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July 23, 2026

Members of the Zoning, Neighborhoods
& Development Committee
City of Milwaukee
City Hall, Room 205
Milwaukee, WI 53202

RE: File 260433, TID 121 – Bronzeville Arts & Tech Hub

Dear Committee Members:

File 260433 would approve Amendment 1 to the project plan for Tax Incremental District (TID) 121, Bronzeville Arts & Tech Hub (the "District"), along with a corresponding project plan and term sheet. The Comptroller's Office has reviewed the project plan, feasibility study, and term sheet. We've also had discussions with the Department of City Development (DCD) and confirmed pro-forma details with the Assessor's Office. The Comptroller's Office analysis is based on the information provided.

The District is an irregular shaped parcel bounded by West North Avenue, North 6th Street, and North 7th Street in the Bronzeville Cultural and Entertainment District and Harambee neighborhood. The entirety of the site overlaps portions of existing TID No. 59 (Bronzeville). The first phase of this development was completed in 2025 and includes 60 affordable apartments, intentionally leaving the northwest corner of 6th and West North Avenue available for a second phase. This available section will be developed by Bronzeville Arts and Tech Hub, LLC (the "Developer"). The Developer is proposing the construction of a new four story commercial mixed-use building which will include 29,000 square feet of commercial space. The building is designed to support nonprofits, creative industry startups, and entrepreneurs by offering a mix of office, coworking, studio, production, and performance spaces, as well as a café (the "Project"). Prospective tenants identified include local organizations Black Arts MKE & the Wisconsin Conservatory of Music.

The total estimated costs for the Project are $11.1 million and this file authorizes a $1,645,000 grant to the Developer to assist in funding a portion of these costs. The Developer will advance the $1,645,000. The District will make annual payments to the Developer equal to the incremental taxes collected in the District, less an annual administration charge of $3,750. The District's payments will terminate at the earlier of the repayment of

$1,645,000 plus 3.50% interest (7.00% maximum), or the payment derived from the 2052 levy payable in 2051 (year 28 of the District).

Is This Project Likely to Succeed?

As a Developer-financed TID, the Developer assumes the risk that the proposed District will generate sufficient incremental revenue to recapture their $1,645,000 investment with interest.

DCD's feasibility study, which uses a constant 2.238538% property tax rate and 1% inflation rate over the life of the District, forecasts that the Developer will fully recover the $1,645,000 plus interest in 2052 after receipt of the 2051 levy. However, if the tax rate does not remain constant, the Developer may not recover the entire $1,645,000 plus interest. Nonetheless, because the Developer, not the City, assumes the repayment risk on their up to $1,645,000 contribution, the proposed District to the City is economically feasible.

Sensitivity Analysis

There is inherent risk in every projection of future results. One common way to evaluate this risk is to provide sensitivity analysis, which forecasts the impact that different assumptions have on the projection. Below is a table calculated by the Comptroller's office, which summarizes several scenarios to show the sensitivity of the projected incremental revenues within the District.

Sensitivity Analysis	
Percentage of Projected Revenue	District Payback Year
90%	2052*
95%	2052*
100% (Base Case)	2052
105%	2050
110%	2049

** 2052 is the final year of the monetary obligation. The Developer would not fully recover their investment, plus interest, in this scenario.*

It is important to note that the payback year relates to the expected year in which the Developer will recover their investment. Since the Project will be financed by the Developer, the City is not at risk of losing the $1,645,000.

Is the Proposed Level of City Financial Participation Required to Implement the Project?

This proposed District allows the City to provide incentive to the Developer to develop the Property while minimizing the City's involvement and risk.

Conclusion

The proposed District provides incentive for the Developer to construct a new commercial mixed-use building that includes an office, coworking, studio, production, and performance spaces that will support nonprofits, creative industry startups, and entrepreneurs. The Developer will assume the financial risk, and the Project should increase the City's tax base.

Should you have any questions regarding this letter, do not hesitate to contact Jesse Hagen.

Sincerely,

Bill Christianson, CPFO
Comptroller

CC: Lori Lutzka, Dan Casanova, Charles Roedel

BC:JH