

**Amendment No. 2
to
Project Plan
for
Tax Incremental Financing District No. 54
("Stadium Business Park")**

City of Milwaukee

Public Hearing Held: February 17, 2022

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Approval:

**AMENDMENT NO. 2 to the PROJECT PLAN for
TAX INCREMENTAL FINANCING DISTRICT NUMBER 54
CITY OF MILWAUKEE
(Stadium Business Park)**

Introduction

Section 66.1105(4)(h)(1), Wisconsin Statutes, permits the Redevelopment Authority, subject to the approval of the Common Council, to amend the project plan for a tax incremental financing district. Section 66.1105(2)(f)1.n., Wisconsin Statutes, permits amendment to fund projects located outside, but within one-half mile of the District's boundary.

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 Number 54 (Stadium Business Park) (the "Stadium TID") on April 13, 2004 (City Common Council Resolution number 031578) for the purposes of (i) facilitating redevelopment of the former Ampco Metal foundry site at South 38th and West Mitchell Streets, including construction of four multi-tenant light-industrial and distribution facilities, (ii) promoting employment opportunities with family-supporting wages, and (iii) increasing the property tax base of the community.

The Common Council amended the Stadium TID on December 13, 2016 (City Common Council Resolution number 161075) for the purpose of donating positive tax increments generated by the Stadium TID to another TID, Tax Incremental District No. 59 (Bronzeville).

Amendment No. 2 proposes to provide funds necessary to address several infrastructure issues in the nearby Burnham Park neighborhood. In addition to repaving deteriorated streets, funds will be utilized to address traffic safety concerns and advance mobility, green infrastructure, and quality of life goals outlined in various City and community plans. Amendment No. 2 will provide \$2,490,000 in funds to the Department of Public Works so assist in these improvements. The infrastructure improvements are located within one half-mile of the District's boundary. The Amendment also provides up to \$2,839,648 in donations from TID 54 to Tax Incremental District Number 74 (North 35th Street and West Capitol Drive), which has not created sufficient incremental revenue to recover the project costs. Lastly, this amendment will provide \$100,000 for administrative costs.

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

Amendments to the Project Plan:

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

Section I.C. "DESCRIPTION OF PROJECT – Project Plan Goals and Objectives" is amended by adding the following:

5. Provide public infrastructure improvements to address traffic safety concerns and infrastructure issues in the nearby Burnham Park neighborhood.

6. Provide donations to another tax incremental district, TID 74, which has not created sufficient incremental revenue to recover the TID 74 project costs.

Section II. A. “The following is a description of the kind, number, and location of all proposed public Works or Improvements within the District” is amended by adding the following:

4. Infrastructure improvements to address deteriorated streets and traffic safety issues. Includes, but is not limited to repaving, and the construction of speed humps, traffic circles, raised crosswalks, diverters and curb extensions. These improvements are outside the district as provided in Wis. Stat. 66.1105(2)(f)(1)(n).

Section II.B. “The following is an estimate of the project costs to be implemented as part of this Project Plan” is amended by deleting and restating as follows:

For additional detail on these costs, see Exhibit 2

TASK	ESTIMATED COST
Administration	\$ 100,000
Total Construction Cost	\$ 2,075,000
Planning and Design Cost	\$ 415,000
<u>Donations to other districts</u>	<u>\$ 2,839,648</u>
Total Project Costs	\$ 5,429,648

Section I.C. “Project financing and timetable for expenditures” is deleted and restated as follows:

All expenditures are expected to be incurred in 2022 and 2023

The infrastructure will be funded by the General Obligation Bonds.

Exhibit 3 “Map Showing Proposed Uses and Improvements” is deleted and restated as follows:

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

Exhibit 4 “Detailed site remediation and demolition cost estimates” is deleted and restated as follow:

Please refer to **Exhibit 4 “Detailed Improvements and cost estimates”**

Exhibit 5 “Opinion of the City Attorney” is deleted and restated as follows:

Please refer to Exhibit 5

Exhibit 6 “Economic Feasibility Study” is deleted and restated as follows:

The Economic Feasibility Study for this District, prepared by the Department of City Development and titled TID 54 Economic Feasibility Analysis, dated February 1, 2022, is attached hereto.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible and will recover all project costs by the year 2030 (TID year 27).

DONOR DISTRICT

Tax Incremental District No 54 (Stadium Business Park) was approved by the Milwaukee Common Council on April 13, 2004. Tax incremental revenue received from this district has totaled \$7,093,780 as of December 31, 2020. Project costs, including principal and interest payments due, future project expenses and donations to other districts total \$12,288,229.

The district has a statutory termination date of 2031

RECIPIENT DISTRICT

Tax Incremental District 74 (North 35th Street and West Capitol Drive) was created in 2009 to provide \$15.6 million 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 \$24,798,205 in existing debt.

The district has a statutory termination date of 2036

PROPOSED DONATIONS

Given the foregoing, the following donations are proposed from TID 54:

	New Project Costs to Recover from TID 54	Donations to TID 74
Costs to be Recovered:	\$ 3,166,380	\$ 2,839,648
Cash Reserves	\$ 845,113	
2022	\$ 515,685	
2023	\$ 542,306	
2024	\$ 548,031	
2025	\$ 553,813	
2026	\$ 161,432	\$ 541,464
2027		\$ 565,551
2028		\$ 571,508
2029		\$ 577,524
2030		\$ 583,601

Calculations of remaining amounts to be recovered in the TID 54 District and TID 74 are attached as **Exhibits A and B.**

TID 54 is able to make donations to TID 74 because the following conditions have been met:

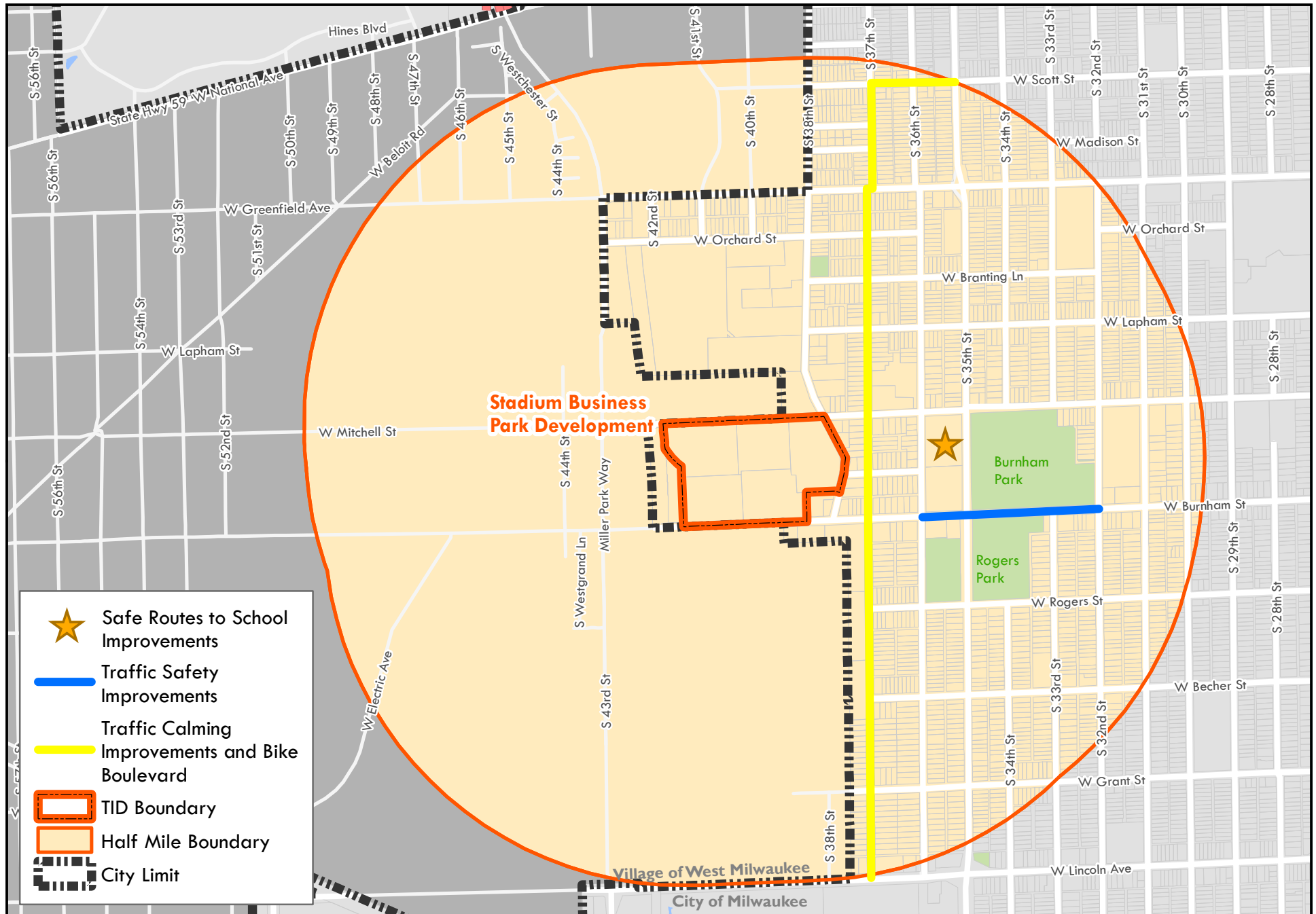
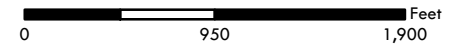
- TID 54 has not yet terminated and the City of Milwaukee’s Redevelopment Authority created both TID 54 and TID 74 per Wis. Stat. 66.1105 (6)(f)1.

- The donor TID 54 and the recipient 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 donations (allocation of tax increments) per Wis. Stat. 66.1105(6)(f)1.b.
- The donations from TID 54 to TID 74 (the allocation of tax increments) that will be made hereunder are allowable under Wis. Stat. 66.1105(6)(f)2.b. because the recipient 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 54 cannot, and will not, be made until and unless TID 54 has first satisfied all of its current year debt service and project cost obligations per Wis. Stat. 66.1105(6)(f)3. TID 54 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 54 per Wis. Stat. 66.1105 (6)(f)4.

TID 54: STADIUM BUSINESS PARK, AMENDED MAP NO. 3

Proposed Uses and Improvements

Prepared by the Department of City Development, 1/14/2022
Source: City of Milwaukee Information and Technology Management Division



- ★ Safe Routes to School Improvements
- Traffic Safety Improvements
- Traffic Calming Improvements and Bike Boulevard
- TID Boundary
- Half Mile Boundary
- City Limit

Exhibit 4
Detailed Improvements and cost estimates

Description	Estimated Cost
Safe Routes to School Improvements	\$ 725,000
S. 37th St Bike Boulevard & Traffic Calming (W. Lincoln Ave. to W Scott St)	\$ 800,000
W Burnham St Traffic Safety Improvements (S 36th St to S 32nd St)	\$ 250,000
W Scott St Bike Boulevard & Traffic Calming (S 37th St to S 35th St)	\$ 100,000
S 35th St Reconfiguration & Safety Improvements Study	\$ 200,000
Total Estimated Construction	\$ 2,075,000
Estimated Planning & Design (20%)	\$ 415,000
Estimated Total Cost	\$ 2,490,000

TID 54 Stadium Business Park Feasibility

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Miscellaneous Revenue	Existing Debt Service	New Debt Service	Developer financed loan	Donations to TID 59, 74	Cash flow	Total Cum. Cash Flow	After reserving for remaining debt Surplus/(deficit)	TID Payoff
0	2003														
1	2004	2005	1,148,000									-	-	(12,288,229)	
2	2005	2006	1,148,000	5,259,700	4,111,700	100,365		(40,304)				60,061	60,061	(12,187,864)	No
3	2006	2007	1,148,000	8,446,000	7,298,000	160,830	6,114	(112,584)				54,360	114,421	(12,020,920)	No
4	2007	2008	1,148,000	12,058,300	10,910,300	245,050	7,266	(112,868)		(50,000)		89,448	203,869	(11,768,604)	No
5	2008	2009	1,148,000	18,145,900	16,997,900	407,711	25,979	(136,939)				296,751	500,620	(11,334,914)	No
6	2009	2010	1,148,000	19,475,600	18,327,600	466,940	23,967	(136,789)				354,118	854,738	(10,844,007)	No
7	2010	2011	1,148,000	18,043,900	16,895,900	452,720	17,792	(137,270)				333,242	1,187,980	(10,373,495)	No
8	2011	2012	1,148,000	18,769,600	17,621,600	502,248	19,983	(137,702)		(60,000)		324,529	1,512,509	(9,851,264)	No
9	2012	2013	1,148,000	18,755,500	17,607,500	535,581	5,299	(138,029)		(211,000)		191,851	1,704,360	(9,310,384)	No
10	2013	2014	1,148,000	18,458,300	17,310,300	538,290	11,328	(137,657)				411,961	2,116,321	(8,760,766)	No
11	2014	2015	1,148,000	18,517,300	17,369,300	528,434	7,618	(137,743)				398,309	2,514,630	(8,224,714)	No
12	2015	2016	1,148,000	19,677,700	18,529,700	565,933	6,105	(2,031,992)			(565,933)	(2,025,887)	488,743	(7,652,676)	No
13	2016	2017	1,148,000	20,469,400	19,321,400	568,937	816	(110,827)			(568,937)	(110,011)	378,732	(7,082,923)	No
14	2017	2018	1,148,000	19,023,500	17,875,500	527,821	828	(108,458)			(527,821)	(107,630)	271,102	(6,554,274)	No
15	2018	2019	1,148,000	18,658,300	17,510,300	487,778	3,516	(105,626)			(487,778)	(102,110)	168,991	(6,062,981)	No
16	2019	2020	1,148,000	18,435,500	17,287,500	476,927	14,561	(106,112)				385,375	554,367	(5,571,493)	No
17	2020	2021	1,148,000	19,932,500	18,784,500	528,215	25,606	(97,084)				456,737	1,011,104	(5,017,672)	No
18	2021	2022	1,148,000	21,575,800	20,427,800	515,685		(3,218)				512,467	1,523,571	(4,501,987)	No
19	2022	2023	1,148,000	21,791,558	20,643,558	542,306		(3,229)	(351,820)			187,257	1,710,828	(3,959,680)	No
20	2023	2024	1,148,000	22,009,474	20,861,474	548,031		(3,238)	(351,820)			192,973	1,903,801	(3,411,649)	No
21	2024	2025	1,148,000	22,229,568	21,081,568	553,813		(3,249)	(351,820)			198,744	2,102,545	(2,857,837)	No
22	2025	2026	1,148,000	22,451,864	21,303,864	559,653		(3,262)	(351,820)		(541,464)	(336,894)	1,765,651	(2,298,184)	No
23	2026	2027	1,148,000	22,676,383	21,528,383	565,551		(3,276)	(351,820)		(565,551)	(355,096)	1,410,555	(1,732,633)	No
24	2027	2028	1,148,000	22,903,146	21,755,146	571,508		(3,274)	(351,820)		(571,508)	(355,094)	1,055,460	(1,161,126)	No
25	2028	2029	1,148,000	23,132,178	21,984,178	577,524			(351,820)		(577,524)	(351,820)	703,640	(583,601)	No
26	2029	2030	1,148,000	23,363,500	22,215,500	583,601			(351,820)		(583,601)	(351,820)	351,820	(0)	No
27	2030	2031	1,148,000	23,597,135	22,449,135	589,739			(351,820)			237,919	589,739	589,739	YES
						12,701,191	176,777	(3,810,730)	(3,166,382)	(321,000)	(4,990,117)	589,739			

Annual appreciation	1.010
Interest Rate	4.00%
Base Value	1,148,000
Property Tax rate	2.627%
Issuance Costs	25,900
Project Costs	2,590,000

EXHIBIT A: CALCULATION OF REMAINING AMOUNT	Stadium
TO BE RECOVERED IN TID 54	Business Park
	TID-54
Life-to-date 12-31-21 project expenditures	3,018,373
Estimated future project expenditures	
Projected future expenses	2,590,000
Remaining appropriation	4,499
Interest payments through December 31, 2020	1,133,363
Add bond interest costs:	
Scheduled 2021 to maturity	6,031
Estimated interest on future borrowings	545,064
Donations to TID 59 through 2019	2,150,469
Cumulative City of Milwaukee carrying cost	91,753
Total project costs	9,539,552
Project revenues	(176,777)
Bond proceeds in excess of principal debt service payments	(30,383)
Net project costs to be recovered through tax increments	9,332,391
Tax increments levied:	
2005	100,365
2006	160,830
2007	245,050
2008	407,711
2009	466,940
2010	452,720
2011	502,248
2012	535,581
2013	538,290
2014	528,434
2015	565,933
2016	568,937
2017	527,821
2018	487,778
2019	476,927
2020	528,215
2021	515,685
Total tax increments levied at December 31, 2021	7,609,466
Amount to be recovered	\$ 1,722,925

Exhibit B: Calculation of Remaining Amount to be Recovered in TID 74	
Life-to-date 12-31-21 project expenditures	\$ 16,753,085
Interest payments through December 31, 2020	6,119,439
Remaining appropriation	-
Add bond interest costs:	
Scheduled 2021 to maturity	1,972,024
Carrying costs	44,900
Estimated future capitalized interest	-
Total project costs	24,889,448
Life-to-date 12-31-20 project revenues	(91,243)
Bond proceeds in excess of principal debt service payments	-
Net project costs to be recovered through tax increments	24,798,205
Tax increments levied:	
2009	-
2010	-
2011	-
2012	-
2013	-
2014	-
2015	-
2016	-
2017	-
2018	-
2019	-
Total tax increments levied	-
Amount to be recovered before donations	24,798,205
Projected Donations from TID 49	(7,754,926)
Projected Donations from TID 46	(4,268,344)
Projected Donations from TID 60	(1,362,550)
Projected Donations from TID 42	(5,605,275)
Projected Donations from TID 54	(2,839,648)
Remaining costs to recover	\$ 2,967,462
Remaining recovery years	15