

**AMENDMENT NO. 2**

**PROJECT PLAN FOR  
TAX INCREMENTAL FINANCING DISTRICT NO. 39  
(City Center Hilton)**

**CITY OF MILWAUKEE**

**Public Hearing Held: June 16, 2016**

**Redevelopment Authority Adopted:**

**Common Council Adopted:**

**Joint Review Board Adopted:**

**AMENDMENT NO. 2 to the PROJECT PLAN for  
TAX INCREMENTAL FINANCING DISTRICT NUMBER 39  
CITY OF MILWAUKEE  
(City Center Hilton)**

**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.

Section 66.1105(2)(f)1.n., permits that amendment to fund projects located outside, but within one half-mile of the district's boundary.

The City of Milwaukee created Tax Incremental District No. 39 (the "District") in 2000 for the purpose of providing financial assistance for the construction of an 850 space parking structure and for streetscaping improvements adjacent to the structure. In 2015, the District was amended to provide \$700,000 towards the pavement of West Juneau Avenue between North Old World Third Street and North 6th Street.

Amendment No. 2 to the District will provide \$4,000,000 towards the 4th Street Extension of the Milwaukee Streetcar, as well as preliminary engineering, planning and related work for an extension of the Milwaukee Streetcar to the Bronzeville neighborhood, as shown in the attached "**Amended Map No. 3, Proposed Improvements and Uses**".

**Amendments to the Project Plan:**

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

**Add the following text to the end of Section I C. "Project Plan Goals and Objectives":**

- Implement a Catalytic Project, as set forth in the Downtown Area Plan 2010 Update, which calls for the creation of the streetcar line and a Wisconsin Avenue Strategy.
- Provide funding for public improvements and infrastructure that are not financially feasible without public/private cooperation.

**Add the following text to the end of Section II.A., "The following is a description of the kind, number, and location of all proposed Public Works or Improvements within the District":**

- c) Construction of the 4th Street extension of the Milwaukee Streetcar project, and associated public improvements, infrastructure, engineering and planning, as well as preliminary engineering, planning and related work for an extension of the Milwaukee Streetcar to the Bronzeville neighborhood, within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats.

The proposed sources of funding for the 4th Street Extension are as follows:

Federal Funding:	\$20 million
TID 39 (Hilton Hotel):	\$4 million
TID 41 (Time Warner/Manpower):	\$8 million
TID 88 (4th/Wisconsin) :	\$8 million
<b>TOTAL:</b>	<b>\$40 million</b>

**Replace the “Summary of TID Contribution to Capital Cost” table in Section II.B., with the following table:**

<b>ORIGINAL PROJECT PLAN</b>	
Administration	\$27,226
Capital Cost	\$5,220,068
Interest Cost	\$2,388,668
<b>SUB-TOTAL</b>	<b>\$7,635,962</b>
<b>AMENDMENT NO. 1</b>	
Paving	\$700,000
Est. Interest Cost	\$28,000
<b>SUB-TOTAL Amendment 1</b>	<b>\$728,000</b>
<b>AMENDMENT NO. 2</b>	
Public Infrastructure – Milwaukee Streetcar	\$4,000,000
Est. Interest Cost	\$850,000
<b>SUB-TOTAL Amendment No. 2</b>	<b>\$4,850,000</b>
<b>EST. TOTAL COST OF AMENDED PLAN</b>	<b>\$13,213,962</b>

**Replace the Section II.C “Project Financing and Timetable for Expenditures”, with the following:**

All expenditures are expected to be incurred during the period from 2016-2022.

The City may proceed to fund any or all Project Costs using general obligation bonds or notes, or RACM revenue bonds to be issued in amounts which can be supported using tax increments in the District.

**Replace the Section II.D “List of Estimated Non-Project Costs”, with the following:**

The proposed 4th Street extension of the Milwaukee Streetcar will require up to \$20 million in federal funding, however, there are no City-related Non-Project Costs.

**Add the following text to the end of Section II.F “Statement Indicating How District Creation Promotes Orderly Development”, with the following:**

In addition, this amendment to the District will provide a means to continue the revitalization of downtown Milwaukee, and more specifically, West Wisconsin Avenue, consistent with the objectives of the Downtown Area Plan, updated in 2010. The Downtown Area Plan identified the Downtown Streetcar and Wisconsin Avenue Strategy as catalytic projects for downtown Milwaukee, each of which will be accomplished, in part, by this amendment to the District.

**Replace Exhibit 4: Economic Feasibility Study”, with the following:**

Attached is a feasibility analysis for Amendment No. 2 to the District. Based upon the anticipated tax incremental revenue to be generated by the District, the District is financially feasible and it likely to be retired on or before 2023, the 23rd year of the District. Accordingly, the District is determined to be feasible.

**Map No. 3, “Proposed Improvements and Uses,” is replaced with the attached “Amended Map No. 3, Proposed Improvements and Uses”.**

**Opinion of City Attorney letter is deleted and replaced with the attached letter from the City Attorney.**

**TID No. 39 (City Center Hilton) Feasibility 2016**

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Developer Payments	Administrative Expenses	Paving Costs	4th St Extension	Cash flow	Total Cum. Cash Flow	After reserving for remaining debt Surplus/(deficit)	TID Payoff
1	2000	2001	23,863,400	23,863,400	-	-					-	-	(13,406,248)	
2	2001	2002	23,863,400	37,892,200	14,028,800	395,616	(395,616.00)				-	-	(13,010,632)	No
3	2002	2003	23,863,400	39,056,100	15,192,700	423,366	(418,366.00)	(4,108.00)			892	892	(12,587,266)	No
4	2003	2004	23,863,400	39,772,300	15,908,900	420,114	(415,114.24)				5,000	5,892	(12,167,152)	No
5	2004	2005	23,863,400	43,089,200	19,225,800	501,032	(496,033.00)	(1,000.00)			3,999	9,891	(11,666,120)	No
6	2005	2006	23,863,400	46,097,000	22,233,600	542,715	(542,716.00)	(1,000.00)			(1,001)	8,890	(11,123,405)	No
7	2006	2007	23,863,400	49,478,900	25,615,500	564,502	(554,502.00)	(2,669.00)			7,331	16,221	(10,558,903)	No
8	2007	2008	23,863,400	50,344,200	26,480,800	594,769	(589,769.00)	(3,567.00)			1,433	17,654	(9,964,134)	No
9	2008	2009	23,863,400	55,122,000	31,258,600	749,768	(749,767.99)	(5,028.00)			(5,028)	12,626	(9,214,366)	No
10	2009	2010	23,863,400	45,269,200	21,405,800	545,365	(545,365.00)	(612.00)			(612)	12,014	(8,669,001)	No
11	2010	2011	23,863,400	40,292,500	16,429,100	440,212	(440,212.00)	(1,624.00)			(1,624)	10,390	(8,228,789)	No
12	2011	2012	23,863,400	41,321,600	17,458,200	497,591	(497,590.98)	(2,659.00)			(2,659)	7,731	(7,731,198)	No
13	2012	2013	23,863,400	41,048,100	17,184,700	522,720	(522,720.27)	(2,659.00)			(2,659)	5,072	(7,208,478)	No
14	2013	2014	23,863,400	52,569,300	28,705,900	892,654	(892,654.24)	(1,650.00)			(1,650)	3,421	(6,315,824)	No
15	2014	2015	23,863,400	41,871,800	18,008,400	548,309	(548,309.00)	(650.00)			(650)	2,771	(5,767,515)	No
16	2015	2016	23,863,400	48,284,300	24,420,900	745,862			(700,000)		45,862	48,633	(5,021,653)	No
17	2016	2017	23,863,400	46,586,500	22,723,100	681,693				(681,693)	-	48,633	(4,339,960)	No
18	2017	2018	23,863,400	47,052,365	23,188,965	695,669				(695,669)	-	48,633	(3,644,291)	No
19	2018	2019	23,863,400	47,522,889	23,659,489	709,785				(709,785)	-	48,633	(2,934,507)	No
20	2019	2020	23,863,400	47,998,118	24,134,718	724,042				(724,042)	-	48,633	(2,210,465)	No
21	2020	2021	23,863,400	48,478,099	24,614,699	738,441				(738,441)	-	48,633	(1,472,024)	No
22	2021	2022	23,863,400	48,962,880	25,099,480	752,984				(752,984)	-	48,633	(719,040)	No
23	2022	2023	23,863,400	49,452,508	25,589,108	767,673				(767,673)	-	48,633	48,633	YES
24	2023	2024	23,863,400	49,947,034	26,083,634	782,509					782,509	831,142	831,142	YES
25	2024	2025	23,863,400	50,446,504	26,583,104	797,493					797,493	1,628,635	1,628,635	YES
26	2025	2026	23,863,400	50,950,969	27,087,569	812,627					812,627	2,441,263	2,441,263	YES
27	2026	2027	23,863,400	51,460,479	27,597,079	827,912					827,912	3,269,175	3,269,175	YES
					16,675,423	(7,608,736)	(27,226)	(700,000)	(5,070,287)	3,269,175				

Annual appreciation	1.010
Base Value	23,863,400
Property Tax rate	3.000%

NPV @ 4.75% 4,213,965

# TID 39: AMENDED MAP NO. 3

## PROPOSED IMPROVEMENTS AND USES

Prepared by the Department of City Development, 5/27/2016  
 Source: City of Milwaukee Information and Technology Management Division

