

Amendment #1
to the
Project Plan
For
Tax Incremental District No. 127
City of Milwaukee
(100 East Wisconsin)

Public Hearing Held: February 19, 2026 (scheduled)
Redevelopment Authority Adopted: February 19, 2026 (scheduled)
Common Council Adopted:
Joint Review Board Approval:

Prepared by
Department of City Development

In Conformance with the Provisions
of Section 66.1105, Wisconsin Statutes

Introduction

Section 66.1105(4) (h)1, Wisconsin Statutes, permits amendments to tax incremental district project plans upon approval of the Redevelopment Authority of the City of Milwaukee and the Common Council.

The Common Council created Tax Incremental District No. 127 (the “District” or “TID”) on July 31, 2025, establishing a base value as of January 1, 2025, for the purpose improving workforce housing options in the downtown area.

Amendment No. 1 to the Project Plan proposes to increase the amount of the cash grant by \$2.2 million for additional hard and soft costs to be paid to the Developer with funds from the TID as further described in a development agreement in order to improve workforce housing in the downtown area. Amendment No. 1 to the Project Plan also provides an additional \$40,000 for the administration of the TID.

Amendments to the Project Plan

The following sections of the Project Plan for TID No. 127 are deleted and restated as shown below. All other sections of the Project Plan not enumerated herein remain unchanged. The boundary of the District remains unchanged.

II. PLAN PROPOSALS & 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 3, “Proposed Uses and Improvements:”**

- Developer Grant. TID revenue will be used to provide annual 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 \$16,600,000 is reimbursed to Developer by such payments plus an interest rate of up to 6.58% 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 \$16,600,000 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 Study 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: Grant to Project (Monetary Obligation to Developer)	\$16,600,000
B	Other: Administrative Costs (\$10,000/year for 18 years)	\$ 180,000
	Total Estimated Project Costs (excluding financing)	\$16,780,000
C	Financing: Interest on the Grant to Developer (Monetary Obligation to Developer)	\$15,968,829

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

All expenditures are expected to be incurred during the period from 2026 through 2045.

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 the District, is attached hereto as **Exhibit 4, “Economic Feasibility Study.”** Based upon the anticipated tax incremental revenue to be generated by the

TID, the District is financially feasible and is likely to recover its debt in year 2045. 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.

F. “Map Showing Proposed Improvements & Uses”

Map No. 3 “Proposed Improvements & Uses” has been amended and is attached to this Amendment No. 1 to the Project Plan.

K. “Opinion of the City Attorney.”

See **Exhibit 6, “Letter from the City Attorney”** has been amended and is attached to this Amendment No. 1 to the Project Plan.

AMENDED EXHIBITS & MAPS

<u>Exhibit</u>	<u>Title</u>
Exhibit 3	Term Sheet
Exhibit 4	Economic Feasibility Study
Exhibit 6	City Attorney's Letter
Map 3	Proposed Improvements & Uses

Exhibit 3

AMENDMENT NO. 1 to

the TERM SHEET

100 East Wisconsin Project TID No. 127

This Amendment No. 1 to the Term Sheet amends the terms of the Term Sheet that was attached as Exhibit 3 to the Project Plan for Tax Incremental District No. 127 (100 E. Wisconsin) and 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 the unamended portions of the Terms Sheet 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 the Term Sheet as amended herein.

The Common Council created Tax Incremental District No. 127 on July 31, 2025, establishing a base value as of January 1, 2025, for the purpose of improving workforce housing options in the downtown area. The Developer will dedicate 75 units, or 20% of 373 units, in the Project as workforce housing with rents and incomes at or below 100% of the area median income, as described in the original Term Sheet.

Amendment No. 1 to the Term Sheet increases the amount of the cash grant by \$2.2 million for additional hard and soft costs to be paid to the Developer with funds from TID 127 as further described in a development agreement in order to improve workforce housing in the downtown area. This Amendment No. 1 also provides an additional \$40,000 for the administration of TID 127.

Amendments to the Term Sheet

The following sections of the Term Sheet are amended. All other sections of the Term Sheet remain unchanged.

Project Budget:

Total Project costs for the development are estimated at approximately \$186,681,789. In addition to TID No. 127 funding, the financing structure includes historic tax credits, mortgage, equity, and cash contingency.

Estimated total project sources include:

City Tax Incremental Financing	\$ 16,600,000
First Mortgage	\$ 94,246,400
Equity	\$ 29,760,459
Historic Tax Credit Equity, net	\$ 31,814,133
Historic Tax Credit Loan/Initial Installment	\$ 12,760,797
Cash Contingency	\$ 1,500,000
Total	\$186,681,789

Development Schedule

Developer shall commence rehabilitation of the Building as soon as reasonably practicable after receipt of permits and closing of financing structure (but no later than May 15, 2026), and substantially complete the Project within two years after commencement.

TID Funding & the Conditional Monetary Obligation

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 \$16,600,000 for the Project (the “Grant” or “Loan”)¹ 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 \$16,600,000 (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 6.58%² in addition to the Grant.

After creation of TID No. 127 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 TID No. 127 actually received by City from TID No. 127 (including the existing tax parcel and any new tax parcels created within TID No. 127 as a result of subdividing or creation of multiple condominium units), less Annual Expenses³, into a special fund established for TID No. 127 (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, Developer has made voluntary

¹ The terms “Grant” and “Loan” throughout the term sheet shall have the same meaning.

² The interest rate on the Loan reflects the preliminary interest rate on the Developer’s underlying financing and is subject to change, based on the final closing date on the permanent first mortgage for the Project. In no event, shall the interest rate on the Loan exceed 6.8%. If the final interest rate exceeds 6.58%, the amount of the Monetary Obligation will decrease accordingly.

³ “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. 127

BID contributions, 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; provided that, to the extent Incremental Revenue is generated in an applicable year and applicable conditions have been met, that Incremental Revenue shall be allocated to Developer. If not appropriated, City shall not expend Incremental Revenue for any other TID No. 127 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 2044 tax levy, payable in 2045, 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.

The Project is connected to other downtown buildings through skywalks over the Milwaukee River and Water Street that are subject to various agreements with the connected building owners. Developer acknowledges that the City has great interest in having those skywalks open and accessible for utilization by the general public and that interest plays a role in the City's willingness to contribute TID funds to the Project. The parties may include language within the development agreement that affirms that expectation.

Cost Savings

If, at Substantial Completion, total hard construction costs submitted to the Commissioner for certification are less than the \$104,000,000 estimated in the Project budget or the amount of total hard construction costs reflected in the final budget submitted prior to closing on the financing, the amount of the Grant will be reduced by 50% of the cost savings.

Exhibit 4

Economic Feasibility Study

Overview

The 100 East Wisconsin project (the “Project”) involves the rehabilitation and conversion of the east tower of the office building at 100 East Wisconsin Avenue (the “Building”) in the City’s downtown. The Project will contain 373 apartments with 75 units, or 20% of units, set aside for workforce housing.

The Project is being developed by 100 East PropCo, LLC.

Financing Structure

In addition to the proposed TID contribution of \$16,600,000, each component of the project will have its own distinct funding sources.

Total estimated costs for the Project are \$186 million. Funding for the Project includes a first mortgage and equity.

Current Property Value

The property in the district consists of 1 parcel with a total assessed value of \$24,620,713, which is the current base value of the District.

Projected Completed Value

The projected value of the Project upon completion is \$118,661,448. Construction completion is anticipated by late 2028.

Other Assumptions

- Tax Rate: 2.238538% and decreasing 0.50% annually
- Interest Rate on Payments to Developer: 6.58%.
- Maximum Term of Payments: 20 years
- Annual Appreciation: 0%

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 \$16,600,000 of costs, plus 6.58% interest, through future incremental revenue.

As shown in the projections in **Table 1**, forecasted tax incremental revenues are sufficient for the Developer to recover the proposed TID amount of \$16,600,000 plus interest in tax levy year 2044 (budget year 2045).

TID Feasibility - Developer Financed				TABLE 1					
No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Interim Rate	Increment	Admin Costs	Net Increment
1	2025	2026	24,620,713	24,620,713	-	2.2385380%	-	-	-
2	2026	2027	24,620,713	24,620,713	-	2.2385380%	-	-	-
3	2027	2028	24,620,713	29,665,362	5,044,649	2.2385380%	112,926	(10,000)	102,926
4	2028	2029	24,620,713	71,196,869	46,576,156	2.2273453%	1,037,412	(10,000)	1,027,412
5	2029	2030	24,620,713	94,929,158	70,308,445	2.2162086%	1,558,182	(10,000)	1,548,182
6	2030	2031	24,620,713	118,661,448	94,040,735	2.2051275%	2,073,718	(10,000)	2,063,718
7	2031	2032	24,620,713	118,661,448	94,040,735	2.1941019%	2,063,350	(10,000)	2,053,350
8	2032	2033	24,620,713	118,661,448	94,040,735	2.1831314%	2,053,033	(10,000)	2,043,033
9	2033	2034	24,620,713	118,661,448	94,040,735	2.1722157%	2,042,768	(10,000)	2,032,768
10	2034	2035	24,620,713	118,661,448	94,040,735	2.1613547%	2,032,554	(10,000)	2,022,554
11	2035	2036	24,620,713	118,661,448	94,040,735	2.1505479%	2,022,391	(10,000)	2,012,391
12	2036	2037	24,620,713	118,661,448	94,040,735	2.1397951%	2,012,279	(10,000)	2,002,279
13	2037	2038	24,620,713	118,661,448	94,040,735	2.1290962%	2,002,218	(10,000)	1,992,218
14	2038	2039	24,620,713	118,661,448	94,040,735	2.1184507%	1,992,207	(10,000)	1,982,207
15	2039	2040	24,620,713	118,661,448	94,040,735	2.1078584%	1,982,246	(10,000)	1,972,246
16	2040	2041	24,620,713	118,661,448	94,040,735	2.0973191%	1,972,334	(10,000)	1,962,334
17	2041	2042	24,620,713	118,661,448	94,040,735	2.0868325%	1,962,473	(10,000)	1,952,473
18	2042	2043	24,620,713	118,661,448	94,040,735	2.0763984%	1,952,660	(10,000)	1,942,660
19	2043	2044	24,620,713	118,661,448	94,040,735	2.0660164%	1,942,897	(10,000)	1,932,897
20	2044	2045	24,620,713	118,661,448	94,040,735	2.0556863%	1,933,183	(10,000)	1,923,183
							32,748,829	(180,000)	32,568,829
Annual appreciation		0.00%							
Rate change		-0.50%							
Discount Rate		6.58%							
Base Value		24,620,713							
Projected Value		118,661,448							
Property Tax rate		2.2385380%							
Developer Financed Costs		16,600,000							

Exhibit 6
City Attorney Letter

EVAN C. GOYKE
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February 13, 2026

Lafayette Crump, Commissioner
Department of City Development
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

Re: Project Plan for TID 127 (100 E. Wisconsin) Amendment No. 1

Dear Commissioner Crump:

Pursuant to your request, we have reviewed the amended Project Plan for Tax Incremental District No. 127 Amendment No. 1.

The Project Plan is complete and, as amended, continues to comply with the provisions of Wis. Stat. § 66.1105(4)(f).

Very truly yours,

A handwritten signature in black ink, appearing to read "E. Goyke", written over a horizontal line.

EVAN C. GOYKE
City Attorney

A handwritten signature in black ink, appearing to read "Mary L. Schanning", written over a horizontal line.

MARY L. SCHANNING
Deputy City Attorney

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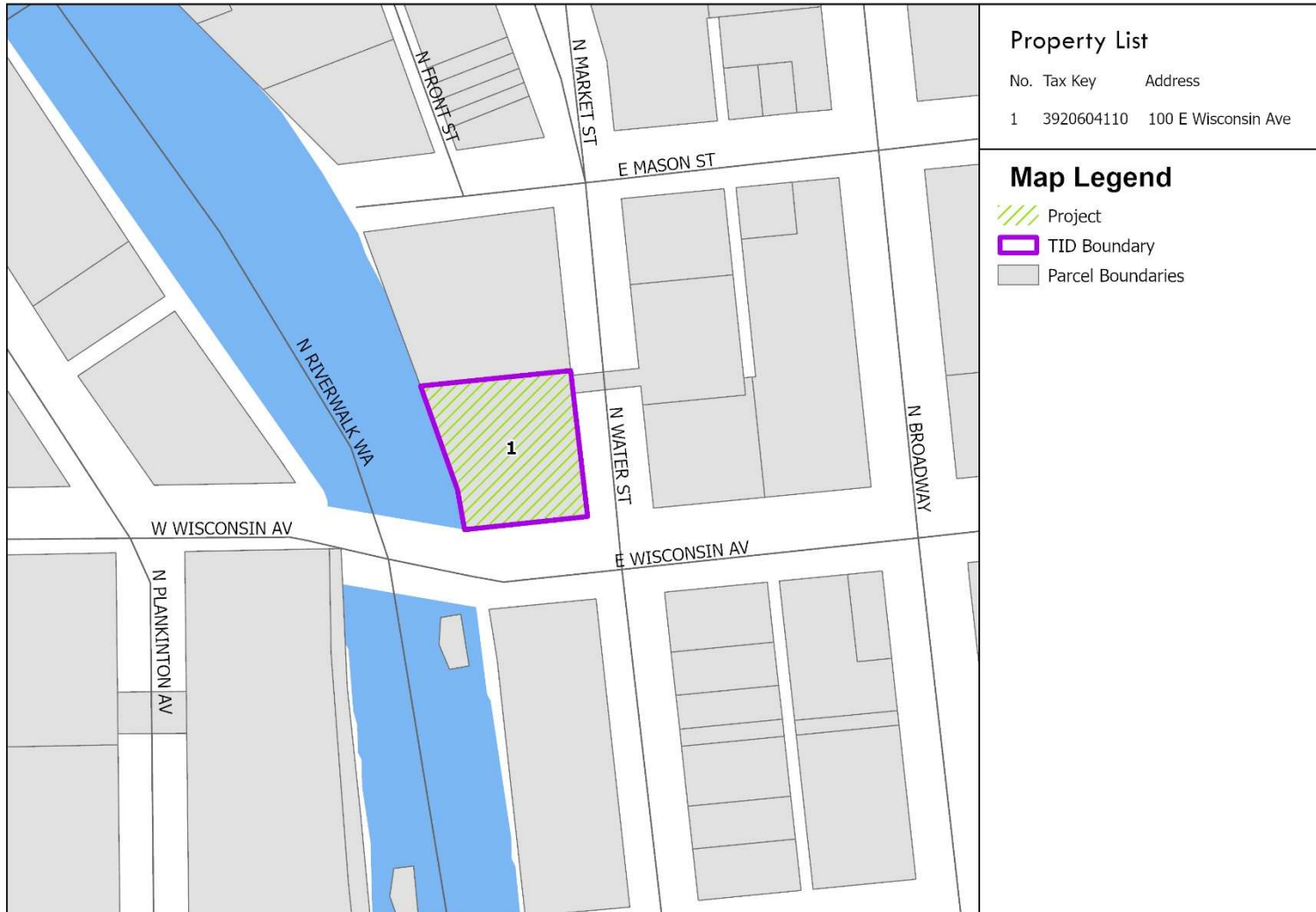


Map 3 Proposed Improvements & Uses

TID 127, Map 3: 100 East Wisconsin Proposed Uses and Improvements

Prepared by the Department of City Development Planning Division, 6/25/2025. Source: DCD Planning Division; Information Technology Management Division

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Note: The boundary of the District remains unchanged.

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