

AMENDMENT NO. 2

**PROJECT PLAN FOR
TAX INCREMENTAL FINANCING DISTRICT NO. 85
(6th and National)**

CITY OF MILWAUKEE

Public Hearing Held: May 16, 2024

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Adopted:

**AMENDMENT NO. 2 to the PROJECT PLAN for
TAX INCREMENTAL FINANCING DISTRICT NUMBER 85
CITY OF MILWAUKEE
(6th and National)**

Introduction

Wis. Stat. 66.1105 (4)(h)(1) permits the Redevelopment Authority, subject to the approval of the Common Council and Joint Review Board, to amend a project plan for a tax incremental financing district.

Wis. Stat. 66.1105 (2)(f)1.n. permits, with Joint Review Board approval (Wis. Stat. 66.1105 (4m)(d)), inclusion in a project plan project costs incurred for territory located within a one half-mile of the district's boundaries and within the city that created the district.

The Common Council created Tax Incremental District No. 85 (6th and National) (referred to as the “**District**” or “**TID 85**”) in 2015 for the purpose of providing \$1,660,000 towards the reconstruction of South 5th Street between West Virginia Street and West Scott Street, bike amenities and \$25,000 for administration. In 2016, an \$815,000 funding increase was approved for the 5th Street reconstruction.

Amendment No. 1 to TID 85, approved in 2021, provided \$900,000 for pedestrian and bike improvements to South 6th Street and West Mineral Street, \$250,000 for preliminary planning, design and engineering for the Walker's Point extension of the Milwaukee Streetcar, \$50,000 for additional bikeshare stations and \$75,000 in administration, totaling \$1,275,000.

Amendment No. 2 to TID 85 would provide \$7,950,000 for public infrastructure improvements, \$500,000 for commercial corridor programs and \$250,000 in administration, totaling \$8,700,000.

Amendments to the TID 85 Project Plan:

The following amendments are made to the TID 85 Project Plan. All other sections of the TID 85 Project Plan remain unchanged.

I. DESCRIPTION OF THE PROJECT

Sub-Section C, “Project Plan Goals and Objectives.”, is amended by adding the following objectives:

- Provide new public infrastructure and bike and pedestrian amenities in the Walker's Point neighborhood, specifically on West Mineral Street, West Walker Street, South 2nd Street, South 9th Street, West Lapham Boulevard, South 5th Street and East/West Washington Street.
- Provide enhanced public spaces, specifically at Walker Square, a new Pierce Street plaza, public art near 5th/Washington, Palfafito Eco-Arts Park and the 8th/National skate park.
- Increase the tax base of the City by promoting the redevelopment of existing buildings in the Walker's Point neighborhood and within a one half-mile radius of the District boundary.

This Project Plan may be amended at a future date to assist with the implementation of additional improvements in the District, such as façade grants, streetscaping and other public improvements.

II. PLAN PROPOSALS

Sub-Section A, “Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements.”, is amended by adding the following:

Amendment No. 2 Public Infrastructure (\$7,950,000). Pursuant to Amendment No. 2, the following public improvements and infrastructure expenditures, which are project costs per Section 66.1105(2)(f) Stats., are expected to occur within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats, as shown in the attached **TID 85 Amendment 2, Amendment Map No. 3, “Public Infrastructure Improvements”**:

- West Mineral Street and West Walker Street. Reconstruction of West Mineral Street and West Walker Street from approximately South 9th Street to South 11th Street, including traffic calming and bike/pedestrian improvements (approximately \$2,400,000).
- South 2nd Street. Installation of an all ages and abilities bike facility on South 2nd Street from West Washington Street to West Mitchell Street (approximately \$1,000,000).
- Pierce Street Plaza. Creation of a new public plaza on West Pierce Street between South 5th Street and South 6th Street, which may be performed by Zocalo MKE, LLC (approximately \$700,000).
- South 9th Street. Repaving of South 9th Street from approximately West Washington Street to West National Street, including traffic calming and bike/pedestrian improvements (approximately \$600,000).
- West Lapham Boulevard. Installation and improvements to an all ages and abilities bike facility on West Lapham Boulevard from South 2nd Street to South 10th Street (approximately \$550,000).
- South 5th Street. The design and construction of public infrastructure improvements and other street amenities along South 5th Street (and intersecting streets) from West Virginia Street to West Washington Street, with the intent to calm traffic within the neighborhood and provide a safer environment for bikes and pedestrians (approximately \$500,000).
- Walker Square. Pedestrian path, lighting, building and landscape improvements to Walker Square, which may be performed by The Park People of Milwaukee County, Inc. – Friends of Walker Square Park or Milwaukee County (approximately \$750,000).
- Neighborhood Traffic Calming and Safety. The design and construction of public infrastructure improvements and other street amenities throughout the Walker’s Point neighborhood, such as median bump-outs, traffic circles, cameras and high visibility crosswalks with the intent to calm traffic within the neighborhood and provide a safer environment for bikes and pedestrians, within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats (approximately \$500,000).
- East/West Washington Street. Installation of an all ages and abilities bike facility on East and West Washington Street from the KK River Trail to South 14th Street (approximately \$250,000).
- Public Art and Park Improvements. Installation of public art on West Washington Street between South 5th Street and South 6th Street and improvements to Paliapito Eco-Arts Park at West Walker Street and South 3rd Street, which may be performed by Arts At Large, Inc. (approximately \$100,000)
- Skate Park. Lighting, fencing and other improvements to the skate park at West National Avenue and South 8th Street, which may be performed by National DIY Skatepark, Inc. (approximately \$100,000)
- Contingency: Contingency for the above public infrastructure improvements (\$500,000).

Commercial Corridor Programs (\$500,000). In an effort to attract or retain office and retail tenants in the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats., fund cash grants or loans to be used for tenant improvements, façade improvements, new signage or other

expenses. The funds would be administered through the City’s existing Commercial Corridors and/or Commercial Foreclosure Renovation Fund programs. To implement these programs, cash grants may be paid to property owners, lessees, or developers as part of a grant agreement.

Sub-Section B, “Detailed List of Estimated Project Costs.”, is deleted and restated as follows:

The costs included in this subsection and detailed in Table B which follows are, without limitation because of enumeration, eligible project costs as defined under Section 66.1105(2)(f) and, if appropriate, in any development agreement(s) entered into by and between the City and eligible designated developer(s), provided further that such expenditures are necessitated by this Project Plan.

These costs and costs estimates are more fully described as follows:

Capital Costs

The City shall fund an estimated \$8,450,000 in the form of TID Capital Project Costs enumerated in further detail in **Table A** of this Plan.

| TABLE A: TID Capital Project Costs | |
|---|---------------------|
| Original Project Costs | \$2,475,000 |
| Amendment No. 1 Project Costs | \$1,200,000 |
| Amendment No. 2 Project Costs | \$8,450,000 |
| TOTAL Capital Project Costs | \$12,125,000 |

Other 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 bonds that will be issued to pay for Project Costs. Estimates of bond interest are based on interest rates as set forth in the Economic Feasibility Analysis for this Project attached as **Amended Exhibit 4, “6th and National TID #85 Amendment No. 2 Feasibility.”**

TABLE B: Lists of Estimated Project Costs

| | | |
|---|---|--------------|
| A | <u>Capital:</u> | \$12,125,000 |
| B | <u>Other:</u> Administrative, professional, organizational and legal (\$25,000 from Original Project Plan, \$75,000 from Amend No. 1 and \$250,000 from Amend No. 2) | \$350,000 |
| | Total Estimated Project Costs, excluding financing | \$12,475,000 |
| C | <u>Financing:</u> Interest | \$7,038,721 |

Sub-Section 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 2015-2030.

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 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 4, “6th and National TID #85 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 2036, the 21st year of the District. Accordingly, the District is determined to be feasible.

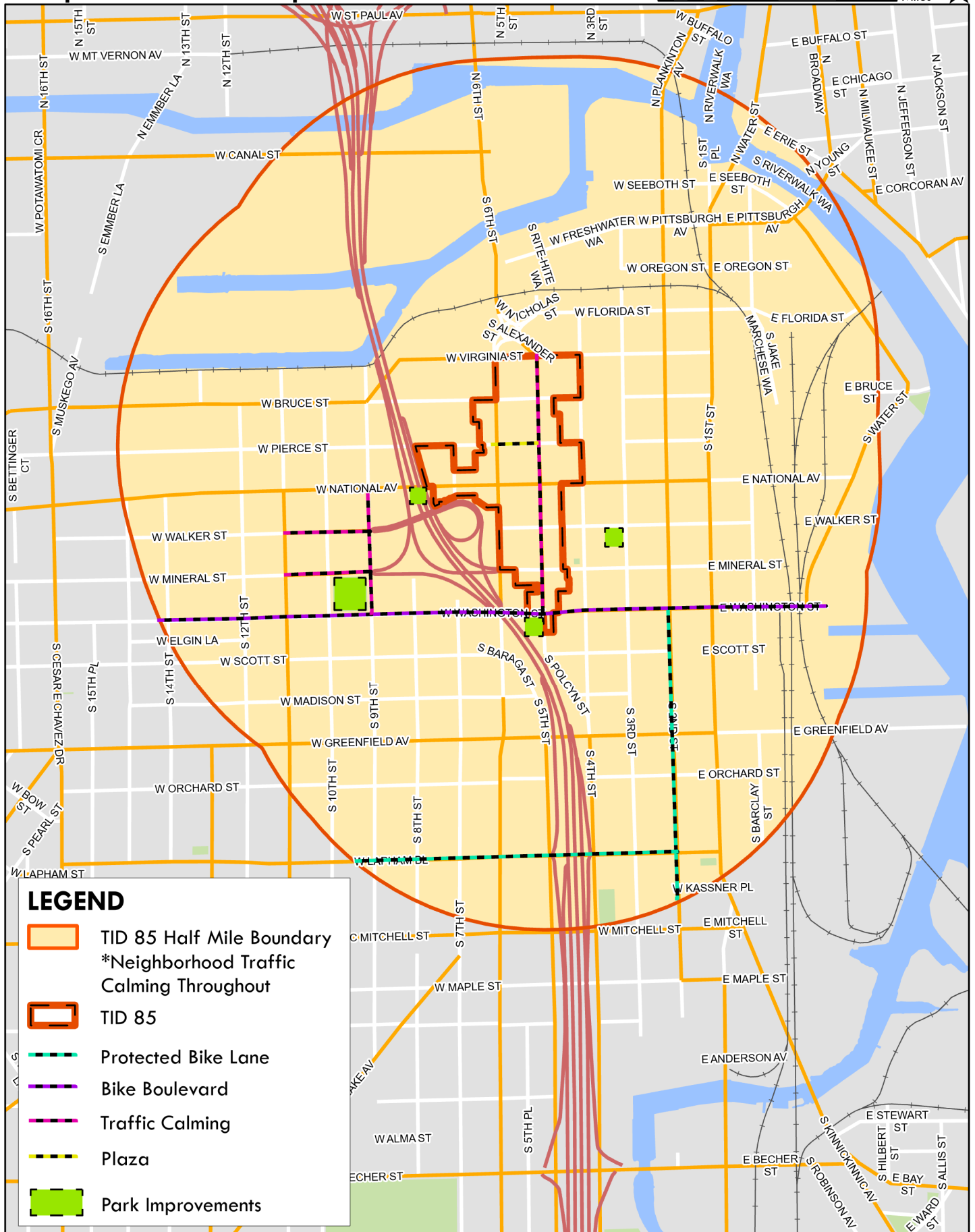
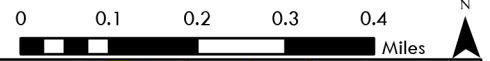
Sub-Section F, “Map Showing Proposed Uses and Improvements.”, is deleted and restated as follows:

Please refer to **TID 85 Amendment 2, Amendment Map No. 3, “Public Infrastructure Improvements”** in the Exhibits Section which follows.

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

TID 85 Amendment 2, Amended Map No. 3, "Proposed Uses and Improvements"

Prepared by Dept of City Development Planning Division, 4/4/2024
Source: City of Milwaukee Information Technology Management Division



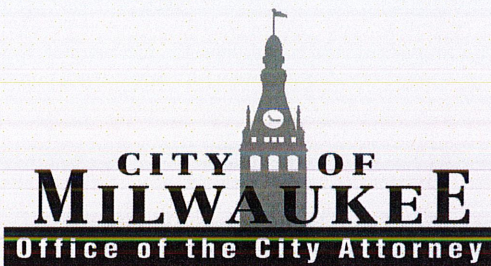
Amended Exhibit 4: "6th and National TID #85 Amendment No. 2 Feasibility"

| TID | Assessment | Budget | Base | Projected | TID | Incremental | Cumulative | Original | Approved | New | Total | | After reserving | | TID |
|------|------------|--------|------------|-------------|-------------------|-------------|--------------|--------------|--------------|--------------|------------|----------------|-------------------|--------|-----|
| Year | Year | Year | Value | Value | Incremental Value | Revenue | Inc. Revenue | Debt Service | Debt Service | Debt Service | Cash flow | Cum. Cash Flow | Surplus/(deficit) | Payoff | |
| 1 | 2015 | 2016 | 32,096,600 | | | - | - | (148) | | | (148) | (148) | (19,513,721) | | |
| 2 | 2016 | 2017 | 32,096,600 | 31,184,400 | (912,200) | - | - | (33,530) | | | (33,530) | (33,678) | (19,513,721) | No | |
| 3 | 2017 | 2018 | 32,096,600 | 30,441,100 | (1,655,500) | - | - | (89,191) | | | (89,191) | (122,869) | (19,513,721) | No | |
| 4 | 2018 | 2019 | 32,096,600 | 37,549,300 | 5,452,700 | 151,894 | 151,894 | (92,161) | | | 59,733 | (63,136) | (19,361,827) | No | |
| 5 | 2019 | 2020 | 32,096,600 | 39,621,800 | 7,525,200 | 207,605 | 359,499 | (92,101) | | | 115,504 | 52,368 | (19,154,222) | No | |
| 6 | 2020 | 2021 | 32,096,600 | 46,127,500 | 14,030,900 | 394,545 | 754,044 | (92,041) | | | 302,504 | 354,872 | (18,759,677) | No | |
| 7 | 2021 | 2022 | 32,096,600 | 53,347,400 | 21,250,800 | 536,461 | 1,290,506 | (221,996) | | | 314,465 | 669,338 | (18,223,215) | No | |
| 8 | 2022 | 2023 | 32,096,600 | 56,888,500 | 24,791,900 | 575,245 | 1,865,750 | (221,698) | | | 353,547 | 1,022,884 | (17,647,971) | No | |
| 9 | 2023 | 2024 | 32,096,600 | 92,213,200 | 60,116,600 | 1,275,215 | 3,140,966 | (221,734) | (73,430) | (439,350) | 540,701 | 1,563,585 | (16,372,755) | No | |
| 10 | 2024 | 2025 | 32,096,600 | 93,135,332 | 61,038,732 | 1,294,776 | 4,435,741 | (221,797) | (73,430) | (439,350) | 560,198 | 2,123,784 | (15,077,980) | No | |
| 11 | 2025 | 2026 | 32,096,600 | 94,066,685 | 61,970,085 | 1,314,532 | 5,750,273 | (222,648) | (73,430) | (439,350) | 579,104 | 2,702,887 | (13,763,448) | No | |
| 12 | 2026 | 2027 | 32,096,600 | 95,007,352 | 62,910,752 | 1,334,486 | 7,084,758 | (218,687) | (73,430) | (439,350) | 603,018 | 3,305,906 | (12,428,963) | No | |
| 13 | 2027 | 2028 | 32,096,600 | 95,957,426 | 63,860,826 | 1,354,639 | 8,439,397 | (214,670) | (156,341) | (935,427) | 48,201 | 3,354,106 | (11,074,324) | No | |
| 14 | 2028 | 2029 | 32,096,600 | 96,917,000 | 64,820,400 | 1,374,994 | 9,814,391 | (214,393) | (156,341) | (935,427) | 68,832 | 3,422,939 | (9,699,330) | No | |
| 15 | 2029 | 2030 | 32,096,600 | 97,886,170 | 65,789,570 | 1,395,552 | 11,209,943 | (212,412) | (156,341) | (935,427) | 91,372 | 3,514,311 | (8,303,778) | No | |
| 16 | 2030 | 2031 | 32,096,600 | 98,865,032 | 66,768,432 | 1,416,316 | 12,626,259 | (226,455) | (156,341) | (935,427) | 98,093 | 3,612,403 | (6,887,462) | No | |
| 17 | 2031 | 2032 | 32,096,600 | 99,853,682 | 67,757,082 | 1,437,288 | 14,063,547 | (225,957) | (156,341) | (935,427) | 119,562 | 3,731,966 | (5,450,174) | No | |
| 18 | 2032 | 2033 | 32,096,600 | 100,852,219 | 68,755,619 | 1,458,469 | 15,522,016 | (224,131) | (156,341) | (935,427) | 142,570 | 3,874,536 | (3,991,705) | No | |
| 19 | 2033 | 2034 | 32,096,600 | 101,860,741 | 69,764,141 | 1,479,862 | 17,001,878 | (223,864) | (156,341) | (935,427) | 164,230 | 4,038,766 | (2,511,843) | No | |
| 20 | 2034 | 2035 | 32,096,600 | 102,879,348 | 70,782,748 | 1,501,469 | 18,503,347 | | (156,341) | (935,427) | 409,701 | 4,448,467 | (1,010,374) | No | |
| 21 | 2035 | 2036 | 32,096,600 | 103,908,142 | 71,811,542 | 1,523,292 | 20,026,639 | | (156,341) | (935,427) | 431,524 | 4,879,991 | 512,918 | YES | |
| 22 | 2036 | 2037 | 32,096,600 | 104,947,223 | 72,850,623 | 1,545,334 | 21,571,973 | | (156,341) | (935,427) | 453,565 | 5,333,556 | 2,058,252 | YES | |
| 23 | 2037 | 2038 | 32,096,600 | 105,996,696 | 73,900,096 | 1,567,595 | 23,139,568 | | (156,341) | (935,427) | 475,827 | 5,809,383 | 3,625,847 | YES | |
| 24 | 2038 | 2039 | 32,096,600 | 107,056,662 | 74,960,062 | 1,590,080 | 24,729,648 | | (156,341) | (935,427) | 498,312 | 6,307,695 | 5,215,927 | YES | |
| 25 | 2039 | 2040 | 32,096,600 | 108,127,229 | 76,030,629 | 1,612,789 | 26,342,437 | | (156,341) | (935,427) | 521,021 | 6,828,716 | 6,828,716 | YES | |
| 26 | 2040 | 2041 | 32,096,600 | 109,208,501 | 77,111,901 | 1,635,725 | 27,978,162 | | | | 1,635,725 | 8,464,441 | 8,464,441 | YES | |
| 27 | 2041 | 2042 | 32,096,600 | 110,300,586 | 78,203,986 | 1,658,891 | 29,637,054 | | | | 1,658,891 | 10,123,333 | 10,123,333 | YES | |
| | | | | | | 29,637,054 | | (3,269,614) | (2,326,159) | (13,917,949) | 10,123,333 | | | | |

| | |
|--------------------------|-----------|
| Annual Appreciation | 1.010 |
| Interest Rate | 5.00% |
| Property Tax rate | 2.121% |
| Issuance Costs | 87,000 |
| Project Costs | 8,700,000 |
| Apprvd Cost Not Borrowed | 1,468,604 |

EVAN C. GOYKE
City Attorney

ROBIN A. PEDERSON
S.TODD FARRIS
JENNIFER L.WILLIAMS
Deputy City Attorneys



Milwaukee City Hall Suite 800 • 200 East Wells Street • Milwaukee, Wisconsin 53202-3551
Telephone: 414.286.2601 • TDD: 414.286.2025 • Fax: 414.286.8550

HEIDI WICK SPOERL
KATHRYN Z. BLOCK
THOMAS D. MILLER
PETER J. BLOCK
PATRICK J. MCCLAIN
HANNAH R. JAHN
JULIE P. WILSON
MEIGHAN M. ANGER
ALEXANDER R. CARSON
ALEXANDER T. MUELLER
ALEXANDER D. COSSI
LISA A. GILMORE
KATHERINE A. HEADLEY
L. ANTHONY JACKSON
STACY J. MILLER
JORDAN M. SCHETTLE
THERESA A. MONTAG
ALEXANDER E. FOUNDOS
TRAVIS J. GRESHAM
KYLE W. BAILEY
JOSEPH M. DOBBS
WILLIAM K. HOTCHKISS
CLINT B. MUCHE
JOANNA FRACZEK
ZACHARY A. HATFIELD
MEGHAN C. MCCABE
MARIA E. MESOLORAS
CYNTHIA HARRIS ORTEGA
Assistant City Attorneys

April 29, 2024

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. 85 (6th and National)

Dear Commissioner Crump:

Pursuant to your request, we have reviewed Amendment No. 2 to the Project Plan for Tax Incremental District No. 85.

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 in a cursive style.

EVAN GOYKE
City Attorney

A purple ink signature of Todd Farris, written in a cursive style.

TODD FARRIS
Deputy City Attorney

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

ALEXANDER R. CARSON
Assistant City Attorney

1029-2024-698:291068

