

**PROJECT PLAN FOR  
TAX INCREMENTAL FINANCING DISTRICT NO. 115  
(NM North)**

**CITY OF MILWAUKEE**

**Public Hearing Held: February 16, 2023**

**Redevelopment Authority Adopted: February 16, 2023**

**Common Council Adopted:**

**Joint Review Board Adopted:**

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## I. DESCRIPTION OF THE 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.

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

### B. District Boundaries and Compliance with Statutory Eligibility Criteria

The NM North (“District” or “TID”) comprises two properties located 818 East Mason Avenue and 777 North Cass Street, totaling approximately 167,583 square feet (“SF” as used herein) (collectively, the “Property”) in the City of Milwaukee (“City”). The District is shown in **Map No. 1, “Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** 100% of the real property located within the District was found to be in need of rehabilitation or conservation work within the meaning of 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. None (0%) of the real property located within the District is considered vacant property within the meaning of Section 66.1105(4)(gm) of the Wisconsin Statutes. The percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is estimated by the City to be 1.79%, which, is below the 35% threshold described in Wisconsin Statute 66.1105 (5)(b).

### C. Project Background

#### Property

The Property includes an approximately 540,000 square foot office building (located at 818 East Mason Street) built in 1989 (the “North Building”), owned and occupied by The Northwestern Mutual Life Insurance Company (the “Company”) and an approximately 1,090-stall parking structure (located at 777 North Cass Street), also owned by the Company.

#### Proposed Project

The Company has been headquartered in downtown Milwaukee for over 150 years and is a major local employer, with a workforce of over 4,480 full-time employees assigned to its downtown campus. In 2013, the Company constructed the 1.1 million square foot Tower & Commons at 800 East Wisconsin to provide additional space for growth.

The Company proposes to invest approximately \$500 million in extensive internal and external renovations of the North Building, including adding approximately 80,000 square feet of new useable space, as well as pedestrian improvements and plaza space outside of the North Building (the “Project”). Once completed, the Project will create a unified downtown campus for the Company and improve the employee experience in the workplace, which will help the Company attract and retain world class talent and further community engagement and partnerships. Upon completion, the Company will grow its downtown workforce to at least 5,750 employees by 2030.

The City is proposing to provide up to a \$30,000,000 developer-financed grant to the Company from this District for investing approximately \$500 million in the renovation of the Property and locating at minimum 5,750 employees at the Property, per the attached term sheet, **Exhibit 6, “NM North Term Sheet”**, and allocating \$10,000 each year for administrative expenses in connection with administering the grant.

The City is also proposing to provide up to \$10,000,000 from the District to fund public infrastructure improvements within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats, outlined in more detail in Section II.A of this Project Plan and \$250,000 in administrative expenses in connection with administering the public infrastructure improvements.

#### Plans for the Property and Neighborhood

In 2010, the City adopted the Downtown Area Plan Update. The plan places an emphasis on increasing the “employment density throughout the entire Downtown,” which this Project will help accomplish. <https://city.milwaukee.gov/DCD/Planning/PlansStudies/AreaPlans/DowntownPlan>

#### D. Project Plan Goals and Objectives

More detailed goals and objectives of this Project Plan are to:

- Retain and attract family-supporting jobs to the City.
- Increase the tax base of the City by redeveloping a property in need of rehabilitation or conservation.
- Provide public infrastructure improvements within the one-half mile radius of the District boundaries, and specifically within the area shown in **Map No. 3: “Proposed Improvements and Uses”**.

#### E. Existing Land Uses and Conditions in the District

The District is currently comprised of two properties assessed at \$71,762,800 in 2022. The Property in the District is zoned C9F(A) (Office and Service).

## II. PLAN PROPOSALS

The following statements, maps and exhibits are provided in compliance with Section 66.1105(4)(f) of the Wisconsin Statutes.

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

Funds generated from the District will be used for the following purposes:

Monetary Obligation (\$30,000,000): In an effort to retain and attract jobs to the District, the City shall provide annual cash grants to the Company, if the Company meets its employment projections. Company will advance all costs for the Project. City will make annual payments to the Company equal to 75% of the incremental taxes collected in the District from real and personal property (less \$10,000 in annual expenses), until such time as up to \$30,000,000 is repaid by the payments at an interest rate of 4.5%, over a period not to exceed 23 years (the “Monetary Obligation”) per the attached term sheet, **Exhibit 6, “NM North Term Sheet.”**

Public Infrastructure (\$10,000,000): The City shall design and construct public infrastructure improvements within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats. Public infrastructure improvements may include pedestrian amenities, bicycle amenities, traffic calming elements, new pavement, landscaping, street trees, lighting (including possible harp lights), utility work and professional or administrative services. Specific public infrastructure projects are listed below and shown in “**Map No. 3: Proposed Improvements and Uses**”:

- Initial funding for the reconstruction of East Michigan Street/North Lincoln Memorial Drive/North Cass Street as part of the Lakefront Gateway project, including design and construction of traffic calming elements, bike and pedestrian facilities, new pavement, street

trees, landscaping, streetscaping, traffic signals, street lighting and storm water management features (approximately \$6,000,000).

- Extension of the all ages and abilities bike facility on East Kilbourn Avenue from North Jackson Street to North Astor Street, as well as improvements to the existing all ages and abilities bike facility on East Kilbourn, from North Water Street to North Jackson Street (approximately \$1,000,000).
- Improvements to the East Kilbourn Avenue/North Astor Street/North Prospect Avenue intersection to provide better bike and pedestrian crossings, as well as traffic calming elements (approximately, \$1,000,000).
- Installation of an all ages and abilities bike facility between East Mason Street and East Kilbourn Avenue, which may be performed by Milwaukee County (approximately \$500,000).
- Pedestrian path, lighting, building and landscape improvements to Juneau Park, which may be performed by Milwaukee County (approximately \$400,000).
- Improvements to the section of the Oak Leaf Trail between Lincoln Memorial Drive and East Mason Street, which may be performed by Milwaukee County (approximately \$250,000).
- Installation of a new sidewalk on the east side of Lincoln Memorial Drive, from the Milwaukee Art Museum north to the bottom of the Mason Street bridge (approximately \$250,000).
- Pedestrian path improvements, lighting improvements and fountain removal at Cathedral Square (approximately \$100,000).
- Contingency for the public infrastructure improvements (\$500,000).

B. “Detailed List of Estimated Project Costs.”

The costs included in this subsection and detailed in Table B which follows are, without limitation because of enumeration, eligible project costs as defined under Section 66.1105(2)(f) and, if appropriate, in any cooperation agreement(s) entered into by and between the City of Milwaukee, Redevelopment Authority of the City of Milwaukee, Milwaukee County and eligible designated companies or developer(s), provided further that such expenditures are necessitated by this Project Plan.

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

Capital Costs

The District shall fund an estimated \$40,000,000 in the form of TID Capital Project Costs enumerated in further detail in **Table A** of this Plan.

<b>TABLE A: TID Capital Project Costs</b>	
Monetary Obligation	\$30,000,000
Public Infrastructure	\$10,000,000
<b>TOTAL Capital Project Costs</b>	<b>\$40,000,000</b>

Other Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs.

Financing Costs

Financing costs include estimated gross interest expenses on the Monetary Obligation to repay the Company. Estimates of interest are based on interest rates as set forth in the Economic Feasibility Analysis, attached as **Exhibit 4, “Feasibility Study.”** The City reserves the right to

prepay the Monetary Obligation to Company, which could require issuance of general obligation debt, as described in the term sheet, attached as **Exhibit 6, “NM North Term Sheet.”**

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

<u>Capital:</u> Monetary Obligation	\$30,000,000
Public Infrastructure	\$10,000,000
<u>Other:</u> Administration (\$250,000 + \$10,000 x 23 years)	\$480,000
Total Estimated Project Costs, excluding financing	\$40,480,000
<u>Financing:</u> Interest	\$19,115,000

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

All expenditures for the Project Costs are expected to be incurred during the period from 2023-2046.

The City may proceed to fund any or all of the Public Infrastructure 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.

The annual cash grants to the Company for the Monetary Obligation will be paid from incremental taxes generated annually in the District.

D. “Economic Feasibility Study.”

The Economic Feasibility Study for this District is attached to this Project Plan as **Exhibit 4, “Feasibility Study”**. The study establishes the dollar value of the 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 District.

Based upon the anticipated tax incremental revenue to be generated by the District, the District is financially feasible. The Monetary Obligation and all Project Costs are likely to be paid off on or before year 2045, the 23rd year of the District. Accordingly, the District is determined to be feasible.

E. “Map Showing Existing Uses and Conditions.”

Please refer to **Map No. 1, “Boundary and Existing Land Use,”** and **Map No. 2, “Structure Condition”** and **Exhibit 3, “Parcel Owners”** in the Exhibits Section which follows.

F. “Map Showing Proposed Uses and Improvements.”

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

G. “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 Plan is consistent with the existing zoning, which is C9F(A) (Office and Service). The proposed Project Plan is in accordance with the existing master plan, map, building codes, and other

city ordinances. The proposed Project Plan should not require amendments to their provisions, but such amendments could be made if necessary without further amendment to this Project Plan.

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

There are no Non-Project Costs.

I. "Proposed Method for Relocation."

This 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. Should the acquisition of property by condemnation and relocation be necessary, the cost and method of relocation will be included in a redevelopment plan and associated relocation plan prepared in cooperation with the Redevelopment Authority, pursuant to Section 66.1333 and Section 32.05 of the Wisconsin Statutes. 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.

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

The creation of the District will provide a means to continue the revitalization of Milwaukee, consistent with the objectives of the Downtown Area Plan Update, adopted in 2010. The District will also facilitate the redevelopment of a property in need of rehabilitation or conservation and increase employment opportunities in Milwaukee.

K. "Opinion of the City Attorney."

Please refer to **Exhibit 5, "Letter from the City Attorney."**

**EXHIBIT 1**  
**Boundary Description**

Beginning at a point at the intersection of the west line of North Marshall Street and the north line of East Mason Street;

Thence, west along the north line of East Mason Street to its intersection with the east line of North Van Buren Street;

Thence, north along the east line of North Van Buren Street to its intersection with the north line of 777 North Cass Street;

Thence, east along the north line of 777 North Cass Street to its intersection with the west line 777 North Cass Street;

Thence, north along the west line of 777 North Cass Street to its intersection with the south line of East Wells Street;

Thence, east along the south line of East Wells Street to its intersection with the west line of North Marshall Street;

Thence, south along the west line of North Marshall Street to the point of beginning and more particularly depicted in Map 1 of this Project Plan.



**EXHIBIT 2**  
**Property Characteristics**

Findings substantiating that not less than 50%, by area, of the real property within the proposed district is in need or rehabilitation or conservation within the meaning of Section 66.1105(4)(gm)4.a Wisconsin Statutes.

<b>Parcel No.</b>	<b>Address</b>	<b>Taxkey</b>	<b>Owner Name</b>	<b>Land Assessment</b>	<b>Improvement Assessment</b>	<b>Total Assessment</b>	<b>Lot SF</b>	<b>In Need of Rehabilitation or Conservation SF</b>	<b>Vacant SF</b>	<b>Retail SF</b>
1	818 East Mason Avenue	392-1636-110	Northwestern Mutual Life Insurance Company	\$8,624,900	\$54,265,500	\$62,890,400	95,832	95,832	0	3,000
2	777 North Cass Street	393-0462-000	Northwestern Mutual Life Insurance Company	\$6,457,600	\$2,414,800	\$8,872,400	71,751	71,751	0	0

**TOTAL:** **\$15,082,500      \$56,680,300      \$71,762,800      167,583      167,583      0      3,000**

**PERCENTAGE:** **100.00%      100.00%      0.00%      1.79%**

**EXHIBIT 3**  
**Parcel Owners**

<b>Parcel No.</b>	<b>Address</b>	<b>Taxkey</b>	<b>Owner Name</b>
1	818 East Mason Avenue	392-1636-110	Northwestern Mutual Life Insurance Company
2	777 North Cass Street	393-0462-000	Northwestern Mutual Life Insurance Company

## EXHIBIT 4

### ECONOMIC FEASIBILITY STUDY FOR NM NORTH TID (NO. 115)

#### **Background:**

The City of Milwaukee is proposing to create the NM North Tax Incremental District No. 115 (the “District”) to fund annual cash grants to the Company to facilitate the project, if the Company meets certain employment projections and other community benefit requirements to be set forth in a separate Cooperation and Development Agreement. Company will advance all costs for the Project. City will make annual payments to the Company equal to 75% of the incremental taxes collected in the District from real and personal property (less \$10,000 in annual expenses), until such time as up to \$30,000,000 is repaid by the payments at an interest rate of 4.5%, over a period not to exceed 23 years (the “Monetary Obligation”).

The City is also proposing to provide up to \$10,000,000 from the District to fund public infrastructure improvements within the District and within a one half-mile radius of the District boundary and \$250,000 in administrative expenses using the remaining 25% of incremental tax revenue.

The District is comprised of two properties located at 818 East Mason Avenue and 777 North Cass Street, totaling approximately 167,583 square feet of land (the “Property”).

#### **Current Property Valuation:**

The assessment of the Property as of 1/1/2022 was \$71,762,800. Minimal changes to the Property occurred in 2022, and thus, \$71,762,800 is the estimated base value of the proposed District with a base year of 2023.

#### **Anticipated Future Value of the District:**

The Property includes the North Building office building at 818 East Mason Street and the parking structure at 777 North Cass Street. The North Building is an approximately 542,000 square foot office building built in 1989 with a 2022 assessment of \$62,890,400 (\$116/SF). The parking structure, contains 1,090 spaces, built in 1977, with a 2022 assessment of \$8,872,400 (\$8,140/space). As part of the Project, the redevelopment of the North Building will include adding approximately 80,000 square feet of useable space, for a final total of approximately 622,000 square feet. Below is an analysis of the projected values for the office and parking components of the Project.

#### Office Value

After the Project is completed, the North Building will have approximately 622,000 SF of office space and will be classified as a Class A office building with attached structured parking. The Company will be investing approximately \$500 million to redevelop the North Building (\$800/SF).

Recent and nearby new construction, single-tenant office buildings, offer good comparable buildings, such as:

- The Northwestern Mutual Tower and Commons (800 East Wisconsin Avenue), completed in 2015 is an approximately 1,140,000 SF Class A office building with a 2022 assessment of \$308,330,600 (\$270/SF). Approximately 400,000 SF of this building is common space, such as lobby, gathering spaces and meeting rooms, while the remaining approximately 700,000 SF is traditional office space. It has access to attached parking, through a skywalk to the North Building.

- The Zurn Headquarters (511 West Freshwater Way), completed in 2016 at the Reed Street Yards in Walker's Point, is an approximately 53,199 SF Class A office building with a 2022 assessment of \$13,410,000 (\$252/SF). This property has adjacent surface parking.
- The Manpower Headquarters (201 West Cherry Street), completed in 2007 near Schlitz Park, is an approximately 280,000 SF Class A office building with a 2022 assessment of \$67,583,400 (\$241/SF). It has an attached parking structure.

The updated North Building will have significantly newer improvements than the above comparable buildings, is in a better location than the Zurn and Manpower properties and will have less common space than the Northwestern Mutual Tower and Commons. Therefore, for the purposes of this feasibility study, it is assumed that the redeveloped North Building, with 662,000 square feet of office space, will be assessed at \$177,440,000 (\$285/SF) upon stabilization in 2026. This feasibility study also assumes that no development occurs on the approximately 20,000 square foot surface parking lot to the north of the North Building, which is part of the 818 East Mason Street parcel.

#### Parking Value

The following are comparable parking structures in the area:

- The Historic Third Ward Water Street parking structure (130 North Water Street), completed in 1999, has 365 parking spaces and was assessed at \$4,443,900 in 2022 (\$12,175/space). This structure also includes occupied retail space.
- The Plaza East parking structure (330 East Wells Street), completed in 1983, has 747 parking spaces and was assessed at \$8,917,400 in 2022 (\$11,937/space). This structure also includes occupied retail space.
- The Historic Third Ward Milwaukee Street parking structure (212 North Milwaukee Street), completed in 1994, has 550 parking spaces and was assessed at \$6,188,800 in 2022 (\$11,252/space). This structure also includes occupied retail space.
- The Cathedral Place parking structure (520 East Mason Street), completed in 2003, has 962 parking spaces and was assessed at \$8,626,000 in 2022 (\$8,966/space). This structure also includes occupied retail space.

Based on the above comparable buildings and the lack of retail space in the parking structure, for the purposes of this feasibility study, it is assumed that the parking structure will be assessed at \$9,810,000 (\$9,000/space) upon stabilization in 2026.

#### Total Value

Therefore, combined, it is anticipated that the Property will increase in value from \$71,762,800 to \$187,250,000 (\$177,440,000 + \$9,810,000) upon stabilization in 2026.

#### **Anticipated District Cash Flow:**

Attached as Table 1 is the cash flow forecast for the proposed District. Basic parameters of this forecast are:

- Base Value: \$71,762,800
- Tax Rate: 2.524%
- Interest Rate: 5.25% (City Debt)
- Interest Rate: 4.5% (Monetary Obligation)
- Annual Appreciation: 1.00%
- Project Costs (City Financed Public Infrastructure and Admin): \$10,250,000
- Company Financed/Monetary Obligation: \$30,000,000
- Annual Admin Costs: \$10,000 annually

As shown in the forecast, the District is able to amortize the Monetary Obligation and all Project Costs in the District on or before year 2045, the 23rd year of the District. Given this estimate, the proposed District is determined to be feasible and capable of amortizing the Project Costs within the statutory life of the proposed District.

**Table 1: TID #115 Feasibility**

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Annual Expenses	75%		Total Cash flow	Cum. Cash Flow	After reserving for remaining debt Surplus/(deficit)	TID Payoff
								Dev. Share of Increment	Debt Service				
1	2023	2024	71,762,800	71,762,800	-	-	(10,000)			(10,000)	(10,000)	(68,021,507)	
2	2024	2025	71,762,800	71,762,800	-	-	(10,000)	-	(543,506)	(553,506)	(563,506)	(68,031,507)	No
3	2025	2026	71,762,800	93,625,000	21,862,200	551,802	(10,000)	(413,851)	(543,506)	(415,556)	(979,062)	(67,489,705)	No
4	2026	2027	71,762,800	187,250,000	115,487,200	2,914,897	(10,000)	(2,186,173)	(543,506)	175,218	(803,844)	(64,584,808)	No
5	2027	2028	71,762,800	189,122,500	117,359,700	2,962,159	(10,000)	(2,221,619)	(543,506)	187,033	(616,811)	(61,632,650)	No
6	2028	2029	71,762,800	191,013,725	119,250,925	3,009,893	(10,000)	(2,257,420)	(1,118,733)	(376,260)	(993,070)	(58,632,756)	No
7	2029	2030	71,762,800	192,923,862	121,161,062	3,058,105	(10,000)	(2,293,579)	(1,118,733)	(364,207)	(1,357,277)	(55,584,651)	No
8	2030	2031	71,762,800	194,853,101	123,090,301	3,106,799	(10,000)	(2,330,099)	(1,118,733)	(352,033)	(1,709,310)	(52,487,852)	No
9	2031	2032	71,762,800	196,801,632	125,038,832	3,155,980	(10,000)	(2,366,985)	(1,118,733)	(339,738)	(2,049,048)	(49,341,872)	No
10	2032	2033	71,762,800	198,769,648	127,006,848	3,205,653	(10,000)	(2,404,240)	(1,118,733)	(327,320)	(2,376,368)	(46,146,219)	No
11	2033	2034	71,762,800	200,757,345	128,994,545	3,255,822	(10,000)	(2,441,867)	(1,118,733)	(314,777)	(2,691,146)	(42,900,397)	No
12	2034	2035	71,762,800	202,764,918	131,002,118	3,306,493	(10,000)	(2,479,870)	(1,118,733)	(302,110)	(2,993,255)	(39,603,903)	No
13	2035	2036	71,762,800	204,792,567	133,029,767	3,357,671	(10,000)	(2,518,253)	(1,118,733)	(289,315)	(3,282,570)	(36,256,232)	No
14	2036	2037	71,762,800	206,840,493	135,077,693	3,409,361	(10,000)	(2,557,021)	(1,118,733)	(276,393)	(3,558,963)	(32,856,871)	No
15	2037	2038	71,762,800	208,908,898	137,146,098	3,461,568	(10,000)	(2,596,176)	(1,118,733)	(263,341)	(3,822,304)	(29,405,303)	No
16	2038	2039	71,762,800	210,997,987	139,235,187	3,514,296	(10,000)	(2,635,722)	(1,118,733)	(250,159)	(4,072,463)	(25,901,007)	No
17	2039	2040	71,762,800	213,107,967	141,345,167	3,567,552	(10,000)	(2,675,664)	(1,118,733)	(236,845)	(4,309,309)	(22,343,455)	No
18	2040	2041	71,762,800	215,239,046	143,476,246	3,621,340	(10,000)	(2,716,005)	(1,118,733)	(223,398)	(4,532,706)	(18,732,115)	No
19	2041	2042	71,762,800	217,391,437	145,628,637	3,675,667	(10,000)	(2,756,750)		908,917	(3,623,790)	(15,066,448)	No
20	2042	2043	71,762,800	219,565,351	147,802,551	3,730,536	(10,000)	(2,797,902)		922,634	(2,701,156)	(11,345,912)	No
21	2043	2044	71,762,800	221,761,005	149,998,205	3,785,955	(10,000)	(2,839,466)		936,489	(1,764,667)	(7,569,957)	No
22	2044	2045	71,762,800	223,978,615	152,215,815	3,841,927	(10,000)	(2,881,445)		950,482	(814,185)	(3,738,030)	No
23	2045	2046	71,762,800	226,218,401	154,455,601	3,898,459	(10,000)	(2,923,845)		964,615	150,430	150,430	YES
24	2046	2047	71,762,800	228,480,585	156,717,785	3,955,557				3,955,557	4,105,987	4,105,987	YES
25	2047	2048	71,762,800	230,765,391	159,002,591	4,013,225				4,013,225	8,119,212	8,119,212	YES
26	2048	2049	71,762,800	233,073,045	161,310,245	4,071,471				4,071,471	12,190,683	12,190,683	YES
27	2049	2050	71,762,800	235,403,775	163,640,975	4,130,298				4,130,298	16,320,981	16,320,981	YES
						84,562,488		(42,649,197)	(16,717,555)	16,320,981			

Annual appreciation	1.010
Interest Rate	5.25%
Base Value	71,762,800
Projected Value	187,250,000
Property Tax rate	2.524%
Issuance Costs	102,500
Project Costs	10,250,000

Public Infrastructure and administration

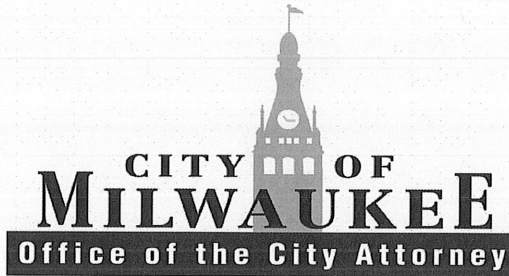
NPV @ 4.50% 30,016,550

**EXHIBIT 5**  
**Letter from the City Attorney**

**(see next page)**

**TEARMAN SPENCER**  
City Attorney

**ODALO J. OHIKU**  
**ROBIN A. PEDERSON**  
**S.TODD FARRIS**  
**JENNIFER L. WILLIAMS**  
Deputy City Attorneys



Milwaukee City Hall Suite 800 • 200 East Wells Street • Milwaukee, Wisconsin 53202-3551  
Telephone: 414.286.2601 • TDD: 414.286.2025 • Fax: 414.286.8550

**HEIDI WICK SPOERL**  
**KATHRYN Z. BLOCK**  
**THOMAS D. MILLER**  
**PETER J. BLOCK**  
**PATRICK J. MCCLAIN**  
**HANNAH R. JAHN**  
**JULIE P. WILSON**  
**MEIGHAN M. ANGER**  
**ALEXANDER R. CARSON**  
**ALEXANDER T. MUELLER**  
**ALEXANDER D. COSSI**  
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**NICHOLAS R. SINRAM**  
**TAVISS K. SMITH**  
**KATHERINE A. HEADLEY**  
**L. ANTHONY JACKSON**  
**STACY J. MILLER**  
**MICHAEL C. RADAVICH**  
**JORDAN M. SCHETTLE**  
**THERESA A. MONTAG**  
**TYLER M. HELSEL**  
**NANCY A. DOMINSKI**  
**ALEXANDER E. FOUNDOS**  
**CHRISTOPHER P. JACKSON**  
**JAMES D. LEWIS**  
**TRAVIS J. GRESHAM**  
**KYLE W. BAILEY**  
**JOSEPH M. DOBBS**  
**WILLIAM K. HOTCHKISS**  
**CLINT B. MUCHE**  
Assistant City Attorneys

February 24, 2023

Lafayette L. Crump, Commissioner  
Department of City Development  
809 North Broadway, 2<sup>nd</sup> Floor  
Milwaukee, WI 53202

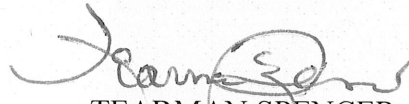
Re: Project Plan for Tax Incremental Financing District No. 115 (NM North).

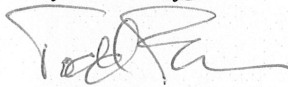
Dear Commissioner Crump:

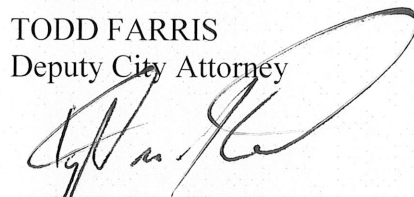
Pursuant to your request, we reviewed the Project Plan for Tax Incremental Financing District No. 115 (NM North) (the "Plan").

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

Very truly yours,

  
TEARMAN SPENCER  
City Attorney

  
TODD FARRIS  
Deputy City Attorney

  
TYLER M. HELSEL  
Assistant City Attorney





**EXHIBIT 6**  
**NM North Term Sheet**

**(see next page)**

## TERM SHEET 1/17/23

### (NM North— TID No. 115)

#### Project

The Northwestern Mutual Life Insurance Company (“NM”)\* has been headquartered in Milwaukee for over 150 years and is a major local employer, with a workforce of over 4,480 full-time equivalent employees at its downtown campus. Moreover, NM employees, financial representatives, contractors and consultants not located in Milwaukee make numerous trips annually to the NM headquarters, generating significant economic benefits to the City, including over 16,000 overnight stays annually in local hotels.

Pursuant to a development agreement between the City and NM dated as of December 1, 2013 (the "Tower & Commons Development Agreement"), with the City’s financial assistance, NM demolished its former 450,000 square foot East Building at 800 East Wisconsin Avenue and constructed in its place an approximately 1.1 million square foot office tower (the “Tower & Commons”). The Tower & Commons was completed in 2017 and has supported NM's workforce in downtown Milwaukee in lieu of expanding its facilities and increasing its workforce at NM’s office complex in Franklin. (The NM Franklin campus is currently comprised of two office buildings, each with capacity for additional employees. The Franklin campus also has room to construct two additional office buildings.)

Part of NM’s downtown Milwaukee campus includes an approximately 540,000 square foot building located at 818 East Mason (the “North Building”). The North Building requires significant capital investment to retain its functional utility. NM is faced with making such significant capital investment in its downtown Milwaukee campus or repositioning a segment of its downtown workforce to its Franklin campus. The downtown Milwaukee option will involve extensive internal and external renovations (including potentially recladding the North Building to mirror the architecture of the Tower & Commons), new connecting structures and a pedestrian plaza on Cass Street, at an estimated cost that may exceed \$500 million. The downtown Milwaukee option is significantly more expensive than repositioning a portion of NM's workforce to the Franklin campus. However, NM's strong corporate culture provides NM with a strategic advantage within its industry and aggregating its workforce at a single site is integral to retaining and enhancing that culture. The downtown Milwaukee option provides NM with an opportunity to improve the employee/user experience at the workplace, attract and retain world class talent, foster inter-company collaboration and further community engagement and partnerships. It is the expectation of NM management that its employees assigned to downtown will expend the majority of their time at NM's downtown headquarters when fulfilling their employment obligations. It also allows NM to capitalize on the signature architecture of the Tower & Commons and make a powerful statement regarding the

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\* Certain capitalized terms used in this Term Sheet are defined on Attachment 1.

longstanding and mutually beneficial relationship between NM and the City. From the City's perspective, it ensures the retention of NM's downtown employment base, strengthens the relationship between the City and NM and conveys a clear message that Milwaukee is a vibrant and business-friendly community. Accordingly, the City is willing to proceed with assisting NM with the renovation of the North Building and the other items set forth herein (the "Project") in accordance with this Term Sheet.

To the west of the North Building, located at 777 North Cass Street, is a parking structure owned by NM (the "Parking Structure"). Collectively, The Tower & Commons, North Building, Parking Structure and South Building (located at 720 East Wisconsin Avenue), are referred to as the "Downtown NM Campus". When complete, the Downtown NM Campus will have capacity for up to 9,000 individuals.

### **Property**

The North Building and Parking Structure (collectively, the "Property") are owned in their entirety by NM. NM would like to vacate North Cass Street between East Mason Street and East Wells Street and include such area within the Project.

### **Approximate Development Schedule**

Subject to *Force Majeure*, NM contemplates commencing construction of the Project by June 30, 2023, and substantially completing the Project by June 30, 2027.

### **Parties**

City, NM and the Redevelopment Authority of the City of Milwaukee.

### **Development Agreement**

The transaction contemplated by this Term Sheet is independent of the Tower & Commons project and shall have no effect upon nor modify the terms of the Tower & Commons Development Agreement, except to the limited extent provided in the Employment Requirement section below.

### **Cass Street Vacation**

As part of the Project, NM requests that the City vacate a portion of North Cass Street located between East Wells Street and East Mason Street ("Vacated Cass Street") so that NM can construct a connecting pedestrian plaza that will complement NM's downtown campus and significantly activate the area. City shall follow all appropriate statutory and City ordinance requirements to act upon such requests.

### **Design Review**

Plans and specifications for the Project shall be subject to the reasonable review and approval of City's Commissioner of City Development (the "Commissioner") and the City's Commissioner of Public Works, if applicable.

## **Tax Incremental District**

City intends to create a Tax Incremental District ("TID No.115" or the "TID") to assist in funding the Monetary Obligation described herein and other costs as set forth in the Project Plan.

## **NM's Obligations**

In order to receive the financial assistance described herein, NM must fulfill the following obligations, subject to *Force Majeure*:

- A. NM shall undertake the Project in accordance with the Development Schedule referenced above.
- B. NM shall enter into a Human Resources Agreement with City, in a form customary for projects subject to Milwaukee Code of Ordinances Chapters 355 and 370, that will require NM to utilize certified Small Business Enterprises ("SBE") for at least 25% of construction and supply costs and at least 18% of professional services costs (architecture, engineering, etc.) on the construction of the Project and utilize unemployed and underemployed residents, pursuant to City's Residents Preference Program ("RPP"), for no less than 40% of total onsite construction "worker hours" expended on construction of the Project. City and NM shall agree upon a schedule of anticipated SBE and RPP percentages over the life of the Project as required by MCO 355-13-5. If NM is unable to meet the RPP requirements, NM and the City's Office of Equity and Inclusion ("OEI") shall cooperate consistent with MCO 355-7-2-a to attempt to resolve such shortfall. Prior to commencement of the Project, NM or its representatives and the OEI shall meet and confer to determine the eligible project costs subject to the SBE requirements. If NM does not meet the required SBE and RPP percentages set forth in this subsection, then pursuant to MCO Section 355-13-5, a portion of the Monetary Obligation shall be withheld until the percentages are met or may be withheld completely if the percentages are never met. The portion of the Monetary Obligation withheld under this subsection shall be equal to the total amount for which NM is eligible multiplied by that percentage of the SBE and RPP requirements which the NM failed to meet, but in no event in excess of 100% of the total amount for which the NM is eligible.
- C. NM shall meet or exceed its Employment Requirement, as outlined below.
- D. In the event that the Property, or any portion of it, becomes exempt from the payment of real property taxes during the original term of the TID, NM and/or Landlord shall enter into a standard payment in lieu of taxes ("PILOT") agreement with NM agreeing to make PILOT payments to City for the full property tax rate. PILOT payments shall be due until termination of the TID or through the year of the 2045 tax levy, payable in 2046, whichever occurs later.
- E. NM, through its Foundation, is committed to investing in the long-term success of all citizens of Milwaukee. For nearly a decade it has been making investments in resident-driven development efforts in three targeted Milwaukee

neighborhoods: Amani, Metcalfe Park, and Muskego Way. In 2022, it invested \$1.7 million in grants to nearly 30 non-profit organizations focused in these neighborhoods to foster a safer and healthier community.

Moreover, the NM Foundation also donated more than \$3.5 million in 2022 grants to schools, educational programs and non-profits to increase the number of quality seats at high performing public, charter and choice schools – particularly those serving economically disadvantaged students of color. Such donations include a \$1 million grant to support the Dr. Howard Fuller Collegiate Academy, a tuition-free, public charter school open to all students in Milwaukee. The NM Foundation is also providing \$1.6 million in funding over four years to support 80 scholarships and over 50 internships to students participating in the “All-In Milwaukee” program, aimed at helping limited-income, high-potential, diverse students graduate from college.

NM is also committed to improving the health of the community, and in 2021 announced a \$5 million grant to Children’s Wisconsin, to launch both in-hospital navigator and psychosocial programs to help guide patients and families through diagnoses, treatment and recovery from pediatric cancer. It will also expand existing programs and services, such as the Northwestern Mutual Day Hospital for Childhood Cancer, to continue to provide outpatient care for children with cancer and blood disorders. This donation will also support patient care and a community navigator for families impacted by sickle cell disease, an often life-threatening blood disorder that occurs in nearly 1 out of every 400 African American births.

Many of NM’s grants to cultural institutions such as the Milwaukee County Zoo and the United Performing Arts Fund have a particular focus on ensuring area residents regardless of means have access to these entities.

As part of this agreement, NM (either directly or through its foundation) will provide an aggregate amount of \$2,500,000 over the first five years of the TID towards affordable housing efforts and/or efforts to improve the fitness, health or education of economically disadvantaged youth in the City.

- F. In support of the Common Council’s goals under the Community-Oriented, Responsible and Equitable Development Zone Resolution (CORE Resolution) articulated in File No. 190592 related to developments in the central business district, NM shall, with regards to janitorial, security and food service staff serving the Project (either by direct hire, or, if NM does not directly hire such staff, through contracts with third parties for such services), pay workers with such positions at least \$15.00 per hour through 2024, with an annual average escalator of at least 2% each subsequent year thereafter. Additionally, NM shall adhere to the employment protections and sourcing methods contemplated by the CORE Resolution, as well as provide a copy of the CORE Resolution to any contractors providing these services at the Project and require them to adhere to the CORE Resolution, as well as encourage such contractors to recruit city residents living in zip codes identified by the City Clerk pursuant to MCO 355-7-a-1.

## **Monetary Obligation**

NM will advance and City will reimburse NM up to \$30,000,000 out of the TID to partially offset the eligible costs of the Project and for meeting the Employment Requirement set forth below.

The Monetary Obligation consists of a limited and conditional obligation to repay NM an amount up to \$30,000,000, plus interest on the outstanding balance of the Monetary Obligation at 4.5% per year for up to 23 years. Payments on the Monetary Obligation are to be made annually, less annual expenses of \$10,000. City may, at any time or from time to time, without notice, penalty, or fee, prepay all or any portion of the Monetary Obligation.

Interest on the Monetary Obligation shall not begin to accrue until substantial completion of the Project. Prior to substantial completion of the Project, City will deposit an amount equal to 75% of the incremental tax revenue actually received by City from the TID, less annual expenses of \$10,000 into a special fund established for the TID. Upon substantial completion of the Project, such amount shall be disbursed to NM and applied to reduce the principal balance of the Monetary Obligation (though in no event shall this amount be greater than \$30,000,000).

Subsequent to substantial completion of the Project, following the deduction of annual expenses, 75% of incremental tax revenue collected from the TID will be allocated to repay NM for project costs incurred for the Project through payments on the Monetary Obligation (up to \$30,000,000, plus interest). The remaining 25% of tax incremental revenue will be allocated to the City to fund City projects to be determined in the TID Project Plan in the City's sole discretion.

Tax incremental 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. All disbursements of tax incremental revenue received by City from the TID shall be subject to annual appropriation. If not appropriated, City shall not expend such tax incremental revenue for any other TID project costs or for any other purpose. City agrees to negotiate, in good faith, terms and conditions within the definitive agreement which are reasonably acceptable to NM's lender as it pertains to this paragraph.

## **Monetary Obligation Earned**

Upon substantial completion of the Project, NM shall submit a certification detailing Project costs theretofore incurred (together with copies of records, invoices and/or AIA documentation evidencing such expenditures). The amount of the Monetary Obligation shall be deemed earned upon approval of such certification by the Commissioner, and interest will begin to accrue on the balance of the Monetary Obligation as of the date of substantial completion of the Project.

### **Terms of Payments**

City payments on the Monetary Obligation will terminate: (i) at the time the Monetary Obligation is fully paid; or (ii) whether or not the Monetary Obligation has been fully paid, with the payment derived from the 2045 tax levy, payable in 2046, whichever occurs first.

### **Employment Requirement**

NM currently has in excess of 4,480 full-time equivalent employees working at its facilities in the City. This figure includes 3,958 NM employees assigned to the Downtown NM Campus ("Employees Assigned to Downtown", further defined in Attachment 1), as well as contractors and consultants who also work in such facilities. In consideration for the Monetary Obligation, NM will commit to the following employment obligations: (a) during the period of time that the Project is under construction, NM shall continue to abide by the employment requirements of the Tower & Commons Development Agreement, notwithstanding that all or portions of the North Building may be uninhabitable during its renovation; (b) upon completion of the Project, and in any event not later than the calendar year commencing January 1, 2028, NM will commit to have no less than 5,375 Employees Assigned to Downtown and by January 1, 2030, NM will commit to have not less than 5,750 Employees Assigned to Downtown for the duration of the term of the TID (the "Minimum Employee Obligation"). This figure will not include contractors and consultants who will continue to work at the Downtown NM Campus. NM employees who are expected to work remotely will not be deemed to be "assigned" to the Downtown NM Campus. However, NM may elect to count employees who reside in the City but work remotely in achieving the commitment above (there are presently 229 "remote" NM employees who reside in the City). At such time as NM is required to meet the Minimum Employee Obligation, the employment requirements under the Tower & Commons Development Agreement shall terminate and be supplanted in their entirety by the Minimum Employee Obligation.

### **No Sale or Subleasing**

The Downtown NM Campus is being improved to provide space for NM Employees Assigned to Downtown. Accordingly, NM agrees that for the term of the TID, NM will not sell or lease any portion of the Tower & Commons or North Building to any unrelated company without the prior written consent of the City. The foregoing restriction shall not apply to transactions involving affiliated entities, a merger/acquisition, or change of control/demutualization, venture partners, space for retail operators or space for employee amenities (such as health and fitness, medical and daycare facilities). Violation of these terms would constitute a default allowing the City to terminate any further payments of the Monetary Obligation.

### **Zoning and Other Approvals**

The parties will cooperate and use best efforts to apply for, initiate, and attempt to obtain on an expedited basis all TID, zoning, right-of-way vacation and/or dedications and other

governmental and third-party approvals, permits and/or inspections necessary or desirable for the construction of the Project.

### **Report of Costs**

Upon substantial completion of the Project, NM shall provide City with an accounting of the costs incurred for the Project. Such accounting shall be in a form reasonably acceptable to City's Comptroller.

### **General**

This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort, shall be incorporated in one or more agreements, including a Cooperation and Development Agreement for TID No. 115, a human resources agreement and, to the extent necessary to accommodate agreed upon infrastructure improvements, an out of program agreement and easement agreements, each between City and NM. 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 City, the Commissioner will be authorized under these agreements to exercise such discretion and grant such approvals.



## **Attachment 1**

### **DEFINITIONS**

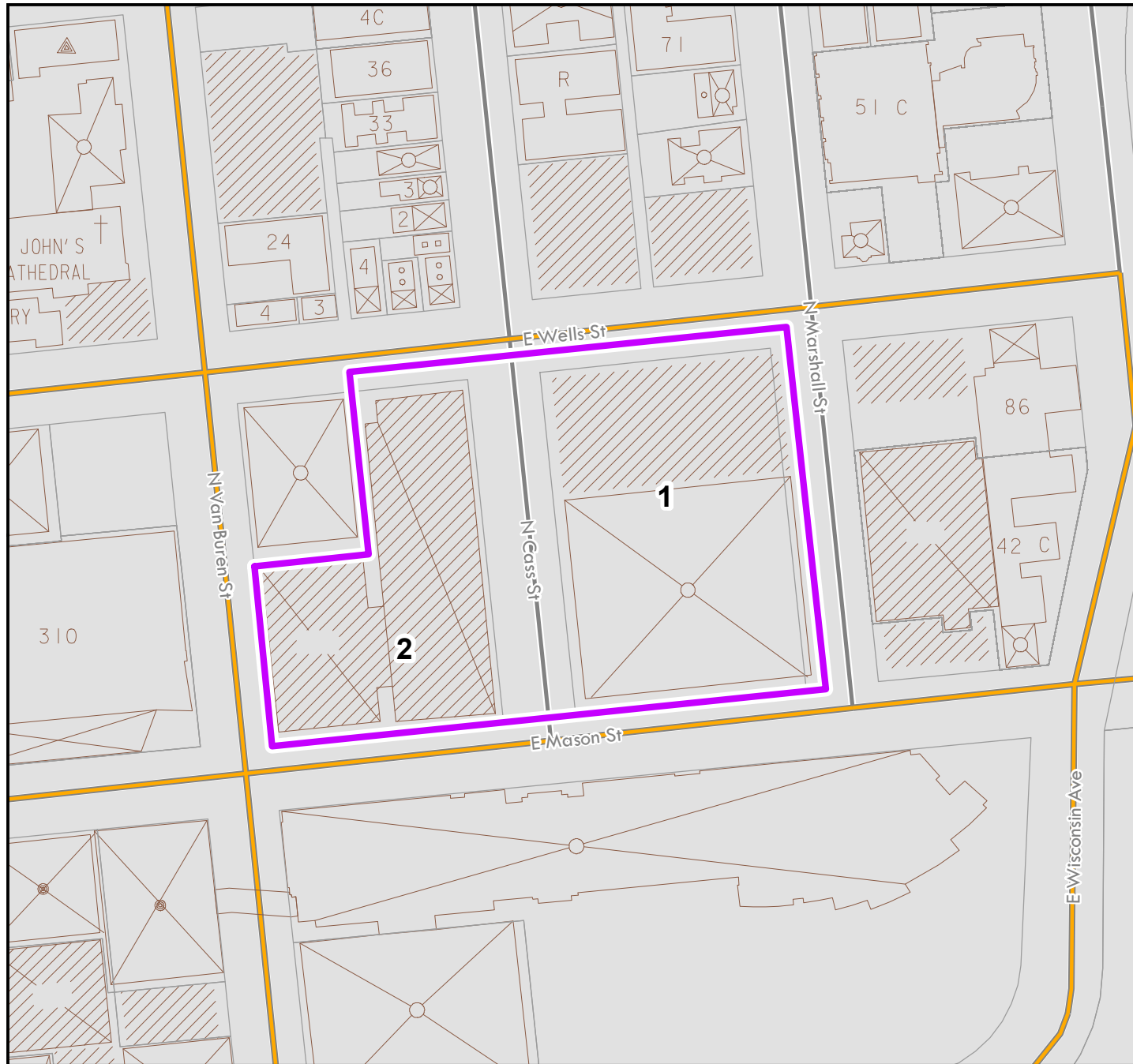
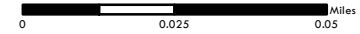
"*Force Majeure*" means circumstances under which any party is delayed or prevented from the performance of any act required by an agreement by reason of fire, earthquake, war, flood, pandemic, epidemic, riot, strikes, labor disputes, labor shortages, supply shortages or delays in deliveries, governmental or judicial orders, public emergency or regulations (including, but not limited to, a public health emergency and regulations related thereto), or other causes beyond the reasonable control of the party obligated to perform, in which case the 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.

"Employees Assigned to Downtown" means employees assigned to the Downtown NM Campus who have space allocated within NM's downtown facilities at all times and are expected to be present on the Downtown NM Campus as and when required to perform such employee's obligations at their own cost (i.e., cannot expense mileage, trainfare, airfare, hotels, per diem or other expenses necessary to commute to the Downtown NM Campus).

"Project Plan" means the Plan for Tax Incremental District No. 115 (NM North).

# TID NO. 115: NM North, MAP 1



## BOUNDARY AND EXISTING LAND USE




































### PROPERTY LIST

No.	Taxkey	Address
1	#392-1636-110	818 East Mason St
2	#393-0462-000	777 North Cass St

### MAP LEGEND

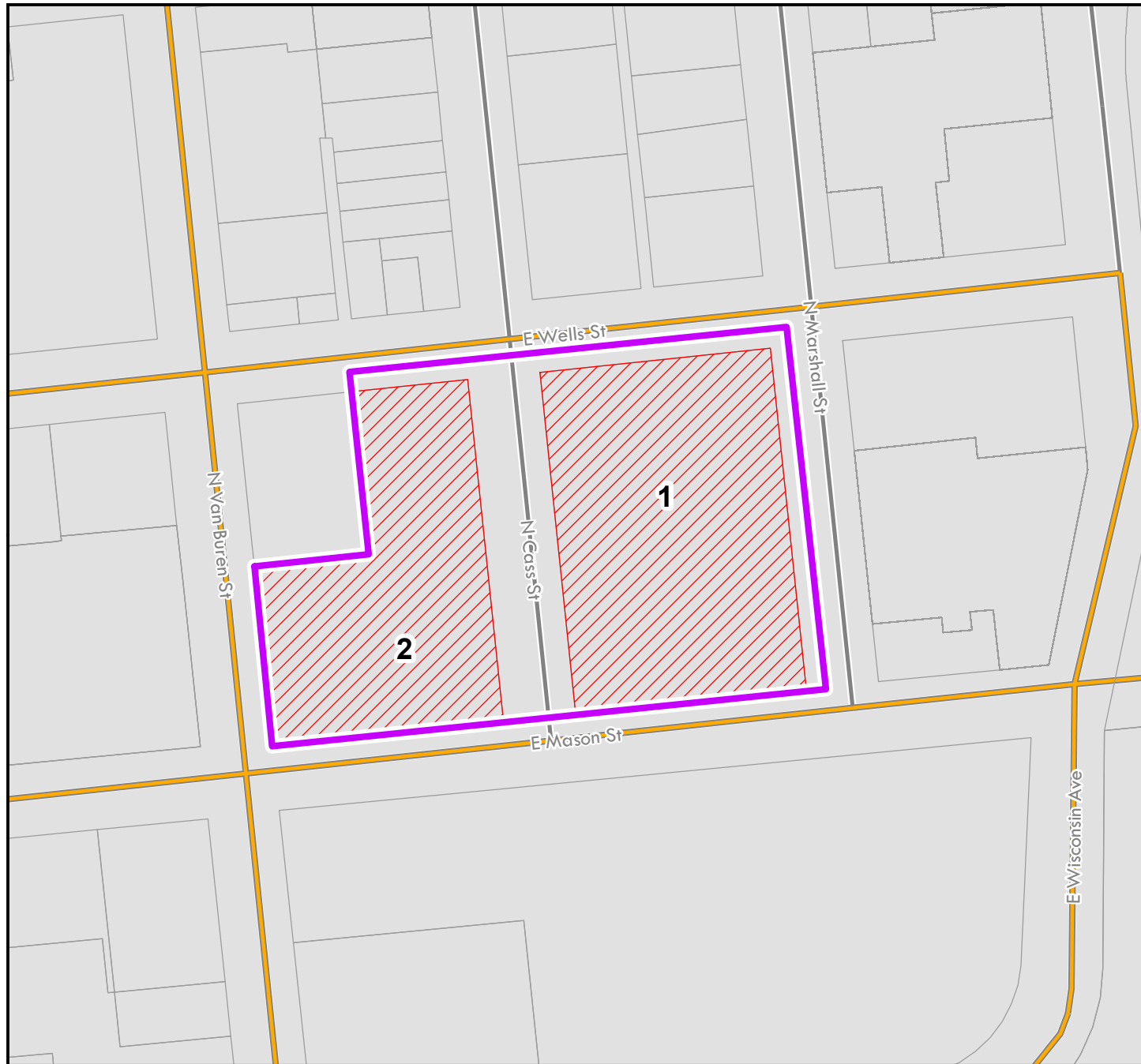
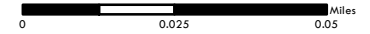
-  TID Boundary
-  Parcel Boundary

### 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 NO. 115: NM North, MAP 2




## STRUCTURE CONDITION



### PROPERTY LIST

No.	Taxkey	Address
1	#392-1636-110	818 East Mason St
2	#393-0462-000	777 North Cass St

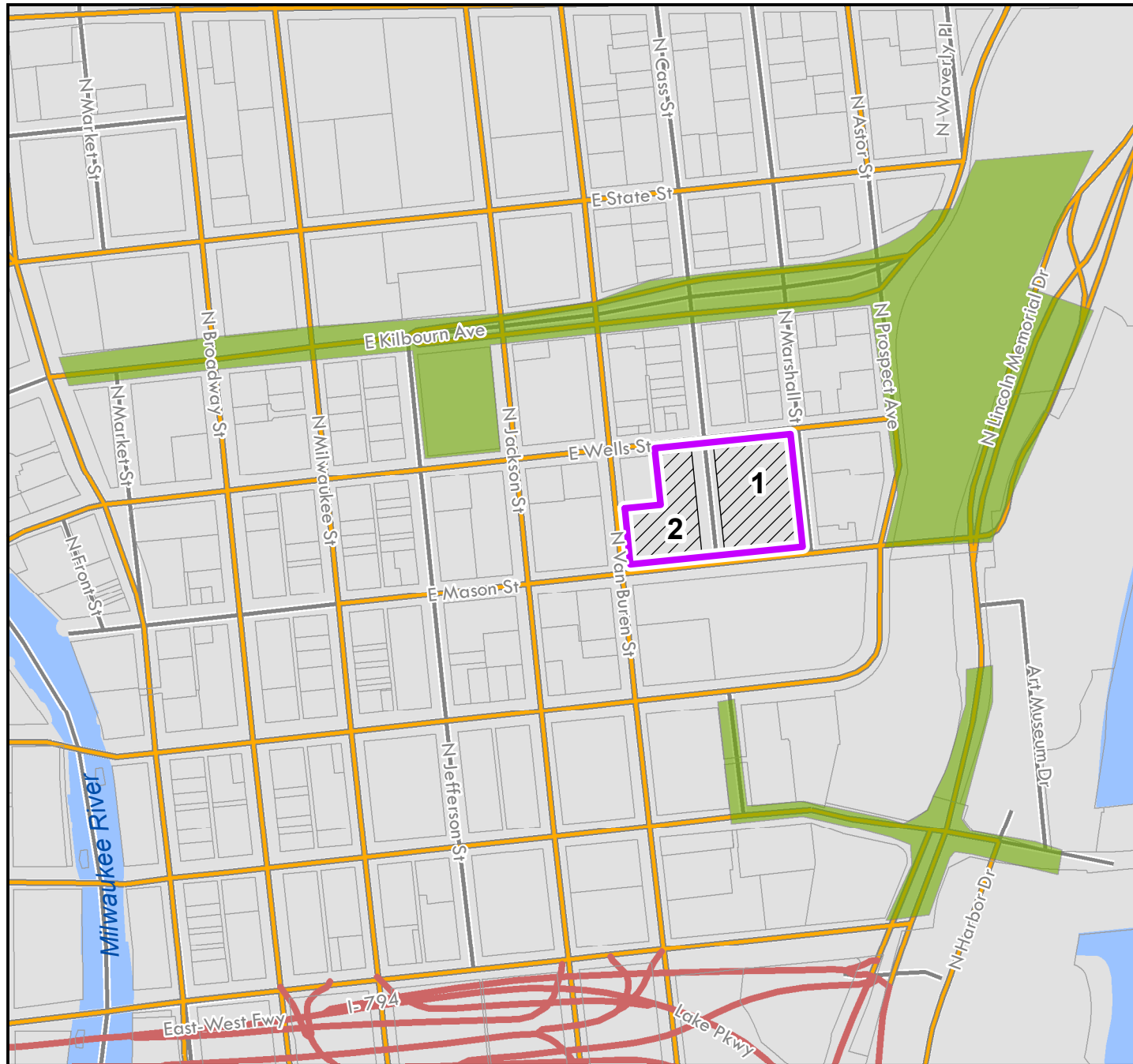
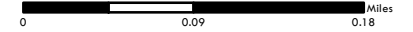
### MAP LEGEND

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

# TID NO. 115: NM North, MAP 3

## PROPOSED USES AND IMPROVEMENTS





Prepared by the Department of City Development Planning Division, 2/2/2023  
 Source: DCD Planning Division; Information Technology Management Division



### PROPERTY LIST

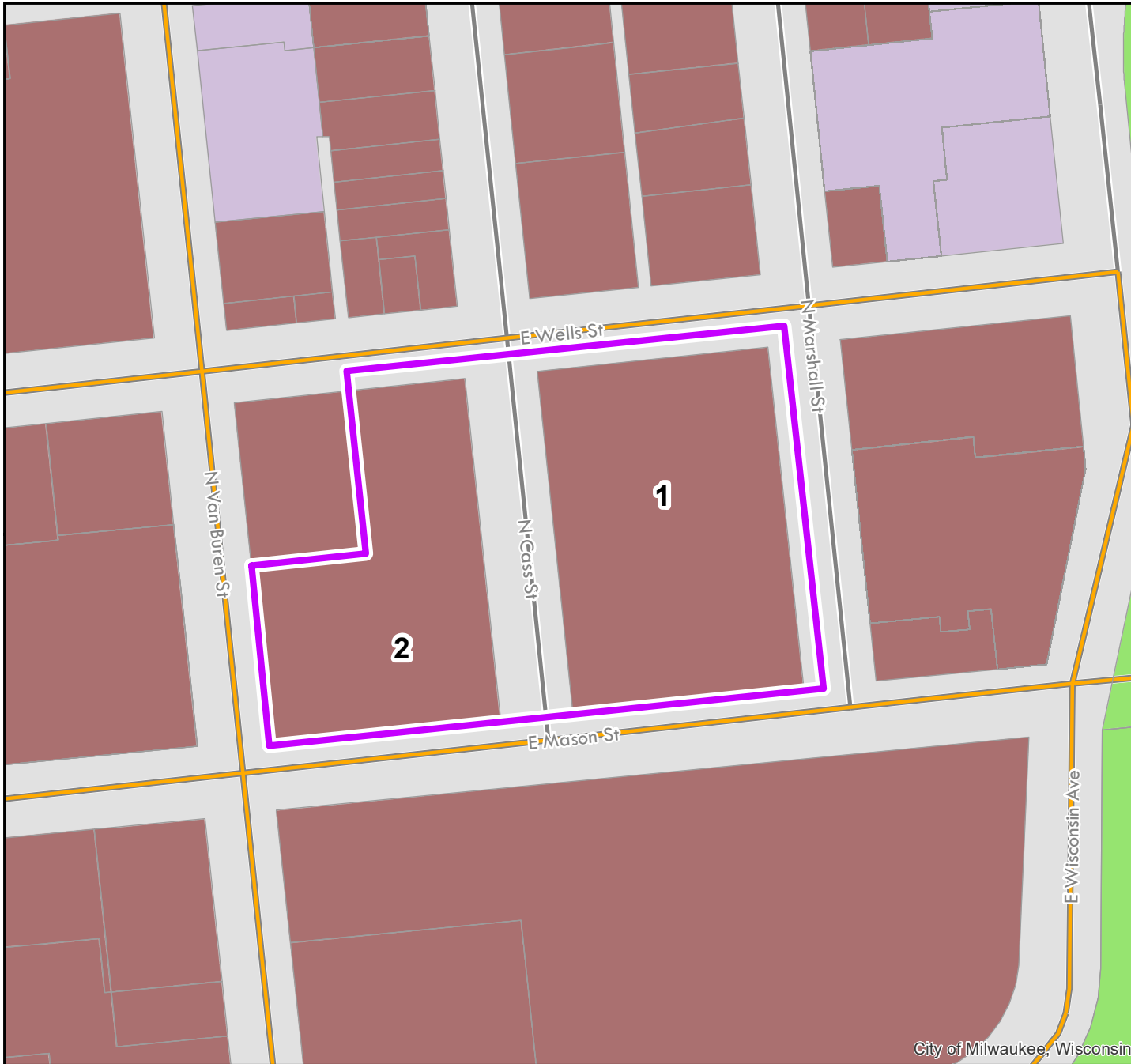
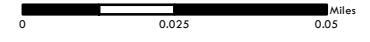
No.	Taxkey	Address
1	#392-1636-110	818 East Mason St
2	#393-0462-000	777 North Cass St

### MAP LEGEND

-  Project
-  Public Infrastructure
-  TID Boundary
-  Parcel Boundary

# TID NO. 115: NM North, MAP 4 ZONING





Prepared by the Department of City Development Planning Division, 2/2/2023  
Source: DCD Planning Division; Information Technology Management Division



## PROPERTY LIST

No.	Taxkey	Address
1	#392-1636-110	818 East Mason St
2	#393-0462-000	777 North Cass St

## MAP LEGEND

-  TID Boundary
-  Parcel Boundary
-  Commercial - central business
-  Special - Planned Development
-  Special - parks

City of Milwaukee, Wisconsin