

Project Plan
For
Tax Incremental District Number No. 129
City of Milwaukee
(Mitchell Building)

Public Hearing Held:
Redevelopment Authority Adopted:
Common Council Adopted:
Joint Review Board Approval:

Prepared by
Department of City Development

In Conformance with the Provisions
of Section 66.1105, Wisconsin Statutes

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I. DESCRIPTION OF PROJECT

A. Introduction

Section 66.1105(4) (d), Wisconsin Statutes, requires the “preparation and adoption... of a proposed project plan for each tax incremental district.” This Project Plan is submitted in fulfillment of this requirement and the related provisions of section 66.1105, Wisconsin Statutes.

B. District Boundaries & Compliance with Statutory Eligibility Criteria

Tax Incremental District Number 129, City of Milwaukee, Mitchell Building (“District” or “TID”) is comprised of one parcel(s) totaling approximately 9,611 square feet or 0.22 acres (collectively, the “Property”). The District is shown on **Map No. 1, “Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** The District contains only whole parcels and said parcels are contiguous as required by Sections 66.1105(2)(k)1 and 66.1105(4)(gm)1, Wisconsin Statutes.

Not less than 50%, by area, of the real property located within the District was found to be an area “in need of rehabilitation or conservation work” as defined in Section 66.1337(2m)(a), Wisconsin Statutes, as required by Section 66.1105(4) (gm) of the Wisconsin Statutes. **Exhibit 2 “Property Characteristics”** illustrates how the property in the District meets this statutory criteria for tax incremental financing districts. The project proposed for the District will contain approximately 5,000 square feet of commercial space and per Wisconsin Statute 66.1105 (5) (b), it is estimated that less than 35% of the property within the District that could be devoted to retail business at the end of the maximum expenditure period. A portion of this District overlaps the existing Tax Incremental District No. 83 (Broadway and Michigan), as shown in **Map No. 5, “TID 83 (Broadway and Michigan).”**

C. Project Plan Goals & Objectives

Property within the District is currently “in need of rehabilitation or conservation work” and is located at 207 E. Michigan Street, Milwaukee, Wisconsin, 53202 (“Project”). The following is a description of the planned project for the District.

The developer for the Project is J. Jeffers & Co., LLC (“Developer”). The Developer is proposing a historic rehabilitation of the Mitchell Building, a site originally occupied by the headquarters of Alexander Mitchell’s Wisconsin Marine and Fire Insurance Company. At present the property is substantially vacant and underutilized.

Built in 1876, the Project is known as one of the only remaining examples of French Second Empire architecture in the country and for being one of the City of Milwaukee’s oldest structures. The Project is listed in the National and State Register of Historic Places. The five-story, 54,093 square foot building will be converted from its current office use to residential rental units and approximately 5,000 square feet of commercial space on the ground floor level.

The Project will include 60 total units that will include unique floorplans and architectural features, as well as including some lofted units. Fifty-five (55) of the 60 units will be offered as workforce housing units with incomes up to 90% of area median income. The workforce housing

units are studio and one-bedroom units. A breakdown of units and income limits can be found in **Attachment 1 of the Term Sheet (Exhibit 3)**.

The Project is consistent with and further the goals of *Connecting MKE – Downtown Plan 2040*, the City of Milwaukee’s area plan for downtown, which includes goals to increase the supply of housing, provide housing choices for all income levels, provide a range of housing opportunities to meet the needs of a diverse population, preserve and restore Downtown’s historic buildings, and improve the quality of life in downtown and surrounding neighborhoods. Key priorities of the plan are to double the downtown population to 40,000 by 2040 and to increase the number of downtown housing units by 15,000 units at average rate of 5% per year, with at least 20% of all downtown housing units being affordable units by 2040.

The main purpose of the District is to convert underutilized commercial property to residential housing to improve housing options in Downtown Milwaukee.

The more detailed objectives of this Project Plan are to:

1. Promote the coordinated development of underutilized property for appropriate residential use.
2. Increase the density and diversity of housing options in downtown.
3. Support past and future investment in the neighborhood through the redevelopment of a property that is primarily vacant and underutilized.
4. Substantially rehabilitate and restore an iconic and historic building in the City.
5. Support past and future investment in the neighborhood through the rehabilitation of a property that is currently in need of substantial renovation and revitalization.
6. Create and retain employment opportunities in the City.
7. Increase the tax base of the City by promoting redevelopment of an existing building.

D. Existing Land Uses & Conditions in the District

The District is comprised of one parcel containing 9,611 square feet, or 0.22 acres. The property in the District is currently assessed at \$2,657,700 and is zoned CF9 (Office and Service). Currently, the District is substantially vacant and underutilized.

II. PLAN PROPOSALS & STATUTORY REQUIREMENTS

Section 66.1105(4)(f), Wisconsin Statutes, requires that a Project Plan for a Tax Incremental District shall include:

“... a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in subsection (2)(f)1.k. and 1.n., outside the district, an economic feasibility study, a detailed list of estimated project costs, and a

description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances; a list of estimated non-project costs; and a statement of the proposed method for the relocation of any persons to be displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city.”

The plan shall also include an opinion of the City Attorney or of any attorney retained by the City advising whether such plan is complete and complies with Section 66.1105(4)(f), Wisconsin Statutes.

The following statements, maps and exhibits are provided in compliance with the statutory requirements.

A. “Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements.”

Funds generated from the District will be used for the following uses and improvements as shown in **Map 2, “Proposed Uses and Improvements:”**

- Developer Grant. TID revenue will be used to provide annual cash grant payments to the Developer to offset actual costs incurred by the Developer for the Project. The City will make payments to the Developer equal to 100% of the incremental taxes certified and collected from property within the District, less an annual administration charge, until such time as \$1,900,000 is reimbursed to Developer by such payments plus an interest rate of up to 6.4% over a period not to exceed 20 years (the “Grant” or “Monetary Obligation”). See the Term Sheet, attached as **Exhibit 3, “Term Sheet.”**

B. “Detailed List of Estimated Project Costs.”

The costs included in this subsection and detailed in **Table A, “Estimated TID Project Costs”** which follows are, without limitation hereof because of enumeration, claimed as eligible Project Costs, as defined under Section 66.1105(2)(f), and, if appropriate, in any Cooperation and Development Agreement(s) or grant agreement(s) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee (“RACM”), and/or eligible designated developer(s) or property owner(s), provided further that such expenditures are necessitated by this Project Plan.

These cost estimates are more fully described as follows:

Capital Costs

The City shall fund an estimated \$1,900,000 in the form of TID Capital Project Costs of this Plan. These costs include the Monetary Obligation that funds the Grant to the Developer as enumerated in further detail below in **Table A, “Estimated TID Project Costs.”**

Administrative Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs.

Financing Costs

Financing costs include estimated gross interest expense on the Monetary Obligation to reimburse the Developer for the developer-financed Grant. Estimates of interest are based on interest rates set forth in the economic feasibility analysis for the Project attached as **Exhibit 4, “Economic Feasibility Study.”** The City reserves the right to prepay the grant to the Developer, which could require issuance of general obligation or other forms of debt, as described in **Exhibit 3, “Term Sheet.”**

Table A - Estimated TID Project Costs

A	Capital Costs: <ul style="list-style-type: none">• Grant to Project (Monetary Obligation to Developer)	\$ 1,900,000
B	Other: Administrative Costs (\$10,000/year for 18 years)	\$ 180,000
	Total Estimated Project Costs (excluding financing)	\$ 2,080,000
C	Financing: Interest on the Grant to Developer (Monetary Obligation to Developer), interest on borrowing / payment of bonds	\$ 1,767,870

C. “Description of Timing and Methods of Financing.”

All expenditures are expected to be incurred during the period from 2025 through 2044.

The annual payments to the Developer will be paid pursuant to the Monetary Obligation, using incremental taxes generated annually in the District as further described in **Exhibit 3, “Term Sheet.”** The City may proceed to fund any or all Project Costs using general obligation bonds or notes, RACM revenue bonds or other forms of borrowing in amounts which can be supported using tax increment from the District.

D. “Economic Feasibility Study.”

The Economic Feasibility Study for this District prepared by Ehlers Public Finance Advisors and dated August 12, 2025 is attached to this Project Plan as **Exhibit 4, “Economic Feasibility Study.”** The study establishes the dollar value of Project Costs, which, based on certain general assumptions and a reasonable margin of safety, can be financed with the revenues projected to be generated by the proposed TID.

Based upon the anticipated tax incremental revenue to be generated by this TID, the District is financially feasible and is likely to be retired on or before the year 2044. Should incremental revenue generate in excess of those currently anticipated, they may be used to accelerate the reimbursement of the Developer-financed Grant for the Project.

E. “Map Showing Existing Uses and Conditions.”

See **Map No. 1, “Boundary and Existing Land Use;” Map No. 3, “Structure Condition,”** and **Exhibit 5, “Property Owners,”** attached to this Project Plan.

F. “Map Showing Proposed Improvements and Uses.”

See **Map No. 2, “Proposed Improvements & Uses,”** attached to this Project Plan.

G. “Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances.”

See **Map No. 4, “Existing Zoning,”** attached to this Project Plan. The proposed Project is consistent with existing zoning, which is CF9 (Office and Service). The proposed Project is in accordance with the existing master plan, building codes, and other city ordinances. The Project should not require amendments to their provisions, but such amendments could be made if necessary without further amendment to this Project Plan.

H. “List of Estimated Non-Project Costs.”

There are no non-project costs.

I. “Proposed Method for Relocation.”

The Project Plan does not anticipate the acquisition of property by the City of Milwaukee or RACM, accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. If, at a later date, it is determined that acquisition of property by condemnation and requiring relocation will be necessary, the cost and method of relocation will be included in a Redevelopment Plan and associated Relocation Plan prepared pursuant to Sections 66.1333 and 32.05, Wisconsin Statutes. The costs of such activities will be eligible for reimbursement through tax increment revenues should such revenues be generated during the statutory life of the District.

J. “Statement Indicating How District Promotes Orderly City Development.”

The proposed District is consistent with existing zoning and the goals of *Connecting MKE – Downtown Plan 2040*, the City of Milwaukee’s area plan for downtown (the “Plan”), one of the 14 geographically specific area plans that make up the City of Milwaukee’s overall comprehensive plan.

Connecting MKE – Downtown Plan 2040 includes goals to increase the supply of housing, provide housing choices for all income levels, provide a range of housing opportunities to meet the needs of a diverse population, preserve and restore Downtown’s historic buildings, and improve the quality of life in downtown and surrounding neighborhoods. Key priorities of the plan are to double the downtown population to 40,000 by 2040 and to increase the number of downtown housing units by 15,000 units at average rate of 5% per year, with at least 20% of all downtown housing units being affordable units by 2040. Redevelopment of the District will

support the ongoing revitalization efforts within the downtown area.

The District will also result in the rehabilitation of a substantially vacant property to productive use preserving its historic character, promote the coordinated development of underutilized property for appropriate residential use, increase the density and diversity of housing units in downtown, support past and future investment in the neighborhood through the redevelopment of a property that is primarily vacant and underutilized, support past and future investment in the neighborhood through the rehabilitation of a property that is currently in need of substantial renovation and revitalization, and increase the tax base of the City by promoting redevelopment of an existing building.

K. “Opinion of the City Attorney.”

See **Exhibit 6, “Letter from the City Attorney,”** attached to this Project Plan.

EXHIBITS

<u>Exhibit</u>	<u>Title</u>
Exhibit 1	Boundary Description
Exhibit 2	Property Characteristics
Exhibit 3	Term Sheet
Exhibit 4	Economic Feasibility Study
Exhibit 5	Property Owners
Exhibit 6	City Attorney's Letter
Map 1	Boundary and Existing Land Use
Map 2	Proposed Improvements & Uses
Map 3	Structure Condition
Map 4	Existing Zoning
Map 5	Overlapping TID #83 (Broadway and Michigan)

Exhibit 1

Boundary Description

Parcel A: Lots 1 and 2 in Block 7 of the original tract known as United States Fractional Lot 2 in the Southeast 1/4 of Section 29, Town 7 North, Range 22 East, in the Third Ward of the City of Milwaukee, County of Milwaukee, State of Wisconsin.

Parcel B: Parking rights as set forth in Reciprocal Easement and Parking Agreement dated April 23, 2009 and recorded May 6, 2009, as Document No. 9735368. As amended by First Amendment to Reciprocal Easement and Parking Agreement dated December 24, 2015 and recorded December 28, 2015, as Document No. 10527944

Exhibit 2

Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed District is “in need of rehabilitation or conservation work” as defined in Section 66.1105(2)(cm), Wisconsin Statutes, as required by Section 66.1105(4)(gm) of the Wisconsin Statutes.

Tax Key	Owner Name	Land Assessment	Improvement Assessment	Total Assessment	Lot SF	“In Need of Rehabilitation or Conservation Work”
3920664000	207 East Michigan Street LLC	\$576,000	\$2,081,700	\$2,657,700	9,611	9,611
				Total:	9,611	9,611
					Total Percentage:	100%

Exhibit 3
TERM SHEET
Mitchell Building
TID No. 129

This Term Sheet does not constitute an agreement between the Developer (as defined below), the Redevelopment Authority of the City of Milwaukee (“RACM”) and the City of Milwaukee (“City”). The terms set forth below and any other requirements necessary for a transaction of this sort shall be incorporated into a development agreement to be entered into between the Developer, RACM and the City (the “Development Agreement”). In recognition that there may be adjustments of the dates and descriptions herein as well as administrative approvals which will require the exercise of reasonable discretion on behalf of the City, the City’s Department of City Development Commissioner (the “Commissioner”) will be authorized under the Development Agreement to exercise such discretion and grant such approvals, including minor adjustments of the terms described in this Term Sheet.

Project

The Mitchell Building (“Project”) involves historic rehabilitation of the Mitchell Building, a site originally occupied by the headquarters of Alexander Mitchell’s Wisconsin Marine and Fire Insurance Company. At present the property is substantially vacant and underutilized.

Built in 1876, the Project is known as one of the only remaining examples of French Second Empire architecture in the country and for being one of the City of Milwaukee’s oldest structures. The Property is listed in the National and State Register of Historic Places. The five-story, 54,093 square foot building will be converted from its current office use to residential rental units and approximately 5,000 square feet of commercial space on the ground floor level.

The Project will include 60 total units that will include unique floorplans and architectural features, as well as including some lofted units. Fifty-five (55) of the 60 units will be offered as workforce housing units with incomes up to 90% of area median income. The workforce housing units are studio and one-bedroom units. A breakdown of units and income limits can be found in **Attachment 1**.

The Project is consistent with *Connecting MKE – Downtown Plan 2040*, the City of Milwaukee’s area plan for downtown, which includes goals to increase the supply of housing, provide housing choices for all income levels, provide a range of housing opportunities to meet the needs of a diverse population, preserve and restore Downtown’s historic buildings, and improve the quality of life in downtown and surrounding neighborhoods. Key priorities of the plan are to by 2040 double the downtown population to 40,000, increase the number of downtown housing units by 15,000 units at average rate of 5% per year, and increase the number of affordable units with at least 20% of all downtown housing units being affordable units.

The proposed Project is consistent with existing zoning, which is CF9 (Office and Services).

Development Team

The Developer (“Developer”) has been involved in various projects in the City of Milwaukee including the Milwaukee Athletic Club, Huron Building, Mackie Flats, Mitchell Building, Historic Garfield Apartments, The Griot, American Block Holocaust Museum, and Journal Commons. J. Jeffers & Company has worked with the City of Milwaukee to utilize tax increment financing on multiple projects in the past.

Project Budget:

Total Project costs for the development are estimated at approximately \$24,210,000. In addition to TID No. 129 funding, the financing structure includes a first mortgage, historic tax credits, equity, and deferred developer fee.

Estimated total project sources include:

Senior Mortgage Loan	\$10,931,958
Investor Equity	\$ 3,038,042
Historic Tax Credit Equity	\$ 6,440,000
City Tax Incremental Financing	\$ 1,900,000
Deferred Development Fee	\$ 1,900,000
Total	\$24,210,000

Development Schedule

Developer shall commence rehabilitation of the properties of the Project by December 31, 2025 and substantially complete the Project by June 30, 2027.

Tax Incremental District

The City intends to create Tax Incremental District No. 129 (“TID No. 129 Mitchell Building”) to assist in funding a portion of the costs of the Project as set forth in the Project Plan.

TID Funding & the Conditional Monetary Obligation

The RACM will provide the Developer with a grant, funded by a limited and conditional monetary obligation of the City (the “Monetary Obligation”), in an amount not to exceed \$1,900,000 for the Project (the “Grant”) if such Grant is earned by the Developer by substantially completing the Project as promised and within the timelines described in the Development Agreement. The Developer shall advance up to \$1,900,000 (subject to review of the final Project budget) of costs related to the Project and shall be reimbursed for these costs by the Grant. Because the Grant will be paid on a reimbursement basis, Developer will also receive

interest at a rate of 6.4%¹ in addition to the Grant.

After creation of the TID and determination of the base value of the TID, City will deposit 100% of future tax revenue based on the incremental value of the property within the TID actually received by City from TID No. 129, less Annual Expenses², into a special fund established for TID No. 129 (the “Incremental Revenue”). Upon Substantial Completion (as defined below) of the Project and the earning of the Grant, the Incremental Revenue will fund annual payments, plus interest, of the Grant to Developer and will result in a reduction of the principal balance of the Monetary Obligation. Annual Grant payments will be made to Developer on or before March 1st of each year, provided the Developer has paid its property tax bill in full prior to January 31st each year and there is sufficient Incremental Revenue to fund the Grant payment.

The Monetary Obligation a limited and conditional obligation of the City in that it is subject to annual appropriation by the City’s Common Council, is conditioned upon there being enough Incremental Revenue to fund the Grant, and is conditioned upon Developer actually earning the Grant. If not appropriated, City shall not expend Incremental Revenue for any other TID No. 129 project costs. Tax revenue shall not be pledged to the payment of the Grant and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits. Annual payments on the Grant will terminate and be considered paid in full: (i) at the time the Grant and interest is fully paid; or (ii) with the payment derived from the 2043 tax levy, payable in 2044, whichever occurs first.

The Developer shall have the right to assign all or a portion of the Grant and interest to sources of financing or refinancing on terms and conditions mutually agreeable between Developer and the proposed assignee(s). The City shall have a reasonable opportunity to review the applicable assignment documentation and approve any documentation to which it is a signatory.

Design/Consistency with Approved Plans

Design of the Project and all final plans and specifications for the Project shall be subject to the review and approval of the Commissioner.

Substantial Completion of the Project

Upon substantial completion of the Project, Developer shall submit a certification detailing Project costs theretofore incurred (together with copies of records, invoices, accountant’s final cost certification and/or AIA documentation, in a form reasonably acceptable to the Commissioner evidencing such expenditures. The Grant shall be deemed earned upon approval of such certification by the Commissioner and by Developer obtaining an occupancy permit for the Project (collectively, “Substantial Completion”).

¹ The interest rate on the Grant reflects the preliminary interest rate on the Developer’s underlying financing and is subject to change, based on the final closing date on the financing for the Project. In no event, shall the interest rate on the Grant exceed 6.5%. If the final interest rate exceeds 6.4% the amount of the Monetary Obligation will decrease accordingly.

² “Annual Expenses” is defined as an amount not to exceed \$10,000 per year used to pay the customary and reasonable costs incurred by City for audit and accounting functions and other ongoing administrative expenses for TID No. 129.

Cost Savings / Claw Back

If at Substantial Completion, total Project costs submitted to the Commissioner for certification are less than the \$24,210,000 estimated in the Project budget or the amount of total costs reflected in the final budget submitted prior to closing on the financing, the amount of the Grant will be reduced by 75% of the cost savings.

If, during the life of the TID, the Developer refinances or sells the Property to an unrelated third party, City shall perform a financial lookback at the success of the Project and may participate in any sale or refinancing proceeds if the Project's internal rate of return ("IRR") exceeds 15% at the time of such lookback. Developer shall provide to the City a cash flow pro forma model financial statement for the Project projecting future returns for the period from the date of Substantial Completion through such anticipated sale or refinance date. If, at the time of such lookback which shall occur prior to the closing on the sale or refinancing, the IRR exceeds 15%, City shall be entitled to receive 15% of the proceeds above such 15% IRR (the "City Claw Back") not to exceed the net present value of the Monetary Obligation. The City Claw Back shall be paid to the City at the time of closing on the sale or refinancing and shall not affect the amount of any future payments due to the Developer on the Grant.

Material Disturbance

If the Project is not substantially completed by June 30, 2027 unless caused in substantial part by an event of *Force Majeure*³ (a "Material Disturbance"), then City shall have the right (but not the obligation) to terminate the Development Agreement, using the following procedure:

(1) City shall give Developer notice of its intention to terminate the Development Agreement, and Developer shall have 180 days to eliminate the Material Disturbance, and

(2) Thereafter, if Developer has not timely eliminated the Material Disturbance and if City still intends to terminate the Development Agreement, City's Common Council shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the public benefits contemplated from the Project and constitutes just cause for the termination of the Development Agreement. City shall thereafter file a certificate with Developer (attaching the resolution of the Common Council) stating that City has elected to terminate the Development Agreement. Upon City such filing of the certificate and recording it on title to the Property covered by the Development Agreement, the Development Agreement and the City's Monetary Obligation shall terminate.

Developer Responsibilities:

³ "Force Majeure" means delays caused by adverse weather, acts of God, labor disputes, strikes, material shortages, terrorism, civil unrest, war, fire, pandemic or epidemic, global health crisis, other casualty, riot, concealed and unknown site conditions and other causes outside of the control of the party obligated to perform.

The Developer shall have the following responsibilities:

- Design and develop the Project consistent with the approved plans and the Development Agreement.
- Submit to the Commissioner a final development budget for the Project, financing commitments, final bids, a construction contract, and proof that all funding sources have been committed (prior to closing on the funding).
- Obtain title to the property to be developed as part of the Project, if not already owned.
- Guaranty completion of construction of the Project.
- Enter into agreements with the City as described and required herein.
- Maintain the Project as residential housing consistent with the requirements found in Attachment 1 of this Term Sheet for a period of 20 years or until termination of TID No. 129, whichever is longer, and comply with the City's Workforce Housing TIF Compliance Guideline attached as Attachment 2 of the Term Sheet. Developer will be required to enter into a Land Use Restriction Agreement to be recorded on title of the real property within the Project to guarantee compliance with these residential provisions.

Human Resources:

Developer and City will enter into a Human Resources Agreement in a form customary for projects subject to Ch. 355 of the Milwaukee Code of Ordinances. The Human Resources Agreement will provide for utilization of certified Small Business Enterprises ("SBE") for 25% of Project construction costs, 25% for purchase of goods and services, and 18% of amounts expended for the purchase of professional services deemed eligible pursuant to SBE Guidelines; utilization of unemployed and underemployed residents for no less than 40% of the total "worker hours" expended on "construction" of the Project; compliance with applicable state and municipal labor standards; utilization of apprentices and/or on-the-job trainees; and participation in City's First-Source Employment Program.

Business Improvement District

Although the Property will be residential and may not be required to pay an assessment to Business Improvement District #21, Developer agrees on behalf of itself and all assigns, successors, and future owners of the Property, that it shall make voluntary contributions to BID 21, in an amount equal to \$3,500 on an annual basis, due on January 31st each year until such time that BID #21 or TID No. 129 terminates, whichever occurs earlier.

Developer further agrees to waive any legal challenge to these payments as a violation of the laws governing payments to business improvement districts. This voluntary payment will be included in the Payment in Lieu of Taxes Agreement that Developer is required to enter into with the City and shall run with the land to all successors and assigns of Developer.

No Tax Exemption

No portion of the Project shall at any time after closing be exempt from real estate taxes and Developer shall enter into a Payment in Lieu of Taxes Agreement with the City.

Development Agreement:

Developer, RACM and City shall enter into the Development Agreement, which shall contain terms consistent with this Term Sheet (unless otherwise agreed to by the parties) and customary for such development agreements in the City.

Limits on Project Developer Action

Until all obligations under the Development Agreement have been fully discharged, Developer may not, without City consent:

- Merge with another entity;
- Sell, lease or transfer the Project sites other than residential and commercial leases in the ordinary course of business and other easements or other real estate interests that may be necessary or appropriate to operate the Project;
- Enter into any transaction that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement;
- Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement; or
- Enter in a transaction that would cause a material and detrimental change to the Developer's financial condition.

ATTACHMENT 1

Housing Unit Mix and Target Area Median Income Mix

% of Area Median Income	Number of Bedrooms					
	Total Units	Studios	1-bdrm	2-bdrm	Penthouse (2-bdrm)	Corporate Rental
80%	40	40				
90%	15		15			
Market	5			1	1	3
Total Units	60	40	15	1	1	3

ATTACHMENT 2

Workforce Housing TIF Compliance Guideline

The City of Milwaukee Department of City Development (DCD) has established *Tax Increment Finance (TIF) for Housing Development Guidelines* to ensure the availability of housing for current and prospective residents. This includes guidelines for both Affordable and Workforce housing developments where program requirements include ongoing compliance and monitoring requirements.

Under the *DCD TIF for Housing Development Guidelines*, affordable housing is defined as housing for individuals and households making 60 percent of the area median income or below. Workforce housing is defined as housing individuals and households making 60 percent to 100 percent of the area median income (AMI).

This *Workforce Housing TIF Compliance Guideline* establishes a framework for monitoring income limits, rent restrictions, and unit set asides during the designated compliance period for each DCD TIF-assisted workforce housing development and commercial conversions to housing that include workforce housing elements.

Proper Administration and Recordkeeping:

- The owner is responsible for proper administration and records retention of the program.
- The owner and owner's agent are responsible for proper recordkeeping including tenant income and rent records to be kept for three years from the date a household ends their tenancy.
- The owner is responsible for ensuring owner's agent and staff are aware of and complies with all rules of the program.
- Records must be made available to DCD staff at reasonable times with reasonable notice from DCD.

Ongoing Administration and Notification:

- The owner must keep DCD notified of any event that may affect development's financial health through all phases of construction through the end of the compliance period.

Reporting and Certification:

- The owner must submit required documentation to DCD on an annual basis, following submission deadlines that will be included within development agreements. This includes:
 - Tenant Application and Certification of Income and Self-Certification of Assets
 - Tenant Annual Self-Certification of Income
 - Owner's Affidavit of Continuing Program Compliance
 - Owner's Annual Unit Status Report

Ownership and Management Changes:

- The owner and agent are responsible for informing DCD on any changes in ownership and management.
- The required form includes an attestation that the development will continue to operate under the original terms of the development agreement for the duration of the agreement.

Compliance Period:

- The owner must enter into a Land Use Restrictive Agreement (LURA), which will be recorded as a restrictive covenant.
- The workforce housing compliance period is for a minimum of 20 years or the life of the TID, whichever is longer, as outlined in *DCD TIF for Housing Development Guidelines*.

Minimum Unit Set-Aside:

- The required minimum number of units designated as workforce or affordable housing and the applicable rent limits will be established based on *DCD TIF for Housing Development Guidelines* and memorialized in individual development agreements. Workforce housing baseline ranges are outlined in *DCD TIF for Housing Development Guidelines*.
- Unit set-asides will be determined at the development level, not individual building level.
- For developments that are not 100% rent-restricted, units may be designated as floating. A “floating unit” means that while the total number of rent-restricted units remains fixed, the specific units designated as rent-restricted may change over time, provided the development always maintains the required number of rent restricted units defined in the development agreement.

Income Limits:

- DCD will publish annual income limits based on HUD’s Multifamily Tax Subsidy Development (MTSP) Income Limits.⁴ These limits will remain in place until DCD officially publishes new limits.
- Owners may not anticipate increases in income and corresponding rents.
- Eligible household income must fall between 60 and 100% of AMI, depending on individual development-specific considerations. Workforce housing baseline ranges are outlined in *DCD TIF for Housing Development Guidelines*.
- Income averaging is not permitted. Fixed set asides at fixed income limits will be required as memorialized in the development agreement.
- Households whose income goes above 100% of AMI after initial occupancy may remain in their unit.

Rent Restrictions:

- DCD will publish annual rent limits based on HUD’s MTSP Income Limits. These rent limits will remain in place until officially updated by DCD.

⁴ <https://www.huduser.gov/portal/datasets/mtsp.html>

- Owners may not anticipate increases in income and corresponding rents.
- A development's income and rent limits will never decrease from one year to the next, even if there is a decrease in the DCD published limits.
- Developments may use the highest income and rent limit the property has achieved since the date of certificate of occupancy is issued.

Tenant Selection:

- A waiting list is not required but is recommended by DCD.

Tenant Income Certifications:

- Gross annual household income will be used to determine eligibility.
- Income from all household members 18 years of age or older must be included.
- Income includes all amounts received from all sources received by household members 18 years of age or older.
- Frequency of certifications:
 - A full certification of income is required at admission.
 - A self-certification of assets is required at admission.
 - Households must self-certify income annually, thereafter. (Annual self-certifications may be waived for developments where 100% of units are rent-restricted).
- Household size determination:
 - The unborn child of a pregnant person is included in the household size.
 - The pending adoption of a child is included in the household size.
 - Live-in care attendants are included for household size in determination of appropriate unit size, not income eligibility.
 - Foster care children and foster adults are included for household size in determination of appropriate unit size, not income eligibility. Payments received for their care are not considered income.

Tenant Asset Self-Certifications:

- All household members 18 years of age or older must self-certify assets at admission.
- Asset limits are up to \$250,000 for all households.

Lease Addendum:

- Initial lease terms must be for 12 months.
- Rent increases are not allowed during the lease term.
- The unit must be the household's only residence. Sub-leasing, lease assignment, or unit transfer are not permitted.

- Termination of lease may only be for cause. Failure to provide information necessary for program administration – including income, asset, or household composition information – may be cause for termination.

Overcharged Rent:

- A unit is out of compliance if the rent exceeds the limit on a monthly or annual basis.
- A unit is considered back in compliance on the first day of the next calendar year if the rent charged on a monthly basis does not exceed the rent restriction limit.
- Any overcharged rents must be reimbursed directly to the household or applied as a rent credit.

Inspections:

- DCD reserves the right to inspect units at any time based on reports or communications received through any means.

Certifications:

- The owner must certify compliance with fair housing and civil rights laws.
- The owner must certify that it will not refuse to rent to households receiving rental or housing assistance.

Monitoring:

- The owner and/or agent shall submit annual compliance reports and affidavits using DCD-provided forms.
- Reports must include a tenant roster listing household, size, income, and rent for each rent-restricted unit.
- DCD will review submissions for compliance, may request additional information, and will require correction of any violations.
- DCD may conduct periodic sit visits to TIF-assisted developments. These visits may include interviews with staff, file reviews, unit inspections, and a tour of the property. DCD will prepare a written report of each visit.
- Required Forms to be submitted annually:
 - Tenant Application and Certification of Income and Self-Certification of Assets
 - Tenant Annual Self-Certification of Income
 - Owner's Affidavit of Continuing Program Compliance
 - Owner's Annual Unit Status Report

Enforcement:

- If the development does not meet minimum set-asides, enforcement actions may include:
 - Reduction and/or repayment of financial incentive or monetary obligation
 - Sanctions during or after financial incentive or monetary obligation term

- Suspension and/or debarment from eligibility to receive City financial assistance for future projects

Close-Out / Certificate of Completion:

- At the end of the compliance period, DCD will issue a satisfaction of the LURA.
- The owner must request this satisfaction from DCD.

Exhibit 4 Economic Feasibility Study

Overview

The Mitchell Building project (the “Project”) involves the substantial and historical rehabilitation of a 5-story office building located at 207 E. Michigan St. (the “Building”) in the City’s downtown. The Project will contain 60 apartments with 55 units set aside for workforce housing.

The Project is being developed by J. Jeffers & Company (the “Developer”).

Financing Structure

In addition to the proposed TID contribution of \$1,900,000, each component of the project will have its own distinct funding sources.

Total estimated costs for the Project are approximately \$24.21 million. Funding for the Project includes a first mortgage, Historic Tax Credits, equity, and deferred developer fee.

Current Property Value

The property in the district consists of 1 parcel with a total assessed value of \$2,657,700 which is the current base value of the District.

Projected Completed Value

The projected value of the Project upon completion is \$11,975,613. Construction completion is anticipated by early/mid 2027.

Other Assumptions

- Tax Rate: 2.2216%
- Interest Rate on Payments to Developer: 6.4%.
- Maximum Term of Payments: 20 years
- Annual Appreciation: 1%

District Cash Flow and Amortization of the Monetary Obligation

In a “pay-as-you-go” District, the Developer is accepting the risk that the District will generate sufficient incremental value to recapture the \$1,900,000 of costs, plus 6.4% interest, through future incremental revenue.

As shown in the projections on Table 1, forecasted tax incremental revenues are sufficient for the Developer to recover the proposed TID amount of \$1,900,000 plus interest in tax levy year 2043 (budget year 2044).

Table 1

TID Feasibility - Developer Financed								
12-Aug-25								
	Assessment	Budget	Base	Projected	TID		Admin	
No.	Year	Year	Value	Value	Incremental Value	Increment	Costs	Net Increment
1	2024	2025	2,657,700	2,657,700	-	-	-	-
2	2025	2026	2,657,700	2,657,700	-	-	-	-
3	2026	2027	2,657,700	4,790,245	2,132,545	47,376	(10,000)	37,376
4	2027	2028	2,657,700	9,580,490	6,922,790	153,794	(10,000)	143,794
5	2028	2029	2,657,700	11,975,613	9,317,913	207,003	(10,000)	197,003
6	2029	2030	2,657,700	12,095,369	9,437,669	209,664	(10,000)	199,664
7	2030	2031	2,657,700	12,216,323	9,558,623	212,351	(10,000)	202,351
8	2031	2032	2,657,700	12,338,486	9,680,786	215,065	(10,000)	205,065
9	2032	2033	2,657,700	12,461,871	9,804,171	217,806	(10,000)	207,806
10	2033	2034	2,657,700	12,586,490	9,928,790	220,574	(10,000)	210,574
11	2034	2035	2,657,700	12,712,355	10,054,655	223,370	(10,000)	213,370
12	2035	2036	2,657,700	12,839,478	10,181,778	226,194	(10,000)	216,194
13	2036	2037	2,657,700	12,967,873	10,310,173	229,047	(10,000)	219,047
14	2037	2038	2,657,700	13,097,552	10,439,852	231,928	(10,000)	221,928
15	2038	2039	2,657,700	13,228,527	10,570,827	234,837	(10,000)	224,837
16	2039	2040	2,657,700	13,360,812	10,703,112	237,776	(10,000)	227,776
17	2040	2041	2,657,700	13,494,420	10,836,720	240,744	(10,000)	230,744
18	2041	2042	2,657,700	13,629,365	10,971,665	243,742	(10,000)	233,742
19	2042	2043	2,657,700	13,765,658	11,107,958	246,770	(10,000)	236,770
20	2043	2044	2,657,700	13,903,315	11,245,615	249,828	(10,000)	239,828
						3,847,870	(180,000)	3,667,870
Annual appreciation		1.00%						
Discount Rate		6.40%						
Base Value		2,657,700						
Projected Value		11,975,613						
Property Tax rate		2.2215615%						
Developer Financed Costs		1,900,000						

Exhibit 5

Property Owners

Property Address	Tax Key	Owner Name
207 E. Michigan St.	3920664000	207 East Michigan Street LLC

Exhibit 6

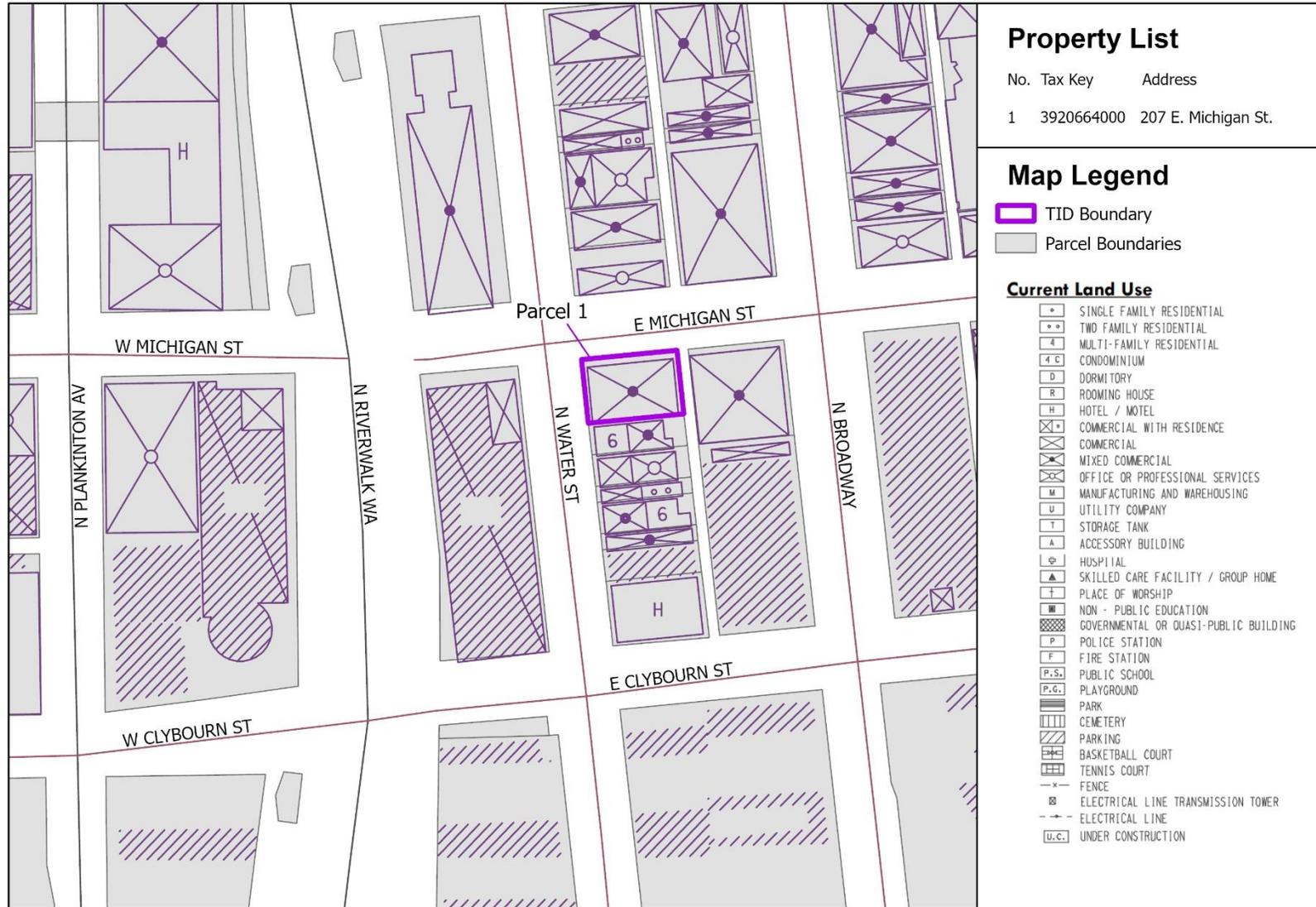
City Attorney Letter

Map 1 Boundary and Existing Land Use

TID 129 Mitchell Building

Map 1: Boundary and Existing Land Use

Prepared by the Department of City Development Planning Division, 7/31/2025. Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Tax Key	Address
1	3920664000	207 E. Michigan St.

Map Legend

- TID Boundary
- Parcel Boundaries

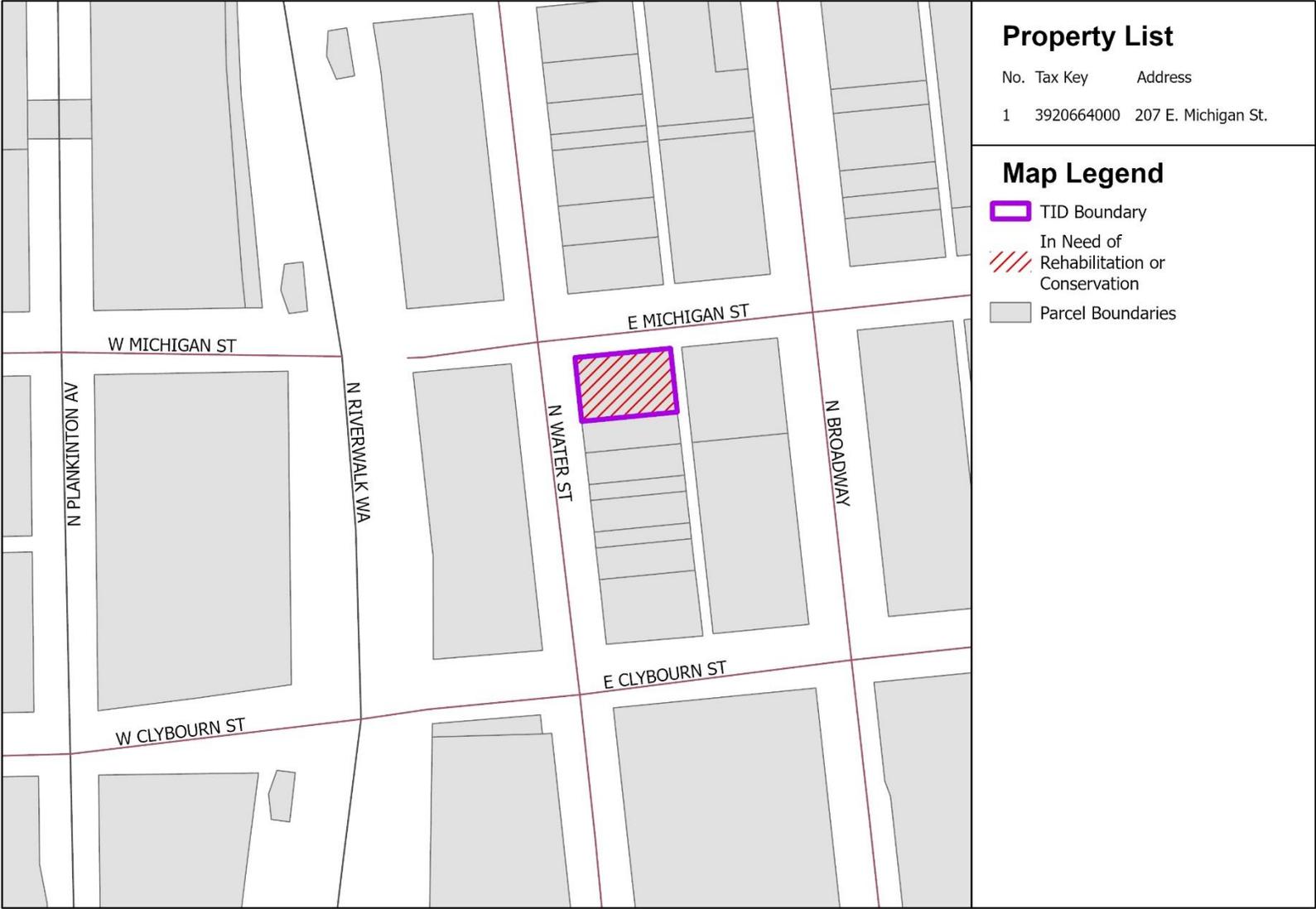
Current Land Use

- SINGLE FAMILY RESIDENTIAL
- TWO FAMILY RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- CONDOMINIUM
- DORMITORY
- ROOMING HOUSE
- HOTEL / MOTEL
- COMMERCIAL WITH RESIDENCE
- COMMERCIAL
- MIXED COMMERCIAL
- OFFICE OR PROFESSIONAL SERVICES
- MANUFACTURING AND WAREHOUSING
- UTILITY COMPANY
- STORAGE TANK
- ACCESSORY BUILDING
- HOSPITAL
- SKILLED CARE FACILITY / GROUP HOME
- PLACE OF WORSHIP
- NON - PUBLIC EDUCATION
- GOVERNMENTAL OR QUASI-PUBLIC BUILDING
- POLICE STATION
- FIRE STATION
- PUBLIC SCHOOL
- PLAYGROUND
- PARK
- CEMETERY
- PARKING
- BASKETBALL COURT
- TENNIS COURT
- FENCE
- ELECTRICAL LINE TRANSMISSION TOWER
- ELECTRICAL LINE
- UNDER CONSTRUCTION

Map 2 Structure Condition

TID 129 Mitchell Building Map 2: Structure Condition

Prepared by the Department of City Development Planning Division, 8/1/2025. Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Tax Key	Address
1	3920664000	207 E. Michigan St.

Map Legend

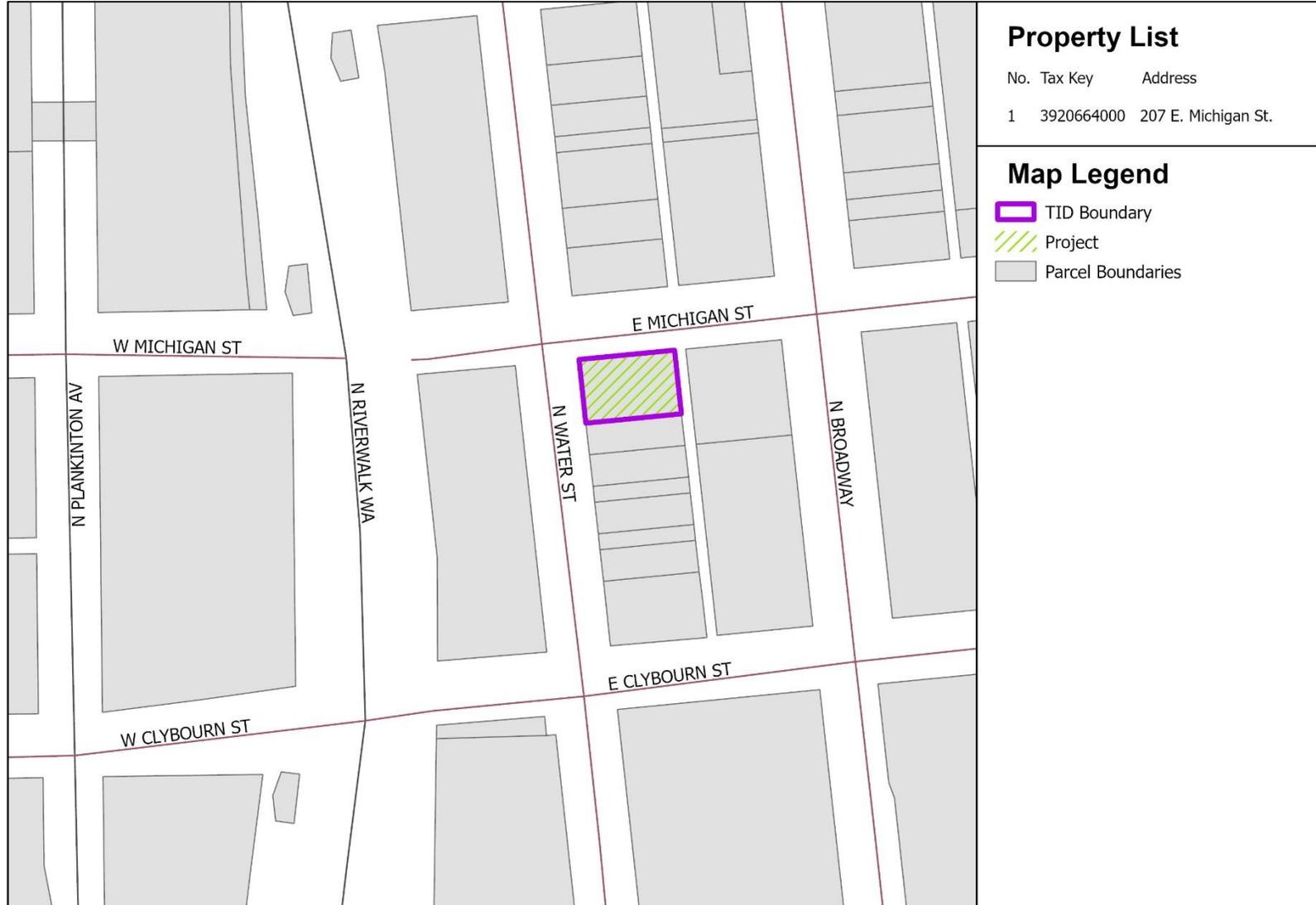
-  TID Boundary
-  In Need of Rehabilitation or Conservation
-  Parcel Boundaries

Map 3 Proposed Improvements & Uses

TID 129 Mitchell Building

Map 3: Proposed Uses and Improvements

Prepared by the Department of City Development Planning Division, 8/1/2025. Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Tax Key	Address
1	3920664000	207 E. Michigan St.

Map Legend

-  TID Boundary
-  Project
-  Parcel Boundaries

Map 4 Existing Zoning

TID 129 Mitchell Building Map 4: Existing Zoning

Prepared by the Department of City Development Planning Division, 8/1/2025. Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Tax Key	Address
1	3920664000	207 E. Michigan St.

Map Legend

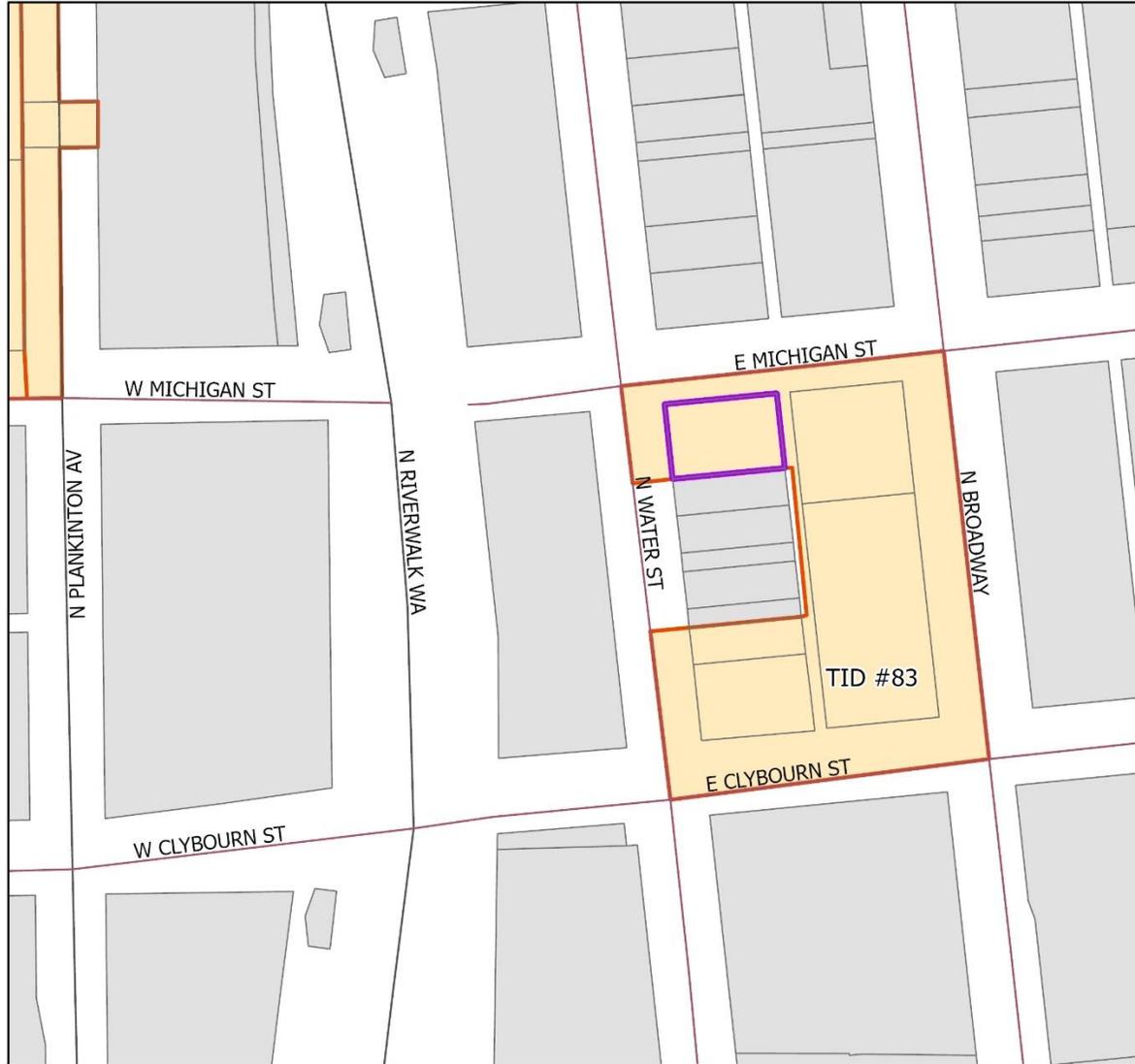
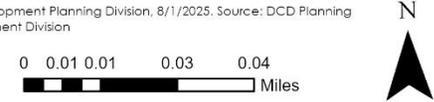
-  TID Boundary
- Zoning Type**
-  Central Business District: Major Retail
-  Central Business District - Mixed Activity
-  Central Business District - Office and Service

Map 5 Boundaries and Overlap

TID 129 Mitchell Building

Map 5: Overlapping TID #83 (Broadway and Michigan)

Prepared by the Department of City Development Planning Division, 8/1/2025. Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Tax Key	Address
1	3920664000	207 E. Michigan St.

Map Legend

- TID Boundary
- Existing TIDs
- Parcel Boundaries