

Project Plan for
City of Milwaukee
Tax Incremental District
(Fifth Ward – First Place)

Public Hearing Held: October 19, 2006
Redevelopment Authority Adopted:
Common Council Adopted:
Joint Review Board Approval:

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EXHIBITS

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

Tax Incremental District Number ____, City of Milwaukee, (District) is comprised of two properties and right-of-way in the Fifth Ward. The District is shown in Map No. 1, “Boundary and Existing Land Use,” and described more precisely in **Exhibit 1, “Boundary Description.”** The area consists solely of whole units of property as are assessed for general tax purposes and which are bounded on one or more sides by railroad rights-of-way, highways or rivers. A complete list of properties in the District is provided in **Exhibit 2, “Property Characteristics.”**

The District contains property totaling 124,267 square feet (2.85 acres), exclusive of public streets and alleys. 56.6% percent (70,410 square feet) of the real property located within the District was found to be blighted within the meaning of Section 66.1105(4)(gm)(4)(a) Wisconsin Statutes. **Exhibit 2** illustrates how the properties in the District meet the statutory criteria for Tax Incremental Districts.

Over the last seven years, the assessment of improvements in the District has always exceeded the land assessment. Accordingly, the District contains no “vacant” property, as provided in Section 66.1105(4)(gm)(1).

C. Project Plan Goals and Objectives

The Fifth Ward is a neighborhood transitioning from industrial and warehouse to residential and commercial uses. Recently, condominium projects have been constructed on the south side of the Milwaukee River and several buildings along South First Street and East Pittsburgh Avenue have been renovated into residential units, restaurants, bars and shops. At this time, three other mixed-use buildings are in the process of being constructed or redeveloped: First Place on the River, 161 South First Street and Castings Point. The public realm in this neighborhood has been neglected for decades, and as the building momentum continues, the neighborhood would be greatly enhanced by public improvements.

The Milwaukee Riverwalk was started in 1994, and once complete, will extend from the former North Avenue dam through the Beerline, downtown, Third Ward and Fifth Ward to Lake Michigan. The system is a public-private partnership between property owners and the City of Milwaukee. In exchange for permanent public access to the

river, the City may provide assistance in funding for Riverwalk improvements. The District will help complete the Milwaukee Riverwalk system by contributing to the payment of the costs for an additional 535' of Riverwalk in front of First Place on the River at 106-16 West Seeboth Street along the southern bank of the Milwaukee River as it bends towards Lake Michigan, as well as contribute to the payment of costs for an additional 120' of Riverwalk at 100-06 East Seeboth Street.

The District will also provide for several public improvements along South First Street. The improvements include narrowing the street and closing right-turn bypasses to slow traffic, streetscaping to beautify the area with trees and streetlights, reconfiguring the triangular median into a public plaza and adding various pedestrian amenities such as street furniture and crosswalks. These improvements will enhance the perception of the area, create a cohesive neighborhood and promote the continued development of other underutilized buildings and vacant lots.

The more detailed objectives of this Project Plan are to:

1. Increase public access to the Milwaukee River by construction of Riverwalk improvements and new public stub end street.
2. Enhance pedestrian access and circulation within the Fifth Ward and between South First Street and surrounding streets.
3. Promote the coordinated development of vacant or underutilized space within buildings appropriate for retail, residential, commercial/office, commercial/service and/or public use.
4. Provide public improvements that are not feasible without public/private cooperation, including, but not limited to street narrowing and pedestrian amenities.
5. Encourage adaptive reuse of historic and architecturally significant buildings that are structurally sound but functionally obsolete.
6. Eliminate obsolete conditions and blighting influences that impede development and detract from the functionality, aesthetic appearance and economic welfare of this important section of the City.

D. Proposed Public Action

The City of Milwaukee may, on its own initiative or through a cooperation agreement with the Redevelopment Authority and/or other entities, undertake any and all project and site improvements and activities considered necessary to achieve project objectives and the commitment of private investment. This Plan is not intended to limit and shall not be interpreted as limiting the Redevelopment Authority in the exercise of its powers under Section 66.1333(5), Wisconsin Statutes, within the District. It is possible that future amendments to this District for other investments in this area will be proposed.

This District will partially fund the construction of a riverwalk of approximately 535' feet in length along First Place on the River. The riverwalk will be between 10-25 feet wide and constructed on the south bank of the Milwaukee River. The design will

be consistent with the Riverlink design guidelines. The design may include railings, harp lights, and medallions in the walking surface. Connected to the riverwalk will be a marina with 28 boat slips (4 for public use, 24 privately-owned). The riverwalk and marina will be ADA compliant. This District may also partially fund the construction of Riverwalk of approximately 120' feet along the river frontage of 100-06 East Seeboth Street at a future date.

In addition, the District will provide funding for street improvements to include but not be limited to paving, curb, gutter and sidewalk for South First Street from the Milwaukee River to the railway underpass, and portions of South First Place, East Seeboth Street, East Pittsburgh Avenue and East Oregon Street. These improvements will include paving, street-narrowing, sidewalk widening, dockwall repair/replacement, constructing a new stub end roadway to the Milwaukee River for South First Place, pedestrian crosswalks and reconfiguring the right-turn bypasses at South First Street and East Pittsburgh Avenue.

A new public plaza will be created in the triangle at South First Street and East Seeboth Street. There is also funding for lighting the railway underpasses to serve as gateways to the neighborhood, street furniture, trash containers, streetlights, signage and trees.

II. PLAN PROPOSALS

A. 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., 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 costs or monetary obligations related thereto 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 a proposed method for the relocation of any persons displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city.”

B. Compliance with Statutory Requirements

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

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

a. This plan includes public works and improvements described in general below. The specific kind, number, and locations of public works and other improvements will be based on detailed final plans, specifications and budget estimates as approved by the Department of City Development for project and site development. While not anticipated at this time, improvements such as vacation of existing public rights-of-way, site clearance, environmental remediation, and reimbursement to owners of abutting property for costs directly related to the project also may be undertaken if necessary for the implementation of the plan for the District.

1. Construction of a Riverwalk segment of approximately 535' feet in total length along First Place on the River.
2. Construction of a marina with 28 boat slips (4 public, 24, privately-owned).
3. Dockwall repair/replacement for South First Place.
4. Construction of a Riverwalk segment of approximately 120' feet in total length along 100-06 East Seeboth Street with a connection to the South First Street/North Water Street bridge.
5. Dockwall repair/replacement for 100-06 East Seeboth Street.
6. Construction of a New Stub End Roadway at South First Place.
7. Narrowing of South First Street between just north of East Seeboth Street to just south of East Pittsburgh Street to approximately 60', from the current approximate 80' width. (About 500 linear feet of street.)
8. Narrowing of a small segment of East Seeboth Street and South First Place adjacent to the triangular median.
9. Limited re-paving of South First Street from the Milwaukee River to the railway underpass and portions of South First Place, East Seeboth Street, and adjacent East Pittsburgh Avenue.
10. New streetlights and trees for the area of the limited re-paving.
11. Construction of a new public plaza for the median triangle at South First Street and East Seeboth Street. Amenities may include decorative paving, landscaping, integral low walls or benches, street furniture or other elements such as trash container, gateway signage, drinking fountains, pedestal for public art or other decoration.
12. Provision of pedestrian amenities such as pedestrian-level lighting, decorative pavement, widened sidewalks, landscaping, signage, and street furniture such as trash containers, benches, etc. on the riverwalk and various remaining rights-of-way.
13. Specially demarked cross walks at South First Street/East Pittsburgh Avenue and South First Street/East Seeboth Street to accommodate pedestrian recognition and traffic slowing.
14. Reconfiguration of the right-turn bypass from northbound South First Street to eastbound East Pittsburgh Avenue and from westbound East Pittsburgh Avenue to northbound South First Street.

15. Lighting of the railway underpasses or other allowed improvements.

b. The number and location of proposed public works and improvements are shown in **Map No. 3, "Proposed Uses and Improvements"**, and are listed below:

First Place/Fifth Ward Improvements	Total Cost
First Place (106-16 West Seeboth Street)	
Riverwalk (includes architecture, landscaping, boat launch, Seeboth and First Place improvements, First Street Triangle and 10% contingency)	\$2,073,541.06
Dockwall (includes 10% contingency)	\$440,675.00
Additional Future Riverwalk (100-06 East Seeboth Street and 25% contingency)	\$420,000.00
Total for First Place and Future Riverwalk Site	\$2,934,216.06
Fifth Ward	
South First Street Paving	\$623,000.00
Street Lighting (harps, lanterns, bridge lighting)	\$217,500.00
Traffic Signals	\$19,500.00
Water	\$15,000.00
Forestry (street trees)	\$20,000.00
Contingency (25%)	\$223,750.00
Total for Fifth Ward	\$1,118,750.00
TOTAL	\$4,052,966.06

2. "Detailed List of Estimated Project Costs."

The kind, number, locations and estimated costs of public works and improvements necessitated by this project as identified above, are based on preliminary plans and concepts developed in consultation with the Department of Public Works and as part of the preparation of the economic feasibility study for the District. These may be modified as to kind, number, location, and the costs may be reallocated at any time during the project execution based on more definitive engineering studies and construction plans without amendment of this Plan.

The costs included in this subsection and detailed in Table "A" 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:

a. Capital Costs

A statement of the kinds of activities proposed for the project is included in subsection III.B.1. of this Plan

b. Other Costs

This category of Project Costs includes estimates for administrative, professional, organization and legal costs. Components of the "other costs" include, in general, costs of salaries and employee benefits for employees engaged in planning, engineering, implementing, and administering activities in connection with the tax increment district. Related costs include supplies, materials, contract and consultant services, rental of space and equipment, and the reasonable costs of City departments and agencies having oversight responsibilities due to the creation of this District. Such services include but are not limited to purchasing, property appraisals, personnel, legal, accounting, auditing, the provision of space and maintenance, and costs charged in accordance with an approved cost allocation plan. These costs are estimated at \$350,000.00.

c. Financing Costs

Financing costs include estimated gross interest expense on bonds that will be issued to pay for Project Costs. Estimates of bond interest are based on interest rates as set forth in the Economic Feasibility Analysis for this Project.

Table A
Lists of Estimated Project Costs

A	<u>Capital:</u> Public Improvements	\$4,052,966.06
B	<u>Other:</u> Administrative, professional, organizational and legal	\$350,000.00
C	<u>Contingency</u>	\$0 (Included in Public Improvements)
	Total Estimated Project Costs, excluding financing	\$4,402,966.06
D	<u>Financing:</u> Interest payment on bonds	\$2,310,315.00

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

a. Estimated Timing of Project and Financing Costs

The Summary of Project Costs (Schedule "A" below) identifies the year in which actual expenditures for the cost of public works and improvements described in this plan are expected to be incurred. This schedule anticipates the time costs will

be incurred, not the time contracts or other obligations may be entered into. The estimates presented are subject to change as actual circumstances during the project execution period may require. However, all expenditures will be made prior to year 2010, pursuant to the provisions of Section 66.1105(6)(am), Wisconsin Statutes.

Schedule A
Estimated Timing of Project Costs

Year	Estimated Project Costs	Cumulative Total
2007-08	\$2,630,882.73	\$2,630,882.73
2008-09	\$1,235,416.67	\$3,866,299.40
2009-10	\$536,666.67	\$4,402,966.06

b. Estimated Method of Financing Project Costs

The estimated method of financing may be subject to change during the project period. Consequently, the method identified may, as circumstances warrant, be redefined and the dollar amount adjusted without formal modification of this Plan during the course of project implementation.

The funding source for payment of financing costs will be from tax increment revenues pursuant to Section 66.1105(6)(c), or from other funds ordinarily used for payment of borrowing obligations. It is the City’s intent to maximize the use of TIF funds for the cost of City participation in this project.

4. “Economic Feasibility Study.”

The Economic Feasibility Study for this District, prepared by SB Friedman & Company and titled *Fifth Ward – First Place on the River Economic Feasibility Study, September 29, 2006*, is on file in the Office of the Redevelopment Authority of the City of Milwaukee, 809 North Broadway, Milwaukee, Wisconsin, and in the Office of the City Clerk of the City of Milwaukee, 200 East Wells Street, Room 205, Milwaukee, Wisconsin, as attached to Common Council Resolution File Number _____. The study is incorporated herein by reference. 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 tax incremental district.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible and is likely to be retired on or before the year 2016. Should incremental revenues be generated in excess of those currently anticipated, they will be used to offset the public costs of Plan implementation.

5. “Map Showing Existing Uses and Conditions.”

Please refer to **Map No. 1, “Boundary and Existing Land Use,”** and **Map No. 2, “Structure Condition”** and **Exhibit 3, “Parcel Owners”** in the Exhibits Section which follows.

6. Map Showing Proposed Uses and Improvements.”

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

7. “Proposed Change of Zoning Ordinances, Master Plan Building Codes and City Ordinances.”

Please refer to **Map No. 4, “Existing Zoning,”** in the Exhibits Section which follows. The proposed project is consistent with the existing zoning, and the existing master plan, map, 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 plan.

8. “List of Estimated Non-Project Costs.”

The District’s assistance is a small portion of the estimated \$75 million total cost of the project. However, as detailed design of the complementary public improvements by the city and the developer proceeds, some additional costs may be identified and may be eligible for reimbursement through the TID.

Table “B”

List of Estimated Non-Project Costs

New Residential/Commercial Redevelopment	\$75 million
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9. “Proposed Method for Relocation.”

This Plan does not anticipate the acquisition of property by the City of Milwaukee or by the Redevelopment Authority. Accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. Should the acquiring of property by condemnation and requiring relocation be necessary, the cost and method of relocation will be included in a Redevelopment Plan and associated Relocation Plan prepared pursuant to Section 66.1333 and Section 32.05, Wis. Stats. 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.

10. “Statement Indicating How District Creation Promotes Orderly City Development.”

This District creation will provide a means to continue the revitalization of the Fifth Ward area and add to the existing riverwalk system. This District is consistent with

the objectives of various plans including the Downtown Plan, Historic Third Ward Area Plan, Historic Third Ward Tax Incremental District No. 11, Historic Third Ward Riverwalk Tax Incremental District No. 34, Erie/Jefferson Street Tax Incremental District No. 56 and the Milwaukee River Design Guidelines. It will foster the preservation and adaptive reuse of an existing blighted property, the development of a mixed-use condominium development with a riverwalk and marina fronting the Milwaukee River, and the improvement of public streets and amenities in an emerging neighborhood. The riverwalk will be constructed in a manner consistent with the Milwaukee Riverlink Guidelines, a component of Milwaukee's Comprehensive Plan and the Site Plan Review Overlay District for the Milwaukee River.

11. "Opinion of the City Attorney."

Please refer to **Exhibit 4, "Letter from the City Attorney"**.

EXHIBIT 1
Boundary Description

TID #66

The area generally bounded by the centerline of the Menomonee and Milwaukee Rivers to the north; thence southward along the east line of the South First Street right-of-way and 114 East Pittsburgh Avenue; thence westward along the south line of the East and West Pittsburgh Avenue right-of-way; thence northward along the east line of the South First Street right-of-way and railroad right-of way until the starting point; and more particularly depicted in Map 1 of this Project Plan.

EXHIBIT 2
Property Characteristics
Proposed Tax Incremental District Number Sixty-Six
City of Milwaukee

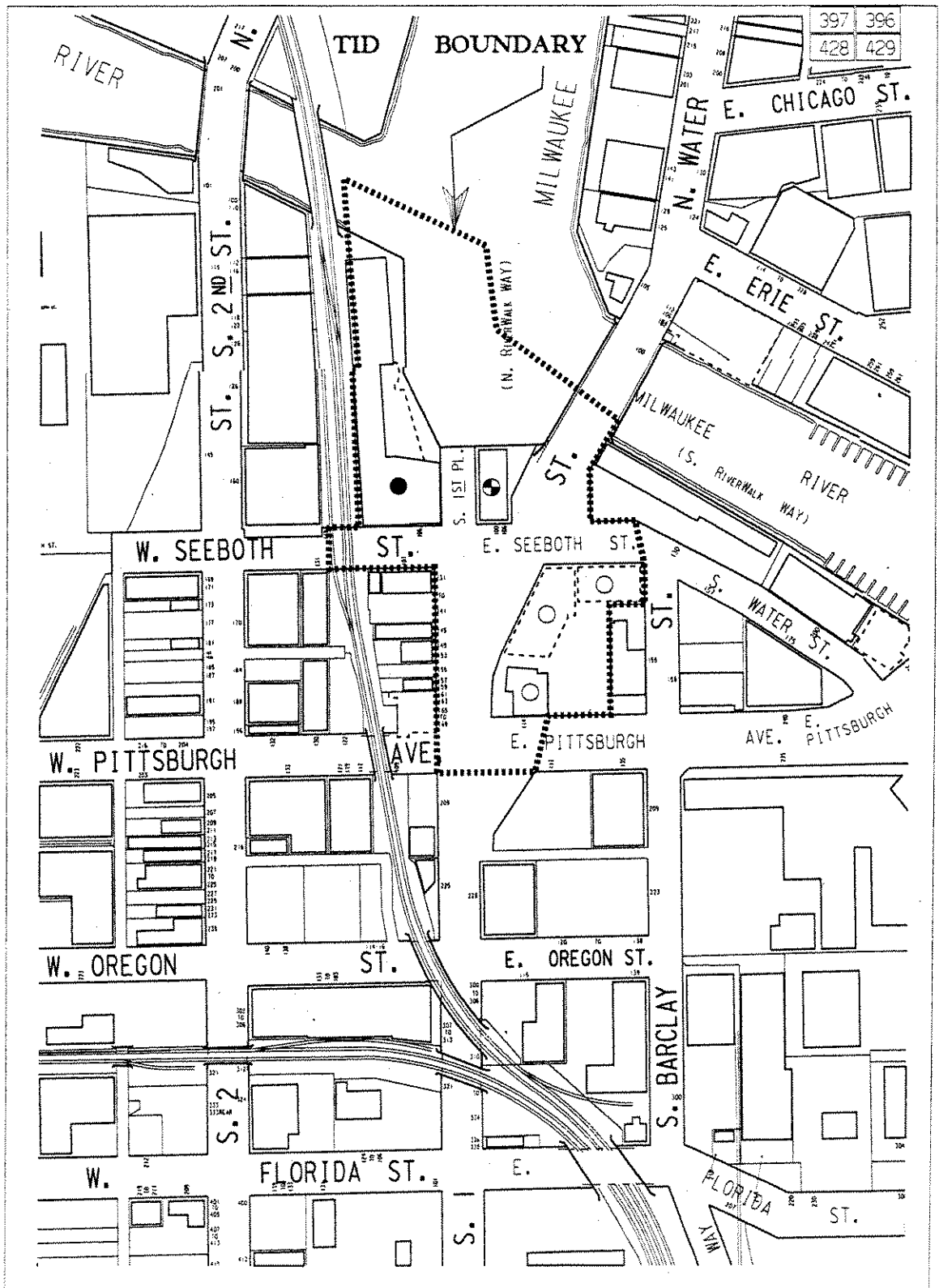
Findings substantiating that not less than 50%, by area, of the real property within the proposed district is a blighted area within the meaning of Section 66.1105(4)(a), Wisconsin Statutes.

Assessed Valuation 1/1/06				Blighted Area/Influence								
Parcel No.	Tax Key No.	Land	Improvements	Total	Total Area (sq. ft.)	Explanatory Note	Sound or In Need of Voluntary Repair/Rehabilitation (sq. ft.)	Predominately Open or Underdeveloped Publicly-Owned Parcels (sq. ft.)	Deteriorated Structures/Other Improvements (sq. ft.)	Obsolete Platting/Faulty Lot Layout (sq. ft.)	Conditions Endangering Life (sq. ft.)	Vacant Property/Property Standing Vacant (sq. ft.)
1	428-0212-110	\$281,400	\$510,600	\$792,000	58,980	Building	0	0	58,980	0	0	0
2	428-0210-100	\$342,900	\$329,600	\$672,500	11,430	Building	0	0	11,430	0	0	0
3	428-0244-100	\$1,077,100	\$373,500	\$1,450,600	53,857	Building/Parking						
Total		\$1,701,400	\$1,213,700	\$2,915,100	124,267		0	0	70,410	0	0	0
Percentage					100%		0%	0%	56.6%	0%	0%	0%

DCD:DAC
10/02/06

Exhibit 3
Parcel Owners
Proposed TID # 66

<u>Parcel Number</u>	<u>Tax Key</u>	<u>Low</u>	<u>High</u>	<u>Dir</u>	<u>Street</u>	<u>ST</u>	<u>Owner Name</u>
1	428-0212-110	106	116	W	Seeboth	ST	First Place Milwaukee, LLC
2	428-0210-100	100	106	E	Seeboth	ST	100 E Seeboth, LLC
3	428-0244-100	114	114	E	Pittsburgh	AVE	The 1818, LLC



MAP NO. **2**

TID - 66
5th Ward - First Place

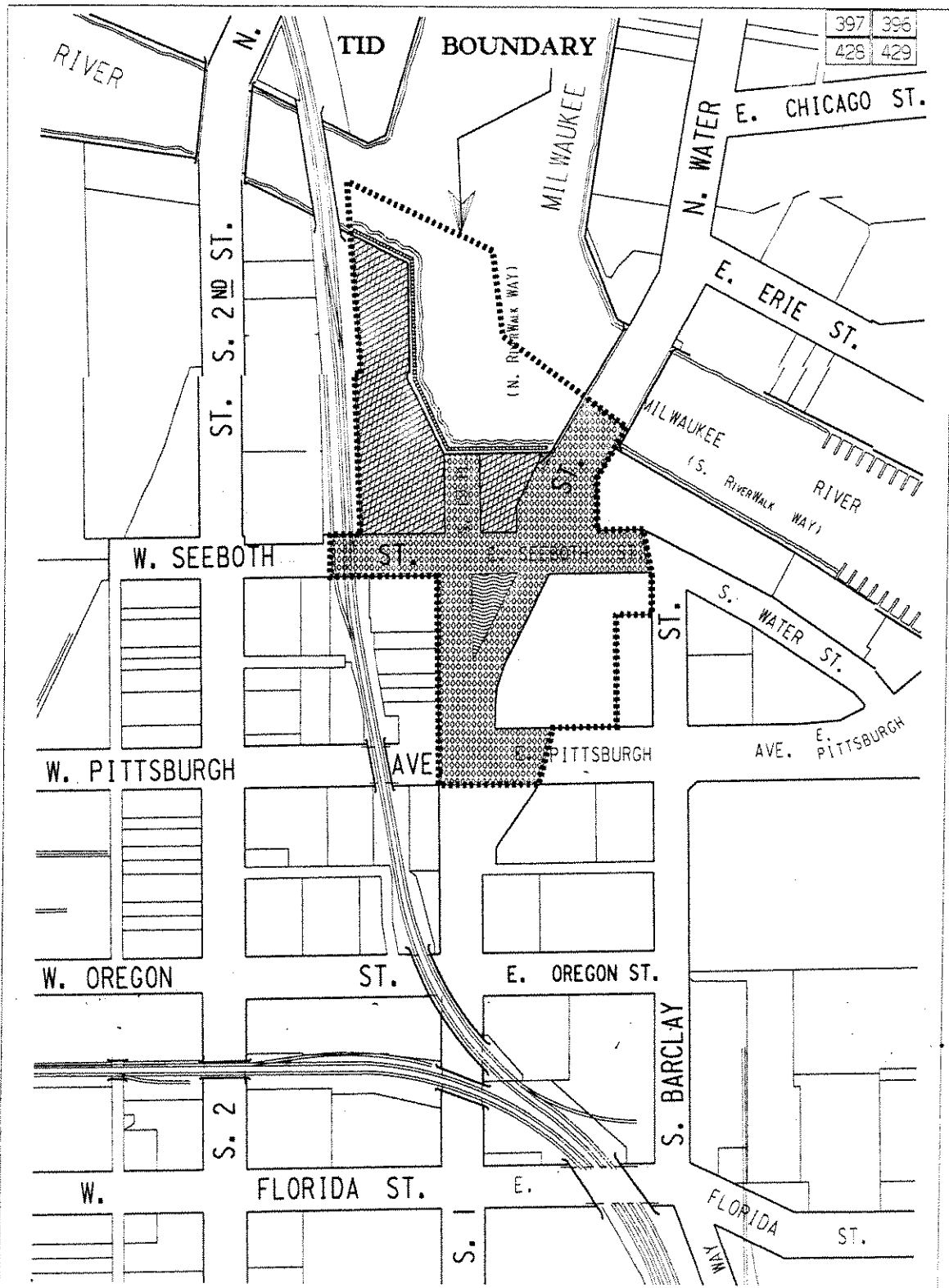
STRUCTURE CONDITION

PRODUCED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER
 DES. OF TID - MILWAUKEE, WI
 PERIODIC REPORT - 1980
 DATE: 7/18/80
 SCALE: 1" = 500'
 DRAWN BY: J. H. HARRIS, JR.
 CHECKED BY: J. H. HARRIS, JR.

DATE _____

LEGEND

- STANDARD
- ⊕ MINOR DEFICIENCY
- ⊗ MAJOR DEFICIENCY
- SUBSTANDARD



397	398
428	429

MAP NO. **3**

TID - 66
5th Ward - First Place

PROPOSED USES AND IMPROVEMENTS

PRODUCED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION SERVICES
 Design: 7/18/04 - 10/1/04
 Author: [unclear]
 Date: 10/1/04
 Scale: 1" = 100'

PAGE 1. DATE

Legend:

- MIXED Residential/Office/Retail
- Riverwalk
- Plaza
- Street Improvement

Scale: 0 50 100

North Arrow: N.

