

**AMENDMENT NO. 1 TO PROJECT PLAN**  
**FOR**  
**TAX INCREMENTAL DISTRICT NO. 52**  
**(Sigma-Aldrich Corporation)**  
**CITY OF MILWAUKEE**

**Initial Joint Review Board Meeting:** February 18, 2021

**Public Hearing Held:** February 18, 2021

**Redevelopment Authority Approved:**

**Common Council Approved:**

**Joint Review Board Approved:**

**AMENDMENT NO. 1 to the PROJECT PLAN for  
TAX INCREMENTAL DISTRICT NO. 52  
CITY OF MILWAUKEE  
(Sigma-Aldrich Corporation)**

**Introduction**

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

The City of Milwaukee created Tax Incremental District No. 52 in 2003 to fund up to \$5 million of extraordinary site improvement expenses necessitated by Aldrich Chemical's move from its facility on West St. Paul Avenue to North Teutonia in connection with the reconstruction of the Marquette Interchange. The extraordinary site improvements include, but were not limited to access improvements, utility relocation, environmental remediation, roadway construction, storm water management improvements as well as traffic improvements to facilitate access to the expanded operation.

To date, \$7.3 million in project costs have been incurred, including interest on debt and associated carrying charges, and approximately \$7.8 million of incremental revenue has been generated in the TID.

Amendment No. 1 to the Project Plan will donate funds to three districts which have incurred substantial costs for low and moderate income housing developments, but have generated little, or no incremental revenue.

Wis. Stat. § 66.1105(6)(f) allows an existing tax incremental district, via an amendment to that district's project plan, to donate positive tax increments to another existing tax incremental district, under certain circumstances

**Amendments to the TID 52 Project Plan:**

The following amendments are made to the TID 52 Plan. All other sections of the TID 52 Project Plan remain unchanged.

**Plan Section I. D. "Proposed Public Action" is amended by adding the following:**

Funds generated from the District will be used for the following purposes under Plan Amendment 1:

As set forth below, it is proposed that donations be made from TID 52 to three districts which have substantial project costs, but have generated little or no incremental revenue.

All three were established to assist the development of single and multi-family housing in Milwaukee's central city.

### **DONOR DISTRICT**

**Tax Incremental district No. 52 (Sigma-Aldrich Corporation)** was approved by the Milwaukee Common Council on June 24, 2003. Tax incremental revenue received from this district has totaled \$7,806,834 thru the "2020 for 2021 budget" levy. Project costs, including principal and interest payments due, future project expenses, and donations to other districts total, \$7,655,567.

While the district currently has a surplus, outstanding project costs exist to fund the remaining balance of the loan to Aldrich Chemical and the district cannot, as yet, be terminated.

The district has a statutory termination date of 2026.

See Exhibit A for a Break Even Analysis of TID 52.

### **RECIPIENT DISTRICTS**

**Tax Incremental District No. 58 (20<sup>th</sup> & Walnut)** was created as a "blighted-area" district in 2005 in order to support the redevelopment of two key sites near N. 20<sup>th</sup> St. and W. Walnut Street. The sites are the five acre property of a former grocery store at 2101 W. Walnut, and an adjacent parcel which was the site of the London Square Apartments, a 115 unit, project that suffered from disrepair and absentee management. From a redevelopment perspective, the two sites have been viewed as interdependent. Eventually a developer acquired the London Square project and implemented a significant renovation.

The TID funded the acquisition, demolition, and remediation of the former grocery store, and public improvements for a single-family development on that site. By year end, 2007, three model homes were completed and were sold in 2008.

With the downturn in the real estate market and the economic recession beginning in 2009, sales activity came to a halt. More recently, the City has worked to market and reposition the development and with an improved real estate market, one lot was recently sold and an additional two are reserved.

Currently, remaining project costs of \$54,925 need to be recovered. The district has received \$3,579,188 in donations previously, and generated only \$15,225 of incremental revenue, and the incremental value of the district is \$76,700.

See Exhibit B for a Break Even Analysis of TID 58.

**Tax Incremental District No. 65 (N. 20<sup>th</sup> & W. Brown Streets)** was created in 2006 as a “blighted-area” district to fund infrastructure for a 60 home and 24-unit townhouse development in the Fond du Lac and North Ave. neighborhood. As of year-end 2014, five homes were sold, but due to the decline in demand for new housing there have been no additional sales or construction of new homes.

The district funded public infrastructure, site acquisitions, remediation costs, and loans/grants for rehabilitating existing homes. As of January 2011, all public improvements had been completed.

Project costs remaining to be recovered in TID 65 are \$16,548. The district has received \$3,113,117 in donations previously, and generated only \$46,644 of incremental revenue. District incremental value is \$1,023,700.

See Exhibit C for a Break Even Analysis of TID 65.

**Tax Incremental District No. 66 (Metcalf Park Homes)** was created in 2007 as a “blighted-area” district. This district was created to support new housing development and revitalization efforts in the Metcalfe Park area, bounded by N. 27<sup>th</sup> St., N. 39<sup>th</sup> St., W. Meinecke Ave., and W. Center St.

The district funded a grant to a developer which constructed 30 new single-family homes on City-owned scattered sites. The homes were leased to tenants on a “lease to own” basis. All homes are complete and have been leased.

In addition, the TID funded a forgivable loan pool to finance repairs to owner-occupied homes in the area.

While the projects themselves have been successful, the downturn in the real estate market, and the high number of foreclosures in the district have resulted in an incremental value which is negative \$19,971,000.

Project costs of \$241,067 remain to be recovered. The district has received \$1,537,698 in donations previously, and generated only \$109,805 of incremental revenue.

See Exhibit D for a Break Even Analysis of TID 66.

## **PROPOSED DONATIONS**

Given the foregoing, the following donations are proposed from TID 52:

- In 2021, TID 52 will donate \$54,925 to TID 58, \$16,548 to TID 65, and \$241,067 to TID 66;

In 2020, tax incremental revenue received by TID 52 was \$479,338 (see Exhibit A) bringing its current surplus to \$1,465,593.

Consequently, the donations set forth above would result in the following:

	<b>Contrib. from TID 52, to:</b>	<b>TID 58</b>	<b>TID 65</b>	<b>TID 66</b>
<b>Costs to be Recovered</b>		\$ 54,925	\$ 16,548	\$ 241,067
<b>Donations:</b>				
<b>2021</b>	\$ 312,540	\$ 54,925	\$ 16,548	\$ 241,067
<b>Totals</b>	\$ 312,540	\$ 54,925	\$ 16,548	\$ 241,067

**Plan Section II.B. “The following is an estimate of project costs” is deleted and restated as follows:**

<b>1</b>	<b>Project Costs - Original Project Plan</b>	\$ 4,912,970
<b>2</b>	<b>Donations</b>	\$ 312,540
<b>3</b>	<b>Other - Administration, legal, professional fees</b>	\$ 41,500
<b>4</b>	<b>Total Estimated TID Costs, excluding financing</b>	\$ 5,267,010
<b>5</b>	<b>Financing - Interest payment, incl. capitalized interest</b>	\$2,701,097
<b>6</b>	<b>Est. Total District Project Cost</b>	\$7,968,107

**Plan Section III. “Description of Timing and Methods of Financing” is deleted and restated as follows:**

All Amendment No. 1 expenditures are expected to be incurred in 2021.

**Plan Section IV. “Economic Feasibility Study” is deleted and restated as follows:**

The Economic Feasibility Study for Amendment No. 1 to the Project Plan is attached as **Exhibit 1, “Economic Feasibility Study for Amendment No. 1 to the Sigma-Aldrich Corporation TID No. 52.”**

Based upon the available revenue generated by the District, the District is financially feasible and it is likely to be retired on or before 2021, the 19<sup>th</sup> year of the District. Accordingly, the District is determined to be feasible.

**Plan Section VIII. “List of Estimated Non-Project Costs.” is amended to add the following:**

None – there are no estimated non-project costs associated with Amendment No. 1.

**Plan Section XI. “Opinion of the City Attorney” is amended by adding the attached letter from the City Attorney.**

**EXHIBIT A: CALCULATION OF REMAINING AMOUNT  
TO BE RECOVERED IN TID 52**

	<u>Sigma Aldrich TID-52</u>
Life-to-date 12-31-2020 project expenditures	\$ 7,326,917
Estimated future project expenditures	
Remaining encumbrances	-
Remaining appropriation	313,000
 Interest payments through December 31, 2019	 -
 Add bond interest costs:	
Scheduled 2020 to maturity	-
Estimated interest on future borrowings	15,650
Estimated future capitalized interest	-
Cumulative City of Milwaukee carrying cost/(rev.) 12-31-20	-
	<hr/>
Total project costs	7,655,567
	<hr/>
Project revenues through 12/31/20	(1,314,326)
Bond proceeds in excess of principal debt service payments	-
	<hr/>
Net project costs to be recovered through tax increments	6,341,241
	<hr/>
Tax increments levied:	
2005	280,241
2006	320,240
2007	362,165
2008	379,825
2009	374,972
2010	379,116
2011	371,926
2012	729,780
2013	952,179
2014	837,886
2015	478,907
2016	454,793
2017	440,195
2018	461,521
2019	503,750
2020	479,338
Total tax increments levied at December 31, 2020	7,806,834
	<hr/>
Donations to TIDs	-
Amount to be recovered	\$ (1,465,593)
	<hr/> <hr/>
Remaining recovery years	5

**EXHIBIT B: CALCULATION OF REMAINING AMOUNT  
TO BE RECOVERED IN TID 58**

	<u>20th &amp; Walnut TID-58</u>
Life-to-date 12-31-2020 project expenditures	\$ 2,482,516
Estimated future project expenditures	
Remaining encumbrances	-
Remaining appropriation	50,000
 Interest payments through December 31, 2019	 1,077,403
 Add bond interest costs:	
Scheduled 2020 to maturity	126,847
Estimated interest on future borrowings	-
Estimated future capitalized interest	-
Cumulative City of Milwaukee carrying cost/(rev.) 12-31-20	<u>(49,033)</u>
 Total project costs	 <u>3,687,733</u>
 Donations to TID 58 through 12-31-19	 (3,579,188)
Project revenues through 12/31/20	(38,396)
Bond proceeds in excess of principal debt service payments	<u>-</u>
 Net project costs to be recovered through tax increments	 <u>70,149</u>
 Tax increments levied:	
2006	1,501
2007	-
2008	-
2009	11,567
2010	-
2011	-
2012	-
2013	-
2014	-
2015	-
2016	-
2017	-
2018	-
2019	
2020	<u>2,157</u>
Total tax increments levied at December 31, 2019	15,225
 Donations to TIDs	 -
Amount to be recovered	<u>\$ 54,925</u>
 Remaining recovery years	 13



**EXHIBIT C: CALCULATION OF REMAINING AMOUNT  
TO BE RECOVERED IN TID 65**

	<u>20th &amp; Brown TID-65</u>
Life-to-date 12-31-2020 project expenditures	\$ 2,037,982
Estimated future project expenditures	
Remaining encumbrances	-
Remaining appropriation	55,000
Interest payments through December 31, 2019	823,556
Add bond interest costs:	
Scheduled 2020 to maturity	316,228
Estimated interest on future borrowings	-
Estimated future capitalized interest	-
Cumulative City of Milwaukee carrying cost/(rev.) 12-31-20	<u>(54,862)</u>
Total project costs	<u>3,177,904</u>
Donations to TID 65 through 12-31-19	(3,113,117)
Project revenues through 12/31/20	(636)
Bond proceeds in excess of principal debt service payments	<u>(959)</u>
Net project costs to be recovered through tax increments	<u>63,192</u>
Tax increments levied:	
2006	-
2007	-
2008	7,232
2009	9,065
2010	-
2011	-
2012	-
2013	-
2014	-
2015	-
2016	-
2017	-
2018	-
2019	1,561
2020	<u>28,786</u>
Total tax increments levied at December 31, 2020	46,644
Donations to TIDs	-
Amount to be recovered	<u>\$ 16,548</u>
Remaining recovery years	14

**EXHIBIT D: CALCULATION OF REMAINING AMOUNT  
TO BE RECOVERED IN TID 66**

	<u>Metcalfe TID-66</u>
Life-to-date 12-31-2020 project expenditures	\$ 1,342,689
Estimated future project expenditures	
Remaining encumbrances	-
Remaining appropriation	213,000
Interest payments through December 31, 2019	358,751
Add bond interest costs:	
Scheduled 2020 to maturity	49,595
Estimated interest on future borrowings	-
Estimated future capitalized interest	-
Cumulative City of Milwaukee carrying cost/(rev.) 12-31-20	<u>(72,870)</u>
Total project costs	<u>1,891,165</u>
Donations to TID 65 through 12-31-19	(1,537,698)
Project revenues through 12/31/20	(1,537)
Bond proceeds in excess of principal debt service payments	<u>(1,058)</u>
Net project costs to be recovered through tax increments	<u>350,872</u>
Tax increments levied:	
2006	-
2007	-
2008	109,805
2009	-
2010	-
2011	-
2012	-
2013	-
2014	-
2015	-
2016	-
2017	-
2018	-
2019	-
2020	-
Total tax increments levied at December 31, 2020	<u>109,805</u>
Donations to TIDs	-
Amount to be recovered	<u>\$ 241,067</u>
Remaining recovery years	14

**TID 70 735 N Water**

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Misc. Revenue	Existing Debt	New Debt	Total		After reserving for remaining debt Surplus/(deficit)	TID Payoff
										Cash flow	Cum. Cash Flow		
1	2007	2008	14,904,700							-	-	(2,887,782)	
2	2008	2009	14,904,700	14,690,100	(214,600)	-				-	-	(2,887,782)	No
3	2009	2010	14,904,700	14,602,000	(302,700)	-	21,575			21,575	21,575	(2,866,207)	No
4	2010	2011	14,904,700	15,413,300	508,600	13,628	20,308	(1,948)		31,988	53,563	(2,832,271)	No
5	2011	2012	14,904,700	27,140,400	12,235,700	348,740	60,046	(39,156)		369,630	423,193	(2,423,485)	No
6	2012	2013	14,904,700	26,215,800	11,311,100	344,058	66,575	(110,582)		300,051	723,244	(2,012,852)	No
7	2013	2014	14,904,700	27,786,900	12,882,200	400,592	53,383	(84,798)		369,177	1,092,421	(1,558,877)	No
8	2014	2015	14,904,700	30,606,100	15,701,400	477,690	73,739	(84,798)		466,631	1,559,052	(1,007,448)	No
9	2015	2016	14,904,700	31,013,900	16,109,200	492,007	92,530	(91,159)		493,378	2,052,430	(422,911)	No
10	2016	2017	14,904,700	31,916,900	17,012,200	500,940	102,178	(214,581)		388,537	2,440,967	180,207	YES
11	2017	2018	14,904,700	29,081,500	14,176,800	418,607	154,199	(246,473)		326,333	2,767,300	753,013	YES
12	2018	2019	14,904,700	29,585,800	14,681,100	408,966	156,466	(242,918)		322,514	3,089,814	1,318,445	YES
13	2019	2020	14,904,700	41,906,800	27,002,100	744,933	162,369	(239,865)		667,437	3,757,251	2,225,747	YES
14	2020	2021	14,904,700	29,271,300	14,366,600	403,985	160,525	(240,016)		324,494	4,081,745	2,790,257	YES
15	2021	2022	14,904,700	29,564,013	14,659,313	412,220		(239,714)	(25,286)	147,220	4,228,965	3,202,477	YES
16	2022	2023	14,904,700	29,859,653	14,954,953	420,533		(173,654)	(25,286)	221,593	4,450,558	3,623,011	YES
17	2023	2024	14,904,700	30,158,250	15,253,550	428,930		(134,926)	(25,286)	268,718	4,719,275	4,051,940	YES
18	2024	2025	14,904,700	30,459,832	15,555,132	437,410		(134,477)	(25,286)	277,647	4,996,922	4,489,351	YES
19	2025	2026	14,904,700	30,764,430	15,859,730	445,976		(133,792)	(25,286)	286,897	5,283,820	4,935,326	YES
20	2026	2027	14,904,700	31,072,075	16,167,375	454,627		(135,235)	(25,286)	294,105	5,577,925	5,389,953	YES
21	2027	2028	14,904,700	31,382,796	16,478,096	463,364		(10,968)	(25,286)	427,110	6,005,035	5,853,317	YES
22	2028	2029	14,904,700	31,696,623	16,791,923	472,189			(25,286)	446,903	6,451,937	6,325,506	YES
23	2029	2030	14,904,700	32,013,590	17,108,890	481,102			(25,286)	455,816	6,907,753	6,806,608	YES
24	2030	2031	14,904,700	32,333,726	17,429,026	490,104			(25,286)	464,818	7,372,571	7,296,712	YES
25	2031	2032	14,904,700	32,657,063	17,752,363	499,196			(25,286)	473,910	7,846,481	7,795,908	YES
26	2032	2033	14,904,700	32,983,634	18,078,934	508,380			(25,286)	483,093	8,329,574	8,304,288	YES
27	2033	2034	14,904,700	33,313,470	18,408,770	517,655			(25,286)	492,368	8,821,943	8,821,943	YES
							10,585,831	1,123,893	(2,559,060)	(328,722)	8,821,943		

**TEARMAN SPENCER**

City Attorney

**KIMBERLY R. WALKER**

Special Deputy City Attorney

**MARY L. SCHANNING**

**ODALO J. OHIKU**

**SCOTT F. BROWN**

**ROBIN A. PEDERSON**

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

SUSAN E. LAPPEN  
 PATRICIA A. FRICKER  
 HEIDI WICK SPOERL  
 GREGG C. HAGOPIAN  
 JAY A. UNORA  
 KATHRYN Z. BLOCK  
 KEVIN P. SULLIVAN  
 THOMAS D. MILLER  
 JEREMY R. MCKENZIE  
 PETER J. BLOCK  
 JENNY YUAN  
 ALLISON N. FLANAGAN  
 HEATHER H. HOUGH  
 ANDREA J. FOWLER  
 PATRICK J. MCCLAIN  
 NAOMI E. GEHLING  
 BENJAMIN J. ROOVERS  
 ELLENY B. CHRISTOPOULOS  
 TYRONE M. ST. JUNIOR  
 HANNAH R. JAHN  
 JULIE P. WILSON  
 GREGORY P. KRUSE  
 KIMBERLY A. PRESCOTT  
 SHEILA THOBANI  
 KATRYNA C. RHODES  
 NICOLE F. LARSEN  
 JAMES M. CARROLL  
 WILLIAM G. DAVIDSON  
 MEIGHAN M. ANGER  
 ALEXANDER R. CARSON  
 Assistant City Attorneys

February 5, 2021

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


Re: Amendment 2 to Project Plan for Tax Incremental District No. 70  
 (735 N. Water Street)

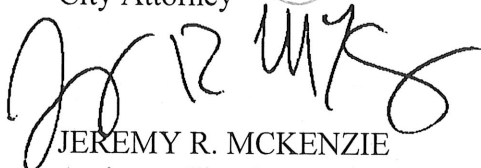
Dear Commissioner Crump:

Pursuant to your request, we have reviewed Amendment 2 to Project Plan for the above-referenced Tax Incremental District No. 70.

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

Very truly yours,

  
 TEARMAN SPENCER  
 City Attorney

  
 JEREMY R. MCKENZIE  
 Assistant City Attorney

