



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Lafayette Crump
Commissioner

Vanessa Koster
Deputy Commissioner

June 24, 2022

Members of the Joint Review Board for Milwaukee Tax Incremental Finance Districts:

Nik Kovac, City of Milwaukee; Chair
Calli Berg, Milwaukee County
Jeffrey Hollow, Milwaukee Area Technical College
Martha Kreitzman, Milwaukee Public Schools
Frances Hardrick, Public Member

Honorable Joint Review Board Members:

Re: 2021 Annual Report of Milwaukee's Tax Incremental Finance Districts

Enclosed is the Annual Report of Milwaukee's Tax Incremental Finance Districts (TIDs) for the year ended December 31, 2021. The report covers project accomplishments for each district, a summary of costs and revenues, and an estimate of when the district is likely to recover its project costs. The 2021 report also includes additional financial information; debt issuance interest costs, and any miscellaneous revenue generated by district activity (e.g., land sales, rents, loan repayments).

Given the extent of the report, this information may be accessed for each district at:

<http://city.milwaukee.gov/TaxIncrementalFinancing.htm>

The Common Council adopted 7 resolutions regarding Tax Increment District activity in 2021. Two resolutions created new Tax Increment Districts:

- File #201282 created TID #107: Chapel Gardens. The district is developer financed in the amount of \$720,000 cash grant to the developer General Capital Development, LLC to perform an adaptive reuse of the former convent buildings located at the campus of the School Sisters of Saint Francis with 59 elderly housing units and 4 family housing units, 34 units of which will be affordable to families earning under 60% of Area Median Income (AMI) and 29 units affordable to families earning under 80% of AMI. The redevelopment will ensure all work on existing structures will be completed consistent with historic standards. The TID also has approved \$60,000 for administration costs and \$505,200 in interest costs.



- File #201674 created TID #108: 5th and Michigan. The district is developer financed in the amount of \$20,000,000 cash grant to the Milwaukee Tool to invest at least \$30,000,000 to renovate the building at 501 West Michigan Street into new office space for at least 1,210 employees. Of the \$20,000,000 grant, \$7,900,000 will be available to expand the property by adding at least three stories or 150,000 square feet of new office space and employee up to an additional 790 employees in the near future. The property is an approximately 350,000 square foot office building built in 1978 and has been vacant since 2016 after its last tenant, Assurant, moved. In addition to the project costs the TID will also fund \$200,000 for administration and \$10,400,000 in interest costs.

The City of Milwaukee dissolved two districts in 2021: TID #22: Beerline (file #201265) and TID #66: Metcalfe Park Homes (file #201566) that returned \$233.6 million of tax base to the tax rolls of Milwaukee's five taxing jurisdictions.

Per City of Milwaukee Ordinance 304-95-2, the project plans of TIDs may be amended to fund street-paving projects within one-half mile of the district boundary, providing there are sufficient funds to pay off the TID debt first and the TID is still within its allowable expenditure period. One TID plan was amended in 2021 for this purpose. Amendment No. 1 to TID #85: 6th and National (file #210331) to fund bike and pedestrian improvements to South 6th Street and West Mineral Street along with preliminary planning, design, and engineering for the Walker's Point extension of the Milwaukee Streetcar and additional bikeshare stations.

Other district project plan amendments included Amendment No. 2 to TID #70: 735 North Water Street (file #201473) that will provide funds to repair two areas of dockwall along the Milwaukee River where significant breaches have been identified. Amendment No. 1 to TID #52: Sigma-Aldrich Corporation (file #201474) was also passed to provide donations to TID #58 (20th & Walnut), TID #65 (North 20th & West Brown Streets), and TID #66 (Metcalfe Park Homes) for the year 2021.

By the end of 2020 total incremental property value in all districts was approximately \$2.2 billion. This represents 6.33 % of the City's total property value in 2021.

Project costs remaining to be recovered through future tax incremental revenue, including debt service on outstanding bonds, or bonds to be sold, are now estimated at \$146.9 million. This does not include costs advanced by businesses or developers through developer financed districts.

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A summary of districts estimated to recover their costs within the next two years is listed in the table attached to this letter. This table reflects the department's best estimates, but is subject to audit and, in some cases, may be impacted by the issuance of future debt to finance project costs already incurred. It is expected that all of these districts will be evaluated for paving and housing assistance amendments, adding up to two years to the estimated dates of closing.

If you have any questions related to this report, or the status of any Milwaukee Tax Incremental District, please contact David Schroeder of my staff at (414) 286-5933.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lafayette Crump', with a stylized flourish at the end.

Lafayette Crump
Commissioner

**Table A:
Districts Estimated to Recover Project Costs within
2021-2022 (Levy Year)**

District No.	District Name	Projected Year Project Costs are Recovered [1] (Levy Year)	2021 Incremental Property Value (\$ millions)	Comments
52	Sigma Aldrich	2021	\$18.1	Close 2022
58	20 th & Walnut	2021	\$0.4	Close 2022
65	20 th & Brown	2021	\$0.9	Close 2022

[1] Projected closing dates exclude possible paving & housing amendments.