



TO: City of Menasha Plan Commission

FROM: Kara Homan, AICP, Principal Planner

DATE: August 2, 2012

RE: **Proposed Tax Incremental District #13 & Alliance Industries Project**

Enclosed, please find the proposed Project Plan for Tax Incremental District (TID) #13. The proposed TID #13 is being proposed to support the retention and expansion of Alliance Industries. A brief synopsis of the Alliance Industries project is provided below. The remainder of this memo provides highlights regarding proposed TID #13.

Alliance Industries Expansion Project

Alliance Industries is poised to acquire the two buildings at 320 and 313 Appleton Street, which Alliance Industries currently leases. The City is currently pursuing Winnebago County Industrial Development Board funding to assist them with this. This would allow Alliance to set down roots in the City of Menasha/Winnebago County, and would establish a permanent site for its corporate headquarters.

They are also proposing a 45,000 square foot building expansion expected to general \$1.4 million in additional value. An additional \$1,000,000 in equipment would accompany this expansion. The city is proposing to provide development incentive to facilitate this expansion. Their entire project is anticipated to retain 60 jobs and create 40 additional jobs, following the expansion.

In addition to the IDB loan funding and TID Incentive, the City is preparing for the closure of Appleton Street, and will explore the potential for a CDBG-Public Facilities grant to upgrade electrical service to Alliance Industries.

TID #13 Highlights

The impetus for creating TID #13 is the expansion of Alliance Industries. Tax increment generated via the TID will be used to facilitate an expansion of their facility, provide streetscaping and landscaping to improve the aesthetic of community gateway corridors surrounding the TID while buffering residential neighborhoods from the industrial use. Infrastructure provisions include modifications to Appleton Street to facilitation closure, and electrical service upgrades. The TID will also utilize increment funds to establish a housing rehabilitation revolving loan fund that will help stabilize neighborhoods and raise property values within and around the TID boundary. Lastly, the TID provides for future redevelopment of Commercial areas along Third and DePere Streets.

Much greater detail regarding the TID boundaries, expenditures, consistency with the Comprehensive Plan, and other items are contained within the enclosed TID #13 Project Plan.

City of Menasha
Tax Incremental District #13
Project Plan

PROPOSED DRAFT
August, 2012

INTRODUCTION

Wisconsin's Tax Incremental Financing law provides a mechanism that enables cities and villages to rehabilitate blighted areas, improve business areas, and/or develop industrial sites. The intent is to defray the cost of improvements in a designated Tax Incremental District (TID) by using tax revenues or increments generated from new development to pay for project improvements in the district.

Under tax incremental financing, the tax increment generated from private investment in a TID is applied entirely to the retirement of public debt, expenditures, or development assistance, in order to make the area attractive to investment or reinvestment. When the cost of improvements has been recovered, the TID is dissolved and all taxing jurisdictions benefit on the same shared basis as before the creation of the TID. If the TID has been successful, each of the taxing jurisdictions will enjoy the benefit of increased property taxes generated by the new development that came about as a direct result of the creation of the TID.

Tax incremental financing provides benefits to all taxing entities, city, county, public schools, and technical college, by promoting development of new taxable value which otherwise would not occur. It provides a tool for municipalities to invest in projects using local financing sources to meet identified needs and fill legitimate public purpose roles. The law also recognizes that since municipalities do not share the investment risk with other tax entities, they are entitled within a prescribed period of time to receive all new tax revenues of the TID as the source of paying off all public investment costs. All other taxing entities continue to receive taxes on the value of the property as of the date of creation and will also receive benefits in the future from the increased tax base generated as a result of the city's investment in the TID.

PURPOSE

The City of Menasha is proposing the creation of Tax Incremental District #13 (TID #13) as a means to facilitate the continuing redevelopment of the Commercial and Industrial Corridor located east of Racine Street and North of Third Street, as depicted in Map #1. Planned improvements will consist of the renovation and expansion of the Alliance Industries Industrial Facility. To facilitate this expansion, provision for an electrical upgrade between the two Alliance Industries sites, as well as to the Intertape Polymer Group is proposed. Other improvements have been designed to buffer industrial use from neighboring residential uses and provide for community enhancements. These are primarily streetscaping improvements along Racine Street, Fourth Street, and DePere Street Corridors. The City also intends to create a Housing Rehabilitation Revolving Loan Fund that would service targeted areas of "workforce housing" within a ½ mile radius of the TID #13 boundary.

Future improvements and projects include commercial redevelopment of the north side of third street, with a focus on neighborhood oriented businesses, as well as streetscaping improvements along Plank Road to enhance the aesthetic of the business node that exists there currently.

The proposed improvements are likely to significantly enhance the value of all real property in the district and adjacent areas. Project costs are directly related to eliminating blight and will serve to rehabilitate the area encompassed by the district, stabilizing the adjoining residential neighborhood, and enhance prospects for further revitalization of the district.

NAME OF THE DISTRICT

The district shall be known as "Tax Incremental District #13 (TID #13), City of Menasha".

CREATION DATE

TID #13 shall be established as of January 1, 2012. The value of taxable properties within the district as of this date shall be used as the base value and for the purpose of calculating any subsequent tax increment that may accrue from changes in the tax base of the district.

DISTRICT BOUNDARIES

The area encompassed by TID #13 is depicted in Map 1. The portion of the district designated as the "Project Areas" includes the current Alliance Industries Site and potential Expansion Areas, potential Community Commercial Redevelopment Sites north of Third Street, and the Racine Street, Appleton Street, DePere Street, Fourth Street and Plank Road right of ways, which are proposed for streetscaping, street, and/or utility improvements.

PROPERTY CONDITIONS AND STATEMENT OF FINDINGS

Wisconsin Statute 66.1105(4)(gm)(4)(a) provides that certain conditions must be present within the proposed district and that the city must find that these conditions are present for the area to be eligible for creating a tax increment district. The conditions of properties within TID #13 were inventoried in July of 2012 and are shown in Maps 2 and 3. The findings related to these conditions are as follows:

Conditions Related to Blight

Not less than 50 percent of the real property within TID #13 is "blighted" within the meaning of Wisconsin Statute 66.1105(2)(a)(1)(a). Areas designated as blighted are shown in Map 4. These properties occupy a total of 13.04 acres, which equates to 53.2 percent of the 24.52 acres contained within TID #13.

Vacant Properties

There are several vacant properties within the district. Parcels standing vacant for an entire 7-year period preceding creation of TID #13 constitutes less than 25 percent of the area within the district.

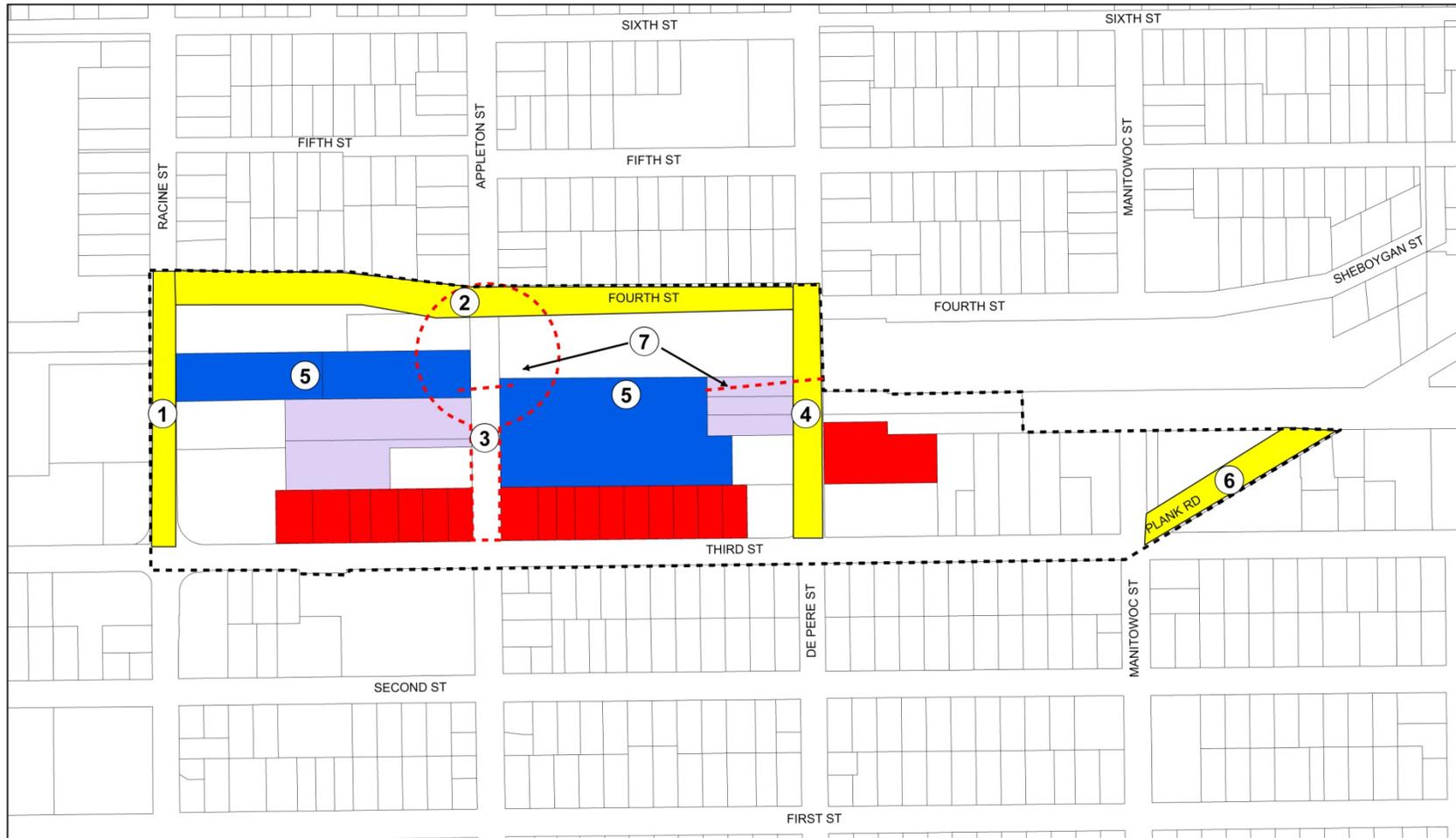
Aggregate Value of Properties within Tax Increment Districts

The equalized value of taxable property within TID #13 plus the value increment of all other existing districts does not exceed 12 percent of the total equalized value of taxable property within the city. The equalized value of taxable value within the district (\$6,635,800) plus the value increment of all existing districts (\$65,508,200) is \$72,144,000. The equalized value of all taxable property within the city is \$992,831,200. The values cited above are for January 1, 2012, the most recent data currently available. The equalized value of taxable property within TID #13 plus the value increment of all other existing districts is 7.3 percent of the total equalized value of taxable property within the city.

TID #13

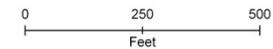
Map #1a

Boundary and Project Area

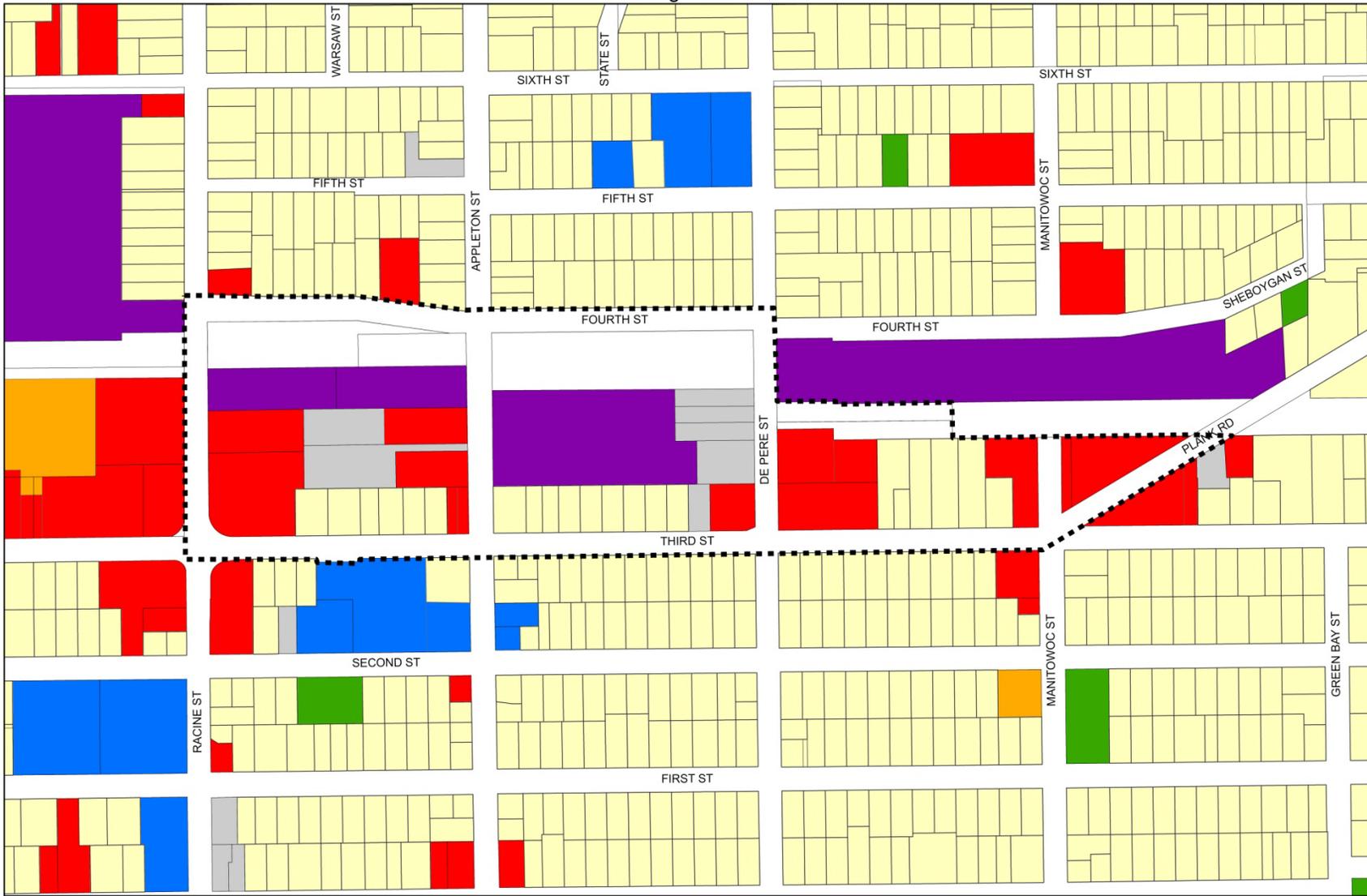


Legend

- | | | |
|---|--|--|
|  Proposed TID #13 Boundary |  Racine St: Streetscaping Improvements |  Industrial Site Improvements and Expansion |
|  Industrial Site Expansion |  Fourth St: Streetscaping & Buffering Improvements |  Plank Rd: Streetscaping Improvements |
|  Streetscaping Improvements |  Appleton St: Infrastructure Improvements to Close North End of Street & Repaving |  Electrical Utility Upgrades |
|  Infrastructure & Utility Improvements |  De Pere St: Streetscaping Improvements |  Targeted Neighborhood Housing Rehab Revolving Loan Fund Service Parameters
<i>*See Map 1b</i> |
|  Potential Industrial Expansion | | |
|  Potential Commerical Redevelopment | | |

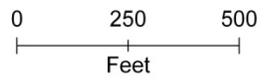


TID #13
Map #2
Existing Land Use

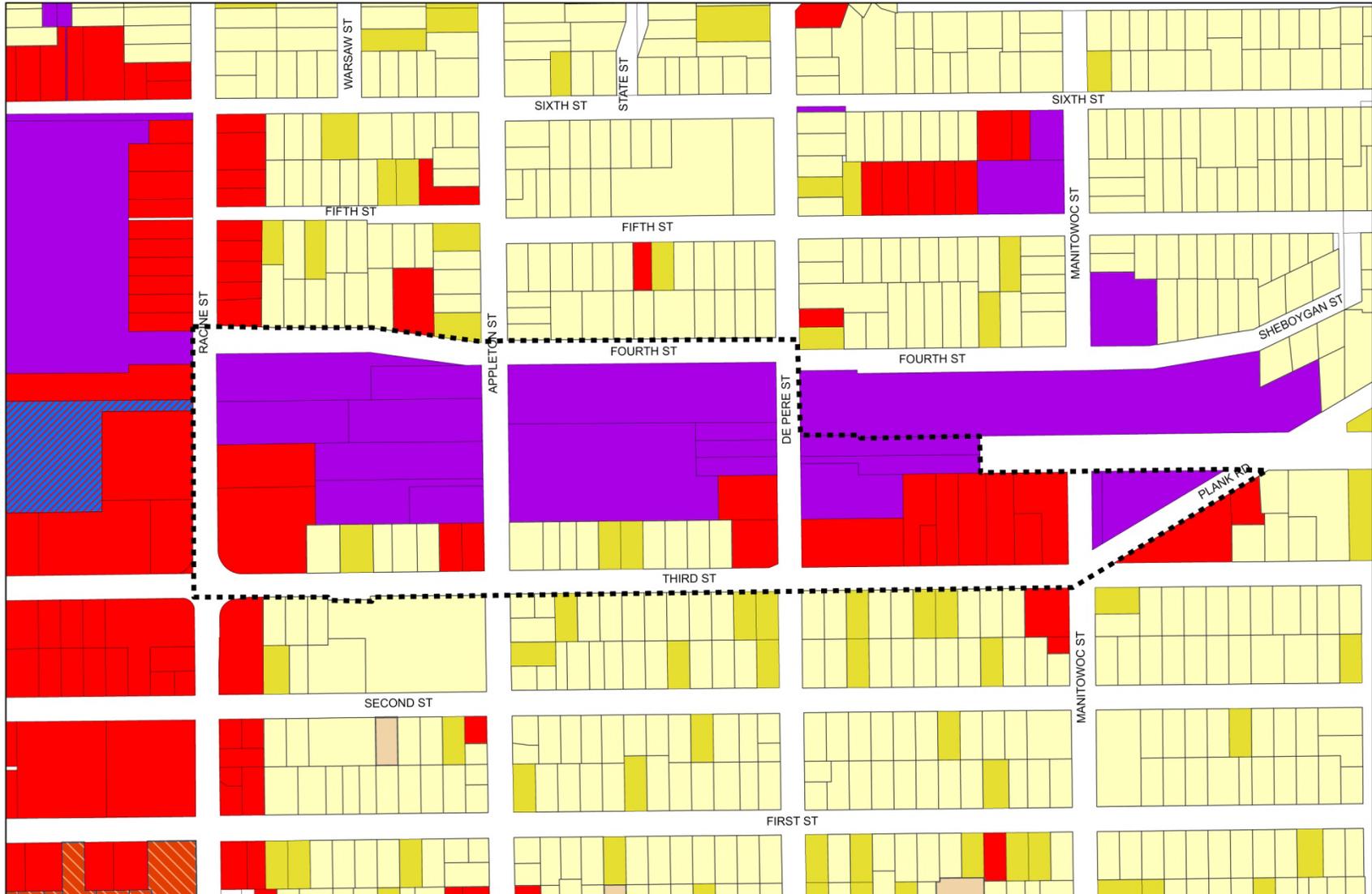


Legend

- Commercial
- Recreational/ Open Space
- Proposed TID #13 Boundary
- Industrial
- Utilities
- Residential
- Public/ Institutional
- Transportation
- Vacant

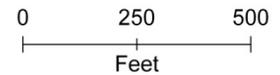


TID #13
Map #3
Existing Zoning



Legend

- Proposed TID #13 Boundary
- C-1 General Commercial
- I-1 Heavy Industrial
- R-1 Single-Family Residential
- R-2 Two-Family Residential
- R-3 Multi-Family Residential
- GU Government Use
- C-2 Central Commercial



TID #13
Map #4
Condition of Real Property



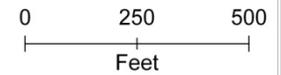
Legend



Proposed TID #13 Boundary



Areas Designated as Blighted



PROPOSED IMPROVEMENTS, PROJECT COSTS, AND TIMETABLE

The predominance of obsolete, dilapidated, and deteriorating structures and the presence of property where buildings have been demolished constitute a “blighted area” within the meaning of Wisconsin Statute 66.1105(2)(a). The proposed improvements will eliminate the blight conditions, foster new investment, create new industrial and commercial opportunities and bring additional investment into the Third Street corridor, and help rehabilitate the existing workforce housing stock in the immediate neighborhood. All proposed projects/improvements are illustrated in Map #1a-b.

Changes and improvements associated with the Alliance Industries Expansion are to commence in 2013, with the addition to the facility anticipated for completion at the end of 2013. Simultaneously, the City will begin planning and preparation for infrastructure alterations associated with the closure of Appleton Street, adjacent streetscaping improvements, and establishment of the Housing Rehabilitation revolving loan fund.

Future projects, which will be contingent on partnering with a private developer, include redeveloping a portion of the north side of third street for neighborhood commercial purposes, as well as one parcel on the east side of DePere Street. Additional streetscaping improvements are also anticipated to improve the aesthetics of the business district straddling Plank Road on the east end of TID #13.

Utilities and Infrastructure

The alteration of streets and utilities will be required for the portion of the project related to the Alliance Industries Expansion. These include the closure and repaving of at least a portion of Appleton Street, and the upgrading of Electrical Service to Alliance and other industrial uses within the Vicinity of TID #13. The projected cost of these improvements are listed in Table 1.

Pre-development Costs

Pre-development costs include costs incurred for preparing grant proposals, project planning and coordination, environmental assessments, and architectural, engineering and design work, survey and platting costs, and the costs for legal work. These costs may be incurred by both the city and the developer.

Redevelopment Assistance

The City anticipates funds may be made available to project developers to assist with environmental remediation, demolition and site clearance, land preparation, building renovation and construction, street and utility extension, the construction of parking facilities, architectural, engineering, survey and other direct and indirect costs associated with project development. It is expected that any such costs will be financed by the developer. TID increment may be provided to the developer under such terms and conditions as may be established under a development agreement between the City of Menasha and project developers.

Specifically, the City has entered into a redevelopment agreement with Alliance Industries to provide TID incentive to redevelop a portion of their site and add an approximately 45,000 sq ft addition to their existing industrial facility. A copy of the Redevelopment Agreement is contained in Appendix C.

Housing Rehabilitation Revolving Loan Fund

The City anticipates the creation of a Housing Rehabilitation Revolving Loan Fund Program to benefit homes in and within a ½ mile radius of the district. This program is intended to provide housing rehabilitation assistance, and will compliment the City's existing CDBG funded housing Revolving Loan Funds. The program is intended to be capitalized on a yearly basis throughout the life of TID #13 with excess TID increment.

Land Acquisition, Demolition, Renovation, Redevelopment Contingencies

Land Acquisition

The redevelopment site is currently controlled by private parties. No land acquisition by the city is required for the industrial redevelopment of the site. Future redevelopment of the Neighborhood Commercial redevelopment sites along Third Street and DePere Street are anticipated to be acquired by a private developer; although the City would contemplate acquisition of particular properties if necessary and beneficial to the City.

Demolition and Environmental Remediation

Initial project work will not involve demolition of structures on the industrial redevelopment site. Future demolition of proposed commercial redevelopment sites are anticipated to be born by private developers, although the City would contemplate funding demolition costs if facilitated by grants or other funds secured to make it beneficial to the City.

Renovation

Substantial renovation work will occur on the site. The existing Alliance Industries facilities will continue to be modified as they acquire additional equipment and expand their production lines.

Redevelopment

The initial work within the district involves the Alliance Industries Site. The planned development would involve the construction of a 45,000 square feet addition to their facility. Additional site improvements, such as paving, provision of landscaping, stormwater improvements, and employee parking is anticipated.

Future redevelopment is proposed for the neighborhood commercial redevelopment sites along Third Street and DePere Street.

Relocation Assistance

There is no displacement of persons or businesses anticipated in this project, therefore there is no need to include relocation costs in this project.

Improvements Outside of District Boundaries

Housing Rehabilitation Revolving Loan Fund

As discussed in more detail above, the Housing Rehabilitation Revolving Loan fund program is will benefit homes in and within a ½ mile radius of the TID #13 boundary.

Incidental Improvements

Expenditures are anticipated for incidental improvements that may be located outside of the project area. These improvements may include additional enhancements to the Racine Street,

DePere Street, and/or Plank Road corridors, which are considered gateway entrances to the City as a whole, and to the TID, and will be designed to support the development needs of the district.

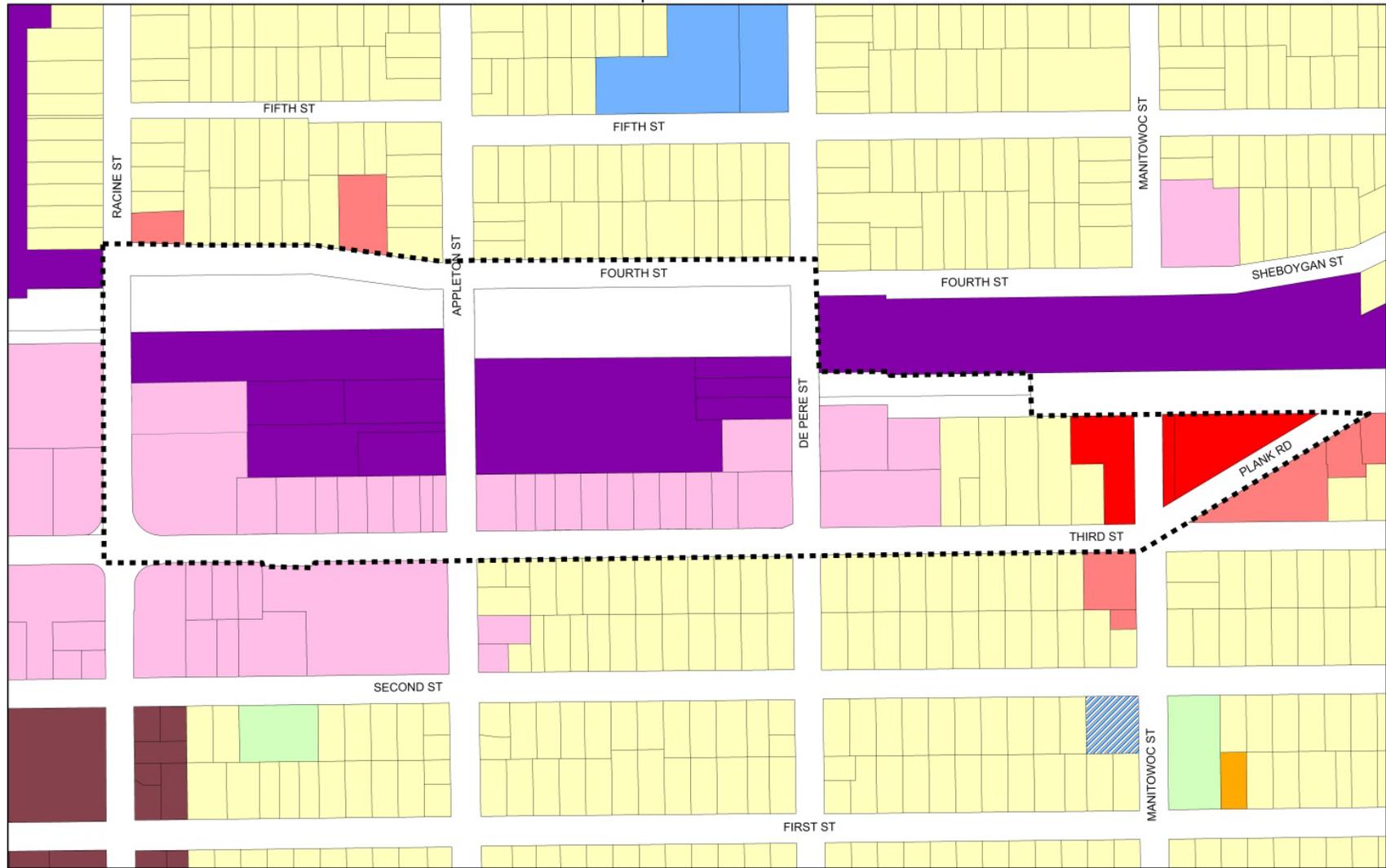
Planning, Implementation, Administration

Expectations for planning, design development, and engineering of improvements within the project areas are anticipated. Funds are also expected to cover administrative costs.

Non-Project Costs

There are no estimated non-project related costs associated with the implementation of TID #13.

TID #13
 Map #5
 Proposed Land Use



Legend

Proposed TID #13 Boundary	Community Commercial	Commercial	Government/Institutional
Single Family Residential	Mixed Use Neighborhood Center	Industrial	Utilities/Communication
Multiple Family Residential	Mixed Use Community Core	Transportation	Parks and Recreation

0 250 500
 Feet

TID #13

Map #6

Proposed Zoning



Legend

-  Proposed TID #13 Boundary
-  C-1 General Commercial
-  I-1 Heavy Industrial
-  R-1 Single-Family Residential
-  R-2 Two-Family Residential
-  R-3 Multi-Family Residential
-  GU Government Use
-  C-2 Central Commercial

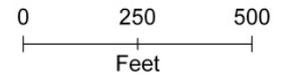


Table 1

TID #13 Project Expenses

Infrastructure		
Electrical Distribution Upgrades	\$	135,000
Repaving (Appleton St.)	\$	60,000
Curb & Gutter (closure of Appleton St.)	\$	5,000
Design/Engineering	\$	10,000
Contingencies	\$	21,000
		\$ 231,000
<i>Infrastructure subtotal</i>		
Corridor Streetscaping		
Street Trees, Landscaping, Lighting & Other Improvements	\$	100,000
Contingencies	\$	10,000
		\$ 110,000
<i>Corridor Streetscaping subtotal</i>		
Site Clearance and Environmental Remediation		
		*
<i>Site clearance subtotal</i>		n/a
Planning and Design		
Transportation Corridor Design Development	\$	15,000
		\$ 15,000
<i>Planning & Design subtotal</i>		
Development Assistance		
Alliance Industries Industrial Site	\$	100,000
Third Street & DePere St Commercial Redevelopment Sites		*
		\$ 100,000
<i>Development Assistance subtotal</i>		
Housing Rehabilitation		
Revolving Loan Fund Capitalization (ongoing)	\$	400,000 **
		\$ 400,000
<i>Housing Rehabilitation subtotal</i>		
Administration		
Administrative Expenses	\$	45,696
TOTAL		
		\$ 901,696

* Amount dependent on future Commercial Redevelopment Project and need for public assistance.

** Estimate; capitalization is anticipated to be ongoing, based on the amount of increment available.

RELOCATION

Since federal funds are not involved, the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act do not apply to this project. Relocation requirements under Chapter 32 or COMM 202 are not anticipated use of eminent domain is not being contemplated and the TID #13 project plan do not meet the definition of a public project under revised administrative rule COMM 202.

RELATIONSHIP TO MASTER PLAN, ZONING, AND BUILDING CODES

In 2008, the City of Menasha adopted the *Year 2030 Comprehensive Plan* that included the following goals & objectives:

Economic Development

- Promote the retention and expansion of existing businesses.
 - Support existing businesses by establishing cooperative public-private efforts to foster long-term retention.
- Support and pursue opportunities to increase and diversify the city's tax base.
 - Promote the efficient use of available commercial and industrial land.
 - Support activities which further develop or redevelop the city's commercial areas.
 - Support activities which further develop or redevelop the city's industrial areas.

Housing

- Preserve, rehabilitate, and stabilize the city's existing housing stock and residential neighborhoods.
 - Continue to pursue and provide funds for affordable rehabilitation of substandard or deteriorating properties.

Projects proposed in TID #13 are consistent with the goals and objectives of the Comprehensive Plan, as it promotes commercial and industrial development in the core of the city, and facilitates the preservation and rehabilitation of the city's older housing stock.

This TID plan is also consistent with the Comprehensive Plan's future land use map, pending approval of a comprehensive plan amendment that will be considered by Common Council in September of 2012.

The proposed industrial expansion may require rezoning if acquisition of additional property to the south is necessary for employee parking or stormwater provisions. Future commercial redevelopment associated with TID #13 may require rezoning subject properties from the existing R-1 (Single-Family Residential), R-2 (Two-Family Residential) zoning and/or I-1 (Heavy Industrial) Zoning to C-1 General Commercial. These rezonings would be consistent with the Comprehensive Plan.

Lastly, the TID plan and associated has no inconsistencies with the City's Building Code.

PROMOTION OF ORDERLY DEVELOPMENT

Implementation of this project plan promotes orderly development by rehabilitation and redevelopment of land in proximity to the city's historical industrial and commercial cores in

keeping with the stated goals, policies, and strategies of the relevant planning documents described above.

This development initiative represents a partnership between the city, a private industry, and the other taxing jurisdictions and demonstrates the city's commitment to continued retention and redevelopment of the city's core industrial base. Without the use of this TID, financing for this project would not be available and the improvements would not occur in Menasha. The TID process also helps to ensure comprehensive planning through the public hearing process, reviews by city staff, the Plan Commission, Common Council, and the Joint Review Board.

Industrial Redevelopment Site and Related Street & Landscape Improvements

The renovation and redevelopment of the Alliance Industries site, and closure of Appleton Street will help to improve the operational capacity of a local manufacturer by providing convenient access to new industrial space, facilitate logistics between Appleton Street and loading and unloading of materials and product. Planned streetscaping and landscaping projects around the site will further buffer residential neighbors from the expanded industrial use.

Housing Rehabilitation Revolving Loan Fund

The planned creation of a Housing Rehabilitation Revolving Loan Fund will help stabilize and strengthen existing targeted neighborhoods within ½ of the TID #13, raise property values, and provide incentive for the local workforce to choose to reside in Menasha and aid the City in rehabilitating some of our older neighborhoods.

Future Redevelopment for Commercial Purposes

Residential parcels on the north side of Third Street, as well as one industrial parcel on DePere Street, have been slated for commercial development since the adoption of the City's Comprehensive Plan. The sites' proximity to high traffic areas, and commercial/industrial uses that are not as compatible with single family create a ripe environment for redevelopment. Many of the parcels are currently unused, not well maintained, or obsolete. Implementation of a redevelopment plan that clears and provides a fresh footprint for redevelopment will cure the aesthetic and functional problems with the current configuration. The redevelopment of this portion of the site is to be guided by a corridor redevelopment plan that will guide the placement of infrastructure, building footprints and landscaping. Depending upon market opportunities, these sites could realize a future as a neighborhood commercial node.

ECONOMIC FEASIBILITY

Based upon projections, TID #13 is financially feasible. All of the development assistance costs paid to private developers are wholly supported by the increment generated by TID #13, as illustrated in Table 2. Estimates of future taxable value suggest that increments will also be able to support all of the potential project costs listed in Table 1. Should the projections not materialize as anticipated, expenditures for improvements both within and outside of the district would need to be prioritized or scaled back in order to balance revenues with expenditures. Alternatively, other resources from existing TIF districts, outside grant sources, or private investment may be utilized. Finally, an increase in taxable value over the projected amount will result in greater increment being generated that would exceed proposed expenditures.

Financial Parameters and Projection Assumptions

The base value of TID #13 is \$6,635,800 in equalized value. The base value reflects the equalized value of all real estate within the district boundaries as of January 1, 2012.

The tax rate for TID #13 is projected at \$27.198 per \$1,000 of equalized value for the entire life of the TID. This is the city's anticipated rate.

The collection of tax increments will commence in 2014 generated by the tax levied on the January 1, 2013 property values. The equalized tax rate is applied to the value increment realized within the district over the January 1, 2012 base. All increments generated by the district will be applied to the repayment of TID #13 project costs.

TID #13 represents a continuation of Menasha's recent shift towards TID's that rely primarily upon developer financing. The Alliance Industries expansion project financing will be derived from a combination of developer equity, bank, and Winnebago County Industrial Development Board financing. Pursuant to the redevelopment agreement (Appendix C) TID increment generated by the project will be paid to the developer up to the maximum amounts reflected in the agreement. Future development agreements may be prepared and proposed for consideration to support Commercial redevelopment projects.

Table 2 illustrates the tax increment to be generated by the project based on projected improvements. Again, unlike previous TID's, there is no public financing included in this schedule. Future public improvements identified in the TID 13 Project Plan may be proposed for city financing. Likewise, if future conditions suggest that retiring developer financed TID debt would be advantageous to the city, a city borrowing to assume this debt load may be considered.

Overall, developer financing of the TID projects alleviates the city from the debt load imposed by the project and minimizes the city's exposure to financial risk in the event of project failure.

Table 2

TID #13 Financial Projections

T.I.F # 13 (TIF # 13-Alliance Indus-Draft 1)

Date: 08/02/2012

Prepared by: City Comptroller/Treasurer

01/01 YEAR	TIF # 13 IMPROVE	TIF # 13 LOSSES	TIF # 13 NET	VAL INC	PROJECTED		LAND SALES	DEVELOPER INCENTIVES	ADMIN COSTS	CUMULATIVE INCOME
					0.00 MILL RATE	01/01 TAX INC				
2012	\$0		\$0	\$0	\$27.198	\$0		\$0	\$0	\$0
2013			0	0	27.198	0	0 E	0	0	0
2014	1,400,000		1,400,000	1,400,000	27.198	0 E	0 E	0 E	0 E	0
2015			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	24,750
2016			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	49,500
2017			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	74,250
2018			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	99,000
2019			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	123,750
2020			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	148,500
2021			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	173,250
2022			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	198,000
2023			1,400,000	1,400,000	27.198	38,077 E	0 E	11,423 E	1,904 E	222,750
2024			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	258,923
2025			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	295,096
2026			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	331,269
2027			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	367,442
2028			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	403,615
2029			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	439,788
2030			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	475,961
2031			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	512,134
2032			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	548,307
2033			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	584,480
2034			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	620,653
2035			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	656,826
2036			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	692,999
2037			1,400,000	1,400,000	27.198	38,077 E	0 E	0 E	1,904 E	729,172
2038		(1,400,000)	0	0	27.198	38,077 E	0 E	0 E	1,904 E	765,345
2039			0	0	27.198	0 E	0 E	0 E	0 E	765,345
2040			0	0	27.198	0 E	0 E	0 E	0 E	765,345
2041			0	0	27.198	0 E	0 E	0 E	0 E	765,345
2042			0	0	27.198	0 E	0 E	0 E	0 E	765,345
		TOTAL				\$913,848	\$0	\$102,807	\$45,696	

Appendix A: Attorney's Opinion

I have reviewed the Tax Incremental District #13 Project Plan and the supporting documentation for compliance with Sec. 66.1105 Wis. Stats. The project plan and boundary comply with statutory requirements. I know of no valid legal objection to the procedures nor to the Common Council's consideration of TID #13.

Pamela Captain
City Attorney

Appendix B: Plan Commission Resolution

Plan Commission Resolution 2-2012

RECOMMENDING APPROVAL OF THE PROJECT PLAN AND BOUNDARY OF
TAX INCREMENTAL DISTRICT #13
CITY OF MENASHA, WISCONSIN

WHEREAS, the City of Menasha is proposing to create Tax Incremental District #13 for the purpose of eliminating the blighting influences of underutilized and deteriorating buildings and to provide opportunities for reinvestment and economic development, and;

WHEREAS, it is desirable and in the best interest of the City to adopt the project plan for TID #13 to create additional development opportunities within and in proximity to TID #13, and;

WHEREAS, on August 7, 2012, the Menasha Plan Commission held a duly noticed public hearing at which interested parties were afforded a reasonable opportunity to express their views on the proposed TID #13 Project Plan and boundary,

NOW THEREFORE, BE IT RESOLVED THAT:

Section 1. Pursuant to Section 66.1105(4)(f) of the Wisconsin Statutes the Plan Commission adopts the project plan and boundary of the proposed TID #13 for the purpose of eliminating blight and promoting redevelopment and reinvestment within and outside of the district. Implementation of the plan will require expenditures relating to planning, engineering and design development, the installation of amenities and streets including landscape, streetscape and signage enhancements within the district and outside the district as necessitated by the project plan, the installation or replacement of utilities and infrastructure, the provision of development assistance, the provision of housing rehabilitation assistance and administrative costs and other related expenditures as may be necessary to achieve the objectives of the project plan.

Section 2. The project plan contemplates expenditures for streets, utilities, including amenities and improvements outside of the district that are necessitated by the project plan for the district pursuant to Wis. Stat. 66.1105(2)(f)(i).

Section 3. Such project plan expenditures are necessary to promote the development and rehabilitation of the proposed TID #13 and adjoining lands.

Section 4. The Menasha Plan Commission finds that the project plan for TID #13 is feasible and is in conformance with the master plan for the city.

Section 5. The Menasha Plan Commission recommends Common Council approval and adoption of the Project Plan and Boundary of Tax Increment District #13.

Adopted: _____

Don Merkes, Mayor

Attest: _____
Deborah A. Galeazzi, City Clerk

Appendix C: Redevelopment Agreement

Note: This is the redevelopment agreement that was reviewed by the City's Administration Committee; the final terms and conditions of this agreement are anticipated to change due to continued negotiations with the company.

REDEVELOPMENT AGREEMENT BETWEEN
THE CITY OF MENASHA AND ALLIANCE INDUSTRIES, INC

This agreement (the "Agreement") is entered into this ___ day of July 2012 between the City of Menasha, which principal place of business is located at 140 Main Street, Menasha, Wisconsin (hereinafter "CITY") and Alliance Industries, Inc., which principal place of business is located at N2467 Vaughan Road, Waupaca, Wisconsin (hereinafter " ALLIANCE").

WHEREAS, the CITY has determined that a redevelopment project at the site of ALLIANCE's current operations on Appleton Street would be desirable for the CITY, in that it will create jobs, increase the tax base and insure the continuance of ALLIANCE's production and administrative functions at its Menasha location, and

WHEREAS, ALLIANCE has requested that the CITY provide financial and other assistance to facilitate its acquisition of facilities and to improve logistics and its production capacity.

NOW THEREFORE, in consideration of the mutual promises and dependant documents, the parties hereto agree as set forth in SECTIONS 1 through 4 below and ATTACHMENT A which are annexed and made a part hereof.

SECTION 1: DEFINITIONS

REDEVELOPMENT PROJECT – The redevelopment project consists of the acquisition of Sites A and B as shown on ATTACHMENT A; renovation of the buildings, including an addition to the building on Site B; paving of parking areas; landscaping and other site improvements to facilitate truck docking and improve the flow of work.

SECTION 2: ALLIANCE OBLIGATIONS

- 2.1 ALLIANCE will purchase the properties at 313 and 320 Appleton Street on or before December 31, 2012.
- 2.2 ALLIANCE will construct a building addition of not less than 30,000 square feet at 313 Appleton Street with an estimated value of \$1,400,000. Such addition shall be completed in a commercially reasonable manner no later than December 31, 2013.
- 2.3 ALLIANCE will cooperate with CITY in providing data and information in support of the grant and loan applications to be made by CITY under SECTION 3.
- 2.4 ALLIANCE will provide bi-annual written reports to CITY of its activities performed under this Agreement. The CITY reserves the right to require additional information or reports as needed.

SECTION 3: CITY OBLIGATIONS

- 3.1 CITY will apply for Wisconsin Economic Development Corporation (WEDC) Community Development Block Grant (CDBG) – Public Facilities grant funds. Such application shall be subject to an eligibility determination by WEDC for the proposed project(s).
- 3.2 Initiate creation of a Tax Incremental Finance (TIF) District to include existing and planned ALLIANCE operations and facilities and this REDEVELOPMENT PROJECT.

- 3.3 Provision of Tax Increment Financial Incentive. In order to induce ALLIANCE to undertake the REDEVELOPMENT PROJECT, ALLIANCE has requested and the CITY may be required to make available financial incentive to ALLIANCE for the purpose of implementing the TIF Project Plan and this Agreement. The CITY contribution is made pursuant to Sections 66.1105(2)(f)1 of the Wisconsin Statutes.
- 3.4 Subject to SECTION 3.2, CITY will provide a TIF incentive to ALLIANCE in an amount equal to 10% of the tax increment generated on properties at 313 and 320 Appleton Street. Incentive payments will be made to ALLIANCE annually on or before September 30 for a 10 year period, commencing in the year 2014. Such payments will be terminated if ALLIANCE ceases operations in the CITY.
- 3.5 CITY will apply for Winnebago County Industrial Development Board (IDB) Revolving Loan Fund (RLF) to assist ALLIANCE with building acquisitions at 313 and 320 Appleton Street. Such application will be subject to the amount of funds available and the terms and conditions established by the IDB for its RLF.
- 3.6 Provided ALLIANCE purchases the properties at 313 and 320 Appleton Street, CITY will initiate procedures to close Appleton Street at its intersection with Fourth Street.

SECTION 4: CITY PERFORMANCE SUBJECT TO REQUIRED GOVERNMENT APPROVALS

ALLIANCE acknowledges that various undertakings of the CITY under SECTION 3 require approvals from the CITY's Common Council and/or Plan Commission as well as from governmental bodies external to the CITY, some of which approvals may require public hearings and other legal proceedings as conditions precedent thereto. The CITY's obligations under SECTION 3 are conditioned upon obtaining all such approvals in the manner required by law. The CITY cannot assure that all such approvals will be obtained; however, it agrees to make a good faith effort to obtain approvals on a timely basis.

CITY OF MENASHA

ALLIANCE INDUSTRIES, INC.

Attachment A

