

November 24, 2014

Nicolas Sparacio, AICP  
Community Development Director  
City of Manitowoc  
900 Quay Street  
Manitowoc, WI 54220-4543

Dear Mr Sparacio:

In accordance with your request, we are herewith submitting this revised proposal to provide the City with tax increment services. Specifically, if approved, Ehlers will work with City staff to provide an in-depth analysis including the following for each of the City's existing Tax Increment Districts (TIDs):

- Prepare a detailed cash flow for each TID using financial information provided by the City. This cash flow will include an anticipated close date for the TID and allow for us to provide a sensitivity analysis for each TID, to include anticipated future expenditures and development.
- Opportunities analysis for each TID. This will be coordinated with City staff and/or outside consultants and will provide the City with available opportunities to further implement projects identified in the project plans for each TID. We will also review options that may be available to the City to enhance the use of the existing TIDs to meet the economic development goals of the entire City.
- Recommendations as to what options the City has available for each TID. Examples may be using excess revenue from one TID to support another, distressing a particular TID which would allow that TID to collect revenue for an extended period of time, using the ½ mile radius provision, or TID overlay's.
- Provide up to 2 workshops to educate various Boards, Commissions, and/or the Council on the uses of TIDs, proposed changes to the TID law, and the outcomes of this analysis.
- Prepare a final report of this TID analysis for the City Council.

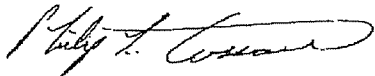
Our expertise lies in the financial and economic development aspects of tax increment financing along with an understanding of what is allowed under the current TID law. As such, our proposal does not include any mapping or engineering estimating that may be needed for the sensitivity analysis. Any costs related to mapping, engineering estimating, or other professional services would be the responsibility of the City.

For the above mentioned analysis, Ehlers will be entitled to a not to exceed fee of \$16,000, which equates to \$1,600 per active TID. The fees outlined above shall include all travel, overhead and time compensation for Ehlers & Associates and its subcontractors, if any. Ehlers

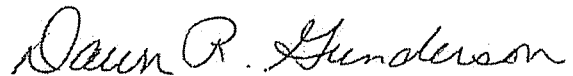
& Associates fees, and all other costs incurred in relation to this contract are eligible to be paid from tax increment revenues.

We appreciate your consideration and look forward to the opportunity to work with the City on this important project. If you have any questions regarding the agreement feel free to contact us at any time to discuss.

Respectfully submitted,  
**EHLERS & ASSOCIATES, INC.**



Philip L. Cosson, CIPFA  
*Executive Vice President - Director*



Dawn Gunderson-Schiel, CIPFA  
*Vice President – Financial Advisor*

The above proposal is hereby accepted by the City of Manitowoc, Wisconsin by its

Authorized officers this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Cc:

Kathleen McDaniel, City Attorney  
Steve Corbeille, Finance Director/Treasurer  
Paul Braun, Deputy City Planner  
Paula Czaplewski, TIF & Disclosure Coordinator, Ehlers