

Amendment No. 2

To

Project Plan for

Tax Incremental District No. 68
(Fifth Ward – First Place)

Public Hearing Held: June 16, 2016

Redevelopment Authority Adopted: June 16, 2016

Common Council Adopted:

Joint Review Board Approved:

**AMENDMENT NO. 2 to the PROJECT PLAN for
TAX INCREMENTAL FINANCING DISTRICT NO. 68
CITY OF MILWAUKEE
(Fifth Ward – First Place)**

Introduction

Section 66.1105(4)(h)(1), Wisconsin Statutes, permits the Redevelopment Authority, subject to the approval of the Common Council, to amend the project plan for a tax incremental financing district.

The Common Council created Tax Incremental District No. 68 in 2006, establishing a Base Value as of January 1, 2007, for the purpose of facilitating Riverwalk development, public infrastructure improvements and enhancing pedestrian access and circulation within the Fifth Ward neighborhood.

The Riverwalk adjacent to the property at 236 South Water Street will be constructed in conjunction with the development of the currently vacant property. In addition, the dockwall associated with the property will be reconstructed and the currently unimproved public right-of-way adjacent to the property will be improved. The City of Milwaukee participates in Riverwalk, dockwall and public infrastructure funding and will contribute a cash grant of approximately \$1.6 million toward the eligible Riverwalk, dockwall and public infrastructure costs in connection with the residential development at 236 South Water Street.

In total, seven properties will be added within the new boundary of this Tax Increment District to accommodate the future development of 1,040 linear feet of Riverwalk and dockwall construction. It is estimated that the future cost of this Riverwalk segment, including dockwall reconstruction will be approximately \$2,700,000.

TID 68 has incurred project costs, to date, of \$3,390,731, all for public improvements and Riverwalk construction.

In summary, Amendment No. 2 to the Project Plan will provide \$1.6 million for the purposes of constructing 280 linear feet of Riverwalk and dockwall, and improving public right of way adjacent to 236 South Water Street.

This amendment is submitted in fulfillment of the requirements of section 66.1105, Wisconsin Statutes.

Amendments to the Project Plan

The following amendments are made to the Project Plan. All other sections of the Plan remain unchanged.

Section I.B, District Boundaries,

Tax Incremental District Number Sixty-Eight, City of Milwaukee (herein named TID-68) is comprised of 13 (number of properties) and right-of-way in the Fifth Ward. The District is shown in **Map No. 1, “Amended Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** The area consists solely of whole units of property as are assessed for general tax purposes and which are bounded on one or more sides by railroad right-of-way, highways or rivers. A complete list of properties being added to the District is provided in **Exhibit 3, “Parcel Owners.”**

The District contains property totaling 313,265 square feet (7.19 acres), exclusive of public streets and alleys, 57% percent (178,736 square feet) of the real property located within the District was found to be blighted within the meaning of Section 66.1105(4)(gm)(4)(a) Wisconsin Statutes. **Exhibit 2, “Property Characteristics”**, illustrates how the properties in the District meet the statutory criteria for Tax Incremental Districts.

The District contains 66,297 square feet of vacant land or 21% of the real property located within the District, as provided in Section 66.1105(4)(gm)(1).

Section I.C, Project Plan Goals and Objectives, is amended by adding the following:

In addition to the original 655’ of anticipated Riverwalk, the District will help complete the Milwaukee Riverwalk System by contributing to the payment of the costs for an additional 1040’ of Riverwalk and dockwall improvements adjacent to the properties located at 236, 318, 338, 350, and 404 South Water Street.

The District will also provide funding for public improvements along South Water Street and adjacent to South Water Street and the Milwaukee River. The improvements include streetscaping to create a more pedestrian friendly environment, the construction of public plazas and greenspaces, and the construction of street stub-ends to improve public access to the river.

Section I.D, Proposed Public Action, is amended by adding the following:

The District will partially fund the construction of a Riverwalk of approximately 280’ in length adjacent to the residential development 236 South Water. The Riverwalk will be between 8 and 25 feet wide, and will run the entire length of the property. 2,854 square feet will be over the river and 1,365 square feet will be on land for a fully ADA compliant public amenity space. The design is consistent with the Riverlink Design Guidelines and has received City Plan Commission approval. The District will also partially fund the reconstruction of the dockwall adjacent to this property and will fully fund a 55’ Riverwalk extension and well as the

construction of the public improvements on public right of way, located directly adjacent to the 236 South Water Street property.

The District will partially fund the construction of Riverwalk, and dockwall and public improvements associated with the remaining 710 linear feet of river frontage within the District.

Section II. Plan Proposals

Sub-Section B.1. a.“Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements.” is amended by adding the following

- 16. Construction of a Riverwalk segment of approximately 280’ in total length along the Milwaukee River adjacent to 236 South Water Street
- 17. Dockwall repair/replacement at 236 South Water Street
- 18. Construction of a new Stub End Roadway, including a Riverwalk extension and dockwall reconstruction adjacent to 236 South Water Street

Sub-Section B.1.b. is amended by adding Map No. 3 “Proposed Uses and Improvements” And the Table is deleted and restated as follows:

First Place/Fifth Ward Improvements	Total Cost
First Place (106-16 West Seeboth Street)	
Riverwalk (includes architecture, landscaping, boat launch, Seeboth and First Place improvements, First Street Triangle and 10% contingency)	\$ 2,073,541
Dockwall (includes 10% contingency)	\$ 440,675
Additional Future Riverwalk (100-06 East Seeboth Street and 25% contingency)	\$ 420,000
Fifth Ward	
South First Street Paving	\$ 623,000
Street Lighting (harps, lanterns, bridge lighting)	\$ 217,500
Traffic Signals	\$ 19,500
Water	\$ 15,000
Forestry (street trees)	\$ 20,000
Contingency (25%)	\$ 223,750
236 South Water Street	
Public Infrastructure (includes riverwalk, dockwall, street improvements)	\$ 1,630,000
TOTAL	\$ 5,682,966

Sub-Section B.2, Table A, Lists of Estimated Project Costs is deleted and restated as follows:

ORIGINAL PROJECT PLAN	
<u>Capital</u> Riverwalk, Dockwall, Public Access	\$ 4,052,966
<u>Other</u> Administrative, professional and legal	\$ 350,000
Total Estimated Project Costs, excluding financing	\$ 4,402,966
<u>Financing</u> Interest payment on bonds	\$ 2,310,315
Subtotal	\$ 6,713,281
AMENDMENT NO. 2	
<u>Capital</u> 236 South Water Street Riverwalk, Dockwall, Street improvements	\$ 1,630,000
<u>Other</u> Administrative, professional and legal	\$ 70,000
<u>Financing</u> Estimated Interest Cost	\$ 909,928
Subtotal	\$ 2,609,928
Estimated Total Cost of Amended Plan	\$ 9,323,209

Sub-Section B. 3. a. “Estimated Timing of Project and Financing Costs”, is deleted and restated as follows:

The Summary of Project Costs (Schedule “A” below) identifies the year in which actual expenditures for the cost of public works and improvements described in this plan are expected to be incurred. This schedule anticipates the time costs will be incurred, not the time contracts or other obligations may be entered into. The estimates presented are subject to change as actual circumstances during the project execution period may require. However, all expenditures will be made prior to year 2018, pursuant to the provisions of Section 66.1105(6)(am), Wisconsin Statutes.

Schedule A, Estimated Timing of Project Costs, is deleted and restated as follows:

Year	Estimated Project Costs	Cumulative Total
2016 - 2017	\$ 283,648	\$ 286,664
2017 - 2018	\$ 1,413,336	\$ 1,700,000

The City expects to issue general obligation bonds to finance the Project Costs.

Sub-Section B. 4. “Economic Feasibility Study” is amended by adding:

Please see forecast of District Cash Flow and District Breakeven analysis, attached. Based on the forecast, the District is expected to close-out in 2019.

Sub-Section B. 6, “Map Showing Proposed Uses and Improvements” is amended by adding the attached Map No. 3 identifying the proposed Riverwalk, dockwall and public street improvements.

Sub-Section B.7, “Proposed Change of Zoning Ordinances, Master Plan Building Codes and City Ordinances” is amended by adding the attached Map No. 4 identifying the zoning on the amended district boundary.

Exhibit 1
Boundary Description

Beginning at a point at the intersection of the north line of the Menomonee River and south line of the Milwaukee River;

Thence, southeast along the north line of the Menomonee River and south line of the Milwaukee River to the intersection with the center line of Milwaukee River;

Thence, southeast to the intersection with the center line of South 1st Street;

Thence, southwest along the center line of South 1st Street to the intersection with the center line of South Water Street;

Thence, east and southeast along the center line of South Water Street to the intersection with the center line of South Barclay Street;

Thence, south along the center line of South Barclay Street to the intersection with the north line of 220 East Pittsburgh Avenue extended;

Thence, east along the north line of 220 East Pittsburgh Avenue extended to the intersection with the east line of 220 East Pittsburgh Avenue;

Thence, north along the east line of 220 East Pittsburgh Avenue extended to the intersection with the center line of South Water Street;

Thence, southeast along the center line of South Water Street to the intersection with the center line of East Pittsburgh Avenue;

Thence, northeast along the center line of East Pittsburgh Avenue to the intersection with the center line of the Milwaukee River;

Thence, southeast along the center line of the Milwaukee River to the intersection with the southeastern line of 404 South Water Street extended;

Thence, southwest along the southeastern line of 404 South Water Street extended to the intersection with the center line of South Water Street;

Thence, northwest along the center line of South Water Street to the intersection with the south line of East Pittsburgh Avenue;

Thence, southwest and west along the south line of East Pittsburgh Avenue to the intersection with the east line of South Barclay Street;

Thence, north along the east line of South Barclay Street to the intersection with the center line of East Pittsburgh Avenue;

Thence, west along the center line of East Pittsburgh Avenue to the intersection with the center line of South 1st Street;

Thence, north and northeast along the center line of South 1st Street to the intersection with the center line of East Seeboth Street;

Thence, west along the center line of East and West Seeboth Streets to the intersection with the west line of 106 West Seeboth;

Thence, north along the west line of 106 West Seeboth to the intersection with the south line of the Menomonee River,

Thence, northeast to the point of beginning and more particularly depicted in Map 1 of this Amendment.

EXHIBIT 2 - Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed district is a blighted area within the meaning of Section 66.1105(4)(a), Wisconsin Statutes

Assessed Valuation 1/1/06						Blighted Area/Influence					
Parcel No.	Tax Key No.	Land	Improvements	Total	Total Area (sq. ft.)	Sound or in Need of Voluntary Repair/Rehabilitation (sq. ft.)	Predominantly Open or Underdeveloped Publicly Owned Parcels (sq. ft.)	Deteriorated Structures/Other Improvements (sq.ft.)	Obsolete Platting/Faulty Lot Layout (sq.ft.)	Conditions Endagering Life	Vacant Property/Property Standing Vacant
1	428-0212-110	\$ 281,400	\$ 510,600	\$ 792,000	58,980	0	0	58,980	0	0	0
2	428-0210-100	\$ 342,900	\$ 329,600	\$ 672,500	11,430	0	0	11,430	0	0	0
3	428-0244-100	\$ 1,077,100	\$ 373,500	\$ 1,450,600	53,857	0	0		0	0	0
Total		\$ 1,701,400	\$ 1,213,700	\$ 2,915,100	124,267	0	0	70,410	0	0	0
Percentage					100%	0	0	56.60%	0	0	0

Assessed Valuation 06/09/16						Blighted Area/Influence					
Parcel No.	Tax Key No.	Land	Improvements	Total	Total Area (sq. ft.)	Sound or in Need of Voluntary Repair/Rehabilitation (sq. ft.)	Predominantly Open or Underdeveloped Publicly Owned Parcels (sq. ft.)	Deteriorated Structures/Other Improvements (sq.ft.)	Obsolete Platting/Faulty Lot Layout (sq.ft.)	Conditions Endagering Life	Vacant Property/Property Standing Vacant
4	428-0257-100	\$ 31,600	\$ 186,400	\$ 218,000	14,375	0	0	0			0
5	429-0002-100	\$ 951,000	\$ 89,000	\$ 1,040,000	31,700	0	0	0			31,700
6	429-0031-111	\$ 1,889,100	\$ 24,000	\$ 1,913,100	78,713	0	0	78,713			0
7	428-0254-113	\$ 399,800	\$ 573,200	\$ 973,000	19,991	0	0				19,991
8	429-0033-210	\$ 289,200	\$ 10,000	\$ 299,200	14,606	0	0				14,606
9	429-0032-000	\$ 7,300	\$ -	\$ 7,300	20,255	0	0	20,255			0
10	429-0033-220	\$ -	\$ -	\$ -	9,358	0	0	9,358			0
Amendment Total		\$ 3,568,000	\$ 882,600	\$ 4,450,600	188,998			108,326			66,297
Original Total		\$ 1,701,400	\$ 1,213,700	\$ 2,915,100	124,267			70,410			0
Cumulative Total		\$ 5,269,400	\$ 2,096,300	\$ 7,365,700	313,265			178,736			66,297
Percentage					100%			57%			21%

Exhibit 3
Parcel Owners

<u>Parcel Number</u>	<u>Taxkey</u>	<u>Address</u>	<u>Owner Name</u>
4	4280257100	220 E PITTSBURGH AV	SOUND FOUNDATION LLC
5	4290002100	236 S WATER ST	236 WATER STREET ONE LLC
6	4290031111	318 S WATER ST	KURTH MALTING CORP
7	4280254113	175 S WATER ST	TORMAC INVESTMENTS INC
8	4290033210	350 S WATER ST	FRANK WILSON
9	4290032000	338 S WATER ST	PLANT TWO CORPORATION
10	4290033220	404 S WATER ST	C & NW TRANSPORTATION CO

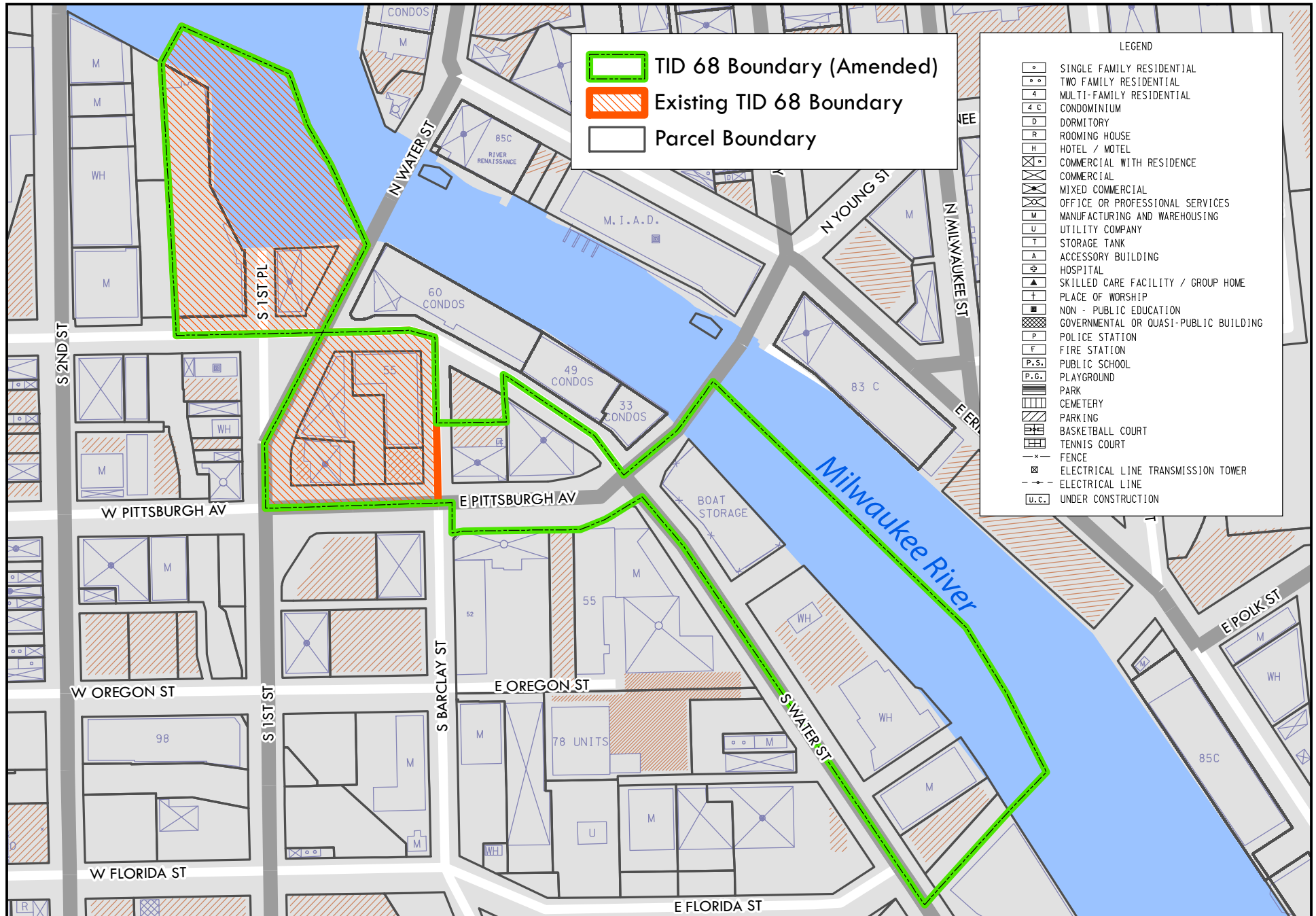
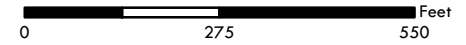
TID 68 - Fifth Ward/First Place Feasibility

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	To Date		Total		Carrying Costs	After reserving for remaining debt Surplus/(deficit)	TID Payoff
							Debt Service	Debt Service	Cash flow	Cum. Cash Flow			
1	2006	2007							-	-	-	(7,376,267)	
2	2007	2008	56,531,500				(1,328)		(1,328)		(1)	(7,376,267)	No
3	2008	2009	56,531,500	32,694,200	(23,837,300)		(21,687)		(21,687)		(23)	(7,376,268)	No
4	2009	2010	28,171,000	35,970,200	7,799,200	198,703	(70,343)		128,360	105,321	105	(7,177,588)	No
5	2010	2011	28,171,000	50,081,000	21,910,000	587,071	(129,439)		457,632	563,058	563	(6,590,412)	No
6	2011	2012	28,171,000	39,851,800	11,680,800	332,924	(162,678)		170,246	733,867	734	(6,256,925)	No
7	2012	2013	28,171,000	58,016,700	29,845,700	907,840	(327,950)		579,890	1,314,491	1,314	(5,348,351)	No
8	2013	2014	28,171,000	57,764,400	29,593,400	920,252	(319,408)		600,844	1,916,649	1,917	(4,426,784)	No
9	2014	2015	28,171,000	58,864,200	30,693,200	933,792	(424,290)		509,502	2,428,068	2,428	(3,491,076)	No
10	2015	2016	28,171,000	63,530,600	35,359,600	1,079,952	(530,177)	(81,558)	468,218	2,898,714	2,899	(2,408,696)	No
11	2016	2017	28,171,000	62,184,800	34,013,800	1,020,414	(523,304)	(81,558)	415,553	3,317,165	3,317	(1,385,383)	No
12	2017	2018	28,171,000	62,806,648	34,635,648	1,039,069	(521,936)	(81,558)	435,576	3,756,058	3,756	(342,996)	No
13	2018	2019	28,171,000	63,434,714	35,263,714	1,057,911	(515,538)	(81,558)	460,816	4,220,630	4,221	718,671	YES
14	2019	2020	28,171,000	64,069,062	35,898,062	1,076,942	(511,302)	(180,044)	385,596	4,610,447	4,610	1,799,834	YES
15	2020	2021	28,171,000	64,709,752	36,538,752	1,096,163	(305,258)	(180,044)	610,861	5,225,918	5,226	2,900,607	YES
16	2021	2022	28,171,000	65,356,850	37,185,850	1,115,575	(80,869)	(180,044)	854,663	6,085,807	6,086	4,021,408	YES
17	2022	2023	28,171,000	66,010,418	37,839,418	1,135,183	(80,662)	(180,044)	874,477	6,966,369	6,966	5,162,676	YES
18	2023	2024	28,171,000	66,670,522	38,499,522	1,154,986	(76,698)	(180,044)	898,244	7,871,580	7,872	6,324,628	YES
19	2024	2025	28,171,000	67,337,228	39,166,228	1,174,987	(73,569)	(180,044)	921,374	8,800,825	8,801	7,507,487	YES
20	2025	2026	28,171,000	68,010,600	39,839,600	1,195,188	(16,650)	(180,044)	998,494	9,808,120	9,808	8,711,476	YES
21	2026	2027	28,171,000	68,690,706	40,519,706	1,215,591	(16,382)	(180,044)	1,019,165	10,837,094	10,837	9,936,875	YES
22	2027	2028	28,171,000	69,377,613	41,206,613	1,236,198		(180,044)	1,056,155	11,904,086	11,904	11,183,910	YES
23	2028	2029	28,171,000	70,071,389	41,900,389	1,257,012		(180,044)	1,076,968	12,992,958	12,993	12,452,826	YES
24	2029	2030	28,171,000	70,772,103	42,601,103	1,278,033		(180,044)	1,097,989	14,103,940	14,104	13,743,852	YES
25	2030	2031	28,171,000	71,479,824	43,308,824	1,299,265		(180,044)	1,119,221	15,237,265	15,237	15,057,221	YES
26	2031	2032	28,171,000	72,194,622	44,023,622	1,320,709		(180,044)	1,140,665	16,393,167	16,393	16,393,167	YES
27	2032	2033	28,171,000	72,916,569	44,745,569	1,342,367			1,342,367	17,751,927	17,752	17,751,927	YES
						24,976,126	(4,709,468)	(2,666,799)	17,599,860			169,819	

Annual appreciation	1.010
Interest Rate	4.75%
Base Value	28,171,000
Property Tax rate	3.000%
Issuance Costs	17,000
Project Costs	1,700,000
Carrying Costs %	0.100%

TID 68: FIRST PLACE LOFTS, MAP 1 (AMENDMENT 2) BOUNDARY AND EXISTING LAND USE

Prepared by the Department of City Development, 6/6/2016
Source: City of Milwaukee Information and Technology Management Division

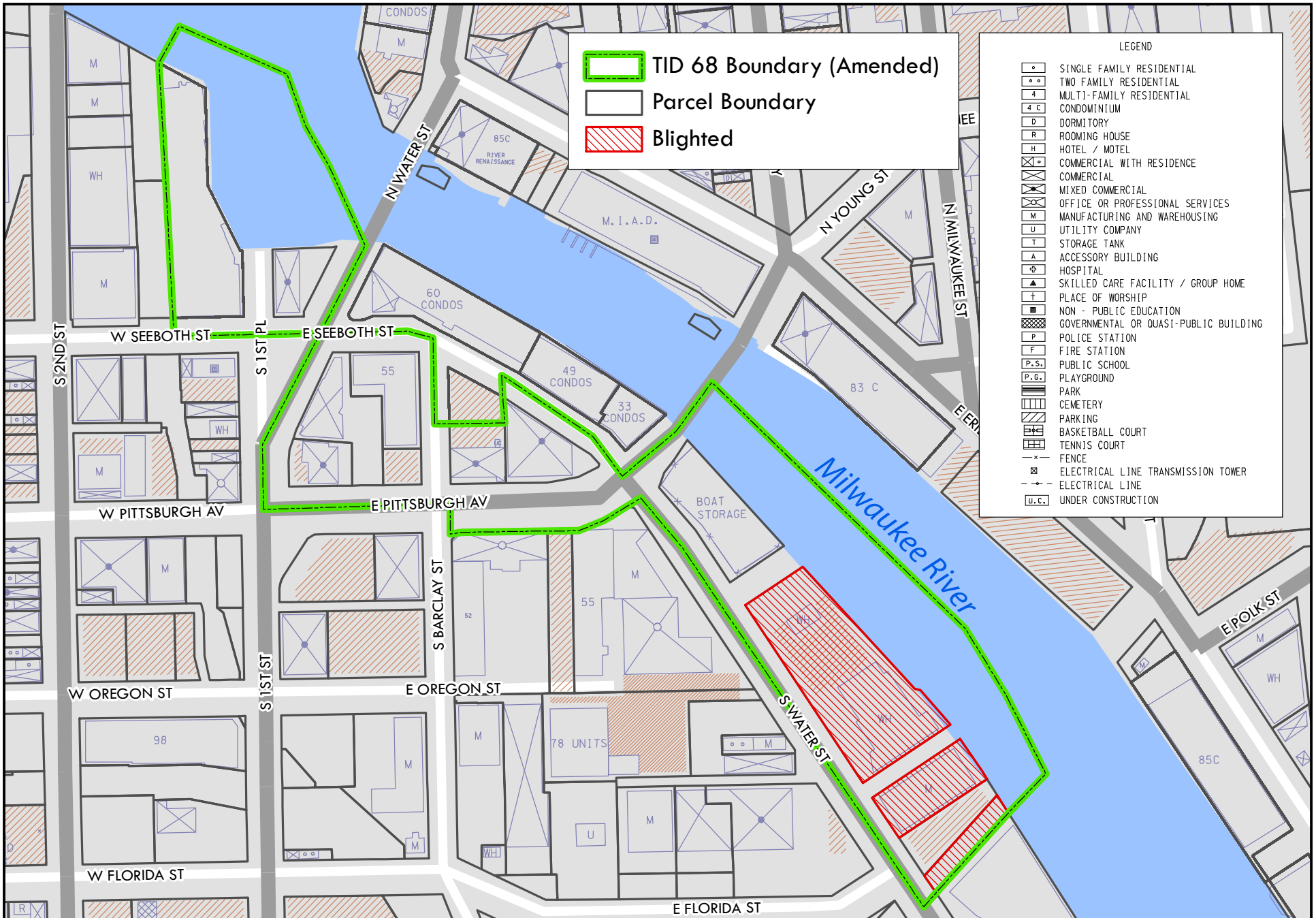
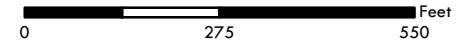


TID 68 Boundary (Amended)
Existing TID 68 Boundary
Parcel Boundary

LEGEND	
	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 68: FIRST PLACE LOFTS, MAP 2 (AMENDMENT 2)

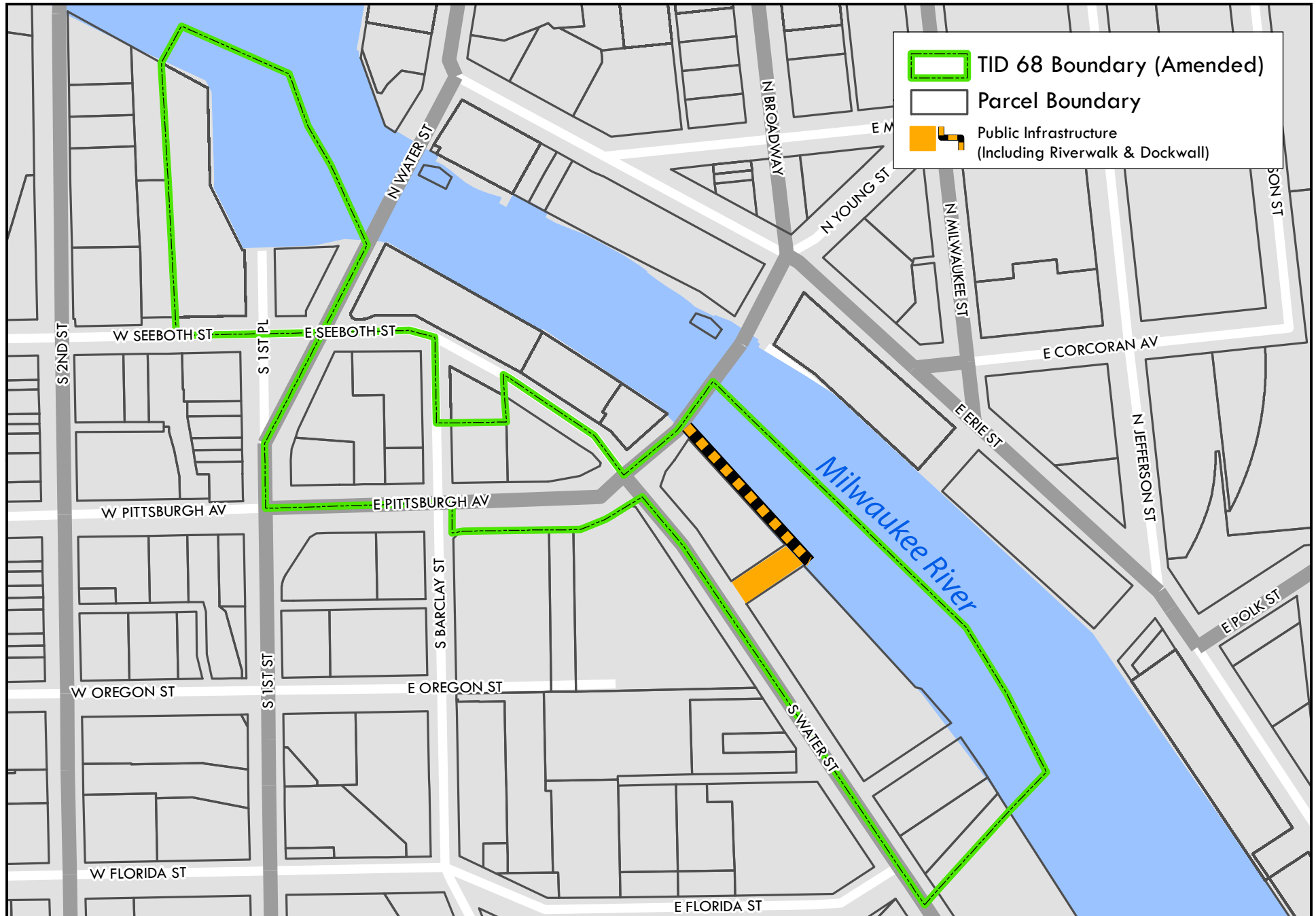
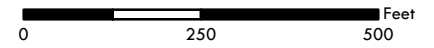
STRUCTURE CONDITION



TID 68: FIFTH WARD - FIRST PLACE, MAP 3 (AMENDMENT 2)

PROPOSED USES AND IMPROVEMENTS

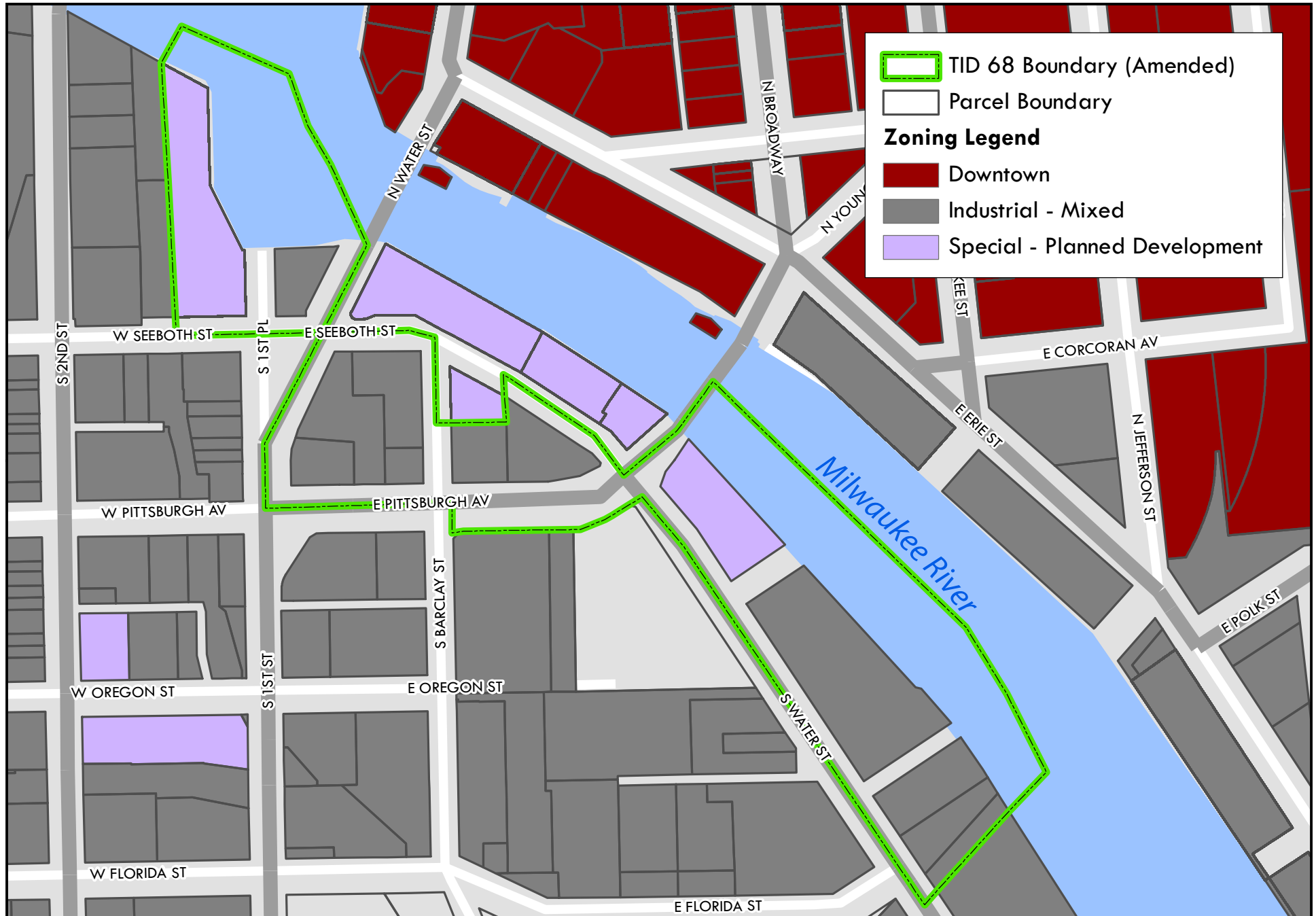
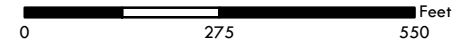
Prepared by the Department of City Development, 7/13/2016
Source: City of Milwaukee Information and Technology Management Division



TID 68: FIRST PLACE LOFTS, MAP 4 (AMENDMENT 2)

EXISTING ZONING

Prepared by the Department of City Development, 6/9/2016
Source: City of Milwaukee Information and Technology Management Division



TID 68 Boundary (Amended)
Parcel Boundary

Zoning Legend

- Downtown
- Industrial - Mixed
- Special - Planned Development