

**AMENDMENT NO. 5
TO THE PROJECT PLAN
FOR
TAX INCREMENTAL FINANCING DISTRICT
NO. 48
(PARK EAST)**

Public Hearing Held: March 16, 2023

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Approved:

**AMENDMENT NO. 5 TO THE PROJECT PLAN FOR
TAX INCREMENTAL DISTRICT NO. 48
CITY OF MILWAUKEE
(PARK EAST)**

Introduction:

Wis. Stat. 66.1105 (4)(h)(1) permits the Redevelopment Authority, subject to the approval of the Common Council and Joint Review Board, to amend a project plan for a tax incremental financing district.

Wis. Stat. 66.1105(2)(f)1.n., permits, with Joint Review Board approval (Wis. Stat. 66.1105 (4m)(d)), inclusion in a project plan project costs incurred for territory located within a one half-mile of the district's boundaries and within the city that created the district.

Tax Increment District No. 48 (referred to as the "District" or "TID 48") was created on March 5, 2002 by Common Council File No. 011182, to fund public infrastructure to encourage redevelopment of the former Park East Freeway Corridor, 60-acres of land made available by the removal of the Park East Freeway.

Amendment No. 1 to the Project Plan, approved May 3, 2005 by Common Council File No. 041514, included an increase in funding for additional public infrastructure improvements and changed the boundary of the District.

Amendment No. 2, approved July 26, 2011 by Common Council File No. 101297, approved an Amended and Restated Project Plan which included \$300,000 for administration costs and a \$4,628,940 loan for the second phase of the North End project in addition to \$2.2 million for the public infrastructure improvements associated with that phase of the project. It also incorporated previous authorizations for increases in spending administrative expenses, the Aloft Riverwalk (Common Council File No. 071392), a loan to the Moderne residential development project and a plaza at Broadway and Water Streets (Council File No. 090687).

Amendment No. 3, approved March 1, 2016 by Common Council File No. 151547, approved an Amended and Restated Project Plan which included \$375,000 for Workforce Training and Capacity Building Programs.

Amendment No. 4, approved July 26, 2016 by Common Council File No. 160418, approved an Amended and Restated Project Plan which included up to \$1,530,000 for public infrastructure associated with the Laacke and Joys redevelopment project. This Public Infrastructure included approximately 390 linear feet of Riverwalk and dockwall, as well as a public access connection from Water Street to the Riverwalk. In addition, the amendment provided an additional \$453,000 to cover increased costs to construct the 460 linear foot Riverwalk, dockwall, Broadway stub end street and the Edison Street extension associated with Phase IV of the North End development project, at 1501 North Water Street.

Amendment No. 5 to the Project Plan would provide up to \$15,750,000 for costs associated with the construction of the Vel R. Phillips Plaza at 401-41 West Wisconsin Avenue, \$4,350,000 for public infrastructure improvements, \$500,000 towards commercial property renovation and \$150,000 in administrative costs, totaling \$20,750,000.

Amendments to the TID 48 Project Plan:

The following amendments are made to the TID 48 Project Plan. All other sections of the TID 48 Project Plan remain unchanged.

I. Description of the Project

Sub-Section C, “Plan Objectives,” is amended by adding the following:

Amendment No. 5 adds project costs to achieve the following objectives:

- Provide funding for the Vel R. Phillips Plaza that will serve as a public asset on West Wisconsin and Vel R. Phillips Avenues.
- Increase the tax base of the City by promoting the redevelopment of existing buildings along the Dr. Martin Luther King Jr. Drive corridor and within a one half-mile radius of the District boundary.
- Provide new public infrastructure and bike/pedestrian improvements along Walnut Street, Pleasant Street and North Dr. Martin Luther King Jr. Drive, as well as enhanced lighting within a one half-mile radius of the District boundary.

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

Pursuant to Amendment No. 5, the following public improvements and infrastructure expenditures, which are project costs per Section 66.1105(2)(f) Stats., are expected to occur within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats, as shown in the attached TID 48 (Park East) Amendment No. 5 Public Infrastructure Improvements:

- Vel R. Phillips Plaza (\$15,750,000). Funding for construction of a the Vel R. Phillips plaza to include costs for utilities, hardscape, lighting, trees and landscaping, plaza furniture, bike amenities, traffic calming elements and professional or administrative services.
- Public Infrastructure (\$4,350,000). Public Infrastructure improvements to Walnut Street, Pleasant Street and Dr. Martin Luther King Jr. Drive within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats, including the design and construction of traffic calming elements, bike/ped improvements, new pavement, street trees, landscaping, street lighting (including possible harp lights), streetscaping elements, pedestrian amenities and related improvements to intersecting streets; as well as various street lighting improvements (including possible harp lights) within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats.
- Commercial Corridor and Commercial Foreclosure Renovation Fund (\$500,000). In an effort to attract or retain office and retail tenants in the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats., fund cash grants or loans to be used for tenant improvements, façade improvements, new signage or other expenses. The funds would be administered through the City’s existing Commercial Corridors and/or Commercial

Foreclosure Renovation Fund programs. To implement these programs, cash grants may be paid to property owners, lessees, or developers as part of a grant agreement.

II. Plan Proposals

Sub-Section B. “Compliance with Statutory Requirements”, is amended as follows:

The sub-section titled “**Detailed List of Estimated Project Costs**” is amended to add the following to “Table A, Park East TID (No. 48) Projects” under “a. Capital Costs:”

Table A
Park East TID (No. 48) Projects

City Projects (Amendment No. 5)	Totals
Vel R. Phillips Plaza	\$15,750,000
Public Infrastructure	\$4,350,000
Commercial Corridor/Commercial Renovation Fund	\$500,000
TOTAL AMENDMENT NO. 5	\$20,600,000

The sub-section titled “**Detailed List of Estimated Project Costs**”, “Table B, List of Estimated Project Costs” under “c. Financing Costs” is deleted and restated with the following table:

Table B
List of Estimated Project Costs

	ORIGINAL PROJECT PLAN, AMENDMENTS 1, 2, 3 & 4	
A	<u>Capital Costs: To Date</u>	\$40,698,265
B	<u>Other Costs:</u> To Date: Administrative, professional, organizational, legal and job training costs	\$3,092,901
	Amendment No. 5 Administrative Costs	\$150,000
C	<u>Estimated Future Costs: Amendment No. 5</u>	\$20,600,000
	TOTAL ESTIMATED PROJECT COSTS, EXCLUDING FINANCING	\$64,541,166
D	<u>Financing</u>	\$28,466,840
	TOTAL ESTIMATED PROJECT COSTS, INCLUDING FINANCING	\$93,008,006

The sub-section titled, “**Description of Timing and Methods of Financing**” is amended to delete “Table C, Estimated Timing of Project Costs” under “a. Estimated Timing of Project and Financing Costs,” and replace it with the following table:

Table C
Estimated Timing Project Costs

Year	Estimated Project Cost	Cumulative Total
Pre-2023	\$43,791,166	\$43,791,166
2023-2024	\$20,750,000	\$64,541,166

The sub-section titled “**b. Estimated Method of Financing Project Costs,**” is amended by deleting the first sentence and restating as follows:

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.

The sub-section entitled, “**Economic Feasibility Study**” is deleted and restated as follows:

Please see forecast of District Cash Flow and District Breakeven analysis, attached. Based on the forecast, following the expenditure of the additional funds for public infrastructure, the District could close-out in 2024. As there are 6 years remaining before the statutory termination date of the District, the District is determined to be feasible.

III. Appendix

TID 48 Feasibility Analysis – 2016, dated June 7, 2016 is deleted and replaced with the TID 48 Amendment No. 5 Feasibility Analysis.

Opinion of City Attorney letter for Amendment No. 5 to TID 48 is attached.

TID 48 Amendment No. 5 Feasibility Analysis

Year No.	Assessment Year	Budget Year	Base Value	Projected Value	TID Incremental Value	Increment	Revenue (Loan pmts, etc)		Debt Service		Cash flow	Cum. Cash Flow	After reserving	TID Payoff
							Current	Future	Current	Future			for remaining debt Surplus/(deficit)	
1	2002	2003		27,727,300			1,371	(14,449)			(13,078)	(13,078)	(93,006,635)	No
2	2003	2004	27,727,300	28,157,400	430,100	11,357	1,892	(72,080)			(58,831)	(71,909)	(92,993,386)	No
3	2004	2005	27,727,300	30,040,300	2,313,000	60,277	771	(140,335)			(79,287)	(151,196)	(92,932,338)	No
4	2005	2006	27,727,300	33,143,400	5,416,100	132,205	4,275	(463,419)			(326,939)	(478,135)	(92,795,858)	No
5	2006	2007	45,325,600	56,650,500	11,324,900	249,573	6,722	(915,405)			(659,110)	(1,137,245)	(92,539,563)	No
6	2007	2008	45,325,600	60,313,000	14,987,400	336,623	5,917	(963,331)			(620,791)	(1,758,036)	(92,197,023)	No
7	2008	2009	45,325,600	70,708,700	25,383,100	608,838	144,315	(1,412,584)			(659,431)	(2,417,467)	(91,443,870)	No
8	2009	2010	45,325,600	78,112,500	32,786,900	835,326	4,000	(1,458,304)			(618,978)	(3,036,445)	(90,604,544)	No
9	2010	2011	45,325,600	85,558,100	40,232,500	1,078,017	114,291	(1,528,011)			(335,703)	(3,372,148)	(89,412,236)	No
10	2011	2012	45,325,600	93,658,800	48,333,200	1,377,586	15,601	(1,788,550)			(395,363)	(3,767,511)	(88,019,049)	No
11	2012	2013	45,325,600	111,627,300	66,301,700	2,016,750	2,962,472	(2,174,304)			2,804,918	(962,593)	(83,039,827)	No
12	2013	2014	45,325,600	161,816,100	116,490,500	3,622,452	1,245,071	(2,849,595)			2,017,928	1,055,335	(78,172,304)	No
13	2014	2015	45,325,600	165,938,200	120,612,600	3,669,449	4,802,738	(2,444,262)			6,027,925	7,083,260	(69,700,117)	No
14	2015	2016	45,325,600	186,119,600	140,794,000	4,300,125	2,531,333	(2,660,289)			4,171,169	11,254,430	(62,868,658)	No
15	2016	2017	45,325,600	229,929,800	184,604,200	5,435,846	498,289	(4,261,802)			1,672,333	12,926,762	(56,934,523)	No
16	2017	2018	45,325,600	255,715,400	210,389,800	6,212,312	748,986	(4,289,658)			2,671,640	15,598,402	(49,973,226)	No
17	2018	2019	45,325,600	305,195,700	259,870,100	7,239,113	381,554	(4,520,347)			3,100,320	18,698,722	(42,352,559)	No
18	2019	2020	45,325,600	334,279,000	288,953,400	7,971,631	611,351	(4,670,037)			3,912,945	22,611,667	(33,769,576)	No
19	2020	2021	45,325,600	365,538,900	320,213,300	9,004,318	540,250	(4,597,866)			4,946,702	27,558,369	(24,225,008)	No
20	2021	2022	45,325,600	383,837,200	338,511,600	8,545,486	900,508	(10,414,304)			(968,310)	26,590,059	(14,779,014)	No
21	2022	2023	45,325,600	363,102,800	317,777,200	7,373,362		(2,855,184)	(3,654,754)		863,423	27,453,482	(7,405,651)	No
22	2023	2024	45,325,600	366,733,828	321,408,228	7,457,613		(1,623,692)	(3,654,754)		2,179,167	29,632,649	51,961	YES
23	2024	2025	45,325,600	370,401,166	325,075,566	7,542,706		(1,766,175)	(3,654,754)		2,121,777	31,754,425	7,594,667	YES
24	2025	2026	45,325,600	374,105,178	328,779,578	7,628,650		(1,770,942)	(3,654,754)		2,202,953	33,957,379	15,223,316	YES
25	2026	2027	45,325,600	377,846,230	332,520,630	7,715,453		(1,778,794)	(3,654,754)		2,281,904	36,239,283	22,938,769	YES
26	2027	2028	45,325,600	381,624,692	336,299,092	7,803,124		(1,777,329)	(3,654,754)		2,371,041	38,610,323	30,741,893	YES
27	2028	2029	45,325,600	385,440,939	340,115,339	7,891,672		(4,213,676)	(3,654,754)		23,243	38,633,566	30,765,136	YES
						116,119,864	15,521,707	(67,424,725)	(25,583,281)	38,633,566				

Annual appreciation	1.010
Int. rate	5.25%
	Current
Tax rate	2.3203%
Issuance Costs	207,500
Project Costs	20,750,000