



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Lafayette Crump
Commissioner

Vanessa Koster
Deputy Commissioner

June 29, 2021

Members of the Joint Review Board for Milwaukee Tax Incremental Finance Districts:

Dennis Yaccarino, City of Milwaukee; Chair
Aaron Hertzberg, Milwaukee County
Jeffrey Hollow, Milwaukee Area Technical College
Martha Kreitzman, Milwaukee Public Schools
Frances Hardrick, Public Member

Honorable Joint Review Board Members:

Re: 2020 Annual Report of Milwaukee's Tax Incremental Finance Districts

Enclosed is the Annual Report of Milwaukee's Tax Incremental Finance Districts (TIDs) for the year ended December 31, 2020. The report covers project accomplishments for each district, a summary of costs and revenues, and an estimate of when the district is likely to recover its project costs. The 2020 report also includes additional financial information; debt issuance interest costs, and any miscellaneous revenue generated by district activity (e.g., land sales, rents, loan repayments).

Given the extent of the report, this information may be accessed for each district at:

<http://city.milwaukee.gov/TaxIncrementalFinancing.htm>

The Common Council adopted 10 resolutions regarding Tax Increment District activity in 2020. Three resolutions created new Tax Increment Districts:

- File #191900 created TID #104: 37th Street School. The district is developer financed in the amount of \$460,000 cash grant to the developer to perform an adaptive reuse of a school building located at 1715 North 37th with 49 elderly housing units, 43 units of which will be affordable to families earning under 60% of Area Median Income and 6 market rate units. The redevelopment will also include community and garden space for residents. This former school site was identified as a catalytic project for the Washington Park neighborhood. The TID also has approved \$60,000 for administration costs and \$406,000 in interest costs.



- File #200250 created TID #105: Community Within The Corridor. The district is developer financed in the amount of \$3,150,000 cash grant to the developer to perform an adaptive reuse of a series of six industrial buildings with 197 affordable housing units, approximately 23,000 square feet of commercial space, and approximately 40,000 square feet of community and recreational space for residents of the project and neighborhood. The property is located between the Union Pacific Railroad and North 33rd Street and between West Center Street and West Hadley Street in the Metcalf Park neighborhood and the 30th Street Industrial Corridor. The property is comprised of a former Briggs and Stratton industrial complex which has been closed since the mid 1980's. In addition to the project costs the TID will also fund \$150,000 for administration and \$1,885,200 in interest costs.
- File #200598 created TID #106: McKinley School. The district is to provide up to \$650,000 for environmental remediation and demolition costs for the school building and a cash grant to the developer of up to \$300,000 to assist in the development of single family homes. The property is located on West Vliet Street between 20th and 21st Street in the City's Midtown neighborhood. Built in 1885, the property was originally a Milwaukee Public School. After a subsequent owner's school and daycare center experienced a fire in November 2013 and the City of Milwaukee foreclosed on the building for delinquent taxes in October 2016, the City secured a grant from the Environmental Protection Agency to assess site conditions. Significant additional work ranging from abatement of asbestos to lead based paint and additional demolition work remains to be completed prior to rehabilitation of the building. The City will contract for and carry out the environmental remediation and related interior demolition of the building to prepare it for development. A \$450,000 grant from the Environmental Protection Agency and the \$650,000 from the TID will complete that part of the project. The developer's project plan includes the remediation of the remaining hazardous site and building conditions and the creation of 35 affordable rental units and the new construction of four single family homes. The TID will also need to recover an estimated \$452,700 for interest costs.

The City of Milwaukee did not dissolve any TIDs in 2020.

Per City of Milwaukee Ordinance 304-95-2, the project plans of TIDs may be amended to fund street-paving projects within one-half mile of the district boundary, providing there are sufficient funds to pay off the TID debt first and the TID is still within its allowable expenditure period. Two TID plans were amended in 2020 for this purpose. They include Amendment No. 1 to TID #60: Milwaukee Intermodal Passenger Station Project (file #191679) to fund street improvements to West Wells Street between North 6th and North 12th Streets and Amendment No. 2 to TID #46: New Arcade Project (file #191678) to fund street improvements to West State Street between North Old World Third and North 9th Streets and North Broadway between East Kilbourn and East Juneau Avenues,

Other district project plan amendments included the two amendments referenced above, Amendment No. 1 to TID #60: Milwaukee Intermodal Passenger Station Project (file #191679) and Amendment No. 2 to TID #46: New Arcade Project (file #191678) that in addition to providing funds for street paving projects also provided (both) donations to TID #74 (North 35th and West Capitol Drive) for each of the years 2020 thru 2024.

Amendment No. 2 to TID #49: Cathedral Place (file #191671) was also passed to provide donations to TID #74 (North 35th and West Capitol Drive) for each of the years 2020 thru 2024 and to authorize additional public infrastructure expenditures within the one-half mile radius of the TID #49 boundaries, providing up to \$1.85 million for Cathedral Square improvements. Approved was amendment No. 6 to TID #37: Grand Avenue (file #191951) to provide donations to TID # 51: Grandville Station, TID #71: Mitchell Street, and TID #72 (Bishop's Creek) for the years 2020 thru 2023. Approved was amendment No. 1 to TID #84: West McKinley and West Juneau (file #200378) which provided \$1.0 million for façade restoration and 83 units of affordable student housing at the Journal Square Project. Approved was Amendment No. 3 to TID #68: Fifth Ward-First Place (file #191901) which authorized the expenditure of \$1,401,375 in additional project funding for construction of Riverwalk and dockwall, improving public right of way, installing a traffic signal, and construction of an ADA compliant Riverwalk ramp

Finally, the City approved a resolution authorizing a one-year extension to the term of TID #22: Beerline (file #200852) and authorizing the use of the resulting tax incremental revenue to benefit affordable housing and improve housing stock in the City of Milwaukee. This extension follows the City of Milwaukee Ordinance 304-96 and the resulting revenue is represented in the City's 2021 Capital Budget.

By the end of 2020 total incremental property value in all districts was approximately \$2.2 billion. This represents 7.13 % of the City's total property value in 2020.

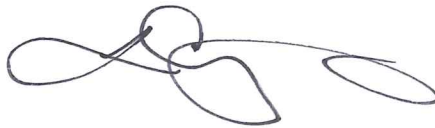
Members of the Joint Review Board for Milwaukee Tax Incremental Districts
June 29, 2021
Page 4

Project costs remaining to be recovered through future tax incremental revenue, including debt service on outstanding bonds, or bonds to be sold, are now estimated at \$167.2 million. This does not include costs advanced by businesses or developers through developer financed districts.

A summary of districts estimated to recover their costs within the next two years is listed in the table attached to this letter. This table reflects the department's best estimates, but is subject to audit and, in some cases, may be impacted by the issuance of future debt to finance project costs already incurred. It is expected that all of these districts will be evaluated for paving and housing assistance amendments, adding up to two years to the estimated dates of closing.

If you have any questions related to this report, or the status of any Milwaukee Tax Incremental District, please contact David Schroeder of my staff at (414) 286-5933.

Sincerely,

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke extending to the right.

Lafayette Crump
Commissioner

Table A:
Districts Estimated to Recover Project Costs within
2020-2021 (Levy Year)

District No.	District Name	Projected Year Project Costs are Recovered [1] (Levy Year)	2020 Incremental Property Value (\$ millions)	Comments
22	Beer Line B	2019	\$236.4	Close
66	Metcalf Park	2020	\$30.5	Donations received, close
52	Sigma Aldrich	2021	\$17.0	Housing 2021
58	20 th & Walnut	2021	\$0.1	Close 2021
65	20 th & Brown	2021	\$1.0	Close 2021

[1] Projected closing dates exclude possible paving & housing amendments.