

AMENDMENT NO. 2

**PROJECT PLAN FOR
TAX INCREMENTAL FINANCING DISTRICT NO. 78
(Northwestern Mutual Life Insurance Company)**

CITY OF MILWAUKEE

Public Hearing Held: February 20, 2025

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Adopted:

**AMENDMENT NO. 2 to the PROJECT PLAN for
TAX INCREMENTAL FINANCING DISTRICT NUMBER 78
CITY OF MILWAUKEE
(Northwestern Mutual Life Insurance Company)**

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., permits that amendment to fund projects located outside, but within one half-mile of the district's boundary.

The Common Council created Tax Incremental District Number 78 (the "District") in 2013 for the purpose of facilitating the construction of a new headquarters (the "Office Project") for Northwestern Mutual Life Insurance Company ("NM") and to provide funding for the Lakefront Gateway project (the "Gateway Project").

In 2015, Amendment No. 1 to the District was approved to expand the District boundary to include the final NM Office site and to reallocate \$250,000 from the \$600,000 in Administrative expenses to conduct due diligence on the state-owned site at 815 East Clybourn Street. In 2016, a funding increase was approved, which authorized an additional \$6,000,000 towards the Gateway Project.

Amendment No. 2 will provide an additional \$16,500,000 for the Gateway Project (including Van Buren Bikeway Enhancements between East Wells Street and East Knapp Street) and \$500,000 in administrative expenses, totaling \$17,000,000. This amendment also reallocates the Clybourn Site Cash Grant from Amendment No. 1 back to administrative expenses.

Amendments to the Project Plan:

The following amendments are made to the TID 78 Project Plan. All other sections of the TID 78 Project Plan remain unchanged.

Sub-Section Section I. C. "Project Plan Goals and Objectives" is amended by adding the following:

Amendment No. 2 will provide an additional \$16,500,000 for the Gateway Project and \$500,000 in administrative expenses, totaling \$17,000,000. Amendment No. 2 also reallocates the Clybourn Site Cash Grant from Amendment No. 1 back to administrative expenses.

Table B in Sub-Section II.B.2. "List of Estimated Project Costs" is deleted and restated as follows:

A	<u>Capital:</u>	
	Office Project (Monetary Obligation to NM)	\$54,000,000
	Gateway Project (Original Project Plan)	\$18,000,000
	Gateway Project (2016 Funding Increase)	\$6,000,000
	Gateway Project (Amend No. 2)	\$16,500,000
	Subtotal of Capital Project Costs	\$94,500,000
B	<u>Other:</u>	
	Administrative (Original Project Plan)	\$350,000
	Administrative (Amend No. 1, previously the Clybourn Site Cash Grant)	\$250,000
	Administrative (Amend No. 2)	\$500,000
	Workforce and Business Development Program	\$700,000
	Total Estimated Project Costs, excluding financing	\$96,300,000
C	<u>Financing:</u>	\$42,675,000
	Interest	

Sub-Section II.C. “Description of Timing and Methods of Financing”, is deleted and restated as follows:

All expenditures are expected to be incurred during the period from 2013-2035.

The annual payments to NM will be repaid pursuant to the Monetary Obligation, but only from 70% of the incremental taxes generated annually in the District.

For the Gateway Project, Administrative costs, Clybourn Site Cash Grant and Workforce and Business Development Program, the City may proceed to fund any or all Project Costs using general obligation bonds or notes, or RACM revenue bonds to be issued in amounts which can be supported using tax increments in the District.

Sub- Section II.D. “Economic Feasibility Study”, is deleted and restated as follows:

The Economic Feasibility Study for this District is attached to this Project Plan as **Amended Exhibit 5, “TID #78 Amendment No. 2 Feasibility.”** The study establishes the dollar value of the Project Costs which, based on certain general assumptions and a reasonable margin of safety, can be financed with the revenues projected to be generated by the District.

Based upon the anticipated tax incremental revenue to be generated by the District, the District is financially feasible and is likely to be retired on or before year 2035, the 23rd year of the District. Accordingly, the District is determined to be feasible.

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

Amended Exhibit 5: TID 78 Amendment No. 2 Feasibility

70%													
No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	NM Share of Increment	New Debt Service	Existing Debt Service	Cash flow	Total Cum. Cash Flow	After reserving for remaining debt Surplus/(deficit)	TID Payoff
1	2013	2014	44,582,700						(500,213)	(500,213)	(500,213)	(138,973,869)	
2	2014	2015	44,582,700	36,736,400	(7,846,300)				(9,192)	(9,192)	(509,405)	(138,973,869)	No
3	2015	2016	44,582,700	37,024,500	(7,558,200)				(196,512)	(196,512)	(705,917)	(138,973,869)	No
4	2016	2017	49,588,500	183,352,700	133,764,200	3,938,814			(548,485)	3,390,329	2,684,413	(135,035,055)	No
5	2017	2018	49,588,500	242,519,400	192,930,900	5,696,792	(6,697,902)		(740,539)	(1,741,649)	942,763	(129,338,263)	No
6	2018	2019	49,588,500	303,509,800	253,921,300	7,073,399	(4,941,077)		(1,635,740)	496,581	1,439,344	(122,264,864)	No
7	2019	2020	49,588,500	303,935,900	254,347,400	7,016,923	(4,901,307)		(1,690,163)	425,453	1,864,798	(115,247,941)	No
8	2020	2021	49,588,500	310,273,600	260,685,100	7,330,400	(5,120,636)		(2,040,932)	168,832	2,033,630	(107,917,541)	No
9	2021	2022	49,588,500	334,295,100	284,706,600	7,187,217	(5,019,609)		(2,063,135)	104,473	2,138,103	(100,730,324)	No
10	2022	2023	49,588,500	311,978,800	262,390,300	6,088,224	(4,249,536)		(2,185,860)	(347,172)	1,790,931	(94,642,100)	No
11	2023	2024	49,588,500	401,065,300	351,476,800	7,455,654	(5,206,346)		(2,201,429)	47,879	1,838,810	(87,186,446)	No
12	2024	2025	49,588,500	358,521,200	308,932,700	6,861,395	(4,802,977)	(1,116,050)	(2,192,783)	(1,250,414)	588,396	(80,325,051)	No
13	2025	2026	49,588,500	362,106,412	312,517,912	6,941,023	(4,858,716)	(1,116,050)	(2,193,882)	(1,227,625)	(639,229)	(73,384,028)	No
14	2026	2027	49,588,500	365,727,476	316,138,976	7,021,447	(4,915,013)	(1,116,050)	(2,185,559)	(1,195,175)	(1,834,404)	(66,362,581)	No
15	2027	2028	49,588,500	369,384,751	319,796,251	7,102,675	(4,971,872)	(1,996,572)	(2,181,504)	(2,047,273)	(3,881,676)	(59,259,907)	No
16	2028	2029	49,588,500	373,078,598	323,490,098	7,184,715	(5,029,301)	(1,996,572)	(2,184,637)	(2,025,794)	(5,907,470)	(52,075,191)	No
17	2029	2030	49,588,500	376,809,384	327,220,884	7,267,576	(5,087,303)	(1,996,572)	(1,625,974)	(1,442,272)	(7,349,742)	(44,807,616)	No
18	2030	2031	49,588,500	380,577,478	330,988,978	7,351,265	(5,145,886)	(1,996,572)	(1,499,216)	(1,290,408)	(8,640,150)	(37,456,350)	No
19	2031	2032	49,588,500	384,383,253	334,794,753	7,435,791	(5,205,054)	(1,996,572)	(1,496,566)	(1,262,400)	(9,902,550)	(30,020,559)	No
20	2032	2033	49,588,500	388,227,086	338,638,586	7,521,163	(1,947,026)	(1,996,572)	(1,408,763)	2,168,802	(7,733,748)	(22,499,396)	No
21	2033	2034	49,588,500	392,109,356	342,520,856	7,607,388	-	(1,996,572)	(143,524)	5,467,293	(2,266,456)	(14,892,008)	No
22	2034	2035	49,588,500	396,030,450	346,441,950	7,694,476	-	(1,996,572)	(130,513)	5,567,391	3,300,936	(7,197,532)	No
23	2035	2036	49,588,500	399,990,754	350,402,254	7,782,434	-	(1,996,572)	(127,753)	5,658,109	8,959,045	584,902	YES
24	2036	2037	49,588,500	403,990,662	354,402,162	7,871,272	-	(1,996,572)	(124,988)	5,749,712	14,708,757	8,456,174	YES
25	2037	2038	49,588,500	408,030,569	358,442,069	7,960,998		(1,996,572)	(89,819)	5,874,608	20,583,365	16,417,172	YES
26	2038	2039	49,588,500	412,110,874	362,522,374	8,051,622		(1,996,572)	(87,488)	5,967,563	26,550,928	24,468,794	YES
27	2039	2040	49,588,500	416,231,983	366,643,483	8,143,152		(1,996,572)	(85,562)	6,061,018	32,611,946	32,611,946	YES
						171,585,815	(78,099,560)	(29,303,580)	(31,570,729)	32,611,946			

Annual appreciation	1.010
Interest Rate	6.50%
Base Value	44,582,700
Projected Value	value input above
Property Tax rate	2.221%
Issuance Costs	170,000
Project Costs	17,000,000

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January 30, 2025

Lafayette Crump, Commissioner
Department of City Development
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

Re: Project Plan for Amendment 2 to Tax Incremental District No. 78
(Northwestern Mutual Life Insurance Company)

Dear Commissioner Crump:

Pursuant to your request, we have reviewed Amendment No. 2 to the Project Plan for Tax Incremental District No. 78.

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

Very truly yours,

A blue ink signature of Evan Goyke, written over a horizontal line.

EVAN GOYKE
City Attorney

A blue ink signature of Mary Schanning, written in a cursive style.

MARY SCHANNING
Deputy City Attorney

A blue ink signature of Alexander R. Carson, written in a cursive style.

ALEXANDER R. CARSON
Assistant City Attorney

ARC/mcl

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