

Project Plan  
For  
Tax Incremental District Number No. 121  
City of Milwaukee  
(Bronzeville Arts & Tech Hub)

Public Hearing Held:  
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,  
as Amended.

## 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

Tax Incremental District Number 121 - Bronzeville Arts & Tech Hub (hereafter referred to as the “**District**” or “**TID No. 121**”), City of Milwaukee shall be comprised of a single parcel containing approximately 1.12 acres (the “Site”). The District is shown on **Map No. 1, "Boundary and Existing Land Use,"** and described more precisely in **Exhibit 1, "Boundary Description."** As shown on **Map No. 1 "Boundary and Existing Land Use"**, the District currently contains 8 separate parcels owned by The Redevelopment Authority of the City of Milwaukee, which will be consolidated into a single parcel via Certified Survey Map and conveyed to the Residential Owner (as hereafter defined).

Not less than 50%, by area, of the real property within the proposed 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 properties in the District meet the statutory criteria for Tax Incremental Districts. Per Wisconsin Statute 66.1105 (5) (b), the percentage of territory within the District which is estimated to be devoted to retail business at the end of the maximum expenditure period is less than 35%.

### C. Plan Objectives

As further shown on **Map No. 1, "Boundary and Existing Land Use,** Parcel 1 contains an existing building that is to be demolished. Parcels 2-8 of the Site are vacant. The entire Site is underutilized.

The Bronzeville Creative Arts and Tech Hub (the “**Hub**”) is being developed by FIT Investment Group, LLC and Lutheran Social Services (collectively, the “**Developer**”). The approximately 1.12 acre Site will be redeveloped to include residential and commercial components comprising two condominium units, each a separate project for the purposes of ownership and financing. The first condominium unit, to be owned by Bronzeville Apartments, LLC (hereinafter referred to as “**Residential Owner**”), is anticipated to include 60 one, two, three, and four bedroom apartment units affordable across a range of incomes, including 12 market rate units and 48 units that will be affordable to families with incomes between 30% - 60% of Area Median Income. There will be eleven walk-up units, with three of the eleven units being live-work residences that will provide housing for entrepreneurs. The residential portion of the Hub also will

include a community service facility. The second, approximately 29,000 square foot commercial condominium unit, to be owned by Bronzeville Arts and Tech Hub, LLC, will include space designed for nonprofits, creative industry start-ups and entrepreneurs. The commercial component will also include office, coworking, studio, production and performance space and a café, as well as public outdoor space. Total estimated costs for build out of the Site are \$28,700,000, including \$18,200,000 for the residential component and \$10,500,000 for the commercial component. For purposes hereof, the “**Project**” means the residential component and does not include the commercial component.

Milwaukee’s Bronzeville neighborhood has experienced significant new development, including office, retail, and residential, as well as renewed focus on arts and cultural uses. The purpose of the District is to continue to spur revitalization in the area, by redeveloping the Property as a high quality development with a range of housing and employment opportunities for residents, with the goal of creating a vibrant arts and cultural district.

The more detailed objectives of this Project Plan are to:

1. Eliminate a blighting influence in the Bronzeville 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 partially vacant (existing building to be demolished) and underutilized.
4. Create new employment opportunities, with a focus on the arts and technology.

#### D. Existing Land Uses in the District

The District is comprised of eight parcels (to be consolidated into one parcel/one real estate tax key via Certified Survey Map) containing 1.12 acres.

As shown on **Map No. 1 "Boundary and Existing Land Use"**, the District currently contains 8 separate parcels owned by The Redevelopment Authority of the City of Milwaukee, which will be consolidated into a single parcel via Certified Survey Map and conveyed to the Residential Owner.

As further shown on **Map No. 1, "Boundary and Existing Land Use"**, Parcel 1 contains an existing building that is to be demolished. Parcels 2-8 comprising the Site are vacant. The entire Site is underutilized. The parcels assessed value is as set forth in **Exhibit 2 – Property Characteristics**. The District is zoned Local Business (LB2). The Site is also located within the Bronzeville Cultural and Entertainment District Development

Incentive Zone (DIZ) overlay.

## II. PLAN PROPOSALS

### A. 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., 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 costs or monetary obligations related thereto 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 a 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.

### B. Compliance with Statutory Requirements

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

1. "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements."

Funds generated from the District will provide an annual grant to the Developer/Residential Owner to offset costs associated with redevelopment of the Project, in an up-to amount of \$700,000. The City will make payments to the Developer/Residential Owner equal to 100% of the incremental taxes certified and collected in the District from real and personal property, less an annual administration charge, until such time said up-to amount of \$700,000 is repaid by payments at an interest rate of up to 7% over a period not to exceed 19 years (the "**Monetary Obligation**"). See the Term Sheet, attached as **Exhibit 3, "Term Sheet"**.

2. "Detailed List of Estimated Project Costs."

The costs included in this subsection and detailed in Table B 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 Agreement (s) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, and/or eligible designated developer(s)/owner(s), provided further that such expenditures are necessitated by this Project Plan.

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

#### Capital Costs

The City shall fund an estimated \$700,000 in the form of TID Capital Project Costs enumerated in further detail in Table A of this Plan. The allocation of these costs will be set forth in the Term Sheet.

<b>TABLE A: TID Capital Project Costs</b>	
<b>Grant to Project (Monetary Obligation to Developer/Residential Owner)</b>	\$700,000*
<b>TOTAL Capital Project Costs</b>	<b>\$700,000</b>

\*Up-to amount

#### Other 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 repay the Developer/Residential Owner. Estimates of interest are based on interest rates as **Exhibit 4, “Feasibility Study.”** The City reserves the right to prepay the Monetary Obligation to the Developer/Residential Owner, which could require issuance of general obligation debt, as described in the Term Sheet.

Table B - List of Estimated Project Costs

A	<u>Capital:</u> Grant to Project (Monetary Obligation to Developer/Residential Owner)	\$ 700,000
B	<u>Other:</u> Administration (\$3,750 /year for 17 years)	\$ 63,750
	Total Estimated Project Costs, excluding financing	\$ 763,750
C	<u>Financing:</u> Interest	\$ 825,708

3. "Description of Timing and Methods of Financing."

All expenditures are expected to be incurred during the period from 2024 through 2042.

The annual payments to the Developer/Residential Owner will be repaid pursuant to the Monetary Obligation, using incremental taxes generated annually in the District.

4. "Economic Feasibility Study."

The Economic Feasibility Study for this District prepared by the Ehlers Public Finance Advisors and titled Economic Development Analysis for proposed Tax Incremental District #121 and dated June 25, 2024 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 tax incremental district.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible and is likely to be retired on or before the year 2043 (2042 tax levy to be paid in 2043). Should incremental revenues be generated in excess of those currently anticipated, they may be used to accelerate the repayment of the Monetary Obligation for the Project.

5. "Map Showing Existing Uses and Conditions."

Please refer to **Map No. 1, "Boundary and Existing Land Use," Map No. 2, "Structure Condition," and Exhibit 5, "Property Owners"** in the Exhibits Section, which follows.

6. "Map Showing Proposed Improvements and Uses."

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

7. "Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances."

The proposed Project is in accordance with existing zoning ordinances, 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.

The Project Site is zoned Local Business (LB2). The site is also located within the Bronzeville Cultural and Entertainment Development Incentive Zone (DIZ) overlay. Please refer to **Map No. 4, "Existing Zoning,"** in the Exhibits Section which follows.

The Project is located within the boundary of the Northeast Side Area Plan, one of the 14 geographically-specific Area Plans that make up the City of Milwaukee's overall Comprehensive Plan. The Northeast Area Plan identifies the Project site as a key redevelopment within the Bronzeville Cultural and Entertainment District. The Project Site is also identified for redevelopment in the Equitable Growth through Transit Oriented Development Plan, an official amendment to the Northeast Side Area Plan.

Please refer to **Map No. 4, "Existing Zoning,"** in the Exhibits Section which follows.

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

\$0 – there are no Non-Project Costs.

9. "Proposed Method for Relocation."

The Project Plan does not anticipate the acquisition of property by condemnation by the City of Milwaukee, 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 sec. 66.1333 and sec. 32.05, Wis. Stats. 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.

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

The proposed Project promotes orderly City development by advancing the goals of the City's Northeast Side Area Plan. Each of the City's Area Plans include an analysis of existing conditions and community needs and provide recommendations and strategies to direct public and private investment to key sites and corridors within the plan neighborhoods. All of the plans and their various amendments were developed with significant community engagement, including the creation of Plan Advisory Groups,

which serve as the core partners committed to collaborate to implement the goals of the Plan. New development in the Bronzeville Cultural and Entertainment District has been a top priority of City plans for many years. The Project has also been endorsed by the City's Bronzeville Advisory Committee.

11. "Opinion of the City Attorney."

Please see **Exhibit 6, "Letter from the City Attorney"** in the Exhibits Section, which follows.



## 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 Uses and Proposed Improvements
Map 4	Existing Zoning
Map 5	TID #121, Bronzeville Arts & Tech Hub

## Exhibit 1

### Boundary Description

Lots 13, 14, 17, 18, 19, 20, 21, 22, 23, 43, and part of Lots 24 and 42, all located in Block P in Lee and Peckham's Subdivision (Subdivision into City Lots of the East 40 acres) in the Southeast 1/4 of the Southwest 1/4 of Section 17, Township 7 North, Range 22 East, in the City of Milwaukee, Milwaukee County, Wisconsin which is bounded and described as follows:

COMMENCING at the Southeast corner of the Southwest 1/4 of Section 17; thence South  $89^{\circ}08'31''$  West along the South line of said 1/4 Section 233.56 feet to a point; thence North  $00^{\circ}48'10''$  West 30.00 feet to the intersection of the North line of West North Avenue and the West line of North 6th Street and the point of beginning of the lands hereinafter described; thence South  $89^{\circ}08'31''$  West along said North line 230.60 feet to the Southwest corner of Lot 16, Block P in Lee and Peckham's Subdivision; thence North  $00^{\circ}48'10''$  West along the East line of said Lot 16 a distance of 119.82 feet to the Northeast corner of said Lot 16; thence South  $89^{\circ}08'31''$  West along the North line of said Lot 16 and its extension 84.00 feet to a point on the East line of North 7th Street; thence North  $00^{\circ}48'10''$  West along said East line 79.87 feet to the Southwest corner of Lot 12, Block P in Lee and Peckham's Subdivision; thence North  $89^{\circ}08'31''$  East along the South line of said Lot 12 a distance of 150.00 feet to the Northwest corner of Lot 42, Block P in Lee and Peckham's Subdivision; thence South  $00^{\circ}48'10''$  East along the West line of Lot 42, Block P in Lee and Peckham's Subdivision 19.85 feet to a point; thence North  $89^{\circ}08'31''$  East 164.60 feet to a point on the West line of North 6th Street; thence South  $00^{\circ}48'10''$  East along said West line 179.87 feet to the point of beginning.

## Exhibit 2

### Property Characteristics

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

<b>Tax Key</b>	<b>Owner Name</b>	<b>Land Assessment</b>	<b>Improvement Assessment</b>	<b>Total Assessment</b>	<b>Approximate Lot SF</b>	<b>In Need of Rehabilitation or Conservation Work</b>
<b>323-0654-000</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4,830</b>	<b>100%</b>
<b>323-0655-000</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2,599</b>	<b>100%</b>
<b>323-0656-000</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2,021</b>	<b>100%</b>
<b>323-0657-000</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>5,898</b>	<b>100%</b>
<b>323-0659-110</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>11,500</b>	<b>100%</b>
<b>323-0661-100</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>9,876</b>	<b>100%</b>
<b>323-0651-000</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>6,000</b>	<b>100%</b>
<b>323-0650-000</b>	<b>Redevelopment Authority of the City of Milwaukee</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>6,000</b>	<b>100%</b>
<b>TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>48,724</b>	<b>100%</b>

**Exhibit 3**  
**DRAFT TERM SHEET**

**TID No. 121**

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**TERM SHEET**  
**TID No. 121 - Bronzeville Arts & Tech Hub**

**Project**

The Bronzeville Creative Arts and Tech Hub is a mixed-use development that will include new housing units and commercial space in the Bronzeville Cultural and Entertainment District (the “**Hub**”). The Hub will be located at the northwest corner of West North Avenue and North 6<sup>th</sup> Street on real property (the “**Site**”) that is currently owned by the Redevelopment Authority of the City of Milwaukee (“**RACM**”), to be sold to the Residential Owner (as hereinafter defined). It is contemplated that RACM and the Residential Owner will enter into a separate Purchase and Sale Agreement for the Site. The currently existing building on the Site will be demolished. The housing component will include 60 one-, two-, three- and four-bedroom apartment units affordable across a range of incomes, including 12 market rate units and 48 units that will be affordable to families with incomes between 30% - 60% of Area Median Income. There will be eleven walk-up units, with three of the eleven units being live-work residences that will provide housing for entrepreneurs. The residential portion of the Hub also will include a community service facility operated by Beyond STEM MKE Inc., which provides high-quality, accessible engineering and tech-forward STEM and Arts programming for students across Milwaukee. The commercial component of the Hub will include approximately 29,000 square feet designed for nonprofits, creative industry start-ups and entrepreneurs. The commercial component will also include office, coworking, studio, production and performance space and a café, as well as public outdoor space. For purposes hereof, the residential component of the Hub is defined as the “**Project**” and does not include the commercial component.

**Development Team/Project Budget:**

The Project is being developed by FIT Investment Group, LLC and Lutheran Social Services of Wisconsin and Upper Michigan, Inc. (collectively, the “**Developer**”). Michael Adetoro is the Managing Partner of FIT Investment Group, LLC and has over 17 years of business and technology experience, including 10 years with a focus on real estate investment and development. Lutheran Social Services has developed/co-developed 10 affordable housing projects and has extensive property management and service delivery experience.

It is contemplated that the Hub will include two separate ownership structures to be organized as two condominium units. The condominium unit comprising the residential component will be owned by Bronzeville Apartments, LLC (“**Residential Owner**”), an entity formed for the purposes of facilitating the syndication of low-income housing tax credits to support said housing. The commercial condominium unit owner will be Bronzeville Arts and Tech Hub, LLC.

Total estimated costs for build out of the Hub are \$28,700,000, including \$18,200,000 for the Project and \$10,500,000 for the commercial component. On or before the scheduled closing date for the purchase and sale of the Site, the Developer/Residential Owner shall provide the City reasonably satisfactory evidence of a binding financing commitment in an amount not less than \$3,500,000, as necessary to complete the build-out of the core and shell of the commercial

component (as such amount may be reduced in the reasonable discretion of the City based on any subsequent refinement of the estimated cost of the core and shell and the construction staging of the commercial component). In the event that the Developer/Residential Owner is unable to timely provide satisfactory evidence of such financing, as determined by the City in its reasonable discretion, the City shall deliver written notice thereof to the Developer/Residential Owner, and the Developer/Residential Owner shall have ten (10) business days after such written notice to deliver to the City reasonably satisfactory evidence of such financing. If, after such 10 business day period, the Developer/Residential Owner fails to deliver to the City such satisfactory evidence, the City may elect to (but shall not be required to) terminate the agreement for the purchase and sale of the Site (and retain any performance deposits or other fees and amounts then collected to-date in connection therewith) and terminate the TID financing agreement contemplated by this Term Sheet for the Project. Upon any such termination of the purchase and sale and the TID financing agreement, the City shall have no further liability or obligation to the Developer/Residential Owner with respect to the Project and/or the Hub generally.

The residential and commercial components of the Hub will also have separate financing. Funding sources for the residential component will include low income housing tax credit equity, mortgage financing, HOME and Trust Funds from the City of Milwaukee, a grant from the Federal Home Loan Bank of Chicago, a loan from the RACM Brownfield Revolving Loan fund, and a green infrastructure grant. Funding sources for the commercial component are contemplated to include other loans and/or grants. Financing for the commercial component will be staged, with 100% of the funding necessary to complete construction of the commercial core and shell available on or before the closing date of the purchase and sale of the Site, and the balance necessary to complete the remaining commercial component build-out is anticipated to be secured by March 31, 2025, corresponding to the contemplated timing of the allocation of New Market Tax Credits for the commercial component; provided, however, that alternate funding sources may be secured to support the remaining commercial component build-out in lieu thereof, subject to the reasonable prior written approval of the City.

### **Development Schedule**

Construction of the Project shall commence not later than September 31, 2024. The placed-in-service date of the residential component shall be no later than December 31, 2025, which date shall be extended if the placement in service deadline related to the low-income housing tax credits is extended. The substantial completion date of the core and shell of the commercial component shall be no later than June 30, 2025. The remaining portion of the commercial component of the Hub shall be substantially completed no later than December 31, 2025. All completion dates are subject to delay substantially caused by *Force Majeure*. The Residential Owner shall have no responsibility for the commercial component, and there shall be no cross default between the Project and the commercial component.

### **Tax Incremental District**

The City intends to create a Tax Incremental District (“**TID No. 121**”) to assist in funding a portion of the costs of the residential component of the Hub as set forth in the Project Plan.

## **Funding**

The Developer/Residential Owner shall advance up to \$18,200,000 (subject to review of the final Project budget) of costs related to the Project and shall be repaid for these costs through the Monetary Obligation.

Prior to Substantial Completion of the Project, the City will deposit an amount equal to 100% of the tax incremental revenue actually received by City from TID No. 121, less Annual Expenses into a special fund established for TID No.121. Upon Substantial Completion of the Project, such amount shall be disbursed to Developer/Residential Owner and applied to reduce the principal balance of the Monetary Obligation.

Subsequent to Substantial Completion of the Project, following the deduction of Annual Expenses, 100% of incremental tax revenue collected from TID No. 121 will be allocated to repay the Developer/Residential Owner for costs incurred for the Project through payments on the Monetary Obligation on or before March 1<sup>st</sup> of each year, provided the Project has paid its property tax bill in full prior to January 31<sup>st</sup>.

All City payment of tax incremental revenue received by City from TID No. 121 shall be subject to annual appropriation. If not appropriated, City shall not expend such tax increments for any other TID No. 121 Project costs.

## **Monetary Obligation**

The Monetary Obligation consists of a limited and conditional obligation to repay Developer/Residential Owner an amount up to \$700,000 plus interest on the outstanding balance of the Monetary Obligation at 7% per year. (The interest rate on the Monetary Obligation reflects the preliminary interest rate on the Developer's/Residential Owner's underlying financing and is subject to change, based on the final closing date for the Project. In no event shall the interest rate on the Monetary Obligation exceed 7%.) Payments on the Monetary Obligation are to be made annually following Project Substantial Completion in an amount equal to 100% of tax incremental revenue actually received by the City from TID No. 121, less Annual Expenses.

The City may, at any time or from time to time, without notice, penalty, or fee, prepay all or any portion of the Monetary Obligation. In the event that City prepays a portion of the Monetary Obligation, 100% of tax incremental revenue allocated to payment of the Monetary Obligation shall be proportionately reduced to reflect such prepayment. 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.

The Developer/Residential Owner shall have the right to assign all or a portion of the Monetary Obligation to sources of financing or refinancing on terms and conditions mutually agreeable between Developer/Residential Owner and the proposed assignee(s). The City shall have not less than fifteen (15) days' prior notice and a reasonable opportunity to review and comment on the applicable assignment documentation and approve any documentation to which it is a signatory.

### **Monetary Obligation Earned**

Upon Substantial Completion of the Project, the Developer/Residential Owner 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 amount of the Monetary Obligation shall be deemed earned upon reasonable approval of such certification by the Commissioner.

### **Design/Consistency with Approved Plans**

Plans and specifications for the Project shall be subject to the reasonable review and approval of the City's Commissioner of City Development ("**Commissioner**").

### **Cost Savings**

If at completion, total Project costs submitted are less than the \$18,200,000 estimated in the final Project budget submitted prior to the Developer's/Residential Owner's closing on financing for the Project, the principal amount of the Monetary Obligation will be reduced by 50% of the cost savings.

### **Terms of Payments**

City payments on the Monetary Obligation will terminate: (i) at the time the Monetary Obligation is fully paid; or (ii) with the payment derived from the 2042 tax levy, payable in 2043, whichever occurs first.

### **Material Disturbance**

If the Project is not placed in service by December 31, 2025 (unless caused in part by an event of *Force Majeure*, or such date is extended as provided above) (a "**Material Disturbance**"), then City shall have the right (but not the obligation) to terminate further payments on the Monetary Obligation, using the following procedure:

- 1) City shall give Developer/Residential Owner notice of its intention to terminate further payments on the Monetary Obligation, and Developer/Residential Owner shall have 180 days to eliminate the Material Disturbance, and
- 2) Thereafter, if Developer/Residential Owner has not timely eliminated the Material Disturbance and if City still intends to terminate payments on the Monetary Obligation, City's Common Council shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the public benefits contemplated as a result of the Project and constitutes just cause for the termination of the Monetary Obligation. City shall thereafter file a certificate with Developer/Residential Owner (attaching the resolution of the Common Council) stating that City has elected to terminate payments on the Monetary Obligation. Upon City such filing of the certificate, the Monetary Obligation shall terminate.



### **Developer/Residential Owner Responsibilities:**

The Developer/Residential Owner shall have the following responsibilities:

- 1) Design and develop the Project consistent with the approved plans.
- 2) Submit final development budget for the Project, provide satisfactory evidence of binding financing commitments for the full cost of the Project (on or before closing of Developer's/Residential Owner's financing for the Project), final bids, and a construction contract. For the avoidance of doubt, reasonably satisfactory proof of binding funding commitments (as determined by the City in its reasonable discretion) for the residential component and the core and shell portion of the commercial component of the Hub is a condition precedent to the City's obligation to close on the transaction contemplated herein.
- 3) Guaranty completion of construction of the Project.
- 4) Commence construction of the Project by September 31, 2024. The core and shell of the commercial component shall be substantially completed not later than June 30, 2025. The placed-in-service-date for the residential component shall be not later than December 31, 2025. The remaining build-out of the commercial component of the Hub shall be substantially completed on or before December 31, 2025. All completion dates are subject to delay substantially caused by *Force Majeure*.
  - (a) Failure to timely substantially complete construction on the remaining commercial component may result in the City and/or RACM retaking said portion of the Site and the payment of liquidated damages, which shall not exceed \$250,000. Such remedies to be enumerated in the purchase and sale agreement for the Site and/or the Deed for the Site, but will not be a default on the Project or the Residential Owner. Such failure shall not, however, be deemed a Material Disturbance or allow the City to terminate or otherwise alter the Monetary Obligation.

### **Human Resources:**

Developer/Residential Owner 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 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**

If any part of the Site becomes exempt from real property taxes, the Developer/Residential Owner shall be subject to a Payment in Lieu of Taxes Agreement (such agreement to be executed simultaneously with the Development Agreement as hereafter defined).

### **Development Agreement**

Developer/Residential Owner and City shall enter into a development agreement ("**Development Agreement**") containing terms consistent with this Term Sheet and customary for such development agreements.

### **Limits on Residential Owner Action**

Until all obligations under the Development Agreement have been fully discharged, Developer/Residential Owner may not, without City's written consent, which shall not be unreasonably withheld, conditioned or delayed:

- 1) Liquidate or consolidate the Site;
- 2) Merge with another entity;
- 3) Sell, lease or transfer the Site other than a conveyance of the commercial component condominium unit to an entity affiliated with Developer, and residential and commercial leases in the ordinary course of business;
- 4) Enter into any transaction that would materially adversely affect the ability of Residential Owner to complete the Project (and/or the Developer's ability to complete the Hub generally) or fulfill its obligations under the Development Agreement;
- 5) Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of Residential Owner to complete the Project (and/or the Developer's ability to complete the Hub generally) or fulfill its obligations under the Development Agreement; or

### **General**

This term sheet does not constitute an agreement between the Developer/Residential Owner and the City. The terms set forth 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/Residential Owner and the City (and any other necessary parties thereto). 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 Commissioner of the Department of City Development will be authorized under these agreements to exercise such discretion and grant such approvals.

***Note: Attachment 1 provides additional definitions to words and terms used in this Term Sheet in addition to the words and terms elsewhere defined.***

## **Attachment 1**

### **DEFINITIONS**

**“Annual Expenses”** means an amount not to exceed \$3,750 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. 121.

**“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, riot, strikes, labor disputes, judicial orders, public emergency or regulations, or other causes beyond the reasonable control of the party obligated to perform, then 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.

**“Human Resources Agreement”** means an agreement in a form customary for developer-funded tax incremental districts.

**“Monetary Obligation”** means a limited and conditional obligation to repay Developer/Residential Owner an amount up to \$700,000, plus interest on the outstanding balance at 7% per year. (The interest rate on the Monetary Obligation reflects the preliminary interest rate on the Developer’s/Residential Owner’s underlying financing and is subject to change, based on the final closing date for the Project. In no event, shall the interest rate on the Monetary Obligation exceed 7%.)

**“Substantial Completion”** for the residential component of the Project means the Residential Owner has received from City of a temporary Occupancy Certificate for the Project and the Project has been placed in service.

**Exhibit 4**  
**Economic Feasibility Study**

# City of Milwaukee, Wisconsin

## Tax Increment District # 121

### Development Assumptions

Construction Year		140 Units	Annual Total	Construction Year	
1	2024	1,720,008	1,720,008	2024	1
2	2025	1,720,008	1,720,008	2025	2
3	2026	860,004	860,004	2026	3
4	2027		0	2027	4
5	2028		0	2028	5
6	2029		0	2029	6
7	2030		0	2030	7
8	2031		0	2031	8
9	2032		0	2032	9
10	2033		0	2033	10
11	2034		0	2034	11
12	2035		0	2035	12
13	2036		0	2036	13
14	2037		0	2037	14
15	2038		0	2038	15
16	2039		0	2039	16
17	2040		0	2040	17
18	2041		0	2041	18
19	2042		0	2042	19
20	2043		0	2043	20
21	2044		0	2044	21
22	2045		0	2045	22
23	2046		0	2046	23
24	2047		0	2047	24
25	2048		0	2048	25
26	2049		0	2049	26
27	2050		0	2050	27
<b>Totals</b>		<b>4,300,020</b>	<b>4,300,020</b>		

Notes:

# City of Milwaukee, Wisconsin

## Tax Increment District # 121

### Tax Increment Projection Worksheet

Type of District	Rehabilitation	Base Value	0
District Creation Date	July 1, 2024	Appreciation Factor	1.00%
Valuation Date	Jan 1, 2024	Base Tax Rate	\$21.2124
Max Life (Years)	27	Rate Adjustment Factor	0.00%
Expenditure Period/Termination	22 7/1/2046		
Revenue Periods/Final Year	27 2052		
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	0.00%
Eligible Recipient District	Yes	Taxable Discount Rate	7.00%

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate <sup>1</sup>	Tax Increment
							0
1 2024	1,720,008	2025	0	1,720,008	2026	\$21.21	36,485
2 2025	1,720,008	2026	0	3,440,016	2027	\$21.21	72,971
3 2026	860,004	2027	34,400	4,334,420	2028	\$21.21	91,943
4 2027	0	2028	43,344	4,377,764	2029	\$21.21	92,863
5 2028	0	2029	43,778	4,421,542	2030	\$21.21	93,791
6 2029	0	2030	44,215	4,465,757	2031	\$21.21	94,729
7 2030	0	2031	44,658	4,510,415	2032	\$21.21	95,677
8 2031	0	2032	45,104	4,555,519	2033	\$21.21	96,633
9 2032	0	2033	45,555	4,601,074	2034	\$21.21	97,600
10 2033	0	2034	46,011	4,647,085	2035	\$21.21	98,576
11 2034	0	2035	46,471	4,693,556	2036	\$21.21	99,561
12 2035	0	2036	46,936	4,740,491	2037	\$21.21	100,557
13 2036	0	2037	47,405	4,787,896	2038	\$21.21	101,563
14 2037	0	2038	47,879	4,835,775	2039	\$21.21	102,578
15 2038	0	2039	48,358	4,884,133	2040	\$21.21	103,604
16 2039	0	2040	48,841	4,932,974	2041	\$21.21	104,640
17 2040	0	2041	49,330	4,982,304	2042	\$21.21	105,686
18 2041	0	2042	49,823	5,032,127	2043	\$21.21	106,743
19 2042	0	2043	50,321	5,082,449	2044	\$21.21	107,811
20 2043	0	2044	50,824	5,133,273	2045	\$21.21	108,889
21 2044	0	2045	51,333	5,184,606	2046	\$21.21	109,978
22 2045	0	2046	51,846	5,236,452	2047	\$21.21	111,078
23 2046	0	2047	52,365	5,288,816	2048	\$21.21	112,188
24 2047	0	2048	52,888	5,341,704	2049	\$21.21	113,310
25 2048	0	2049	53,417	5,395,122	2050	\$21.21	114,443
26 2049	0	2050	53,951	5,449,073	2051	\$21.21	115,588
27 2050	0	2051	54,491	5,503,563	2052	\$21.21	116,744
<b>Totals</b>	<b>4,300,020</b>		<b>1,203,543</b>		<b>Future Value of Increment</b>		<b>2,706,229</b>

#### Notes:

<sup>1</sup> Tax rate assumed is based on 2023/24 TID equalized values per DOR form PC-202

# City of Milwaukee, Wisconsin

## Tax Increment District # 121

### Cash Flow Projection

Year	Projected Revenues			Expenditures				Balances		Year	
	Tax Increments	Interest Earnings/ (Cost)	Other Revenue	Total Revenues	Municipal Revenue Obligation (MRO) Not to Exceed 700,000		Admin.	Total Expenditures	Annual		Cumulative
					Dated Date: Payment	TBD Est. Rate					
2025				0	0			0	0	0	2025
2026	36,485			36,485	32,735	7.00%	3,750	36,485	0	0	2026
2027	72,971			72,971	69,221	7.00%	3,750	72,971	0	0	2027
2028	91,943			91,943	88,193	7.00%	3,750	91,943	0	0	2028
2029	92,863			92,863	89,113	7.00%	3,750	92,863	0	0	2029
2030	93,791			93,791	90,041	7.00%	3,750	93,791	0	0	2030
2031	94,729			94,729	90,979	7.00%	3,750	94,729	0	0	2031
2032	95,677			95,677	91,927	7.00%	3,750	95,677	0	0	2032
2033	96,633			96,633	92,883	7.00%	3,750	96,633	0	0	2033
2034	97,600			97,600	93,850	7.00%	3,750	97,600	0	0	2034
2035	98,576			98,576	94,826	7.00%	3,750	98,576	0	0	2035
2036	99,561			99,561	95,811	7.00%	3,750	99,561	0	0	2036
2037	100,557			100,557	96,807	7.00%	3,750	100,557	0	0	2037
2038	101,563			101,563	97,813	7.00%	3,750	101,563	0	0	2038
2039	102,578			102,578	98,828	7.00%	3,750	102,578	0	0	2039
2040	103,604			103,604	99,854	7.00%	3,750	103,604	0	0	2040
2041	104,640			104,640	100,890	7.00%	3,750	104,640	0	0	2041
2042	105,686			105,686	101,936	7.00%	3,750	105,686	0	0	2042
2043	106,743			106,743				0	106,743	106,743	2043
2044	107,811			107,811				0	107,811	214,554	2044
2045	108,889			108,889				0	108,889	323,443	2045
2046	109,978			109,978				0	109,978	433,421	2046
2047	111,078			111,078				0	111,078	544,498	2047
2048	112,188			112,188				0	112,188	656,686	2048
2049	113,310			113,310				0	113,310	769,997	2049
2050	114,443			114,443				0	114,443	884,440	2050
2051	115,588			115,588				0	115,588	1,000,028	2051
2052	116,744			116,744				0	116,744	1,116,771	2052
Total	2,706,229	0	0	2,706,229	1,525,708		63,750	1,589,458			Total

Notes: Annual Increment is based annually available tax increment of 100% less a \$3,750 Admin. fee.

Projected TID Closure



## Exhibit 5

### Property Owners

Property Address	Tax Key	Owner Name
628 W North Av.	323-0654-000	Redevelopment Authority of the City of Milwaukee
626 W North Av.	323-0655-000	Redevelopment Authority of the City of Milwaukee
622 W North Av.	323-0656-000	Redevelopment Authority of the City of Milwaukee
616 W North Av.	323-0657-000	Redevelopment Authority of the City of Milwaukee
2307 N 6 <sup>th</sup> Street	323-0659-110	Redevelopment Authority of the City of Milwaukee
2317 N 6 <sup>th</sup> Street	323-0661-100	Redevelopment Authority of the City of Milwaukee
2316 N 7 <sup>th</sup> Street	323-0651-000	Redevelopment Authority of the City of Milwaukee
2322 N 7 <sup>th</sup> Street	323-0650-000	Redevelopment Authority of the City of Milwaukee

**Exhibit 6**

**City Attorney's Letter**

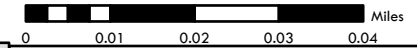
In Preparation.

# TID NO. 121: 6th and North, Map 1

## Boundary and Existing Land Use

Prepared by the Department of City Development Planning Division, 6/4/2024  
Source: DCD Planning Division; Information Technology Management Division

N



### Property List

No.	Tax Key	Address
1	#323-0654-000	628 W North Av.
2	#323-0655-000	626 W North Av.
3	#323-0656-000	622 W North Av.
4	#323-0657-000	616 W North Av.
5	#323-0659-110	2307 N 6th St.
6	#323-0661-100	2317 N 6th St.
7	#323-0651-000	2316 N 7th St.
8	#323-0650-000	2322 N 7th 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

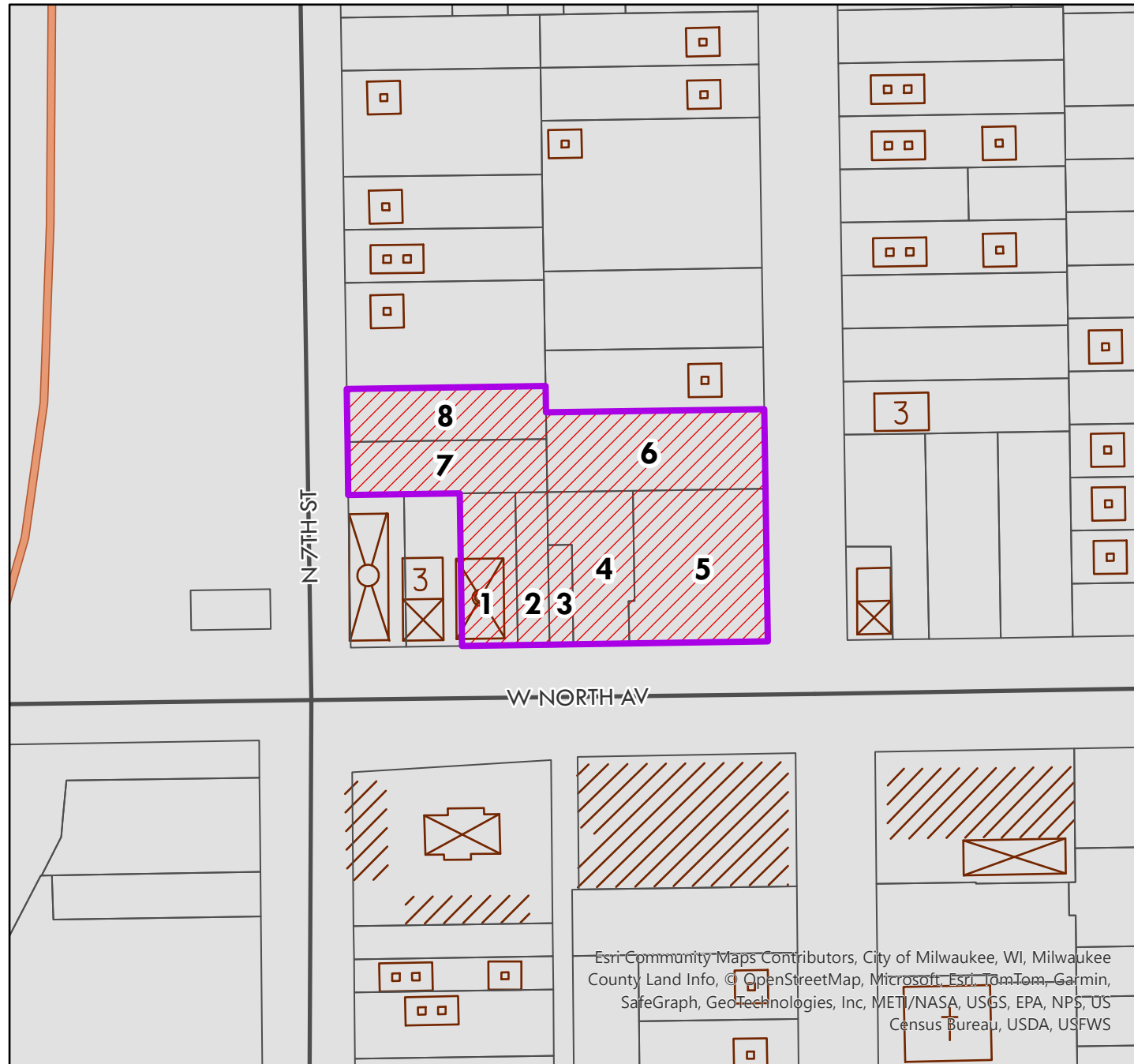
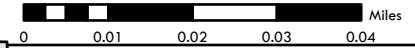


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# TID NO. 121: 6th and North, Map 2

## Structure Condition

Prepared by the Department of City Development Planning Division, 6/4/2024  
Source: DCD Planning Division; Information Technology Management Division



### Property List

No.	Tax Key	Address
1	#323-0654-000	628 W North Av.
2	#323-0655-000	626 W North Av.
3	#323-0656-000	622 W North Av.
4	#323-0657-000	616 W North Av.
5	#323-0659-110	2307 N 6th St.
6	#323-0661-100	2317 N 6th St.
7	#323-0651-000	2316 N 7th St.
8	#323-0650-000	2322 N 7th St.

### Map Legend

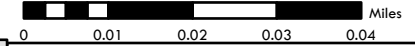
- In Need of Conservation or Rehabilitation
- TID Boundary
- Parcel Boundary

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# TID NO. 121: 6th and North, Map 3

## Proposed Uses and Improvements

Prepared by the Department of City Development Planning Division, 6/5/2024  
Source: DCD Planning Division; Information Technology Management Division



### Property List

No.	Tax Key	Address
1	#323-0654-000	628 W North Av.
2	#323-0655-000	626 W North Av.
3	#323-0656-000	622 W North Av.
4	#323-0657-000	616 W North Av.
5	#323-0659-110	2307 N 6th St.
6	#323-0661-100	2317 N 6th St.
7	#323-0651-000	2316 N 7th St.
8	#323-0650-000	2322 N 7th St.

### Map Legend

- New Building to be Constructed - Residential and Commercial Use/ Mixed Use
- TID Boundary
- Parcel Boundary

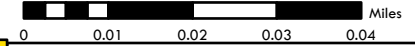
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# TID NO. 121: 6th and North, Map 4

## Current Zoning

Prepared by the Department of City Development Planning Division, 6/7/2024  
Source: DCD Planning Division; Information Technology Management Division

N

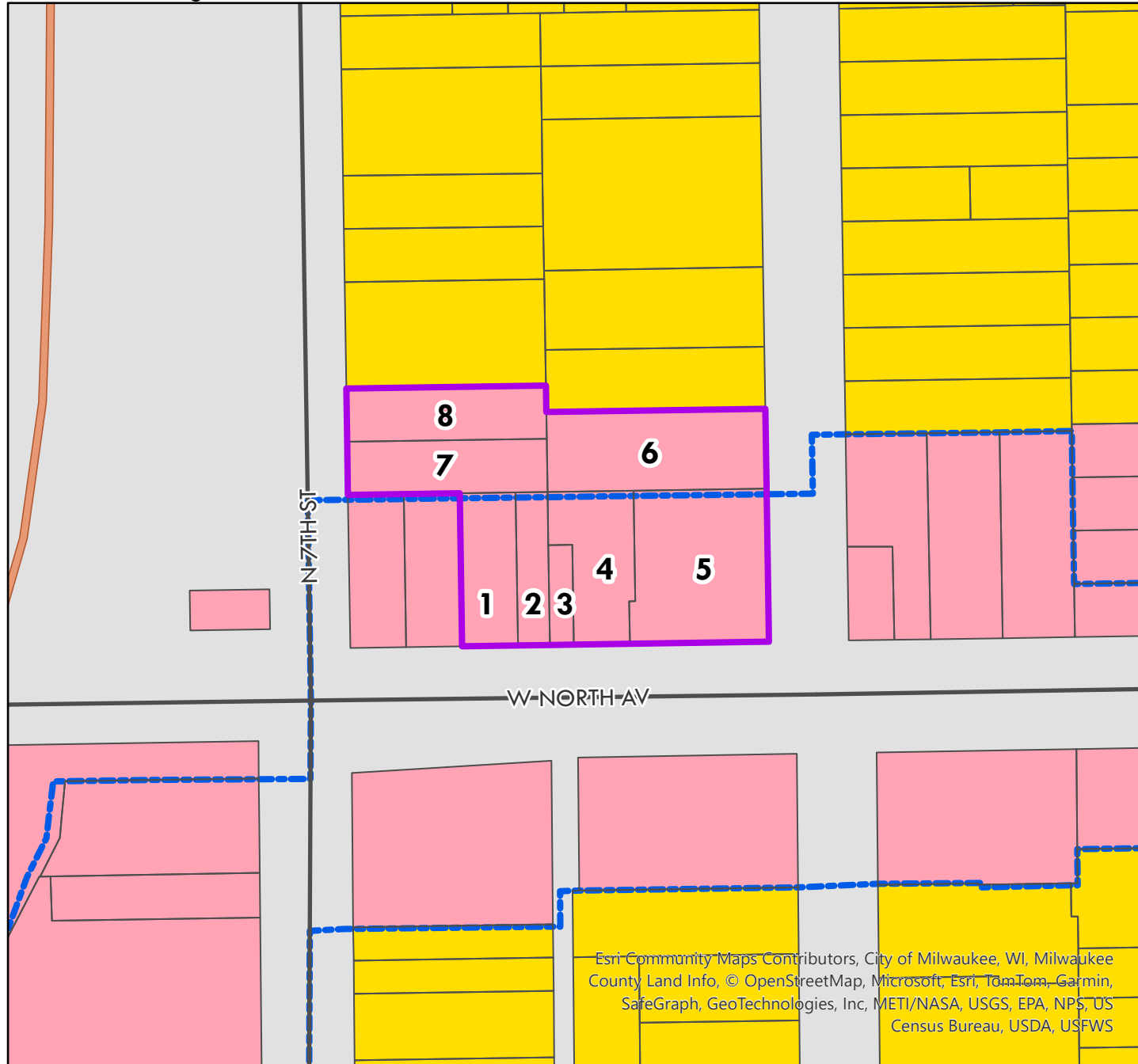


### Property List

No.	Tax Key	Address
1	#323-0654-000	628 W North Av.
2	#323-0655-000	626 W North Av.
3	#323-0656-000	622 W North Av.
4	#323-0657-000	616 W North Av.
5	#323-0659-110	2307 N 6th St.
6	#323-0661-100	2317 N 6th St.
7	#323-0651-000	2316 N 7th St.
8	#323-0650-000	2322 N 7th St.

### Map Legend

- TID Boundary
- Parcel Boundary
- Bronzeville Cultural and Entertainment District DIZ Boundary\*
- Commercial - Local Business (LB2)
- Residential - Two Family (RT4)



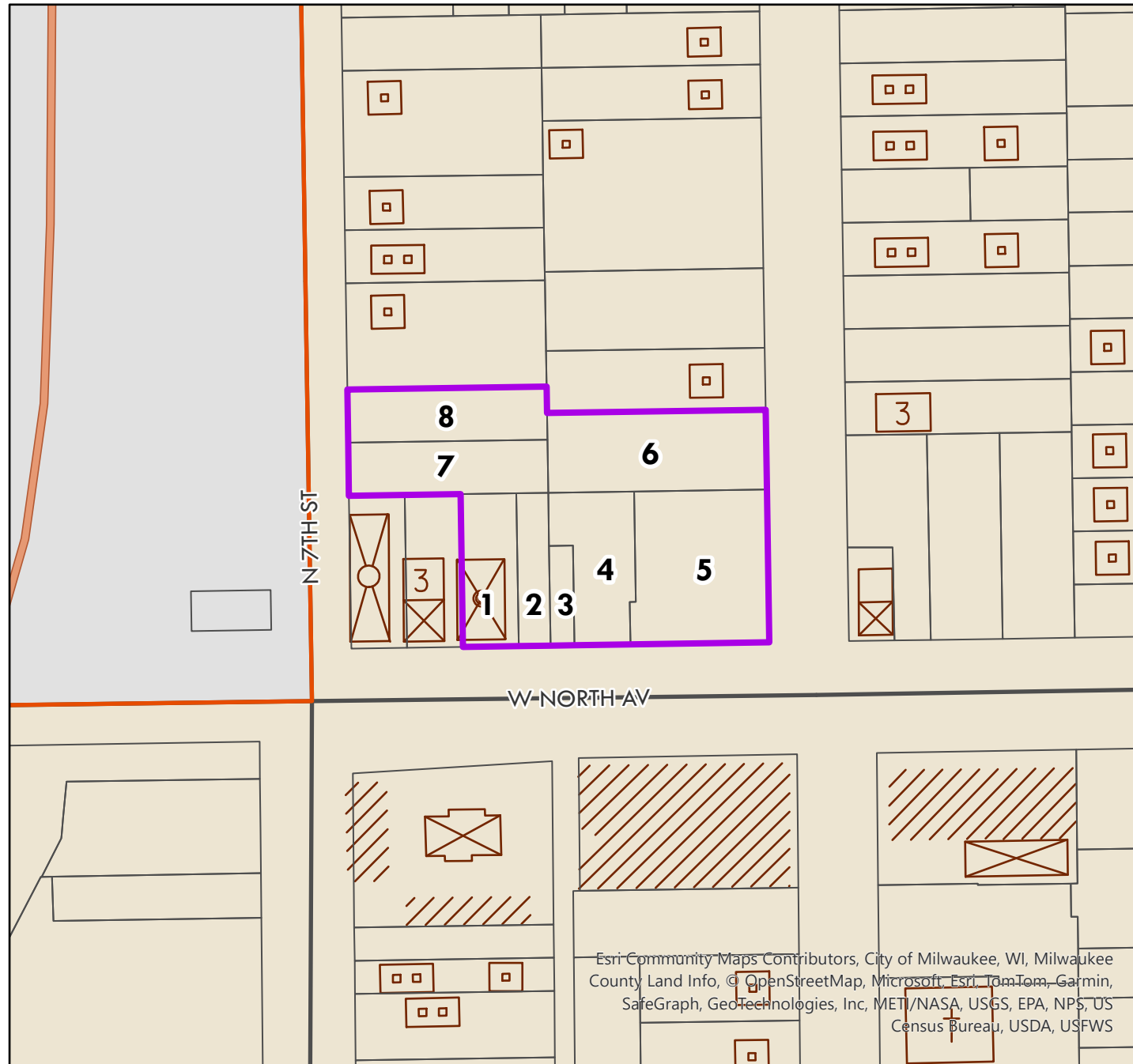
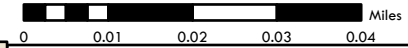
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\*Pursuant to DIZ standards: Should a lot or lots be legally combined with a lot or lots within the mapped DIZ, the DIZ standards will apply to the full area of the legally combined lots.

# TID NO. 121: 6th and North, Map 5

## Bronzeville TID 59

Prepared by the Department of City Development Planning Division, 6/5/2024  
Source: DCD Planning Division; Information Technology Management Division



### Property List

No.	Tax Key	Address
1	#323-0654-000	628 W North Av.
2	#323-0655-000	626 W North Av.
3	#323-0656-000	622 W North Av.
4	#323-0657-000	616 W North Av.
5	#323-0659-110	2307 N 6th St.
6	#323-0661-100	2317 N 6th St.
7	#323-0651-000	2316 N 7th St.
8	#323-0650-000	2322 N 7th St.

### Map Legend

- TID 121 Boundary
- TID 59 Boundary
- Parcel Boundary

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