

Rolfs, Daniel

From: Bonnie J Vandre-Blewett [BVandreBlewett@matcmadison.edu]
Sent: Thursday, August 12, 2010 9:48 AM
To: Rolfs, Daniel
Subject: FW: TID 32 -- thorough assessment of proposed expansion
Attachments: JRB.DOC

Dan:

Here is one Roger Price received last evening. Bonnie

From: Ledell Zellers [mailto:ledell.zellers@gmail.com]
Sent: Wednesday, August 11, 2010 8:12 PM
To: dbrasser@cityofmadison.com; GaryPoulson@gmail.com; Roger W Price; lucym@charter.net; worzala@co.dane.wi.us
Cc: 'Peter Ostlind'; 'Plotkin, Adam'; Michael Verveer; mcdonell@co.dane.wi.us
Subject: TID 32 -- thorough assessment of proposed expansion

Hello JRB decision makers,

While some of you may have received the attached document, some may not.

Briefly the document outlines the reasons and details about why the expansion of TID 32 does not meet the TID criteria and why it is inappropriate including the following:

1. The TID expansion will not pay for itself.
2. The proposed Edgewater development is not a sufficient generator. In fact it would take over 25 years of tax increment from the Edgewater just to pay for the \$16 million dollar subsidy let alone any of the public infrastructure improvements.
3. Taxpayers are better off financially to have the existing TID 32 close in 2015 than to approve this amendment to expand the TID. It will take until at least 2030 to recoup the funds they will forgo and break even by not closing the TID in 2015.
4. The original TID 32 program provided \$3 million of support for private development and \$19 million for public infrastructure. The proposed addition to the TID has almost the exact opposite characteristics.
5. The City review of the Edgewater TIF application was inadequate.
6. The cost of the TIF supported improvements is not substantiated.
7. The projected assessed value of the new Edgewater hotels is unrealistic.
8. Approval of the TIF required numerous exceptions to Madison's TIF policy.

It would serve you and the taxing entities that you represent well for you to read and digest this document. If you don't have the time before the hearing tomorrow, please be sure to take the time to do so before you cast the important vote on whether to expand TID 32.

The attached document was compiled by Peter Ostlind, chair of the Capitol Neighborhoods Development Review Oversight Committee and quality assurance consultant for many major development projects. Unfortunately, Pete is on vacation and will not be able to be at the hearing tomorrow. However, he is available to meet with you prior to the vote you will be taking in September.

Thank you for your service and your attention to the information which will be so important to the decision you have to make.

In reviewing the establishment or expansion of a TID the Joint Review Board has several criteria to consider.

- Whether the development expected in the TID would occur without the use of TIF (commonly referred to as the 'but for test').
- Whether the economic benefits, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements.
- Whether the benefits of the proposed plan outweigh the costs, in taxes on the value increment, to the overlying tax districts.

The expansion of TID 32 does not meet these criteria and is inappropriate for the following reasons:

1. The TID expansion will not pay for itself.
2. The proposed Edgewater development is not a sufficient generator. In fact it would take over 25 years of tax increment from the Edgewater just to pay for the \$16 million dollar subsidy let alone any of the public infra structure improvements.
3. Taxpayers are better off financially to have the existing TID 32 close in 2015 than to approve this amendment to expand the TID. It will take until at least 2030 to recoup the funds they will forgo and break even by not closing the TID in 2015.
4. The ratios of private development support to public infra structure improvements are totally reversed compared to the original TID.
5. The City review of the Edgewater TIF application was inadequate.
6. The cost of the TIF supported improvements is not substantiated.
7. The projected assess value of the new Edgewater hotels seems unrealistic.
8. Approval of the TIF required numerous exceptions to Madison's TIF policy.

1. The TID expansion will not pay for itself:

There will not be enough tax increment generated in the newly added portion of the TID to pay for the items in the amended TID project Plan. The economics of this TID addition are all based on the annual \$3 million tax revenue increment being created within the existing TID, the bulk of which is from the University Square project. By itself this addition to the TID could not financially stand on its own. In effect this TID expansion is taking tax revenue from one private development to subsidize another private development.

2. The Edgewater development is not a sufficient generator:

With the projected incremental revenue from the proposed Edgewater expansion it will take 25 years for this revenue to pay back the costs of the \$16 million dollar grant to a luxury hotel and million dollar plus condominiums. It takes this long without providing any support for the other public infrastructure improvements in the TID plan.

Using the current mil rate and the applicant's estimate of the assessed value of the completed project then subtracting the current tax revenue for the property the proposal will generate just over \$800,000 per year in new property tax revenue. $((.0205704 \times 44,800,000 = 921,553) - 109,693 = 811,860)$

With financing costs the total cost of the grant is \$20.4 million. This leads to a payback time of over 25 years. $(20,400,000 / 811,860 = 25.1)$

The staff report projects that the expanded TID will have \$152,000,000 of incremental growth in the tax base by 2030, \$44,800,000 is from the Edgewater the 70% balance is from normal appreciation of the existing properties. There is no projection that the Edgewater development will stimulate additional development growth.

3. Taxpayers are financially better off closing the TID in 2015:

If the TID is not expanded City staff indicate that the current TID will close in 2015. The incremental tax revenue currently being generated by the TID is \$3 million per year. The expanded TID is projected to close in 2019.

The 4 additional years of keeping the TID open costs taxpayers a total of \$12 million. We are being asked to forgo this revenue to provide a subsidy to the Edgewater hotel and condominiums. The rationale for this subsidy is that the new project will generate additional tax revenues in years to come which will continue to benefit the taxing entities.

It will take 15 years of the additional tax payments from the Edgewater to cover the \$12 million that taxpayers are being asked to forgo. $(12,000,000 / 811,860 = 14.8)$ In other words it will not be until 2030 that the taxpayers will break even on what they could have beginning in 2015 if the TID is not expanded.

That's 20 years out into the future before there are any possible property tax benefits to supporting the Edgewater proposal. It seems quite reasonable to expect that without the TID expansion that somewhere in this 20 year time frame the Edgewater and the adjacent property will be developed. This would provide additional tax revenues without the TID expansion and quite likely without TIF support.

There is no reasonable long term benefit to the taxpayers of expanding the TID.

4. The ratio of private subsidy to public infrastructure is inappropriate:

The existing TID program provides \$3 million of support for private development and \$19 million for public infrastructure. The proposed addition to the TID has almost the exact opposite characteristics. There is \$16 million in private subsidy and \$3 million for public infrastructure.

TIDs typically have much higher levels of support for public infrastructure than for private development. A basic premise of tax incremental financing is that public support for private development can create revenue to allow improvements to the public infrastructure. In this case the TID almost exclusively supports luxury hotel rooms and condominiums.

5. City Review of the Edgewater TIF Application

The project plans approved by the City include condominiums on the top two floors of the new hotel tower. When City of Madison Staff analyzed the TIF application they chose to review a project with all hotel rooms and no condominiums. They assumed that all floors of the new hotel tower would be hotel rooms even though that is not what the applicant has proposed to build.

The rationale that staff has provided for not analyzing the project as proposed is that in the current market condominiums are not viable. So they decided that the project should be all hotel rooms. Simply put the staff completed an analysis but not an analysis of the project as approved.

The proposal includes condos. The TIF application review is only for a hotel proposal. Are we even analyzing the right proposal?

The applicant has always insisted that the top two floors of the hotel tower will be condos. In fact they have stated that selling condos will provide significant additional revenue for the project. Yet the TIF application speaks only to a hotel proposal. If condos provide additional revenue do they even need the TIF subsidy?

When staff has analyzed other proposals all costs were included then non TIF supported costs separated. Why was that not done with this proposal?

Staff has stated that they believe a hotel proposal is safer than condos. Actually they have gone on to say that they believe that condos will not sell and the project would fail if it includes condos. Yet the economic analysis continues to be for solely a hotel project even though the applicant continues to include condos in the proposal. Where is the Staff addressing their concern about project failure given inclusion of condos?

Staff has indicated that the hotel project is a more conservative analysis. But if it's not what's being built how can that be a safer way to analyze a proposal? With condos, if they sell, Staff says there will be increased tax increment so there would be more funds to pay back the TIF loan. But what if they don't sell? With fewer rooms the value of the hotel will be reduced which in turn will reduce the tax increment. How is the safety of the public investment served when the economic analysis is not of the project being proposed?

6. The cost of the TIF supported improvements is not substantiated:

The applicant provided a set of projected construction costs for the Public Access Component (PAC) prepared by their contractor. The City hired a consultant to review these construction costs to confirm that they were reasonable.

However, there is no evidence to suggest that staff or the consultant made any assessment as to whether the items for which the applicant has requested TIF funding were actually valid or appropriate. Even a cursory look at the items proposed for TIF payment reveals that many are unrelated to the PAC.

The TIF application simply provides a cost of \$17.7 million for the PAC without any description or breakdown of what is included. Staff has allocated \$2.7 million of the soft costs to the PAC. The total PAC costs are \$20.4 million or 22.5% of the total project costs.

So what do we get in return for the TIF contribution? The TIF application provides no details of what is included in the \$17.7 million. Staff has accepted the applicant's assertion that these costs are all for legitimate aspects of the PAC without any analysis.

The only details on what the applicant believes should be paid for by the City comes in the form of the report from JSD Professional Services. This is the engineering firm hired by the City to assess the construction costs presented by the applicant for the PAC. The applicant's construction firm provided JSD with a breakdown of the costs for the PAC. JSD then developed a probable cost of construction for each of these components. Neither JSD nor Staff made any assessment of whether or not the components that the applicant has included in the PAC are truly legitimate.

Furthermore the JSD report, based on costs provided by the applicant, only considers a portion of proposed PAC costs. The last page of the report lists six elements. The total TIF Request for these six elements totals \$15.9 million. This is significantly below the total PAC request in the TIF application of \$17.7 million. There is no explanation on what the remaining \$1.8 million is used for.

In fact there are many items included in the applicant's PAC costs which provide no public benefit or are costs that would be incurred by building the new hotel even if there were no public access. These items range from the simple to the more bizarre.

- Demolition of the existing public stairway to the lake \$50,000

The new hotel tower is proposed to be built on top of this stairway which is what requires the demolition. To maintain the public access under the '65 ordinance a new stairway will need to be built.

- Demolition and Remediation of the curvilinear features of the 1940's hotel. \$150,000

The applicant has proposed exterior changes to the entry of the 1940's hotel but this provides no public access benefit.

- Relocating the 1940's building elevator to provide ADA access to the lake. \$600,000

The scope of the proposed remodeling of the building will require that the building meet all current accessibility codes regardless of any City required public access. There is no public access component in the 1940's building requiring an elevator.

- Demolition of the existing dock and construction of a new dock. \$400,000

First the dock is not included in the map of the PAC as part of the public space. Furthermore this is a dock that the DNR has indicated is illegal and does not meet the State requirements for a dock.

- Changes to the site utilities. \$450,000

These changes to the electrical service, water lines, storm sewer and sanitary sewer are all required for construction of the new hotel and are required regardless of any public access.

- Street reconstruction to provide a private drive to the new parking garage. \$200,000

Constructing a new hotel will require additional parking. National Guardian Life is using a large portion of the new parking ramp. This is a cost for a private drive to that parking providing nothing for the PAC.

- Construction of the Auto court and drive to the front entry of the hotel. This drive also provides the required fire equipment access for the buildings in the development. \$1,750,000

A driveway to drop off hotel guests at the front door is surely required as part of the hotel construction as is the fire department access. This is not required for public access.

- Drive connection between the existing parking and the new parking garage. \$800,000

Since the entry to the new hotel tower will block access to the existing parking a new connector is required if the parking is to be utilized. Again this is not required for public access.

- Changes to the hotel tower due to the shifting of the guest room floors to the east. \$800,000

These are design changes which do not impact the PAC.

- Replacing the existing concrete path along the lakefront \$450,000

This is the public access along the lake provided for in the 1965 ordinance providing the public right of way for construction of the current hotel. One of the conditions of that

agreement is the requirement that all costs for construction and continuing maintenance for this walkway are the responsibility of the hotel owner. Yet the TIF request is asking the public to pay for it yet again.

These costs unrelated to the PAC total \$5,200,000. Add to this the \$1.8 million in unidentified costs and the proportional amount of the soft costs the total non PAC related cost is \$7,400,000. Or seen another way 42% of the cost of the items for which the applicant is seeking TIF assistance are not part of the Public Access Component.

Costs to construct the plaza:

The costs associated with construction of the plaza include demolition of a portion of the 1970's building, structural enhancements of the existing structure and construction and landscaping of the plaza itself. The total cost for this work is \$6,550,000. Add in the proportional share of the soft costs and this cost becomes \$7,550,000. This is a "public" plaza that can be closed to the public at any time by the hotel operator for "general events" any day of the year. At least 75% of the plaza is subject to this closure condition which will exclude the public. What portion of the plaza is solely for the benefit of the public? If there were no requirement for public access what would the design for this space be? Would the 1970's building simply be left in tact outside the front door to the new hotel?

The Staff TIF report of May 6 speaks to this issue:

"Arguably, the Developer would not construct the Project without the PAC as it would no longer offer the lakefront amenity to qualify it as a full service hotel with numerous amenities."

The plaza and in fact all of the PAC is a very significant benefit to the hotel. Without the plaza and the lakefront access there is little reason to believe that this proposal would be brought forward at all. So just what portion of this \$7.55 million to construct the plaza is it reasonable for TIF funding to support to provide "public access"?

The developer said as much at the May 17 City Council meeting when he stated "We can't operate the hotel if we don't build the public access component."

7. The projected assess value of the new Edgewater hotels seems unrealistic.

Tax assessments for hotel properties are typically base on the revenue generated by the hotel. On a per room basis the projected assessment for the Edgewater is several times that of other downtown hotels or other luxury hotels in Wisconsin.

Assessment

Rooms

Assessment /Room

Edgewater proposed	44,800,000	190	235,789
Mansion Hill Inn	1,050,000	10	100,500
The Concourse	18,224,900	356	51,194
Inn on the Park	4,276,700	212	20,173
Hilton Monona Terrace	20,407,800	240	85,033
Campus Inn	2,975,700	74	40,212
Double Tree	<u>4,913,000</u>	<u>163</u>	<u>30,141</u>
	51,848,100	1,055	49,145
The Pfister, Milwaukee	32,700,000	307	106,515
American Club, Kohler	23,048,700	240	96,036
The existing Edgewater	4,909,100	107	45,879

8. Approval of the TIF required numerous exceptions to Madison's TIF policy.

The current TIF policy was adopted about a year ago on March 9, 2009. This is the first significant TIF application to come along since these policies were adopted. And with this application come serious exceptions to this policy.

Policy 4.1 (8) 50% rule. No more than 50% of the tax increment can be used to pay back the TIF loan. As the Staff report notes under this rule the proposal will only generate sufficient increment to justify a \$3.3 million TIF loan. Even with 100% of the tax increment the proposal would only qualify for 41% of the requested \$16 million.

Policy 4.1 (10) Self supporting rule. This rule prohibits using tax increment from one property to supplement another project. On its own the Edgewater proposal would payback less than half of the TIF loan after 20 years when the City's financing costs are included in the calculations. The only way this TIF loan gets repaid is the excess increment being generated by the University Square building. This TIF will close within 5 years without the Edgewater. Closing the TIF will provide other taxing entities, such as the school district, with their fair share of the tax increment. Should these entities forgo this tax revenue to support a luxury hotel?

Policy 4.1 (12) Personal Guaranty. This policy requires that a principal of the applicant personally guarantee in the full amount of the loan that all of the conditions of the development agreement will be met. Personal guarantees are a common requirement of financial transactions with LLC's which often have little or no assets of their own. As Staff as said "this provides a warm body" with responsibility. Apparently the developer has simply balked at this rule and proposed to provide a personal guaranty at

only 6% of the value of the TIF loan. Where's that gushing confidence in the proposal we see during presentations when it comes time to actually make a commitment?

Policy 4.1 (15) Equity participation. This provision provides that the developer can make a reasonable return on their investment but if that return is higher than projected the City shares in the excess profits. The developer has proposed to "prepay" this equity by providing the City with a Conservation Easement. This easement states that the developer will construct the PAC, operate and maintain the PAC and provide the public with some limited use of the PAC. This is the same easement required in the 1965 ordinance and is exactly what we are supposedly paying for with the \$16 million. And now the developer is paying us back with an easement to the PAC we just paid to construct! Clever.

Peter Ostlind

Chair Capitol Neighborhoods Development Review Oversight Committee

August 2010

Rolfs, Daniel

From: Brasser, Dean
Sent: Thursday, August 12, 2010 2:53 PM
To: Rolfs, Daniel
Subject: FW: [PDComm] Edgewater Hearing, Thursday

From: Ted Voth Jr [mailto:tedvothjr@gmail.com]
Sent: Thursday, August 12, 2010 2:49 PM
To: Brasser, Dean; GaryPoulson@gmail.com; rwprice@matcmadison.edu; lucym@charter.net; worzala; county_board_recipients@co.dane.wi.us; board@madison.k12.wi.us
Subject: Re: [PDComm] Edgewater Hearing, Thursday

You of the TIF Joint Review Board will be holding a public hearing on amending Tax Incremental Finance District (TID) 32 in order to provide over \$18 million in property tax based financing for the proposed luxury hotel plaza.

It would be criminally insane to give over \$18,000,000 of public funds to a speculative private development scheme, intended to help the rich get richer while the poor– the rest of usa the people of Madison– get poorer.

While the mayor and his tame council's dubious push was going on for this juicy kick-back for the fat cats, much was also being made in that paragon of journalistic excellence, the *State Journal*, about a few bus drivers who'd earned a significant amount of overtime– not even a penny on the Edgewater boodle's dollar, a not-too-subtle bid to distract the people's attention? – at Madison Metro.

Has no one but myself made the obvious connection? With over \$18,000,000 Metro could create sufficient jobs for full-time drivers to cover all their shifts, and bring Metro up to snuff and give a great city the superb transit system it deserves.

Or consider the School District: the last I heard, MMSD was \$40,000,000 in the hole. The school district that serves the Athens of the Midwest \$40,000,000 in debt? People, this would not happen in a civilized country.

Or the homeless: winter's coming, not that this summer's been easy on anyone with no place to go, no job, no shelter, no income. The homeless are human beings, fellow bearers of the image of God, fellow citizens of ours; and if you've taken time to talk to them, you'll find that Madison's homeless are a bright, talented lively bunch who want n more than the American dream, a well-paying job and a chance to carry their own weight.

What could we do with more than \$18,000,000 to bring these citizens back into the mainstream, where their efforts could benefit all of us?

As a citizen of this city, I do not ask you, I tell you to fulfill the general welfare. Do not divert \$18,000,000 of scarce public funds to the pockets of a few wealthy men who already have more than they know what to do with.

Most sincerely yours,

TV2

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We the people of the United States, in order to... promote the general welfare... do ordain and establish this
Constitution...

Ted Voth Jr,
tedvothjr@gmail.com
1335 Williamson #2
Madison Wisconsin 53703
(608) 257-1799

Rolfs, Daniel

From: Brasser, Dean
Sent: Thursday, August 12, 2010 12:49 PM
To: Rolfs, Daniel
Subject: FW: Testimony for Joint Review Board Hearing on 8/12/10
Attachments: Joint Review Board Public Hearing testimony.docx

From: Adam J. Plotkin [mailto:plotkinaj@gmail.com]
Sent: Thursday, August 12, 2010 11:03 AM
To: worzala; garypoulson@gmail.com; rwprice@matcmadison.edu; lucym@charter.net; Brasser, Dean
Cc: Verveer, Mike; Scott McDonell
Subject: Testimony for Joint Review Board Hearing on 8/12/10

Members of the Joint Review Board,

I had hoped to be able to attend the hearing this evening on the TID #32 amendment, but have not been able to rearrange previous commitments. Attached, and pasted below, is the testimony I would have offered at the hearing this evening.

Thank you for holding this specially scheduled hearing.

Sincerely,
Adam Plotkin
304 N. Pinckney St.
Madison, WI 53703

Joint Review Board Public Hearing

August 12, 2010

Testimony from Adam Plotkin

Mr. Chair and Members,

Thank you for making arrangements to have this public hearing at a special time to accommodate the working schedules of many interested in the Tax Incremental Financing District #32 amendment.

While I did not support the development proposal of the Edgewater Hotel, including the TIF proposal, my comments to you tonight focus on the reasons that you, as representatives of the four taxing districts in Madison, should not approve the TID #32 amendment.

First and foremost, the analysis that was completed of the development is inaccurate and not representative of the project that was approved by the Madison Common Council. The project is not just hotel rooms as the analysis states; the developer has included luxury condominiums in the project which were not part of the TIF analysis. The income generated by the sale of these luxury condominiums should, at the least, have been included in the analysis. The failure to include this in the analysis alone is justification for this body to question the approval of a project that affects all of the taxing jurisdictions you represent. In these tight economic and fiscal conditions, it seems irresponsible to subsidize the construction of luxury condominiums, or to at least do so without all of the relevant facts before making a decision.

The projected assessment of per room revenue makes an assumption that seems wildly unrealistic when compared with other comparable hotels in Madison and Milwaukee. At over \$235,000 per room assessed value, the Edgewater is more than 475% over the median assessment per room for comparable hotels downtown. It is also 225% over the assessment of a nearby luxury bed and breakfast, and the established Pfister Hotel in Milwaukee and The American Club in Kohler. Given these comparisons, the TID, as amended, appears to be based on a revenue increment that is not supported by comparable data.

Finally, the job creation figures are equally as dubious as the TIF analysis and the projected assessment. The developer has claimed that the project will create 800-1000 jobs. Construction and hotel industry experts have put that number closer to the 200-400 range. To make the developers figures work, the project would either have to last less than a year (projected to last two), cost half of what has been proposed, pay construction workers less than half current market wages, or have construction costs be less than 25% of the project. The \$16 million TIF funding results in a subsidy of anywhere between \$16,000 and \$80,000 per job created at the extremes of the estimates. This lack of clear understanding and seemingly faulty reasoning is yet another example of the numbers just not adding up to a clear analysis on which to base your judgment.

As you study the testimony and documentation regarding the TID #32 amendment, I ask that you study them with a critical eye. Question why the numbers don't add up, question what it is that the City is asking the other taxing jurisdictions to agree to, and most importantly, question why you're being asked to vote on an incomplete and unsubstantiated TID amendment.

--
Adam J. Plotkin
(608) 320-1949, cell
plotkinaj@gmail.com

Rolfs, Daniel

From: Brassler, Dean
Sent: Thursday, August 12, 2010 12:52 PM
To: Rolfs, Daniel
Subject: FW: Please do not expand Tax Incremental District 32 re: proposed Edgewater construction project
Attachments: image001.gif

From: Dolores Kester [mailto:dakester@sbcglobal.net]
Sent: Thursday, August 12, 2010 11:28 AM
To: Brassler, Dean; GaryPoulson@gmail.com; RWPrice@matchmadison.edu; lucym@charter.net; worzala
Subject: Please do not expand Tax Incremental District 32 re: proposed Edgewater construction project

Dear Joint Review Board—Mr. Brassler, Mr. Poulson, Mr. Price, Ms. Mathiak, and Mr. Worzala:

Please do not expand Tax Incremental District 32 regarding the proposed Edgewater construction project. This expansion does not make sense and does not conform with applicable law and policy requirements for a TID expansion.

Policy 4.1(10) of the TIF policy adopted by Madison in 2009 requires that any TIF project must be self supporting; in other words, tax increment from one property cannot be used to supplement another project. Expanding the TID to include University Square excess increments for the benefit of the Edgewater project would violate this policy, to the detriment of other entities which would, in the absence of an expansion, obtain their fair share of the tax increment from the Univ Square project.

Expansion of TID 32 would benefit a luxury hotel project at the expense of Madison taxpayers and others who benefit from public revenues, such as the school system. Please do not expand TID 32.

Thank you,

Dolores Kester

1818 Winchester Street, Madison

Member, Sherman (School) Neighborhood Association

Rolfs, Daniel

From: Brasser, Dean
Sent: Thursday, August 12, 2010 12:09 PM
To: Rolfs, Daniel
Subject: FW: TID 32

From: J Skrentny [mailto:jdspublic@sbcglobal.net]
Sent: Thursday, August 12, 2010 9:47 AM
To: Brasser, Dean; GaryPoulson@gmail.com; lucym@charter.net; worzala; RWPrice@matcmadison.edu
Subject: TID 32

Members of the JRB,

I ask you to **not** approve the expansion of TID 32 given that this sets a dangerous precedent of tailoring TIDs to the benefit of individual projects and primarily private developments with meager and questionable benefit to the community. Doing so would clearly be a mistake and sends the wrong message to those in our community, which you represent, that have a real need for the tax dollars that would be coming from the closing of this district in 2015. Madison does not need another waterfront playground for the well off. We need this money to support schools and the creation of quality long term jobs.

Thank you,
Jim Skrentny
511 E. Main St., Madison

Rolfs, Daniel

From: Bill Scanlon [wscanlon@tds.net]
Sent: Tuesday, August 10, 2010 11:10 PM
To: Brasser, Dean; Gary L. Poulson; Roger W Price; Lucy Mathiak; worzala
Subject: Expansion of TID 32

Dear Joint Review Board Representatives:

I oppose, and urge you to block, expansion of TID 32 to make TIF available for the Edgewater Hotel "development."

I would testify to that effect at the public hearing you are holding on August 12, 2010 concerning that TID expansion, but I will be unable to attend that hearing.

The expansion of TID 32 would delay closing the TID for 10 - 20 years after its current 2015 closing date. The MMSD in particular, with its desperate financial condition that it is incapable of remedying for the foreseeable future, but also the City and County, which also need significant additional funding to adequately serve their citizens, cannot afford this delay in closing the TID. This delay cannot be afforded even if there might be some long-run benefit to delaying the closing of the current TID 32 in order to subsidize the Edgewater development. In fact it is highly unlikely there will be any such long-run benefit, in tax revenues or anything else for the Madison community.

Subsidizing the Edgewater development with funds from the existing TID 32 does not make financial sense, as a detailed cost/benefit analysis provided you by Capitol Neighborhoods, Inc. makes clear.

Beyond that, there is little public benefit in the short-run and none in the long-run from the Edgewater development. In the short run, for perhaps 18 months, the development, if it does not collapse early from financial miscalculation, will provide 100 - 200 reasonably well compensated construction jobs. Beyond that, the development will provide nothing but low-wage hotel service jobs and a plaza that is owned by the hotel and has highly restricted public access. Finally, more likely than not, there will be no repayment of the TIF provided the development by expansion of TID 32 because the development will collapse, because of financial miscalculation, the development's distance from the Convention Center, Madison's excess hotel capacity, or some combination thereof. long before the expanded TID would close 15 - 25 years from now.

Please block expansion of TID 32 and not make TIF available for the Edgewater Hotel development.

Sincerely,
Bill Scanlon
616 S Ingersoll St
Madison, WI 53703
608-257-0102

Rolfs, Daniel

From: Foxcroft, Melanie A - DHS [Melanie.Foxcroft@dhs.wisconsin.gov]
Sent: Monday, August 09, 2010 5:55 PM
To: 'lucym@charter.net'; Brassler, Dean; 'GaryPoulson@gmail.com'; Roger W Price; worzala
Subject: Opposed to Expansion of Tax Incremental District 32

Dear Members of the Joint Review Board

As a city taxpayer, I am writing to register my strong and continued opposition to expansion of the TIF District 32 (I am unable to attend the August 12, 2010 meeting in person to register my opposition)

The reasons for my opposition include:

- The private Edgewater project is too minor in the overall scheme of things to be worthy of such a significant investment of taxpayer funds. It is not equivalent to an Overture Center, Monona Terrace, Central Library, or other such development that provides a major addition to the public space and good; it will help not educate our children and our young adults, clear roads after a snowstorm, help house the homeless, provide a major recreational alternative, or indeed provide anything but very minor public benefit! To think of this as any sort of priority quite astounds to me!
- Our property taxes are already too high to (indirectly) support expansion of a private hotel - the primary beneficiary of the hotel is the private sector, let the private sector fund the project
- Significant negative impact on the Madison Metropolitan School District budget, which is already very short of funds. Short-sighted support of the TIF District 32 will only exacerbate our school district's budget problems.
- Minimal public good is created by intermittent public access to the so-called "public plaza" and warf, insufficient reason for this massive taxpayer-funded subsidy. Again, this is NOT another Overture Center or Monona Terrace!
- Creation of a few additional ongoing low wage service jobs (waiters and cleaners and such) is insufficient reason for this massive taxpayer-funded subsidy. If you want to create jobs, support a huge new downtown Public Library that will be the envy of other cities, to be used by everyone and help educate generations of Madison residents!
- Edgewater construction jobs created are short-term, insufficient reason for this massive taxpayer-funded subsidy. If it's a major building construction project that you want, I can think of a long list of major building construction projects that would far better serve the needs of Madison residents – how about a stunning Central Library building for a start? .
- Other city needs are too great to divert precious taxpayer dollars to this largely private development.

I register my strong and continued opposition to this ill-conceived TIF expansion. Please don't be strong-armed, sweet-talked into supporting this TIF expansion that is simply a major misplaced priority! .

Melanie Foxcroft , 2138 Lakeland Ave, Madison WI 53704 MelFox47@gmail.com

"Free thinkers are those who are willing to use their minds without prejudice and without fearing to understand things that clash with their customs, privileges or beliefs. This state of mind is not common, but is essential to right thinking; where it is absent, discussion is apt to become worse than useless." Source: On Life and Essays on Religion Leo Nikolaevich Tolstoy, 1828-1910, Russian writer.

Rolfs, Daniel

From: Steve Banik [stevebanik@gmail.com]
Sent: Tuesday, August 10, 2010 12:53 PM
To: Brassler, Dean
Cc: GaryPoulson@gmail.com; Roger W Price; lucym@charter.net; worzala
Subject: 8/12 TIF Joint Review Board Hearing

Hello,

I urge you to vote NO on TID #32 expansion for Edgewater.

Diverting the projected tax revenues to support this project is not in the best interest of the taxpayers, and the economic benefits of this proposal are undefined.

In addition, the project violates City of Madison TIF Policy in several ways, including the 50% rule, the self-supporting rule and personal guaranty.

TID #32 should be closed as originally planned so that the increment can be added to the tax base. The success of TID #32 should not be raided by a wealthy developer for a luxury hotel and faux public space. (Public access is not really restored, since it would be under nearly complete control by the developer as currently proposed.)

If the developer wants to construct and profit from a "full service luxury hotel with numerous amenities" - he should do so at his cost, not ours.

Again, I urge you to vote NO to TID #32 expansion for Edgewater, and thank you for your time.

Steve Banik

Rolfs, Daniel

From: Nancy McMahon [ptm@chorus.net]
Sent: Monday, August 09, 2010 2:48 PM
To: Roger W Price
Subject: Your Joint Review Board position
Attachments: JRB argument August 2010.DOC

Importance: High

Hi Roger,

As you serve as the Madison Area Technical College representative on the Joint Review Board, please consider the long term effect of a Joint Review Board decision concerning the expansion of the State Street tax increment district (TID 32) proposed to allow direction of \$16 million to the Hammes Company. Funds taken from one private development (University Square) to support the Edgewater project would be a poor decision. Madison Area Technical College is in the process of seeking public support for expansion and upgrading facilities, so every aspect of public funding and public opinion must be considered. Your vote on the Edgewater issue will be observed by many in the community.

What is the community getting from this proposed change in direction of public aid to the Hammes Company? The answer is: short term construction jobs (200 for 18 months), low wage hotel service jobs, and a plaza that is dedicated to the hotel with very restricted public availability. If the project were paying its own way (rather than using dollars from University Square) it would take more than 25 years to generate sufficient property tax revenue to pay back the \$16 million subsidy (paying it back with taxpayer money). On a simple cost/benefit calculation this doesn't make sense. Attached is more information about the items the Board must consider and the finances and process related to the project. The document was prepared by Pete Ostlind who is very familiar with the Edgewater proposal, the TIF request and the process in general.

Please research this issue yourself and do not be drawn in by the slick Hammes presentations. Madison has an excellent record of supporting well-thought-out development projects for decades. This recent Edgewater mess is the result of moneyed interests choosing to ignore some of the city's well established guidelines and trying to make an end run around the democratic system that has served Madison appropriately for many years.

Sincerely,

Nancy McMahon, English Faculty
Madison Area Technical College

Rolfs, Daniel

From: Gary Poulson [garypoulson@gmail.com]
Sent: Wednesday, August 11, 2010 3:10 PM
To: Rolfs, Daniel
Subject: Fwd: TID 32

Dan--I am not sure this was sent to all members of the JRB. In any event it should be entered in the record. G

----- Forwarded message -----

From: Gary Stebnitz <stebnitz@sbcglobal.net>
Date: Mon, Aug 9, 2010 at 6:41 PM
Subject: TID 32
To: GaryPoulson@gmail.com

Dear Mr. Poulson,

As a taxpayer who is concerned about Madison's dwindling tax base, please vote for the expansion of TIF district 32.

Incidentally I always appreciated your excellent work as our alder in Greentree.

Respectfully,

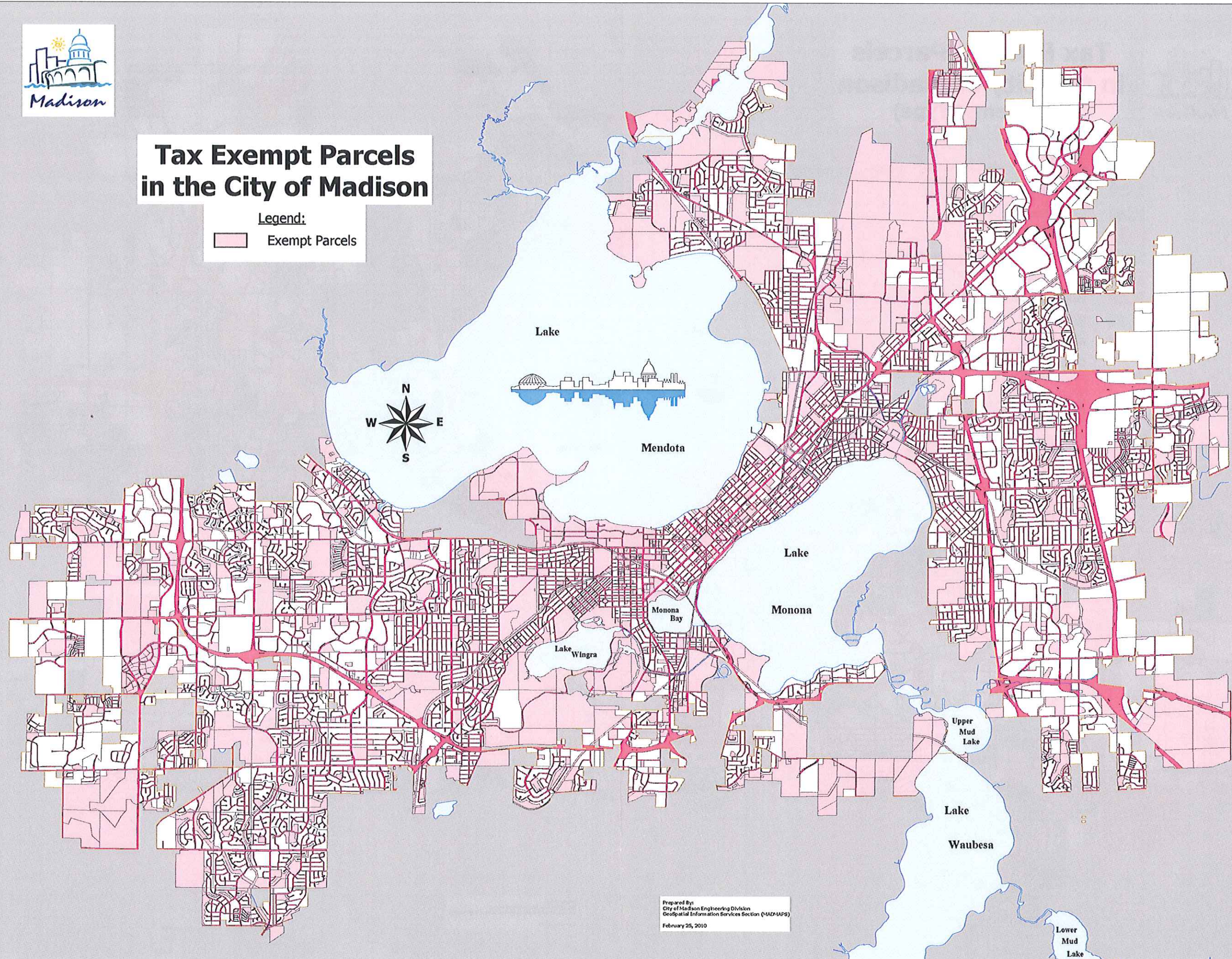
Gary Stebnitz
915 Waban Hill
Madison, WI 53711





Tax Exempt Parcels in the City of Madison

Legend:
Exempt Parcels



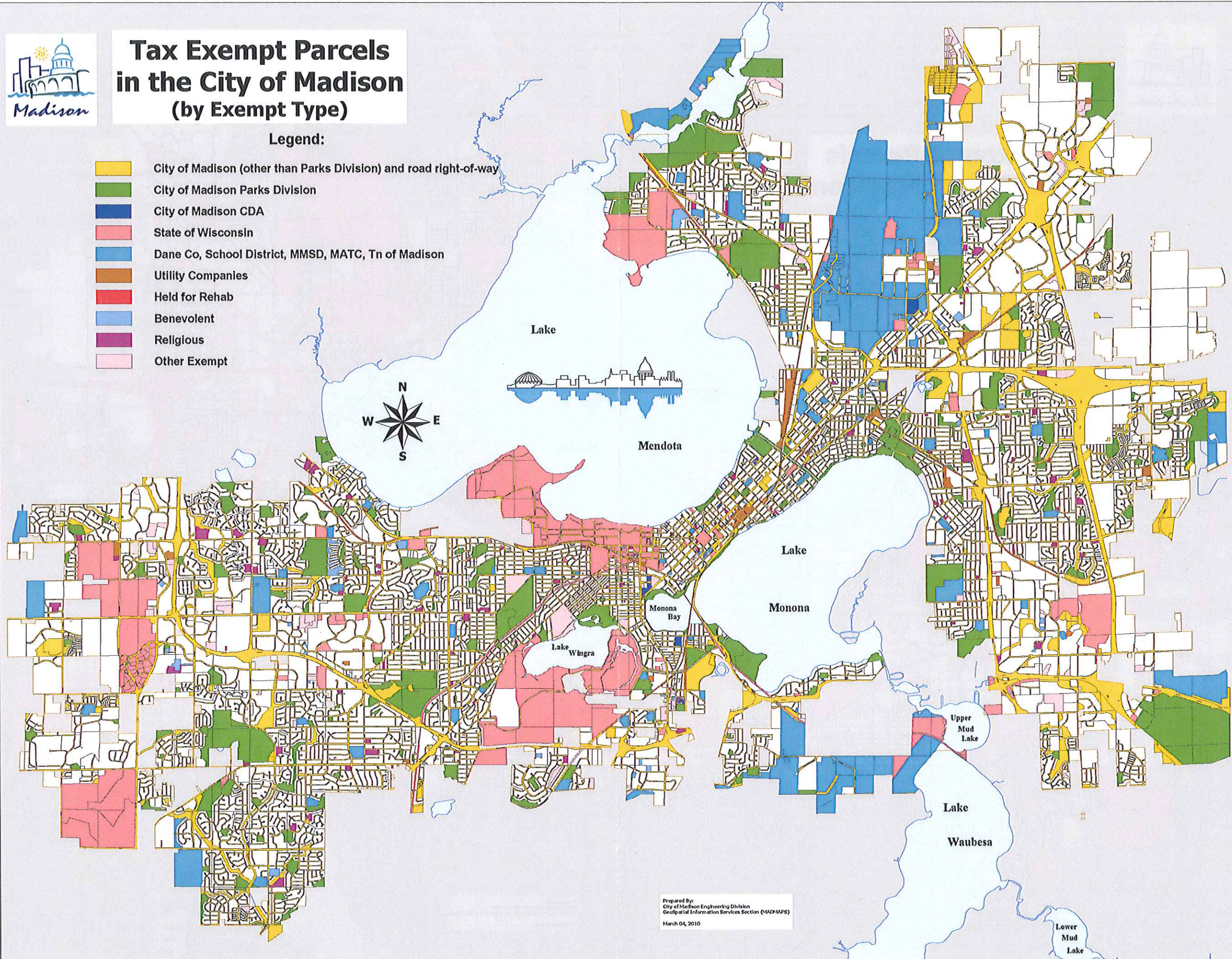
Prepared By:
City of Madison Engineering Division
Geospatial Information Services Section (MADMAPS)
February 25, 2010



Tax Exempt Parcels in the City of Madison (by Exempt Type)

Legend:

- City of Madison (other than Parks Division) and road right-of-way
- City of Madison Parks Division
- City of Madison CDA
- State of Wisconsin
- Dane Co, School District, MMSD, MATC, Tn of Madison
- Utility Companies
- Held for Rehab
- Benevolent
- Religious
- Other Exempt



Prepared By:
City of Madison Engineering Division
Geospatial Information Services Section (G-IMAPS)
March 04, 2010

Edgewater

F. E. Mohs F. E. Mohs 8-12-10 *you*

I am not here this evening to once more criticize all of the design issues that the Steering Committee on the Edgewater has with the proposed project. I know those issues are not relevant to your mission. My purpose is to alert you that, in our opinion, city processes which should have fairly evaluated the Edgewater TIF proposal produced a product upon which should not reasonably rely. City staff, primarily in the Department of Planning and Development were intimidated and many believed that their jobs and careers would be at risk if they were associated in anyway with requirements that might cause the project to derailed. The testimony of Kathryn Rankin, recently retired historic preservation officer, at the last Plan Commission meeting graphically lays out how at least one employee saw it.

Beginning in August of 2008, a pattern of dealing with the Edgewater that can best be described as "getting to yes" emerged from the Mayor's office. This was a project that had to be built. The Mayor put the project on the "fast track," and reportedly promised the developer that he wouldn't have to go through any city commissions or committees. The city of Madison, by way of its Mayor and its Council leadership were going to demonstrate that Madison could indeed put two bricks together. Should anyone care to listen, I can describe in detail how our city government was maneuvered, and in other cases, maneuvered themselves into a position of weakness that has lead to the pathetic report that is before you. Let me give you a couple of examples of why the analysis is deficient.

A \$10 Million Tip at the Board of Estimates Meeting

At the Board of Estimates meeting where the Edgewater was being considered, the developer and the city distributed a gap analysis that showed the cost of "residential" at \$7,500,000. The residential component was eight (8) condominium apartments located on the top two floors of the proposed Edgewater Hotel project. The analysis went on to reveal that the sale price for the residential condominium units would also be \$7,500,000. In my testimony before the Urban Design Commission, sometime earlier, I suggested that the two floors of luxury condominiums could be removed from the project at no cost, in that the construction cost was the same price as the sale price, producing a "wash." Bob Dunn's immediate response at the meeting was that even though the cost and sale price produced a "wash" that the use of deposits to assist in cash flow during construction was critical to the project and therefore he need to build the two floors for that reason. Later, at the Board of Estimates, I testified again, suggesting removal of the two floors of luxury condominiums that could be removed at no cost and commenting that deposits are required to be escrowed and cannot be used for construction purposes.

Responding to my testimony Bob Dunn, representing the developer-Landmark X, testified that the project absolutely needed to have the luxury condominiums because they would produce a profit of \$10 million upon which the project relied.

Later at the same meeting, Alderman Michael Verveer questioned Joe Gromacki, the city's TIF coordinator, about the inconsistency in the gap analysis showing an obvious "wash" and the developer's contention that he needed the \$10 million of profit in order to make his project work. Verveer wanted to know why Gromacki did not include the \$10 million in his gap analysis. Gromacki testified that he considered the \$10 million profit speculative, and therefore, did not include it in the analysis. He could have recommended a strategy that would recapture up to \$10 million of profit should the developer succeed in attaining it. Basically, besides the \$16 million in TIF, the city is giving the developer a \$10 million tip. But really, why not take the developer at his word and reduce the TIF to \$6 million?

What did the Board of Estimates do with this information? They just sat there and the discussion moved onto other aspects. Verveer was left hanging with no support to move the subject forward. The potential of reducing the TIF request by \$10 million was not developed further.

Many features in the history of the TIF request that should cause you to be skeptical. There were three substantial changes in the plan and yet, miraculously the gap remained at \$16 million. Besides 400 well paying new jobs in the hotel, the developer claimed 800 construction jobs for a year which the Mayor raised to 1,000 while pleading his case. We had two well known large construction firms doing business in the Madison area evaluate how many full time jobs would be produced by the project for a one year period. One came in at 200 jobs and the other at 202 jobs.

TIF staff has reviewed and accepted the developer's proposed causes for the gap producing a total cost of \$16 million. Included are \$3.5 million for the hotel's parking and another \$12.5 million for the hotel terrace, demolition of the top floor of the 1970s building and the construction of a staircase to the lake replacing the one that needs to be demolished for the footprint of the new hotel. Again, we had a major contractor doing business in this city review the plans and estimated the demolition of the top floor of the '70s building, the construction of the replacement terrace, and the construction of the new staircase to the lake. The cost came in at \$1,800,000, not \$12.5 million. Evaluating costs with the interest of the public in mind requires professional skill, but it is definitely do-able. Based on my experience in the building field, but relying a great deal more on knowledgeable people who have reviewed the plans, it is my belief that the costs that have been presented to you are wildly exaggerated. They are not only exaggerated, they are sloppy. Look at impact of design changes on cost and value. The 192 room iteration indicates \$4,900,000 for parking as does the 82

room iteration. One of these is certainly off, but this is the kind of data you are asked to accept.

When the project is completed, we will have the same rocky lakefront that we have now, because that is what the DNR will require. If the public wants a beach, they will have to walk two blocks east to James Madison Park where there is a nice 2,500 foot sandy beach, boat rental, and parking.

I could go on, but let me leave it this way. Professional city staff considers themselves to be at risk if they take any action that might disappoint the developer. Every time the city has tried to hold its ground, the developer threatens to abandon the project and the city caves in. Just look at the paltry personal guaranty on the TIF which could result in having the developer give back the city \$1 million of the \$16 million he received and then be free to sue to have the assessment reduced from the incredible number that is contained in the TIF application. All of this is the result of a staff that perceives its jobs at risk, and council members know that they can be sent to Siberia if they buck the Mayor's office and Council leadership. Alder Thuy Pham-Remmele, from the 20th District has been relegated to one committee that regulates food carts on the Capitol Square as a penalty for her courage and independence. I sympathize with your position Dean, I know you can only do so much.

Impact of Design Changes on Cost, Value

Cost	8 story 192 Rooms	Six Story 156 - 160 Rooms	1 Story 82 Rooms
Land & Demo	\$ (9,000,000)	\$ (9,500,000)	\$ (10,000,000)
Hard	\$ (41,750,000)	\$ (40,050,000)	\$ (32,900,000)
Parking	\$ (4,900,000)	\$ (4,900,000)	\$ (4,900,000)
Soft	\$ (8,950,000)	\$ (9,500,000)	\$ (8,600,000)
Residential	\$ (7,500,000)	\$ (3,750,000)	\$ -
Public Access	\$ (17,900,000)	\$ (17,900,000)	\$ (17,900,000)
Total Cost	\$ (90,000,000)	\$ (85,600,000)	\$ (74,300,000)
Estimated NOI	\$ 4,131,000	\$ 3,290,000	\$ 2,054,000
Estimated Value	\$ 44,800,000	\$ 35,000,000	\$ 21,000,000
Coverage @ NOI	1.73	1.01	0.93
Profit @ 20 - 30 Yrs	10.2%	3.5%	-8.6%

Comments

Assuming loan and equity stay constant, debt coverage decreases, bank not likely to lend
 Investor profit decreases, investors likely to pull out or reduce investment

Impact on Investment, Gap

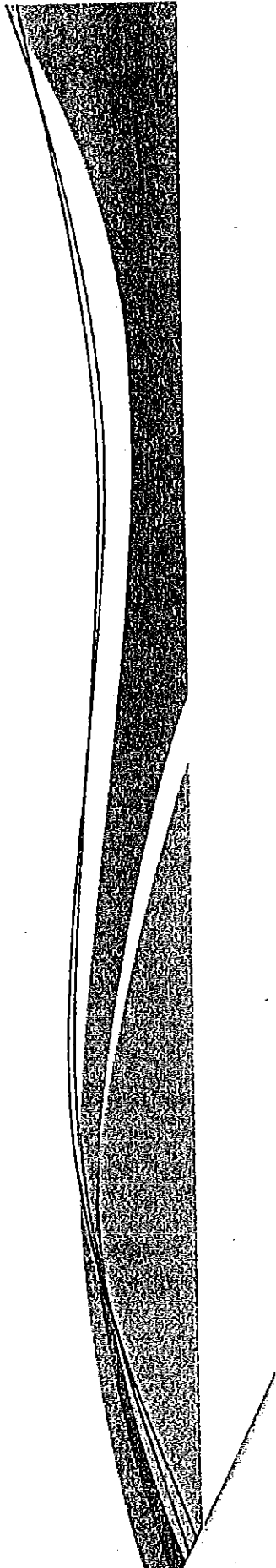
	8-Story	6-Story	1-Story
NOI	\$ 4,131,000	\$ 3,290,000	\$ 2,054,000
Value	\$ 44,800,000	\$ 35,000,000	\$ 21,000,000
Debt Coverage Ratio	1.73	1.73	1.73
Desired Equity Return @ 30 yrs	10%	10%	10%
Total Cost (Uses)	\$ (90,000,000)	\$ (85,600,000)	\$ (74,300,000)
Sources of Funds			
	8-Story	6-Story	1-Story
Max. Equity @ 10% IRR - Hotel	\$30,975,000	\$ 20,000,000	\$ 10,000,000
Loan - Hotel	\$30,125,000	\$ 22,700,000	\$ 14,184,000
Developer Share of Public Acc	\$5,400,000	\$ 5,400,000	\$ 5,400,000
Residential Loan & Sales	<u>\$7,500,000</u>	\$ 3,750,000	\$ -
Total Sources	\$74,000,000	\$ 51,850,000	\$ 29,584,000
Gap	\$ (16,000,000)	\$ (33,750,000)	\$ (44,716,000)

Impact of Design Changes on Cost, Value

	8 story 192 Rooms	Six Story 156 - 160 Rooms	1 Story 82 Rooms
Cost			
Land & Demo	\$ (9,000,000)	\$ (9,500,000)	\$ (10,000,000)
Hard	\$ (41,750,000)	\$ (40,050,000)	\$ (32,900,000)
Parking	\$ (4,900,000)	\$ (4,900,000)	\$ (4,900,000)
Soft	\$ (8,950,000)	\$ (9,500,000)	\$ (8,600,000)
Residential	\$ (7,500,000)	\$ (3,750,000)	\$ -
Public Access	\$ (17,900,000)	\$ (17,900,000)	\$ (17,900,000)
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Comments

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 Investor profit decreases, investors likely to pull out or reduce investment



Proposed Causes of Gap

Parking for Hotel \$ 3,500,000

Infrastructure

- Terrace at Mansion Hill
 - Grand Stair to lakefront
 - Demolition of 1970's Bldg
 - ADA Accessibility (Elevator, Ramping)
 - Foundation, Engineering
 - Landscaping, Sitework
- Subtotal - Infrastructure \$ 12,500,000
- Total Cost**

~~\$ 16,000,000~~

check all

Public Access Cost

	<u>Total</u>	<u>Public Access</u>	<u>Private Cost Allocated</u>
Land	\$ -	\$ -	\$ -
Earthwork	4,100,000.00	1,800,000	2,300,000
Demo	1,900,000	800,000	1,100,000
Hotel ADA and Code Upgra	1,300,000	-	1,300,000
Parking	4,900,000	-	4,900,000
Soft Cost	4,200,000	2,400,000	1,800,000
Landscaping & Site Restoratic	1,200,000	1,200,000	-
Site Utilties	500,000	500,000	-
Mansion Hill Terrace & Garden	8,100,000	8,100,000	-
Grand Stair and Waterfront A	2,200,000	2,200,000	-
Waterfront Improvements	900,000	900,000	-
Total Public Access Cost	\$ 29,300,000	\$ 17,900,000	\$ 11,400,000

Check with AT

PK

PREFACE TO EDGEWATER PARKING ANALYSIS

From the outset, the Edgewater hotel developer has asserted that there will be parking provided as a part of the project that will handle all parking demand created by the project under any circumstances. The Steering Committee on the Edgewater has criticized the plan for coming up short on the developer's promise. That the hotel development and public plaza do not add parking demand to the neighborhood already critically short of on-street parking has been a goal from the very beginning.

Mansion Hill is divided into two parking zones divided by Wisconsin Avenue. Zone 2, the westerly side of Wisconsin Avenue running generally along Langdon and West Gilman, contains 205 two-hour, on-street parking spaces. There were 435 parking permits issued to parkers in Zone 2. Zone 3 running generally east of Wisconsin Avenue on East Gilman and East Gorham contains 518 two-hour, on-street parking spaces with 540 parking permits issued. Combined, the two zones provide 723 parking places for which 975 parking permits have been issued.

Many parkers who do not have parking permits, compete for these spaces, particularly during the night. It is well understood that there is absolutely no capacity to add more on-street parking demand without seriously eroding the residential quality of Mansion Hill and the Langdon Street neighborhood. From the outset, the Edgewater project has been criticized by the Mansion Hill Steering Committee and others for its unrealistic lack of parking. The last iteration of the plan added parking to be shared during weekdays with National Guardian Life, but the plan is still woefully short of meeting the goals that have been generally agreed upon.

The City often waives the parking requirements under Chapter 28.11 for downtown hotels because of the availability of on-street parking in the commercial areas of the Capitol Square and the availability of parking in the city's parking ramps. Those resources are not available to parkers at the Edgewater site. The nearest parking ramp is over five blocks away and requires walking up a five-story hill. Patrons, particularly guests at a four-star hotel, will not trudge through rain and snow to walk between the city's parking ramps and the Edgewater. The Edgewater must fulfill all of its parking requirements.

Attached is an analysis based on Chapter 28 indicating a parking shortfall of 476 spaces during weekdays and 290 spaces during week nights. It would be hard to challenge the modesty of this analysis in that it reduces all of the capacities by a substantial amount and then reduces the whole thing by another 25 percent. For instance, the ballroom is approximately the same size as the Hall of Ideas at the Convention Center which will seat 400 attendees in classroom configuration with desks. Many meetings at Madison Hotels are of a local or regional nature and have virtually every attendee arriving by automobile.

The anticipated parking shortfall will have a severe and important negative effect on the Mansion Hill and Langdon Street neighborhoods, but will also predictably affect the success of the hotel itself. If the Edgewater is to successfully compete against the Convention Center and other downtown hotels, it must be able to solve its parking problem. Planners will not sign up business at a hotel that cannot park its guests.

The parking subject is just one of many aspects of the Edgewater plan that have not been vetted or analyzed by city staff during the long process that we are all familiar with. To our knowledge, in spite of the fact that the Mansion Hill Steering Committee on the Edgewater has repeatedly asked city Staff, including the Plan Department and Traffic Department, to prepare such an analysis and to sign off on it, no analysis has been undertaken. Something is "broken." What is holding up city staff from performing their usual professional obviously useful analysis as they have in the past? Are the Mayor and Council leadership so invested in the project that they will ignore obvious, important shortcomings rather than risk the developer's disapproval? Are the processes "broken" or just not being wisely and fairly administered? We are talking about having a project is at a minimum 476 to 290 parking places short. This isn't a matter of having someone analyze it wrongly-it is a matter of everybody being afraid to analyze it at all.

Edgewater Parking Requirements per Madison General Ordinance Chapter 28.11(3)

Guest Rooms: 1.0 / Room	182 Rooms @ 1.0	182
Condominiums: 1.5 / Unit ¹	8 Units @ 1.50	12
Spa: 1.0 / 300 SF	8,300 SF @ 1.0 / 300 SF	27
Dining		
Restaurant: 30% Capacity	6,800 SF @ 1.0 / 15 SF x 0.3	136
Terrace: 30% Capacity	1,730 SF @ 1.0 / 15 SF x 0.3	36
Café: 30% Capacity	960 SF @ 1.0 / 15 SF x 0.3	19
Café Terrace: 30% Capacity	420 SF @ 1.0 / 15 SF x 0.3	8
Rigadoon: 30% Capacity	2,150 SF @ 1.0 / 15 SF x 0.3	43
Dock & Bar: 30% Capacity	2,740 SF @ 1.0 / 15 SF x 0.3	<u>55</u>
Dining Subtotal		297
Function		
Ballroom: 10% Capacity	6,500 SF @ 1.0 / 12.5 SF x 0.1 ²	52
Meeting: 30% Capacity	3,200 SF @ 1.0 / 12.5 SF x 0.3 ³	<u>77</u>
Function Subtotal		129
Plaza: 10% Capacity	13,500 SF @ 1.0 / 15 SF x 0.1	90
Total Parking Stalls Required		737 ⁵
With Maximum 25% Reduction per 28.11(2)(c)(3)		553
Total Parking Stalls Proposed		<u>261</u>
Parking Shortfall		(476)
Proposed plus NGL parking available nights and weekends		<u>477</u>
Total parking shortfall nights and weekends		(290)

¹ 1.75 for three or more bedrooms

² 1.0 / 12.5 for banquet 1.0 / 10.0 SF for theater – 65 instead 52 stalls required

³ 1.0 / 12.5 for banquet 1.0 / 10.0 SF for theater – 98 instead 77 stalls required

⁴ Add 34 (165 instead of 129) with theater set ups

⁵ Sec. 28.11(3) (c) Mixed Uses. Where two (2) or more uses are located on the same zoning lot or within the same building, parking spaces equal in number to the sum of the separate requirements for each such use shall be provided. No parking space or portion thereof shall serve as a required space for more than one use unless otherwise authorized by the Zoning Board of Appeals in accordance with Section 28.12(9).

CASH FLOW - PROPOSED x 1,000

Leverage Assumptions	
Stabilized NOI - All Bus. Units	4,370
Cap Rate	10.20%
Interest Rate	6.50%
Term	25
Loan Amount	(30,825)
Est. Annual Debt Service	(2,373)

Operating Assumptions	
Avg. Daily Rate (ADR) @ Stable	\$199.88
Inflation	3.00%
Total Rooms	190
No. of Rooms @ Vacancy	133
Avg. Occupancy %	70.00%

133 Rooms x \$199.88 = \$26,584 /day x 365 days = \$9,703,175

CASH FLOW (x 1,000)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
ADR	191	200	205	242	255	262	270	278	286	295	304	313	322	332	342
Gross Potential Income - Hotel	13,246	13,862	14,278	14,706	15,147	15,601	16,069	16,552	17,048	17,560	18,086	18,629	19,188	19,763	20,356
Vacancy Rate %	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Less: Vacancy	(3,974)	(4,159)	(4,283)	(4,412)	(4,544)	(4,680)	(4,821)	(4,965)	(5,114)	(5,268)	(5,426)	(5,589)	(5,756)	(5,929)	(6,107)
Effective Income-Rooms	9,272	9,703	11,182	11,782	12,357	12,728	13,109	13,502	13,907	14,325	14,754	15,197	15,653	16,122	16,606
Effective Income - Spa & Restaurant	493	509	524	524	556	573	590	608	626	645	664	684	704	725	747
Effective Income - Other Hotel (e.g. banquets, events)	3,204	3,752	2,679	2,759	2,842	2,927	3,015	3,106	3,199	3,295	3,393	3,495	3,600	3,708	3,819
Effective Gross Income - Hotel	12,969	13,964	14,385	15,082	15,755	16,228	16,714	17,215	17,732	18,264	18,812	19,376	19,957	20,556	21,173
Operating Expense	(9,701)	(8,531)	(8,903)	(9,241)	(9,588)	(9,876)	(10,172)	(10,477)	(10,791)	(11,115)	(11,449)	(11,792)	(12,146)	(12,510)	(12,885)
Hotel	(832)	(657)	(883)	(909)	(936)	(965)	(993)	(1,023)	(1,054)	(1,086)	(1,118)	(1,152)	(1,186)	(1,222)	(1,258)
Property Tax	(200)	(206)	(212)	(219)	(225)	(232)	(239)	(246)	(253)	(261)	(269)	(277)	(285)	(294)	(303)
Insurance	(10,730)	(9,594)	(9,998)	(10,369)	(10,750)	(11,072)	(11,404)	(11,746)	(12,099)	(12,462)	(12,835)	(13,221)	(13,617)	(14,026)	(14,446)
Total Operating Expense	2,236	4,370	4,387	4,693	5,005	5,156	5,310	5,469	5,633	5,802	5,976	6,155	6,340	6,530	6,726
NOI - Hotel	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)
Less: Debt Service	(137)	1,997	2,014	2,320	2,633	2,783	2,937	3,096	3,260	3,429	3,603	3,783	3,967	4,157	4,353
Before Tax Cash Flow	0.94	1.84	1.85	1.98	2.11	2.17	2.24	2.30	2.37	2.45	2.52	2.59	2.67	2.75	2.83
Debt Coverage Ratio															
Other Outlets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pot. Gross Income - Restaurant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tot. Pot. Gross Income - Restaurant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staffing Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Op. Expense - Spa & Salon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOI - Spa	91	94	97	100	103	106	109	113	116	119	123	127	130	134	138

TOTAL NOI - ALL BUSINESS UNITS															
Cash Flow	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)
Less: Debt Service	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)
Before Tax Cash Flow	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Coverage Ratio - All Units															

% of EIT, Gross Revenue															
Hotel	74.80%														
Property Tax	6.42%														
Insurance	1.34%														
Total Operating Expense	82.75%														
NOI - Hotel															
Less: Debt Service															
Before Tax Cash Flow															
Debt Coverage Ratio															

% of Gross Revenue															
NOI - Spa															
Tot. Op. Expense - Spa & Salon															
NOI - Spa															



Numbers based on 190 Room Inventory

NOTE: Items in Yellow reflect correct math; Edgewater document mistakes

Edgewater Proforma

	2013 (From Edgewater Cash Flow Spreadsheet)	2014 (From Edgewater Cash Flow Spreadsheet)	2014 Based on National Average (20.2% NOI)	2015 (From Edgewater Cash Flow Spreadsheet)	Correct Calculations 2015	Difference	2015 Based on National Average (20.2% NOI)
ADR	\$ 191.00	\$ 200.00	\$ 200.00	\$ 205.00	\$ 205.00	\$ 205.00	\$ 200.00
Gross Potential Income - Hotel	13,246.00	13,862.00	13,862.00	14,278.00	14,278.00	14,278.00	13,862.00
Vacancy Rate	30%	30%	30%	30%	30%	30%	30%
Less: Vacancy	(3,973.80)	(4,158.60)	(4,158.60)	(4,283.00)	(4,283.40)	(1,187.40)	(4,158.60)
Effective Income Rooms	9,272.20	9,703.40	9,703.40	11,182.00	9,994.60	(1,187.40)	9,703.40
Effective Income Spa & Rest.	493.00	509.00	509.00	524.00	524.00		509.00
Effective Income Other Hotel	3,204.00	3,752.00	3,752.00	2,679.00	2,679.00		3,752.00
Effective Gross Income - Hotel	12,969.20	13,964.40	13,964.40	14,385.00	13,197.60	(1,187.40)	13,964.40
Operating Expense							
Hotel	(9,701.00)	(8,531.00)	(8,531.00)	(8,903.00)	(8,903.00)		(8,903.00)
Property Tax	(832.00)	(857.00)	(857.00)	(883.00)	(883.00)		(883.00)
Insurance	(200.00)	(206.00)	(206.00)	(212.00)	(212.00)		(212.00)
Total Operating Expense	(10,733.00)	(9,594.00)	(9,594.00)	(9,998.00)	(9,998.00)		(9,998.00)
NOI - Hotel	2,236.20	4,370.40	4,370.40	4,387.00	3,199.60	(1,187.40)	4,370.40
Less: Debt Service	(2,373.00)	(2,373.00)	(2,373.00)	2,373.00	(2,373.00)		(2,373.00)
Before Tax Cash Flow	(136.80)	1,997.40	447.81	2,014.00	826.60		447.81
Debt Coverage Ratio	0.94	1.84	1.19	1.84	1.35		1.19



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RESORT HOTELS

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 25

	2009 Dollars Per Available Room	Change From Prior Year	2009 Percent of Revenue	2009 Dollars Per Occupied Room
Revenue				
Rooms	\$ 44,733	(20.3)%	51.8 %	\$ 197.95
Food and Beverage	27,431	(21.8)	31.8	121.39
Other Operated Departments	10,226	(11.4)	11.8	45.25
Rentals and Other Income	3,954	(9.4)	4.6	17.50
Total Revenue	\$ 86,345	(19.4)%	100.0 %	\$ 382.08
Departmental Expenses*				
Rooms	\$ 13,126	(10.4)%	29.3 %	\$ 58.09
Food and Beverage	20,518	(17.0)	74.8	90.79
Other Operated Departments	7,338	(9.2)	71.8	32.47
Total Departmental Expenses	\$ 40,983	(13.6)%	47.5 %	\$ 181.35
Total Departmental Income	\$ 45,363	(24.0)%	52.5 %	\$ 200.73
Undistributed Operating Expenses				
Administrative and General	\$ 7,096	(14.9)%	8.2 %	\$ 31.40
Sales and Marketing	5,979	(13.6)	6.9	26.46
Property Operations and Maintenance	4,802	(8.0)	5.6	21.25
Utilities	3,759	(10.3)	4.4	16.63
Total Undistributed Expenses	\$ 21,636	(12.3)%	25.1 %	\$ 95.74
Gross Operating Profit	\$ 23,726	(32.2)%	27.5 %	\$ 104.99
Management Fees	\$ 2,161	(25.0)%	2.5 %	\$ 9.56
Income Before Fixed Charges	\$ 21,565	(32.9)%	25.0 %	\$ 95.43
Fixed Charges				
Property and Other Taxes	\$ 2,797	3.2 %	3.2 %	\$ 12.38
Insurance	1,321	(5.3)	1.5	5.84
Total Fixed Charges	\$ 4,118	0.3 %	4.8 %	\$ 18.22
Net Operating Income**	\$ 17,447	(37.8)%	20.2 %	\$ 77.21
Percentage of Occupancy	61.9 %	(8.9)%		
Average Daily Rate	\$ 197.95	(12.5)%		
RevPAR	\$ 122.56	(20.3)%		
Average Size (Rooms)	464	(0.1)%		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

For additional analysis of resort hotel performance by rate groups, geographic divisions, and property size classifications, please see Figures 25A, 25B, and 25C on the CD attached to page 74 of this report.

FULL-SERVICE HOTELS

Summary Operating Statement

Dollars Per Available and Occupied Room

Figure Number 10

	2009 Dollars Per Available Room	Change From Prior Year	2009 Percent of Revenue	2009 Dollars Per Occupied Room
Revenue				
Rooms	\$ 32,009	(18.7)%	67.1%	\$ 135.80
Food and Beverage	13,034	(18.5)	27.3	55.30
Other Operated Departments	1,684	(13.8)	3.5	7.14
Rentals and Other Income	974	(18.2)	2.0	4.13
Total Revenue	\$ 47,701	(18.5)%	100.0%	\$ 202.37
Departmental Expenses*				
Rooms	\$ 9,142	(9.8)%	28.6%	\$ 38.78
Food and Beverage	10,075	(15.6)	77.3	42.74
Other Operated Departments	1,221	(9.1)	72.5	5.18
Total Departmental Expenses	\$ 20,437	(12.7)%	42.8%	\$ 86.70
Total Departmental Income	\$ 27,264	(22.3)%	57.2%	\$ 115.67
Undistributed Operating Expenses				
Administrative and General	\$ 4,590	(13.2)%	9.6%	\$ 19.47
Sales and Marketing	4,087	(11.9)	8.6	17.34
Property Operations and Maintenance	2,543	(7.5)	5.3	10.79
Utilities	2,176	(9.6)	4.6	9.23
Total Undistributed Expenses	\$ 13,395	(11.2)%	28.1%	\$ 56.83
Gross Operating Profit	\$ 13,869	(30.7)%	29.1%	\$ 58.84
Management Fees	\$ 1,387	(25.4)%	2.9%	\$ 5.89
Income Before Fixed Charges	\$ 12,481	(31.3)%	26.2%	\$ 52.95
Fixed Charges				
Property and Other Taxes	\$ 2,237	3.6%	4.7%	\$ 9.49
Insurance	665	(4.4)	1.4	2.82
Total Fixed Charges	\$ 2,901	1.7%	6.1%	\$ 12.31
Net Operating Income**	\$ 9,580	(37.4)%	20.1%	\$ 40.64
Percentage of Occupancy	64.6%	(6.5)%		
Average Daily Rate	\$ 135.80	(13.1)%		
RevPAR	\$ 87.70	(18.7)%		
Average Size (Rooms)	259	(0.2)%		

* Expressed as a percent of departmental revenue.

** Before deduction for rent.

For additional analysis of full-service hotel performance by rate groups, geographic divisions, and property size classifications, please see Figures 10A, 10B, and 10C on the CD attached to page 74 of this report.

TID 32 Second Amendment - North Blair, East Gorham, North Butler, East Washington Parcel Data

Dwelling Type	Parcel Number	Owner	Property Address	Blight Rating	January 1, 2010 Assessed Value		
					Land	Improvement	Total
Single Family House	0709-133-1418-7	Meritage Investments LLC	145 N Franklin St	1	\$88,800	\$111,200	\$200,000
Single Family House	0709-133-1431-9	101 N Franklin LLC	101 N Franklin St	2	\$50,300	\$36,000	\$86,300
Single Family House	0709-144-0503-4	Gebhardt III, Otto C % Madison Property Mgmt	323 N Butler St	2	\$112,400	\$14,900	\$127,300
Single Family House	0709-133-1502-8	521 E Mifflin St LLC	521 E Mifflin St	2	\$51,300	\$83,700	\$135,000
Single Family House	0709-133-1507-8	23 North Franklin St LLC	23 N Franklin St	2	\$57,500	\$97,100	\$154,600
Single Family House	0709-133-1428-6	Steakley, James D	111 N Franklin St	2	\$87,800	\$78,300	\$166,100
Single Family House	0709-133-2113-2	Buttner, Greg & Jamie	123 N Hancock St	2	\$56,800	\$110,200	\$167,000
Single Family House	0709-133-1413-7	Infusino, Giovanni A	517 E Johnson St	2	\$46,300	\$123,700	\$170,000
Single Family House	0709-133-2132-2	Fouts, James A	140 N Franklin St	2	\$82,900	\$93,100	\$176,000
Single Family House	0709-133-1310-5	Fourth Lake III LLC	303 N Franklin St	2	\$44,800	\$139,200	\$184,000
Single Family House	0709-133-1318-9	Disch, Joseph T	316 N Blair St	2	\$76,900	\$108,100	\$185,000
Single Family House	0709-133-1311-3	Coleman, Theodore S	506 E Johnson St	2	\$65,800	\$123,100	\$188,900
Single Family House	0709-133-1510-1	Campus Investments LLC % Rick Mcky	15 N Franklin St	2	\$53,600	\$139,700	\$193,300
Single Family House	0709-144-0507-6	Gobel, Daniel A	312 N Hamilton St	3	\$57,400	\$100	\$57,500
Single Family House	0709-133-1512-7	Rider Rental LLC	7 N Franklin St	3	\$41,000	\$59,200	\$100,200
Single Family House	0709-133-1316-3	308 N Blair LLC	308 N Blair St	3	\$86,200	\$20,200	\$106,400
Single Family House	0709-133-2129-9	Linzmeier, Lawrence G	132 N Franklin St	3	\$82,900	\$47,400	\$130,300
Single Family House	0709-133-1314-7	Spanos, Brian C	518 E Johnson St	3	\$47,000	\$94,900	\$141,900
Single Family House	0709-133-1414-5	Tiedeman, Christopher E	515 E Johnson St	3	\$85,400	\$92,500	\$177,900
Single Family House	0709-133-1504-4	Plamann, Luke A	511 E Mifflin St	3	\$44,800	\$137,700	\$182,500
Single Family House	0709-144-0508-4	Gobel, Daniel A	314 N Hamilton St	3	\$43,700	\$142,100	\$185,800
Single Family House	0709-133-2124-9	Erdahl Liv Tr, Kenneth R & Roberta J Hahn Liv Tr	118 N Franklin St	3	\$81,800	\$104,500	\$186,300
Single Family House	0709-133-1426-0	Martin, Bruce A & Sara Martin	119 N Franklin St	3	\$88,800	\$101,200	\$190,000
Single Family House	0709-133-1505-2	Zeil, Michael J	509 E Mifflin St	3	\$44,800	\$146,500	\$191,300
Single Family House	0709-133-2127-3	Bogensneider, Ross	126 N Franklin St	3	\$82,900	\$112,100	\$195,000
Single Family House	0709-133-1301-4	Doane, Alger N	523 E Gorham St	3	\$64,800	\$134,000	\$198,800
Single Family House	0709-133-1417-9	Dutcher, Steven	147 N Franklin St	1	\$67,900	\$149,600	\$217,500
Single Family House	0709-133-2325-3	Vitense Et Al, Ynonne M	118 N Hancock St	1	\$133,100	\$94,400	\$227,500
Single Family House	0709-133-1304-8	Fourth Lake I LLC	509 E Gorham St	2	\$65,800	\$148,200	\$214,000
Single Family House	0709-144-0501-8	Randall PK Rentals I LLC	315 E Gorham St	3	\$72,700	\$127,300	\$200,000
Single Family House	0709-133-1305-6	Fourth Lake I LLC	505 E Gorham St	3	\$42,200	\$174,200	\$216,400
Single Family House	0709-144-0504-2	Gebhardt III, Otto C % Madison Property Mgmt	319 N Butler St	3	\$99,900	\$121,400	\$221,300
Single Family House	0709-133-2301-3	Hall, Robert & Elizabeth	149 N Butler St	3	\$100,200	\$139,400	\$239,600
Single Family House	0709-133-2117-4	Fisher, Clifford D & Jean M Fisher	107 N Hancock St	1	\$56,000	\$202,200	\$258,200
Single Family House	0709-133-2109-1	Hecht, Rudolph & Ilse	141 N Hancock St	1	\$133,900	\$153,900	\$287,800
Single Family House	0709-133-2131-4	Bickers, James R	138 N Franklin St	2	\$81,800	\$192,900	\$274,700
Single Family House	0709-133-2110-8	Wurl-Koth, Michael D	135 N Hancock St	X	\$82,900	\$193,300	\$276,200
Single Family House	0709-133-1302-2	Kohlman, Victoria J	515 E Gorham St	2	\$96,600	\$247,200	\$343,800

TID 32 Second Amendment - North Blair, East Gorham, North Butler, East Washington Parcel Data

Dwelling Type	Parcel Number	Owner	Property Address	Blight Rating	January 1, 2010 Assessed Value		
					Land	Improvement	Total
Two Unit	0709-133-1513-5	Rider Rental LLC	502 E Washington Ave	2	\$72,900	\$77,300	\$150,200
Two Unit	0709-133-1402-0	RE Blair LLC	106 N Blair St	2	\$119,800	\$64,000	\$183,800
Two Unit	0709-133-1514-3	Rider Rental LLC	506 E Washington Ave	3	\$72,900	\$45,300	\$118,200
Two Unit	0709-133-1415-3	Scheib Investment Corp	511 E Johnson St	3	\$68,800	\$98,600	\$167,400
Two Unit	0709-133-2010-0	Hancock & Franklin LLC % Oakland Prop Svcs	12 N Franklin St	3	\$82,700	\$96,000	\$178,700
Two Unit	0709-133-2130-6	Breuscher Franklin LLC % SRM Properties LLC	136 N Franklin St	3	\$56,400	\$122,400	\$178,800
Two Unit	0709-133-2128-1	Jungwirth, Joan K & Justin D Hajny	128 N Franklin St	1	\$112,600	\$104,400	\$217,000
Two Unit	0709-133-1503-6	515 East Mifflin Street LLC	515 E Mifflin St	1	\$38,700	\$180,700	\$219,400
Two Unit	0709-133-1429-4	Renaissance Property	107 N Franklin St	2	\$54,200	\$149,900	\$204,100
Two Unit	0709-133-2324-5	Petersen, Richard L	116 N Hancock St	2	\$134,300	\$73,800	\$208,100
Two Unit	0709-133-1317-1	Day Investments LLC	312 N Blair St	2	\$132,000	\$81,400	\$213,400
Two Unit	0709-133-2323-7	Hynum, Jed M	112 N Hancock St	2	\$134,300	\$89,200	\$223,500
Two Unit	0709-133-2123-1	Fisher, Clifford D & Patricia A Fisher	114 N Franklin St	2	\$83,600	\$146,000	\$229,600
Two Unit	0709-133-1315-5	Fisher, Clifford D	520 E Johnson St	2	\$77,900	\$157,100	\$235,000
Two Unit	0709-133-2015-0	Foundry Apartments LLC	26 N Franklin St	2	\$106,600	\$128,600	\$235,200
Two Unit	0709-133-1424-4	Crean, Patrick	123 N Franklin St	2	\$89,700	\$153,800	\$243,500
Two Unit	0709-133-1509-4	Campus Investments LLC % Rick Mcky	19 N Franklin St	2	\$61,400	\$184,600	\$246,000
Two Unit	0709-133-2107-5	Foster Family Trust	147 N Hancock St	3	\$56,400	\$151,000	\$207,400
Two Unit	0709-133-1410-3	Friedl, Philip L	214 N Blair St	3	\$92,700	\$117,000	\$209,700
Two Unit	0709-133-1406-2	Buckdaddy LLC	130 N Blair St	3	\$132,000	\$87,700	\$219,700
Two Unit	0709-133-1312-1	Pasdo, Jerome A	512 E Johnson St	3	\$67,500	\$157,300	\$224,800
Two Unit	0709-133-2108-3	Martin, Bruce A & Sara R	143 N Hancock St	3	\$71,300	\$175,700	\$247,000
Two Unit	0709-144-0502-6	Morris Trust, Ruth J % WI Management Co Inc	307 E Gorham St	1	\$72,600	\$209,800	\$282,400
Two Unit	0709-133-2320-3	Meyer, Scott W & Kayrn M	322 E Mifflin St	2	\$67,500	\$185,000	\$252,500
Two Unit	0709-133-2337-8	317 E Johnson LLC % Christopher Culver	317 E Johnson St	2	\$134,300	\$118,500	\$252,800
Two Unit	0709-133-2334-4	Puls, John C	144 N Hancock St	2	\$63,400	\$194,300	\$257,700
Two Unit	0709-133-2302-1	Baal, Keith C	145 N Butler St	2	\$134,300	\$127,300	\$261,600
Two Unit	0709-133-1506-0	Garver Jr, John C	25 N Franklin St	2	\$89,700	\$173,900	\$263,600
Two Unit	0709-133-1309-8	Fourth Lake III LLC	309 N Franklin St	2	\$119,800	\$148,500	\$268,300
Two Unit	0709-133-2336-0	Lihn, Tien-Min & Yuh-Tze Chern	319 E Johnson St	2	\$103,300	\$173,200	\$276,500
Two Unit	0709-133-2331-0	Brown, Karen A	136 N Hancock St	2	\$134,300	\$154,400	\$288,700
Two Unit	0709-133-2326-1	Fisher, Clifford D & Jean M Fisher	120 N Hancock St	2	\$134,300	\$161,100	\$295,400
Two Unit	0709-133-1313-9	Yeung, Song Q	514 E Johnson St	3	\$54,800	\$218,900	\$273,700
Two Unit	0709-133-2126-5	124 Franklin St Ptnrs % Premiere Pymt Services	124 N Franklin St	3	\$83,600	\$191,000	\$274,600
Two Unit	0709-133-2101-7	Lofgren Properties 3 LLC	415 E Johnson St	4	\$69,700	\$204,600	\$274,300

TID 32 Second Amendment - North Blair, East Gorham, North Butler, East Washington Parcel Data

Dwelling Type	Parcel Number	Owner	Property Address	Blight Rating	January 1, 2010 Assessed Value		
					Land	Improvement	Total
Two Unit	0709-133-2306-3	Hamilton Butler LLC	133 N Butler St	2	\$134,300	\$169,600	\$303,900
Two Unit	0709-133-1303-0	Stockinger, Jacob G	513 E Gorham St	2	\$71,300	\$245,600	\$316,900
Two Unit	0709-133-2112-4	JK Holdings LLC	125 N Hancock St	2	\$92,100	\$225,900	\$318,000
Two Unit	0709-133-2327-9	Fisher, Clifford D & Jean M Fisher	124 N Hancock St	2	\$134,300	\$190,200	\$324,500
Two Unit	0709-133-2308-9	Fisher, Clifford D & Patricia A Fisher	125 N Butler St	2	\$134,300	\$204,400	\$338,700
Two Unit	0709-133-2311-2	BNBC Properties Isthmus Apartments	117 N Butler St	2	\$103,300	\$242,600	\$345,900
Two Unit	0709-133-2340-1	305 E Johnson LLC	305 E Johnson St	3	\$99,700	\$231,000	\$330,700
Two Unit	0709-133-2332-8	Lofgren Properties 7 LLC	138 N Hancock St	3	\$134,300	\$196,500	\$330,800
Two Unit	0709-133-1423-6	Ni, Jeannie X	125 N Franklin St	3	\$89,700	\$252,400	\$342,100
Two Unit	0709-133-2303-9	JK Holdings LLC	143 N Butler St	3	\$93,000	\$251,600	\$344,600
Two Unit	0709-133-2333-6	Lofgren Properties 7 LLC	142 N Hancock St	3	\$134,300	\$211,300	\$345,600
Two Unit	0709-133-2104-1	Lofgren Properties 3 LLC	407 E Johnson St	3	\$69,700	\$279,200	\$348,900
Two Unit	0709-144-0505-0	Gebhardt III, Otto C % Madison Property Mgmt	304 N Hamilton St	3	\$250,400	\$308,000	\$558,400
Two Unit	0709-133-2310-4	Fisher, Clifford D	119 N Butler St	X	\$93,300	\$2,000	\$95,300

TID 32 Second Amendment - North Blair, East Gorham, North Butler, East Washington Parcel Data

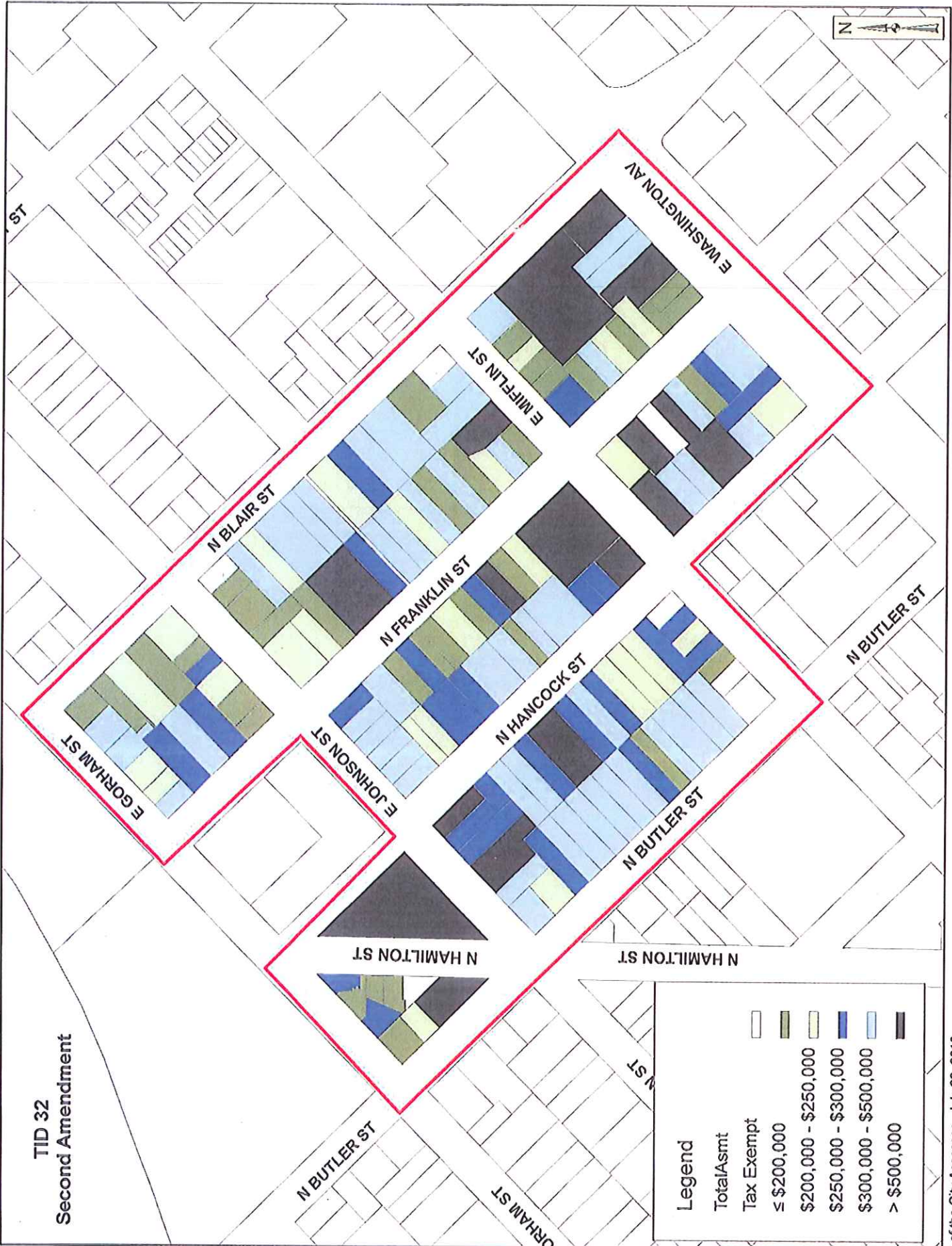
Dwelling Type	Parcel Number	Owner	Property Address	Blight Rating	January 1, 2010 Assessed Value		
					Land	Improvement	Total
Three Unit	0709-133-2319-6	Nyland, Scott E	318 E Miffin St	2	\$61,300	\$175,800	\$237,100
Three Unit	0709-133-1416-1	Seitz Trust, Rose M	153 N Franklin St	2	\$122,100	\$125,700	\$247,800
Three Unit	0709-133-2322-9	Tydrich, Brian J	108 N Hancock St	1	\$122,100	\$152,900	\$275,000
Three Unit	0709-144-0509-2	Randall Park Rentals I LLC	317 E Gorham St	2	\$56,300	\$218,700	\$275,000
Three Unit	0709-133-1405-4	Sanjak, Mohammed S	126 N Blair St	3	\$104,800	\$168,200	\$273,000
Three Unit	0709-133-2009-3	Hancock & Franklin LLC % Oakland Prop Svcs	8 N Franklin St	3	\$76,300	\$204,500	\$280,800
Three Unit	0709-133-1308-0	Fourth Lake II LLC	311 N Franklin St	1	\$108,700	\$217,700	\$326,400
Three Unit	0709-133-2111-6	Hees, Philip K	133 N Hancock St	2	\$145,600	\$184,400	\$330,000
Three Unit	0709-133-2002-7	Chase Trust, Allen H	23 N Hancock St	2	\$93,300	\$246,900	\$340,200
Three Unit	0709-133-2307-1	Hamilton Butler LLC	129 N Butler St	2	\$122,100	\$265,100	\$387,200
Three Unit	0709-133-2011-8	McGowan, Samuel A	14 N Franklin St	2	\$76,300	\$318,700	\$395,000
Three Unit	0709-133-2003-5	Davis, Brett H	19 N Hancock St	2	\$76,300	\$333,700	\$410,000
Three Unit	0709-133-1411-1	Eberhart, Ramona M	218 N Blair St	2	\$81,200	\$330,900	\$412,100
Three Unit	0709-133-2304-7	Lofgren Properties 4 LLC	141 N Butler St	2	\$133,500	\$279,500	\$413,000
Three Unit	0709-133-1517-7	Mcky Investments LLC	514 E Washington Ave	2	\$142,800	\$287,200	\$430,000
Three Unit	0709-133-2102-5	Lofgren Properties 3 LLC	411 E Johnson St	2	\$63,300	\$414,300	\$477,600
Three Unit	0709-133-2312-0	Martin, Bruce & Sara L	113 N Butler St	3	\$183,700	\$131,300	\$315,000
Three Unit	0709-133-1425-2	Martin, Bruce & Sara L	121 N Franklin St	3	\$81,200	\$261,800	\$343,000
Three Unit	0709-133-1427-8	Weird Works LLC	117 N Franklin St	3	\$81,200	\$263,800	\$345,000
Three Unit	0709-133-1407-0	Paul, Randy	202 N Blair St	3	\$81,200	\$264,400	\$345,600
Three Unit	0709-133-1408-8	Paul, Randy	206 N Blair St	3	\$81,200	\$264,400	\$345,600
Three Unit	0709-133-1306-4	Bruns, Donald B	501 E Gorham St	3	\$42,500	\$313,900	\$356,400
Three Unit	0709-133-1430-1	103/105 N Franklin LLC	103 N Franklin St	3	\$50,300	\$338,500	\$388,800
Three Unit	0709-133-1409-6	JBOS Properties LLC	210 N Blair St	3	\$148,600	\$241,300	\$389,900
Three Unit	0709-133-1518-5	Espeseth SRVR's TR, T L % UPM	516 E Washington Ave	3	\$142,800	\$262,200	\$405,000
Three Unit	0709-133-2105-9	Johnson Curtis LLC	403 E Johnson St	3	\$63,300	\$352,500	\$415,800
Three Unit	0709-133-1404-6	Hoffman, Duwayne	120 N Blair St	3	\$98,700	\$360,300	\$459,000
Three Unit	0709-133-2103-3	Lofgren Properties 3 LLC	409 E Johnson St	3	\$63,300	\$428,100	\$491,400
Three Unit	0709-133-2335-2	323 E Johnson LLC % Christopher Culver	323 E Johnson St	3	\$93,300	\$428,300	\$521,600
Three Unit	0709-133-2125-7	Thronson Investments LLC	120 N Franklin St	3	\$76,300	\$483,100	\$559,400

TID 32 Second Amendment - North Blair, East Gorham, North Butler, East Washington Parcel Data

Dwelling Type	Parcel Number	Owner	Property Address	Blight Rating	January 1, 2010 Assessed Value		
					Land	Improvement	Total
Four Unit	0709-133-1511-9	Apex Franklin LLC	11 N Franklin St	3	\$64,500	\$175,800	\$240,300
Four Unit	0709-133-2328-7	Hamilton Butler LLC	126 N Hancock St	1	\$122,100	\$166,700	\$288,800
Four Unit	0709-133-1307-2	Fourth Lake II LLC	315 N Franklin St	2	\$108,700	\$167,900	\$276,600
Four Unit	0709-133-1421-0	Martin, Bruce & Sara L	133 N Franklin St	3	\$80,300	\$201,700	\$282,000
Four Unit	0709-133-2116-6	Fisher, Clifford D & Jean M Fisher	109 N Hancock St	3	\$51,300	\$242,400	\$293,700
Four Unit	0709-133-2309-7	Fisher, Clifford D & Patricia A Fisher	121 N Butler St	3	\$118,400	\$176,200	\$294,600
Four Unit	0709-133-1433-5	Steven Doran LLC	516 E Mifflin St	2	\$84,500	\$258,500	\$343,000
Four Unit	0709-133-2133-0	Lofgren Properties 3 LLC	142 N Franklin St	2	\$115,300	\$230,100	\$345,400
Four Unit	0709-133-2115-8	Jenifer Properties LLC	115 N Hancock St	2	\$191,100	\$158,000	\$349,100
Four Unit	0709-133-2106-7	Martin, Bruce A & Sara R	401 E Johnson St	2	\$63,300	\$291,700	\$355,000
Four Unit	0709-133-2305-5	Hamilton Butler LLC	135 N Butler St	2	\$122,100	\$337,600	\$459,700
Four Unit	0709-133-1403-8	Clauder, John C	110 N Blair St	3	\$162,800	\$224,100	\$386,900
Four Unit	0709-133-1422-8	Ji, Eun Jeoung	129 N Franklin St	3	\$81,200	\$288,800	\$370,000
Four Unit	0709-133-1435-1	Renaissance Property	510 E Mifflin St	X	\$104,900	\$480,100	\$585,000
Five Unit	0709-133-2318-8	Pennies For College LLC % Michaela Poellertzer	314 E Mifflin St	1	\$67,500	\$215,800	\$283,300
Five Unit	0709-133-2313-8	SRM Properties LLC	109 N Butler St	2	\$126,800	\$191,200	\$318,000
Five Unit	0709-133-1508-6	Deminter, Michael B	21 N Franklin St	2	\$140,700	\$197,300	\$338,000
Five Unit	0709-133-2114-0	Jenifer Properties LLC	121 N Hancock St	2	\$86,700	\$263,900	\$350,600
Five Unit	0709-133-2314-6	Paul, Randy L	105 N Butler St	2	\$140,700	\$349,400	\$490,100
Seven Unit	0709-133-2005-1	Hancock & Franklin LLC % Oakland Prop Svcs	9 N Hancock St	2	\$78,400	\$225,000	\$303,400

TID 32 Second Amendment - North Blair, East Gorham, North Butler, East Washington Parcel Data

Dwelling Type	Parcel Number	Owner	Property Address	Blight Rating	January 1, 2010 Assessed Value		
					Land	Improvement	Total
Commercial	0709-133-4202-1	Isaac, Michele	402 E Mifflin St # 2	1	\$87,000	\$43,000	\$130,000
Commercial	0709-133-2317-0	Johnson Market Inc	312 E Mifflin St	2	\$65,000	\$92,600	\$157,600
Commercial	0709-133-2006-9	402-10 E Washington LLC % Oakland Prop Svcs	408 E Washington Ave	3	\$212,000	\$34,000	\$246,000
Commercial	0709-133-2007-7	402-10 E Washington LLC % Oakland Prop Svcs	410 E Washington Ave	3	\$174,000	\$125,000	\$299,000
Commercial	0709-133-1501-0	Trump Investments, LLC	525 E Mifflin St	1	\$87,000	\$354,000	\$441,000
Commercial	0709-133-1516-9	512 E Washington Ave LLC	512 E Washington Ave	2	\$153,000	\$307,000	\$460,000
Commercial	0709-133-2008-5	Klinke Capital LLC	414 E Washington Ave	3	\$261,000	\$97,000	\$358,000
Commercial	0709-133-2341-9	Tzakis, Danny A	301 E Johnson St	3	\$118,000	\$253,700	\$371,700
Commercial	0709-133-1519-3	Hershleder Properties, LLC	524 E Washington Ave	1	\$163,000	\$516,200	\$679,200
Commercial	0709-133-2338-6	311 E Johnson LLC	311 E Johnson St	1	\$30,500	\$766,000	\$796,500
Commercial	0709-133-2330-2	0130 N Hancock St Ltd Prt % Eric & Jane Englund	130 N Hancock St	1	\$348,000	\$760,000	\$1,108,000
Commercial	0709-133-1521-8	Old Market Row, LLC	20 N Blair St	1	\$368,000	\$4,896,000	\$5,264,000
Commercial	0709-133-5501-6	Hees, Philip K	303 N Hamilton St	1	\$630,700	\$5,964,300	\$6,595,000
Commercial	0709-133-2014-2	Foundry Apartments LLC	22 N Franklin St	2	\$196,000	\$454,000	\$650,000
Commercial	0709-133-2001-9	Augusta Realty Inc	29 N Hancock St	2	\$228,000	\$443,000	\$671,000
Commercial	0709-133-2004-3	Statz, Daniel & Elizabeth	13 N Hancock St	2	\$428,000	\$902,000	\$1,330,000
Commercial	0709-133-2119-0	Courtyard Apartments of Madison, LLC	102 N Franklin St	2	\$697,000	\$858,000	\$1,555,000
Commercial	0709-133-1432-7	Vanlanen, Daniel & Cece	514 E Mifflin St	3	\$116,000	\$390,000	\$506,000
Condo	0709-133-4201-3	Isaac, Michele	402 E Mifflin St # 1	1	\$51,300	\$376,200	\$427,500
Condo	0709-133-3301-2	Paul, Randy L	141 N Franklin St # 1	2	\$18,600	\$60,600	\$79,200
Condo	0709-133-3308-8	Paul, Randy L	141 N Franklin St # 8	2	\$15,800	\$63,400	\$79,200
Condo	0709-133-3303-8	Paul, Randy L	141 N Franklin St # 3	2	\$22,400	\$62,900	\$85,300
Condo	0709-133-3304-6	Paul, Randy L	141 N Franklin St # 4	2	\$23,400	\$61,900	\$85,300
Condo	0709-133-3305-4	Paul, Randy L	141 N Franklin St # 5	2	\$15,800	\$71,000	\$86,800
Condo	0709-133-3306-2	Paul, Randy L	141 N Franklin St # 6	2	\$16,600	\$70,200	\$86,800
Condo	0709-133-3307-0	Paul, Randy L	141 N Franklin St # 7	2	\$16,800	\$70,000	\$86,800
Condo	0709-133-3309-6	Paul, Randy L	141 N Franklin St # 9	2	\$15,200	\$71,600	\$86,800
Condo	0709-133-3302-0	Paul, Randy L	141 N Franklin St # 2	2	\$25,200	\$68,100	\$93,300
Six Unit Tax Exempt	0709-133-2315-4	Madison Development Corp	103 N Butler St	2	\$0	\$0	\$0
Commercial Tax Exempt	0709-133-2013-4	Madison Community Co-op	20 N Franklin St	2	\$0	\$0	\$0
Commercial Tax Exempt	0709-133-2316-2	Madison Development Corp	310 E Mifflin St	2	\$0	\$0	\$0
Commercial Tax Exempt	0709-133-2321-1	Porchlight Inc.	324 E Mifflin St	2	\$0	\$0	\$0
Single Family Tax Exempt	0709-144-0506-8	Porchlight Inc.	310 N Hamilton St	3	\$0	\$0	\$0
Commercial Tax Exempt	0709-133-1401-2	Capital City Lodge # 2	100 N Blair St	3	\$0	\$0	\$0
Commercial Tax Exempt	0709-133-1412-9	Porchlight Inc.	519 E Johnson St	X	\$0	\$0	\$0





4. OTHER BLIGHTING FACTORS

The parcel scores include considerations for three factors that indicate and influence conditions consistent with blight – code violations, police calls, and the condition of public streets in the study area. Scores for all parcels were reduced by five points due to the generally elevated police call data in this area and minor deficiencies of the public streets in the area. Scores were reduced at an individual parcel basis for a history of code violations, up to a maximum of 10 points. The data and the scoring are described below.

Code Violations

The greater the number and frequency of code violations the more likely that the area is “detrimental to the public health, safety, morals, or welfare” of its citizens. The City of Madison has a Code of Ordinances which provides regulations on everything from plumbing and electricity, to civil rights, to landlord and tenant relations.

General Observations

There were 1,678 code violations in the TID 32 amendment study area from January 2000 through December 2009, averaging 9.5 violations per parcel. The majority of the parcels received multiple violations with only two parcels receiving none and three receiving only one violation.

There are many different categories of code violations; however most of the violations fall in to 14 different categories: cart location, construction, graffiti, grass/weeds, housing, junk, trash & debris, mechanical, noise, property maintenance, sign, snow, street occupancy, and zoning.

Table 4.1: Crimes in study area, 2000-09

Housing violations are the most common violation in the study area – there were 595 reports from 2000-2009. Housing violations include everything from structural problems with the doors, windows, or roof to problems with rodent and bug infestations. Many of the housing violations related to overcrowding, unsanitary and unsafe conditions, and dilapidation: all factors contributing to blight.

Graffiti violations are the second most common violation within TID 32 amendment with 461 violations. Table 4.1 displays the type and number of code violations reported in TID 32 amendment from the beginning of 2000 to December 2009.

Parcel Score Deductions for Code Violations

We assigned point deductions to individual parcels using the following guidelines:

- Properties with no code violations within the past five years received no deduction
- Parcels with two or fewer violations in the past ten years received no deduction
- Parcels with three or more violations and at least one in the past five years received a deduction of one-half point per violation, to a maximum of a 10-point total deduction

CATEGORY OF VIOLATIONS	
TYPE	#
Cart location	12
Construction	23
Graffiti	312
Grass/weeds	42
Housing	595
Junk, trash, & debris	461
Mechanical	3
Noise	1
Property maintenance	48
Sign	9
Snow	141
Street occupancy	4
Zoning	27

Police Calls

There are a variety of different conditions which, if present, can support a determination of blight. As defined in Statute 66.1105(2)(a), these conditions include those that are “conducive to...juvenile delinquency and crime, and [are] detrimental to the public health, safety, morals or welfare...”

To analyze the levels of crime within TID 32 amendment, we examined the number of police calls in TID 32 amendment and city-wide from 2005 to 2008 on a per acre basis (calls divided by acres). We compared both total police calls and several specific types of calls.

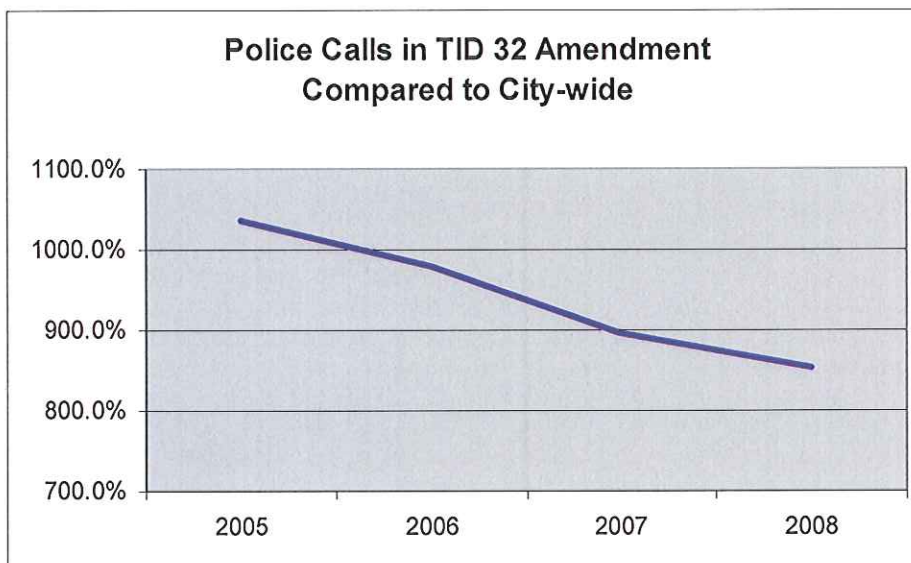
Total Police Calls

It is important to note that “police calls” include nearly 150 types of contact tracked by the City of Madison Police Department, including reported crimes but also including 911 phone calls and requests for information.

Over the past four years there have been, on average, 894 calls per year in the study area, or about 30.6 per acre. City-wide, over the same period, the average is 166,436 calls per year, or about 3.4 per acre. This indicates that total police calls average about 917% higher in the TID 32 amendment study area than in the City as a whole.

Table 4.2 shows “police calls per acre” in TID 32 amendment as a percentage of the same number city-wide, and it reveals that police calls in TID 32 amendment study area has declined over the last few years, however overall the police calls per acre are significantly higher than the numbers city-wide.

Table 4.2 – Police Calls per Acre, TID 32 Amendment versus City of Madison



Selected Police Calls

We also considered the occurrence of specific police calls associated with crimes that are particularly detrimental to actual or perceived personal safety (sexual assault, aggravated assault, burglary/robbery, theft, etc.).

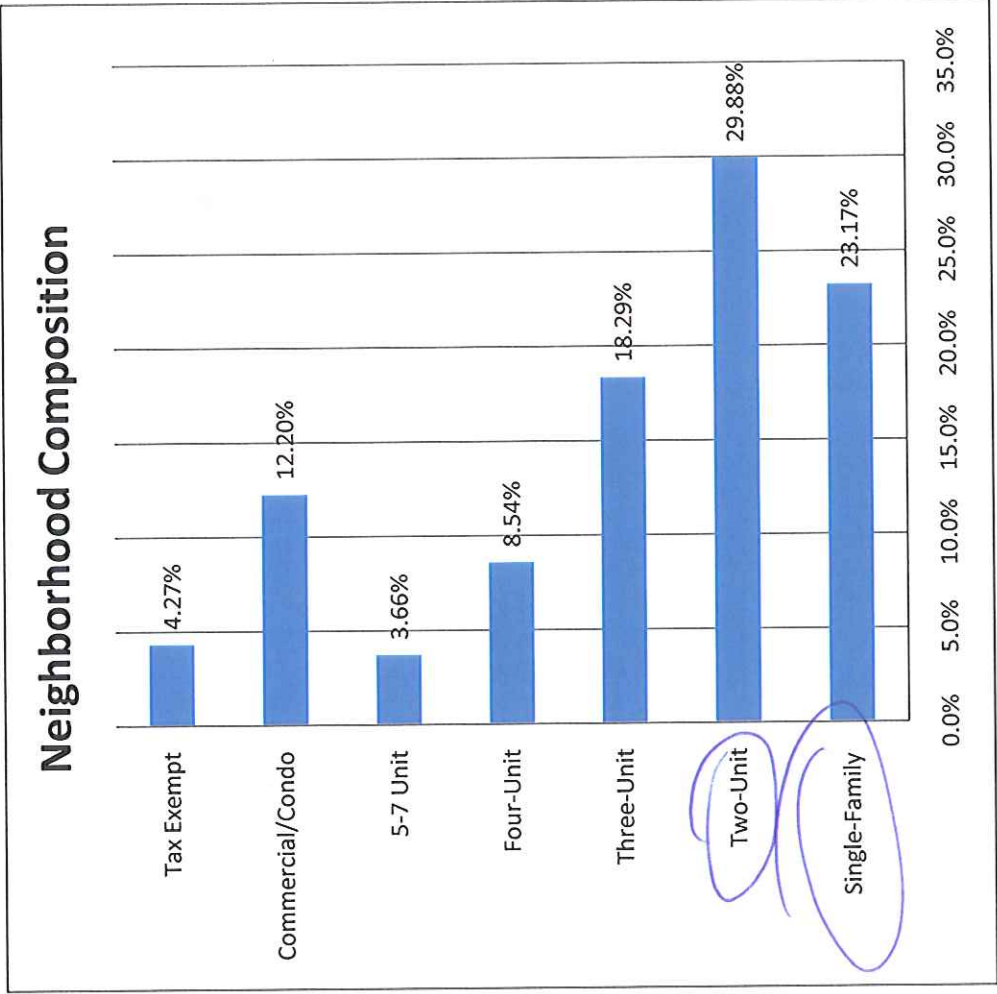
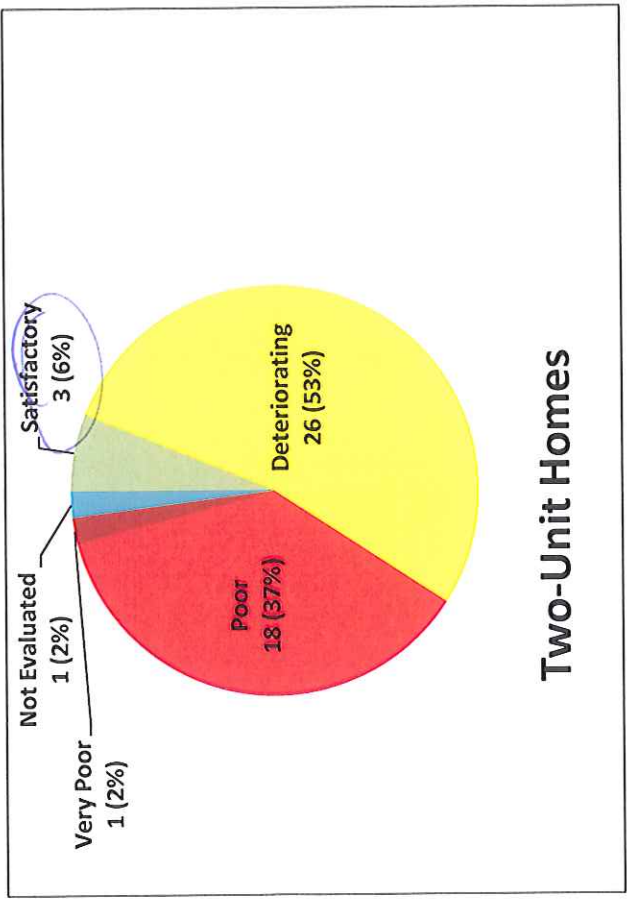
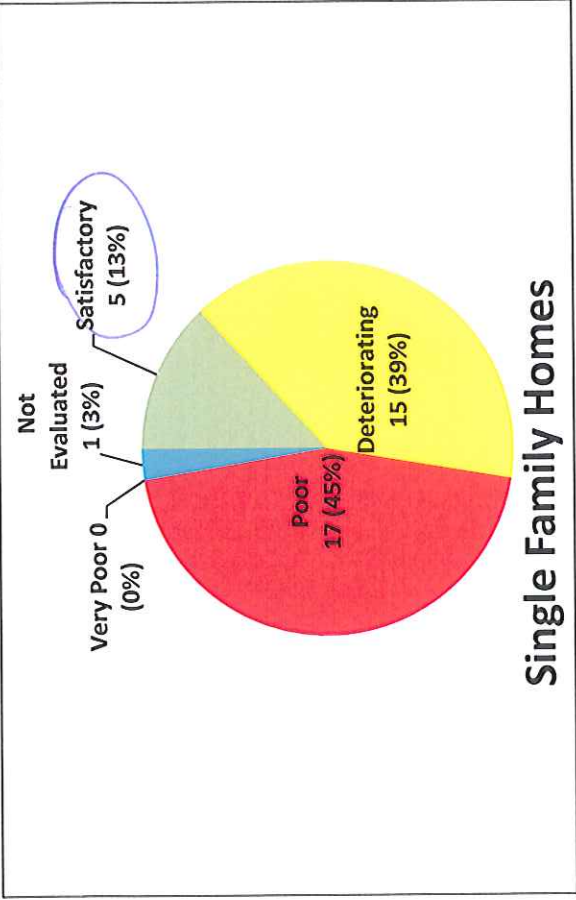
Table 4.3 displays reported crimes that threatened personal safety within TID 32 amendment, and within Madison. For ease of comparison, the numbers are reported on a per acre basis. Of these selected crimes, all occur in TID 32 amendment more than in the city as a whole. Some caution should be taken, as the density within the study area is significantly higher than the city as a whole, and crime historically is higher in areas with higher concentration of people. Nevertheless, the numbers are significant.

Table 4.3 – Reported Crimes in TID 32 Amendment & City of Madison

Reported Crimes Threatening Personal Safety in TID 32 Amendment & Madison (per acre)					
	2005	2006	2007	2008	Average
Robbery (<i>armed & strong armed</i>)	0.103	0.103	0.068	0.034	0.077
Madison	0.008	0.010	0.008	0.009	0.009
TID 32 compared to Madison	1320.4%	1059.6%	838.6%	402.2%	905.2%
Aggravated Assault	0.034	0.068	0.000	0.103	0.051
Madison	0.008	0.009	0.008	0.008	0.008
TID 32 compared to Madison	421.4%	776.6%	0.0%	1209.6%	601.9%
Burglary (<i>res. & non-res.</i>)	0.719	0.616	0.719	1.541	0.899
Madison	0.038	0.043	0.052	0.051	0.046
TID 32 compared to Madison	1907.5%	1443.9%	1385.1%	3010.7%	1936.8%
Stolen Autos	0.205	0.034	0.068	0.308	0.154
Madison	0.019	0.018	0.019	0.018	0.018
TID 32 compared to Madison	1088.2%	187.2%	368.3%	1759.5%	850.8%
Theft	0.548	0.719	0.685	0.616	0.642
Madison	0.092	0.087	0.087	0.059	0.081
TID 32 compared to Madison	595.0%	823.6%	789.9%	1037.5%	811.5%
Drug Incident	0.274	0.411	0.137	0.240	0.265
Madison	0.032	0.032	0.030	0.031	0.031
TID 32 compared to Madison	860.0%	1277.8%	463.5%	772.8%	843.5%
Damaged Property Complaint	0.959	0.890	0.411	0.548	0.702
Madison	0.076	0.075	0.074	0.052	0.069
TID 32 compared to Madison	1268.6%	1192.4%	558.9%	1050.0%	1017.5%

Public Street Conditions

Though we focused mostly on the condition of the parcels that would be located in TID 32 amendment, it is also important to consider the condition of the public streets and medians adjacent to the parcels we evaluated. Whereas the sidewalk and terrace is (or should be) maintained by the adjacent property owner and was evaluated as part of the adjacent parcel,

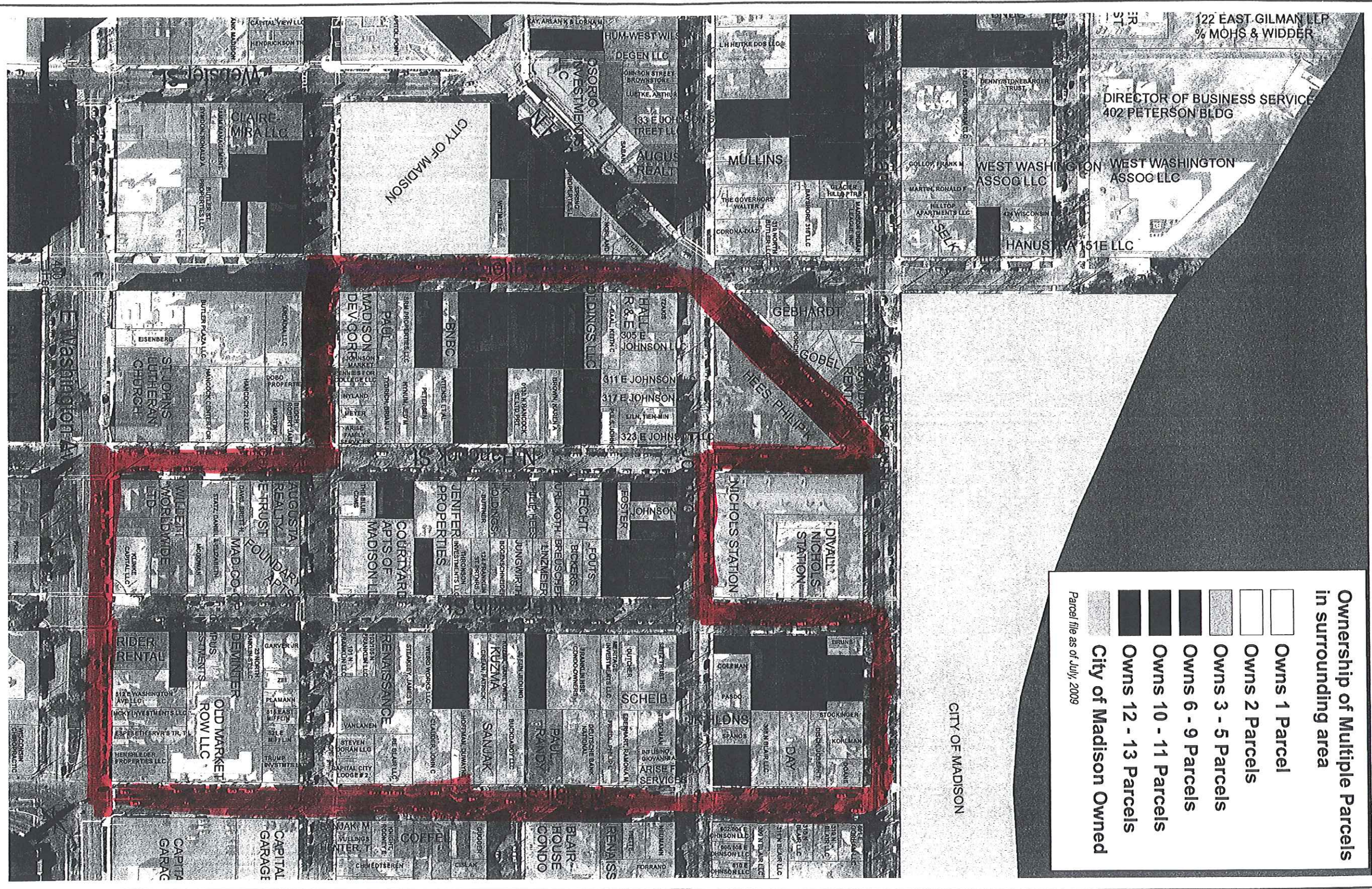


Blight Rating		
Single-Family (Total=38)	Satisfactory	5
	Deteriorating	15
	Poor	17
	Very Poor	0
	Not Evaluated	1
Two-Unit (Total=49)	Satisfactory	3
	Deteriorating	26
	Poor	18
	Very Poor	1
	Not Evaluated	1
Three-Unit (Total=30)	Satisfactory	2
	Deteriorating	12
	Poor	16
	Very Poor	0
	Not Evaluated	0
Four-Unit (Total=14)	Satisfactory	1
	Deteriorating	6
	Poor	6
	Very Poor	0
	Not Evaluated	1
5-7 Unit (Total=6)	Satisfactory	1
	Deteriorating	5
	Poor	0
	Very Poor	0
	Not Evaluated	0
Commercial/Condo (Total=20)	Satisfactory	8
	Deteriorating	7
	Poor	5
	Very Poor	0
	Not Evaluated	0
Tax-Exempt (Total=7)	Satisfactory	0
	Deteriorating	4
	Poor	2
	Very Poor	0
	Not Evaluated	1

Total=164 Properties

January 1, 2010 Assessed Value		
Single-Family (Total=38)	≤\$200,000	26
	\$200-\$250,000	7
	\$250-\$300,000	4
	\$300-\$500,000	1
	>\$500,000	0
Two-Unit (Total=48)	≤\$200,000	6
	\$200-\$250,000	16
	\$250-\$300,000	13
	\$300-\$500,000	12
	>\$500,000	1
Three-Unit (Total=30)	≤\$200,000	0
	\$200-\$250,000	2
	\$250-\$300,000	5
	\$300-\$500,000	22
	>\$500,000	2
Four-Unit (Total=13)	≤\$200,000	0
	\$200-\$250,000	1
	\$250-\$300,000	5
	\$300-\$500,000	7
	>\$500,000	1
5-7 Unit (Total=6)	≤\$200,000	0
	\$200-\$250,000	0
	\$250-\$300,000	1
	\$300-\$500,000	5
	>\$500,000	0
Commercial/Condo (Total=20)	≤\$200,000	2
	\$200-\$250,000	1
	\$250-\$300,000	1
	\$300-\$500,000	4
	>\$500,000	10

\$58,859,200



\$58,859,200

MEMORANDUM

To: Mark Clear, Madison City Council President

CC: Joint Review Board

From: Gary L. Peterson, AICP

Subject: Joint Review Board as part of a Tax Incremental District (TID) Approval Process

Date: August 12, 2010

We had discussed what the Joint Review Board could or could not do as part of the approval of the creation of a new or amended TID. I would like to comment on what I see is their function and authority.

First, when Wisconsin initiated the Tax Incremental Financing (TIF) Law there were no Joint Review Boards. The reason they were created was the law was abused. A couple of examples of abuse are: one, a new building is being built on one end of town and the TID boundary was drawn around the developing parcel, run down either side of a railroad right of way to the other end of town and then drawn around an area needing improvements. None of the money was spent at the generator site. There was absolutely no relationship between the two occurrences. A second example was when a new manufacturing development was announced a TID would be created in that area and the increment used to create a new industrial park on the speculation more industry could be attracted. Again no increment was used to support the original manufacturing facility.

I believe that just having a Joint Review Board stopped those abuses. I know of only one TID that has not been approved by a JRB, but there may be others. However, we do have the law and the law must be followed. I have included a copy of the State Status for TIDs at the end of this memo so you can review the law for yourself.

A TID cannot be created unless a majority of members present at the JRB meeting approve the creation resolution. The Joint Review Board must examine the record and establish its decision on the following 3 criteria:

1. Whether the development would occur without the use of tax incremental financing. This is the "but for" test. In a blight removal TID would the blight be removed without the TID? In one scenario would the development as proposed occur without financing under the TID law? In a second scenario is it so important to a City to remove blighted conditions that the increment may never pay back the TID costs, yet a TID is necessary to make changes. In either case it is an approvable TID.
2. Another criteria is whether the economic benefits of the TID to be created, as measured by increased employment, business and personal income, and property tax are sufficient to pay

back TID costs. This is the desired outcome. However, it is not an absolute requirement the increment pay back the TID cost. The TID may be so important, the blight so severe that partial recovery of the funds is better than no recovery. In either case this is an approvable TID.


3. Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of the property in the overlaying taxing districts. The question is, is this a TID that will be a benefit to the TID district and the region? If it improves the TID district and the region it is an approvable TID.

The following is what a JRB cannot do:

1. Cannot determine the TID boundaries.
2. Cannot determine what activities are included in the TID Plan.
3. Cannot determine if an activity is TIF eligible.
4. Cannot determine if a TID should be closed out.
5. Cannot determine if a TID should be a Blight Removal TID, Mixed Use TID or Industrial TID.
6. Cannot determine how many years a TID plan projects the TID to stay open.
7. Cannot determine if it is an appropriate time to create a TID.
8. Cannot determine if their constituents do or do not support the TID.


An item a JRB can do is hold public hearings. No matter what the testimony is at a public hearing a JRB can only vote on the 3 items listed above. Nothing else can be taken into consideration.


(4m) Joint review board.

(4m)(a) 


(a) Any city that seeks to create a tax incremental district, amend a project plan, or incur project costs as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries, shall convene a temporary joint review board under this paragraph, or a standing joint review board under sub. (3) (g), to review the proposal. Except as provided in par. (am), and subject to par. (ae), the board shall consist of one representative chosen by the school district that has power to levy taxes on the property within the tax incremental district, one representative chosen by the technical college district that has power to levy taxes on the property within the tax incremental district, one representative chosen by the county that has power to levy taxes on the property within the tax incremental district, one representative chosen by the city, and one public member. If more than one school district, more than one union high school district, more than one elementary school district, more than one technical college district or more than one county has the power to levy taxes on the property within the tax incremental district, the unit in which is located property of the tax incremental district that has the greatest value shall choose that representative to the board. The public member and the board's chairperson shall be selected by a majority of the other board members before the public hearing under sub. (4) (a) or (h) 1. is held. All board members shall be appointed and the first board meeting held within 14 days after the notice is published under sub. (4) (a) or (h) 1. Additional meetings of the board shall be held upon the call of any member. The city that seeks to create the tax incremental district, amend its project plan, or make or incur an expenditure as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries shall provide administrative support for the board. By majority

vote, the board may disband following approval or rejection of the proposal, unless the board is a standing board that is created by the city under sub. (3) (g).


(4m)(ae) 
(ae)

(4m)(ae)1. 


1. A representative chosen by a school district under par. (a) or (am) shall be the president of the school board, or his or her designee. If the school board president appoints a designee, he or she shall give preference to the school district's finance director or another person with knowledge of local government finances.

(4m)(ae)2. 


2. The representative chosen by the county under par. (a) shall be the county executive or, if the county does not have a county executive, the chairperson of the county board, or the executive's or chairperson's designee. If the county executive or county board chairperson appoints a designee, he or she shall give preference to the county treasurer or another person with knowledge of local government finances.

(4m)(ae)3. 


3. The representative chosen by the city under par. (a) shall be the mayor, or city manager, or his or her designee. If the mayor or city manager appoints a designee, he or she shall give preference to the person in charge of administering the city's economic development programs, the city treasurer, or another person with knowledge of local government finances.


(4m)(ae)4. 

4. The representative chosen by the technical college district under par. (a) shall be the district's director or his or her designee. If the technical college district's director appoints a designee, he or she shall give preference to the district's chief financial officer or another person with knowledge of local government finances.


(4m)(am) 

(am) If a city seeks to create a tax incremental district that is located in a union high school district, the seat that is described under par. (a) for the school district representative to the board shall be held by 2 representatives, each of whom has one-half of a vote. Subject to par. (ae), one representative shall be chosen by the union high school district that has the power to levy taxes on the property within the tax incremental district and one representative shall be chosen by the elementary school district that has the power to levy taxes on the property within the tax incremental district.


(4m)(b) 
(b)

(4m)(b)1. 


the issues raised in the request and shall send its written response to the board. If the department of revenue determines that the information in the proposal does not comply with this section or contains a factual inaccuracy, the department shall return the proposal to the city. The board shall request, but may not require, that the city resolve the problems in its proposal and resubmit the proposal to the board. If the city resubmits its proposal, the board shall review the resubmitted proposal and vote to approve or deny the proposal as specified in this paragraph.

(4m)(b)4m. 


4m. The board shall notify prospectively the governing body of every local governmental unit that is not represented on the board, and that has power to levy taxes on the property within the tax incremental district, of meetings of the board and of the agendas of each meeting for which notification is given.

(4m)(c) 


(c)

(4m)(c)1. 


1. The board shall base its decision to approve or deny a proposal on the following criteria:

(4m)(c)1.a. 


a. Whether the development expected in the tax incremental district would occur without the use of tax incremental financing.

(4m)(c)1.b. 


b. Whether the economic benefits of the tax incremental district, as measured by increased employment, business and personal income and property value, are insufficient to compensate for the cost of the improvements.

(4m)(c)1.c. 

c. Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

(4m)(c)2. 

2. The board shall issue a written explanation describing why any proposal it rejects fails to meet one or more of the criteria specified in subd. 1.

(4m)(d) 

(d) Before a city may make or incur an expenditure for project costs, as described in sub. (2) (f) 1. n., for an area that is outside of a district's boundaries, the joint review board must approve the proposed expenditure.

(5) 

(5) Determination of tax increment and tax incremental base.

1. The board shall review the public record, planning documents and the resolution passed by the local legislative body or planning commission under sub. (4) (gm) or (h) 1. As part of its deliberations the board may hold additional hearings on the proposal.

(4m)(b)2.



2. Except as provided in subd. 2m., no tax incremental district may be created and no project plan may be amended unless the board approves the resolution adopted under sub. (4) (gm) or (h) 1. by a majority vote within 30 days after receiving the resolution. The board may not approve the resolution under this subdivision unless the board's approval contains a positive assertion that, in its judgment, the development described in the documents the board has reviewed under subd. 1. would not occur without the creation of a tax incremental district. The board may not approve the resolution under this subdivision unless the board finds that, with regard to a tax incremental district that is proposed to be created by a city under sub. (17) (a), such a district would be the only existing district created under that subsection by that city.

(4m)(b)2m.



2m. The requirement under subd. 2. that a vote by the board take place within 30 days after receiving a resolution does not apply to a resolution amending a project plan under sub. (4) (h) 1. if the resolution relates to a tax incremental district, the application for the redetermination of the tax incremental base of which was made in 1998, that is located in a village that was incorporated in 1912, has a population of at least 3,800 and is located in a county with a population of at least 108,000.

(4m)(b)3.



3. The board shall submit its decision to the city no later than 7 days after the board acts on and reviews the items in subd. 2., except that, if the board requests a department of revenue review under subd. 4., the board shall do one of the following:

(4m)(b)3.a.



a. Submit its decision to the city no later than 10 working days after receiving the department's written response.

(4m)(b)3.b.



b. If the city resubmits its proposal under subd. 4. no later than 10 working days after the board receives the department's written response, submit its decision to the city no later than 10 working days after receiving the city's resubmitted proposal.

(4m)(b)4.



4. Before the joint review board submits its decision under subd. 3., a majority of the members of the board may request that the department of revenue review the objective facts contained in any of the documents listed in subd. 1. to determine whether the information submitted to the board complies with this section or whether any of the information contains a factual inaccuracy. The request must be in writing and must specify which particular objective fact or item the members believe is incomplete or inaccurate. Not later than 10 working days after receiving a request that complies with the requirements of this subdivision, the department of revenue shall investigate

