areas within the District are blighted, and one of the goals of the District is rehabilitation and infill. The downtown area contains the oldest housing stock in the City, and the original Project Plan established a tax-increment financing loan program to aid residents with repairs to their homes. Additionally, the Project Plan envisioned using tax-increment financing as an incentive for redevelopment of certain specific areas:

- South Street townhouses
- Commercial redevelopment of existing buildings on the southwest corner of South Street and Barstow Street
- Redevelopment of the historic railroad depot site
- Redevelopment of the Post Office and flower shop site
- A parking structure to serve WCTC, YMCA, and the Post Office, jointly
- Redevelopment of the northwest corner of Hartwell Avenue and Broadway
- Redevelopment of the video store site
- Townhouse development on Barney Street
- Redevelopment of the commercial site between the railroad tracks and Pleasant Street
- Conversion of the northwest corner of Barney Street and McCall Street to two single-family lots

It was anticipated these projects, when completed, would have added an estimated 20 million dollars in new, taxable value to the district. Unfortunately, the timing of the projects coincided with the recession which began in 2007, and the anticipated development has not occurred.

In addition to these projects, some properties within the District were lost from the tax base as a result of their acquisition by tax-exempt entities, including East Terrace, a large, 9-story senior apartment building, which had a taxable value of \$3,957,900.00 when the District was created.

Due to these factors, the base value of the District has declined from \$51,142,800 in 2007 to a present value of \$36,939,600.

Wisconsin Statutes §66.1105(5)(h) allows the City to adopt a resolution requiring the Department of Revenue to redetermine the tax base of a tax-incremental district that has been in a decremental state for at least two consecutive years, once during the life of the district. The District presently meets that requirement.

Before the City may adopt the resolution requiring redetermination of the base value, the Common Council must complete a financial analysis, and must amend the Project Plan to provide that at least one of the conditions specified in Wis. Stats. §66.1105(5)(i)(3), (4) or (5) will be met. Subsection (4) will be satisfied after the re-determination.

Now, therefore, the following Financial Analysis is approved and adopted, and the Project Plan for the District is amended as follows:

1. Financial Analysis.

a. Base Value Loss Analysis. The table below shows the base values for the District for the last seven years. As of the date of this Amendment, the base value has declined \$14,203,200, a loss of 27.8% from the date of the District's inception.

TA	BLE 1: TID Number 16	Base Value 2008-2014	
		Loss in Value from	Percent Decline from
	TID#16 Total Value	Base Year	Base Year
2007 Base Value	\$ 51,142,800		
2011 Revised Base Value*	\$ 49,974,700		
2008	\$ 47,289,700	\$ 3,853,100	7.5
2009	\$ 46,208,300	\$ 4,934,500	9.6
2010	\$ 41,741,200	\$ 9,401,600	18.4
2011	\$ 37,578,900	\$ 13,563,900	26.5
2012	\$ 40,043,600	\$ 11,099,200	21.7
2013	\$ 37,047,000	\$ 14,095,800	27.6
2014	\$ 36,939,600	\$ 14,203,200	27.8

^{*} Reflects Department of Revenue adjustment of (\$1,168,100) for current method of valuation that applies municipality level of assessment versus the prior method that applied the level by class of property.

- b. Cash Flow Analysis. The City's financial advisor, Robert W. Baird & Co., performed a pro-forma cash flow analysis for the District, using the 2014 value of \$36,939,600 as its base value, and assuming annual inflation of 1%. This cash-flow analysis shows that the District's project costs will be recovered by 2027, and therefore it is projected that all of the District's project costs will be paid within 90% of the District's remaining life, based on the District's termination date as calculated under Wis. Stats. §66.1105(7)(ak) to (au). The Baird cash-flow analysis is attached as Exhibit 1.
- **c.** Conclusion. During 2012, 2013, and 2014, the District's value was 21.7%, 27.6%, and 27.8% percent below the District's original base value, respectively.

Therefore, the District is in a decrement situation as defined in Wis. Stats. §66.1105(2)(aj), and has been so for at least two consecutive years. Because the District's project costs are expected to be paid within 90% of the District's life after redetermination of base value, the requirement of Wis. Stats. §66.1105(5)(i)(4) is satisfied.

2. Amendment of Project Plan. The Project Plan is hereby amended to include the following provision:

All of the project costs for City of Waukesha Tax Incremental District 16 shall be paid within 90 percent of the District's remaining life based on the District's termination date as calculated under Wis. Stats. §66.1105(7)(ak) to (au), and using the date of the Joint Review Board's approval of the City's resolution directing redetermination of base value as the starting point for determining such remaining life.

Approved by:	
City of Waukesha Plan Commission	
Shawn N. Reilly, Mayor and Commission Chair Date:	
City of Waukesha	Attest:
Shawn N. Reilly, Mayor Date:	Gina L. Kozlik, City Clerk
Joint Review Board	
, Chair	
Date: I have reviewed the foregoing Amendment, and it and complies with the requirements of Wis. Stats.	
Brian E. Running, City Attorney Date:	
Date of publication of Class 2 notice of public hear Date of public hearing before Plan Commission:	ring before Plan Commission:

Robert W. Baird & Co. Incorporated is providing this information to you far discussion 158 of the Securities Exchange Act of 1934 or the rules thereunder.

1% Inflation

Tax Increment District No. 16 City of Waukesha

Cash Flow Proforma Analysis

e are actual	Data above dashed line are actual
3.00%	Investment rate 3.00%
%000.0	Annual Adjustment to tax rate
\$22.76	2013 Gross Tax Rate (per \$1000 Equalized Value)
LUU%	Annual Inlation Dunng Die of 110 120%

еvу ато	 2011 increment includes DOR adjustment (\$1,165,100) for current method of valuation that applies municipality level of assessment versus the prior method that applied the level by class of property. 2014 tax rate reflects an \$0.89 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts and lower levy among 	rnical college d	plies municipality state aid to tech	י valuation that ap. his will increase א	rrent method of rsin Act 145. Th	 2011 increment includes DOR adjustment (\$1.168,100) for current method of valuation that applies municipality level of assessment versus the prior method that applied the level by class of property. 2014 tax rate reflects an \$0.39 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts ans. 	1011 increment includes DDR adjustment (\$1,168,100) for the prior method that applied the level by dass of property the prior method that applied the level by dass of property 1014 tax rate reflects an \$0.89 adjustment due to Wisc	ent includes DC ethod that appli- te reflects an :	(1) 2011 Incren the prior m (2) 2014 tax ra				osts	TIF Related C	Type of TID: (Blight) 2007 TID Inception 2009 Final Year to Incur TIF Related Costs	Type of TI 2007 T 2029 F
				\$323,385	\$93,385	\$230,000	\$1,892,723	\$202,950 \$1,892,723	\$1,689,773			\$0	\$8,584,465			
2034	Expenditures Recovered	\$1,552,445	\$211,982	* 4			\$211,982	\$40,214	\$171,768	\$22.02	\$8,698,465		\$450,733	\$114,000	\$45,073,332	2034
2032			\$181,292	366			\$181,292	\$28,884	\$152,407		\$7,801,461		\$441,852	\$114,000	\$44,185,209	2032
2030			\$152,728 \$166,752	88			\$152,728 \$156,753	\$19,300	\$133,428 \$147,871	\$2.53 8.83	\$6,922,132		\$433,146 \$437,477	\$114,000	\$43,314,586	2030
2029	Expenditures Recovered Expenditures Recovered		\$139,203	***			\$139,203	\$15,124	\$124,079	\$22.02	\$6,488,986		\$428,857	\$114,000	\$42,885,729	2029
2027			\$113,590	8			\$113,590	\$7,931	\$105,659	\$22.02	\$5,635,518		\$420,407	\$114,000	\$42,040,711	2027
2026	Expenditures Recovered	\$254,374	\$60,850	\$41,840	\$1,840	\$40,000	\$102,690	\$6,106	582,362	\$22.02	\$5,215,111		¥16,245	\$114,000	\$41,624,466	2026
2024			\$36,924	\$45,320	\$5,320	\$40,000	\$82,244	\$3,539	\$78,705	\$22.02	\$4,386,742		\$408,043	\$114,000	\$40,804,299	2024
2023		\$117,953	\$25,706	\$46,960	\$6,98	\$40,000	\$72,666	\$2,767	\$69,898	\$22.02	\$3,978,699		\$404,003	\$114,000	\$40,400,296	2023
2021		\$72,226 \$97,747	\$9,798	\$44,620	\$9,620	\$35,000	454,418 747 747	\$1,873	\$52,545	\$22.03	\$3,174,694		\$395,043	\$114,000	\$39,604,251	2021
2020		\$62,428	\$35,194	\$9,620	\$9,620	*	\$44,814	\$817	\$43,997	\$22.02	\$2,778,651		\$392,121	\$114,000	\$39,212,130	2020
2019		\$27,234	\$25,952	\$9,620	\$9,620	*	\$35,572	\$38	\$35,534	\$22.02	\$2,386,530		\$388,239	\$114,000	\$38,823,891	2019
2018		\$1.282	*17.534	\$9,620	\$9,620	s &	\$37,154	8 8	\$27,154	22.52	\$1,998,791		\$384.395	\$114,000	\$38,439,496	2018
2016		(\$25,490)	\$1,023	\$9,620	\$9,620	8	\$10,643	**	\$10,643	1 1 1 1 1 1 1 1	\$1,233,307		\$376,821	\$114,000	\$37,682,086	2016
2015	•	(\$26,513)	(\$9,620)	\$9,620	\$9,620	\$5	\$0	\$	*		\$856,486		\$373,090	\$114,000	\$37,308,996	2015
2014		(\$16,893)									\$483,396		\$369,396	\$114,000	\$36,939,600 1	2014
213											(\$12,921,100)			\$114,000	\$37,047,000	2013
2011										\$21.67	(\$9,774,030)			\$157,070	\$37,578,900	2011
2010										\$21.51	•			\$218,900	\$41,741,200	2010
2009										\$20.62	(\$9,203,800)			\$197,800	\$46,208,300	2009
														200	200 000	200
															\$36,939,600	2014
															2007 \$49,974,700 Revised Value	2007
															Revised Value	3
															Base Value	2007 3007
		(December 31)								(2)	(1)			(December 31)	(1 Venner)	***************************************
	Cost Recovery	Cumulative Balance	Annual Balance	Combined Debt Service	Interest	Principal	Total Revenues	Investment Proceeds	Tax Revenue	Rate	TIF Increment Over Base		Inflation Increment	of Exempt Computers	TIF District Valuation	Val. Date
	9	Year End	3	(H	Ξ	3	9	3	(F)	(9)	3	()	(a)	Value	(e)	(a)
	'n	Section of the second		333	cxbenginacka			Keveriues				GIG	- The Control of the			
		Setting Control	THE PERSON NAMED IN COLUMN TO SERVICE OF THE PERSON NAMED IN COLUMN TO SERVICE	AGAINT SOUTH AND THE PARTY OF T	THE RESERVE OF THE PARTY OF THE	STATE OF THE PROPERTY OF THE PARTY OF THE PA				CONTRACTOR SERVING		STATE OF THE PARTY	THE ASSESSMENT OF THE PARTY OF	of market . Voter Stores		

^{(1) 2011} Increment Includes DOR adjustment (\$1.168,100) for current method of valuation that applies municipality level of assessment varsus
the prior method that applied the level by class of property.
(2) 2014 tax rate reflects an \$0.89 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts and lower levy amou

Common Council of the City of Waukesha, Wisconsin

Resolution No.

	•

A Resolution Approving and Adopting the Amendment of the Project Plan, and Directing the Redetermination of Base Value, for Tax Incremental District 16

Whereas Wis. Stats. §66.1105(5)(h) allows, by a resolution of the Common Council, the redetermination of the base value of a tax incremental district that has been in a decrement situation for at least two consecutive years; and

Whereas the Plan Commission having performed a financial analysis of Tax Incremental District 16 and having determined that the District has been in a decrement situation, as defined in Wis. Stats. §66.1105(2)(aj), for at least two consecutive years, and that a redetermination of the base value of the District is necessary; and

Whereas a prerequisite for a resolution by the Common Council to redetermine the base value of a district is that the Project Plan for the District must be amended to conform with certain requirements stated in Wis. Stats. §66.1105(5)(i); and

Whereas the Plan Commission having approved and adopted an Amendment to the Project Plan for Tax Incremental District 16 which amended the Project Plan to require that all of the project costs for the District shall be paid within 90 percent of the District's remaining life, in compliance with the requirements of Wis. Stats. §66.1105(5)(i)(4); and

Whereas the Common Council having performed a financial analysis in compliance with Wis. Stats. §66.1105(5)(i)(1), and being satisfied that the results of the analysis justify the Amendment to the Project Plan and the redetermination of the District's base value; and

Whereas the Common Council having reviewed the proposed Amendment and the Plan Commission's resolution and recommendation, and being satisfied that all prerequisites for redetermination of the District's base value have been met;

Now, therefore, be it resolved by the Common Council of the City of Waukesha that:

- 1. The Tax Incremental District 16 Project Plan Amendment is approved and adopted in its entirety.
- 2. The Tax Incremental District 16 Project Plan Amendment shall be directed to the Joint Review Board for its approval, accompanied by this Resolution, the resolution of the Plan Commission, and all materials presented by the Department of Community Development.

3.	After approval of the Amendment by the directed to request the Wisconsin Department redetermination of the base value of Tax I Stats. §66.1105(5)(h).	nent of Revenue to perform a
Date	d the day of December, 2014.	
		Attest:
The	Honorable Shawn N. Reilly, Mayor	Gina L. Kozlik, City Clerk

Plan Commission of the City of Waukesha, Wisconsin June 11, 2014

Resolution No.	
_	

A Resolution Approving and Adopting the Amendment of the Project Plan for Tax Incremental District 16

Whereas the Plan Commission having previously approved and adopted the original Project Plan for Tax Incremental District 16 on June 13, 2007, and the City subsequently having approved and adopted the Project Plan on July 17, 2007; and

Whereas Wis. Stats. §66.1105(5)(h) allows, by a resolution of the Common Council, the redetermination of the base value of a tax incremental district that has been in a decrement situation for at least two consecutive years; and

Whereas the Plan Commission having reviewed a financial analysis of the District and having determined that the District has been in a decrement situation, as defined in Wis. Stats. §66.1105(2)(aj), for at least two consecutive years, and that a redetermination of the base value of the District is necessary; and

Whereas a prerequisite for a resolution by the Common Council to redetermine the base value of a district is that the Project Plan for the District must be amended to conform with certain requirements stated in Wis. Stats. §66.1105(5)(i); and

Whereas the amendment of the Project Plan having required a public hearing, and such public hearing having taken place after the publication of a Class 2 Legal Notice on November 12, 2014; and

Whereas the Plan Commission having heard and considered public comment on the matter, having heard and considered the presentation of the Department of Community Development, and having read and considered the proposed amendment to the Project Plan for Tax Incremental District 16, and being fully advised on the matter;

Now, therefore, be it resolved by the Plan Commission, pursuant to the authority of Wis. Stats. §66.1105(4)(h)(1), that:

- 1. The Tax Incremental District 16 Project Plan Amendment, as presented by the Department of Community Development, is feasible and in conformity with the City's Comprehensive Plan.
- 2. The Tax Incremental District 16 Project Plan Amendment, as presented by the Department of Community Development, is approved and adopted in its entirety.

3.	This Resolution shall be submitted to the Common Council with the
	recommendation of the Plan Commission that the Common Council adopt a
	resolution to approve and adopt the Tax Incremental District 16 Project Plan
	Amendment as presented by the Department of Community Development, and
	directing the Department of Revenue to redetermine the base value of Tax
	Incremental District 16 pursuant to Wis. Stats. §66.1105(5)(h).
Date	d the day of December, 2014.

The Honorable Shawn N. Reilly Mayor and Plan Commission Chairman