

Project Plan
For
Tax Incremental District Number No. 123
City of Milwaukee
(Northwoods)

Public Hearing Held:
Redevelopment Authority Adopted: July 17, 2025
Common Council Adopted:
Joint Review Board Approval:

Prepared by
Department of City Development

In Conformance with the provisions
Of Section 66.1105, Wisconsin Statutes,
as Amended.

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

Tax Incremental District Number 123, City of Milwaukee, Northwoods ("District" or "TID No. 123") is comprised of one parcel totaling approximately 73,180 square feet or 1.68 acres ("Property"). The District is shown on Map No. 1, "Boundary and Existing Land Use," and described more precisely in Exhibit 1, "Boundary Description."

All of the real property located within the District was found to be in need of rehabilitation or conservation work, as defined in Section 66.1337(2m), as required by Section 66.1105 (4) (gm) of the Wisconsin Statutes. Exhibit 2 "Property Characteristics" illustrates how the property in the District meets the statutory criteria for Tax Incremental Districts. The project proposed for the District will contain approximately 913 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. 59 (Bronzeville), as shown in Map No. 5, "Bronzeville TID 59."

C. Plan Objectives

The Property is currently in need of rehabilitation and located at the northwest corner of North 2nd Street and West Wright Street in the City's Harambee neighborhood. The following is a description of the planned project for the District (the "Project").

The developer for the Property is KCG Development, LLC ("Developer"). The Developer is proposing the total rehabilitation of the existing two 3-story buildings containing 48 one-bedroom/one-bathroom units and 24 two-bedroom/one-bathroom units. Upgrades to the dated building envelope will include new roofs and windows, siding, insulation, and new HVAC within the community building. There will also be plumbing and electrical repairs as much of the existing is original to the buildings when they were built in 1971. Improvements to the building systems include new boilers, sprinkler system serving all units and corridors, water heaters and improvements to the hydronic distribution lines. Significant upgrades are also planned for the unit interiors and the improvements will be to all 72 units at the property. These include major upgrades to kitchens and bathrooms, such as new flooring, cabinets and countertops, brand new appliances, toilets, sinks and vanities. Energy efficiency features include LED lighting, water conserving low flow toilets and faucets as well as newer, more efficient boilers and water heaters.

New outdoor amenities will include a gazebo as well as a covered playground for the many kids that reside at the property. Sitework improvements include parking lot repairs (mill, resurface and restriping), new mailboxes, a new monument sign, and accessible upgrades to dumpster enclosures and all common area pathways around the Property. Security upgrades that are planned in the renovation include a new modern camera monitoring system, new LED lighting, in particular in the parking lot areas, as well as exterior unit doors and repairs to perimeter fencing.

The purpose of the District is to maintain affordable housing options in the Harambee neighborhood for low-income residents and improve the quality of their housing.

The more detailed objectives of this Project Plan are to:

1. Eliminate a blighting influence in the Harambee neighborhood.
2. Promote the coordinated redevelopment of an outdated property to an energy efficient and modernized residential and commercial use.
3. Support past and future investment in the neighborhood through the rehabilitation of a property that is currently in need of substantial renovation.
4. Create new employment opportunities.

D. Existing Land Uses in the District

The District is comprised of a single parcel containing 1.68 acres. The site currently has two, 3-story buildings with a total of 72-unit apartments with a 52-stall parking lot. The parcel is assessed at \$208,200 and is zoned RM5 (Multi-Family Residential).

II. PLAN PROPOSALS

A. 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., 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 costs or monetary obligations related thereto 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 a 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.

B. Compliance with Statutory Requirements

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

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

Funds generated from the District will provide an annual grant to the Developer to offset costs associated with redevelopment of the Project. The City will make payments to the Developer equal to 100% of the incremental taxes certified and collected in the District from real and personal property, less an annual administration charge, until such time as \$1,670,000 is repaid by payments plus an interest rate of up to 5.75 % over a period not to exceed 25 years (the “Monetary Obligation”). See the Term Sheet, attached as Exhibit 3, “Term Sheet.”

2. “Detailed List of Estimated Project Costs.”

The costs included in this subsection and detailed in Table B 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) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, and/or eligible designated Developer(s), provided further that such expenditures are necessitated by this Project Plan.

These costs and cost estimates are more fully described as follows:

Capital Costs

The City shall fund an estimated \$1,670,000 in the form of TID Capital Project Costs enumerated in further detail in Table A of this Plan. The allocation of these costs will be set forth in the Term Sheet.

TABLE A: TID Capital Project Costs	
Grant to Project (Monetary Obligation to Developer)	\$1,670,000
TOTAL Capital Project Costs	\$1,670,000

Other 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 repay the Developer. Estimates of interest are based on interest rates as Exhibit 4, "Feasibility Study." The City reserves the right to prepay the Monetary Obligation to the Developer, which could require issuance of general obligation debt, as described in the Term Sheet.

Table B - List of Estimated Project Costs

A	Capital: Grant to Project (Monetary Obligation to Developer)	\$ 1,670,000
B	Other: Administration (\$7,500/year for 23 years)	\$ 172,500
	Total Estimated Project Costs, excluding financing	\$ 1,842,500
C	Financing: Interest on the Grant to Project (Monetary Obligation to Developer)	\$ 1,478,171

3. "Description of Timing and Methods of Financing."

All expenditures are expected to be incurred during the period from 2025 through 2049.

The annual payments to the Developer will be paid pursuant to the Monetary Obligation, using incremental taxes generated annually in the District.

4. "Economic Feasibility Study."

The Economic Feasibility Study for this District prepared by the Ehlers Public Finance Advisors and titled Economic Development Analysis for proposed Tax Incremental District #123 and dated May 29, 2025 is attached to this Project Plan as Exhibit 4, "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 tax incremental district.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible and is likely to be retired on or before the year 2049. Should incremental revenues be generated in excess of those currently anticipated, they may be used to accelerate the repayment of the Monetary Obligation for the Project.

5. "Map Showing Existing Uses and Conditions."

Please refer to Map No. 1, "Boundary and Existing Land Use," Map No. 2, "Structure Condition," and Exhibit 5, "Property Owners" in the Exhibits Section, which follows.

6. "Map Showing Proposed Improvements and Uses."

Please refer to Map No. 3, "Proposed Improvements and Uses," in the Exhibits Section which follows.

7. "Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances."

Please refer to Map No. 4, "Existing Zoning," in the Exhibits Section which follows. The proposed Project is consistent with existing zoning, which is RM5 (Multi-Family Residential). 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.

8. "List of Estimated Non-Project Costs."

\$0 – There are no Non-Project Costs.

9. "Proposed Method for Relocation."

The Project Plan does not anticipate the acquisition of property by the City of Milwaukee, 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 sec. 66.1333 and sec. 32.05, Wis. Stats. 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.

10. "Statement Indicating How District Creation Promotes Orderly City Development."

The project site is located within the boundary of the Northeast Side Plan, one of the 14 geographically-specific Area Plans that make up the City of Milwaukee's overall Comprehensive Plan.

Specifically, the project site is located within Harambee Area of the Plan area which promotes the maintenance of affordable housing options in the Harambee neighborhood for low-income residents and improve the quality of their housing.

11. "Opinion of the City Attorney."

Please see Exhibit 6, "Letter from the City Attorney" in the Exhibits Section, which follows.

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	Structure Condition
Map 3	Proposed Uses and Proposed Improvements
Map 4	Existing Zoning
Map 5	Bronzeville TID #59

Exhibit 1

Boundary Description

Parcels 1, 2 and 3 of Certified Survey Map No. 1631 recorded in the office of the Register of Deeds for Milwaukee County, Wisconsin, on August 6, 1971 as Document No. 4612718, being a redivision of a part of Block 210 in John B.A. Kern's Subdivision and a vacated portion of a North and South alley thru Block 210 all being a part of the Southeast ¼ of Section 17, Township 7 North, Range 22 East, in the City of Milwaukee, County of Milwaukee, Wisconsin.

Exhibit 2

Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed district in need of conservation within the meaning of Section 66.1105(4) (gm) 4.a. and as further defined by Section 66.1337(2m), Wisconsin Statutes.

Tax Key	Owner Name	Land Assess- ment	Improvement Assessment	Total Assessm ent	Lot SF	In Need of Rehabilitation or Conservation Work
3221241110	CROWN COURT NORTHWOODS, LLC	\$4,100	\$204,100	\$208.200	73,180	73,180
TOTAL				\$208,200		73,180

Exhibit 3
TERM SHEET
Northwoods
TID No. 123

Project

The Northwoods project (the “Project”) involves the rehabilitation of an existing mixed-use multifamily apartment building at 2515 North 2nd Street, between West Wright and West Clarke Streets in Milwaukee’s Harambee Neighborhood. The property includes 72 one- and two-bedroom apartment units. The units will be affordable to families with incomes between 30% and 60% of Area Median Income. The full scope of the Project is detailed on Attachment #2.

The Project is located in Milwaukee’s Harambee Neighborhood. The rehabilitation of the buildings with affordable units is consistent with the City’s goals of promoting mixed-use with additional affordable housing options in the Harambee Neighborhood. The Project is also consistent with the Northeast Side Plan which identifies the need for retaining affordable housing in the neighborhood.

Development Team

The Project is being developed by KCG Development, LLC (“Developer”). Established in 2015, the Developer is a mixed-use and multifamily housing developer founded on the principle that positive social impact and profitable development are not mutually exclusive. Never taking a “one-size-fits-all” approach, the company takes pride in their commitments to aligning their vision with that of local stakeholders. Through this customization, they build sustainable communities that represent long-term value and opportunity for residents.

The Developer’s growing portfolio of more than 4,300 multifamily rental housing units represents over \$1 billion in new and rehabilitated housing opportunities across the United States. In nine years, the Developer has designed, developed, and built 27 owned-and-operated communities across eight states including Wisconsin, Texas, South Carolina, Maryland, Ohio, Virginia, New York and Georgia. Milwaukee will be an expansion of their Wisconsin housing locations that currently include Sheboygan, Madison and Fond du Lac.

Project Budget:

Total estimated Project costs for the development are approximately \$15.2 million. In addition to TID #123 funding, the financing structure includes federal low-income housing tax credit equity, tax-exempt bond financing, NOI during construction and a deferred development fee.

Estimated total project sources include:

1 st Mortgage- Tax Exempt Bonds (WHEDA)	\$ 4,915,000
Low Income Housing Tax Credit Equity (CREA)	\$ 5,947,774
WHEDA TIF Loan	\$ 1,501,864
WHEDA Subordinate Loan	\$ 614,375
Acquired Reserves	\$ 373,259
NOI During Construction	\$ 65,744
Deferred Development Fee	<u>\$ 1,747,127</u>
Total	<u>\$ 15,165,143</u>

Development Schedule

Rehabilitation to the properties of the Project shall commence by December 1, 2025 and the Project shall be substantially completed by December 1, 2026.

Tax Incremental District

The City intends to create a Tax Incremental District (“TID No. 123”) to assist in funding a portion of the costs of the Project as set forth in the Project Plan. TID No. 123 will be created upon the full financial closing of the Project.

Funding

The Redevelopment Authority of the City of Milwaukee (“RACM”) will provide the Developer with a loan, funded by the City, in an amount not to exceed \$1,670,000 for the Project (the “Loan”). The Developer shall advance up to \$1,670,000 (subject to review of the final project budget) of costs related to the Project and shall be reimbursed for these costs by the Loan plus interest at a rate of 5.75% through the Monetary Obligation, which shall be earned and funded upon substantial completion of the Project by the Developer.

Prior to substantial completion of the Project, City will deposit an amount equal to 100% of the tax revenue actually received by City from TID No. 123, less Annual Expenses into a special fund established for TID No.123. Upon substantial completion of the Project and the earning of the Monetary Obligation, such amount shall be disbursed to Developer through RACM and applied to reduce the principal balance of the Monetary Obligation.

Subsequent to substantial completion of the Project, following the deduction of Annual Expenses, 100% of tax revenue collected from TID No. 123 will be allocated to reimburse the Developer for costs incurred for the Project not to exceed the amount of the Monetary Obligation 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.

All payment of tax revenue received by City from TID No. 123 to pay the Monetary Obligation shall be subject to annual appropriation. If not appropriated, City shall not expend such tax increments for any other TID No. 123 project costs.

Monetary Obligation

The Monetary Obligation consists of a limited and conditional obligation of the City to fund the Loan in an amount up to \$1,670,000 plus interest on the outstanding balance of the Loan at up to 5.75% per year. This interest rate reflects the preliminary interest rate on the Developer's underlying financing and is subject to change, based on the "earn out" interest rate at the time of conversion to permanent mortgage. The final interest rate shall be the lower of the "earn out" rate or 5.75%. The Monetary Obligation is conditioned upon it being earned by the Developer as described below. Payments on the Monetary Obligation are to be made annually following substantial completion of the Project and in an amount equal to 100% of tax revenue actually received by the City from TID No. 123 less Annual Expenses.

The City may, at any time or from time to time, without notice, penalty, or fee, prepay all or any portion of the Monetary Obligation. In the event that City prepays a portion of the Monetary Obligation 100% of tax revenue allocated to payment of the Monetary Obligation shall be proportionately reduced to reflect such prepayment. Tax revenue will not be pledged to the payment of the Monetary Obligation and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits.

The Developer shall have the right to assign all or a portion of the Monetary Obligation 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.

Monetary Obligation Earned

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 City's Commissioner of City Development ("Commissioner") evidencing such expenditures. The amount of the Monetary Obligation shall be deemed earned upon approval of such certification by the Commissioner.

Design/Consistency with Approved Plans

Plans and specifications for the Project shall be subject to the review and approval of the Commissioner.

Cost Savings

If at substantial completion, total Project costs submitted are less than the \$15.2 million estimated in the Project Budget or the amount of total costs reflected in the final budget submitted prior to closing, the amount of the Loan will be reduced by 50% of the cost savings. As used herein "cost savings" shall be the net savings to the Project, such that if the cost savings

are in a budget line item eligible for generating LIHTC equity, then the cost savings shall be the net amount after the reduction to LIHTC equity is calculated. For example, if there are \$10,000 of hard cost savings that result in a loss of \$4,000 of LIHTC equity, the cost savings would be \$6,000. Developer shall provide the Commissioner with a written statement of any such cost savings, which shall include a copy of IRS Form 8069 and that certain cost certification prepared by an independent certified accountant to be submitted to the Wisconsin Housing and Economic Development Authority in connection with the Project.

Terms of Payments

Payments on the Monetary Obligation will terminate: (i) at the time the Monetary Obligation is fully paid; or (ii) with the payment derived from the 2048 tax levy, payable in 2049, whichever occurs first.

Material Disturbance

If the Project is not substantially completed by December 1, 2026 unless caused in substantial part by an event of *Force Majeure* (a “Material Disturbance”), then City shall have the right (but not the obligation) to terminate the Monetary Obligation, using the following procedure:

(1) City shall give Developer notice of its intention to terminate payments on the Monetary Obligation, 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 payments on the Monetary Obligation, City’s Common Council shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the public benefits contemplated as a result of the Project and constitutes just cause for the termination of the Monetary Obligation. City shall thereafter file a certificate with Developer (attaching the resolution of the Common Council) stating that City has elected to terminate payments on the Monetary Obligation. Upon City such filing of the certificate, the Monetary Obligation shall terminate.

Developer Responsibilities:

The Developer shall have the following responsibilities:

- Design and develop the Project consistent with the approved plans including the installation of a full sprinkler system.
- Submit 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.
- Guaranty completion of construction of the Project.
- Commence construction of the Project by December 1, 2025, with a completion date of December 1, 2026.

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.

Anti-Displacement Preference Policy

The project is located in the 53212 zip code and is subject to the City of Milwaukee’s Anti-Displacement Preference Policy, which requires that 20% of the affordable units in the project will be prioritized for residents of the 53212 zip code. The preference will apply to qualified applicants at initial lease-up and at unit turnover for a term equal to the longest period of affordability required by any City financing source, but in no case less than 20 years.

No Tax Exemption

No portion of the Project shall at any time after closing be exempt from real estate taxes.

Development Agreement:

Developer and City shall enter into a development agreement (“Development Agreement”) containing terms consistent with this Term Sheet 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 Property;
- Enter into any transaction that would materially adversely affect the ability of Project 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 Project 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 Project Developer's financial condition.

General:

This term sheet does not constitute an agreement between the Developer, RACM and the City. The terms set forth 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. 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 Commissioner of the City's Department of City Development will be authorized under these agreements to exercise such discretion and grant such approvals.

Note:

Attachment 1 provides additional definitions to words and terms used in this Term Sheet in addition to the words and terms elsewhere defined.

Attachment 1

DEFINITIONS

“Annual Expenses” means an amount not to exceed \$7,500 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. 123.

“Force Majeure” means circumstances under which any party is delayed or prevented from the performance of any act required by an agreement by reason of fire, earthquake, war, flood, riot, strikes, labor disputes, judicial orders, public emergency or regulations, or other causes beyond the reasonable control of the party obligated to perform, then performance of such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period commensurate with the nature of such delay.

“Human Resources Agreement” means an agreement in a form customary for developer-funded tax incremental districts.

“Monetary Obligation” means a limited and conditional obligation to repay Developer an amount up to \$1,670,000 plus interest on the outstanding balance at 5.75% per year. (The interest rate on the Monetary Obligation reflects the preliminary interest rate on the Developer’s underlying financing and is subject to change, based on the “earn out” interest rate at the time of conversion to permanent mortgage. The final interest rate shall be the lower of the “earn out” rate or 5.75%)

“Substantial Completion” means the Project Developer’s receipt from City of a final Occupancy Certificate for the Project if available, or a Certificate of Substantial Completion from the Project’s architect.

Attachment 2
Project Description and Costs



MEMO

To: City of Milwaukee; Attn: Lori Lutzka

From: Northwood Apartments, LP

Subject: The Northwood Apartments – Fire Safety Design and Fire Suppression Strategies

The Northwood Apartments located at 2520 N D. Martin Luther King were built in 1971. The community is comprised of two closed-corridor garden-style 3-story buildings as well as a leasing office and community space on a 1.68-acre lot.

Due to the original construction year and the level of renovations proposed, the project is exempt from installing a wet fire suppression system, i.e., a sprinkler system. Regardless, KCG Companies, LLC ("the developer"), has committed to installing a full sprinkler system after an extensive feasibility and pricing study. Due to the cost of the full sprinkler system, the City of Milwaukee is committing an additional \$400,000 to the current TIF Agreement bringing the total TIF Agreement to \$1,670,000.

The developer explored the feasibility of retrofitting a full system without additional soft sources. However, the full system was cost prohibitive without an additional TIF commitment from the City of Milwaukee. The developer is already deferring the vast majority of its developer fee, contributing more than \$1 Million to bring this renovation to fruition, and it committed to finding an additional \$210K to make up the delta between the total cost of full sprinkler system the additional \$400K in additional TIF funds that City of Milwaukee is committing.

Life safety is a priority for the developer, and the project's scope already includes an enhanced life safety package, in excess of code requirements, due to the Developer's commitment to its residents. The enhanced package includes fire suppression canisters over the stoves, fire extinguishers in all buildings and all units, and fire safety classes implemented through property management.

Based on the current project scope and budget of 15.1 million, the development team is confident that this renovation will provide residents with safer buildings and units than what is currently in place. KCG Companies is committed to working with the City of Milwaukee to advance and promote safer communities for all residents.

Project Design Features

Fire safety starts at the wall assemblies of a structure. In design, these wall assemblies are called UL assemblies. UL assemblies are fire rated which means their definitions relate to how long they would withstand a fire before spreading. The property's corridor to stairs is 1 hour rated, all units are 1 hour

Attachment #2-Project Description and Costs

rated, and unit entry doors are 20-minute rated. The buildings have a greater than 2 hour rated exterior wall assembly.

The proposed project's Life Safety Plan, G031, shows the 1-hour wall locations (unit-unit, unit-corridors, and stairs). G031 also details the building's separation. The units, corridors, and stair wells all meet International Building Code ("IBC") while the building separation exceeds IBC.

The UL assembly details can be found on A601.

Project enhancements

The renovation will include fire suppression canisters over all stoves. It is out of an abundance of caution and commitment to residents that the Developer is providing these. Fire canisters are not required by the Milwaukee Code, or WHEDA.

All units will also be provided with fire extinguishers in a visible location and hallway fire extinguishers. Only one of these is required by code. In addition to this, the Developer will provide each resident with a fire blanket. Lastly, ownership and management will assess the Wayfinding and evacuation signage and make upgrades on-site where appropriate.

Additionally, each resident will be provided with fire safety courses as well as educational information regarding fire extinguishers and proper use. Classes will be provided in the new community space that will be added through this renovation.

Wet Sprinkler Systems

The project team was able to coordinate with two subcontractors regarding a complete and partial sprinkler systems. The proposals are attached to this memo.

- **Full Coverage Sprinkler System:** is a wet-type fire suppression system comprised of black steel piping, intended to remain exposed, with both upright and downturned sprinkler heads as the application dictates, in conformance with code NFPA 13 (2013 Edition), providing sprinkler system coverage for the basement level, stairwells, and common corridors as well as extended into the individual units to conform to NFPA 13R (2013 Edition) including sprinkler heads spaced to meet code requirements in kitchens, living rooms, and bedrooms (an average of 4 heads per unit). As the bathrooms are under 55sf, they do not require sprinkler coverage.

A full coverage system would add an additional four months to the construction schedule, while a limited coverage system would add an additional two months. The schedule impact is inclusive of increased time associated with the installation of the sprinkler system, drywall work required in units and common areas, and the need for additional inspections. Costs associated with that increase in the construction schedule are shown in the tables below.

Attachment #2-Project Description and Costs

Full Coverage Sprinkler System Cost Impact				
Soft Costs			Total Cost	Notes
Consultants			\$ 66,000.00	Emem Group, Cross Management, and TIF Consulting services provided by the Emem Group
Relocation			\$ 100,000.00	Additional days at the hotel, increased storage costs, and consultant coordination
Total Soft Cost			\$ 166,000.00	
Hard Cost	Unit Cost	Quantity Required	Total Cost	Notes
NFPA 13R Sprinkler System Retrofit	\$232,000	1	\$232,000	
Cut & Patch, Paint allowance - units	\$600	72	\$43,200	
Cut & Patch, Paint allowance - common	\$2,500	6	\$15,000	
<i>Subtotal</i>			<i>\$290,200</i>	
Contractor Contingency (10%)	10%		\$29,020	
<i>Subtotal</i>			<i>\$319,220</i>	
General Conditions	5%		\$15,961	
Profit	2%		\$6,704	
Overhead	5%		\$17,094	
<i>Subtotal</i>			<i>\$39,759</i>	
Total Hard Cost			\$358,979	
Additional WHEDA Loan Extension Fee			\$ 17,158.00	
Owner Contingency	5%		\$ 17,948.94	
Construction Interest			\$ 49,433.06	
Total Known Cost Impact			\$ 609,518.85	

The Northwood Apartments, through this renovation, will include the following:

Improvements to the building systems

- new boiler
- water heaters, and
- improvements to the hydronic distribution lines
-

Unit Upgrades

- major upgrades to kitchens and bathrooms:
 - new flooring,
 - cabinets,
 - countertops,
 - brand new appliances,
 - toilets,
 - sinks, and
 - vanities
 - tub surrounds

Energy efficiency features

- LED lighting,
- water conserving low flow toilets and faucets, and
- energy efficient water heaters and boilers

KCG Companies

9311 N. Meridian Street, Suite 100 | Indianapolis, IN 46260
www.kcgcompanies.com

Attachment #2-Project Description and Costs

New outdoor amenities

- A playground

Sitework improvements

- Leasing office and community space addition and reconfiguration
- parking lot repairs
- new mailboxes,
- a new monument sign, and
- accessible upgrades to dumpster enclosures and all common area pathways around the property.

Security upgrades

- a new modern camera monitoring system
- new LED lighting, in the parking lot areas, as well as exterior unit doors, and

repairs to perimeter fencing.

KCG Companies remains committed to working closely with the City of Milwaukee, its Fire Department and community stakeholders to continue identifying and implementing meaningful safety improvements – both during the renovation and as part of its ongoing property management practices. We welcome the opportunity to be part of the solution as the city seeks to improve life safety across its housing stock.

Estimated Project Timing

Closing: 9/15/25

Construction Start: 12/01/2025

Construction Completion: 10/01/2026

****Subject to change depending on all project approvals**

Exhibit 4
Economic Feasibility Study

City of Milwaukee, Wisconsin

Northwood Apartments

Tax Increment Projection Worksheet - TID# 123

Equalized Tax Rate (Interim Rate)

County	0.003141740
Special District	0.001237115
Town, Village, City	0.007471770
Schools	0.009564359
Tech College	0.000800631
Equalized Tax Rate (Interim Tax Rate)	0.022215615

Estimate Fair Market Value (Equalized Value)

Units	72
Value per Unit	83,177

Note: Value based on City Assessor estimate

Variables

Projected Annual Change in Fair Market Value	1.00%
Projected Annual Change in Tax Rate	0.00%
Tax-Exempt Discount Interest Rate (City PV)	0.000%
Taxable Discount Interest Rate (Developer PV)	5.75%
Construction Year (Base Year)	2025
Year 1 Completion Percentage	100%
Year 2 Completion Percentage	100%
Base Year Value	230,718
Initial Change to Tax Rates (Assessed and Equalized)	100.0%

Property Tax Estimate

Estimated Fair Market Value (Equalized Value)	5,988,725
Aggregate Ratio (WI DOR, aka Assess. Ratio)	0.90235352
Assessed Value (Equalized Value x Agg Ratio)	5,403,947
Assessed Tax Rate (Net Mill Rate)	22.925000
Adjusted Assessed Tax Rate (Net Mill Rate)	22.925000
Property Taxes (Assessed Value x Net Mill Rate)	123,885

TIF Estimate

Estimated Fair Market Value (Equalized Value)	5,988,725
Equalized Tax Rate (aka Interim Rate)	22.215615
Adjusted Equalized Tax Rate (aka Interim Rate)	22.215615
Gross TIF Estimate (Current year dollars)	127,918
Developer Share of TIF (Less Admin Fee)	100%
Net Developer Annual TIF	120,418

PID or PIDs and Street Address

TID Year	Construction Year	Valuation Year	Revenue Year	Base Value	Equalized Value	Value Increment	Equalized Tax Rate	Gross TIF	City/Village Share: 0%		Developer Share: 100%		
									Annual TIF	TIF PV @ 0.000%	Annual TIF	TIF PV @ 5.750%	Cumm. TIF
1			2025				22.215615	-	-	-	-	-	-
2			2026				22.215615	-	-	-	-	-	-
3	2025	2026	2027	230,718	5,988,725	5,758,007	22.215615	127,918	7,500	7,500	120,418	113,870	120,418
4	2026	2027	2028	230,718	6,048,612	5,817,894	22.215615	129,248	7,500	15,000	121,748	222,738	242,166
5	2027	2028	2029	230,718	6,109,098	5,878,380	22.215615	130,592	7,500	22,500	123,092	326,823	365,258
6	2028	2029	2030	230,718	6,170,189	5,939,471	22.215615	131,949	7,500	30,000	124,449	426,334	489,707
7	2029	2030	2031	230,718	6,231,891	6,001,173	22.215615	133,320	7,500	37,500	125,820	521,471	615,526
8	2030	2031	2032	230,718	6,294,210	6,063,492	22.215615	134,704	7,500	45,000	127,204	612,424	742,731
9	2031	2032	2033	230,718	6,357,152	6,126,434	22.215615	136,103	7,500	52,500	128,603	699,378	871,333
10	2032	2033	2034	230,718	6,420,724	6,190,006	22.215615	137,515	7,500	60,000	130,015	782,506	1,001,348
11	2033	2034	2035	230,718	6,484,931	6,254,213	22.215615	138,941	7,500	67,500	131,441	861,977	1,132,789
12	2034	2035	2036	230,718	6,549,780	6,319,062	22.215615	140,382	7,500	75,000	132,882	937,950	1,265,671
13	2035	2036	2037	230,718	6,615,278	6,384,560	22.215615	141,837	7,500	82,500	134,337	1,010,580	1,400,008
14	2036	2037	2038	230,718	6,681,431	6,450,713	22.215615	143,307	7,500	90,000	135,807	1,080,011	1,535,814
15	2037	2038	2039	230,718	6,748,245	6,517,527	22.215615	144,791	7,500	97,500	137,291	1,146,385	1,673,105
16	2038	2039	2040	230,718	6,815,728	6,585,010	22.215615	146,290	7,500	105,000	138,790	1,209,835	1,811,895
17	2039	2040	2041	230,718	6,883,885	6,653,167	22.215615	147,804	7,500	112,500	140,304	1,270,490	1,952,200
18	2040	2041	2042	230,718	6,952,724	6,722,006	22.215615	149,333	7,500	120,000	141,833	1,328,472	2,094,033
19	2041	2042	2043	230,718	7,022,251	6,791,533	22.215615	150,878	7,500	127,500	143,378	1,383,898	2,237,411
20	2042	2043	2044	230,718	7,092,474	6,861,756	22.215615	152,438	7,500	135,000	144,938	1,436,881	2,382,349
21	2043	2044	2045	230,718	7,163,398	6,932,680	22.215615	154,014	7,500	142,500	146,514	1,487,528	2,528,863
22	2044	2045	2046	230,718	7,235,032	7,004,314	22.215615	155,605	7,500	150,000	148,105	1,535,941	2,676,968
23	2045	2046	2047	230,718	7,307,383	7,076,665	22.215615	157,212	7,500	157,500	149,712	1,582,218	2,826,681
24	2046	2047	2048	230,718	7,380,456	7,149,738	22.215615	158,836	7,500	165,000	151,336	1,626,454	2,978,016
25	2047	2048	2049	230,718	7,454,261	7,223,543	22.215615	160,475	7,500	172,500	152,975	1,668,738	3,130,992

Exhibit 5

Property Owners

Property Address	Tax Key	Owner Name
2515 N. 2nd Street	3221241110	Crown Court Northwoods, LLC

Exhibit 6

City Attorney's Letter

EVAN C. GOYKE
City Attorney

MARY L. SCHANNING
ROBIN A. PEDERSON
NAOMI E. SANDERS
JULIE P. WILSON
Deputy City Attorneys



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JORDAN M. SCHETTLE
THERESA A. MONTAG
ALEXANDER E. FOUNDOS
TRAVIS J. GRESHAM
KYLE W. BAILEY
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WILLIAM K. HOTCHKISS
CLINT B. MUCHE
TYLER M. HELSEL
ZACHARY A. HATFIELD
MEGHAN C. MCCABE
CYNTHIA HARRIS ORTEGA
OLUWASEUN CHRIS IBITOYE
KEVIN P. TODT
NATHANIEL E. ADAMSON
JUSTIN J. DREIKOSEN
Assistant City Attorneys

April 25, 2025

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

Re: Project Plan for Tax Incremental District No. 123 (Northwoods)

Dear Commissioner Crump:

Pursuant to your request, we have reviewed the Project Plan for Tax Incremental District No. 123.

Based upon that review, it is the opinion of the City Attorney that the Project Plan is complete and complies with the provisions of Wis. Stat. § 66.1105(4)(f).

Very truly yours,

A handwritten signature in blue ink, appearing to read "Mary L. Schanning", followed by a horizontal line.

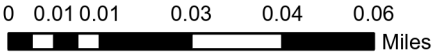
MARY L. SCHANNING
Deputy City Attorney

1050-2025-194:297472



TID 123, Northwoods

Map 1: Boundary and Existing Land Use



Property List

No.	Tax Key	Address
1	3221241110	2515 N. 2nd Street

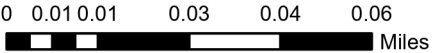
Map Legend

- 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

TID 123, Northwoods
Map 2: Structure Condition



Property List

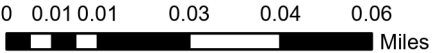
No.	Tax Key	Address
1	3221241110	2515 N. 2nd Street

Map Legend

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

TID 123, Northwoods

Map 3: Proposed Uses and Improvements



Property List

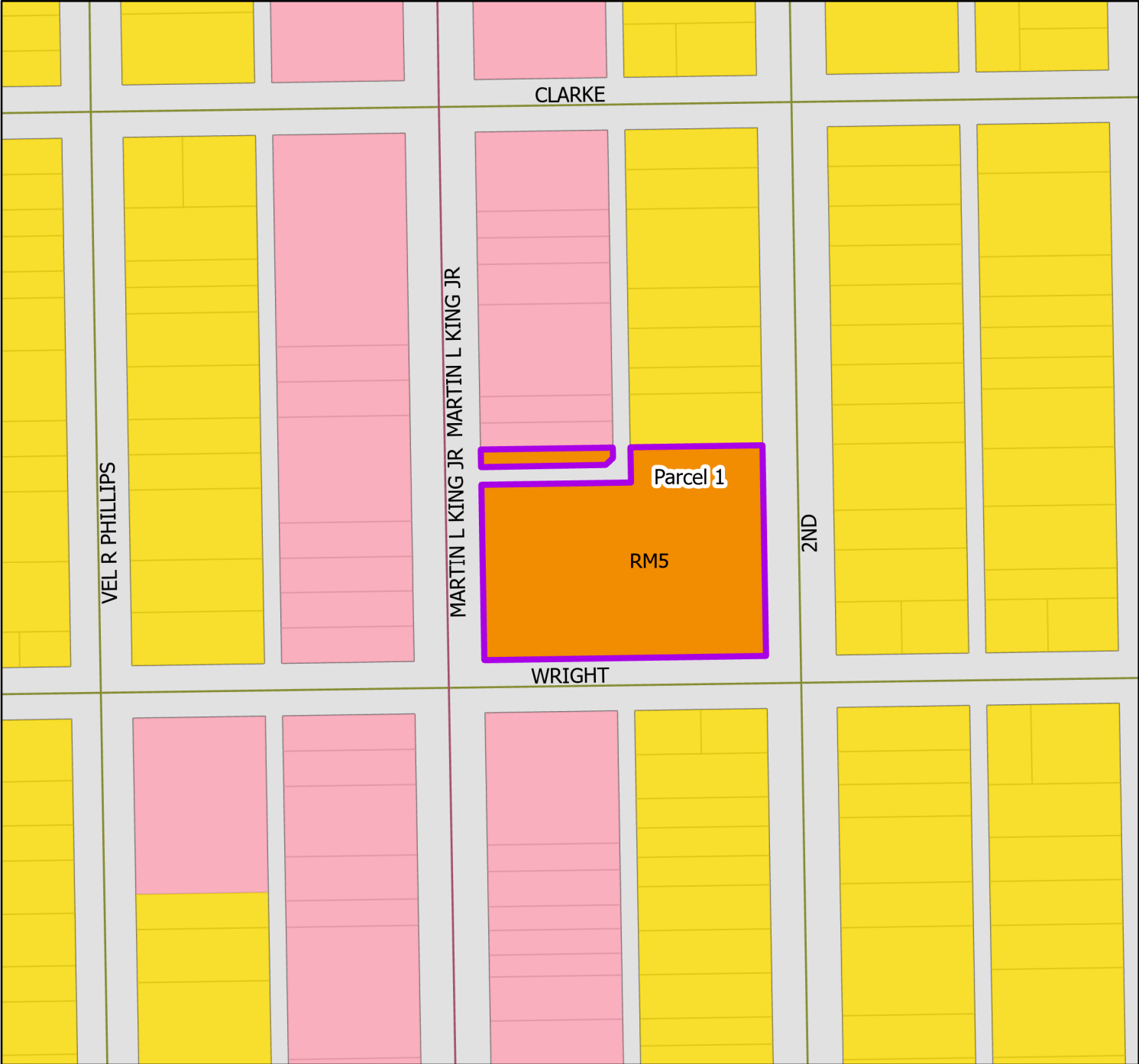
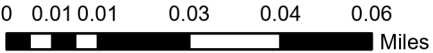
No.	Tax Key	Address
1	3221241110	2515 N. 2nd Street

Map Legend

- Rehabilitation of Existing Buildings
- TID Boundary
- Parcel Boundaries

TID 123, Northwoods

Map 4: Current Zoning



Property List

No.	Tax Key	Address
1	3221241110	2515 N. 2nd Street

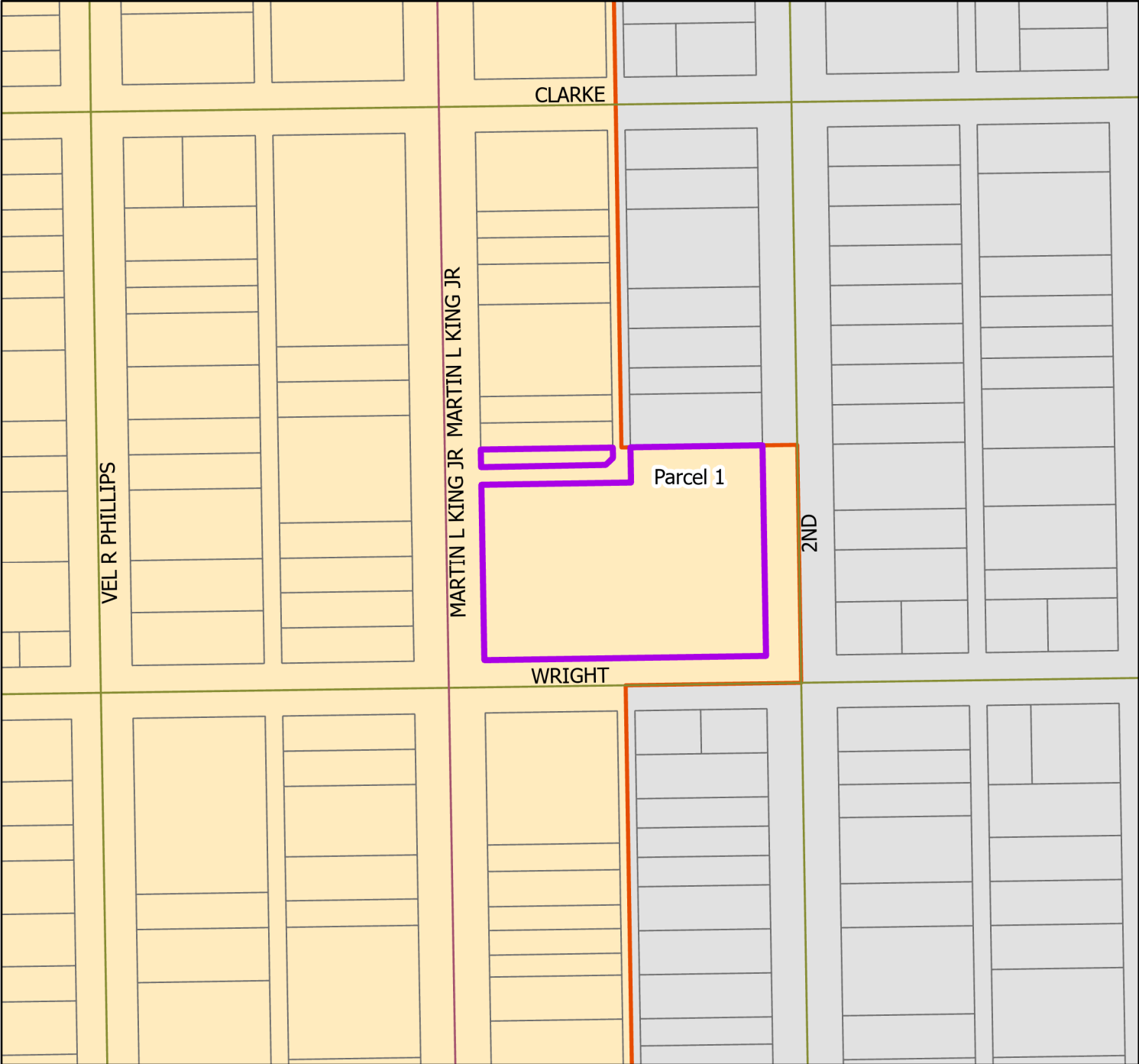
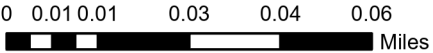
Map Legend

- TID Boundary
- Parcel Boundaries
- ZoningType**
- RESIDENTIAL: TWO-FAMILY
- RESIDENTIAL: MULTI-FAMILY
- COMMERCIAL: LOCAL BUSINESS

TID 123, Northwoods

Map 5: Bronzeville TID #59

Prepared by the Department of City Development Planning Division, 4/24/2025. Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Tax Key	Address
1	3221241110	2515 N. 2nd Street

Map Legend

- TID Boundary
- Bronzeville TID
- Parcel Boundaries