

Project Plan
For
Tax Incremental District Number No. 128
City of Milwaukee
(Compass Lofts)

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

Prepared by
Department of City Development

In Conformance with the Provisions
of Section 66.1105, Wisconsin Statutes

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I. DESCRIPTION OF PROJECT

A. Introduction

Section 66.1105(4) (d), Wisconsin Statutes, requires the “preparation and adoption... of a proposed project plan for each tax incremental district.” This Project Plan is submitted in fulfillment of this requirement and the related provisions of section 66.1105, Wisconsin Statutes.

B. District Boundaries & Compliance with Statutory Eligibility Criteria

Tax Incremental District Number 128, City of Milwaukee, Compass Lofts (“District” or “TID”) is comprised of one parcel totaling approximately 49,031 square feet or 1.08 acres (collectively, the “Property”). The District is shown on **Map No. 1, “Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** The District contains only whole parcels and said parcels are contiguous as required by Sections 66.1105(2)(k)1 and 66.1105(4)(gm)1, Wisconsin Statutes.

Not less than 50%, by area, of the real property located within the District was found to be an area “in need of rehabilitation or conservation work” as defined in Section 66.1337(2m)(a), Wisconsin Statutes, as defined in Section 66.1105(2)(cm), Wisconsin Statutes, as required by Section 66.1105 (4) (gm) of the Wisconsin Statutes. **Exhibit 2 “Property Characteristics”** illustrates how the property in the District meets this statutory criteria for tax incremental financing districts. The project proposed for the District will contain approximately 8,100 square feet of commercial space and per Wisconsin Statute 66.1105 (5) (b), it is estimated that less than 35% of the property within the District that could be devoted to retail business at the end of the maximum expenditure period.

C. Project Plan Goals & Objectives

Property within the District is currently “in need of rehabilitation or conservation work” and is located at 3116 North Martin Luther King Jr, Drive, Milwaukee, Wisconsin. The following is a description of the planned project for the District.

The Property is being collaboratively developed by MLK Economic Development Corporation (MLKEDC) and EA Development. The Project will be owned by Compass Lofts, LLC, a special purpose entity formed for the purposes of owning the project and creating the entity required for the syndication of low-income housing tax credits for the project (“Developer”).

The Developer is proposing the new construction of a four-story mixed-use development in the Harambee neighborhood. The Project will include a total of 67 residential units, of which 56 will be designated at affordable housing units for households earning at or below 60% of the Area Median Income. Of the 56 affordable units, 22 units will be reserved for permanent supportive housing for individuals experiencing homelessness. In addition, there will also be ground floor commercial space totaling 8,100 square feet, intended for use as a grocery store, daycare, or other community-serving use (the “Project”).

The Compass Loft project will be the second development project by the development team.

Their first project was the Five Points Lofts at 3317 N Martin Luther King Jr Drive, Milwaukee, Wisconsin – a 55-unit affordable housing development with 7,500 square feet of ground floor commercial space.

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

The more detailed objectives of this Project Plan are to:

1. Eliminate a blighting influence in the neighborhood.
2. Promote the coordinated development of underutilized property for appropriate residential and commercial use.
3. Support past and future investment in the neighborhood through the redevelopment of a property that is currently vacant and underutilized.
4. Create employment opportunities in the City.

The Developer declares that but for the financial assistance from the TID, it would not undertake the Project.

D. Existing Land Uses & Conditions in the District

The District is comprised of one parcel totaling approximately 49,031 square feet, or 1.08 acres. The site has a former funeral home and parking lot that is vacant and underutilized. The property in the District is currently assessed at \$24,500. The Project is in compliance with the existing zoning, which is LB2 (Local Business). In 2023, the Project was granted a special use permit and dimensional variance by the Board of Zoning Appeals.

II. PLAN PROPOSALS & STATUTORY REQUIREMENTS

Section 66.1105(4) (f), Wisconsin Statutes, requires that a Project Plan for a Tax Incremental District shall include:

“... a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in subsection (2) (f)1.k. and 1.n., outside the district, an economic feasibility study, a detailed list of estimated project costs, and a description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances; a list of estimated non-project costs; and a statement of the proposed method for the relocation of any persons to be displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city.”

The plan shall also include an opinion of the City Attorney or of any attorney retained by the City advising whether such plan is complete and complies with Section 66.1105(4) (f), Wisconsin Statutes.

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

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 uses and improvements as shown in **Map 3, “Proposed Uses and Improvements:”**

- Developer Grant. TID revenue will be used to provide annual grant payments to the Developer to offset actual costs incurred by the Developer for the Project. The City will make payments to the Developer equal to 100% of the incremental taxes certified and collected from property within the District, less an annual administration charge, until such time as \$1,370,000 is reimbursed to Developer by such payments plus an interest rate of up to 7.23% over a period not to exceed 20 years (the “Grant” or “Monetary Obligation”). See the Term Sheet, attached as **Exhibit 3, “Term Sheet.”**

B. “Detailed List of Estimated Project Costs.”

The costs included in this subsection and detailed in **Table A, “Estimated TID Project Costs”** which follows are, without limitation hereof because of enumeration, claimed as eligible Project Costs, as defined under Section 66.1105(2)(f), and, if appropriate, in any Cooperation and Development Agreement(s) or grant agreement(s) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee (“RACM”), and/or eligible designated developer(s) or property owner(s), provided further that such expenditures are necessitated by this Project Plan.

These cost estimates are more fully described as follows:

Capital Costs

The City shall fund an estimated \$1,370,000 in the form of TID Capital Project Costs of this Plan. These costs include the Monetary Obligation that funds the Grant to the Developer as enumerated in further detail below in **Table A, “Estimated TID Project Costs.”**

Administrative Costs

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

Financing Costs

Financing costs include estimated gross interest expense on the Monetary Obligation to reimburse the Developer for the developer-financed Grant. Estimates of interest are based on interest rates set forth in the Economic Feasibility Analysis for the Project attached as **Exhibit 4, “Feasibility Study.”** The City reserves the right to prepay the grant to the Developer, which could require issuance of general obligation or other forms of debt, as described in **Exhibit 3, “Term Sheet.”**

Table A - Estimated TID Project Costs

A	Capital Costs: • Grant to Project (Monetary Obligation to Developer)	\$ 1,370,000
B	Other: Administrative Costs (\$7,500/year for 18 years)	\$ 135,000
	Total Estimated Project Costs (excluding financing)	\$ 1,505,000
C	Financing: Interest on the Grant to Developer (Monetary Obligation to Developer), interest on borrowing / payment of bonds	\$ 1,437,854

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

All expenditures are expected to be incurred during the period from 2025 through 2044.

The annual payments to the Developer will be paid pursuant to the Monetary Obligation, using incremental taxes generated annually in the District as further described in **Exhibit 3, “Term Sheet.”** The City may proceed to fund any or all Project Costs using general obligation bonds or notes, RACM revenue bonds or other forms of borrowing in amounts which can be supported using tax increment from the District.

D. “Economic Feasibility Study.”

The Economic Feasibility Study for this District prepared by the Ehlers Public Finance Advisors is attached to this Project Plan as **Exhibit 4, “Feasibility Study.”** The study establishes the dollar value of Project Costs, which, based on certain general assumptions and a reasonable margin of safety, can be financed with the revenues projected to be generated by the proposed TID.

Based upon the anticipated tax incremental revenue to be generated by this TID, the District is financially feasible and is likely to be retired on or before the year 2044. Should incremental revenue generate in excess of those currently anticipated, they may be used to accelerate the reimbursement of the Developer-financed Grant for the Project.

E. “Map Showing Existing Uses and Conditions.”

See **Map No. 1, “Boundary and Existing Land Use;” Map No. 2, “Structure Condition,”** and **Exhibit 5, “Property Owners,”** attached to this Project Plan.

F. “Map Showing Proposed Improvements and Uses.”

See **Map No. 3, “Proposed Improvements & Uses,”** attached to this Project Plan.

G. “Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances.”

See **Map No. 4, “Existing Zoning,”** attached to this Project Plan. The proposed Project is consistent with existing zoning, which is LB2 (Local Business). The proposed Project is in accordance with the existing master plan, building codes, and other city ordinances. The Project should not require amendments to their provisions, but such amendments could be made if necessary without further amendment to this Project Plan.

H. “List of Estimated Non-Project Costs.”

There are no non-project costs.

I. “Proposed Method for Relocation.”

The Project Plan does not anticipate the acquisition of property by the City of Milwaukee or RACM, accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. If, at a later date, it is determined that acquisition of property by condemnation and requiring relocation will be necessary, the cost and method of relocation will be included in a Redevelopment Plan and associated Relocation Plan prepared pursuant to Sections 66.1333 and 32.05, 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 Promotes Orderly City Development.”

The Project is in conformity with the Northeast Side Area Plan, one of 14 geographically specific Area Plans that make up the City of Milwaukee’s overall Comprehensive Plan. The Project aligns with the Plan’s goals by providing a variety of housing choices for residents, including affordable housing, and by promoting mixed use design that supports vibrant commercial areas.

The District will also eliminate a blighting influence in the neighborhood, promote the coordinated development of underutilized property for appropriate residential and commercial use, support past and future investment in the neighborhood through the redevelopment of a property that is currently vacant and underutilized, and create employment opportunities in the City.

K. “Opinion of the City Attorney.”

See **Exhibit 6, “Letter from the City Attorney,”** attached to this Project Plan.

EXHIBITS

<u>Exhibit</u>	<u>Title</u>
Exhibit 1	Boundary Description
Exhibit 2	Property Characteristics
Exhibit 3	Term Sheet
Exhibit 4	Economic Feasibility Study
Exhibit 5	Property Owners
Exhibit 6	City Attorney's Letter
Map 1	Boundary and Existing Land Use
Map 2	Structure Condition
Map 3	Proposed Improvements & Uses
Map 4	Existing Zoning

Exhibit 1

Boundary Description

Address: 3116 North Doctor Martin Luther King, Jr. Drive, Milwaukee, Wisconsin, 53212

Legal Description:

IN SE 1/4 SEC 8-7-22 PARCELS 2 & 3 AND BLOCK 1 LOTS 5-8 & 9 & 1/2 VAC ST ADJ IN
PIERCE'S ADDITION IN SE 1/4 SEC 8-7-22

Tax Key No. 282-1504-111

Exhibit 2

Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed District is “suitable for mixed-use development” as defined in Section 66.1105(2)(cm), Wisconsin Statutes, as required by Section 66.1105 (4) (gm) of the Wisconsin Statutes.

Tax Key	Owner Name	Land Assessment	Improvement Assessment	Total Assessment	Lot SF	In Need of Rehabilitation or Conservation Work
2821504111	City of Milwaukee	\$24,500	\$0	\$24,500	49,301	49,301
					Total:	49,301
					Total Percentage:	100%

Exhibit 3
TERM SHEET
Compass Loft Project
TID No. 128

This Term Sheet does not constitute an agreement between the Developer (as defined below), the Redevelopment Authority of the City of Milwaukee (“RACM”) and the City of Milwaukee (“City”). The terms set forth below and any other requirements necessary for a transaction of this sort shall be incorporated into a development agreement to be entered into between the Developer, RACM and the City (the “Development Agreement”). In recognition that there may be adjustments of the dates and descriptions herein as well as administrative approvals which will require the exercise of reasonable discretion on behalf of the City, the City’s Department of City Development Commissioner (the “Commissioner”) will be authorized under the Development Agreement to exercise such discretion and grant such approvals, including minor adjustments of the terms described in this Term Sheet.

Project

The Compass Lofts project (the “Project”) involves the new construction of a four-story mixed-use development in the Harambee neighborhood. The Project will include a total of 67 residential units, of which 56 will be designated as affordable housing units for households earning at or below 60% of the Area Median Income. Of the 56 affordable units, 22 units will be reserved for permanent supportive housing for individuals experiencing homelessness. In addition, there will also be ground floor commercial space totaling 7,000 square feet, intended for use as a grocery store, daycare, or other community-serving use.

The Project is in conformity with the Northeast Side Area Plan, one of 14 geographically specific Area Plans that make up the City of Milwaukee’s overall Comprehensive Plan. The Project aligns with the Plan’s goals by providing a variety of housing choices for residents, including affordable housing, and by promoting mixed use design that supports vibrant commercial areas.

The Project is in compliance with the existing zoning, which is LB2 (Local Business). In 2023, the Project was granted special use permit and dimensional variance by the Board of Zoning Appeals (“BOZA”). The variance granted by BOZA has expired and requires reapproval. Execution of the Development Agreement and conveyance of the Project Site to Developer, as described herein, is expressly contingent upon Developer, as defined herein, securing the required approvals from BOZA to complete the Project.

Development Team

The Project is being collaboratively developed by MLK Economic Development Corporation (MLKEDC) and EA Development. The Project will be owned by Compass Lofts, LLC, a special purpose entity formed for the purposes of owning the project and creating the entity required for the syndication of low-income housing tax credits for the project (“Developer”).

The Compass Loft project will be the second development project by the development team. Their first project was the Five Points Lofts at 3317 N Martin Luther King Jr Drive, Milwaukee, Wisconsin – a 55-unit affordable housing development with 7,500 square feet of ground floor commercial space.

Project Budget:

Total Project costs for the development are estimated at approximately \$19,631,062. In addition to TID No. 128 funding, the financing structure includes first mortgage, 9% Low Income Housing Tax Credits, Redevelopment Authority of the City of Milwaukee revolving loan funds, HOME-ARP funds, and deferred developer fee.

Execution of the Development Agreement and conveyance of the Project Site to Developer by City, as discussed herein, is expressly contingent upon Developer providing proof of all funding sources necessary to complete the Project, as determined by the Commissioner. Specifically, closing is also contingent upon Developer receiving the necessary City approvals for the issuance of HOME-ARP Funds from the City’s Community Development Grants Administration, or if such approvals are not obtained, securing alternative funding sources sufficient to complete the Project, in the Commissioner’s discretion. If HOME-ARP Funds are approved in excess of the budgeted amount listed below, City Tax Incremental Financing may be reduced accordingly.

Estimated total project sources include:

First Mortgage	\$ 4,883,879
Federal LIHTC Investor	\$ 11,140,613
RACM Revolving Loan	\$ 500,000
HOME-ARP Funds	\$ 847,482
City Tax Incremental Financing	\$ 1,370,000
Deferred Developer Fee	\$ 889,088
Total	\$ 19,631,062

City of Milwaukee: Exclusive Right to Negotiate with Proposed Buyer

The City of Milwaukee owns the Project site. MLKEDC has Exclusive Rights to Negotiate for the Project site in substantial conformance with the Site Control Report (Common Council File No. 231149). The Department of City Development (“DCD”) advertised the property on its website and through the Multiple Listing Service via Request for Proposals. DCD received multiple proposals and in its collaboration with the Bronzeville Advisory Committee selected MLKEDC as the Proposed Buyer. Provided all contingencies are satisfied, the City will convey the Project Site to Developer, or assignee, at closing in order to complete the Project. The purchase price for the Project Site shall be \$30,000 and shall be conveyed by quit claim deed on an ‘as is, where is’ basis, with no warranties, either expressed or implied.

Development Schedule

Developer shall commence construction of the properties of the Project by November, 2025 and substantially complete the Project by December, 2026.

Tax Incremental District

The City intends to create Tax Incremental District No. 128 (“TID No. 128”) to assist in funding a portion of the costs of the Project as set forth in the Project Plan.

TID Funding & the Conditional Monetary Obligation

RACM will provide the Developer with a loan, funded by a limited and conditional monetary obligation of the City (the “Monetary Obligation”), in an amount not to exceed \$1,370,000 for the Project (the “Loan”) if such Loan is earned by the Developer by substantially completing the Project as promised and within the timelines described in the Development Agreement. The Developer shall advance up to \$1,370,000 (subject to review of the final Project budget) of costs related to the Project and shall be reimbursed for these costs by the Loan. Because the Loan will be paid on a reimbursement basis, Developer will also receive interest at a rate of 7.23%¹ in addition to the Loan.

After creation of the TID and determination of the base value of the TID, City will deposit 100% of future tax revenue based on the incremental value of the property within the TID actually received by City from TID No. 128, less Annual Expenses², into a special fund established for TID No. 128 (the “Incremental Revenue”). Upon Substantial Completion (as defined below) of the Project and the earning of the Loan, the Incremental Revenue will fund annual payments, plus interest, of the Loan to Developer and will result in a reduction of the principal balance of the Monetary Obligation. Annual Loan payments will be made to Developer on or before March 1st of each year, provided the Developer has paid its property tax bill in full prior to January 31st each year and there is sufficient Incremental Revenue to fund the Loan payment.

The Monetary Obligation is a limited and conditional obligation of the City in that it is subject to annual appropriation by the City’s Common Council, is conditioned upon there being enough Incremental Revenue to fund the Loan, and is conditioned upon Developer actually earning the Loan. If not appropriated, City shall not expend Incremental Revenue for any other TID No. 128 project costs. Tax revenue shall not be pledged to the payment of the Loan and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits. Annual payments on the Loan will terminate and be considered paid in full: (i) at the time the Loan and interest is fully paid; or (ii) with the payment derived from the 2044 tax levy, payable in 2045, whichever occurs first.

¹ The interest rate on the Loan reflects the preliminary interest rate on the Developer’s underlying financing and is subject to change, based on the final closing date on the financing for the Project. In no event, shall the interest rate on the Loan exceed 7.5%. If the final interest rate exceeds 7.23%, the amount of the Monetary Obligation will decrease accordingly.

² “Annual Expenses” is defined as an amount not to exceed \$7,500 per year used to pay the customary and reasonable costs incurred by City for audit and accounting functions and other ongoing administrative expenses for TID No. 128.

The Developer shall have the right to assign all or a portion of the Loan and interest to sources of financing or refinancing on terms and conditions mutually agreeable between Developer and the proposed assignee(s). The City shall have a reasonable opportunity to review the applicable assignment documentation and approve any documentation to which it is a signatory.

Design/Consistency with Approved Plans

Design of the Project and all final plans and specifications for the Project shall be subject to the review and approval of the Commissioner.

Substantial Completion of the Project

Upon substantial completion of the Project, Developer shall submit a certification detailing Project costs theretofore incurred (together with copies of records, invoices, accountant's final cost certification and/or AIA documentation, in a form reasonably acceptable to the Commissioner evidencing such expenditures. The Loan shall be deemed earned upon approval of such certification by the Commissioner and by Developer obtaining an occupancy permit for the Project (collectively, "Substantial Completion").

Cost Savings

If at Substantial Completion, total Project costs submitted to the Commissioner for certification are less than the \$19,631,062 estimated in the Project budget or the amount of total costs reflected in the final budget submitted prior to closing on the financing, the amount of the Loan will be reduced by 50% of the cost savings.

Material Disturbance

If the Project is not substantially completed by December, 2026 unless caused in substantial part by an event of *Force Majeure*³ (a "Material Disturbance"), then City shall have the right (but not the obligation) to terminate the Development Agreement, using the following procedure:

- (1) City shall give Developer notice of its intention to terminate the Development Agreement, and Developer shall have 180 days to eliminate the Material Disturbance, and
- (2) Thereafter, if Developer has not timely eliminated the Material Disturbance and if City still intends to terminate the Development Agreement, City's Common Council shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the public benefits contemplated from the Project and constitutes just cause for the termination of the Development Agreement. City shall thereafter file a certificate with Developer (attaching the

³ "Force Majeure" means delays caused by adverse weather, acts of God, labor disputes, strikes, material shortages, terrorism, civil unrest, war, fire, pandemic or epidemic, global health crisis, other casualty, riot, concealed and unknown site conditions and other causes outside of the control of the party obligated to perform.

resolution of the Common Council) stating that City has elected to terminate the Development Agreement. Upon City such filing of the certificate and recording it on title to the Property covered by the Development Agreement, the Development Agreement and the City's Monetary Obligation shall terminate.

Developer Responsibilities:

The Developer shall have the following responsibilities:

- Design and develop the Project consistent with the approved plans and the Development Agreement.
- Submit to the Commissioner a final development budget for the Project, financing commitments, final bids, a construction contract, and proof that all funding sources have been committed (prior to closing on the funding).
- Obtain title to the property to be developed as part of the Project, if not already owned.
- Guaranty completion of construction of the Project.
- Enter into agreements with the City as described and required herein.
- Maintain the Project as residential housing consistent with the requirements found in **Attachment 1 of this Term Sheet** for a period of 20 years, or until termination of TID No. 128, whichever is longer, and comply with the monitoring requirements established as part of the Project financing provided by WHEDA.

Human Resources:

Developer and City will enter into a Human Resources Agreement in a form customary for projects subject to Ch. 355 of the Milwaukee Code of Ordinances. The Human Resources Agreement will provide for utilization of certified Small Business Enterprises ("SBE") for 25% of Project construction costs, 25% for purchase of goods and services, and 18% of amounts expended for the purchase of professional services deemed eligible pursuant to SBE Guidelines; utilization of unemployed and underemployed residents for no less than 40% of the total "worker hours" expended on "construction" of the Project; compliance with applicable state and municipal labor standards; utilization of apprentices and/or on-the-job trainees; and participation in City's First-Source Employment Program.

Anti-Displacement Preference Policy

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

No Tax Exemption

No portion of the Project shall at any time after closing be exempt from real estate taxes and Developer shall enter into a Payment in Lieu of Taxes Agreement with the City.

Development Agreement:

Developer, RACM and City shall enter into the Development Agreement, which shall contain terms consistent with this Term Sheet (unless otherwise agreed to by the parties) and customary for such development agreements in the City.

Limits on Project Developer Action

Until all obligations under the Development Agreement have been fully discharged, Developer may not, without City consent:

- Merge with another entity;
- Sell, lease or transfer the Project sites other than residential and commercial leases in the ordinary course of business and other easements or other real estate interests that may be necessary or appropriate to operate the Project;
- Enter into any transaction that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement;
- Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement; or
- Enter in a transaction that would cause a material and detrimental change to the Developer's financial condition.

ATTACHMENT 1

Housing Unit Mix and Target Area Median Income Mix

Unit Type	Total # of Units	AMI Percentage / # of Rent-Restricted Units
1-Bed	31	50%: 19
		60%: 7
2-Bed	21	50%: 13
		60%: 4
3-Bed	15	50%: 9
		60%: 4

Exhibit 4

Economic Feasibility Study

Overview

The Compass Lofts project (the “Project”) involves the new construction of a four-story mixed-use development in the Harambee neighborhood. The Project will include a total of 67 residential units, of which 56 will be designated as affordable housing units for households earning at or below 60% of the Area Median Income. Of the 56 affordable units, 22 units will be reserved for permanent supportive housing for individuals experiencing homelessness.

The Project is being developed by MLK Economic Development Corporation (MLKEDC) & EA Development.

Financing Structure

In addition to the proposed TID contribution of \$1,370,000, each component of the project will have its own distinct funding sources.

Total estimated costs for the Project are \$19.7 million. Funding for the Project includes a first mortgage, 9% Low Income Housing Tax Credits, Redevelopment Authority of the City of Milwaukee revolving loan funds, HOME-ARP funds, and deferred developer fee.

Current Property Value

The property in the district consists of 1 parcel with a total assessed value of \$0 which is the current base value of the District.

Projected Completed Value

The projected value of the Project upon completion is \$7,115,000. Construction completion is anticipated by late 2026 or early 2027.

Other Assumptions

- Tax Rate: 2.2216%
- Interest Rate on Payments to Developer: 7.23%.
- Maximum Term of Payments: 20 years
- Annual Appreciation: 1%

District Cash Flow and Amortization of the Monetary Obligation

In a “pay-as-you-go” District, the Developer is accepting the risk that the District will generate sufficient incremental value to recapture the \$1,370,000 of costs, plus 7.23% interest, through future incremental revenue.

As shown in the projections in Table 1, forecasted tax incremental revenues are sufficient for the Developer to recover the proposed TID amount of \$1,370,000 plus interest in tax levy year 2043 (budget year 2044).

Table 1

TID Feasibility - Developer Financed								
No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Admin Costs	Net Increment
1	2024	2025	-	-		-	-	-
2	2025	2026	-	-		-	-	-
3	2026	2027	-	2,846,000	2,846,000	63,226	(7,500)	55,726
4	2027	2028	-	5,720,460	5,720,460	127,084	(7,500)	119,584
5	2028	2029	-	7,200,665	7,200,665	159,967	(7,500)	152,467
6	2029	2030	-	7,272,671	7,272,671	161,567	(7,500)	154,067
7	2030	2031	-	7,345,398	7,345,398	163,183	(7,500)	155,683
8	2031	2032	-	7,418,852	7,418,852	164,814	(7,500)	157,314
9	2032	2033	-	7,493,040	7,493,040	166,463	(7,500)	158,963
10	2033	2034	-	7,567,971	7,567,971	168,127	(7,500)	160,627
11	2034	2035	-	7,643,651	7,643,651	169,808	(7,500)	162,308
12	2035	2036	-	7,720,087	7,720,087	171,506	(7,500)	164,006
13	2036	2037	-	7,797,288	7,797,288	173,222	(7,500)	165,722
14	2037	2038	-	7,875,261	7,875,261	174,954	(7,500)	167,454
15	2038	2039	-	7,954,013	7,954,013	176,703	(7,500)	169,203
16	2039	2040	-	8,033,554	8,033,554	178,470	(7,500)	170,970
17	2040	2041	-	8,113,889	8,113,889	180,255	(7,500)	172,755
18	2041	2042	-	8,195,028	8,195,028	182,058	(7,500)	174,558
19	2042	2043	-	8,276,978	8,276,978	183,878	(7,500)	176,378
20	2043	2044	-	8,359,748	8,359,748	185,717	(7,500)	178,217
						2,951,001	(135,000)	2,816,001
Annual appreciation		1.00%						
Discount Rate		7.23%						
Base Value		-						
Projected Value		7,115,000						
Property Tax rate		2.2215615%						
Developer Financed Costs		1,370,000						

Exhibit 5

Property Owners

Property Address	Tax Key	Owner Name
3116 North Martin Luther King Jr Drive	2821504111	City of Milwaukee

Exhibit 6

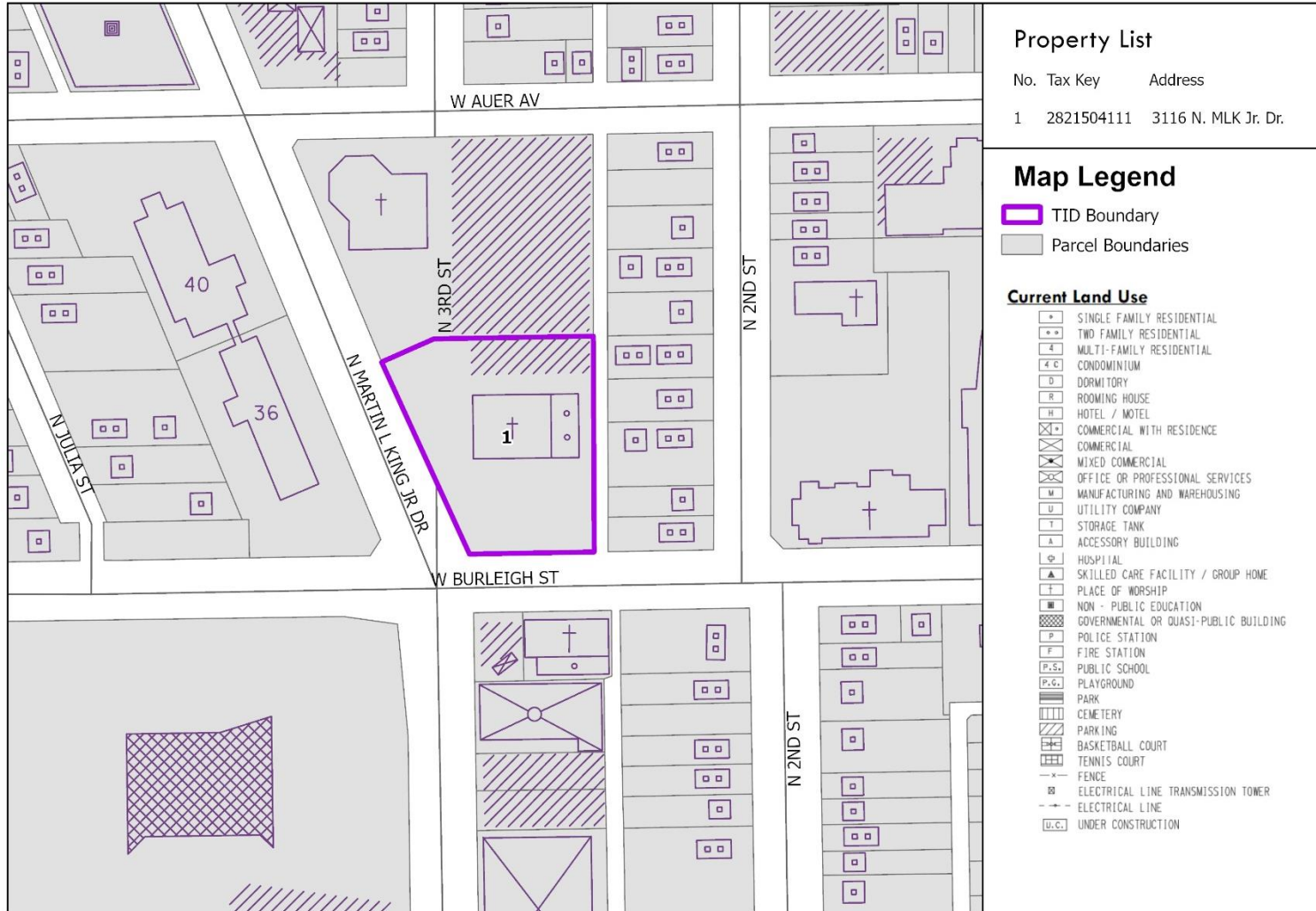
City Attorney Letter

Map 1 Boundary and Existing Land Use

TID 128, Map 1: Compass Lofts
Boundary and Existing Land Use

Prepared by the Department of City Development Planning Division, 6/25/2025. Source: DCD Planning Division; Information Technology Management Division

0 0.01 0.01 0.03 0.04
Miles



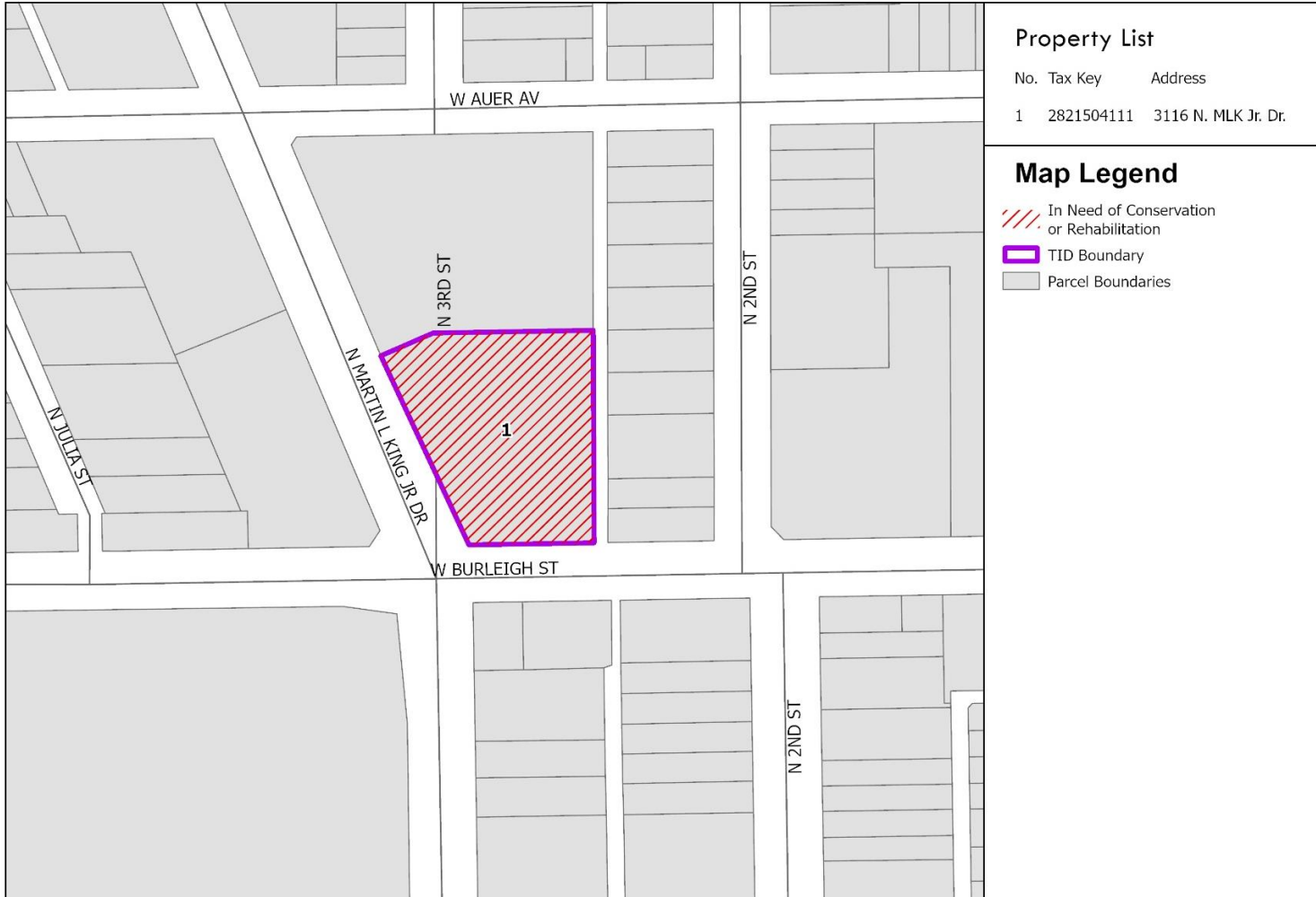
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Map 2 Structure Condition

TID 128, Map 2: Compass Lofts Structure Condition

Prepared by the Department of City Development Planning Division, 6/25/2025. Source: DCD Planning Division; Information Technology Management Division.

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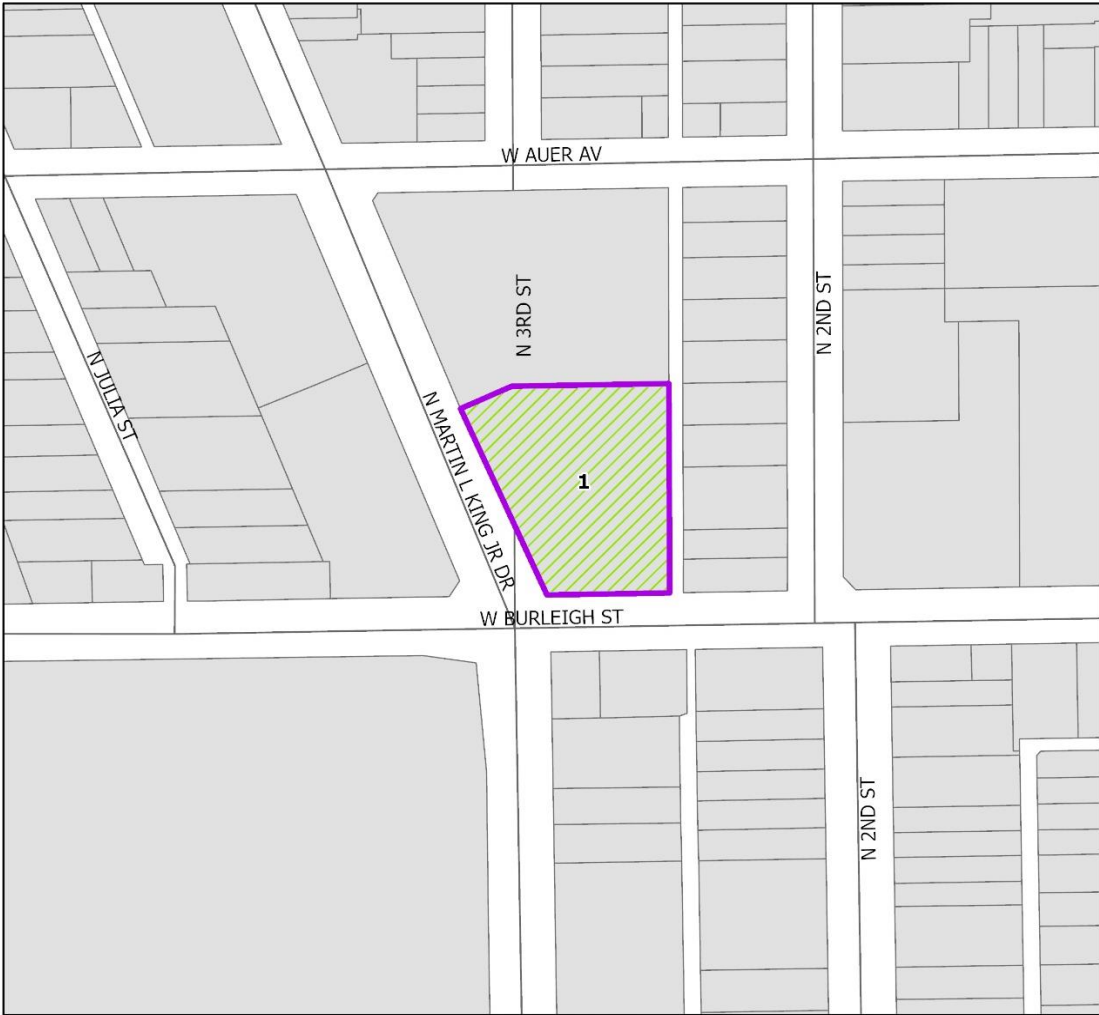


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Map 3
Proposed Improvements & Uses

TID 128, Map 3: Compass Lofts
Proposed Uses and Improvements

Prepared by the Department of City Development Planning Division, 6/25/2025. Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Tax Key	Address
1	2821504111	3116 N. MLK Jr. Dr.

Map Legend

-  Project
-  TID Boundary
-  Parcel Boundaries

Map 4
Existing Zoning

TID 128, Map 4: Compass Lofts
Current Zoning

Prepared by the Department of City Development Planning Division, 6/25/2025. Source: DCD Planning Division; Information Technology & Management Division

