

AMENDMENT NO. 3

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

CITY OF MILWAUKEE

Public Hearing Held: November 21, 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 reallocates \$3,400,000 that was approved in Amendment No. 2 for the Public/Private Venture Fund to fund additional sewer and public infrastructure work at the Reed Street Yards. As a result, this amendment does not increase the total District project costs.

Amendments to the Project Plan:

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

I. 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:

- **Public Infrastructure/Sewer Work:** The District will fund the construction of a new sewer (and related public infrastructure and soft costs) at the Reed Street Yards to enable additional development to occur.

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 \$12,619,770 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
Public Infrastructure/Sewer Work (reallocated under Amend No. 3)	\$3,400,000
Total Public Infrastructure	\$10,359,770
Florida Lofts (Amend No. 2)	\$660,000
Public/Private Venture Fund (PPVF) (Amend No. 2)	\$1,600,000
Total Capital Project Costs	\$12,619,770

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>\$0</u>
	Total	\$12,619,770
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	\$13,337,770
C	<u>Financing:</u>	
	Interest payment on bonds	\$4,848,446

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. This study assumes no further development occurs within the District and that all Project Costs are to be paid by tax incremental revenue that is already being generated in 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.

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

Amended Exhibit 4: TID 75 Amendment No. 3 Feasibility Study

No.	Assessment/ Levy Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Total Incremental Rev.	Original or New Projects Debt Service	Revenues	Outstanding Project Costs	Cashflow	Cum. Cash flow	After reserving for remaining debt Surplus/(deficit)	TID Payoff
1	2009	2010	26,470,500							-	-	(18,186,216)	
2	2010	2011	26,470,500	26,301,000						-	-	(18,186,216)	No
3	2011	2012	26,470,500	32,400,500	5,930,000	169,016		3,992		173,008	173,008	(18,013,208)	No
4	2012	2013	26,470,500	35,368,900	8,898,400	270,669	(63,012)	3,075		210,732	383,740	(17,739,464)	No
5	2013	2014	26,470,500	47,885,200	21,414,700	665,923	(56,009)	1,871		611,785	995,525	(17,071,670)	No
6	2014	2015	26,470,500	56,089,700	29,619,200	901,118	(754,452)	1,549		148,215	1,143,740	(16,169,003)	No
7	2015	2016	26,470,500	63,171,700	36,701,200	1,120,927	(551,400)	38,871		608,397	1,752,138	(15,009,205)	No
8	2016	2017	26,470,500	93,660,800	67,190,300	1,978,482	(472,084)	37,095		1,543,493	3,295,630	(12,993,628)	No
9	2017	2018	26,470,500	99,510,300	73,039,800	2,156,692	(564,895)	37,501		1,629,298	4,924,928	(10,799,435)	No
10	2018	2019	26,470,500	103,561,100	77,090,600	2,147,487	(674,473)	37,567		1,510,581	6,435,509	(8,614,381)	No
11	2019	2020	26,470,500	121,333,300	94,862,800	2,641,929	(894,699)	32,963	(317,923)	1,462,270	7,897,779	(5,939,489)	No
12	2020	2021	26,470,500	122,546,633	96,076,133	2,675,720	(854,626)		(317,923)	1,503,172	9,400,951	(3,263,768)	No
13	2021	2022	26,470,500	123,772,099	97,301,599	2,709,850	(847,279)		(317,923)	1,544,647	10,945,598	(553,919)	No
14	2022	2023	26,470,500	125,009,820	98,539,320	2,744,320	(840,143)		(317,923)	1,586,254	12,531,852	2,190,401	YES
15	2023	2024	26,470,500	126,259,919	99,789,419	2,779,135	(767,029)		(317,923)	1,694,184	14,226,036	4,969,536	YES
16	2024	2025	26,470,500	127,522,518	101,052,018	2,814,299	(648,174)		(317,923)	1,848,202	16,074,237	7,783,835	YES
17	2025	2026	26,470,500	128,797,743	102,327,243	2,849,814	(644,623)		(317,923)	1,887,267	17,961,505	10,633,649	YES
18	2026	2027	26,470,500	130,085,720	103,615,220	2,885,684	(643,917)		(317,923)	1,923,844	19,885,349	13,519,333	YES
19	2027	2028	26,470,500	131,386,578	104,916,078	2,921,913	(643,108)		(317,923)	1,960,882	21,846,230	16,441,245	YES
20	2028	2029	26,470,500	132,700,443	106,229,943	2,958,504	(641,722)		(317,923)	1,998,860	23,845,090	19,399,749	YES
21	2029	2030	26,470,500	134,027,448	107,556,948	2,995,461	(644,201)		(317,923)	2,033,338	25,878,427	22,395,210	YES
22	2030	2031	26,470,500	135,367,722	108,897,222	3,032,788	(692,426)		(317,923)	2,022,439	27,900,866	25,427,998	YES
23	2031	2032	26,470,500	136,721,399	110,250,899	3,070,488	(688,374)		(317,923)	2,064,190	29,965,057	28,498,486	YES
24	2032	2033	26,470,500	138,088,613	111,618,113	3,108,564	(194,880)		(317,923)	2,595,762	32,560,818	31,607,050	YES
25	2033	2034	26,470,500	139,469,500	112,999,000	3,147,022			(317,923)	2,829,099	35,389,918	34,754,072	YES
26	2034	2035	26,470,500	140,864,195	114,393,695	3,185,864			(317,923)	2,867,942	38,257,859	37,939,937	YES
27	2035	2036	26,470,500	142,272,836	115,802,336	3,225,095			(317,923)	2,907,172	41,165,032	41,165,032	YES
						59,156,763	(12,781,528)	194,484	(5,404,688)				

Annual appreciation	1.010
Interest Rate	4.75%
Base Value	26,470,500
Projected Value	
Property Tax rate	2.785%
Issuance Costs	34,000
Project Costs	3,400,000