

AMENDMENT NO. 3

**PROJECT PLAN FOR
TAX INCREMENTAL FINANCING DISTRICT NO. 75
(REED STREET YARDS)**

CITY OF MILWAUKEE

Public Hearing Held: May 16, 2019

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Adopted:

**AMENDMENT NO. 3 to the PROJECT PLAN for
TAX INCREMENTAL FINANCING DISTRICT NUMBER 75
CITY OF MILWAUKEE
(REED STREET YARDS)**

Introduction

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

Section 66.1105 (2)(f)1.n., permits that amendment to fund projects located outside, but within one half-mile of the district's boundary.

The Common Council created Tax Incremental District No. 75 (the "District") in 2009 for the purpose of providing the infrastructure necessary for the development of a water technology and research park at the Reed Street Yards. In 2011, Amendment No. 1 to the District was approved. That Amendment provided \$5,599,770 for infrastructure improvements at the Reed Street Yards, \$264,000 for administration and \$354,000 for a loan to the Reed Street Yards Business Improvement District to pay the developer's share of Riverwalk and Dockwall costs. Amendment No. 1 authorized a total of \$6,217,770 in project costs.

In 2014, Amendment No. 2 to the District was approved. That Amendment authorized funds for additional public infrastructure improvements (\$1,360,000), public parking, a public plaza and streetscaping associated with the Florida Lofts project (\$660,000) a Public/Private Venture Fund for new buildings at the Reed Street Yards (\$5,000,000) and administration expenses (\$100,000). Amendment No. 2 authorized a total of \$7,120,000 in project costs.

Amendment No. 3 to the District authorizes \$500,000 to fund an alternatives analysis, design and engineering to extend the streetcar system to the Walker's Point neighborhood.

Amendments to the Project Plan:

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

I. DESCRIPTION OF THE PROJECT

Sub-Section D, "Plan Objectives," is amended by adding the following:

- Provide public transit improvements to the area, such as an expansion of the streetcar system to Walker's Point.

Sub-Section E, "Proposed Public Action," is amended by adding the following:

In the fall of 2018, the City of Milwaukee opened the initial 2.1-mile route of The Hop streetcar system, called the M-Line. The M-Line is part of a larger 3.5-mile Locally Preferred Alternative route that included extensions to the Milwaukee lakefront (the L-Line) and an extension up what was then called North 4th Street (now North Vel R. Phillips Avenue) to the new Bucks arena (now called Fiserv Forum).

In 2016, the City approved \$20m in local funding to extend The Hop to the Fiserv Forum at West Highland Avenue from three tax incremental districts: Hilton Hotel (#39), Time Warner/Manpower (#41) and 4th/Wisconsin (#88). At the time, that extension was referred to as the 4th Street Extension.

Now, the City wishes to conduct preliminary engineering and planning (“Project Development”) on larger extensions of The Hop. The Bronzeville Extension would be from West St. Paul Avenue up to West North Avenue (a 1.9-mile segment) and Phase 1 of the Walker’s Point Extension would be from East St. Paul Avenue down to East Pittsburgh Avenue and South 1st Street (a 0.9-mile segment) and are depicted in **Map No. 3, “Proposed Uses and Improvements.”** An additional alternatives analysis would be conducted to look at the route of future Walker’s Point extensions. The Project Development work will allow the City to pursue federal funds for construction of the full Bronzeville Extension and Phase 1 of the Walker’s Point Extension. In addition, the City wishes to locally fund the construction of Phase 1 of the Bronzeville Extension (a 0.4-mile segment), from West St. Paul Avenue up to West Wisconsin Avenue, as depicted in **Map No. 3, “Proposed Uses and Improvements.”**

The Bronzeville Extension will serve major destinations in Milwaukee’s Westown, Park East, King Drive and Bronzeville neighborhoods, such as:

- The Wisconsin Center (Wisconsin’s largest convention center)
- The Milwaukee Theater
- UW-Milwaukee Panther Arena
- Fiserv Forum and the Deer District
- Schlitz Park
- North Dr. Martin Luther King Jr. Drive business district
- Bronzeville cultural and entertainment district
- Neighborhoods such as Haymarket, Halyard Park and Brewer’s Hill

Phase 1 of the Walker’s Point Extension will serve major destinations in Milwaukee’s Third Ward and northern end of Walker’s Point, such as:

- Henry Maier Festival Grounds
- Italian Community Center
- Broadway Theatre Center/Skylight Music Theatre
- Milwaukee Institute of Art and Design
- The Milwaukee River and Riverwalk
- 88Nine Radio Milwaukee studios
- Next Act Theater

The proposed sources of funding for the Project Development of the Bronzeville Extension and construction of Phase 1 of the Bronzeville Extension, as well as Project Development for Phase 1 of the Walker’s Point Extension and an alternatives analysis for the Walker’s Point extension are as follows:

TID 39 (Hilton Hotel):	\$4 million (\$4m previously approved in 2016)
TID 41 (Time Warner Riverwalk):	\$12.5 million (\$8m previously approved in 2016)
TID 48 (Park East):	\$16.0 million
TID 56 (Erie/Jefferson):	\$5.8 million
TID 75 (Reed Street Yards):	\$500,000
<u>TID 88 (4th/Wisconsin):</u>	<u>\$8 million (\$8m previously approved in 2016)</u>
TOTAL:	\$46.8 million

Funds generated from the District will be used for the following purposes:

- **Walker’s Point Extension:** The District will fund up to \$500,000 to fund an alternatives analysis, design and engineering of the Walker’s Point Extension of the Milwaukee Streetcar project, within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats.

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:

The following public improvements and infrastructure expenditures are expected to occur within and around the TID:

- **Walker’s Point Extension:** The District will fund up to \$500,000 to fund an alternatives analysis, design and engineering of the Walker’s Point Extension of the Milwaukee Streetcar project, within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats.

The number and location of proposed public works and improvements are shown in **Map No. 3, “Amendment No. 3 Proposed Uses and Improvements.”**

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 hereof because of enumeration, claimed as eligible Project Costs as defined under Section 66.1105(2)(f) and, if appropriate, in any Cooperation 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 redeveloper(s), which agreements are incorporated herein by reference, 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 \$13,119,770 in the form of TID Capital Project Costs enumerated in further detail in Table A of this Plan and amendments to this Plan.

TABLE A: Reed Street TID Capital Project Costs

Public Infrastructure	
Reed Street Yards Infrastructure, Riverwalk and Dockwall (Amend No. 1)	\$5,599,770
Freshwater Way (Amend No. 2)	\$550,000
Florida Street (Amend No. 2)	\$500,000
Tannery Sewer Connection (Amend No. 2)	\$60,000
Harp Lighting (Amend No. 2)	\$150,000
Bikeshare Station (Amend No. 2)	\$50,000
Signage (Amend No. 2)	\$50,000

Walker's Point Extension of Milwaukee Streetcar (Amend No. 3)	\$500,000
Total Public Infrastructure	\$7,459,770
Florida Lofts (Amend No. 2)	\$660,000
Public/Private Venture Fund (PPVF) (Amend No. 2)	\$5,000,000
Total Capital Project Costs	\$13,119,770

Financing Costs

Financing costs include estimated gross interest expense or other financing costs on bonds or notes that will be issued to pay for Project Costs. Estimates are based on interest rates as set forth in the Economic Feasibility Analysis, attached as **Exhibit 4, "Feasibility Study."**

TABLE B: Lists of Estimated Project Costs

A	<u>Capital:</u>	
	Amend No. 1	\$5,599,770
	Amend No. 2	\$7,020,000
	<u>Amend No. 3</u>	<u>\$500,000</u>
	Total	\$13,119,770
B	<u>Other:</u>	
	BID Loan (Amend No. 1)	\$354,000
	Administration (Amend No. 1 and No. 2)	\$364,000
	Total Estimated Project Costs, excluding financing	\$13,837,770
C	<u>Financing:</u>	
	Interest payment on bonds	\$4,594,440

Sub-Section C, "Description of Timing and Methods of Financing" is deleted and restated, as follows:

All expenditures are expected to be incurred in 2019-22.

The City may proceed to fund any or all Project Costs using cash, 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 Amendment as **Amended Exhibit 4, "TID 75 Amendment No. 3 Feasibility Study."** 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 2023, the 14th year of the District. Accordingly, the District is determined to be feasible.

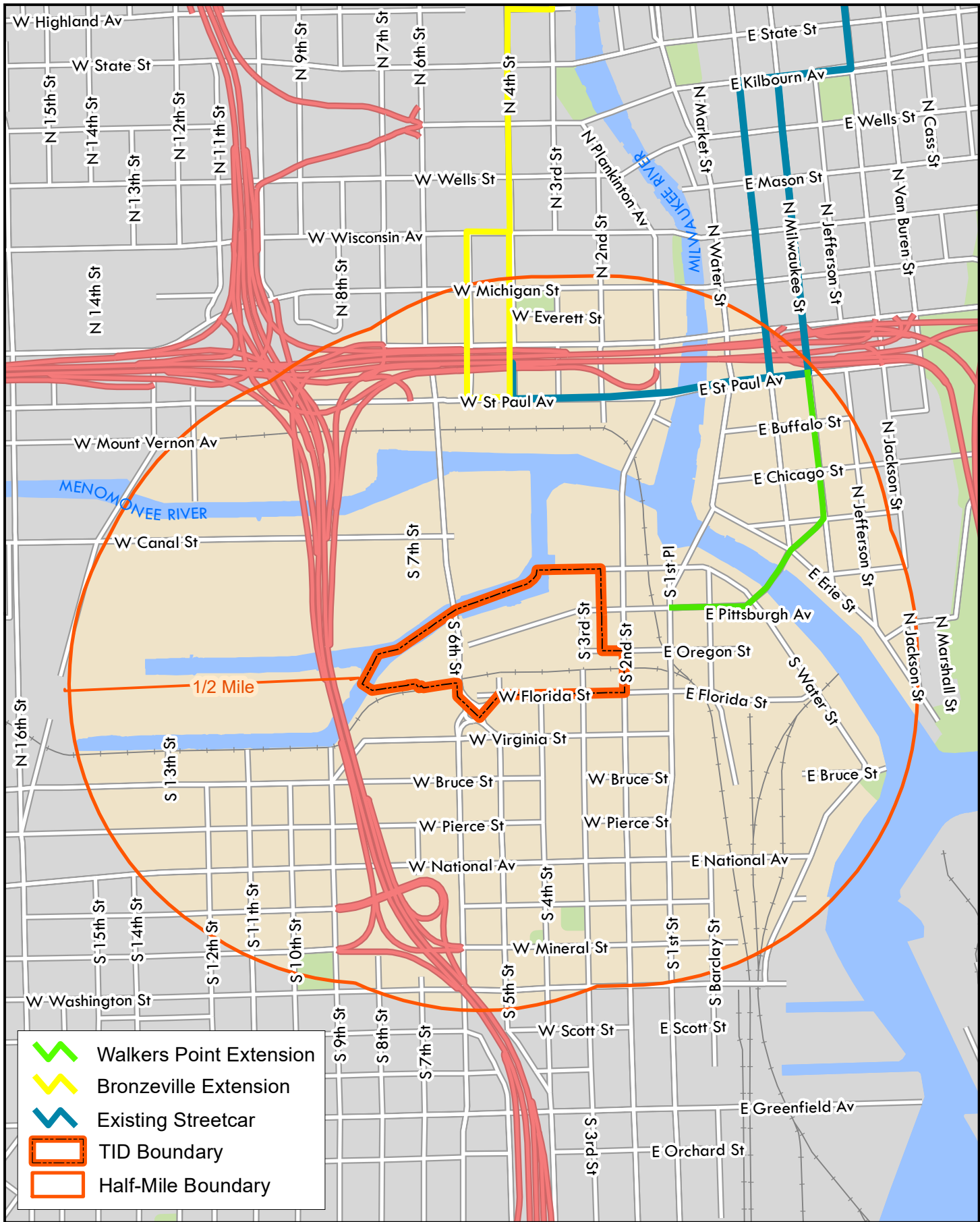
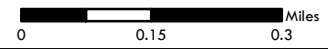
Sub-Section F, “Map Showing Proposed Improvements and Uses:” is amended by adding “Map No 3: Amendment No. 3 Proposed Improvements and Uses,” attached.




Opinion of City Attorney letter is deleted and replaced with the attached letter from the City Attorney dated May ____, 2019.

TID 75: REED STREET YARDS, AMENDMENT NO. 3

PROPOSED USES AND IMPROVEMENTS

Prepared by Dept of City Development Planning
 Division, 5/1/2019 Source: City of Milwaukee
 Information Technology Management Division



-  Walkers Point Extension
-  Bronzeville Extension
-  Existing Streetcar
-  TID Boundary
-  Half-Mile Boundary

Amended Exhibit 4: TID 75 Amendment No. 3 Feasibility

No.	Assessment/ Levy Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Total Increment	County & MATC Increment	Original or New		Revenues	Outstanding Project Costs	County & MATC Withheld [1]	Prior to Streetcar		New Streetcar		Total		After reserving for remaining debt Surplus/(deficit)	TID Payoff		
								Non-Streetcar Projects Debt Service					Cashflow	Cum. Cash flow	City, MPS,MMSD Increment	Debt Service	Cash flow	Cum. Cash Flow				
1	2009	2010	26,470,500																	(18,432,210)		
2	2010	2011	26,470,500	26,301,000																	(18,432,210)	No
3	2011	2012	26,470,500	32,400,500	5,930,000	169,016			3,992					173,008	173,008			173,008	173,008	(18,259,202)	No	
4	2012	2013	26,470,500	35,368,900	8,898,400	270,669			3,075					210,732	383,740			210,732	383,740	(17,985,458)	No	
5	2013	2014	26,470,500	47,885,200	21,414,700	665,923			1,871	(63,012)				611,785	995,525			611,785	995,525	(17,317,664)	No	
6	2014	2015	26,470,500	56,089,700	29,619,200	901,118			1,549	(754,452)				148,215	1,143,740			148,215	1,143,740	(16,414,997)	No	
7	2015	2016	26,470,500	63,171,700	36,701,200	1,120,927			38,871	(551,400)				608,397	1,752,138			608,397	1,752,138	(15,255,200)	No	
8	2016	2017	26,470,500	93,660,800	67,190,300	1,978,482			37,095	(472,084)				1,543,493	3,295,630			1,543,493	3,295,630	(13,239,623)	No	
9	2017	2018	26,470,500	99,510,300	73,039,800	2,156,692			37,501	(564,895)				1,629,298	4,924,928			1,629,298	4,924,928	(11,045,430)	No	
10	2018	2019	26,470,500	103,561,100	77,090,600	2,147,487			37,567	(674,473)				1,510,581	6,435,509			1,510,581	6,435,509	(8,860,376)	No	
11	2019	2020	26,470,500	104,596,711	78,126,211		478,914		32,963	(894,699)		(289,257)		(672,079)	5,763,429	1,696,901	(43,136)	981,686	7,417,195	(6,651,598)	No	
12	2020	2021	26,470,500	105,642,678	79,172,178		485,325			(854,626)		(289,257)		(658,558)	5,104,872	1,719,620	(43,136)	1,017,926	8,435,121	(4,446,652)	No	
13	2021	2022	26,470,500	106,699,105	80,228,605		491,801			(847,279)		(289,257)		(644,735)	4,460,136	1,742,565	(43,136)	1,054,694	9,489,815	(2,212,286)	No	
14	2022	2023	26,470,500	107,766,096	81,295,596		498,342			(840,143)		(289,257)		(631,058)	3,829,078	1,765,740	(43,136)	1,091,546	10,581,361	51,797	YES	
15	2023	2024	26,470,500	108,843,757	82,373,257		504,948			(767,029)		(289,257)		(551,338)	3,277,740	1,789,147	(43,136)	1,194,673	11,776,034	2,345,892	YES	
16	2024	2025	26,470,500	109,932,194	83,461,694		511,620			(648,174)		(289,257)		(425,811)	2,851,929	1,812,788	(43,136)	1,343,841	13,119,875	4,670,300	YES	
17	2025	2026	26,470,500	111,031,516	84,561,016		518,359			(644,623)		(289,257)		(415,522)	2,436,407	1,836,665	(43,136)	1,378,008	14,497,883	7,025,324	YES	
18	2026	2027	26,470,500	112,141,832	85,671,332		525,165			(643,917)		(289,257)		(408,009)	2,028,398	1,860,781	(43,136)	1,409,636	15,907,519	9,411,271	YES	
19	2027	2028	26,470,500	113,263,250	86,792,750		532,040			(643,108)		(289,257)		(400,326)	1,628,072	1,885,139	(43,136)	1,441,677	17,349,196	11,828,449	YES	
20	2028	2029	26,470,500	114,395,882	87,925,382		538,983			(641,722)		(289,257)		(391,996)	1,236,076	1,909,739	(43,136)	1,474,607	18,823,803	14,277,171	YES	
21	2029	2030	26,470,500	115,539,841	89,069,341		545,995			(644,201)		(289,257)		(387,463)	848,613	1,934,586	(43,136)	1,503,988	20,327,791	16,757,752	YES	
22	2030	2031	26,470,500	116,695,240	90,224,740		553,078			(692,426)		(289,257)		(428,605)	420,008	1,959,681	(43,136)	1,487,940	21,815,731	19,270,511	YES	
23	2031	2032	26,470,500	117,862,192	91,391,692		560,231			(688,374)		(289,257)		(417,400)	2,607	1,985,028	(43,136)	1,524,491	23,340,222	21,815,770	YES	
24	2032	2033	26,470,500	119,040,814	92,570,314		567,456			(194,880)		(289,257)	(85,926)	(2,607)	(0)	2,010,627	(43,136)	1,964,884	25,305,106	24,307,927	YES	
25	2033	2034	26,470,500	120,231,222	93,760,722		574,753					(285,496)		0	(0)	2,036,483	(43,136)	1,993,347	27,298,453	26,633,667	YES	
26	2034	2035	26,470,500	121,433,534	94,963,034		582,123					(289,257)	(292,866)	0	0	2,062,597	(43,136)	2,019,461	29,317,915	28,985,521	YES	
27	2035	2036	26,470,500	122,647,870	96,177,370		589,567					(289,257)	(300,310)	0	0	2,088,972	(43,136)	2,045,837	31,363,751	31,363,751	YES	
						9,410,314	9,058,701	(12,781,528)	194,484	(4,917,373)	(964,598)			32,097,061	(733,310)	31,363,751						

Annual appreciation	1.010
Interest Rate	4.50%
Base Value	26,470,500
Projected Value	
Property Tax rate(City,MPS,MMSD)	2.172%
Property Tax rate(County,MATC)	77.9892%
Issuance Costs	0.613%
Project Costs	22.0108%
Streetcar amendment	33,529
	3,352,861
	500,000

[1] Excess increment withheld from use on streetcar costs, if applicable.