Project Plan
For
Tax Incremental District Number No. 135
City of Milwaukee
(1101-1113 W. Historic Mitchell Street Project)

Public Hearing Held: July 16, 2026
Redevelopment Authority Adopted:
Common Council Adopted:
Joint Review Board Approval:

Prepared by
Department of City Development

In Conformance with the Provisions
of Section 66.1105, Wisconsin Statutes

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I. DESCRIPTION OF PROJECT

A. Introduction

Section 66.1105(4) (d), Wisconsin Statutes, requires the "preparation and adoption of a proposed project plan for each tax incremental district." This Project Plan is submitted in fulfillment of this requirement and the related provisions of section 66.1105, Wisconsin Statutes.

B. District Boundaries & Compliance with Statutory Eligibility Criteria

Tax Incremental District Number 135, City of Milwaukee, 1101-1113 W. Historic Mitchell Street Project ("District" or "TID") is comprised of one parcel(s) totaling approximately 22,670 square feet or 0.52043 acres (collectively, the "Property"). The District is shown on **Map No. 1, "Boundary and Existing Land Use,"** and described more precisely in **Exhibit 1, "Boundary Description."** The District contains only whole parcels and said parcels are contiguous as required by Sections 66.1105(2)(k)1 and 66.1105(4)(gm)1, Wisconsin Statutes.

Not less than 50%, by area, of the real property located within the District was found to be an area "in need of rehabilitation or conservation work" as defined in Section 66.1337(2m)(a), Wisconsin Statutes, as required by Section 66.1105 (4) (gm) of the Wisconsin Statutes. **Exhibit 2 "Property Characteristics"** illustrates how the property in the District meets this statutory criteria for tax incremental financing districts. The project proposed for the District will contain approximately 21,516 square feet of commercial space and per Wisconsin Statute 66.1105 (5) (b), it is estimated that less than 35% of the property within the District that could be devoted to retail business at the end of the maximum expenditure period. A portion of this District overlaps the existing Tax Incremental District No. 71 (Mitchell Street), as shown in **Map No. 5, "TID 71 (Mitchell Street)."**

C. Project Plan Goals & Objectives

Property within the District is currently in need of rehabilitation or conservation work and is located at 1101-1113 W. Historic Mitchell Street. The following is a description of the planned project for the District:

The developer for the Property is BBE Investments and Development, LLC ("Developer"). The Developer is proposing the historic rehabilitation and adaptive re-use of the former home of The Grand Department Store in the Historic Mitchell Street neighborhood into a mixed-use residential and commercial development (the "Project"). The Project will contain 25 residential rental units with 100% of units set aside for workforce housing. The Project will have a mix of studio and one-bedroom units with rents up to 80% of the area median income. The Project will also have approximately 21,516 square feet of commercial space, whose anticipated uses were developed in partnership with the neighborhood through community engagement sessions and with the Historic Mitchell Street Business Improvement District. Anticipated uses include a daycare, prenatal clinic and community room.

The main purpose of the District is to improve workforce housing options in the Historic Mitchell Street neighborhood. As stated above, 100% of the units in the Project will be dedicated to workforce housing. The unit mix, targeted AMIs, and rents are described in Attachment 1 of **Exhibit 3, "Term Sheet."**

The more detailed objectives of this Project Plan are to:

1. Promote the coordinated development of underutilized property for appropriate residential and commercial use.

2. Support past and future investment in the neighborhood through the redevelopment of a property that is currently vacant and underutilized.

3. Restore a historic building in the City.

4. Support past and future investment in the neighborhood through the rehabilitation of a property that is currently in need of substantial renovation and revitalization.

5. Increase the tax base of the City by promoting redevelopment of existing buildings.

D. Existing Land Uses & Conditions in the District

The District is comprised of one parcel containing 22,670 square feet or 0.52043 acres. The property in the District is currently assessed at $1,044,327 and is zoned LB-2 (Local Business). The site is comprised of one building that is substantially vacant and underutilized.

II. PLAN PROPOSALS & STATUTORY REQUIREMENTS

Section 66.1105(4) (f), Wisconsin Statutes, requires that a Project Plan for a Tax Incremental District shall include:

"... a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in subsection (2) (f)1.k. and 1.n., outside the district, an economic feasibility study, a detailed list of estimated project costs, and a description of the methods of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances; a list of estimated non-project costs; and a statement of the proposed method for the relocation of any persons to be displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city."

The plan shall also include an opinion of the City Attorney or of any attorney retained by the City advising whether such plan is complete and complies with Section 66.1105(4) (f), Wisconsin Statutes.

The following statements, maps and exhibits are provided in compliance with the statutory requirements.

A. "Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements."

Funds generated from the District will be used for the following uses and improvements as shown in **Map 3, "Proposed Uses and Improvements:"**

- Developer Grant. TID revenue will be used to provide annual grant payments to the Developer to offset actual costs incurred by the Developer for the Project. The City will make payments to the Developer equal to 100% of the incremental taxes certified and collected from property within the District, less an annual administration charge, until such time as $480,000 is reimbursed to Developer by such payments plus an interest rate of up to 5.75 % over a period not to exceed 15 years (the "Grant" or "Monetary Obligation"). See the Term Sheet, attached as **Exhibit 3, "Term Sheet."**

B. "Detailed List of Estimated Project Costs."

The costs included in this subsection and detailed in **Table A, "Estimated TID Project Costs"** 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 and Development Agreement(s) or grant agreement(s) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee ("RACM"), and/or eligible designated developer(s) or property owner(s), provided further that such expenditures are necessitated by this Project Plan.

These cost estimates are more fully described as follows:

Capital Costs

The City shall fund an estimated $480,000 in the form of TID Capital Project Costs of this Plan. These costs include the Monetary Obligation that funds the Grant to the Developer, as enumerated in further detail below in **Table A, "Estimated TID Project Costs."**

Administrative Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs.

Financing Costs

Financing costs include estimated gross interest expense on the Monetary Obligation to reimburse the Developer for the developer-financed Grant. Estimates of interest are based on interest rates set forth in the Economic Feasibility Analysis for the Project attached as **Exhibit 4, "Feasibility Study."** The City reserves the right to prepay the grant to the Developer, which could require issuance of general obligation or other forms of debt, as described in **Exhibit 3, "Term Sheet."**

Table A - Estimated TID Project Costs

A	Capital Costs: • Grant to Project (Monetary Obligation to Developer)	$ 480,000
B	Other: Administrative Costs ($10,000/year for 13 years)	$ 130,000
	Total Estimated Project Costs (excluding financing)	**$ 610,000**
C	Financing: Interest on the Grant to Developer (Monetary Obligation to Developer), interest on borrowing / payment of bonds	$ 296,614

C. "Description of Timing and Methods of Financing."

All expenditures are expected to be incurred during the period from 2026 through 2040.

The annual payments to the Developer will be paid pursuant to the Monetary Obligation, using incremental taxes generated annually in the District as further described in **Exhibit 3, "Term Sheet."** The City may proceed to fund any or all Project Costs using general obligation bonds or notes, RACM revenue bonds or other forms of borrowing in amounts which can be supported using tax increment from the District.

D. "Economic Feasibility Study."

The Economic Feasibility Study for this District prepared by the Ehlers Public Finance Advisors and titled Economic Development Analysis for proposed Tax Incremental District #135 and dated June 23, 2026 is attached to this Project Plan as **Exhibit 4, "Feasibility Study."** The study establishes the dollar value of 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 proposed TID.

Based upon the anticipated tax incremental revenue to be generated by this TID, the District is financially feasible and is likely to be retired on or before the year 2041. Should incremental revenue generate in excess of those currently anticipated, they may be used to accelerate the reimbursement of the Developer-financed Grant for the Project.

E. "Map Showing Existing Uses and Conditions."

See **Map No. 1, "Boundary and Existing Land Use;" Map No. 2, "Structure Condition,"** and **Exhibit 5, "Property Owners,"** attached to this Project Plan.

F. "Map Showing Proposed Improvements and Uses."

See **Map No. 3, "Proposed Improvements & Uses,"** attached to this Project Plan.

G. "Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances."

See **Map No. 4, "Existing Zoning,"** attached to this Project Plan. The proposed Project is consistent with existing zoning, which is LB-2 (Local Business). The proposed Project is in accordance with the existing master plan, building codes, and other city ordinances. The Project should not require amendments to their provisions, but such amendments could be made, if necessary, without further amendment to this Project Plan.

H. "List of Estimated Non-Project Costs."

There are no non-project costs.

I. "Proposed Method for Relocation."

The Project Plan does not anticipate the acquisition of property by the City of Milwaukee or RACM, accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. If, at a later date, it is determined that acquisition of property by condemnation and requiring relocation will be necessary, the cost and method of relocation will be included in a Redevelopment Plan and associated Relocation Plan prepared pursuant to Sections 66.1333 and 32.05, Wisconsin Statutes. The costs of such activities will be eligible for reimbursement through tax increment revenues should such revenues be generated during the statutory life of the District.

J. "Statement Indicating How District Promotes Orderly City Development."

The Project is consistent with *South Side Area Plan*, one of fourteen Area Plans that make up the City of Milwaukee's Comprehensive Plan, and with *The Housing Element* of the City of Milwaukee's Comprehensive Plan (the "Plan"). The Plan identifies the need for affordable housing with the specific geographic area of the proposed Project with a priority on housing serving low- to moderate-income households. The Project is compliant with the LB-2 (Local Business) zoning district.

The District will also result in the coordinated development of underutilized property for appropriate residential and commercial use, support past and future investment in the neighborhood through the redevelopment of a property that is currently vacant and underutilized, restore a historic building in the City, support past and future investment in the neighborhood through the rehabilitation of a property that is currently in need of substantial renovation and revitalization, and increase the tax base of the City by promoting redevelopment of existing buildings.

K. "Opinion of the City Attorney."

See **Exhibit 6, "Letter from the City Attorney,"** attached to this Project Plan.

EXHIBITS

Exhibit	Title
Exhibit 1	Boundary Description
Exhibit 2	Property Characteristics
Exhibit 3	Term Sheet
Exhibit 4	Economic Feasibility Study
Exhibit 5	Property Owners
Exhibit 6	City Attorney's Letter
Map 1	Boundary and Existing Land Use
Map 2	Structure Condition
Map 3	Proposed Improvements & Uses
Map 4	Existing Zoning
Map 5	Overlapping TID #71 (Historic Mitchell Street)

Exhibit 1

Boundary Description

Lots 1, 2, 3 and 4, together with the North 1/2 of the vacated alley adjoining said premises on the South, Block 7 in Mitchell's Subdivision of the South 44.549 acres of the Northwest 1/4 of Section 5, Town 6 North, Range 22 East, City of Milwaukee, County of Milwaukee, State of Wisconsin. ALSO Lots 29 and 30, together with all except the West 25 feet of the South 1/2 of the vacated alley adjoining said premises on the North, Block 7 in Mitchell's Subdivision of the South 44.549 acres of the Northwest 1/4 of Section 5, Town 6 North, Range 22 East, City of Milwaukee, County of Milwaukee, State of Wisconsin.

Tax Key No. 4610604000 (also known as| 1101-1113 W. Historic Mitchell Street)

Exhibit 2

Property Characteristics

Findings substantiating that not less than 50%, by area, of the real property within the proposed District is an area "in need of rehabilitation or conservation work" as defined in Section 66.1337(2m)(a), Wisconsin Statutes, as required by Section 66.1105 (4) (gm) of the Wisconsin Statutes.

Tax Key	Owner Name	Land Assessment	Improvement Assessment	Total Assessment	Lot SF	"in need of rehabilitation or conservation work"
4610604000	BBE Investments & Development LLC	$68,000	$976,327	$1,044,327	22,670	22,670

Total: 22,670 square feet

Total Percentage: 100%

Exhibit 3

Term Sheet

1101-1113 W. Historic Mitchell Street Project
TID No. 135

This Term Sheet does not constitute an agreement between the Developer (as defined below), the Redevelopment Authority of the City of Milwaukee ("RACM") and the City of Milwaukee ("City"). The terms set forth below and any other requirements necessary for a transaction of this sort shall be incorporated into a development agreement to be entered into between the Developer, RACM and the City (the "Development Agreement"). In recognition that there may be adjustments of the dates, costs, and descriptions herein as well as administrative approvals which will require the exercise of reasonable discretion on behalf of the City, the City's Department of City Development Commissioner (the "Commissioner") will be authorized under the Development Agreement to exercise such discretion and grant such approvals, including minor adjustments of the terms described in this Term Sheet.

Project

The **1101-1113 W. Historic Mitchell Street** project (the "Project") involves the historic rehabilitation and adaptive re-use of the former home of The Grand Department Store in the Historic Mitchell Street neighborhood into a mixed-use residential and commercial development. The site located at 1101-1113 W. Historic Mitchell Street (the "Property") is comprised of one parcel totaling 22,670 square feet or 0.52 acres, and is located on the southwest corner of South 11th Street and West Historic Mitchell Street.

The Project will contain 25 residential rental units with 100% of units set aside for workforce housing. The Project will have a mix of studio and one-bedroom units with rents up to 80% of the area median income. See **Attachment 1** for the specific unit and targeted income levels. The Project will also have approximately 21,516 square feet of commercial space, whose anticipated uses were developed in partnership with the neighborhood through community engagement sessions and with the Historic Mitchell Street Business Improvement District. Anticipated uses include a daycare, prenatal clinic, and community room.

The Project is consistent with *South Side Area Plan*, one of fourteen Area Plans that make up the City of Milwaukee's Comprehensive Plan, and with *The Housing Element* of the City of Milwaukee's Comprehensive Plan (the "Plan"). The Plan identifies the need for affordable housing with the specific geographic area of the proposed Project with a priority on housing serving low- to moderate-income households.

The Project is compliant with the LB-2 (Local Business) zoning district.

Development Team

The Project is being developed by BBE Investments and Development, LLC (the "Developer"), whose managing partner is Zuwena Cotton. Ms. Cotton has a background in residential investment, large-scale investment and community focused-development from acquisition through construction management and leasing. Her prior relevant work includes a renovation of 59-unit downtown Milwaukee workforce housing building and nine residential property acquisitions and sales. Other members of the development team include Que Al-Amin of Scott Crawford, Inc.; Hal Karas of Karas Law; Khalek Building Services; and, Continuum Architects + Planners.

Developer may create a separate limited liability company or other separate entity to be the owner of the Property and/or the developer of the Project (an "Affiliate"). For purposes of this Term Sheet and any agreements entered into to memorialize the terms of this Project, the term "Developer" shall also apply to any Affiliate involved in the Project.

Tax Incremental District

The City intends to create Tax Incremental District No. 135 ("TID No. 135") to assist in funding a portion of the costs of the Project as set forth in the Project Plan.

Project Budget:

Total Project costs for the development are estimated at approximately $9,484,390. In addition to TID No. 135 funding, the estimated total project sources include:

Loan	$ 2,992,713
Federal Historic Tax Credit Equity	$ 1,329,041
State Historic Tax Credit Equity	$ 1,329,041
WHEDA Restore Main Street Loan	$ 1,250,000
WHEDA Vacancy to Vitality Loan	$ 1,250,000
Deferred Developer Fee	$ 853,595
City Tax Incremental Financing	**$ 480,000**
Total	$ 9,484,390

Development Schedule

Developer shall commence rehabilitation of the Property in the Project by November 1, 2026, and substantially complete the Project by December 31, 2027.

TID Funding & the Conditional Monetary Obligation

RACM will provide the Developer with a grant in an amount not to exceed $480,000.00, plus interest as described below, for the Project (the "Grant") funded by a limited and conditional monetary obligation of the City (the "Monetary Obligation"), if such Grant is earned by the Developer by substantially completing the Project as promised and within the timelines described in the Development Agreement. The Developer shall advance up to $480,000.00 (subject to review of the final Project budget) of costs related to the Project and shall be reimbursed for these costs by the Grant. Because the Grant will be paid on a reimbursement basis, Developer will also receive interest at a rate of 5.75%[1] or the actual interest rate on Developer's first mortgage, whichever is lower (the "Interest Rate"), in addition to the Grant.

After creation of TID No. 135 and determination of the base value of TID No. 135, City will deposit 100% of future tax revenue based on the incremental value of the property within the TID actually received by City from TID No. 135, less Annual Expenses[2], into a special fund established for TID No. 135 (the "Incremental Revenue"). Upon Substantial Completion (as defined below) of the Project and the earning of the Grant, the Incremental Revenue will fund annual payments of the Grant, plus interest, to Developer and will result in a reduction of the principal balance of the Monetary Obligation. Annual Grant payments will be made to Developer on or before March 1st of each year, provided the Developer has paid its property tax bill in full prior to January 31st each year and there is sufficient Incremental Revenue to fund the Grant payment.

The Monetary Obligation a limited and conditional obligation of the City in that it is subject to annual appropriation by the City's Common Council, is conditioned upon there being enough Incremental Revenue to fund the Grant, and is conditioned upon Developer actually earning the Grant. If not appropriated, City shall not expend Incremental Revenue for any other TID No. 135 project costs. Tax revenue shall not be pledged to the payment of the Grant and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits. Annual payments on the Grant will terminate and be considered paid in full: (i) at the time the Grant and interest is fully paid; or (ii) with the payment derived from the 2039 tax levy, payable in 2040, whichever occurs first.

The Developer shall have the right to assign all or a portion of the Grant and interest to sources of financing or refinancing on terms and conditions mutually agreeable between Developer and the proposed assignee(s). The City shall have a reasonable opportunity to review the applicable assignment documentation and approve any documentation to which it is a signatory.

Design/Consistency with Approved Plans

Design of the Project and all final plans and specifications for the Project shall be subject to the review and approval of the Commissioner.

Substantial Completion of the Project

Upon substantial completion of the Project, Developer shall submit a certification detailing Project costs theretofore incurred (together with copies of records, invoices, accountant's final cost certification and/or AIA documentation, in a form reasonably acceptable to the Commissioner evidencing such expenditures. The Grant shall be deemed earned upon approval

[1] The interest rate on the Grant reflects the preliminary interest rate on the Developer's underlying financing and is subject to change, based on the final closing date on the financing for the Project. In no event, shall the interest rate on the Grant exceed 5.95%. If the final interest rate exceeds 5.75%, the amount of the Monetary Obligation will decrease accordingly.

[2] "Annual Expenses" is defined as an amount not to exceed $10,000 per year used to pay the customary and reasonable costs incurred by City for audit and accounting functions and other ongoing administrative expenses for TID No. 135.

of such certification by the Commissioner and by Developer obtaining an occupancy permit for the Project (collectively, "Substantial Completion").

Cost Savings / Claw Back

If at Substantial Completion, total Project costs submitted to the Commissioner for certification are less than the $9,484,390 estimated in the Project budget or the amount of total costs reflected in the final Project budget submitted to and approved by the Commissioner prior to closing on the financing, the amount of the Grant will be reduced by a percentage amount equal to 75% of the cost savings from the final Project budget.

If, during the life of the TID, the Developer refinances or sells the Property to an unrelated third party, City shall perform a financial lookback at the success of the Project and may participate in any sale or refinancing proceeds if the Project's internal rate of return ("IRR") exceeds 15% at the time of such lookback. Developer shall provide to the City a cash flow pro forma model financial statement for the Project projecting future returns for the period from the date of Substantial Completion through such anticipated sale or refinance date. If, at the time of such lookback which shall occur prior to the closing on the sale or refinancing, the IRR exceeds 15%, City shall be entitled to receive 30% of the proceeds above such 15% IRR (the "City Claw Back") not to exceed the net present value of the Monetary Obligation. The City Claw Back shall be paid to the City at the time of closing on the sale or refinancing and shall not affect the amount of any future payments due to the Developer on the Grant.

Material Disturbance

If the Project is not substantially completed by **December 31, 2027** unless caused in substantial part by an event of *Force Majeure*[3] (a "Material Disturbance"), then City shall have the right (but not the obligation) to terminate the Development Agreement, using the following procedure:

(1) City shall give Developer notice of its intention to terminate the Development Agreement, and Developer shall have 180 days to eliminate the Material Disturbance, and

(2) Thereafter, if Developer has not timely eliminated the Material Disturbance and if City still intends to terminate the Development Agreement, City's Common Council shall adopt a resolution determining that the Material Disturbance prevents the substantial realization of the public benefits contemplated from the Project and constitutes just cause for the termination of the Development Agreement. City shall thereafter file a certificate with Developer (attaching the resolution of the Common Council) stating that City has elected to terminate the Development Agreement. Upon City such filing of the certificate and recording it on title to the property covered by the Development Agreement, the Development Agreement and the City's Monetary Obligation shall terminate.

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[3] "Force Majeure" means delays caused by adverse weather, acts of God, labor disputes, strikes, material shortages, terrorism, civil unrest, war, fire, pandemic or epidemic, global health crisis, other casualty, riot, concealed and unknown site conditions and other causes outside of the control of the party obligated to perform, in which case, performance of such act shall be excused for the period of such delay, and the time for the performance of any such act shall be extended for a period equivalent to such delay.

Developer Responsibilities:

The Developer shall have the following responsibilities:

- Design and develop the Project consistent with the approved plans and the Development Agreement.
- Submit to the Commissioner a final development budget for the Project, financing commitments, final bids, a construction contract, and proof that all funding sources have been committed (prior to closing on the funding).
- Obtain title to the property to be developed as part of the Project, if not already owned.
- Guarantee completion of construction of the Project.
- Enter into agreements with the City as described and required herein.
- Maintain the Project as residential housing consistent with the requirements found in **Attachment 1** of this Term Sheet for a period of 20 years from the date of substantial completion or until termination of TID No. 135, whichever is longer, and comply with the City's Workforce Housing TIF Compliance Guideline attached as **Attachment 2** of this Term Sheet. Developer will be required to enter into a Land Use Restriction Agreement to be recorded on title of the real property within the Project to guarantee compliance with these residential provisions.

Human Resources:

Developer and City will enter into a Human Resources Agreement in a form customary for projects subject to Ch. 355 of the Milwaukee Code of Ordinances. The Human Resources Agreement will provide for utilization of certified Small Business Enterprises ("SBE") for no less than 25% of Project construction costs, 25% for purchase of goods and services, and 18% of amounts expended for the purchase of professional services deemed eligible pursuant to SBE Guidelines; utilization of unemployed and underemployed residents for no less than 40% of the total "worker hours" expended on "construction" of the Project; compliance with applicable state and municipal labor standards; utilization of apprentices and/or on-the-job trainees; and participation in City's First-Source Employment Program.

No Tax Exemption

No portion of the Project shall at any time be exempt from real estate taxes and Developer shall enter into a Payment in Lieu of Taxes Agreement with the City ("PILOT Agreement").

Development Agreement:

Developer, RACM and City shall enter into the Development Agreement, which shall contain terms consistent with this Term Sheet (unless otherwise agreed to by the parties) and customary for such development agreements in the City.

Limits on Project Developer Action

Until all obligations under the Development Agreement have been fully discharged, Developer may not, without City consent:

- Merge with another entity;
- Sell, lease or transfer the Project sites other than residential and commercial leases in the ordinary course of business and other easements or other real estate interests that may be necessary or appropriate to operate the Project;
- Enter into any transaction that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement;
- Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of Developer to complete the Project or fulfill its obligations under the Development Agreement; or
- Prior to Substantial Completion, enter in a transaction that would cause a material and detrimental change to the Developer's financial condition.

ATTACHMENT 1

Housing Unit Mix and Target Area Median Income Mix

	Number of Bedrooms		
% of Area Median Income (AMI)	**Total Units**	**Studios**	**1-bdrm**
80%	**25**	12	13
Total Units	**25**	**12**	**13**

ATTACHMENT 2

Workforce Housing TIF Compliance Guideline

(Version dated: 6/12/2025)

The City of Milwaukee Department of City Development (DCD) has established *Tax Increment Finance (TIF) for Housing Development Guidelines* to ensure the availability of housing for current and prospective residents. This includes guidelines for both Affordable and Workforce housing developments where program requirements include ongoing compliance and monitoring requirements.

Under the *DCD TIF for Housing Development Guidelines*, affordable housing is defined as housing for individuals and households making 60 percent of the area median income or below. Workforce housing is defined as housing individuals and households making 60 percent to 100 percent of the area median income (AMI).

This *Workforce Housing TIF Compliance Guideline* establishes a framework for monitoring income limits, rent restrictions, and unit set asides during the designated compliance period for each DCD TIF-assisted workforce housing development and commercial conversions to housing that include workforce housing elements.

Proper Administration and Recordkeeping:

- The owner is responsible for proper administration and records retention of the program.
- The owner and owner's agent are responsible for proper recordkeeping including tenant income and rent records to be kept for three years from the date a household ends their tenancy.
- The owner is responsible for ensuring owner's agent and staff are aware of and complies with all rules of the program.
- Records must be made available to DCD staff at reasonable times with reasonable notice from DCD.

Ongoing Administration and Notification:

- The owner must keep DCD notified of any event that may affect development's financial health through all phases of construction through the end of the compliance period.

Reporting and Certification:

- The owner must submit required documentation to DCD on an annual basis, following submission deadlines that will be included within development agreements. This includes:
  - Tenant Application and Certification of Income and Self-Certification of Assets
  - Tenant Annual Self-Certification of Income
  - Owner's Affidavit of Continuing Program Compliance
  - Owner's Annual Unit Status Report

Ownership and Management Changes:

- The owner and agent are responsible for informing DCD on any changes in ownership and management.
- The required form includes an attestation that the development will continue to operate under the original terms of the development agreement for the duration of the agreement.

Compliance Period:

- The owner must enter into a Land Use Restrictive Agreement (LURA), which will be recorded as a restrictive covenant.
- The workforce housing compliance period is for a minimum of 20 years or the life of the TID, whichever is longer, as outlined in *DCD TIF for Housing Development Guidelines*.

Minimum Unit Set-Aside:

- The required minimum number of units designated as workforce or affordable housing and the applicable rent limits will be established based on *DCD TIF for Housing Development Guidelines* and memorialized in individual development agreements. Workforce housing baseline ranges are outlined in *DCD TIF for Housing Development Guidelines*.
- Unit set-asides will be determined at the development level, not individual building level.
- For developments that are not 100% rent-restricted, units may be designated as floating. A “floating unit” means that while the total number of rent-restricted units remains fixed, the specific units designated as rent-restricted may change over time, provided the development always maintains the required number of rent restricted units defined in the development agreement.

Income Limits:

- DCD will publish annual income limits based on HUD’s Multifamily Tax Subsidy Development (MTSP) Income Limits.[4] These limits will remain in place until DCD officially publishes new limits.
- Owners may not anticipate increases in income and corresponding rents.
- Eligible household income must fall between 60 and 100% of AMI, depending on individual development-specific considerations. Workforce housing baseline ranges are outlined in *DCD TIF for Housing Development Guidelines*.
- Income averaging is not permitted. Fixed set asides at fixed income limits will be required as memorialized in the development agreement.
- Households whose income goes above 100% of AMI after initial occupancy may remain in their unit.

Rent Restrictions:

- DCD will publish annual rent limits based on HUD’s MTSP Income Limits. These rent limits will remain in place until officially updated by DCD.
- Owners may not anticipate increases in income and corresponding rents.
- A development’s income and rent limits will never decrease from one year to the next, even if there is a decrease in the DCD published limits.
- Developments may use the highest income and rent limit the property has achieved since the date of certificate of occupancy is issued.

[4] https://www.huduser.gov/portal/datasets/mtsp.html

Tenant Selection:

- A waiting list is not required but is recommended by DCD.

Tenant Income Certifications:

- Gross annual household income will be used to determine eligibility.
- Income from all household members 18 years of age or older must be included.
- Income includes all amounts received from all sources received by household members 18 years of age or older.
- Frequency of certifications:
    - A full certification of income is required at admission.
    - A self-certification of assets is required at admission.
    - Households must self-certify income annually, thereafter. (Annual self-certifications may be waived for developments where 100% of units are rent-restricted).
- Household size determination:
    - The unborn child of a pregnant person is included in the household size.
    - The pending adoption of a child is included in the household size.
    - Live-in care attendants are included for household size in determination of appropriate unit size, not income eligibility.
    - Foster care children and foster adults are included for household size in determination of appropriate unit size, not income eligibility. Payments received for their care are not considered income.

Tenant Asset Self-Certifications:

- All household members 18 years of age or older must self-certify assets at admission.
- Asset limits are up to $250,000 for all households.

Lease Addendum:

- Initial lease terms must be for at least 12 months.
- Rent increases are not allowed during the lease term.
- The unit must be the household's primary residence. Sub-leasing, lease assignment, or unit transfer are not permitted.
- Termination of lease may only be for cause. Failure to provide information necessary for program administration – including income, asset, or household composition information – may be cause for termination.

Overcharged Rent:

- A unit is out of compliance if the rent exceeds the limit on a monthly or annual basis.
- A unit is considered back in compliance on the first day of the next calendar year if the rent charged on a monthly basis does not exceed the rent restriction limit.
- Any overcharged rents must be reimbursed directly to the household or applied as a rent credit.

Inspections:

- DCD reserves the right to inspect units at any time based on reports or communications received through any means.

Certifications:

- The owner must certify compliance with fair housing and civil rights laws.
- The owner must certify that it will not refuse to rent to households receiving rental or housing assistance.

Monitoring:

- The owner and/or agent shall submit annual compliance reports and affidavits using DCD-provided forms.
- Reports must include a tenant roster listing household, size, income, and rent for each rent-restricted unit.
- DCD will review submissions for compliance, may request additional information, and will require correction of any violations.
- DCD may conduct periodic sit visits to TIF-assisted developments. These visits may include interviews with staff, file reviews, unit inspections, and a tour of the property. DCD will prepare a written report of each visit.
- Required Forms to be submitted annually:
    - Tenant Application and Certification of Income and Self-Certification of Assets
    - Tenant Annual Self-Certification of Income
    - Owner’s Affidavit of Continuing Program Compliance
    - Owner’s Annual Unit Status Report

Enforcement:

- If the development does not meet minimum set-asides, enforcement actions may include:
    - Reduction and/or repayment of financial incentive or monetary obligation
    - Sanctions during or after financial incentive or monetary obligation term
    - Suspension and/or debarment from eligibility to receive City financial assistance for future projects

Close-Out / Certificate of Completion:

- At the end of the compliance period, DCD will issue a satisfaction of the LURA.
- The owner must request this satisfaction from DCD.

Exhibit 4

Economic Feasibility Study

TID Feasibility - Developer Financed

No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Admin Costs	Net Increment	NPV of Increment	TID Payoff
1	2025	2026	1,044,327	1,044,327	-	-	-	-	-	No
2	2026	2027	1,044,327	1,044,327	-	-	-	-	-	No
3	2027	2028	1,044,327	2,049,517	1,005,190	22,502	(10,000)	12,502	11,179	No
4	2028	2029	1,044,327	4,140,023	3,095,696	69,298	(10,000)	59,298	61,321	No
5	2029	2030	1,044,327	4,140,023	3,095,696	69,298	(10,000)	59,298	108,737	No
6	2030	2031	1,044,327	4,181,424	3,137,097	70,225	(10,000)	60,225	154,275	No
7	2031	2032	1,044,327	4,223,238	3,178,911	71,161	(10,000)	61,161	198,006	No
8	2032	2033	1,044,327	4,265,470	3,221,143	72,107	(10,000)	62,107	239,999	No
9	2033	2034	1,044,327	4,308,125	3,263,798	73,061	(10,000)	63,061	280,319	No
10	2034	2035	1,044,327	4,351,206	3,306,879	74,026	(10,000)	64,026	319,030	No
11	2035	2036	1,044,327	4,394,718	3,350,391	75,000	(10,000)	65,000	356,192	No
12	2036	2037	1,044,327	4,438,665	3,394,338	75,984	(10,000)	65,984	391,866	No
13	2037	2038	1,044,327	4,483,052	3,438,725	76,977	(10,000)	66,977	426,109	No
14	2038	2039	1,044,327	4,527,883	3,483,556	77,981	(10,000)	67,981	458,974	No
15	2039	2040	1,044,327	4,573,161	3,528,834	78,994	(10,000)	68,994	490,516	**YES**
						906,614	(130,000)	776,614		

Annual appreciation	1.00%
Discount Rate	5.75%
Base Value	1,044,327
Projected Value	4,099,033
Property Tax rate	2.2385380%
Developer Financed Costs	480,000

Exhibit 5

Property Owners / Property Owner Mailing List

Property Address	Tax Key	Owner Name	Owner Mailing Address
1101-1113 W. Historic Mitchell St. Milwaukee, WI 53204	4610604000	BBE Investments & Development LLC	1918 E. Lafayette Pl, Unit 1107 Milwaukee, WI 53202

Exhibit 6

City Attorney Letter

EVAN C. GOYKE
City Attorney

MARY L. SCHANNING
ROBIN A. PEDERSON
NAOMI E. SANDERS
JULIE P. WILSON
Deputy City Attorneys

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ELIZABETH K. MILES
LAURI A. ROLLINGS
Assistant City Attorneys

June 29, 2026

Lafayette L. Crump, Commissioner
Department of City Development
809 North Broadway, 2nd Floor
Milwaukee, WI 53202

RE: Project Plan for Tax Incremental District No. 135
(1101-1113 W. Historic Mitchell Street)

Dear Commissioner Crump:

Pursuant to your request, we reviewed the Project Plan for Tax Incremental District No. 135.

Based upon that review, it is the opinion of the City Attorney that the Project Plan is complete and complies with the provisions of Wis. Stat. 66.1105 (4)(f).

Very truly yours,

EVAN GOYKE
City Attorney

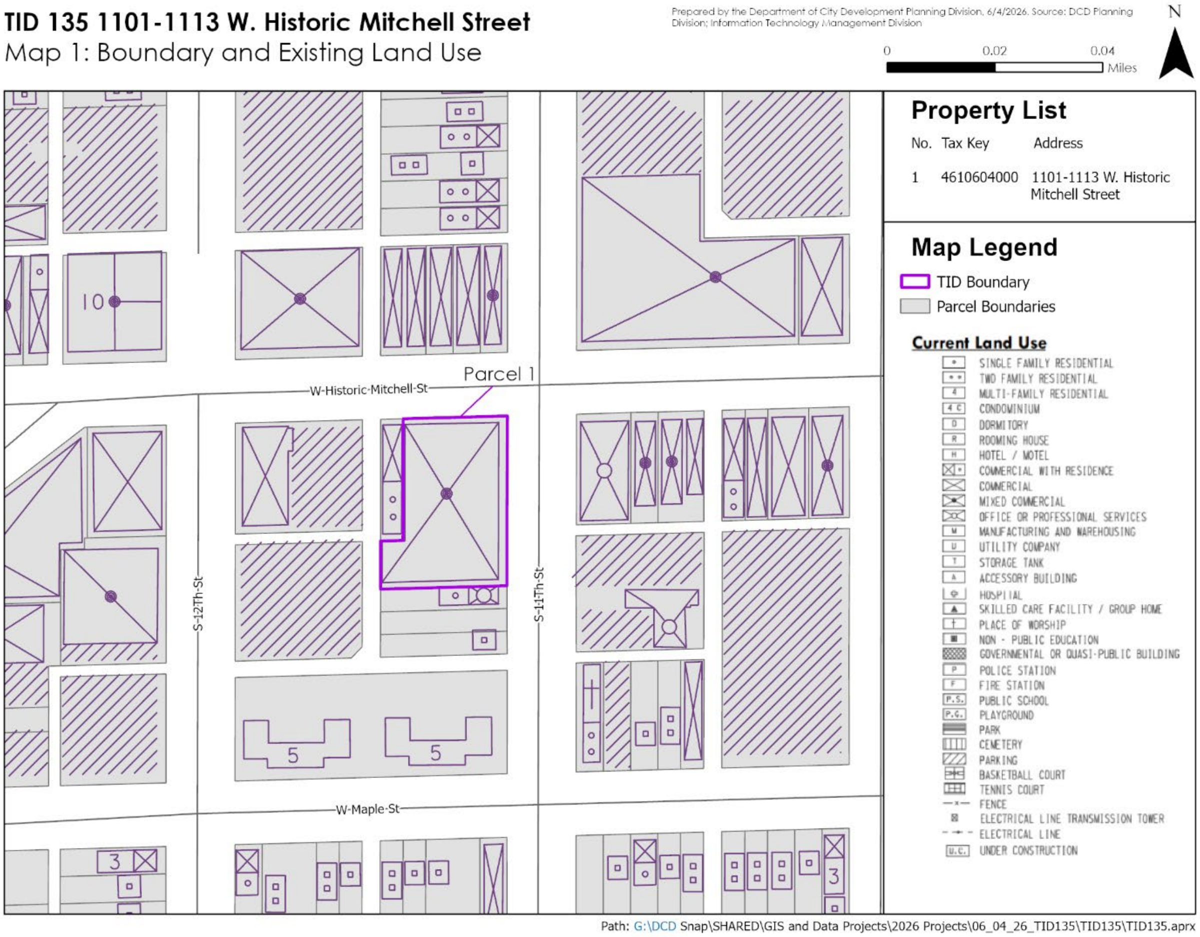
Jordan Schettle

JORDAN M. SCHETTLE
Assistant City Attorney

MILWAUKEE

Map 1

Boundary and Existing Land Use



Map 2

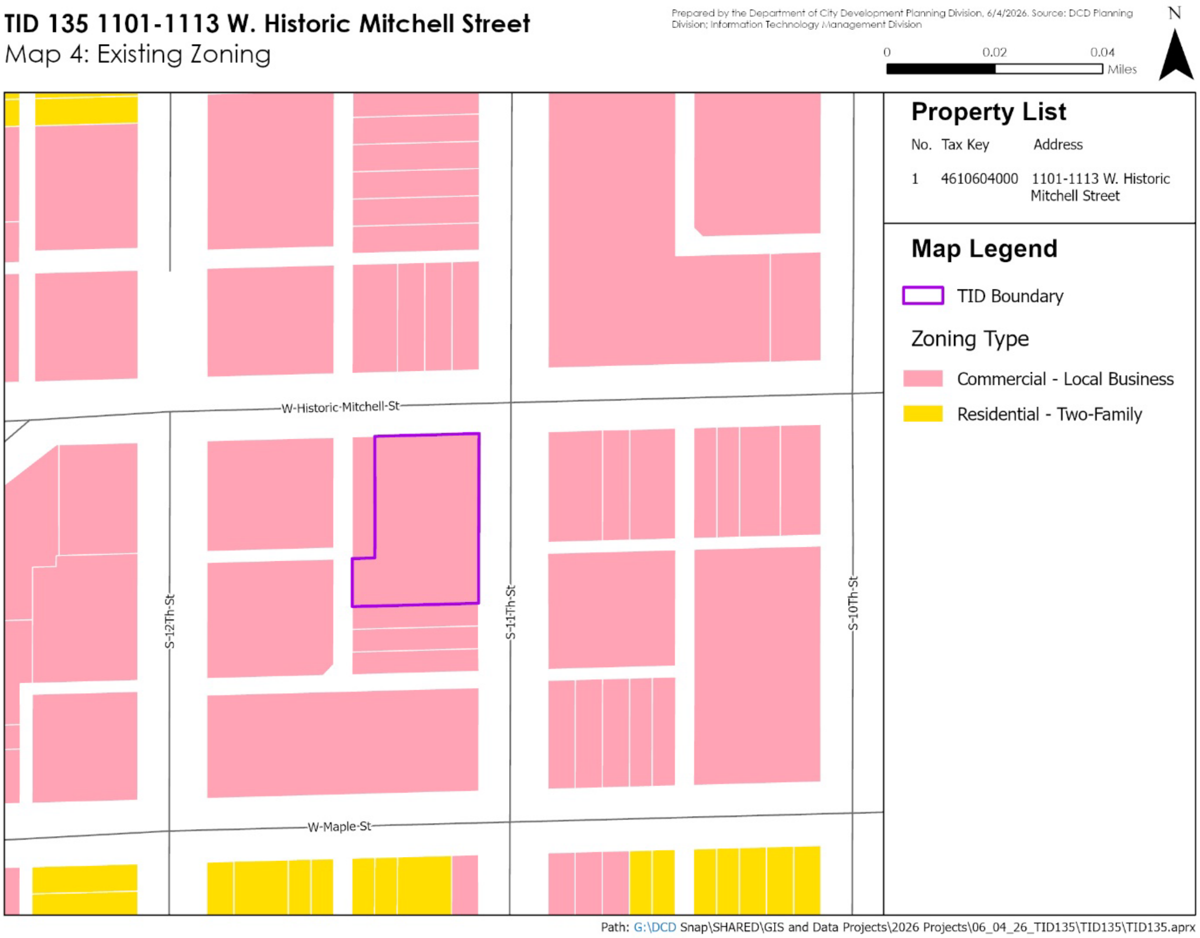
Structure Condition

Map 3

Proposed Improvements & Uses

Map 4

Existing Zoning



Map 5

Overlapping TID #71 (Historic Mitchell Street)