

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE**

**MARCH 18, 2011**

**Item 7, File #101341**

File Number 101341 is a resolution dissolving Tax Incremental District No. 55 (Holt Plaza) and authorizing the distribution of excess incremental tax revenue to overlying taxing districts.

**Background**

1. On April 13, 2004, the Common Council adopted File Number 031665, a resolution creating Tax Incremental District No. 55, Holt Plaza ("TID No. 55"), and approving the project plan for the newly-created district.
2. The project plan called for the demolition of industrial buildings on a 20.56-acre site locate along the north side of Holt Avenue between Chase Avenue and 3<sup>rd</sup> Street and the redevelopment of the site as a new retail center - "Holt Plaza" -- to include a Pick 'n Save grocery Store, Home Depot home improvement store, additional retail space in the new Pick 'n Save building, and retail space on 3 outlots (now occupied by Applebee's, Starbuck's and TCF Bank).
3. This was a developer-funded TID, with all project costs advanced by the developer, MSSD, Inc., and repaid by the City from actual incremental tax revenue generated by the project. The project plan called for the TID to reimburse the developer for up to \$2 million to fund a "gap" created by the economics of the Holt Plaza project, plus \$140,000 for administrative costs. The total cost of the redevelopment project was approximately \$23.5 million.
4. All demolition and new construction at Holt Plaza was completed by the end of 2007.
5. The base property value for TID No. 55 was \$10,056,000. As of 2010, the incremental property value in the district was \$17,116,100, for a total value of over \$27.1 million.

**Discussion**

1. The final total TID project cost, including interest, was approximately \$1.8 million. As of the 2010 tax levy, all project costs had been recovered through tax incremental revenues.
2. Since total tax increments levied through December 31, 2010, exceed total project costs (i.e., all project costs have been retired), this TID can now be dissolved. Upon dissolution, all tax revenues generated on the \$17.1 million in incremental property value will become available for general levy purposes.

3. This resolution dissolves TID No. 55 and directs the City Treasurer to distribute excess incremental revenue to the overlying taxing districts.

**Fiscal Impact**

1. This resolution authorizes the distribution of an estimated \$413,000 to the overlying taxing districts, which include the City, Milwaukee County, Milwaukee Public Schools, Milwaukee Area Technical College and the Milwaukee Metropolitan Sewerage District.
2. The City's share of this distribution will be approximately \$132,500.

Prepared by: Jeff Osterman, X2262  
LRB-Research & Analysis Section  
March 15, 2011

c: Rocky Marcoux  
Martha Brown  
Jin Scherer  
Sandy Rotar  
David Schroeder