

Project Plan  
For  
Tax Incremental District Number No. 127  
City of Milwaukee  
(100 East Wisconsin)

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 127, City of Milwaukee, 100 East Wisconsin (“District” or “TID”) is comprised of one parcel totaling approximately 27,552 square feet, or 0.6325 acres (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. The Property is attached to two skywalks which are not parcels of land and not included within the District boundary, but may be reflected in the tax assessment for the Property to the extent that they add value to the Property.

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 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 does not contain any commercial space and per Wisconsin Statute 66.1105 (5) (b), it is estimated that 0% 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 100 East Wisconsin Avenue, Milwaukee, Wisconsin in downtown Milwaukee. The following is a description of the planned project for the District:

The developer for the Property is 100 East PropCo, LLC. (“Developer”). The Developer is proposing to substantially and historically rehabilitate 100 East Wisconsin, a 34-story office building located in the downtown from office to multi-family residential use with a portion of the units set aside for workforce housing (the “Project”). Currently, the Class B office building is 75% vacant and is projected to be 100% vacant by September of 2025.

The Developer proposes to create 373 Class A apartments units within 321,169 net rentable square feet on levels 10 and 12 through 33 of the Property; the Property does not have a floor 13. The lower level will have a co-working lounge, dog wash, bike and water sport equipment storage. The first floor/lobby will have a fitness room, spa for resident use, gathering space, mailroom and package storage. Levels 2 through 9 will contain enclosed parking. The 11<sup>th</sup> floor will contain a tenant lounge, private kitchen/dining area, entertainment room, and outdoor pool/lounge. A portion of the 33<sup>rd</sup> and 34<sup>th</sup> floors will remain in their current condition to comply

with historical rehabilitation requirements.

Notably, the Property is listed in the National and State Register of Historic Places. The building is significant as the best and most important example of post-modern building within downtown Milwaukee.

*Connecting MKE – Downtown Plan 2040*, the City of Milwaukee’s area plan for downtown includes a goal to increase the downtown population through density and diversity of housing and improve the quality of life in downtown and surrounding neighborhoods. A key priority is to add 15,000 housing units to downtown with at least 20% of all downtown housing units being affordable units by 2040.

The main purpose of the District is to improve workforce housing options in the downtown area. The Developer proposes to dedicate a portion of the 373 units in the Project as workforce housing. Of the 373 units, 75 units, or 20% of units, will be rented to households at or below 100% of the area median income (“AMI”). The unit mix, targeted AMIs, and rents are as described in Attachment 1 of **Exhibit 3, “Term Sheet.”**

The more detailed objectives of this Project Plan are to:

1. Promote the coordinated development of underutilized property for appropriate residential use.
2. Increase the density and diversity of housing units in downtown.
3. Support past and future investment in the neighborhood through the redevelopment of a property that is primarily vacant and underutilized.
4. Substantially rehabilitate and restore an iconic and historic building in the City.
5. Support past and future investment in the neighborhood through the rehabilitation of a property that is currently in need of substantial renovation and revitalization.
6. Increase the tax base of the City by promoting redevelopment of an existing building.

#### **D. Existing Land Uses & Conditions in the District**

The District is comprised of one parcel containing 27,552 square feet, or 0.6325. The property in the District is currently assessed at \$24,605,400 and is zoned C9F(B) (Office and Service). Currently, the District is substantially vacant and underutilized.

## **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 \$14,400,000 is reimbursed to Developer by such payments plus an interest rate of up to 6.2% over a period not to exceed 16 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 \$14,400,000 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 Study for the Project attached as **Exhibit 4, “Economic 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: <ul style="list-style-type: none"><li>Grant to Project (Monetary Obligation to Developer)</li></ul> | \$14,400,000        |
| B | Other:<br>Administrative Costs (\$10,000/year for 14 years)  | \$ 140,000          |
|   | <b>Total Estimated Project Costs (excluding financing)</b>   | <b>\$14,540,000</b> |
| C | Financing:<br>Interest on the Grant to Developer (Monetary Obligation to Developer)                                | \$10,281,361        |

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

All expenditures are expected to be incurred during the period from 2025 through 2040.

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, “Economic 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 2040. 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 C9F(B) (Office and Service). 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 proposed District is consistent with existing zoning and the goals of *Connecting MKE – Downtown Plan 2040*, the City of Milwaukee’s area plan for downtown (the “Plan”), one of the 14 geographically specific area plans that make up the City of Milwaukee’s overall comprehensive plan.

The Plan contains a goal to increase the downtown population through density and diversity of housing options including affordable housing and improve the quality of life in downtown and surrounding neighborhoods. Redevelopment of the District will support the ongoing revitalization efforts within the downtown area.

The District will also result in the rehabilitation of a substantially vacant property to productive

use preserving its historic character, promote the coordinated development of underutilized property for appropriate residential use, increase the density and diversity of housing units in downtown, support past and future investment in the neighborhood through the redevelopment of a property that is primarily vacant and underutilized, support past and future investment in the neighborhood through the rehabilitation of a property that is currently in need of substantial renovation and revitalization, and increase the tax base of the City by promoting redevelopment of an existing building.

**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: 100 E Wisconsin, Milwaukee, Wisconsin, 53202

Legal Description:

Lots 4, 5 and 6 in Block 2 in Plat of Milwaukee on the east side of the river in the North East 1/4 of Section 29 in Township 7 North, Range 22 East, in the City of Milwaukee, Milwaukee County, Wisconsin.

Part of Tax Key No. 392-0604-110

## Exhibit 2

### Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed District is an area “in need of rehabilitation or conservation work” as defined in Section 66.1337(2m)(a), Wisconsin Statutes as required by Section 66.1105(4)(gm) of the Wisconsin Statutes.

| <b>Tax Key</b> | <b>Owner Name</b>   | <b>Land Assessment</b> | <b>Improvement Assessment</b> | <b>Total Assessment</b> | <b>Lot SF</b>            | <b>“in need of rehabilitation or conservation work”</b> |
|----------------|---------------------|------------------------|-------------------------------|-------------------------|--------------------------|---|
| 3920604110     | 100 EAST PROPCO LLC | \$2,752,600            | \$21,852,800                  | \$24,605,400            | 27,552                   | 27,552  |
|                |                     |                        |                               | <b>Total:</b>           | 27,552                   | 27,552  |
|                |                     |                        |                               |                         | <b>Total Percentage:</b> | 100%  |

## Exhibit 3

### TERM SHEET

#### 100 East Wisconsin Project TID No. 127

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 100 East Wisconsin project (the “Project”) involves the substantial and historical rehabilitation of a 34-story office building located at 100 East Wisconsin Avenue (the “Building”) in the City’s downtown. The proposal is to convert the existing Building from office to multi-family residential use with units set aside for workforce housing. The site is comprised of one parcel totaling approximately 24,425 square feet, 0.56 acres. Currently, the Class B office building is 75% vacant and is projected to be 100% vacant by September of 2025.

The Project will contain 373 apartments with 75 units, or 20% of units, set aside for workforce housing. See **Attachment 1** for the specific unit mix, targeted income levels, and rent levels. The Project will consist of studio, one-bedroom, two-bedroom, and three-bedroom units.

There will be 321,169 net rentable square feet on levels 10 and 12 through 33 of the Project; the Project does not have a 13<sup>th</sup> floor. The lower level will have a co-working lounge, dog wash, and bike and water sport equipment storage. The first floor/lobby will have a fitness room, spa for resident use, gathering space, mailroom and package storage. Levels 2 through 9 will contain 331 stalls of enclosed parking. The 11<sup>th</sup> floor will contain a tenant lounge, private kitchen/dining area, entertainment room, and outdoor roof deck and swimming pool. A portion of the 33<sup>rd</sup> and 34<sup>th</sup> floors will remain in their current condition to comply with historical rehabilitation requirements.

Notably, the Project is listed in the National and State Register of Historic Places. The Project is significant as the best and most important example of post-modern building within downtown Milwaukee.

The Project is consistent with *Connecting MKE – Downtown Plan 2040*, the City of Milwaukee’s area plan for downtown (the “Plan”). The Plan is one of the 14 geographically

specific area plans that make up the City of Milwaukee’s overall comprehensive plan. The Plan includes a goal to increase the downtown population through density and diversity of housing and improve the quality of life in downtown and surrounding neighborhoods. A key priority is to add 15,000 housing units to downtown with at least 20% of all downtown housing units being affordable units by 2040.

The proposed Project is consistent with existing zoning, which is C9F(B), (Office and Service).

### **Development Team**

The Project is being developed by 100 East PropCo, LLC (the “Developer”), a collaboration between Klein Development, Inc. and MOS-RE.

The Developer has completed \$1.5 billion of projects in the Milwaukee area since 1981. Klein Development, Inc. has been involved in Vantage on The Park, The Easton, The Eastsider, Rexnord Headquarters, and 241 North Broadway. MOS-RE has been involved with MKE Lots, Drew Tower (Wauwatosa, WI), and Legacy City (Houston, TX).

### **Project Budget:**

Total Project costs for the development are estimated at approximately \$165,186,252. In addition to TID No. 127 funding, the financing structure includes historic tax credits, mortgage, equity, and cash contingency.

Estimated total project sources include:

|                                 |               |
|---------------------------------|---------------|
| City Tax Incremental Financing  | \$ 14,400,000 |
| First Mortgage                  | \$ 95,354,030 |
| Equity                          | \$ 29,464,673 |
| Historic Tax Credit Equity, net | \$ 21,966,549 |
| Cash Contingency                | \$ 3,000,000  |
| Total                           | \$165,185,252 |

### **Development Schedule**

Developer shall commence rehabilitation of the Building as soon as reasonably practicable after receipt of permits and closing of financing structure (but no later than February 15, 2026), and substantially complete the Project within two years after commencement.

### **Tax Incremental District**

The City intends to create Tax Incremental District No. 127 (“TID No. 127”) 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 \$14,400,000 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 \$14,400,000 (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 6.2%<sup>1</sup> in addition to the Loan.

After creation of TID No. 127 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 TID No. 127 actually received by City from TID No. 127 (including the existing tax parcel and any new tax parcels created within TID No. 127 as a result of subdividing or creation of multiple condominium units), less Annual Expenses<sup>2</sup>, into a special fund established for TID No. 127 (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 1<sup>st</sup> of each year, provided the Developer has paid its property tax bill in full prior to January 31<sup>st</sup> each year, Developer has made voluntary BID contributions, and there is sufficient Incremental Revenue to fund the Loan payment.

The Monetary Obligation 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; provided that, to the extent Incremental Revenue is generated in an applicable year and applicable conditions have been met, that Incremental Revenue shall be allocated to Developer. If not appropriated, City shall not expend Incremental Revenue for any other TID No. 127 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 2040 tax levy, payable in 2041, whichever occurs first.

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

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<sup>1</sup> 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 permanent first mortgage for the Project. In no event, shall the interest rate on the Loan exceed 6.5%. If the final interest rate exceeds 6.2%, the amount of the Monetary Obligation will decrease accordingly.

<sup>2</sup> “Annual Expenses” is defined as an amount not to exceed \$10,000 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. 127.

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 hard construction costs submitted to the Commissioner for certification are less than the \$100,000,000 estimated in the Project budget or the amount of total hard construction 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 within two years after commencement, unless caused in substantial part by an event of *Force Majeure*<sup>3</sup> (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 or such additional time necessary to eliminate the Material Disturbance provided Developer is exercising continuous efforts and the Commissioner agrees that additional time is necessary and reasonable, 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 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:

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<sup>3</sup> "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.

- 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 Building, if not already owned.
- Guaranty completion 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. 127, whichever is longer, and comply with the City's Workforce Housing TIF Compliance Guideline attached as **Attachment 2** of the Term Sheet. Developer will be required to enter into a Land Use Restriction Agreement to be recorded on title of the real property within the Project to guarantee compliance with these residential provisions.

### **Business Improvement District**

Although the Property will be residential and may not be required to pay an assessment to Business Improvement District #15 ("BID #15"), if the Property is not subject to an assessment for BID #15, Developer agrees that it shall make voluntary contributions to BID #15, in an amount equal to \$15,000, with annual increases of 1%, due on January 31<sup>st</sup> each year each year until such time that BID #15 or TID No. 127 terminates, whichever occurs earlier.

Additionally, the Property will be residential and may not be required to pay an assessment to Business Improvement District #21 ("BID #21"), if the Property is not subject to an assessment for BID #21, Developer agrees that it shall make voluntary contributions to BID #21, in an amount equal to \$65,000, with annual increases of 1%, due on January 31<sup>st</sup> each year each year until such time or TID No. 127 terminates, whichever occurs earlier.

Developer further agrees to waive any legal challenge to these payments as a violation of the laws governing payments to business improvement districts. This voluntary payment will be included in the Payment in Lieu of Taxes Agreement that Developer is required to enter into with the City and shall run with the land to all successors and assigns of Developer.

### **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. The categories of construction costs, goods and services and professional services subject to this provision will be specified in the Human Resources Agreement.



### **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 Building other than residential and commercial leases in the ordinary course of business, a master lease or creation or conveyance of condominium units in the Building among Developer and its affiliates, 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 | Maximum Gross Rent<br>(subject to annual AMI adjustment as determined by HUD) |
|-----------|------------------|---|---|
| Studio    | 84 units         | 100%/<br>75 units                           | \$1,937   |
| 1-Bed     | 202 units        |   | \$2,075   |
| 2-Bed     | 79 units         |   | \$2,491   |
| 3-Bed     | 8 units          |   | \$2,878   |

## ATTACHMENT 2

### Workforce Housing TIF Compliance Guideline

The City of Milwaukee Department of City Development (DCD) has established *Tax Increment Finance (TIF) for Housing Development Guidelines* to ensure the availability of housing for current and prospective residents. This includes guidelines for both Affordable and Workforce housing developments where program requirements include ongoing compliance and monitoring requirements.

Under the *DCD TIF for Housing Development Guidelines*, affordable housing is defined as housing for individuals and households making 60 percent of the area median income or below. Workforce housing is defined as housing individuals and households making 60 percent to 100 percent of the area median income (AMI).

This *Workforce Housing TIF Compliance Guideline* establishes a framework for monitoring income limits, rent restrictions, and unit set asides during the designated compliance period for each DCD TIF-assisted workforce housing development and commercial conversions to housing that include workforce housing elements.

#### **Proper Administration and Recordkeeping:**

- The owner is responsible for proper administration and records retention of the program.
- The owner and owner's agent are responsible for proper recordkeeping including tenant income and rent records to be kept for three years from the date a household ends their tenancy.
- The owner is responsible for ensuring owner's agent and staff are aware of and complies with all rules of the program.
- Records must be made available to DCD staff at reasonable times with reasonable notice from DCD.

#### **Ongoing Administration and Notification:**

- The owner must keep DCD notified of any event that may affect development's financial health through all phases of construction through the end of the compliance period.

#### **Reporting and Certification:**

- The owner must submit required documentation to DCD on an annual basis, following submission deadlines that will be included within development agreements. This includes:
  - Tenant Application and Certification of Income and Self-Certification of Assets
  - Tenant Annual Self-Certification of Income
  - Owner's Affidavit of Continuing Program Compliance

- Owner's Annual Unit Status Report

**Ownership and Management Changes:**

- The owner and agent are responsible for informing DCD on any changes in ownership and management.
- The required form includes an attestation that the development will continue to operate under the original terms of the development agreement for the duration of the agreement.

**Compliance Period:**

- The owner must enter into a Land Use Restrictive Agreement (LURA), which will be recorded as a restrictive covenant.
- The workforce housing compliance period is for a minimum of 20 years or the life of the TID, whichever is longer, as outlined in *DCD TIF for Housing Development Guidelines*.

**Minimum Unit Set-Aside:**

- The required minimum number of units designated as workforce or affordable housing and the applicable rent limits will be established based on *DCD TIF for Housing Development Guidelines* and memorialized in individual development agreements. Workforce housing baseline ranges are outlined in *DCD TIF for Housing Development Guidelines*.
- Unit set-asides will be determined at the development level, not individual building level.
- For developments that are not 100% rent-restricted, units may be designated as floating. A “floating unit” means that while the total number of rent-restricted units remains fixed, the specific units designated as rent-restricted may change over time, provided the development always maintains the required number of rent restricted units defined in the development agreement.

**Income Limits:**

- DCD will publish annual income limits based on HUD's Multifamily Tax Subsidy Development (MTSP) Income Limits.<sup>3</sup> These limits will remain in place until DCD officially publishes new limits.
- Owners may not anticipate increases in income and corresponding rents.
- Eligible household income must fall between 60 and 100% of AMI, depending on individual development-specific considerations. Workforce housing baseline ranges are out- lined in *DCD TIF for Housing Development Guidelines*.
- Income averaging is not permitted. Fixed set asides at fixed income limits will be required as memorialized in the development agreement.
- Households whose income goes above 100% of AMI after initial occupancy may remain in their unit.

**Rent Restrictions:**

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<sup>3</sup> <https://www.huduser.gov/portal/datasets/mtsp.html>

- DCD will publish annual rent limits based on HUD's MTSP Income Limits. These rent limits will remain in place until officially updated by DCD.
- Owners may not anticipate increases in income and corresponding rents.
- A development's income and rent limits will never decrease from one year to the next, even if there is a decrease in the DCD published limits.
- Developments may use the highest income and rent limit the property has achieved since the date of certificate of occupancy is issued.

**Tenant Selection:**

- A waiting list is not required but is recommended by DCD.

**Tenant Income Certifications:**

- Gross annual household income will be used to determine eligibility.
- Income from all household members 18 years of age or older must be included.
- Income includes all amounts received from all sources received by household members 18 years of age or older.
- Frequency of certifications:
  - A full certification of income is required at admission.
  - A self-certification of assets is required at admission.
  - Households must self-certify income annually, thereafter. (Annual self-certifications may be waived for developments where 100% of units are rent-restricted).
- Household size determination:
  - The unborn child of a pregnant person is included in the household size.
  - The pending adoption of a child is included in the household size.
  - Live-in care attendants are included for household size in determination of appropriate unit size, not income eligibility.
  - Foster care children and foster adults are included for household size in determination of appropriate unit size, not income eligibility. Payments received for their care are not considered income.

**Tenant Asset Self-Certifications:**

- All household members 18 years of age or older must self-certify assets at admission.
- Asset limits are up to \$250,000 for all households.

**Lease Addendum:**

- Initial lease terms must be for at least 12 months.
- Rent increases are not allowed during the lease term.
- The unit must be the household's only residence. Sub-leasing, lease assignment, or unit transfer are not permitted.
- Termination of lease may only be for cause. Failure to provide information necessary for program administration – including income, asset, or household composition information – may be cause for termination.

**Overcharged Rent:**

- A unit is out of compliance if the rent exceeds the limit on a monthly or annual basis.
- A unit is considered back in compliance on the first day of the next calendar year if the rent charged on a monthly basis does not exceed the rent restriction limit.
- Any overcharged rents must be reimbursed directly to the household or applied as a rent credit.

**Inspections:**

- DCD reserves the right to inspect units at any time based on reports or communications received through any means.

**Certifications:**

- The owner must certify compliance with fair housing and civil rights laws.
- The owner must certify that it will not refuse to rent to households receiving rental or housing assistance.

**Monitoring:**

- The owner and/or agent shall submit annual compliance reports and affidavits using DCD-provided forms.
- Reports must include a tenant roster listing household, size, income, and rent for each rent-restricted unit.
- DCD will review submissions for compliance, may request additional information, and will require correction of any violations.
- DCD may conduct periodic sit visits to TIF-assisted developments. These visits may include interviews with staff, file reviews, unit inspections, and a tour of the property. DCD will prepare a written report of each visit.
- Required Forms to be submitted annually:
  - Tenant Application and Certification of Income and Self-Certification of Assets
  - Tenant Annual Self-Certification of Income
  - Owner's Affidavit of Continuing Program Compliance

- Owner's Annual Unit Status Report

**Enforcement:**

- If the development does not meet minimum set-asides, enforcement actions may include:
  - Reduction and/or repayment of financial incentive or monetary obligation
  - Sanctions during or after financial incentive or monetary obligation term
  - Suspension and/or debarment from eligibility to receive City financial assistance for future projects

**Close-Out / Certificate of Completion:**

- At the end of the compliance period, DCD will issue a satisfaction of the LURA.
- The owner must request this satisfaction from DCD.

## **Exhibit 4**

### **Economic Feasibility Study**

#### **Overview**

The 100 East Wisconsin project (the “Project”) involves the substantial and historical rehabilitation of a 34-story office building located at 100 East Wisconsin Avenue (the “Building”) in the City’s downtown. The Project will contain 373 apartments with 75 units, or 20% of units, set aside for workforce housing.

The Project is being developed by 100 East PropCo, LLC.

#### **Financing Structure**

In addition to the proposed TID contribution of \$14,400,000, each component of the project will have its own distinct funding sources.

Total estimated costs for the Project are \$165 million. Funding for the Project includes a first mortgage, Historic Tax Credits, and equity.

#### **Current Property Value**

The property in the district consists of 1 parcel with a total assessed value of \$27,266,622 which is the current base value of the District.

#### **Projected Completed Value**

The projected value of the Project upon completion is \$118,661,448. Construction completion is anticipated by late 2027 or early 2028.

#### **Other Assumptions**

- Tax Rate: 2.2216%
- Interest Rate on Payments to Developer: 6.20%.
- Maximum Term of Payments: 16 years
- Annual Appreciation: 0%

#### **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 \$14,400,000 of costs, plus 6.2% 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 \$14,400,000 plus interest in tax levy year 2039 (budget year 2040).



Table 1

| TID Feasibility - Developer Financed |                    |                |               |                    |                          |            |                |               |
|--------------------------------------|--------------------|----------------|---------------|--------------------|--------------------------|------------|----------------|---------------|
| No.                                  | Assessment<br>Year | Budget<br>Year | Base<br>Value | Projected<br>Value | TID<br>Incremental Value | Increment  | Admin<br>Costs | Net Increment |
| 1                                    | 2024               | 2025           | 27,266,622    | 27,266,622         | -                        | -          | -              | -             |
| 2                                    | 2025               | 2026           | 27,266,622    | 27,266,622         | -                        | -          | -              | -             |
| 3                                    | 2026               | 2027           | 27,266,622    | 29,665,362         | 2,398,740                | 53,289     | (10,000)       | 43,289        |
| 4                                    | 2027               | 2028           | 27,266,622    | 71,196,869         | 43,930,247               | 975,937    | (10,000)       | 965,937       |
| 5                                    | 2028               | 2029           | 27,266,622    | 94,929,158         | 67,662,536               | 1,503,165  | (10,000)       | 1,493,165     |
| 6                                    | 2029               | 2030           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 7                                    | 2030               | 2031           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 8                                    | 2031               | 2032           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 9                                    | 2032               | 2033           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 10                                   | 2033               | 2034           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 11                                   | 2034               | 2035           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 12                                   | 2035               | 2036           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 13                                   | 2036               | 2037           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 14                                   | 2037               | 2038           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 15                                   | 2038               | 2039           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
| 16                                   | 2039               | 2040           | 27,266,622    | 118,661,448        | 91,394,826               | 2,030,392  | (10,000)       | 2,020,392     |
|                                      |                    |                |               |                    |                          | 24,866,707 | (140,000)      | 24,726,707    |
| Annual appreciation                  |                    | 0.00%          |               |                    |                          |            |                |               |
| Discount Rate                        |                    | 6.20%          |               |                    |                          |            |                |               |
| Base Value                           |                    | 27,266,622     |               |                    |                          |            |                |               |
| Projected Value                      |                    | 118,661,448    |               |                    |                          |            |                |               |
| Property Tax rate                    |                    | 2.2215615%     |               |                    |                          |            |                |               |
| Developer Financed Costs             |                    | 14,400,000     |               |                    |                          |            |                |               |

**Exhibit 5**

**Property Owners**

| <b>Property Address</b> | <b>Tax Key</b> | <b>Owner Name</b>   |
|-------------------------|----------------|---------------------|
| 100 E Wisconsin Avenue  | 392-0604-110   | 100 EAST PROPCO LLC |

**Exhibit 6**  
**City Attorney Letter**

**EVAN C. GOYKE**  
City Attorney

**MARY L. SCHANNING**  
**ROBIN A. PEDERSON**  
**NAOMI E. SANDERS**  
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JORDAN M. SCHETTLE  
THERESA A. MONTAG  
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JOSEPH M. DOBBS  
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CLINT B. MUCHE  
TYLER M. HELSEL  
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MEGHAN C. MCCABE  
CYNTHIA HARRIS ORTEGA  
OLUWASEUN CHRIS IBITOYE  
KEVIN P. TODT  
NATHANIEL E. ADAMSON  
JUSTIN J. DREIKOSEN  
Assistant City Attorneys

June 30, 2025

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

Re: Project Plan for Tax Incremental District No. 127 (100 East Wisconsin)

Dear Commissioner Crump:

Pursuant to your request, I have reviewed the Project Plan for Tax Incremental District No. 127.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Mary L. Schanning", written over a horizontal line.

MARY L. SCHANNING  
Deputy City Attorney

1050-2025-760:298488

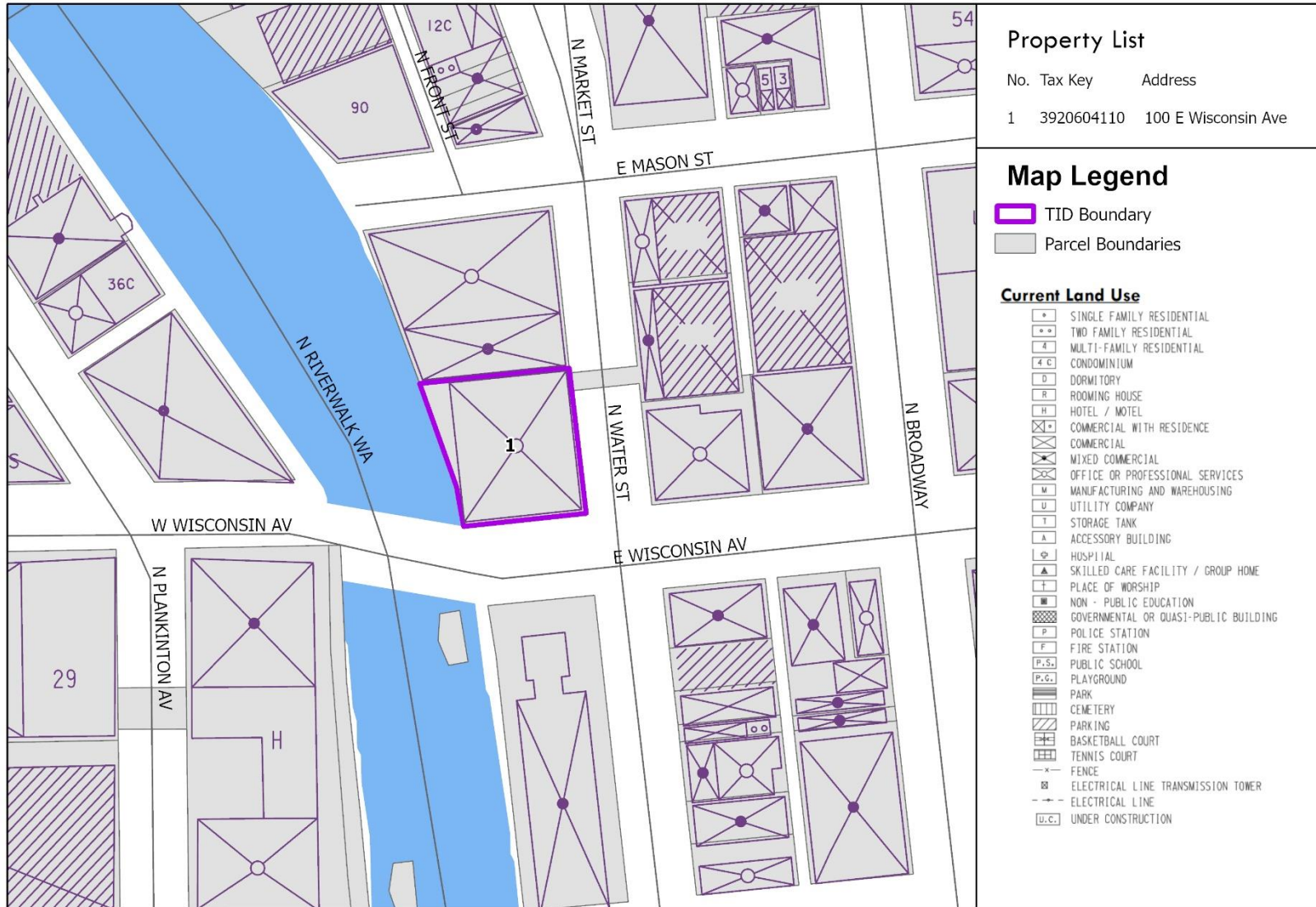


# Map 1 Boundary and Existing Land Use

## TID 127, Map 1: 100 East Wisconsin 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

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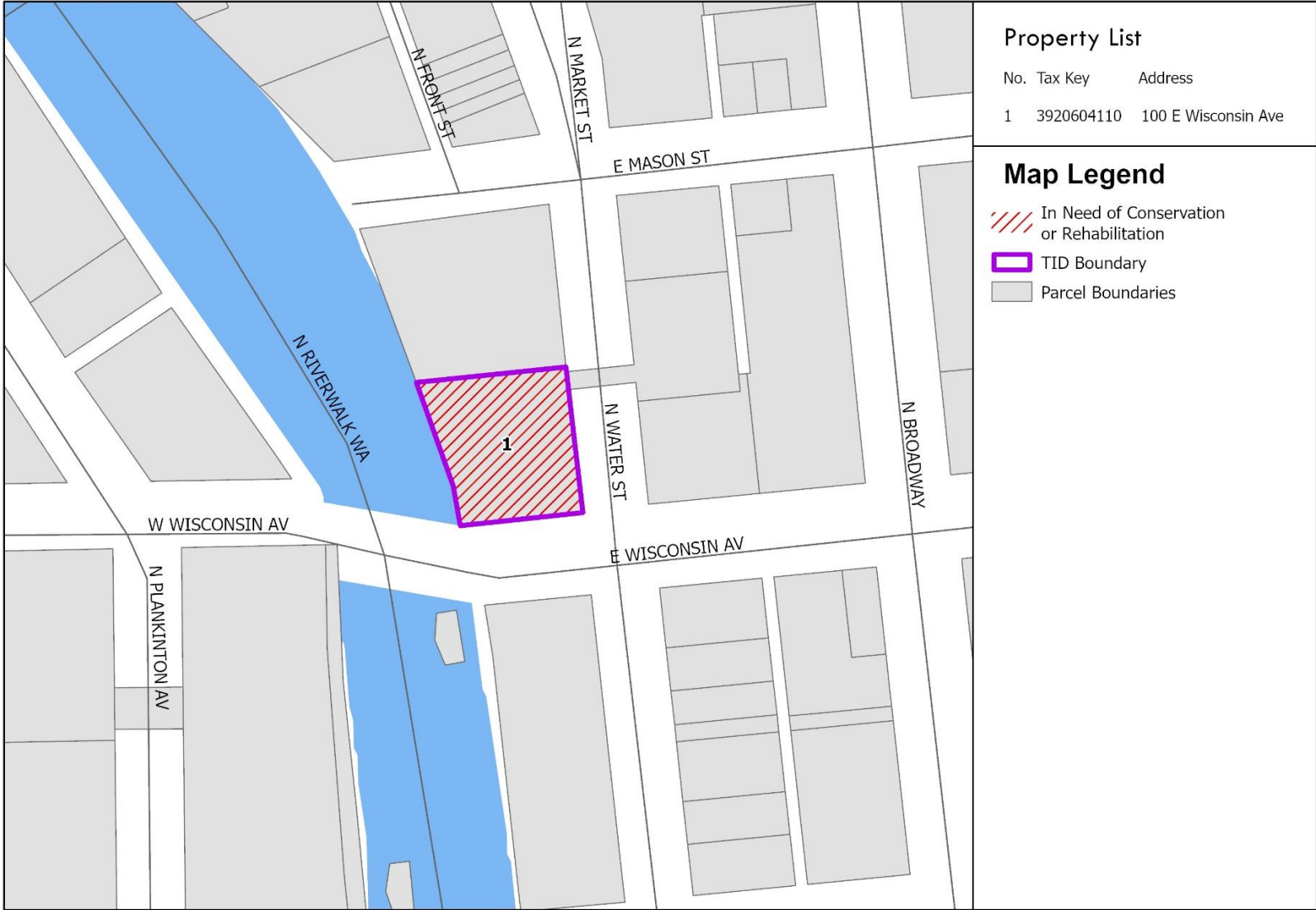
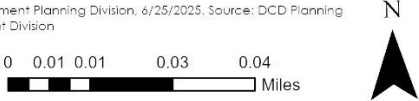


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**Map 2**  
**Structure Condition**

**TID 127, Map 2: 100 East Wisconsin**  
**Structure Condition**

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



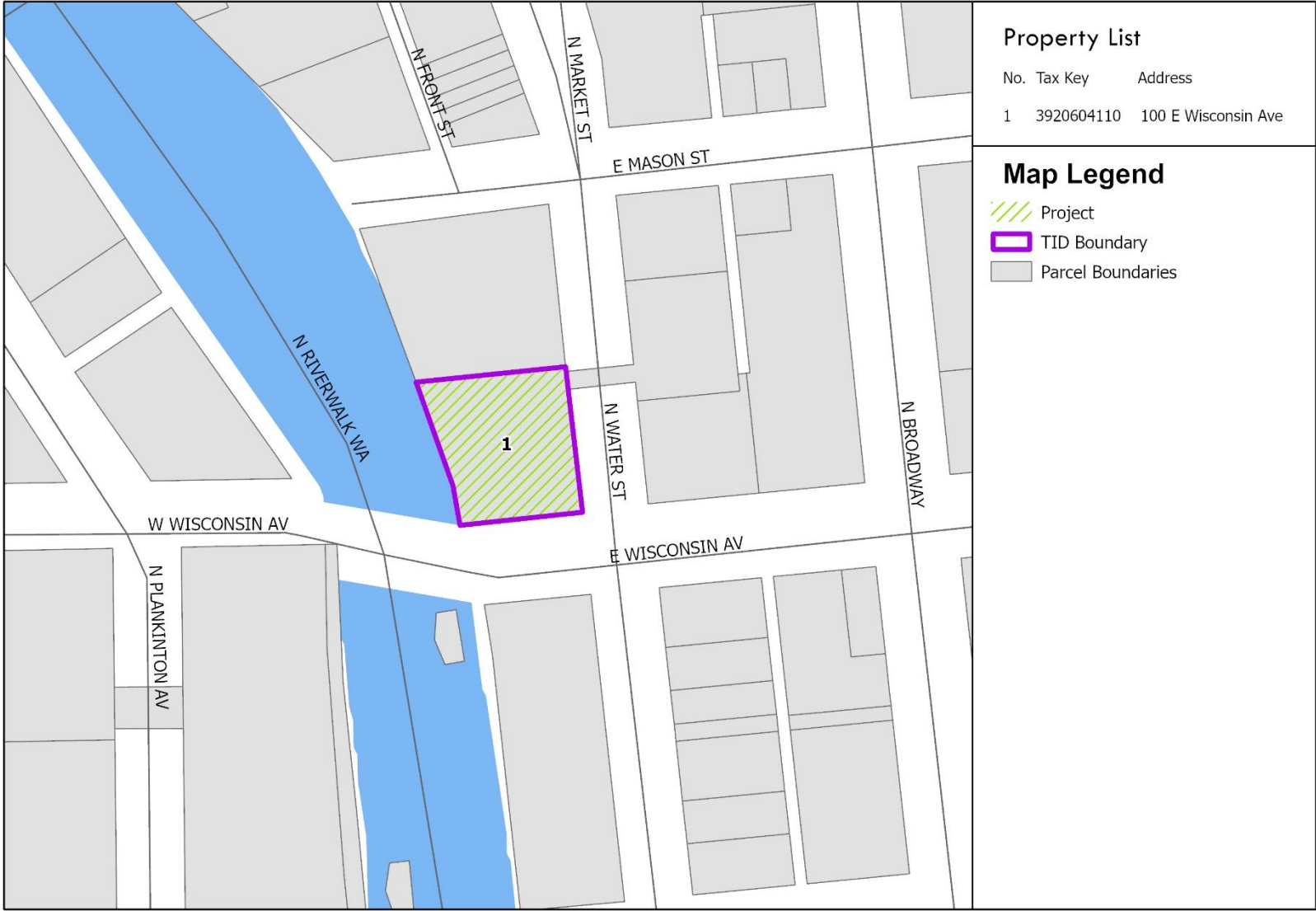
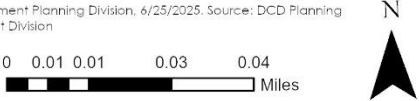
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**Map 3**  
**Proposed Improvements & Uses**

**TID 127, Map 3: 100 East Wisconsin**  
**Proposed Uses and Improvements**

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



## Map 4 Existing Zoning

### TID 127, Map 4: 100 East Wisconsin Current Zoning

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

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