



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

Rocky Marcoux  
Commissioner  
rmarco@milwaukee.gov

Martha L. Brown  
Deputy Commissioner  
mbrown@milwaukee.gov

June 7, 2019

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

Dennis Yaccarino, City of Milwaukee; Chair  
Aaron Hertzberg, Milwaukee County  
Jeffrey Hollow, Milwaukee Area Technical College  
Martha Kreitzman, Milwaukee Public Schools  
Frances Hardrick, Public Member

Honorable Joint Review Board Members:

Re: 2018 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, 2018. 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 2018 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 2018. Three resolutions created new Tax Increment Districts:

- File #180884 created TID #94: 1<sup>st</sup> and Becher. The district was created to fund public infrastructure, riverwalk improvements and environmental clean-up of the public access areas for the project located on the northwest corner of 1<sup>st</sup> and West Becher Streets. The Michels Corporation is the developer and owner for the multi-phased \$100 million development that will include office, commercial and residential uses. The District will fund a developer financed loan in the amount of \$3.4 million for a proportion of costs of riverwalk and public access connections and provide a \$400,000 grant for environmental clean-up of the public access areas. The Phase I office building will be the new division headquarters of the Michels Corporation



Infrastructure Group. The District will also fund \$2.5 million for Becher Street improvements.

- File #181044 created TID #95: Villard Commons. The district is developer financed in the amount of \$500,000 to assist in financing total project costs of \$7.3 million. The project involves the acquisition of five sites located on the south side of West Villard Avenue between 36<sup>th</sup> Street and 37<sup>th</sup> Street. Three of the sites are vacant City owned lots and two are privately owned, including a small vacant mixed use building that will be demolished as part of the project. A new four story building will be constructed and will contain 43 one, two and three bedroom apartment units. Of the 43 total units in the Project, 36 units will be affordable to families earning under 60% of Area Median Income and 7 units will be affordable to families earning under 80% or area median income.
- File #1841254 created TID #96: Komatsu Mining Corporation. The district will assist Komatsu Mining Corporation to build their Global Mining headquarters and a large industrial facility in the Harbor District. The estimated \$250-300M project will include 170,000 SF of office space, 410,000 SF of manufacturing space, 20,000 SF for a museum and training facility along with structured and surface parking. The TID provides up to a \$25,000,000 developer-financed grant to Komatsu if they meet the agreed upon employment projections. Adjacent to the property, the City will be designing and constructing an approximately 4,300 linear feet publicly-accessible riverwalk. The TID provided up to \$15,000,000 to fund the Riverwalk segment and other public infrastructure improvements. In addition, the TID funded a \$1,000 option fee to purchase 302 East Greenfield Avenue from Wisconsin Gas, LLC for a future transit hub or other purposes.

The City of Milwaukee dissolved one district in 2018: TID #15: Steeltech (file #171612) returned \$2.8 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. The only TID plan amended in 2018 for this purpose was TID #50 for \$65,000.

Finally, the City approved a resolution restoring spending authority of TID #79: North Water Street Riverwalk (file #171544) to carry out projects approved in an amendment in 2017. In the previous amendment file (file #171108) the transfer of funds reduced spending authority for TID #79 and created a shortage of \$1.6 million necessary for approved projects.

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By the end of 2018 total incremental property value in all districts was approximately \$1.8 billion. This represents 6.38% of the City's total property value in 2018.

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 \$238.8 million. This does not include costs advanced by businesses or developers through developer financed districts.

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 that reads "Rocky Marcoux". The signature is written in a cursive, flowing style.

Rocky Marcoux  
Commissioner

**Table A:  
Districts Estimated to Recover Project Costs within  
2018-2019 (Levy Year)**

District No.	District Name	Projected Year Project Costs are Recovered [1] (Levy Year)	2018 Incremental Property Value (\$ millions)	Comments
22	Beer Line B	2019	\$219.7	Housing (2020)
50	Solar Paints	2017	\$1.9	Housing (2019)
65	North 20 <sup>th</sup> /West Brown St.	2018	\$0.0	Receiving donations to insure cost recovery
66	Metcalf Park Homes	2018	\$0.0	Receiving donations to insure cost recovery

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