January 27, 2026

PROJECT PLAN

City of Wauwatosa, Wisconsin

Tax Incremental District No. 16

EHLERS
PUBLIC FINANCE ADVISORS

Prepared by:

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Suite 100
Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	January 13, 2026
Public Hearing Held:	January 13, 2026
Action by CDA:	January 13, 2026
Action by City Council:	January 27, 2026
Action by the Joint Review Board:	Scheduled for March 3, 2025

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SECTION 1:
Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District ("TID") No. 16 ("District") is a proposed Mixed Use District comprising approximately 40 acres located at the western edge of the Milwaukee County Research Park, along the southeastern corner of Watertown Plank Road and Mayfair Road. The District will be created to pay the costs of development incentives and infrastructure needed ("Project") to be developed by Wayfair Apartments LLC and Samapa Development Company LLC for the redevelopment of the Sonesta Hotel ("Developer"), as well as other potential developers for additional sites within the District. In addition to the incremental property value that will be created, the City expects the Project will result in approximately $101.5 million in new taxable value within the City and significant additional housing opportunities within the City at various price points. The District will also seek redevelop a number of underutilized parcels within the District boundary.

AUTHORITY

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

ESTIMATED TOTAL PROJECT COST EXPENDITURES

The City anticipates making total expenditures of approximately $34.2 million ("Project Costs") to undertake the projects listed in this Project Plan ("Plan"). Project Costs include an estimated 25.8 million in development incentives for three separate development projects within the District boundary. Approximately $4.5 million in infrastructure related expenses as well as on-going administrative expenses, interest on long-term debt and financing costs.

INCREMENTAL VALUATION

The City projects that new land and improvements value of approximately $101.5 million will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

EXPECTED TERMINATION OF DISTRICT

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within 19 of its allowable 20 years.

SUMMARY OF FINDINGS

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

1. That "but for" the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has considered:

   A review of the Sonesta Hotel conversion project's sources and uses, and cash flow proforma. The Project's projected return on investment over 10 years without TIF assistance is 9.8% on an internal rate of return (IRR) basis. The Developer has requested that the City provide incentive payments on a pay as you go basis with an estimated present value of $1,850,000. (Projected future value payments of $3,357,157). Provision of the requested assistance would improve the Project's return on investment to 13.8%. Projects of this type typically need to provide a return in the range of 13% to 15% to attract the necessary investment capital. Based on Ehlers review, provision of pay as you go incentives in the amount requested is necessary to provide an acceptable return on investment and indicates that "but for" the incentives, the project would not likely proceed.

   The Developer's representation that the Project is not economically viable without public participation based on extraordinary costs associated with demolition of structures and redevelopment of existing sites.

   The substantial investment needed to provide the public infrastructure necessary to allow for development within the District. Absent the use of tax incremental financing, the City is unable to fully fund this program of infrastructure improvements.

2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:

   That the Developer is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and services from retailers, restaurants and service companies.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of

projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.

4. Not less than 50% by area of the real property within the District is suitable for mixed use development as defined by Wis. Stat. § 66.1105(2)(cm). Lands proposed for newly-platted residential development comprise no more than 35% of the real property area within the District. Costs related to newly-platted residential development may be incurred based on the proposed development having a density of at least three (3) units per acre as defined in Wis. Stat. § 66.1105(2)(f)3.a.

5. Based on the foregoing finding, the District is designated as a mixed-use district.

6. The Project Costs relate directly to promoting mixed use development in the District, consistent with the purpose for which the District is created.

7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.

8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.

9. The City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).

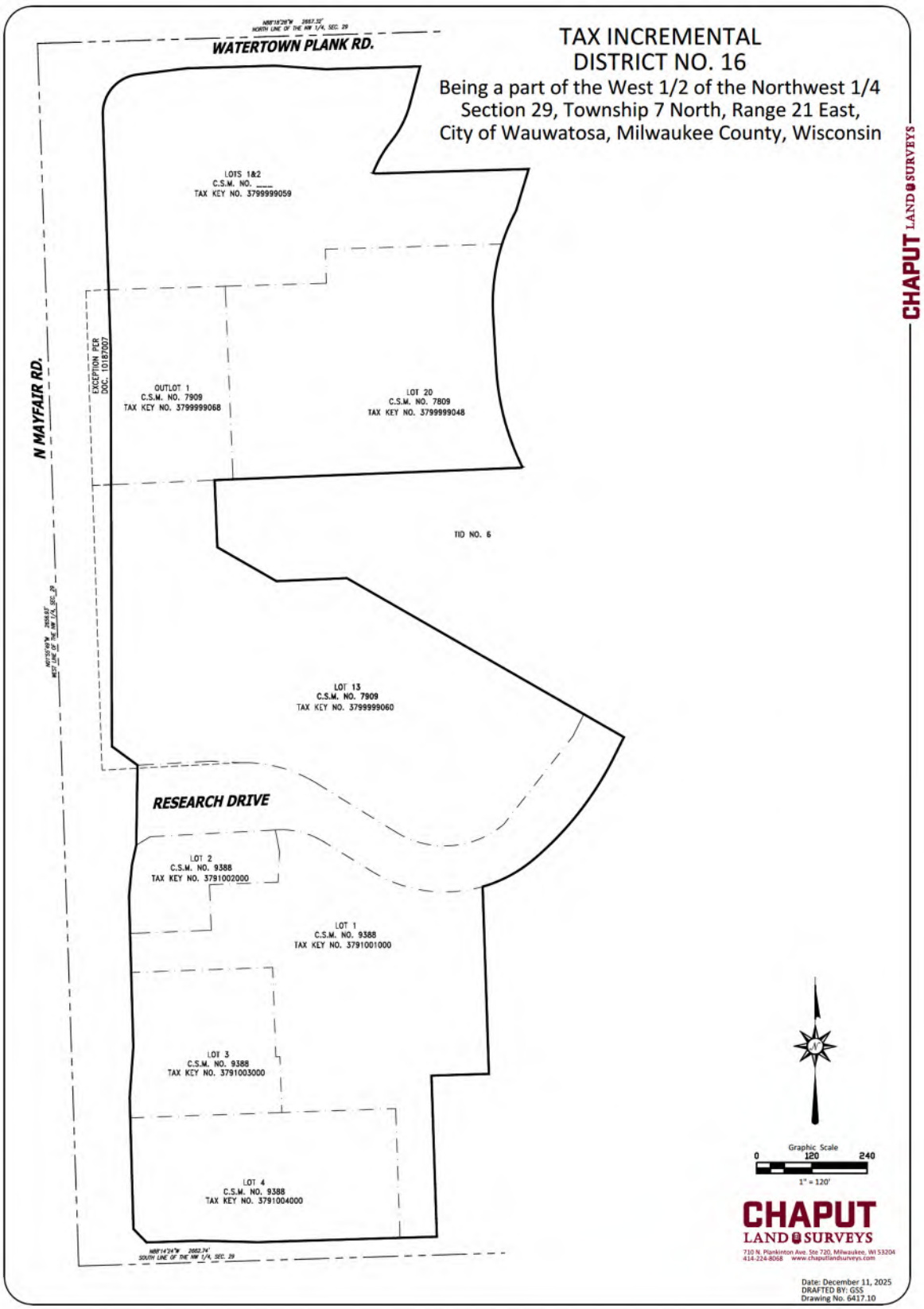
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.

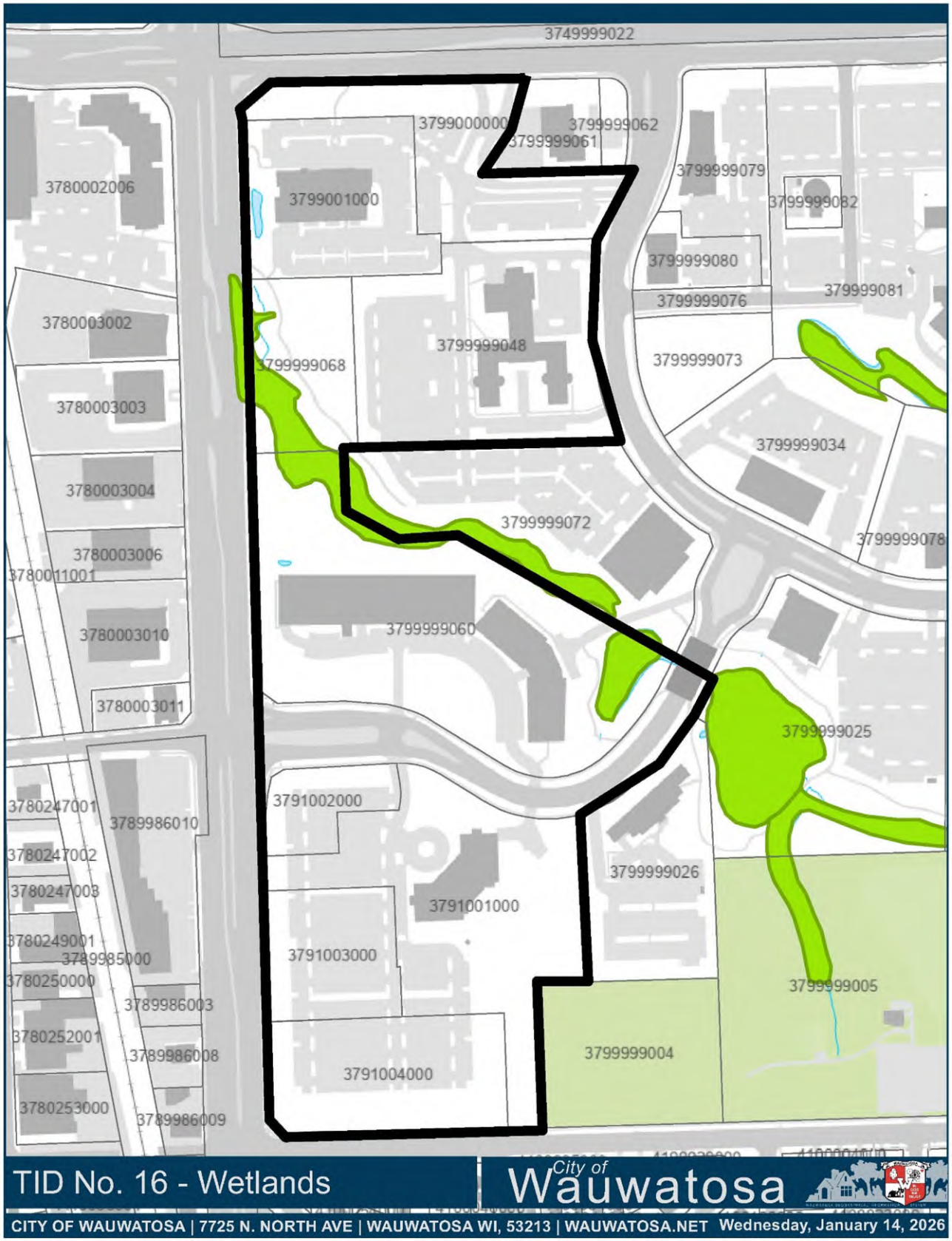
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2:
Preliminary Map of Proposed District Boundary

Map Found on Following Page.

To the extent District boundaries include wetlands identified on a map prepared under Wis. Stat. § 23.32, the wetlands are excluded from the District.


TAX INCREMENTAL
DISTRICT NO. 16
Being a part of the West 1/2 of the Northwest 1/4
Section 29, Township 7 North, Range 21 East,
City of Wauwatosa, Milwaukee County, Wisconsin
WATERTOWN PLANK RD.
N MAYFAIR RD.
RESEARCH DRIVE
LOTS 1&2
C.S.M. NO. ____
TAX KEY NO. 3799999059
EXCEPTION PER
DOC. 10187007
OUTLOT 1
C.S.M. NO. 7909
TAX KEY NO. 3799999068
LOT 20
C.S.M. NO. 7809
TAX KEY NO. 3799999048
TID NO. 6
LOT 13
C.S.M. NO. 7909
TAX KEY NO. 3799999060
LOT 2
C.S.M. NO. 9388
TAX KEY NO. 3791002000
LOT 1
C.S.M. NO. 9388
TAX KEY NO. 3791001000
LOT 3
C.S.M. NO. 9388
TAX KEY NO. 3791003000
LOT 4
C.S.M. NO. 9388
TAX KEY NO. 3791004000
Graphic Scale
0
120
240
1" = 120'
CHAPUT
LAND SURVEYS
710 N. Plankinton Ave. Ste 720, Milwaukee, WI 53204
414-224-8068 www.chaputlandsurveys.com
Date: December 11, 2025
DRAFTED BY: GSS
Drawing No. 6417.10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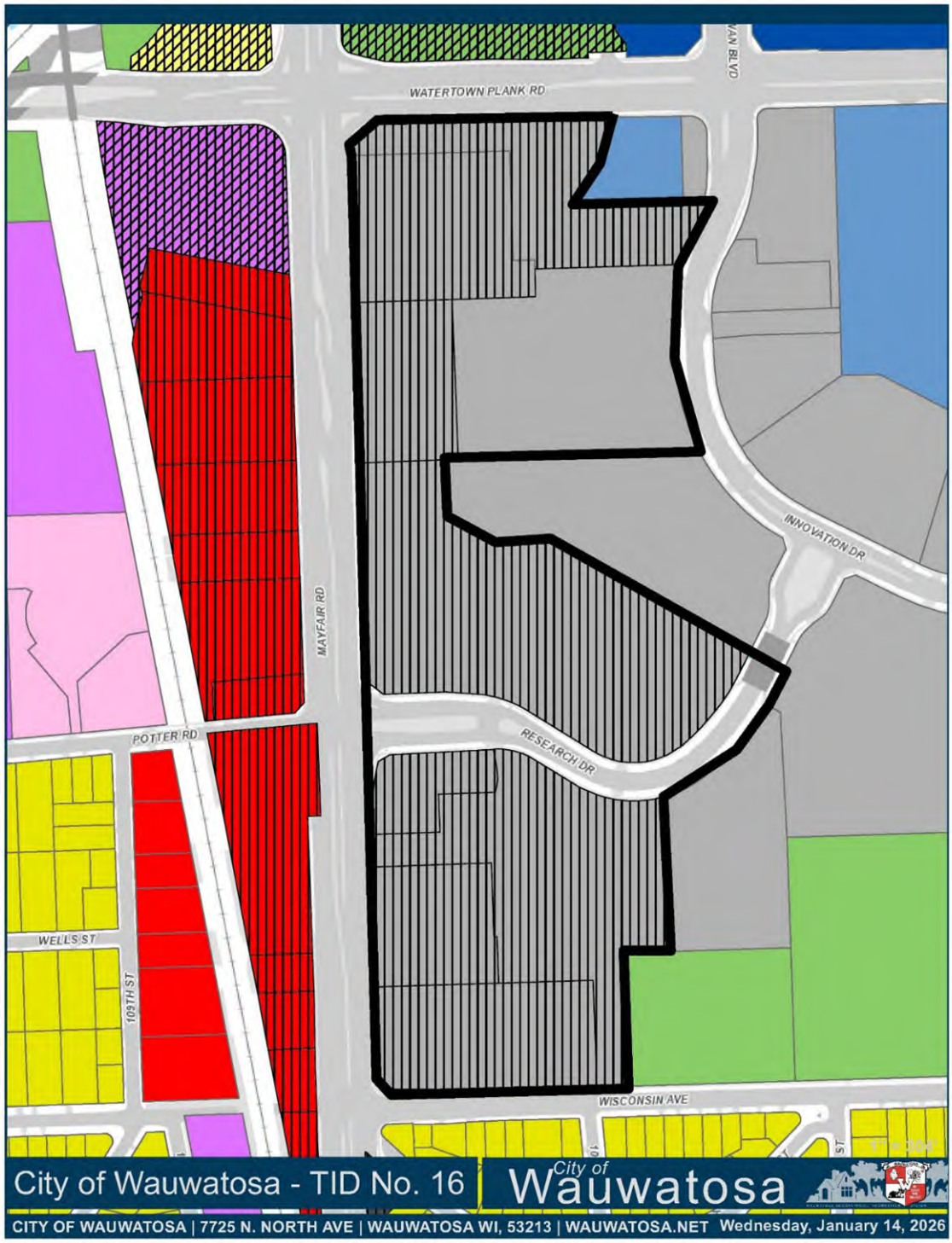
TID No. 16 - Wetlands
City of
Wauwatosa
CITY OF WAUWATOSA | 7725 N. NORTH AVE | WAUWATOSA WI, 53213 | WAUWATOSA.NET
Wednesday, January 14, 2026

SECTION 3:
Map Showing Existing Uses and Conditions

Map Found on Following Page.

Code Desscriptions

- /PUD - Planned Unit Development
- /NOR - North Avenue Overlay District
- /MAY - Mayfair Corridor
- /HIS - Historic Designated Properties
- MID-TRN - Midtown Zoning Districts Transitional
- MID-MIX - Midtown Zoning Districts Mixed Use
- MID-RES - Midtown Zoning Districts Residential
- C1 - Neighborhood/Village Trade
- C2 - General Commercial
- CO - Office
- M1 - Light Industrial
- M2 - Heavy Industrial



SECTION 4:
Preliminary Parcel List and Analysis

Parcel Data

Map Reference Number	Parcel Number	Address	Acres	Suitable Acres			
				Commercial/ Business	Previously-Platted Residential	Newly-Platted Residential	Industrial
N/A	ROW Areas		0.00				
1	3799001000	10499 Innovation Drive	3.81	3.81			
2	3799000000		3.74	3.74			
3	3799999068	1040 N Mayfair Road	1.54				
4	3799999048	10437 Innovation Drive	6.27	6.27			
5	3799999060	10700 Research Drive	9.72	10.22			
6	3791002000	850 N Mayfair Road	1.20	1.20			
7	3791001000	10701 Research Drive	6.73	6.73			
8	3791003000	800 N Mayfair Road	2.29	2.29			
9	3791004000	720 N Mayfair Road	3.66	3.66			
TOTALS			38.96	37.92	0.00	0.00	0.00

Percentage of TID Area Suitable for Mixed Use Development (at least 50%)	97%
Percentage of TID Area Not Suitable for Development	3%
Percentage of TID Area Suitable for Newly Platted Residential Development (no more than 35%)	0%
Wetland Acreage Removed from District Boundaries	(1.45)

Calculation of Estimated Base Value[1]

	Assessed Value			Equalized Value[2]		
Parcel	Land	Improvement	Total	Land	Improvement	Total
3799001000	7,103,800	3,766,700	10,870,500	7,103,300	3,766,400	10,869,700
3799000000	0	0	0	0	0	0
3799999068	0	0	0	0	0	0
3799999048	2,509,000	616,600	3,125,600	2,508,800	616,600	3,125,400
3799999060	4,088,000	18,573,300	22,661,300	4,087,700	18,572,000	22,659,700
3791002000	600,000	963,800	1,563,800	600,000	963,700	1,563,700
3791001000	3,365,000	3,076,600	6,441,600	3,364,800	3,076,400	6,441,200
3791003000	1,145,000	5,480,500	6,625,500	1,144,900	5,480,100	6,625,000
3791004000	1,830,000	97,200	1,927,200	1,829,900	97,200	1,927,100
TOTALS	20,640,800	32,574,700	53,215,500	20,639,400	32,572,400	53,211,800

1) Estimated based on values as of January 1, 2025. Actual base value will be as of January 1, 2026.

2) Calculation based on aggregate assessment ratio of 100.01%.

SECTION 5:
Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals $683.061 million. This value is less than the maximum of $1.215 billion in equalized value that is permitted for the City.

City of Wauwatosa, Wisconsin Tax Increment District No. 16 Valuation Test Compliance Calculation		
Calculation of City Equalized Value Limit		
City TID IN Equalized Value (Jan. 1, 2025)	$	10,122,294,400
TID Valuation Limit @ 12% of Above Value	**$**	**1,214,675,328**
Calculation of Value Subject to Limit		
Estimated Base Value of Territory to be Included in District	$	53,211,800
Plus: Assumed change for Jan. 1, 2026 assessment	$	-
Incremental Value of Existing Districts (Jan. 1, 2025)	$	629,849,500
Less: Value of Parcels Removed from District	$	-
Less: Value of Underlying TID Parcels	$	-
Total Value Subject to 12% Valuation Limit	**$**	**683,061,300**
Total Percentage of TID IN Equalized Value		6.75%
Residual Value Capacity of TID IN Equalized Value	$	531,614,028

SECTION 6:
Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Water System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or

expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications,

including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Contribution to Community Development Authority (CDA)

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

***Revolving Loan/Grant Program* (Development Incentives)**

To encourage private development consistent with the objectives of this Plan, the City, through its CDA, may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The City intends to make the following project cost expenditures outside the District:

As a part of the Research Park, it is anticipated that TID 16 would contribute towards public improvements to be included in the Research Park Master Plan anticipated for adoption in 2026. This is likely to include:

- the reconstruction and enhancing of the existing transportation network including the redesign, improvement, and extension of the internal road network to support efficient traffic flow, safe intersections, and multimodal access
- Creation of safe, attractive, and accessible pedestrian pathways and bike trails that connect buildings, amenities, and surrounding neighborhoods, promoting alternative modes to lessen the reliance on cars.
- Steetscaping and placemaking including the construction of public common areas.

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

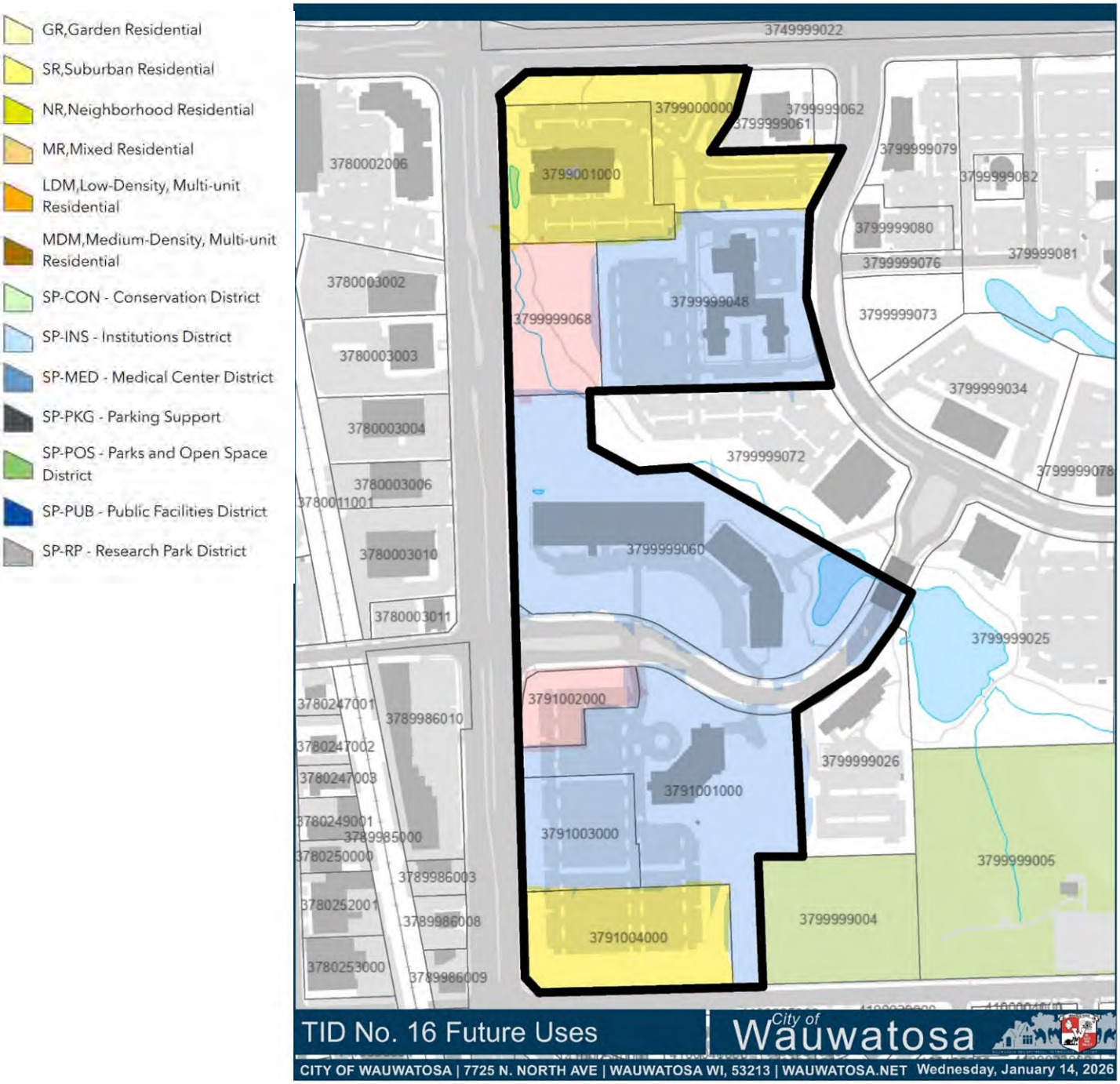
The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7:
Map Showing Proposed Improvements and Uses

Map Found on Following Page.


GR,Garden Residential
SR,Suburban Residential
NR,Neighborhood Residential
MR,Mixed Residential
LDM,Low-Density, Multi-unit Residential
MDM,Medium-Density, Multi-unit Residential
SP-CON - Conservation District
SP-INS - Institutions District
SP-MED - Medical Center District
SP-PKG - Parking Support
SP-POS - Parks and Open Space District
SP-PUB - Public Facilities District
SP-RP - Research Park District
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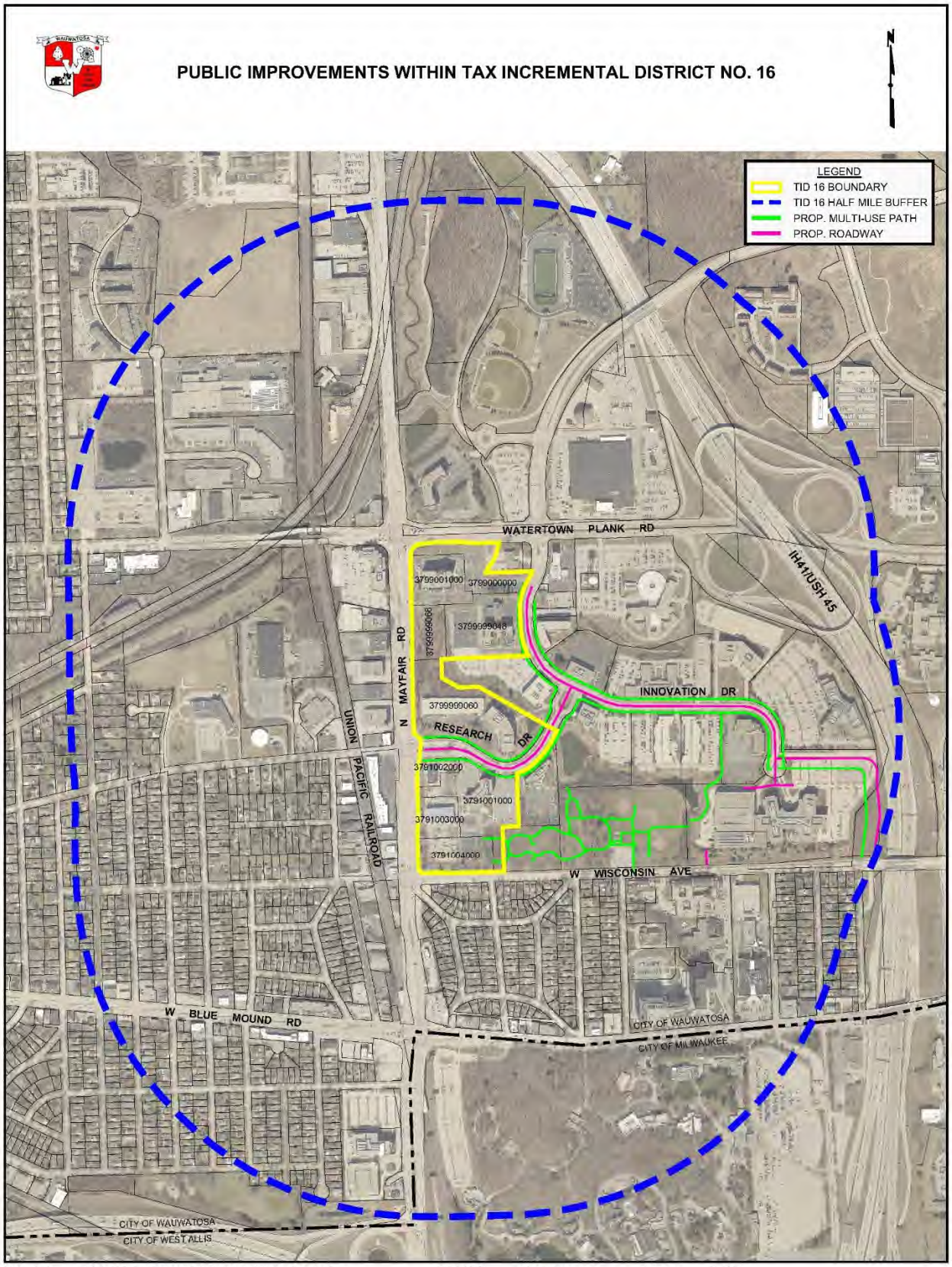
TID No. 16 Future Uses
City of Wauwatosa
CITY OF WAUWATOSA | 7725 N. NORTH AVE | WAUWATOSA WI, 53213 | WAUWATOSA.NET Wednesday, January 14, 2026



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SECTION 8:
Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District's Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Wauwatosa, Wisconsin

Tax Increment District No. 16

Detailed List of Estimated Project Costs

Project ID	Project Name/Type	Est. Cost Phase I	Est. Cost Phase II	Est. Cost Ongoing	Totals	1/2 Mile	Est. Timing
1	Development Incentives - PAYGO (Sonesta)	1,850,000			**1,850,000**		2026
2	Development Incentives - PAYGO (MF-A)[1]	6,200,000			**6,200,000**		2026
3	Development Incentives - PAYGO (MF - B)[1]		4,400,000		**4,400,000**		2029
4	Phase I Infrastructure Improvements	2,270,000			**2,270,000**	2,270,000	2028
5	Phase II Infrastructure Improvements		2,200,000		**2,200,000**	2,200,000	2030
12	Interest on MROs			14,832,999	**14,832,999**		
13	Interest on Long Term Debt			2,033,600	**2,033,600**		
14	Financing Costs			147,800	**147,800**		
15	Ongoing Planning & Administrative Costs			235,000	**235,000**		
Total Projects		**10,320,000**	**6,600,000**	**17,249,399**	**34,169,399**	**4,470,000**	

Notes:

1. As a part of the Research Park, it is anticipated that TID 16 would contribute towards public improvements to be included in the Research Park Master Plan anticipated for adoption in 2026. This is likely to include:
   the reconstruction and enhancing of the existing transportation network including the redesign, improvement, and extension of the internal road network to support efficient traffic flow, safe intersections, and multimodal access
   Creation of safe, attractive, and accessible pedestrian pathways and bike trails that connect buildings, amenities, and surrounding neighborhoods, promoting alternative modes to lessen the reliance on cars.
   Steetscaping and placemaking including the construction of public common areas

SECTION 9:
Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create approximately $101.50 million in incremental value by 2030. Estimated valuations and timing for construction of the Project are included in Table 1. Assuming the City's current equalized TID Interim tax rate of $18.00 per thousand of equalized value, and 1.00% annual appreciation, the Project would generate approximately $36.37 million in incremental tax revenue over the 20-year term of the District as shown in Table 2.

Table 1 – Development Assumptions

City of Wauwatosa, Wisconsin

Tax Increment District No. 16

Development Assumptions

Construction Year		Waterfair Apts/Samapa - Sonesta Hotel Conversion Total Value	Multi-Family - A Total Value	Multi-Family - B Total Value	**Annual Total**	Construction Year	
1	2026	8,770,300	13,072,800		**21,843,100**	2026	1
2	2027	3,689,625	36,000,000		**39,689,625**	2027	2
3	2028				**0**	2028	3
4	2029			20,000,000	**20,000,000**	2029	4
5	2030			20,000,000	**20,000,000**	2030	5
6	2031				**0**	2031	6
7	2032				**0**	2032	7
8	2033				**0**	2033	8
9	2034				**0**	2034	9
10	2035				**0**	2035	10
11	2036				**0**	2036	11
12	2037				**0**	2037	12
13	2038				**0**	2038	13
14	2039				**0**	2039	14
15	2040				**0**	2040	15
16	2041				**0**	2041	16
17	2042				**0**	2042	17
18	2043				**0**	2043	18
19	2044				**0**	2044	19
20	2045				**0**	2045	20
	Totals	**0**	**12,459,925**	**0**	**49,072,800**	**0**	**40,000,000**	**101,532,725**

Notes:

1. Sonesta hotel conversion estimated value was provided by the City Assessor and is less the estimated 2026 base value of the existing hotel facility.

Table 2 – Tax Increment Projection Worksheet

City of Wauwatosa, Wisconsin

Tax Increment District No. 16

Tax Increment Projection Worksheet

Type of District	Mixed Use	
District Creation Date	January 27, 2026	
Valuation Date	Jan 1,	2026
Max Life (Years)	20	
End of Expenditure Period	15	1/27/2041
Revenue Periods/Final Year	20	2047
Extension Eligibility/Years	Yes	3
Eligible Recipient District	No	

Base Value	53,215,500
Economic Change Factor	1.00%
Apply to Base Value	
Base Tax Rate	$18.00
Rate Adjustment Factor	0.00%

	Construction Year	Value Added	Valuation Year	Economic Change	Total Increment	Revenue Year	Tax Rate[1]	Tax Increment
1	2026	21,843,100	2027	0	21,843,100	2028	$18.00	**393,176**
2	2027	39,689,625	2028	218,431	61,751,156	2029	$18.00	**1,111,521**
3	2028	0	2029	617,512	62,368,668	2030	$18.00	**1,122,636**
4	2029	20,000,000	2030	623,687	82,992,354	2031	$18.00	**1,493,862**
5	2030	20,000,000	2031	829,924	103,822,278	2032	$18.00	**1,868,801**
6	2031	0	2032	1,038,223	104,860,501	2033	$18.00	**1,887,489**
7	2032	0	2033	1,048,605	105,909,106	2034	$18.00	**1,906,364**
8	2033	0	2034	1,059,091	106,968,197	2035	$18.00	**1,925,428**
9	2034	0	2035	1,069,682	108,037,879	2036	$18.00	**1,944,682**
10	2035	0	2036	1,080,379	109,118,257	2037	$18.00	**1,964,129**
11	2036	0	2037	1,091,183	110,209,440	2038	$18.00	**1,983,770**
12	2037	0	2038	1,102,094	111,311,534	2039	$18.00	**2,003,608**
13	2038	0	2039	1,113,115	112,424,650	2040	$18.00	**2,023,644**
14	2039	0	2040	1,124,246	113,548,896	2041	$18.00	**2,043,880**
15	2040	0	2041	1,135,489	114,684,385	2042	$18.00	**2,064,319**
16	2041	0	2042	1,146,844	115,831,229	2043	$18.00	**2,084,962**
17	2042	0	2043	1,158,312	116,989,541	2044	$18.00	**2,105,812**
18	2043	0	2044	1,169,895	118,159,437	2045	$18.00	**2,126,870**
19	2044	0	2045	1,181,594	119,341,031	2046	$18.00	**2,148,139**
20	2045	0	2046	1,193,410	120,534,441	2047	$18.00	**2,169,620**
	Totals	**101,532,725**		**19,001,716**			**Future Value of Increment**	**36,372,709**

Notes:
1) Tax rate shown is estimated for the life of the District based upon the estimated 2025/2026 TID Equalized Rate.

Financing and Implementation

The financing plan on Table 3 contemplates a mixture of General Obligation (G.O.) financing for City infrastructure expenses and pay as you go financing through Municipal Revenue Obligations for specific development projects (MRO). The MRO for the Sonesta Hotel conversion project is as of the time of this project plan the most well defined between the City and developer. **Table 3.** provides a summary of the District's financing plan.

Table 3 – Financing Plan

City of Wauwatosa, Wisconsin

Tax Increment District No. 16

Estimated Financing Plan

		DEBT ISSUES			MUNICIPAL REVENUE OBLIGATIONS			
		G.O. Promissory Note 2028		G.O. Promissory Note 2030	Municipal Revenue Obligation (MRO) 2026	Municipal Revenue Obligation (MRO) 2026	Municipal Revenue Obligation (MRO) 2029	Totals
Projects								
Phase I		2,270,000			1,850,000	6,200,000		10,320,000
Phase II				2,200,000			4,400,000	6,600,000
Total Project Funds		2,270,000		2,200,000	1,850,000	6,200,000	4,400,000	16,920,000
Other Funds								
Debt Service Reserve		0		0				
Capitalized Interest		0		0				
Estimated Finance Related Expenses		73,900		73,900				
Underwriter Discount	10.00	23,350	10.00	22,650				
Total Financing Required		2,367,250		2,296,550				
Estimated Interest	3.00%	(34,050)	3.00%	(33,000)				
Assumed spend down (months)	6		6					
Rounding		1,800		1,450				
Net Issue Size		2,335,000		2,265,000	1,850,000	6,200,000	4,400,000	17,050,000

Notes:

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2046 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Table 4 – Cash Flow

City of Wauwatosa, Wisconsin

Tax Increment District No. 16

Cash Flow Projection

	Projected Revenues			Projected Expenditures								Balances			
Year	Tax Increments	Other Revenue	**Total Revenues**	2028 G.O. Promissory Note $2,335,000 Issue Total	2030 G.O. Promissory Note $2,265,000 Issue Total	Total Debt Service	MRO #1 2026 Sonesta Hotel Conversion $1,850,000	MRO #2 2026 Multi-Family - A $6,200,000	MRO #3 2029 Multi-Family - B $4,400,000	Ongoing Planning & Administration	**Total Expenditures**	Annual	Cumulative	Liabilities Outstanding	Year
2026			**0**	0	0	0					**0**	0	0	18,290,000	2026
2027			**0**	0	0	0					**0**	0	0	18,290,000	2027
2028	393,176		**393,176**	0	0	0	149,972	188,248		10,000	**348,220**	44,955	44,955	20,286,779	2028
2029	1,111,521		**1,111,521**	140,100	0	140,100	214,564	708,531		10,000	**1,073,195**	38,326	83,281	28,356,684	2029
2030	1,122,636		**1,122,636**	166,900	0	166,900	216,710	715,616		10,000	**1,109,226**	13,410	96,691	29,614,357	2030
2031	1,493,862		**1,493,862**	163,900	135,900	299,800	218,877	722,772	252,000	10,000	**1,503,449**	(9,587)	87,104	28,345,708	2031
2032	1,868,801		**1,868,801**	180,500	198,400	378,900	221,066	730,000	506,520	10,000	**1,846,486**	22,315	109,419	26,683,122	2032
2033	1,887,489		**1,887,489**	181,600	198,900	380,500	223,277	737,300	511,585	10,000	**1,862,662**	24,827	134,246	24,995,960	2033
2034	1,906,364		**1,906,364**	177,600	199,200	376,800	225,509	744,673	516,701	10,000	**1,873,683**	32,680	166,926	23,289,077	2034
2035	1,925,428		**1,925,428**	178,500	194,400	372,900	227,764	752,120	521,868	10,000	**1,884,652**	40,775	207,702	21,562,324	2035
2036	1,944,682		**1,944,682**	174,300	189,600	363,900	230,042	759,641	527,087	10,000	**1,890,670**	54,012	261,714	19,820,555	2036
2037	1,964,129		**1,964,129**	175,000	194,600	369,600	232,343	767,237	532,358	10,000	**1,911,537**	52,591	314,305	18,048,617	2037
2038	1,983,770		**1,983,770**	180,400	194,300	374,700	234,666	774,910	537,681	10,000	**1,931,957**	51,813	366,118	16,246,360	2038
2039	2,003,608		**2,003,608**	195,200	188,900	384,100	237,013	782,659	543,058	10,000	**1,956,829**	46,778	412,896	14,408,631	2039
2040	2,023,644		**2,023,644**	194,500	188,400	382,900	239,383	790,485	548,489	10,000	**1,971,257**	52,387	465,283	12,545,274	2040
2041	2,043,880		**2,043,880**	193,600	187,700	381,300	241,777	798,390	553,973	10,000	**1,985,440**	58,440	523,723	10,656,134	2041
2042	2,064,319		**2,064,319**	192,500	186,800	379,300	244,037	806,374	559,513	10,000	**1,999,225**	65,094	588,817	8,741,209	2042
2043	2,084,962		**2,084,962**	191,200	185,700	376,900		814,438	565,108	10,000	**1,766,446**	318,516	907,333	7,046,663	2043
2044	2,105,812		**2,105,812**	189,700	184,400	374,100		822,582	570,759	10,000	**1,777,442**	328,370	1,235,703	5,328,321	2044
2045	2,126,870		**2,126,870**	188,000	182,900	370,900		830,808	576,467	10,000	**1,788,175**	338,695	1,574,398	3,586,046	2045
2046	2,148,139		**2,148,139**	186,100	181,200	367,300		839,116	582,232	10,000	**1,798,648**	**349,491**	**1,923,889**	**1,819,698**	2046
2047	2,169,620		**2,169,620**	193,800	198,900	392,700		847,098	587,600	10,000	**1,837,398**	332,222	2,256,110	(0)	2047
Totals (2026 - 2047)	**36,372,709**	**0**	**36,372,709**	**3,443,400**	**3,190,200**	**6,633,600**	**3,357,000**	**14,933,000**	**8,993,000**	**235,000**	**34,116,599**				Totals (2026 - 2047)

Notes:
1. MRO #1 is equal to 95% of the increment generated from the development to a maximum principal amount of $1.85 million at 6.35% interest.
2. MRO #2 is equal to 80% of the incremental revenue generated by the project on an annual basis to the $6.2 million prinicpal balacne with an assumed 8% discount rate.
3. MRO #3 is equal to 70% of the incremental revenue generated by the project on an annual basis to the $4.4 million principal balance with an assumed 8% discount rate.

PROJECTED CLOSURE YEAR

LEGEND:
CALLABLE MATURITIES
END OF EXP. PERIOD

SECTION 10:
Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11:
Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12:
Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for a combination of residential and commercial land development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13:
Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14:
How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by creating opportunities for mixed use development, providing necessary public infrastructure improvements, and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment housing opportunities.

SECTION 15:
List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 16:
Legal Opinion Advising Whether the Plan is Complete and Complies with Wis. Stat. § 66.1105(4)(f)

Legal Opinion Found on Following Page.

Wauwatosa City Attorney

Jennifer J. Tate
City Attorney

Cody Pansing
Assistant City Attorney

January 22, 2026

RE: Project Plan TID No. 16

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As City Attorney for the City of Wauwatosa, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of Wauwatosa Tax Incremental District No. 16 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

Jennifer J. Tate
City Attorney
jtate@wauwatosa.net

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SECTION 17:
Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

City of Wauwatosa, Wisconsin

Tax Increment District No. 16

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.

Revenue Year	Milwaukee County	Milw Co Metro Sewer Dist	City of Wauwatosa	School Dist of Wauwatosa	MATC	Total	Revenue Year
2028	73,536	28,956	125,804	146,140	18,740	393,176	2028
2029	207,890	81,860	355,651	413,142	52,978	1,111,521	2029
2030	209,968	82,679	359,208	417,274	53,508	1,122,636	2030
2031	279,400	110,018	477,988	555,255	71,201	1,493,862	2031
2032	349,525	137,632	597,956	694,616	89,072	1,868,801	2032
2033	353,020	139,008	603,936	701,563	89,962	1,887,489	2033
2034	356,550	140,398	609,975	708,578	90,862	1,906,364	2034
2035	360,116	141,802	616,075	715,664	91,771	1,925,428	2035
2036	363,717	143,220	622,236	722,821	92,688	1,944,682	2036
2037	367,354	144,652	628,458	730,049	93,615	1,964,129	2037
2038	371,028	146,099	634,743	737,349	94,551	1,983,770	2038
2039	374,738	147,560	641,090	744,723	95,497	2,003,608	2039
2040	378,485	149,035	647,501	752,170	96,452	2,023,644	2040
2041	382,270	150,526	653,976	759,692	97,416	2,043,880	2041
2042	386,093	152,031	660,516	767,289	98,391	2,064,319	2042
2043	389,954	153,551	667,121	774,961	99,375	2,084,962	2043
2044	393,853	155,087	673,792	782,711	100,368	2,105,812	2044
2045	397,792	156,638	680,530	790,538	101,372	2,126,870	2045
2046	401,770	158,204	687,335	798,444	102,386	2,148,139	2046
2047	405,788	159,786	694,209	806,428	103,410	2,169,620	2047
Totals	**6,802,848**	**2,678,740**	**11,638,101**	**13,519,406**	**1,733,615**	**36,372,709**	