

Amendment No. 2

To

Project Plan for

Tax Incremental District No. 79
(North Water Street Riverwalk)

Public Hearing Held: November 16, 2017

Redevelopment Authority Adopted: November 16, 2017

Common Council Adopted:

Joint Review Board Approved:

**AMENDMENT NO. 2 to the PROJECT PLAN for
TAX INCREMENTAL FINANCING DISTRICT NO. 79
CITY OF MILWAUKEE
(North Water Street Riverwalk)**

I. DESCRIPTION OF THE PROJECT

Sub-Section A. “Introduction” is deleted and restated as follows:

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.

The Common Council created Tax Incremental District No. 79 (the “District”) in 2013 and approved the District’s project plan (the “Plan”), establishing a Base Value as of January 1, 2013, for the purpose of facilitating redevelopment efforts, including the construction of a Riverwalk and associated public access connections, in the area generally bounded by the Milwaukee River, North Water Street, and North Holton Street right of way.

Amendment No. 1 to the Plan was approved in 2015 to provide funding up to \$3,920,000 to finance 70 percent of the cost to construct a Riverwalk extension, 100 percent of the cost of three public connections, and 50 percent of the cost of a dockwall reconstruction.

Section 66.1105(4)(h)2, Wisconsin Statutes, permits the Redevelopment Authority, subject to the approval of the Common Council, to modify the district’s boundaries by adding territory to the district that is contiguous to the district and that is served by public works or improvements that were created as part of the district’s project plan. Amendment No. 2 to the Plan adds four properties within the new boundary of this District to accommodate the future development of approximately 600 linear feet of Riverwalk and possible dockwall construction. It is estimated that the future cost of this Riverwalk segment, including dockwall construction will be approximately \$2,200,000.

Amendment No. 2 to the Plan also provides that the dockwall adjacent to the properties at 1661 and 1665-1675 North Water Street will be reconstructed in conjunction with the rehabilitation of the adjacent riverwalk. The City of Milwaukee participates in Riverwalk, dockwall and public infrastructure funding and will contribute a cash grant of approximately \$253,000 toward the eligible dockwall costs in connection with the Riverwalk rehabilitation at 1661 and 1665-1675 North Water Street.

TID 79 has incurred project costs, to date, of \$2,052,422.96, all for public improvements and Riverwalk construction.

Per Section 66.1105(5)(b) the percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is estimated to be 15%.

This Amendment No. 2 is submitted in fulfillment of the requirements of section 66.1105, Wisconsin Statutes.

Amendments to the Project Plan

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

Sub-Section I.B. District Boundaries is deleted and restated as follows:

Tax Incremental District Number Seventy-Nine, City of Milwaukee (herein named TID 79 or the District) is comprised of seven parcels (number of properties) along North Water Street. The District is shown in **Map No. 1, “Amended Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** The area consists solely of whole units of property as are assessed for general tax purposes and which are bounded on one or more sides by public right-of-way or rivers. A complete list of properties being added to the District is provided in **Exhibit 3, “Parcel Owners.”**

The District contains property totaling 485,887 square feet (11.15 acres), exclusive of public streets and alleys. 75% percent (363,483 square feet) of the real property located within the District was found to be in need of rehabilitation or conservation work, as defined in Section 66.1337(2m)(a), Wisconsin Statutes. **Exhibit 2, “Property Characteristics”**, illustrates how the properties in the District meet the statutory criteria for Tax Incremental Districts.

The replacement cost value of the structural improvements on the parcels is more than the fair market value of the land. Accordingly, the District contains no “vacant” property, as provided in Section 66.1105(4)(gm)(1).

Sub-Section I.C. Project Plan Goals and Objectives is deleted and restated as follows:

1. Ensure public access to the Milwaukee River with the construction of public access routes, a Riverwalk, new dockwalls and improvements to the existing dockwalls.

2. Eliminate obsolete conditions and blighting influences that impede development and detract from the functionality, aesthetic appearance and economic welfare of this section of the city.
3. To finance the city's portion of future Riverwalk, public access connections and dockwall improvements.

Sub-Section I.D. Existing Land Uses and Conditions in the District is deleted and restated as follows:

As discussed above, the District consists of seven parcels totaling 11.15 acres. The District contains a 243 unit luxury apartment complex, a two-story, 10,000 square foot office building, a 5-story, and 42,000 square foot multi-tenant office building. The District is bounded on the east by North Water Street, on the west by the Milwaukee River and on the south by Edison Street.

II. PROJECT PLAN PROPOSALS

3.B. Compliance with Statutory Requirements

Sub-Section II. B.1.a. is amended by adding the following:

Reconstruct approximately 245 linear feet of dockwall adjacent to the properties located at 1661 and 1665-1675 North Water Street.

Sub-Section II. B.1.b. is amended by adding the attached Map No. 3 "Proposed Uses and Improvements."

Table A, Lists of Estimated Project Costs, is deleted and restated as follows:

ORIGINAL PROJECT PLAN	
<u>Capital</u> Riverwalk, Dockwall, Public Access 1887 N Water Street	\$ 1,600,000
<u>Other</u> Administrative, professional and legal	\$ 150,000
Total Estimated Project Costs, excluding financing	\$ 1,750,000
<u>Financing</u> Interest payment on bonds	\$ 112,000
Subtotal	\$ 1,862,000
Delete original project plan(less admin)	\$ (1,702,400)
AMENDMENT NO. 1	
<u>Capital</u> Riverwalk, Dockwall, Public Access 1771 N Water Street	\$ 3,920,000
<u>Financing</u> Estimated Interest Cost	\$ 1,700,000
Subtotal	\$ 5,620,000
AMENDMENT NO. 2	
<u>Capital</u> Dockwall	\$ 253,000
<u>Financing</u> Estimated Interest Cost	\$ 105,202
TOTAL	\$ 6,137,802

Sub-Section II.B. 3. “Description of Timing and Methods of Financing” is amended as follows:

- a. “All expenditures for the Riverwalk, dockwall and access improvements are expected to be incurred in 2013-2014.” is deleted and restated as follows: All expenditures for the dockwall are expected to be incurred in 2018.

Sub-Section II.B. 4. “Economic Feasibility Study” is deleted and restated as follows: Please see TID 79 (North Water Street Riverwalk) 2017 analysis, attached. Based on the forecast, the District is expected to close-out in 2021.

Sub-Section II.B. 5. “Map Showing Existing Uses and Conditions” is deleted and restated as follows: Map No. 1, “Boundary and Existing Land Use” and Map No. 2, “Structure Condition” and Exhibit 3, “Parcel Owners” in the Exhibits Section which follows.

Sub-Section II.B. 6. “Map Showing Proposed Uses and Improvements” is amended by adding the attached Map No. 3 identifying the proposed dockwall improvement.

Sub-Section II.B.7. “Proposed Change of Zoning Ordinances, Master Plan Building Codes and City Ordinances” is amended by adding the attached Map No. 4 identifying the zoning on the amended boundary of the District.

Sub-Section II.B.8. “List of Estimated Non-Project Costs”, is deleted and restated as follows: There are no non-project costs associated with this amendment.

Sub-Section II.B.10. “Statement Indicating How District Creation Promotes Orderly City Development” is deleted and restated as follows:

The Project Plan for the District anticipates the redevelopment of underutilized, former light manufacturing facilities into luxury residential developments in addition to the expansion of the Milwaukee Riverwalk system. The projects add significantly to the city’s tax base and create temporary and permanent employment opportunities.

EXHIBIT 2
Property Characteristics

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

Assessed Valuation 1/1/2017								
Parcel No.	Tax Key No.	Land	Improvements	Total	Total Area (sq. ft.)	Explanatory Note	In Need of Rehabilitation or Conservation SF	Vacant Property/ Property Standing Vacant
1	3540913110	\$1,244,100	\$100	\$1,244,200	41,469		41,469	0
2	3540914120	\$4,525,000	0	\$4,525,000	124,582		124,582	0
3	3540914110	\$4,500,000	\$18,126,000	\$22,626,000	122,404		0	0
4	3540920100	\$4,000,000	\$500	\$4,000,500	122,404		122,404	0
5	360008200	\$259,000	0	\$259,000	10,800		10,800	0
6	360136100	\$1,065,000	0	\$1,065,000	26,625		26,625	0
7	360136200	\$1,504,100	\$754,900	\$2,259,000	37,603		37,603	0
Total		\$17,097,200	\$18,881,500	\$35,978,700	485,887		363,483	0
Percentage					100%		75%	

EXHIBIT 3

Parcel Owners

<u>Parcel Number</u>	<u>Tax Key</u>	<u>Low</u>	<u>High</u>	<u>Dir</u>	<u>Street</u>	<u>ST</u>	<u>Owner Name</u>
1	3540913110	1887	1887	N	Water	ST	Carl & Kimberly Tomich
2	3540914120	1801	1801	N	Water	ST	Water Street Realty Partners
3	3540914110	1781	1781	N	Water	ST	River Venture Partners I LLC
4	3540920100	1701	1729	N	Water	ST	Brady And Water LLC
5	3600082000	1693	1693	N	Water	ST	Brady & Water LLC
6	3601361000	1665	1675	N	Water	ST	Water House LLC
7	3601362000	1661	1661	N	Water	ST	N.L. Partners

TID 79(Gallun Tannery Site) 2017 Analysis

No.	Assessment Year	Budget Year	Initial Base Value	Additional Base Value	Total Base Value	Original Value	Additional Value	Total Incremental Value	Incremental Revenue	Debt Service on		Total		After reserving for remaining debt Surplus/(deficit)	TID Payoff
										2015 Costs	2018 Costs	Cash flow	Cum. Cash Flow		
1	2013	2014	6,024,900		6,024,900										
2	2014	2015	6,024,900		6,024,900									(3,505,323)	No
3	2015	2016	6,024,900		6,024,900									(3,505,323)	No
4	2016	2017	6,024,900		6,024,900					(78,577)		(78,577)	(78,577)	(3,505,323)	No
5	2017	2018	6,024,900		6,024,900	26,062,700		20,037,800	581,096	(78,577)		502,519	423,942	(2,924,227)	No
6	2018	2019	6,024,900	7,583,500	13,608,400	34,000,000	7,583,500	27,975,100	811,278	(78,577)	(8,944)	723,757	1,147,700	(2,112,949)	No
7	2019	2020	6,024,900	7,583,500	13,608,400	34,340,000	7,659,335	28,390,935	823,337	(78,577)	(8,944)	735,817	1,883,516	(1,289,612)	No
8	2020	2021	6,024,900	7,583,500	13,608,400	34,683,400	7,735,928	28,810,928	835,517	(217,909)	(8,944)	608,665	2,492,181	(454,095)	No
9	2021	2022	6,024,900	7,583,500	13,608,400	35,030,234	7,813,288	29,235,122	847,819	(217,909)	(8,944)	620,966	3,113,147	393,724	YES
10	2022	2023	6,024,900	7,583,500	13,608,400	35,380,536	7,891,421	29,663,557	860,243	(217,909)	(24,802)	617,532	3,730,680	1,253,967	YES
11	2023	2024	6,024,900	7,583,500	13,608,400	35,734,342	7,970,335	30,096,276	872,792	(217,909)	(24,802)	630,081	4,360,761	2,126,759	YES
12	2024	2025	6,024,900	7,583,500	13,608,400	36,091,685	8,050,038	30,533,323	885,466	(217,909)	(24,802)	642,756	5,003,516	3,012,225	YES
13	2025	2026	6,024,900	7,583,500	13,608,400	36,452,602	8,130,538	30,974,740	898,267	(217,909)	(24,802)	655,557	5,659,073	3,910,493	YES
14	2026	2027	6,024,900	7,583,500	13,608,400	36,817,128	8,211,844	31,420,572	911,197	(217,909)	(24,802)	668,486	6,327,559	4,821,689	YES
15	2027	2028	6,024,900	7,583,500	13,608,400	37,185,299	8,293,962	31,870,862	924,255	(217,909)	(24,802)	681,544	7,009,103	5,745,944	YES
16	2028	2029	6,024,900	7,583,500	13,608,400	37,557,152	8,376,902	32,325,654	937,444	(217,909)	(24,802)	694,733	7,703,836	6,683,388	YES
17	2029	2030	6,024,900	7,583,500	13,608,400	37,932,724	8,460,671	32,784,995	950,765	(217,909)	(24,802)	708,054	8,411,890	7,634,153	YES
18	2030	2031	6,024,900	7,583,500	13,608,400	38,312,051	8,545,278	33,248,929	964,219	(217,909)	(24,802)	721,508	9,133,398	8,598,372	YES
19	2031	2032	6,024,900	7,583,500	13,608,400	38,695,172	8,630,730	33,717,502	977,808	(217,909)	(24,802)	735,097	9,868,495	9,576,180	YES
20	2032	2033	6,024,900	7,583,500	13,608,400	39,082,123	8,717,038	34,190,761	991,532	(217,909)	(24,802)	748,821	10,617,316	10,567,712	YES
21	2033	2034	6,024,900	7,583,500	13,608,400	39,472,944	8,804,208	34,668,753	1,005,394		(24,802)	980,592	11,597,908	11,573,105	YES
22	2034	2035	6,024,900	7,583,500	13,608,400	39,867,674	8,892,250	35,151,524	1,019,394		(24,802)	994,592	12,592,500	12,592,500	YES
23	2035	2036	6,024,900	7,583,500	13,608,400	40,266,351	8,981,173	35,639,123	1,033,535			1,033,535	13,626,034	13,626,034	YES
24	2036	2037	6,024,900	7,583,500	13,608,400	40,669,014	9,070,984	36,131,599	1,047,816			1,047,816	14,673,851	14,673,851	YES
25	2037	2038	6,024,900	7,583,500	13,608,400	41,075,704	9,161,694	36,628,999	1,062,241			1,062,241	15,736,092	15,736,092	YES
26	2038	2039	6,024,900	7,583,500	13,608,400	41,486,461	9,253,311	37,131,373	1,076,810			1,076,810	16,812,901	16,812,901	YES
27	2039	2040	6,024,900	7,583,500	13,608,400	41,901,326	9,345,844	37,638,770	1,091,524			1,091,524	17,904,426	17,904,426	YES
									21,409,749	-	(3,147,121)	(358,202)	-	17,904,426	

	Project Costs	Issuance Costs
Phase I City Expenses (2015)	2,222,828	22,228
Ogden Expenses (2018)	253,000	2,530

Inflation rate

Tax rate

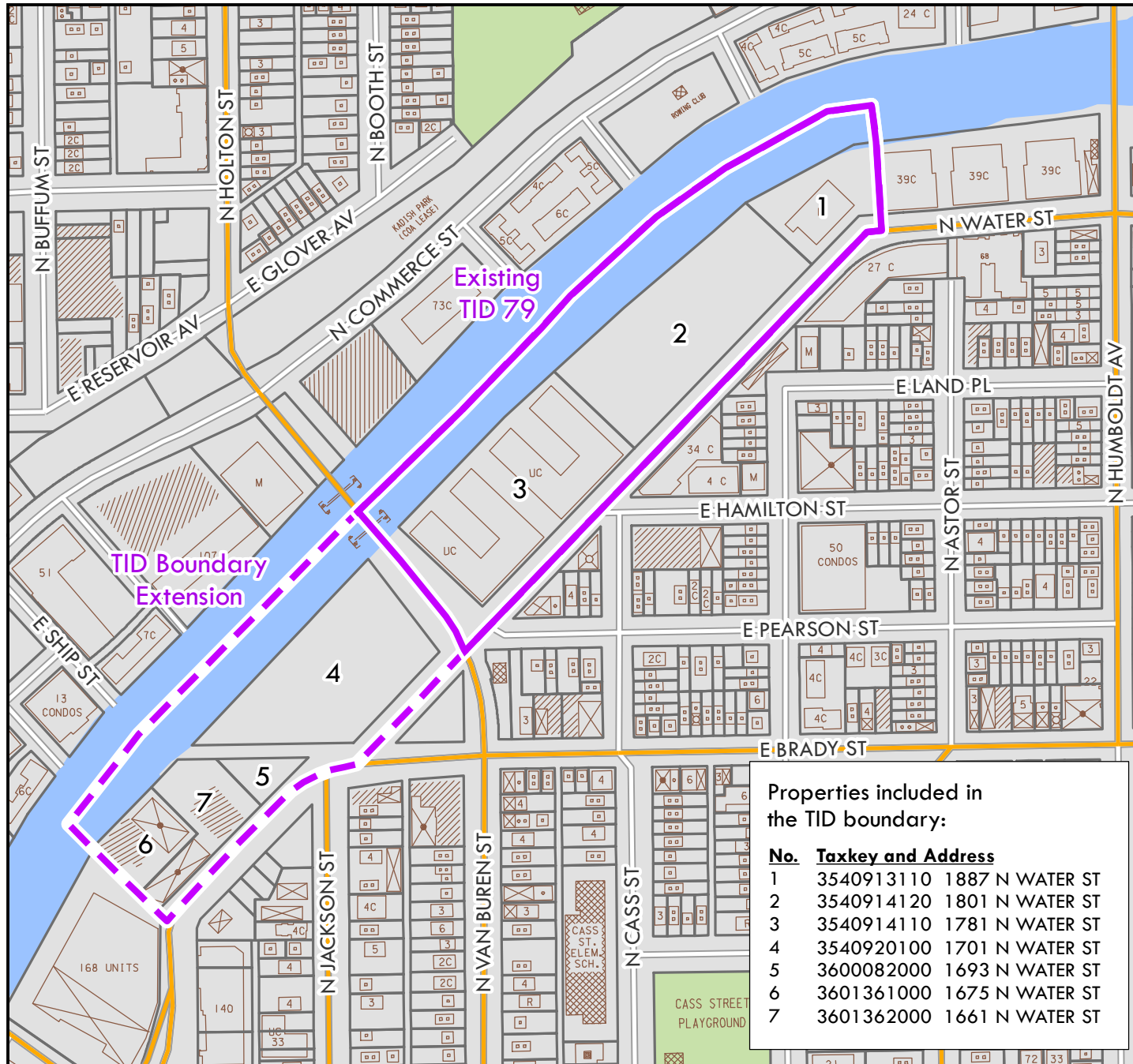
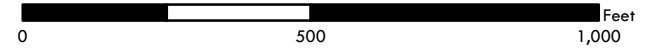
Int. rate

TID 79: NORTH WATER STREET (AMENDMENT 2)

MAP NO. 1, BOUNDARY AND EXISTING LAND USE

Prepared by the Dept. of City Development Planning Division, 11/1/2017
 Source: City of Milwaukee Information Technology Management Division; DCD

N



Map Legend

- Existing TID Boundary
- TID Boundary Extension
- Major Street
- Street
- Parcel Boundary
- Waterway
- Park

LEGEND

- SINGLE FAMILY RESIDENTIAL
- TWO FAMILY RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- CONDOMINIUM
- DORMITORY
- ROOMING HOUSE
- HOTEL / MOTEL
- COMMERCIAL WITH RESIDENCE
- COMMERCIAL
- MIXED COMMERCIAL
- OFFICE OR PROFESSIONAL SERVICES
- MANUFACTURING AND WAREHOUSING
- UTILITY COMPANY
- STORAGE TANK
- ACCESSORY BUILDING
- HOSPITAL
- SKILLED CARE FACILITY / GROUP HOME
- PLACE OF WORSHIP
- NON - PUBLIC EDUCATION
- GOVERNMENTAL OR QUASI-PUBLIC BUILDING
- POLICE STATION
- FIRE STATION
- PUBLIC SCHOOL
- PLAYGROUND
- PARK
- CEMETERY
- PARKING
- BASKETBALL COURT
- TENNIS COURT
- FENCE
- ELECTRICAL LINE TRANSMISSION TOWER
- ELECTRICAL LINE
- UNDER CONSTRUCTION

Properties included in the TID boundary:

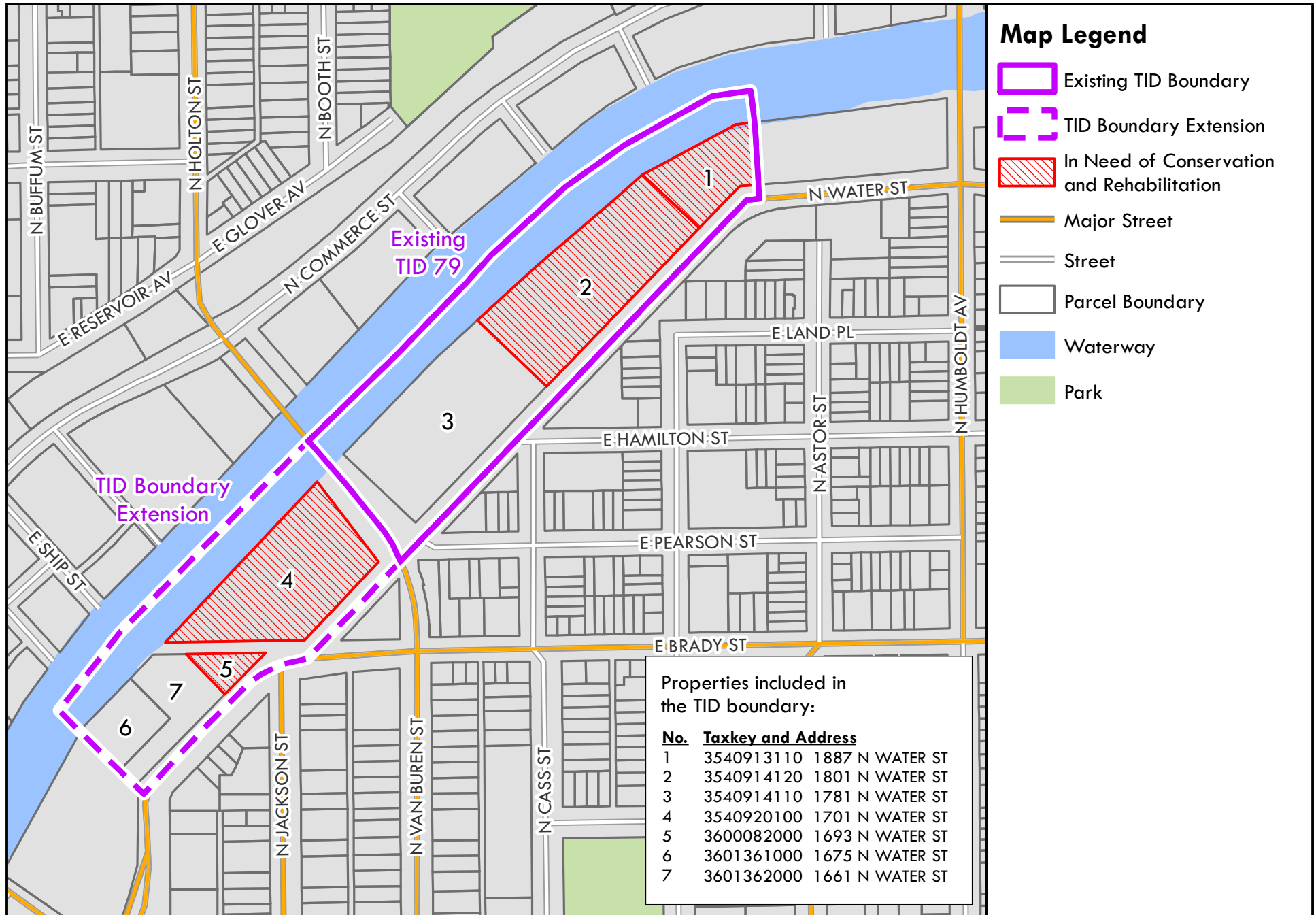
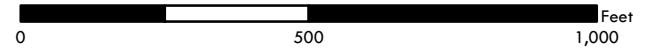
No.	Taxkey and Address
1	3540913110 1887 N WATER ST
2	3540914120 1801 N WATER ST
3	3540914110 1781 N WATER ST
4	3540920100 1701 N WATER ST
5	3600082000 1693 N WATER ST
6	3601361000 1675 N WATER ST
7	3601362000 1661 N WATER ST

TID 79: NORTH WATER STREET (AMENDMENT 2)

MAP NO. 2, STRUCTURE CONDITIONS

Prepared by the Dept. of City Development Planning Division, 11/1/2017
 Source: City of Milwaukee Information Technology Management Division; DCD

N

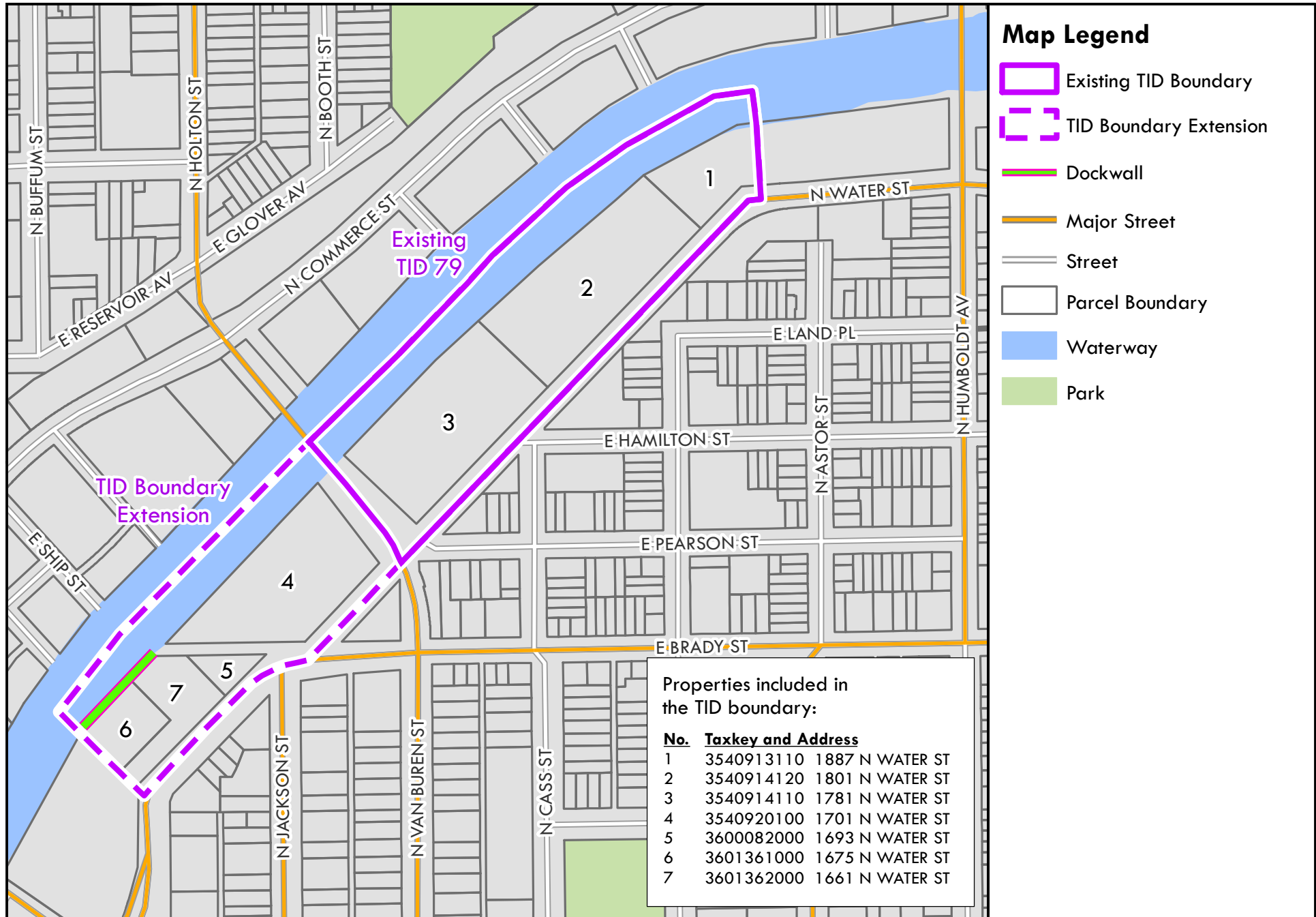
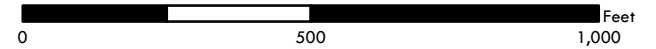


TID 79: NORTH WATER STREET (AMENDMENT 2)

MAP NO. 3, PROPOSED USES AND IMPROVEMENTS

Prepared by the Dept. of City Development Planning Division, 11/1/2017
 Source: City of Milwaukee Information Technology Management Division; DCD

N



Map Legend

- Existing TID Boundary
- TID Boundary Extension
- Dockwall
- Major Street
- Street
- Parcel Boundary
- Waterway
- Park

Properties included in the TID boundary:

No.	Taxkey and Address
1	3540913110 1887 N WATER ST
2	3540914120 1801 N WATER ST
3	3540914110 1781 N WATER ST
4	3540920100 1701 N WATER ST
5	3600082000 1693 N WATER ST
6	3601361000 1675 N WATER ST
7	3601362000 1661 N WATER ST

TID 79: NORTH WATER STREET (AMENDMENT 2)

MAP NO. 4, CURRENT ZONING

Prepared by the Dept. of City Development Planning Division, 11/1/2017
 Source: City of Milwaukee Information Technology Management Division; DCD

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