

Project Plan
For
Tax Incremental District Number No. 118
City of Milwaukee
(100 East National)

Public Hearing Held:
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,
as Amended.

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

Tax Incremental District Number 118 ("District" or "TID No. 118"), City of Milwaukee, 100 East National, is comprised of one parcel totaling 69,721 square feet or 1.6 acres ("Property"). The District is shown on Map No. 1, "Boundary and Existing Land Use," and described more precisely in Exhibit 1, "Boundary Description."

All of the area and real property located within the District was found to be in need of rehabilitation or conservation work within the meaning of Section 66.1105 (4) (gm) of the Wisconsin Statutes. Exhibit 2 "Property Characteristics," illustrates how the property in the District meet the statutory criteria for Tax Incremental Districts. The project will contain approximately 3,140 square feet of retail space and per Wisconsin Statute 66.1105 (5) (b), it is estimated that 4.5% of the property within the district will be devoted to retail business at the end of the maximum expenditure period.

C. Plan Objectives

The Property is currently vacant and located at the Northeast corner of South 1st Street and West National Avenue in the City's Harbor District neighborhood.

The Developer for the Property is Bear Development. The Developer is proposing a redevelopment plan for the Property which includes the construction of a multifamily building with 140 one and two bedroom apartment units that will be affordable across a range of incomes and 3,140 square feet of ground floor commercial space.

Milwaukee' Harbor District neighborhood has experienced significant new development, including industrial, commercial office, retail, residential, and public space. The purpose of the District is to continue to spur revitalization in the area, by redeveloping the Property as a high quality development with a range of housing opportunities for residents.

The more detailed objectives of this Project Plan are to:

1. Eliminate a blighting influence in the Harbor District neighborhood.
2. Promote the coordinated development of underutilized property for appropriate residential and commercial use.

3. Support past and future investment in the neighborhood through the redevelopment of a property that is currently vacant and underutilized.
4. Create new employment opportunities.

D. Existing Land Uses in the District

The District is comprised of a single parcel containing 1.6 acres. The site is vacant and underutilized. The parcel is assessed at \$557,800 and is zoned IM (Industrial Mixed).

II. PLAN PROPOSALS

A. 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., 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 costs or monetary obligations related thereto 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 a 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.

B. Compliance with Statutory Requirements

The following statements, maps and exhibits are provided in compliance with the statutory requirements.

1. "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements."

Funds generated from the District will provide an annual grant to the Developer to offset costs associated with redevelopment of the Project. The City will make payments to the Developer equal to 100% of the incremental taxes certified and collected in the District

from real and personal property, less an annual administration charge, until such time as \$2,170,000 is repaid by payments at an interest rate of up to 6 % over a period not to exceed 19 years (the “Monetary Obligation”). See the Term Sheet, attached as Exhibit 3, “Term Sheet”.

2. "Detailed List of Estimated Project Costs."

The costs included in this subsection and detailed in Table B 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) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, and/or eligible designated Developer(s), provided further that such expenditures are necessitated by this Project Plan.

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

Capital Costs

The City shall fund an estimated \$2,170,000 in the form of TID Capital Project Costs enumerated in further detail in Table A of this Plan. The allocation of these costs will be set forth in the Term Sheet.

TABLE A: TID Capital Project Costs	
Grant to Project (Monetary Obligation to Developer)	\$2,170,000
TOTAL Capital Project Costs	\$2,170,000

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 the Monetary Obligation to repay the Developer. Estimates of interest are based on interest rates as Exhibit 4, “Feasibility Study.” The City reserves the right to prepay the Monetary Obligation to the Developer, which could require issuance of general obligation debt, as described in the Term Sheet.

Table B - List of Estimated Project Costs

A	<u>Capital:</u> Grant to Project (Monetary Obligation to Developer)	\$ 2,170,000
B	<u>Other:</u> Administration (\$7,500/year for 19 years)	\$ 142,500
	Total Estimated Project Costs, excluding financing	\$ 2,312,500
C	<u>Financing:</u> Interest	\$ 1,453,200

3. "Description of Timing and Methods of Financing."

All expenditures are expected to be incurred during the period from 2024 through 2043.

The annual payments to the Developer will be repaid pursuant to the Monetary Obligation, using incremental taxes generated annually in the District.

4. "Economic Feasibility Study."

The Economic Feasibility Study for this District prepared by the Ehlers Public Finance Advisors and titled Economic Development Analysis for proposed Tax Incremental District #118 and dated May 1, 2024 is attached to this Project Plan as Exhibit 4, "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 tax incremental district.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible and is likely to be retired on or before the year 2043. Should incremental revenues be generated in excess of those currently anticipated, they may be used to accelerate the repayment of the Monetary Obligation for the Project.

5. "Map Showing Existing Uses and Conditions."

Please refer to Map No. 1, "Boundary and Existing Land Use," Map No. 2, "Structure Condition," and Exhibit 5, "Property Owners" in the Exhibits Section, which follows.

6. "Map Showing Proposed Improvements and Uses."

Please refer to Map No. 3, "Proposed Improvements and Uses," in the Exhibits Section which follows.

7. "Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances."

Please refer to Map No. 4, "Existing Zoning," in the Exhibits Section which follows. The proposed Project is consistent with existing zoning, which is IM (Industrial Mixed). 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.

8. "List of Estimated Non-Project Costs."

\$0 – there are no Non-Project Costs.

9. "Proposed Method for Relocation."

The Project Plan does not anticipate the acquisition of property by the City of Milwaukee, 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 sec. 66.1333 and sec. 32.05, Wis. Stats. 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.

10. "Statement Indicating How District Creation Promotes Orderly City Development."

The project site is located within the boundary of the Harbor District Water and Land Use Plan, one of the 14 geographically-specific Area Plans that make up the City of Milwaukee's overall Comprehensive Plan.

Specifically, the project site is located within First Street Sub-Area of the Plan area. The Plan envisions First Street continuing to develop as a mixed-use urban neighborhood that provides spaces for people to live, work and play near job centers and along transit lines. This is also consistent with the City's Equitable Growth Through Transit Oriented Development: A Neighborhood Plan for Walker's Point, which was adopted in 2018 and recommends mixed-use transit-oriented development with a goal of additional affordable housing options along the First Street Corridor.

11. "Opinion of the City Attorney."

Please see Exhibit 6, "Letter from the City Attorney" in the Exhibits Section, which follows.

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 Uses and Proposed Improvements
Map 4	Existing Zoning

Exhibit 1

Boundary Description

Lot 1 of Certified Survey Map No. 8296, being a part of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ and the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 32, Town 7 North, Range 22 East, City of Milwaukee, County of Milwaukee, State of Wisconsin.

Bounded and described as follows:

Beginning at the southeast witness corner of the Northeast Quarter of said Section 32, thence S 88°48'08" W along the south line of said Northeast Quarter, 299.7 feet to the west line of the SOO Line Railroad Company right-of-way; thence S 6°39'33" E, 297.91 feet to the north line of East National Avenue; thence S 88°38'59" W, 268.21 feet along said north line to the place of beginning of the land hereinafter described; thence S 88°38'59" W, along said north line, 175.20 feet; thence N 1°02'47" W, along the easterly line of South 1st Street, 336.59 feet; thence continuing along said easterly line, N 4°40'49" E, 63.77 feet; thence N 88°38'59" E, 168.05 feet; thence S 1°09'33" E, 400.00 feet to the north line of East National Avenue and the point of beginning.

Exhibit 2

Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed district in need of conservation within the meaning of Section 66.1105(4) (gm) 4.a. Wisconsin Statutes.

Tax Key	Owner Name	Land Assessment	Improvement Assessment	Total Assessment	Lot SF	In Need of Rehabilitation or Conservation Work
4281001000	Kelly Construction & Design, LLC	\$557,800	\$0	\$557,800	69,721	69,721
TOTAL				\$557,800		69,721

Exhibit 3
TERM SHEET
100 East National
TID No. 118

Project

The 100 East National project (the “Project”) involves the construction of a mixed-use multifamily apartment building at the northeast corner of 1st and National in Milwaukee’s Harbor District. The new building will contain 140 one and two bedroom apartment units and approximately 3,140 square feet of commercial space. The units will be affordable to families with incomes between 30% and 80% of Area Median Income.

The project is located in Milwaukee’s Harbor District. The development of the project with a range of housing opportunities is consistent with the City’s goals of promoting mixed-use transit-oriented development with additional affordable housing options along the First Street Corridor. The project is also consistent with the Walker’s Point Neighborhood Plan which identifies the need for affordable housing in the neighborhood.

Development Team

The project is being developed by East National, LLC (“Developer”) a single purpose entity affiliated with Bear Development, LLC.

Since 1986, Bear has been involved in residential, mixed use and commercial development, including the development of over 3,800 affordable housing units. Milwaukee projects include the conversion of the Historic Button Block Building on Water Street into a Homewood Suites, 700 Lofts, the adaptive reuse of a former office building into 49 apartments on 7th and Michigan and most recently, the development of the 99 unit Michigan Street Apartments at 9th and Michigan and the redevelopment of the Filer and Stowell industrial site in the Harbor District with 576 new affordable elderly and family housing units.

Project Budget:

Total estimated Project costs for the development are \$54.6 million. In addition to TID #118 funding, the financing structure includes federal and state low-income housing tax credit equity, tax-exempt bond financing, bond reinvestment income, commercial space proceeds, a sponsor loan, and deferred development fee.

Estimated total project sources include:

1 st Mortgage- Tax Exempt Bonds	\$14,866,000
Low Income Housing Tax Credit Equity	\$27,340,100
City Tax Incremental District	\$ 2,170,000
Bond Reinvestment Income	\$ 2,360,000
Sponsor Loan	\$ 3,650,000
Commercial Condo Sale Proceeds	\$ 337,700
Deferred Development Fee	<u>\$ 3,887,400</u>
Total	\$54,611,200

Development Schedule

Construction of the Project shall commence no later than August 31st of 2024 and the Project shall be substantially completed by May 31st of 2026.

Tax Incremental District

The City intends to create a Tax Incremental District (“TID No. 118”) to assist in funding a portion of the costs of the Project as set forth in the Project Plan.

Funding

The Developer shall advance up to \$2,170,000 (subject to review of the final project budget) of costs related to the Project and shall be repaid for these costs through the Monetary Obligation.

Prior to substantial completion of the Project, City will deposit an amount equal to 100% of the tax incremental revenue actually received by City from TID No. 118, less Annual Expenses into a special fund established for TID No.118. Upon substantial completion of the Project, such amount shall be disbursed to Developer and applied to reduce the principal balance of the Monetary Obligation.

Subsequent to substantial completion of the Project, following the deduction of Annual Expenses, 100% of incremental tax revenue collected from TID No. 118 will be allocated to repay the Developer for costs incurred for the Project through payments on the Monetary Obligation on or before March 1st of each year, provided the Project has paid its property tax bill in full prior to January 31st.

All City payment of tax incremental revenue received by City from TID No. 118 shall be subject to annual appropriation. If not appropriated, City shall not expend such tax increments for any other TID No.118 project costs.

Monetary Obligation

The Monetary Obligation consists of a limited and conditional obligation to repay Developer an amount up to \$2,170,000 plus interest on the outstanding balance of the Monetary Obligation at up to 6% per year. (The interest rate on the Monetary Obligation reflects the preliminary interest rate on the Developer's underlying financing and is subject to change, based on the "earn out" interest rate at the time of conversion to permanent mortgage. The final interest rate shall be the lower of the "earn out" rate or 6%.) Payments on the Monetary Obligation are to be made annually following substantial completion of the Project and in an amount equal to 100% of tax incremental revenue actually received by the City from TID No. 118 less Annual Expenses.

The City may, at any time or from time to time, without notice, penalty, or fee, prepay all or any portion of the Monetary Obligation. In the event that City prepays a portion of the Monetary Obligation 100% of tax incremental revenue allocated to payment of the Monetary Obligation shall be proportionately reduced to reflect such prepayment. Tax incremental revenue will not be pledged to the payment of the Monetary Obligation and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits.

The Developer shall have the right to assign all or a portion of the Monetary Obligation 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.

Monetary Obligation Earned

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 amount of the Monetary Obligation shall be deemed earned upon approval of such certification by the Commissioner.

Design/Consistency with Approved Plans

Plans and specifications for the Project shall be subject to the review and approval of the City's Commissioner of City Development ("Commissioner").

Cost Savings

If at completion, total Project costs submitted are less than the \$54.6 million estimated in the Project Budget or the amount of total costs reflected in the final budget submitted prior to closing, the principal amount of the Monetary Obligation will be reduced by 50% of the cost savings.

As used herein "cost savings" shall be the net savings to the Project, such that if the cost savings

are in a budget line item eligible for generating LIHTC equity, then the cost savings shall be the net amount after the reduction to LIHTC equity is calculated. For example, if there are \$10,000 of hard cost savings that result in a loss of \$4,000 of LIHTC equity, the cost savings would be \$6,000. Developer shall provide the Commissioner with a written statement of any such cost savings, which shall include a copy of IRS Form 8069 and that certain cost certification prepared by an independent certified accountant to be submitted to the Wisconsin Housing and Economic Development Authority in connection with the Project.

Terms of Payments

City payments on the Monetary Obligation will terminate: (i) at the time the Monetary Obligation is fully paid; or (ii) with the payment derived from the 2043 tax levy, payable in 2044, whichever occurs first.

Material Disturbance

If the Project is not substantially completed by May 31st of 2026 (unless caused in substantial part by an event of *Force Majeure*) (a “Material Disturbance”), then City shall have the right (but not the obligation) to terminate further payments on the Monetary Obligation, using the following procedure:

(1) City shall give Developer notice of its intention to terminate further payments on the Monetary Obligation, and Developer shall have [180] days to eliminate the Material Disturbance, and

(2) Thereafter, if Developer has not timely eliminated the Material Disturbance and if City still intends to terminate payments on the Monetary Obligation, City’s Common Council shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the public benefits contemplated as a result of the Project and constitutes just cause for the termination of the Monetary Obligation. City shall thereafter file a certificate with Developer (attaching the resolution of the Common Council) stating that City has elected to terminate payments on the Monetary Obligation. Upon City such filing of the certificate, the Monetary Obligation shall terminate.

Developer Responsibilities:

The Developer shall have the following responsibilities:

- Design and develop the Project consistent with the approved plans.
- Submit 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).
- Guaranty completion of construction of the Project.
- Commence construction of the Project by August 31st of 2024 with a completion date of May 31st of 2026.

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 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.

Anti-Displacement Preference Policy

The project is located in the 53204 zip code and is subject to the City of Milwaukee’s Anti-Displacement Preference Policy, which requires that 20% of the affordable units in the project will be prioritized for residents of the 53204 zip code. The preference will apply to qualified applicants at initial lease-up and at unit turnover for a term equal to the longest period of affordability required by any City financing source, but in no case less than 20 years.

No Tax Exemption

No portion of the Project shall at any time after closing be exempt from real estate taxes.

Development Agreement:

Developer and City shall enter into a development agreement (“Development Agreement”) containing terms consistent with this Term Sheet and customary for such development agreements.

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 Project sites other than residential and commercial leases in the ordinary course of business;
- Enter into any transaction that would materially adversely affect the ability of Project 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 Project 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 Project Developer’s financial condition.

General:

This term sheet does not constitute an agreement between the Developer and the City. The terms set forth 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 and the City. 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 Commissioner of the Department of City Development will be authorized under these agreements to exercise such discretion and grant such approvals.

Note:

Attachment 1 provides additional definitions to words and terms used in this Term Sheet in addition to the words and terms elsewhere defined.

Attachment 1

DEFINITIONS

“Annual Expenses” means an amount not to exceed \$7,500 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. 118.

“Force Majeure” means circumstances under which any party is delayed or prevented from the performance of any act required by an agreement by reason of fire, earthquake, war, flood, riot, strikes, labor disputes, judicial orders, public emergency or regulations, or other causes beyond the reasonable control of the party obligated to perform, then performance of such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period commensurate with the nature of such delay.

“Human Resources Agreement” means an agreement in a form customary for developer-funded tax incremental districts.

“Monetary Obligation” means a limited and conditional obligation to repay Developer an amount up to \$2,170,000 plus interest on the outstanding balance at 6% per year. (The interest rate on the Monetary Obligation reflects the preliminary interest rate on the Developer’s underlying financing and is subject to change, based on the “earn out” interest rate at the time of conversion to permanent mortgage. The final interest rate shall be the lower of the “earn out” rate or 6%)

“Substantial Completion” means the Project Developer’s receipt from City of a final Occupancy Certificate for the Project.

Exhibit 4
Economic Feasibility Study

MEMORANDUM

TO: Redevelopment Authority of the City of Milwaukee
FROM: Keith Dahl – Ehlers Public Finance Advisors
DATE: May 1, 2024
SUBJECT: Economic Development Analysis for proposed 100 East National Tax Increment District

Overview:

The Redevelopment Authority received an application for financial assistance from Bear Development (the “Developer”) seeking tax incremental district (TID) assistance in the principal amount of \$2,372,792, over 20 years, to construct 140 units of affordable rental housing and 3,662 square feet of commercial space in a mixed-use apartment building (the “Project”). The Project is proposed to commence construction by August of this year with an anticipated total development cost of approximately \$54.7 million.

This memo has been prepared by Ehlers, at the request of the Redevelopment Authority, to conduct a review of the Project, specifically the budget and pro forma based on industry standards under current market conditions and trends for 1) development costs, 2) available funding sources, 3) financial structure, 4) underwritten financial assumptions, 5) Developer contributions, 6) affordable housing rental rates, 7) utility allowance, 8) operating expenses, 9) phasing and timing of construction, and 10) projected cash flows. Our approach to this review was to ensure all development costs, revenues, and expenditures have been appropriately accounted for and considered, and to independently verify private funding sources are being maximized.

Based on our review, the Project generally meets our expectations of a low-income housing tax credit (LIHTC) development utilizing federal 4% credits. The financial structure is consistent with industry standards under current market conditions, and complies with the Wisconsin Housing and Economic Development Authority’s (WHEDA) underwriting standards. However, based on our analysis, the requested amount of financial assistance is more than what is necessary for the Project to be “financially feasible”. **We’ve concluded that TID assistance in the principal amount of \$2,170,000 payable over a 17-year term (from receipt of first tax increment) is supported.**

Available Tax Increment:

Base Value – The proposed TID shall be a one (1) parcel district located at 100 East National Avenue. The base value certification of this parcel will be based on January 1, 2024, an assessed value which totals \$557,800.

Estimated Market Value – In consultation with the City Assessor, it is estimated the market value of the Project will be \$11,500,020 upon completion and stabilization after lease-up. The estimated market value was derived based on review of three approaches to value – cost, income, and comparable properties.

Assumptions -

- Tax Rate: \$21.2124 based on the 2023/2024 TID equalized values per the Department of Revenue form PC-202
- Interest Rate: 6.00% based on Developer's anticipated rate of financing on their permanent tax-exempt first mortgage
- Anticipated Term: 17 years from receipt of first tax increment
- Annual Appreciation Factor: 0.00%
- Annual Tax Rate Reduction Factor: 0.00%
- Incentive Payment: 100% of annually available tax increment less an administrative fee of \$7,500 per TID policy of the Redevelopment Authority

Projected Tax Increment - Upon completion and stabilization after lease-up, the TID is projected to generate approximately \$232,110 of annual tax increment. Based upon the assumptions above, the TID could support assistance in the principal amount of \$2,170,000. Attached for reference is a cashflow projection.

The total amount of tax increment anticipated to be generated and paid to the Developer on a pay-as-you-go (PAYGO) financing basis is \$3,623,222. Note: this figure is a future value sum that does not consider time value of money.

PAYGO financing is a performance-based incentive, in which an authority agrees to reimburse a developer over a specific period of time to offset a portion of their up-front construction costs. This effectively shifts risk (political, property tax, assessed value, and so forth) from the authority onto the developer. If the development does not generate enough tax increment for the developer to recapture the agreed upon sum, the authority is under no obligation to make up the shortfall.

City of Milwaukee, Wisconsin

Tax Increment District # 118

Development Assumptions

Construction Year	Land	140 Units	Annual Total	Construction Year
1 2024	(557,800)	4,600,008	4,042,208	2024 1
2 2025		4,600,008	4,600,008	2025 2
3 2026		2,300,004	2,300,004	2026 3
4 2027			0	2027 4
5 2028			0	2028 5
6 2029			0	2029 6
7 2030			0	2030 7
8 2031			0	2031 8
9 2032			0	2032 9
10 2033			0	2033 10
11 2034			0	2034 11
12 2035			0	2035 12
13 2036			0	2036 13
14 2037			0	2037 14
15 2038			0	2038 15
16 2039			0	2039 16
17 2040			0	2040 17
18 2041			0	2041 18
19 2042			0	2042 19
20 2043			0	2043 20
21 2044			0	2044 21
22 2045			0	2045 22
23 2046			0	2046 23
24 2047			0	2047 24
25 2048			0	2048 25
26 2049			0	2049 26
27 2050			0	2050 27
Totals	(557,800)	11,500,020	10,942,220	

Notes:

City of Milwaukee, Wisconsin

Tax Increment District # 118

Tax Increment Projection Worksheet

Type of District	Rehabilitation	Base Value	557,800
District Creation Date	June 11, 2024	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2024	Base Tax Rate	\$21.2124
Max Life (Years)	27	Rate Adjustment Factor	0.00%
Expenditure Period/Termination	22 6/11/2046	Tax Exempt Discount Rate	0.00%
Revenue Periods/Final Year	27 2052	Taxable Discount Rate	6.00%
Extension Eligibility/Years	Yes 3		
Eligible Recipient District	Yes		

	Construction		Inflation		Total Increment	Revenue Year	Tax Rate ¹	Tax Increment
	Year	Value Added	Valuation Year	Increment				
								0
1	2024	4,042,208	2025	0	4,042,208	2026	\$21.21	85,745
2	2025	4,600,008	2026	0	8,642,216	2027	\$21.21	183,322
3	2026	2,300,004	2027	0	10,942,220	2028	\$21.21	232,110
4	2027	0	2028	0	10,942,220	2029	\$21.21	232,110
5	2028	0	2029	0	10,942,220	2030	\$21.21	232,110
6	2029	0	2030	0	10,942,220	2031	\$21.21	232,110
7	2030	0	2031	0	10,942,220	2032	\$21.21	232,110
8	2031	0	2032	0	10,942,220	2033	\$21.21	232,110
9	2032	0	2033	0	10,942,220	2034	\$21.21	232,110
10	2033	0	2034	0	10,942,220	2035	\$21.21	232,110
11	2034	0	2035	0	10,942,220	2036	\$21.21	232,110
12	2035	0	2036	0	10,942,220	2037	\$21.21	232,110
13	2036	0	2037	0	10,942,220	2038	\$21.21	232,110
14	2037	0	2038	0	10,942,220	2039	\$21.21	232,110
15	2038	0	2039	0	10,942,220	2040	\$21.21	232,110
16	2039	0	2040	0	10,942,220	2041	\$21.21	232,110
17	2040	0	2041	0	10,942,220	2042	\$21.21	232,110
18	2041	0	2042	0	10,942,220	2043	\$21.21	232,110
19	2042	0	2043	0	10,942,220	2044	\$21.21	232,110
20	2043	0	2044	0	10,942,220	2045	\$21.21	232,110
21	2044	0	2045	0	10,942,220	2046	\$21.21	232,110
22	2045	0	2046	0	10,942,220	2047	\$21.21	232,110
23	2046	0	2047	0	10,942,220	2048	\$21.21	232,110
24	2047	0	2048	0	10,942,220	2049	\$21.21	232,110
25	2048	0	2049	0	10,942,220	2050	\$21.21	232,110
26	2049	0	2050	0	10,942,220	2051	\$21.21	232,110
27	2050	0	2051	0	10,942,220	2052	\$21.21	232,110
Totals		10,942,220		0		Future Value of Increment		6,071,825

Notes:

¹Tax rate assumed is based on 2023/24 TID equalized values per DOR form PC-202

City of Milwaukee, Wisconsin

Tax Increment District # 118

Cash Flow Projection

Year	Projected Revenues			Expenditures						Balances		Year
	Tax Increments	Interest Earnings/ (Cost)	Other Revenue	Total Revenues	Municipal Revenue Obligation (MRO) 2,170,000			Total Expenditures	Annual	Cumulative		
					Dated Date: Payment	Est. Rate	TBD Interest				Other	
2025				0	0				0	0	0	2025
2026	85,745			85,745	78,245	6.00%		7,500	85,745	0	0	2026
2027	183,322			183,322	175,822	6.00%		7,500	183,322	0	0	2027
2028	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2028
2029	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2029
2030	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2030
2031	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2031
2032	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2032
2033	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2033
2034	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2034
2035	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2035
2036	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2036
2037	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2037
2038	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2038
2039	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2039
2040	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2040
2041	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2041
2042	232,110			232,110	224,610	6.00%		7,500	232,110	0	0	2042
2043	232,110			232,110					0	232,110	232,110	2043
2044	232,110			232,110					0	232,110	464,221	2044
2045	232,110			232,110					0	232,110	696,331	2045
2046	232,110			232,110					0	232,110	928,441	2046
2047	232,110			232,110					0	232,110	1,160,552	2047
2048	232,110			232,110					0	232,110	1,392,662	2048
2049	232,110			232,110					0	232,110	1,624,772	2049
2050	232,110			232,110					0	232,110	1,856,883	2050
2051	232,110			232,110					0	232,110	2,088,993	2051
2052	232,110			232,110					0	232,110	2,321,104	2052
Total	6,071,825	0	0	6,071,825	3,623,222		0	0	127,500	3,750,722		Total

Notes: Annual Increment is based annually available tax increment of 100% less a \$7,500 Admin. fee.

Projected TID Closure

Exhibit 5

Property Owners

Property Address	Tax Key	Owner Name
100 East National	4281001000	Kelly Construction and Design

Exhibit 6

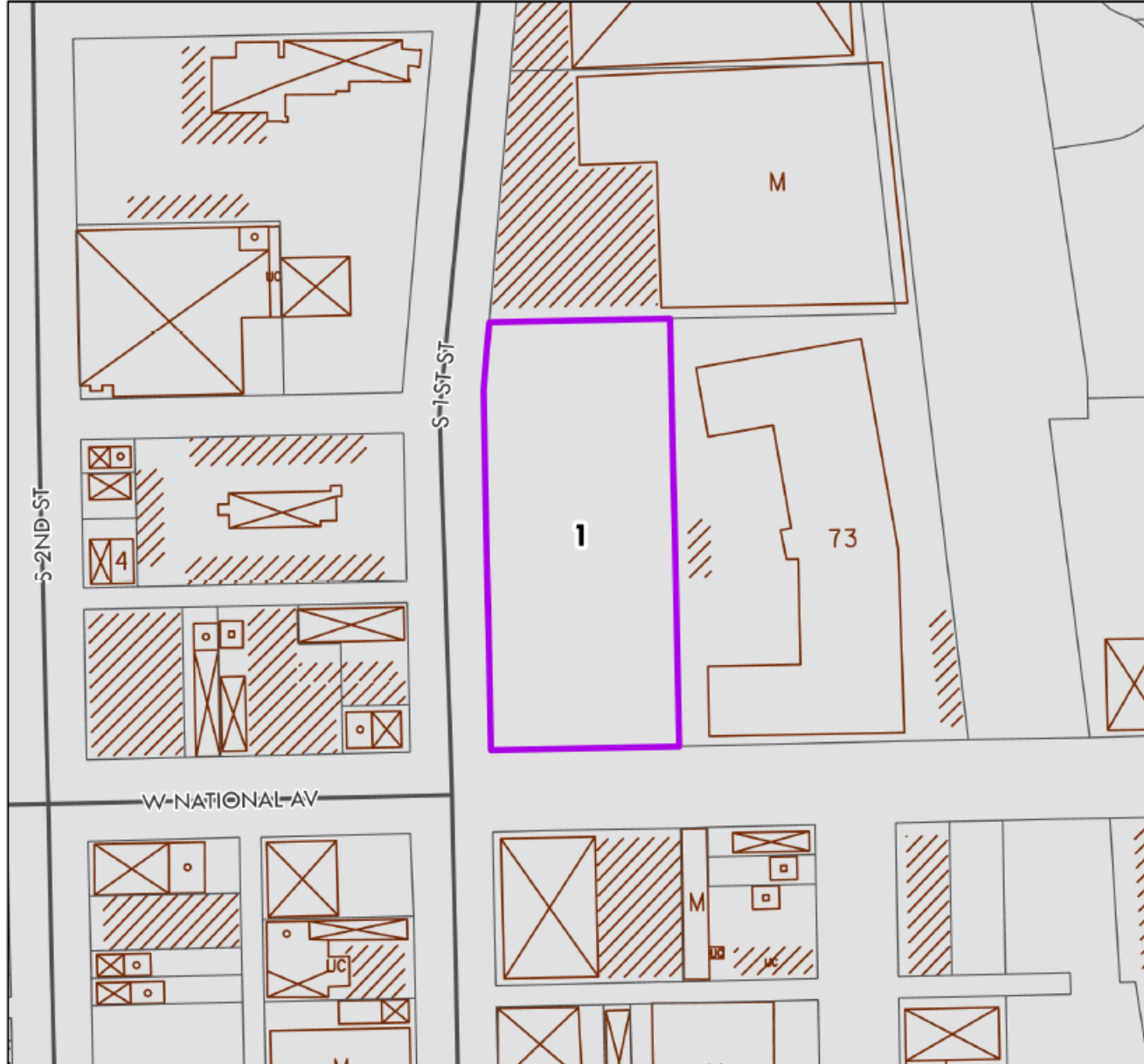
City Attorney's Letter

In Preparation.

TID NO. 118: 100 East National, Map 1

Boundary and Existing Land Use

Prepared by the Department of City Development Planning Division, 4/23/2024
 Source: DCD Planning Division; Information Technology Management Division



Property List

No.	Taxkey	Address
1	#428-1001-000	100 E National Ave

Map Legend

- TID Boundary
- Parcel Boundary

Current Land Use

- * SINGLE FAMILY RESIDENTIAL
- ** TWO FAMILY RESIDENTIAL
- 4 MULTI-FAMILY RESIDENTIAL
- 4C CONDOMINIUM
- D DORMITORY
- R ROOMING HOUSE
- H HOTEL / MOTEL
- * COMMERCIAL WITH RESIDENCE
- / UNCOMMERCIAL
- / MIXED COMMERCIAL
- / OFFICE OR PROFESSIONAL SERVICES
- M MANUFACTURING AND WAREHOUSING
- U UTILITY COMPANY
- T STORAGE TANK
- A ACCESSORY BUILDING
- H HOSPITAL
- ▲ SKILLED CARE FACILITY / GROUP HOME
- T PLACE OF WORSHIP
- NON - PUBLIC EDUCATION
- GOVERNMENTAL OR QUASI-PUBLIC BUILDING
- P POLICE STATION
- F FIRE STATION
- P.S. PUBLIC SCHOOL
- P.G. PLAYGROUND
- PARK
- CEMETERY
- / PARKING
- / BASKETBALL COURT
- / TENNIS COURT
- x-
- ⊞ ELECTRICAL LINE TRANSMISSION TOWER
- - - ELECTRICAL LINE
- U.C. UNDER CONSTRUCTION

TID NO. 118: 100 East National, Map 2

Structure Condition

Prepared by the Department of City Development Planning Division, 4/23/2024
Source: DCD Planning Division, Information Technology Management Division



Property List

No.	Taxkey	Address
1	#428-1001-000	100 E National Ave

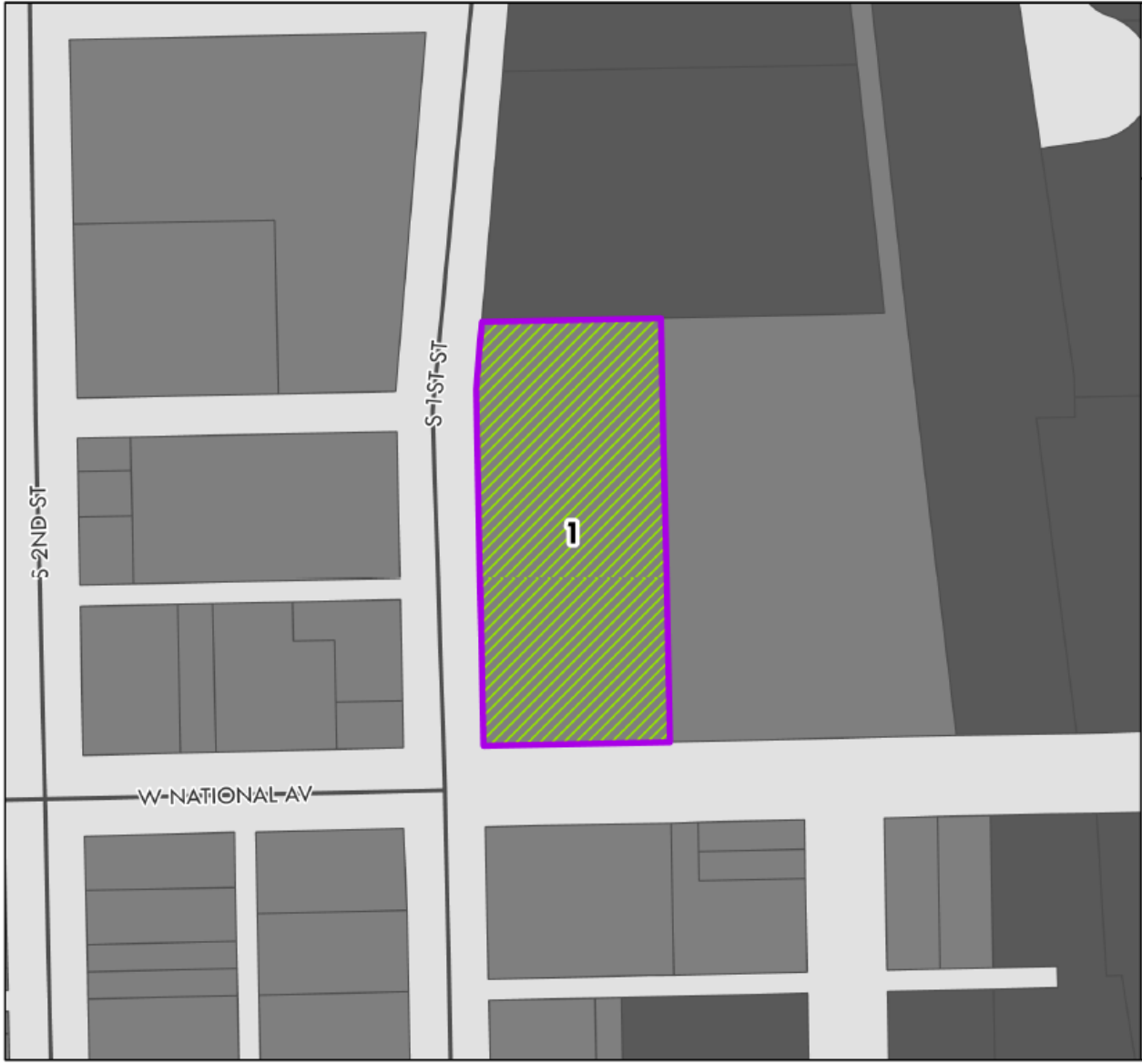
Map Legend

- In Need of Conservation or Rehabilitation
- TID Boundary
- Parcel Boundary

TID NO. 118: 100 East National, Map 3

Proposed Uses and Improvements

Prepared by the Department of City Development Planning Division, 4/23/2024
Source: DCD Planning Division, Information Technology Management Division



Property List

No.	Taxkey	Address
1	#428-1001-000	100 E National Ave

- ### Map Legend
- New Building to be Constructed
 - TID Boundary
 - Parcel Boundary

TID NO. 118: 100 East National, Map 4

Existing Zoning



Prepared by the Department of City Development Planning Division, 4/23/2024
Source: DCD Planning Division, Information Technology Management Division



Property List

No.	Taxkey	Address
1	#428-1001-000	100 E National Ave

Map Legend

-  TID Boundary
-  Parcel Boundary
-  Industrial - Mixed
-  Industrial - Heavy

