

**AMENDMENT NO. 2**

**PROJECT PLAN FOR  
TAX INCREMENTAL FINANCING DISTRICT NO. 49  
(CATHEDRAL PLACE)**

**CITY OF MILWAUKEE**

**Public Hearing Held: February 20, 2020**

**Redevelopment Authority Adopted:**

**Common Council Adopted:**

**Joint Review Board Adopted:**

**AMENDMENT NO. 2 to the PROJECT PLAN for  
TAX INCREMENTAL FINANCING DISTRICT NUMBER 49  
CITY OF MILWAUKEE  
(Cathedral Place)**

**Introduction**

Wis. Stat. 66.1105 (4)(h)(1) permits the Redevelopment Authority, subject to the approval of the Common Council and Joint Review Board, to amend a project plan for a tax incremental financing district.

Wis. Stat. 66.1105 (2)(f)1.n. permits, with Joint Review Board approval (Wis. Stat. 66.1105 (4m)(d)), inclusion in a project plan project costs incurred for territory located within a one half-mile of the district's boundaries and within the city that created the district.

Wis. Stat. 66.1105 (6)(f) allows an existing tax incremental district to donate positive tax increments to another existing tax incremental district if certain conditions are met.

The Common Council created Tax Incremental District No. 49 (Cathedral Place) (referred to as the “**District**” or “**TID 49**”) in 2002 for the purpose of facilitating development of a mixed-use building on the southwest corner of East Wells and North Jackson Streets called Cathedral Place. The building is comprised of 200,000 SF of office space, 24,000 SF of retail, 30 residential condominiums and 940 structured parking spaces. The building was completed in 2003. Funding in the amount of \$25,400,000 was provided from TID 49 to acquire the land, design and construct the parking structure.

Amendment No. 1 to TID 49 was approved in 2011 to provide \$9.7 million from TID 49 for a portion of the local match for the Milwaukee Streetcar Project. In 2018, the initial route of the Milwaukee Streetcar began service.

Amendment No. 2 to TID 49 would:

- provide up to \$1,850,000 in funding for public infrastructure improvements within a one half-mile radius of the TID 49 District boundaries, and
- provide up to \$7,754,926 in donations from TID 49 to Tax Incremental District No. 74 (North 35th Street and West Capitol Drive) (referred to as “**TID 74**”).

**Amendments to the TID 49 Project Plan:**

The following amendments are made to the TID 49 Project Plan. All other sections of the TID 49 Project Plan remain unchanged.

**I. DESCRIPTION OF THE PROJECT**

**Sub-Section C, “Plan Objectives,” is deleted and restated, as follows:**

**C. Plan Objectives**

The first Plan objective was to assist in the development of a mixed use development comprised of a 200,000 square foot office building, 24,000 square feet of retail space, 30 residential condominiums totaling 58,700 square feet with an underground parking garage and an approximately 940-stall above grade parking garage. The second Plan objective was to fund the local match for the locally preferred

alternative of the Milwaukee Streetcar. The third Plan objective is to provide funding for public infrastructure improvements within a one half-mile radius of the TID 49 District boundaries. The fourth Plan objective is to provide donations of positive tax increments from TID 49 to TID 74.

The more detailed objectives of the Project Plan are to:

1. Increase the attractiveness of Milwaukee's downtown, as an office, shopping and residential location.
2. Strengthen the economic vitality of the downtown by introducing new stores and retailing formats, foster additional housing development, increasing parking supply and transportation alternatives, such as the Milwaukee Streetcar.
3. Promote the coordinated development of vacant or underutilized land for appropriate retail, residential, commercial/office, commercial service, parking and hotel uses.
4. Provide public infrastructure improvements that are not feasible without public/private cooperation, including the Milwaukee Streetcar and improvements to the Cathedral Square area.
5. Eliminate obsolete conditions, blighting influences and environmental deficiencies that impede development and detract from the functionality, aesthetic appearance and economic welfare of this important section of the city.
6. Provide a quality transportation option in the Milwaukee Streetcar, which will help the City attract the investment and talent it needs to strengthen and grow its economy.
7. Create new employment opportunities through short term construction jobs, as well as long term jobs related to the maintenance and operation of the Milwaukee Streetcar.
8. Provide public infrastructure improvements within the one-half mile radius of the TID 49 District boundaries, and specifically within the area shown in Amended Map No. 3: Proposed Improvements and Uses.
9. Provide donations to another tax incremental district, TID 74, which has not created sufficient incremental revenue to recover the TID 74 project costs.

**The following paragraphs shall be added to Sub-Section D, "Proposed Public Action":**

**Public Infrastructure.** Fund up to \$1,850,000 for public infrastructure improvements within the one half-mile radius of the TID 49 District boundaries, per Wis. Stat. 66.1105(2)(f)(1), and specifically within the area shown in Amended Map No. 3: Proposed Improvements and Uses. Public infrastructure improvements may include but are not limited to pedestrian amenities, bicycle amenities and infrastructure (including possible bikeshare stations), landscaping, trees, lighting (including possible harp lights), improvements to Cathedral Square, public art, utility work, street repaving and related professional or administrative services.

**Donations to TID 74.** TID 74 was created in 2009 to provide \$15.6m in funding for the environmental remediation of Century City. To date, TID 74 has not generated any incremental value, despite a redetermination of its base value in 2014. Including interest, TID 74 currently has approximately \$24,752,062 in existing debt. This amendment would provide up to \$7,754,926 in donations from TID 49 (as the donor TID) to TID 74 (as the donee TID), per the below estimated annual payments:

|                                  | TID 49        | Remaining Project Costs to Recover from TID 49 | New Project Costs to Recover from TID 49 | TID 74       |
|----------------------------------|---------------|--|--|--------------|
| Costs to be Recovered            |               | \$372,408                                      | \$2,313,521                              | \$24,752,062 |
| Cash Reserves:                   | (\$3,061,930) | \$372,408                                      | \$2,313,521                              |              |
| Donations from TID 49 to TID 74: |               |  |  |              |
| 2020                             | \$1,519,142   |  |  | \$1,519,142  |
| 2021                             | \$1,534,905   |  |  | \$1,534,905  |
| 2022                             | \$1,550,826   |  |  | \$1,550,826  |
| 2023                             | \$1,566,906   |  |  | \$1,566,906  |
| 2024                             | \$1,583,147   |  |  | \$1,583,147  |
| TOTAL:                           |               |  |  | \$7,754,926  |

Calculations of remaining amounts to be recovered in the TID 49 District and TID 74 are attached as **Exhibits A and B.**

TID 49 is able to make donations to TID 74 because the following conditions have been met:

- TID 49 has not yet terminated (its statutory termination date is 2029) and the City of Milwaukee's Redevelopment Authority created both TID 49 (RACM Resolution No. 9348) and TID 74 (RACM Resolution No. 10105) per Wis. Stat. 66.1105 (6)(f)1.
- The donor TID 49 and the recipient/donee TID 74 have the same overlying taxing jurisdictions per Wis. Stat. 66.1105 (6)(f)1.a.
- The Joint Review Board will have had to have approved the donations (allocation of tax increments) per Wis. Stat. 66.1105 (6)(f)1.b.
- The donations from TID 49 to TID 74 (the allocations of tax increments) that will be made hereunder are allowable under Wis. Stat. 66.1105(6)(f)2.b. because the recipient/donee TID 74 was created upon a finding, contained in City Common Council Resolution No. 090325, that not less than 50% by area of the real property within TID 74 was in need of rehabilitation.
- Allocations of positive tax increments (donations) from TID 49 cannot, and will not, be made until and unless TID 49 has first satisfied all of its current year debt service and project cost obligations per Wis. Stat. 66.1105 (6)(f)3. TID 49 has satisfied all of its current year debt service and project cost obligations.
- The City will not request or receive under Wis. Stat. 66.1105 (7)(am)2. an extension for the life of the donor TID 49 per Wis. Stat. 66.1105 (6)(f)4.

**II. PLAN PROPOSALS**

**Sub-Section A, is deleted and restated as follows:**

A. The following is a description of the kind, number and location of all proposed and completed Public Works or Improvements within the TID 49 District (or in the case of subsection c. below, within a one-half mile radius of TID 49 District boundaries as allowed by Wis. Stat. 66.1105 (2)(f)1.n.):

- a. An eight story, 940 stall parking structure located in the 700 block of North Jackson Street.
- b. Capital costs associated with the Milwaukee Streetcar Project, including utility relocation, utility upgrades, track installation, pavement, curb bumpouts, stations and other infrastructure.
- c. Public Infrastructure improvements within the area shown in Amended Map No. 3: Proposed Improvements and Uses (within TID 49 and within the one-half mile radius of the TID 49 District boundaries) such as pedestrian amenities, bicycle amenities and infrastructure (including possible bikeshare stations), landscaping, trees, lighting (including possible harp lights), improvements to Cathedral Square, public art, utility work, street repaving and related professional or administrative services.

**Sub-Section B, is deleted and restated as follows:**

**TABLE B: Lists of Estimated Project Costs**

|   |  |                   |
|---|--|-------------------|
| A | <u>Capital:</u>                                    |                   |
|   | Parking Structure                                  | \$25,400,000      |
|   | Streetcar Infrastructure (Amend. No. 1)            | \$9,700,000       |
|   | Public Infrastructure (Amend. No. 2)               | \$1,850,000       |
|   | Total Capital:                                     | \$36,950,000      |
| B | <u>Other:</u>                                      |                   |
|   | Donations to TID 74 (Amend. No. 2)                 | \$7,754,926       |
|   | Total Estimated Project Costs, excluding financing | \$44,704,926      |
| C | <u>Financing:</u>                                  |                   |
|   | Interest payments                                  | \$ <u>614,807</u> |

**Sub-Section 3(a), “Description of Timing and Methods of Financing” is deleted and restated, as follows:**

All Amendment No. 2 expenditures are expected to be incurred in 2019-25.

**Sub-Section 3(b), “Estimated Method of Financing Project Costs,” is deleted and restated as follows:**

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

**Sub-Section 4, “Economic Feasibility Study,” is deleted and restated as follows:**

The Economic Feasibility Study for Amendment No. 2 to the District is attached as **Exhibit 1, “Economic Feasibility Study for Amendment No. 2 to the Cathedral Place TID No. 49.”**

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 2025, the 24th year of the District. Accordingly, the amendment to the District is determined to be feasible.

**Sub-Section 6, “Map Showing Proposed Improvements and Uses:” Map No. 3 is deleted and replaced with “TID 49: Cathedral Place, Amended Map No. 3: Proposed Improvements and Uses”, attached.**

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

| <b>Exhibit A: Breakeven Schedule for TID 49 Cathedral Place</b> |               |
|---|---------------|
|   |               |
| Life-to-date 10-31-19 project expenditures                      | \$ 19,284,674 |
| Interest payments through December 31, 2018                     | 107,929       |
|   |               |
| Remaining encumbrance   | 61,384        |
| Remaining appropriation   | 311,024       |
| Projected future expenses                                       | 1,850,000     |
|   |               |
| Add bond interest costs:  |               |
| Scheduled 2019 to maturity                                      | 43,357        |
| Estimated interest on future borrowings                         | 463,521       |
|   |               |
| Total project costs   | 22,121,889    |
|   |               |
| Life-to-date 10-31-19 project revenues                          | (3,334,661)   |
|   |               |
| Bond proceeds in excess of principal debt service payments      | (0)           |
|   |               |
| Net project costs to be recovered through tax increments        | 18,787,227    |
|   |               |
| Tax increments levied:  |               |
| 2003  | 1,592         |
| 2004  | 87,138        |
| 2005  | 935,782       |
| 2006  | 1,009,345     |
| 2007  | 1,240,479     |
| 2008  | 1,369,779     |
| 2009  | 1,249,242     |
| 2010  | 1,426,904     |
| 2011  | 1,267,777     |
| 2012  | 1,286,896     |
| 2013  | 1,368,326     |
| 2014  | 1,583,001     |
| 2015  | 1,627,853     |
| 2016  | 1,643,640     |
| 2017  | 1,531,306     |
| 2018  | 1,509,352     |
| 2019  | 1,489,388     |
|   |               |
|   |               |
| Total tax increments levied                                     | 20,627,800    |
|   |               |
| Remaining costs to recover                                      | (1,840,572)   |
|   |               |
| Remaining recovery years  | 10            |

| <b>Exhibit B: Breakeven Schedule for TID 74 N. 35th &amp; Capitol Dr.</b> |               |
|---|---------------|
|   |               |
| Life-to-date 12-31-19 project expenditures                                | \$ 16,753,085 |
| Interest payments through December 31, 2018                               | 5,128,662     |
|   |               |
| Remaining appropriation   | -             |
|   |               |
| Add bond interest costs:  |               |
| Scheduled 2019 to maturity  | 2,910,232     |
| Carrying costs  | 44,392        |
| Estimated future capitalized interest                                     | -             |
|   |               |
| Total project costs   | 24,836,371    |
|   |               |
| Life-to-date 12-31-19 project revenues                                    | (84,309)      |
|   |               |
| Bond proceeds in excess of principal debt service payments                | (0)           |
|   |               |
| Net project costs to be recovered through tax increments                  | 24,752,062    |
|   |               |
| Tax increments levied:  |               |
| 2009  | -             |
| 2010  | -             |
| 2011  | -             |
| 2012  | -             |
| 2013  | -             |
| 2014  | -             |
| 2015  | -             |
| 2016  | -             |
| 2017  | -             |
| 2018  | -             |
| 2019  | -             |
|   |               |
| Total tax increments levied   | -             |
|   |               |
| Remaining costs to recover  | 24,752,062    |
|   |               |
| Remaining recovery years  | 17            |



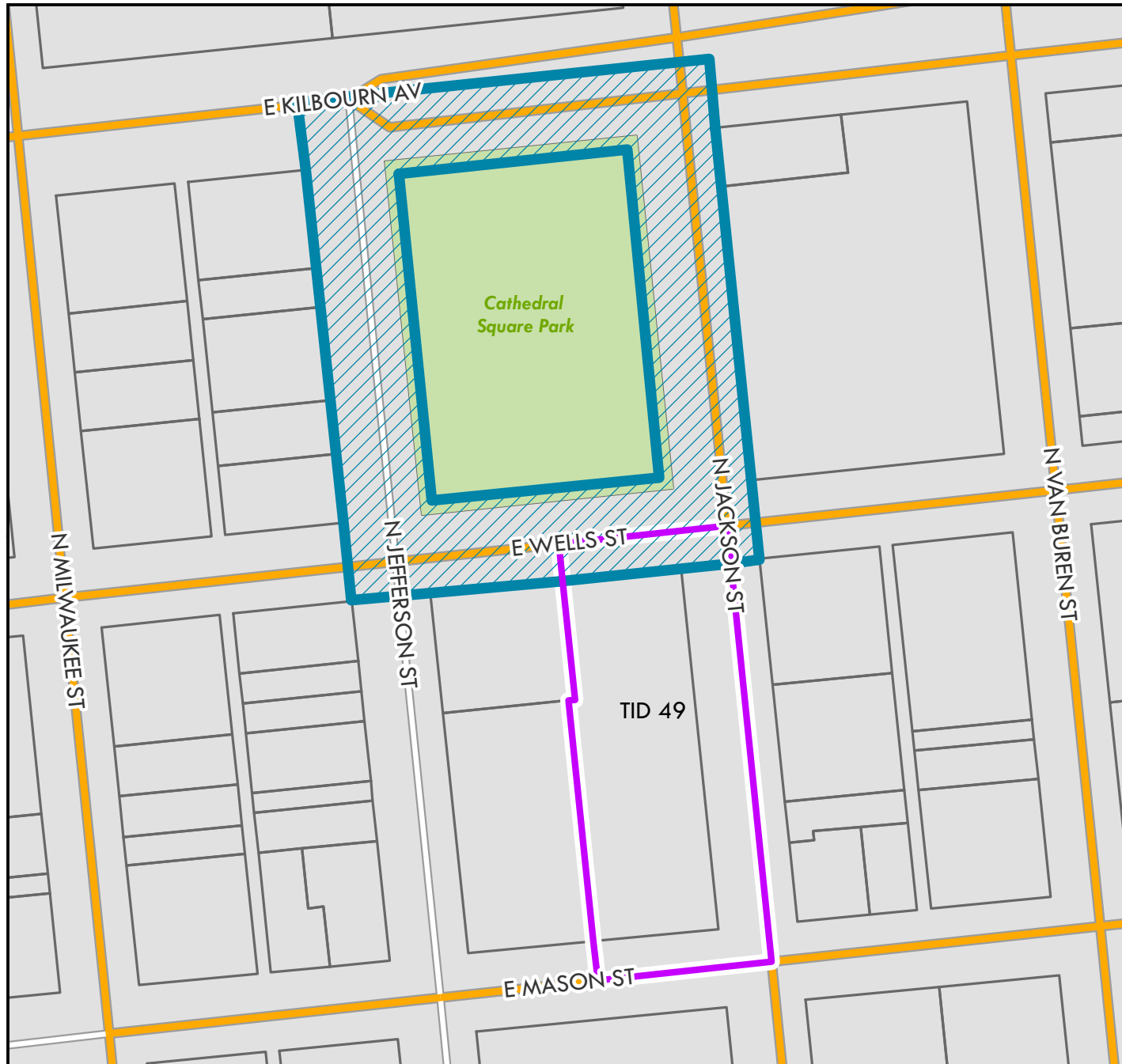
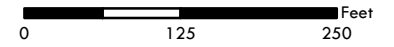
**Exhibit 1: Economic Feasibility Study for Amendment No. 2 to the Cathedral Place TID 49**

| No. | Assessment Year | Budget Year | Base Value | Projected Value | TID Incremental Value | Total Increment | Cathedral Bond Payments | Original or New Non-Streetcar Projects Debt Service | Streetcar Cash Financed | Revenues  | New Debt Service | Donation to TID 74 | Total       |                | After reserving for remaining debt Surplus/(deficit) | TID Payoff |
|-----|-----------------|-------------|------------|-----------------|-----------------------|-----------------|-------------------------|---|-------------------------|-----------|------------------|--------------------|-------------|----------------|--|------------|
|     |                 |             |            |                 |                       |                 |                         |   |                         |           |                  |                    | Cash flow   | Cum. Cash Flow |  |            |
| 1   | 2001            | 2002        | 2,052,700  | 2,052,700       | -                     |                 |                         |   |                         |           |                  |                    | -           | -              | (20,001,879)   |            |
| 2   | 2002            | 2003        | 2,052,700  | 2,052,700       | -                     |                 |                         |   |                         |           |                  |                    | -           | -              | (20,001,879)   | No         |
| 3   | 2003            | 2004        | 2,052,700  | 2,113,000       | 60,300                | 1,592           | (1,592)                 |   |                         |           |                  |                    | -           | -              | (20,001,879)   | No         |
| 4   | 2004            | 2005        | 2,052,700  | 5,396,400       | 3,343,700             | 87,138          | (82,138)                |   |                         |           |                  |                    | 5,000       | 5,000          | (19,996,879)   | No         |
| 5   | 2005            | 2006        | 2,052,700  | 40,389,200      | 38,336,500            | 935,782         | (935,783)               |   |                         | 33,512    |                  |                    | 33,511      | 38,511         | (19,963,368)   | No         |
| 6   | 2006            | 2007        | 2,052,700  | 47,853,900      | 45,801,200            | 1,009,345       | (999,345)               |   |                         | 31,138    |                  |                    | 41,138      | 79,649         | (19,922,230)   | No         |
| 7   | 2007            | 2008        | 2,052,700  | 57,282,300      | 55,229,600            | 1,240,479       | (1,230,479)             |   |                         | 31,993    |                  |                    | 41,993      | 121,642        | (19,880,237)   | No         |
| 8   | 2008            | 2009        | 2,052,700  | 59,160,200      | 57,107,500            | 1,369,779       | (1,344,779)             |   |                         | 30,249    |                  |                    | 55,249      | 176,891        | (19,824,988)   | No         |
| 9   | 2009            | 2010        | 2,052,700  | 51,086,000      | 49,033,300            | 1,249,242       | (1,224,242)             |   |                         | 34,374    |                  |                    | 59,374      | 236,265        | (19,765,614)   | No         |
| 10  | 2010            | 2011        | 2,052,700  | 55,306,000      | 53,253,300            | 1,426,904       | (1,416,904)             |   |                         | 33,105    |                  |                    | 43,105      | 279,370        | (19,722,509)   | No         |
| 11  | 2011            | 2012        | 2,052,700  | 46,533,200      | 44,480,500            | 1,267,777       | (1,257,777)             |   |                         | 27,424    |                  |                    | 37,424      | 316,794        | (19,685,085)   | No         |
| 12  | 2012            | 2013        | 2,052,700  | 44,360,100      | 42,307,400            | 1,286,896       | (1,276,897)             | (70,002)  |                         | 33,964    |                  |                    | (26,039)    | 290,755        | (19,641,122)   | No         |
| 13  | 2013            | 2014        | 2,052,700  | 46,055,200      | 44,002,500            | 1,368,326       |                         | (19,846)  |                         | 2,677,237 |                  |                    | 4,025,717   | 4,316,472      | (15,595,559)   | No         |
| 14  | 2014            | 2015        | 2,052,700  | 54,085,000      | 52,032,300            | 1,583,001       |                         | (102,491)   |                         | 281,173   |                  |                    | 1,761,683   | 6,078,155      | (13,731,385)   | No         |
| 15  | 2015            | 2016        | 2,052,700  | 55,351,600      | 53,298,900            | 1,627,853       |                         | (583,864)   |                         | 32,921    |                  |                    | 1,076,910   | 7,155,065      | (12,070,611)   | No         |
| 16  | 2016            | 2017        | 2,052,700  | 57,871,600      | 55,818,900            | 1,643,640       |                         | (19,846)  | (8,678,786)             | 3,273     |                  |                    | (7,051,719) | 103,346        | (10,423,698)   | No         |
| 17  | 2017            | 2018        | 2,052,700  | 53,912,800      | 51,860,100            | 1,531,306       |                         | (78,811)  |                         | 37,821    |                  |                    | 1,490,316   | 1,593,662      | (8,854,571)  | No         |
| 18  | 2018            | 2019        | 2,052,700  | 56,235,500      | 54,182,800            | 1,509,352       |                         | (77,349)  |                         | 46,477    |                  |                    | 1,478,480   | 3,072,142      | (7,298,742)  | No         |
| 19  | 2019            | 2020        | 2,052,700  | 56,039,600      | 53,986,900            | 1,489,388       |                         | (77,174)  |                         |           | (257,058)        |                    | 1,155,156   | 4,227,298      | (5,809,354)  | No         |
| 20  | 2020            | 2021        | 2,052,700  | 56,599,996      | 54,547,296            | 1,519,142       |                         | (75,873)  |                         |           | (257,058)        | (1,519,142)        | (332,931)   | 3,894,368      | (4,290,212)  | No         |
| 21  | 2021            | 2022        | 2,052,700  | 57,165,996      | 55,113,296            | 1,534,905       |                         | (74,470)  |                         |           | (257,058)        | (1,534,905)        | (331,528)   | 3,562,840      | (2,755,306)  | No         |
| 22  | 2022            | 2023        | 2,052,700  | 57,737,656      | 55,684,956            | 1,550,826       |                         | (74,920)  |                         |           | (257,058)        | (1,550,826)        | (331,978)   | 3,230,862      | (1,204,480)  | No         |
| 23  | 2023            | 2024        | 2,052,700  | 58,315,032      | 56,262,332            | 1,566,906       |                         |   |                         |           | (257,058)        | (1,566,906)        | (257,058)   | 2,973,804      | 362,426  | YES        |
| 24  | 2024            | 2025        | 2,052,700  | 58,898,183      | 56,845,483            | 1,583,147       |                         |   |                         |           | (257,058)        | (1,583,147)        | (257,058)   | 2,716,746      | 1,945,572  | YES        |
| 25  | 2025            | 2026        | 2,052,700  | 59,487,165      | 57,434,465            | 1,599,550       |                         |   |                         |           | (257,058)        |                    | 1,342,492   | 4,059,238      | 3,545,122  | YES        |
| 26  | 2026            | 2027        | 2,052,700  | 60,082,036      | 58,029,336            | 1,616,117       |                         |   |                         |           | (257,058)        |                    | 1,359,059   | 5,418,297      | 5,161,239  | YES        |
| 27  | 2027            | 2028        | 2,052,700  | 60,682,857      | 58,630,157            | 1,632,850       |                         |   |                         |           | (257,058)        |                    | 1,375,792   | 6,794,089      | 6,794,089  | YES        |
|     |                 |             |            |                 |                       | 33,231,243      | (9,769,936)             | (1,254,646)   | (8,678,786)             | 3,334,661 | (2,313,521)      | (7,754,926)        | 6,794,089   |                |  |            |




|                     |           |
|---------------------|-----------|
| Annual appreciation | 1.010     |
| Interest Rate       | 4.50%     |
| Base Value          | 2,052,700 |
| Property Tax rate   | 2.785%    |
| New Project Costs   | 1,850,000 |

# TID 49: CATHEDRAL PLACE, AMENDED MAP NO. 3 PROPOSED IMPROVEMENTS AND USES

Prepared by the Department of City Development Planning Division, 1/10/2020  
Source: City of Milwaukee Information Technology Management Division



## MAP LEGEND

-  TID 49 Boundary
-  Parcel Boundary
-  Public Infrastructure Improvements