

**Amendment No. 2
to
Project Plan
for
Tax Incremental Financing District No. 70
("735 N Water Street")**

City of Milwaukee

Public Hearing Held: February 18, 2021

Redevelopment Authority Adopted: February 18, 2021

Common Council Adopted:

Joint Review Board Approval:

**AMENDMENT NO. 2 to the PROJECT PLAN for
TAX INCREMENTAL FINANCING DISTRICT NUMBER 70
CITY OF MILWAUKEE
(735 N Water Street)**

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., Wisconsin Statutes, permits amendment to fund projects located outside, but within one-half mile of the District's boundary.

The Common Council created Tax Incremental District Number 70 in 2007 for the purpose of facilitating the redevelopment efforts of the buildings located at 731 - 735 North Water Street and the property's associated Riverwalk along the Milwaukee River. This Project Plan was amended in 2010 to modify the scope of the private investment as it relates to the end use of the building at 731 N Water Street. It was originally anticipated that the building at 731 North Water Street would be converted to a parking garage and seven luxury condominiums. Given a significant change in the market, the proposed development program was modified to include a conversion of the building into a Gold's Gym and retail, and office.

Amendment No. 2 proposes to provide funds necessary to repair two areas of dockwall where significant breaches have been identified. Given the rising water levels on the Milwaukee River, these fractures have the potential to cause serious damage to adjacent infrastructure and need immediate repair. Amendment No. 2 will provide \$250,000 in funds to the Department of Public Works so assist in these emergency repairs. The dockwalls, located at Mason Street and Wisconsin Avenue are both within one half-mile of the District's boundary.

TID 70 has incurred project costs, to date, of \$3,531,547 for gap financing and Riverwalk improvements. In summary, Amendment No. 2 will provide an additional \$250,000 for the purpose of repairing fractures in the dockwall.

This amendment is submitted in fulfillment of the requirements of section 66.1105, Wisconsin Statutes.

Amendments to the Project Plan:

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

Section I. D. "Proposed Public Action" is amended by adding the following:

The District will fund the improvement necessary to repair two fractured dockwalls.

Section II.B.1.a. is amended by adding the following:

3. Improvements necessary to repair dockwalls at Mason Street and Wisconsin Avenue

Section II.B.2. Table A is deleted and restated as follows:

| | | |
|---|--|--------------|
| A | <u>Capital</u> | |
| | 1) Gap Financing - developer financed | \$ 1,774,915 |
| | 2) Riverwalk Improvements | \$ 1,628,096 |
| | 3) Dockwall repairs | \$ 250,000 |
| B | <u>Other:</u> Administrative, professional, organizational and legal | \$ 112,725 |
| C | Total Estimated Project Costs, excluding financing | \$ 3,765,736 |
| D | <u>Financing</u> Interest payment on bonds (incl. capitalized interest) | \$ 1,130,264 |

Section II.B.3 “Description of Timing and Methods of Financing” is amended by adding the following:

a. Estimated Timing of Project and Financing Costs

| Year | Estimated Project Costs | Cumulative Total |
|------|-------------------------|------------------|
| 2021 | \$250,000 | \$250,000 |

b. Estimated Method of Financing Project Costs

The infrastructure will be funded by the General Obligation Bonds.

Section II.B.4. “Economic Feasibility Study” is deleted and restated as follows:

The Economic Feasibility Study for this District, prepared by the Department of City Development and titled TID 70 Economic Feasibility Analysis, dated February 1, 2021, is attached hereto.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible. The District recovered all project costs included in the original project plan as well as the first amendment by 2016. The District currently has a surplus able to pay for the proposed costs in this second amendment without adding any time needed to recover the costs.

Section II.B.6. “Map Showing Proposed Uses and Improvements” is deleted and restated as follows:

Please refer to **Map No. 3, “Proposed Uses and Improvements,”** in the Exhibits Section which follows.

Section II.B.8. “List of Estimated Non-Project Costs.” is deleted and restated as follows:

There are no non-project costs.

Section II.B.11. “Opinion of the City Attorney” is deleted and restated as follows:

Please refer to Exhibit 4.

TID 70 735 N Water

| No. | Assessment Year | Budget Year | Base Value | Projected Value | TID Incremental Value | Increment | Misc. Revenue | Existing Debt | New Debt | Total | | After reserving for remaining debt Surplus/(deficit) | TID Payoff |
|-----|-----------------|-------------|------------|-----------------|-----------------------|-----------|---------------|---------------|-------------|-----------|----------------|--|------------|
| | | | | | | | | | | Cash flow | Cum. Cash Flow | | |
| 1 | 2007 | 2008 | 14,904,700 | | | | | | | - | - | (2,887,782) | |
| 2 | 2008 | 2009 | 14,904,700 | 14,690,100 | (214,600) | - | | | | - | - | (2,887,782) | No |
| 3 | 2009 | 2010 | 14,904,700 | 14,602,000 | (302,700) | - | 21,575 | | | 21,575 | 21,575 | (2,866,207) | No |
| 4 | 2010 | 2011 | 14,904,700 | 15,413,300 | 508,600 | 13,628 | 20,308 | (1,948) | | 31,988 | 53,563 | (2,832,271) | No |
| 5 | 2011 | 2012 | 14,904,700 | 27,140,400 | 12,235,700 | 348,740 | 60,046 | (39,156) | | 369,630 | 423,193 | (2,423,485) | No |
| 6 | 2012 | 2013 | 14,904,700 | 26,215,800 | 11,311,100 | 344,058 | 66,575 | (110,582) | | 300,051 | 723,244 | (2,012,852) | No |
| 7 | 2013 | 2014 | 14,904,700 | 27,786,900 | 12,882,200 | 400,592 | 53,383 | (84,798) | | 369,177 | 1,092,421 | (1,558,877) | No |
| 8 | 2014 | 2015 | 14,904,700 | 30,606,100 | 15,701,400 | 477,690 | 73,739 | (84,798) | | 466,631 | 1,559,052 | (1,007,448) | No |
| 9 | 2015 | 2016 | 14,904,700 | 31,013,900 | 16,109,200 | 492,007 | 92,530 | (91,159) | | 493,378 | 2,052,430 | (422,911) | No |
| 10 | 2016 | 2017 | 14,904,700 | 31,916,900 | 17,012,200 | 500,940 | 102,178 | (214,581) | | 388,537 | 2,440,967 | 180,207 | YES |
| 11 | 2017 | 2018 | 14,904,700 | 29,081,500 | 14,176,800 | 418,607 | 154,199 | (246,473) | | 326,333 | 2,767,300 | 753,013 | YES |
| 12 | 2018 | 2019 | 14,904,700 | 29,585,800 | 14,681,100 | 408,966 | 156,466 | (242,918) | | 322,514 | 3,089,814 | 1,318,445 | YES |
| 13 | 2019 | 2020 | 14,904,700 | 41,906,800 | 27,002,100 | 744,933 | 162,369 | (239,865) | | 667,437 | 3,757,251 | 2,225,747 | YES |
| 14 | 2020 | 2021 | 14,904,700 | 29,271,300 | 14,366,600 | 403,985 | 160,525 | (240,016) | | 324,494 | 4,081,745 | 2,790,257 | YES |
| 15 | 2021 | 2022 | 14,904,700 | 29,564,013 | 14,659,313 | 412,220 | | (239,714) | (25,286) | 147,220 | 4,228,965 | 3,202,477 | YES |
| 16 | 2022 | 2023 | 14,904,700 | 29,859,653 | 14,954,953 | 420,533 | | (173,654) | (25,286) | 221,593 | 4,450,558 | 3,623,011 | YES |
| 17 | 2023 | 2024 | 14,904,700 | 30,158,250 | 15,253,550 | 428,930 | | (134,926) | (25,286) | 268,718 | 4,719,275 | 4,051,940 | YES |
| 18 | 2024 | 2025 | 14,904,700 | 30,459,832 | 15,555,132 | 437,410 | | (134,477) | (25,286) | 277,647 | 4,996,922 | 4,489,351 | YES |
| 19 | 2025 | 2026 | 14,904,700 | 30,764,430 | 15,859,730 | 445,976 | | (133,792) | (25,286) | 286,897 | 5,283,820 | 4,935,326 | YES |
| 20 | 2026 | 2027 | 14,904,700 | 31,072,075 | 16,167,375 | 454,627 | | (135,235) | (25,286) | 294,105 | 5,577,925 | 5,389,953 | YES |
| 21 | 2027 | 2028 | 14,904,700 | 31,382,796 | 16,478,096 | 463,364 | | (10,968) | (25,286) | 427,110 | 6,005,035 | 5,853,317 | YES |
| 22 | 2028 | 2029 | 14,904,700 | 31,696,623 | 16,791,923 | 472,189 | | | (25,286) | 446,903 | 6,451,937 | 6,325,506 | YES |
| 23 | 2029 | 2030 | 14,904,700 | 32,013,590 | 17,108,890 | 481,102 | | | (25,286) | 455,816 | 6,907,753 | 6,806,608 | YES |
| 24 | 2030 | 2031 | 14,904,700 | 32,333,726 | 17,429,026 | 490,104 | | | (25,286) | 464,818 | 7,372,571 | 7,296,712 | YES |
| 25 | 2031 | 2032 | 14,904,700 | 32,657,063 | 17,752,363 | 499,196 | | | (25,286) | 473,910 | 7,846,481 | 7,795,908 | YES |
| 26 | 2032 | 2033 | 14,904,700 | 32,983,634 | 18,078,934 | 508,380 | | | (25,286) | 483,093 | 8,329,574 | 8,304,288 | YES |
| 27 | 2033 | 2034 | 14,904,700 | 33,313,470 | 18,408,770 | 517,655 | | | (25,286) | 492,368 | 8,821,943 | 8,821,943 | YES |
| | | | | | | | 10,585,831 | 1,123,893 | (2,559,060) | (328,722) | 8,821,943 | | |

TEARMAN SPENCER

City Attorney

KIMBERLY R. WALKER

Special Deputy City Attorney

MARY L. SCHANNING

ODALO J. OHIKU

SCOTT F. BROWN

ROBIN A. PEDERSON

Deputy City Attorneys



Milwaukee City Hall Suite 800 • 200 East Wells Street • Milwaukee, Wisconsin 53202-3551

Telephone: 414.286.2601 • TDD: 414.286.2025 • Fax: 414.286.8550

SUSAN E. LAPPEN
 PATRICIA A. FRICKER
 HEIDI WICK SPOERL
 GREGG C. HAGOPIAN
 JAY A. UNORA
 KATHRYN Z. BLOCK
 KEVIN P. SULLIVAN
 THOMAS D. MILLER
 JEREMY R. MCKENZIE
 PETER J. BLOCK
 JENNY YUAN
 ALLISON N. FLANAGAN
 HEATHER H. HOUGH
 ANDREA J. FOWLER
 PATRICK J. MCCLAIN
 NAOMI E. GEHLING
 BENJAMIN J. ROOVERS
 ELLENY B. CHRISTOPOULOS
 TYRONE M. ST. JUNIOR
 HANNAH R. JAHN
 JULIE P. WILSON
 GREGORY P. KRUSE
 KIMBERLY A. PRESCOTT
 SHEILA THOBANI
 KATRYNA C. RHODES
 NICOLE F. LARSEN
 JAMES M. CARROLL
 WILLIAM G. DAVIDSON
 MEIGHAN M. ANGER
 ALEXANDER R. CARSON
 Assistant City Attorneys

February 5, 2021

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


Re: Amendment 2 to Project Plan for Tax Incremental District No. 70
 (735 N. Water Street)

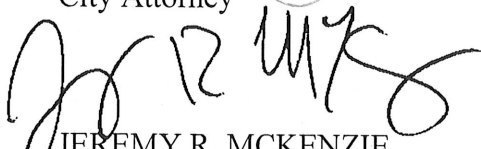
Dear Commissioner Crump:

Pursuant to your request, we have reviewed Amendment 2 to Project Plan for the above-referenced Tax Incremental District No. 70.

Based upon that review, it is our opinion that the Plan as amended, is complete and complies with the provisions of Wis. Stat. § 66.1105(4)(f).

Very truly yours,


 TEARMAN SPENCER
 City Attorney


 JEREMY R. MCKENZIE
 Assistant City Attorney

