

AMENDMENT NO. 3

**PROJECT PLAN FOR TAX INCREMENTAL FINANCING DISTRICT
NO. 41
(TIME WARNER RIVERWALK PROJECT)**

CITY OF MILWAUKEE

Public Hearing Held: June 16, 2016

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Adopted:

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 City of Milwaukee's Common Council created Tax Incremental District No. 41 in 2000 for the purpose of facilitating redevelopment efforts in an area generally bounded by N. King Dr., W. McKinley Ave., W. Pleasant St., and the Milwaukee River. A key redevelopment was the conversion of the former WE Energies power plant into a 150,000 s.f. office building now occupied by Time Warner, Inc. and the construction of a Riverwalk adjacent to the building.

In 2006, the District was amended to construct a city-owned parking ramp and various public & quasi-public improvements, to provide loans and grants in the amount of \$4.7 million for a 280,000 s.f. office facility occupied by Manpower, Inc.'s World Headquarters and to fund a job training program.

In 2013, the District was amended to provide \$1.7 million for the purposes of facilitating improvements to North 2nd Street and reconstructing West Galena Street to allow for vehicular traffic.

TID 41 has incurred project costs to date of \$29,464,838 and has achieved an increase in incremental property value of \$97,506,300.

Amendment No. 3 to the Project Plan will provide \$8,000,000 towards the 4th Street Extension of the Milwaukee Streetcar, as well as preliminary engineering, planning and related work for an extension of the Milwaukee Streetcar to the Bronzeville neighborhood, as shown in the attached "**Amended Map No. 3, Proposed Improvements and Uses**".

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 C, "Plan Objectives," is deleted and restated as follows:

The District encompasses a former decommissioned electric power plant (renovated for offices pursuant to the original Project Plan), an abandoned rail yard, and former Schlitz Brewery buildings. The District facilitated the adaptive reuse of the power plant and the redevelopment of the rail yard with a 280,000 s.f., four story, headquarters office building occupied by Manpower, Inc. The public Riverwalk is complete between West McKinley Avenue and Cherry Street. The District facilitated improvements to North 2nd Street as well as the reconstruction of West Galena Street, to allow for vehicular traffic.

The District is part of, and will facilitate achieving; the objectives of the Beer Line “A” Redevelopment Project Area established by the Redevelopment Authority of the City of Milwaukee (RACM) pursuant to section 66.1333, Wis. Stats.”

The District will facilitate the implementation of a Catalytic Project, as set forth in the Downtown Area Plan 2010 Update, which calls for the creation of the streetcar line and a Wisconsin Avenue Strategy. It will provide funding for public improvements and infrastructure that are not financially feasible without public/private cooperation.

Sub-Section D, “Proposed Public Action” is amended by adding the following:

The City now intends to fund the following in connection with Amendment No. 3 to the Project Plan:

- Construction of the 4th Street extension of the Milwaukee Streetcar project, and associated public improvements, infrastructure, engineering and planning, within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats.
- Preliminary engineering, planning and related work for an extension of the Milwaukee Streetcar to the Bronzeville neighborhood, 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 B (1)(b), “Compliance with Statutory Requirements”, is amended by adding the following:

“B(1)(b): The number and location of the proposed public works and improvements are shown on Map No. 3, titled Proposed Improvements and Uses, and are listed below:

1. To provide funding for the construction of the 4th Street Extension of the Milwaukee Streetcar project and associated public improvements, infrastructure, engineering and planning, and/or preliminary engineering, planning and related work for an extension of the Milwaukee Streetcar to the Bronzeville neighborhood.

The proposed sources of funding for the 4th Street Extension are as follows:

Federal Funding:	\$20 million
TID 39 (Hilton Hotel):	\$4 million
TID 41 (Time Warner/Manpower):	\$8 million
<u>TID 88 (4th/Wisconsin) :</u>	<u>\$8 million</u>
TOTAL:	\$40 million

Table A of Sub-section B(2), “Detailed List of Estimated Project Costs,” is deleted and restated as follows:

A	Capital Costs To Date: Amendment No. 3:	\$29,516,000 \$8,000,000
B	Other Costs: Administration	\$150,000
	Total Estimated Project Costs, excluding financing	\$31,464,002
C	Financing Costs	\$14,162,453

Schedule A of Sub-Section B(3), “Description of Timing and Methods of Financing” is amended by adding the following:

Year	Estimated Project Cost	Cumulative Total
2016-2022	\$8,000,000	\$37,666,000

The City may proceed to fund any or all Project Costs using 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 B(4), “Economic Feasibility Study” is deleted and restated as follows:

“4. Economic Feasibility Study

Attached is a feasibility analysis for Amendment No. 3 to the District. Based on the forecast, following the expenditure of the additional funds for public improvements, the District is expected to break even 2023, the 23rd year of the District. As there are 11 years remaining before the statutory termination date of the District, the District is determined to be feasible.

Sub-Section B(8), “List of Estimated Non-Project Costs” is amended by adding the following:

The proposed 4th Street extension of the Milwaukee Streetcar will require up to \$20 million in federal funding, however, there are no City-related Non-Project Costs.

Sub-Section B(10), “Statement Indicating How District Creation Promotes Orderly City Development” is amended by adding the following:

In addition, this amendment to the District will provide a means to continue the revitalization of downtown Milwaukee, and more specifically, West Wisconsin Avenue, consistent with the objectives of the Downtown Area Plan, updated in 2010. The Downtown Area Plan identified the

Downtown Streetcar and Wisconsin Avenue Strategy as catalytic projects for downtown Milwaukee, each of which will be accomplished, in part, by this amendment to the District.

Map No. 3, “Proposed Improvements and Uses,” is replaced with the attached “Amendment No. 3, Proposed Improvements and Uses”.

Opinion of City Attorney letter is deleted and replaced with the attached letter from the City Attorney.

TID No. 41 (Time Warner) 2016

No.	Levy Year	Budget Year	TID Incremental Value	Increment	BID loan repayments	Manpower loan repayments	WE Payments	Debt Service	Unbonded Costs	4th St Extension	Cash flow	Cum. Cash Flow	After reserving for remaining debt Surplus/(deficit)	TID Payoff
1	2000	2001										0		
2	2001	2002	2,464,200	69,490			(69,490)				-	-		
3	2002	2003	14,438,100	402,339			(402,339)				-	-		
4	2003	2004	10,337,100	272,977			(272,977)				(0)	(0)		
5	2004	2005	69,996,600	1,824,141	43,246		(1,731,582)				135,805	135,805		
6	2005	2006	38,524,700	940,377	43,678						984,055	1,119,860		
7	2006	2007	56,705,300	1,249,644	44,115		(442,411)				851,348	1,971,208		
8	2007	2008	56,366,400	1,266,012	44,556		(1,060,984)				249,584	2,220,792		
9	2008	2009	112,177,800	2,690,694	45,002		(1,131,260)				1,604,436	3,825,228		
10	2009	2010	115,149,600	2,933,716	45,452	27,062	(1,422,258)				1,583,972	5,409,200		
11	2010	2011	98,311,100	2,634,212	45,906	99,776	(1,842,513)				937,381	6,346,581		
12	2011	2012	114,925,200	3,275,581	46,365	157,276	(1,630,554)				1,848,668	8,195,249		
13	2012	2013	111,657,600	3,396,375	46,829	271,872	(2,260,362)				1,454,714	9,649,963		
14	2013	2014	111,375,400	3,463,390	47,297	271,872	(3,931,982)				(149,423)	9,500,540		
15	2014	2015	108,799,000	3,310,039	47,770	271,872	(2,399,238)				1,230,443	10,730,983		
16	2015	2016	98,176,800	2,998,512	48,248	271,872	(2,364,914)		(15,835)	-	937,883	11,668,866		
17	2016	2017	97,506,300	2,925,189	48,730	271,872	(3,201,356)		(15,835)	-	28,600	11,697,465	(18,355,565.40)	No
18	2017	2018	98,481,363	2,954,441	49,218	271,872	(3,083,952)		(15,835)	-	175,744	11,873,209	(15,080,034.51)	No
19	2018	2019	99,466,177	2,983,985	49,710	271,872	(3,050,936)		(15,835)	-	238,796	12,112,005	(11,774,467.21)	No
20	2019	2020	100,460,838	3,013,825	50,207	271,872	(3,019,313)		(15,835)	(3,013,825)	(2,713,069)	9,398,935	(8,438,563.06)	No
21	2020	2021	101,465,447	3,043,963		271,872	(2,605,916)		(15,835)	(3,043,963)	(2,349,879)	7,049,056	(5,122,727.66)	No
22	2021	2022	102,480,101	3,074,403		271,872	(2,579,106)		(15,835)	(3,074,403)	(2,323,069)	4,725,987	(1,776,452.62)	No
23	2022	2023	103,504,902	3,105,147		271,872	(2,550,414)		(15,835)	(2,000,000)	(1,189,230)	3,536,756	1,600,566.45	YES
24	2023	2024	104,539,951	3,136,199		271,872	(829,590)		(15,835)		2,562,645	6,099,401	5,008,636.99	YES
25	2024	2025	105,585,351	3,167,561		271,872	(741,681)		(15,835)		2,681,916	8,781,318	8,448,069.51	YES
26	2025	2026	106,641,204	3,199,236		271,872	(167,992)				3,303,116	12,084,434	11,919,177.64	YES
27	2026	2027	107,707,616	3,231,228		271,872	(165,256)				3,337,844	15,422,278	15,422,278.13	YES
						181,248								
				64,562,676	746,329	4,543,442	(2,476,388)	(40,481,988)	(158,354)	(11,132,192)	15,422,278			

Inflation rate	1.01
Int. rate	4.75%
Tax rate	3.0000%
NPV @	4.75%

Unbonded costs: 123,488
 4th St Extension NPV: 8,295,326

TID 41: AMENDED MAP NO. 3

PROPOSED IMPROVEMENTS AND USES

Prepared by the Department of City Development, 5/27/2016
 Source: City of Milwaukee Information and Technology Management Division

