

2007

ANNUAL REPORT

**MILWAUKEE TAX INCREMENTAL
FINANCE DISTRICTS**

Department of City Development
May, 2008

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 - **To access this information, go to:**
www.mkedcd.org/business/TIF



Department of City Development

City Plan Commission
Historic Preservation Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

DATE: April 25, 2008

TO: Members of the Joint Review Board for Milwaukee Tax Incremental Districts

Mark Nicolini, City of Milwaukee
Robert Dennik, Milwaukee County
Michael Sargent, Milwaukee Area Technical College
Ronald Vavrik, Milwaukee Public Schools
Kathryn West, Citizen Member

FROM: Rocky Marcoux, Commissioner

SUBJECT: 2007 Annual Report of Milwaukee's Tax Incremental Finance Districts

Enclosed is the Annual Report of Milwaukee's Tax Incremental Districts (TIDs) for the year ended December 31, 2007.

The report is presented in two sections:

- I. Financial overview of each district, including summary project costs, revenues and estimated year of district close-out.
- II. Project accomplishments for each district. Given the extent of this section, and recognizing that persons may not wish to review all of this data, this information may be accessed for each District at www.mkedcd.org/business/TIF.

At this time, Milwaukee has 48 Tax Incremental Districts. In 2007, and up to the date of this report, three new districts were created: New Avenue Commerce Center (TID 69), 735 N. Water St. (TID 70), and Mitchell St. (TID 71)

The total incremental property value in all districts was approximately \$1.03 billion, up from \$878 million last year. This represents approximately 3.3% of the City's 2007 property value of \$31.9 billion – an increase over 2.7% in 2006. The average for all other municipalities in the state with a tax base of at least \$5 billion, is 3.0%.

Project costs to be recovered through future tax increments, including interest on bonds sold, or to be sold, and funds advanced by developers through “pay as you go” districts, are now estimated at \$350 million (net of surpluses from closed-out districts) – compared with \$367 million last year, and \$268 million in 2005.

The average estimated payback period for all active Milwaukee TIDs is 18 years.

Two districts, Florida Yards (TID 20) and North Avenue Commerce Center (TID 21), are now receiving donations from another district in order to amortize their costs before their statutory termination dates. Similar donations may be required in the future for TID 15, 27th & North Ave., f.k.a Steeltech.

In 2007, three districts were successfully closed-out: King Drive (TID 32), Calumet Woods Business Park (25) and Towne Granville Business Park (36). These districts added \$66 million of property value to the tax base.

Finally, a summary of the districts expected to close-out in the near future year is as follows:

District No.	District Name	Projected Close-Out Year	2007 Incremental Property Value
14	Historic King Place	2008	\$ 2,191,000
24	Riverworks	2008	\$34,326,800
21	North Ave. Comm. Ctr.	2009	\$7,593,300
34	Third Ward Riverwalk	2009	\$40,397,900
45	Wilson Commons	2010	\$14,482,500
56	Erie Jefferson Riverwalk	2010	\$120,124,600

We will be pleased to answer any questions you may have.

Enclosure

- **Section I – Overview of Milwaukee Tax Incremental Finance Districts:**

SECTION I: 2007 FINANCIAL OVERVIEW OF MILWAUKEE TAX INCREMENT DISTRICTS.															
1	DISTRICT NO.	14	15	17	18	20	21	22	23	24	27	28	30	34	35
2	DISTRICT NAME	Historic King. Pl.	27th & North Ave.	Curry-Pierce	New Covenant	Florida Yards	North Ave. Jobs Bank	Beer-line "B"	City Hall Square	Riverworks Indust. Ctr.	Clarke Sq. Mega Mart	City Homes	Westowne Library Hill	Third Ward Riverwalk	27th & Wisconsin
3	YEAR CREATED	1990	1991	1992	1992	1993	1994	1993	1994	1994	1995	1995	1996	1997	1998
	DATE PLAN APPROVED	7/10/90	3/26/91	6/16/92	9/17/92	7/27/93	12/22/93	12/22/93	3/8/94	6/28/94	4/25/95	6/6/95	4/2/96	9/23/1997	2/10/1998
4	BASE PROP. VALUE	\$314,300	\$608,600	\$663,100	\$120,300	\$3,025,100	\$1,709,900	\$7,761,700	\$4,853,800	\$23,488,700	\$1,669,800	\$1,017,400	\$14,066,000	\$5,787,400	\$2,240,700
5	PROPERTY VALUE - 2007	2,505,300	4,804,000	3,492,000	3,618,200	18,580,900	\$9,303,200	\$149,067,000	\$26,378,500	\$57,815,500	16,229,900	12,604,500	42,821,300	46,185,300	1,871,700
6	INCREMENTAL VALUE - 2007	2,191,000	4,195,400	2,828,900	3,497,900	15,555,800	\$7,593,300	\$141,305,300	\$21,524,700	\$34,326,800	14,560,100	11,587,100	28,755,300	40,397,900	(369,000)
7	INCREMENTAL VALUE - 2006	\$2,191,000	4,211,300	2,893,200	3,497,900	\$11,490,900	\$6,421,800	\$105,389,500	\$21,814,300	\$32,324,900	14,636,600	10,887,000	\$18,111,300	31,240,800	(357,700)
8	% CHANGE IN INCREM. VALUE OVER 2006	0%	0%	-2%	0%	35%	18%	34%	-1%	6%	-1%	6%	59%	29%	
9	CAPITAL COST THRU 2007	412,750	1,723,937	751,770	649,959	5,325,414	3,168,619	19,671,733	4,985,460	3,999,093	2,819,485	2,060,134	7,497,644	4,394,377	2,310,268
10	Other Costs (net)						218	1,455	9,777	11,654			261		
11	Interest thru 2007	205,218	744,482	319,685	290,090	976,049	944,240	3,895,851	1,834,594	1,168,685	1,105,506	744,324	2,928,509	813,244	534,323
11a	Carrying cost (earnings) thru 2007	180,945	121,897	153,380	22,639	608,300	302,416	449,518	506,957	(947,045)	354,770	138,629	1,339,301	(322,909)	144,464
12	PROJECT COST THRU 2007	798,913	2,590,316	1,224,835	962,688	6,909,763	4,415,493	24,018,557	7,336,788	4,232,387	4,279,761	2,943,087	11,765,715	4,884,712	2,989,055
13	Interest 2008 to maturity	3,359	63,566	29,259	83,057	268,319	608,245	2,925,903	511,221	1,170,543	172,629	266,840	868,087	1,042,287	658,400
14	Est. Future Proj. Costs/Donations						0	6,556,000		150,000					
15	Interest on Future Borrowing					0	0	3,443,468		78,786				0	0
16	EST. COST PLUS INTEREST	802,272	2,653,882	1,254,094	1,045,745	7,178,082	5,023,738	36,943,928	7,848,009	5,631,716	4,452,390	3,209,927	12,633,802	5,926,999	3,647,455
17	Less: Income, Donations Receiv.			46,431	6,649	2,403,850	2,664,484	1,670,658	1,027,187	331,801	1,174	2,355	7,432,234		
18	Plus: Increase in Principal Pymts	(2,075)	2,349	493	1,936	2,929	12,171	121,745	77,604	12,103	31,628	26,555	95,338	19,222	20,560
19	COST TO BE RECOVERED THRU TAX INCREMENTS	800,197	2,656,231	1,208,156	1,041,032	4,777,161	2,371,425	35,395,015	6,898,426	5,312,018	4,482,844	3,234,127	5,296,906	5,946,221	3,668,015
20	Tax Increments Levied Thru 2007	604,807	1,614,835	824,153	710,573	1,482,875	1,311,103	12,282,496	4,027,824	5,538,870	3,273,777	1,881,149	2,223,017	5,218,209	9,833
	Less:Donations due to other TID's														
21	NET TO BE RECOVERED AFTER 2007 LEVY	195,390	1,041,396	384,003	330,459	3,294,286	1,060,322	23,112,519	2,870,602	(226,852)	1,209,067	1,352,978	3,073,889	728,012	3,658,182
22	Est. Annual Tax Increments	50,000	95,000	65,000	75,000	350,000	170,000	3,200,000	480,000	710,000	325,000	260,000	645,000	900,000	NE
23	Est. Annual Donations Received					125,000	1,100,000								
24	MAXIMUM LEGAL LIFE	2017	2018	2018	2019	2020	2020	2020	2021	2021	2022	2022	2023	2024	2025
25	EST. YRS. TO RECOVER COST	4	11	6	5	8	1	8	7	0	4	6	5	1	NE
26	EST CLOSE-OUT	2012	2019	2014	2013	2016	2009	2016	2015	2008	2012	2014	2013	2009	2025
27	EST PAY-BACK PERIOD	22	28	22	21	23	15	23	21	14	17	19	17	12	NE

1	DISTRICT NO.	37	38	39	40	41	42	44	45	46	47	48	49	50	51	
2	DISTRICT NAME	Grand Avenue	S. 5th St. & W. Grange	City Center Hilton	West North Ave.	Time Warner Manpower	MidTowne Center	Lindsay Heights	Wilson Commons	New Arcade	875 East Wisconsin	Park East III	Cathedral Place	Solar Paints	Granville Station	
3	YEAR CREATED	2000	2000	2000	2000	2000	2001	2001	2001	2001	2002	2002	2002	2002	2003	
	DATE PLAN APPROVED	6/22/1999	4/11/2000	9/6/2000	9/6/2000	9/22/2000	11/28/2000	6/19/2001	9/5/2001	9/5/2001	3/5/2002	3/5/2002	3/5/2002	8/13/2002	12/19/2002	
4	BASE PROP. VALUE	\$60,317,400	\$200	\$23,863,400	\$3,929,800	\$10,021,400	\$7,118,300	\$36,965,400	\$1,526,700	\$14,759,500	\$21,131,800	\$45,325,600	\$2,052,700	\$300	\$10,048,700	
5	PROPERTY VALUE - 2007	152,270,800	30,400	\$50,344,200	18,675,700	66,387,800	72,543,900	\$80,361,700	\$16,009,200	\$39,457,700	\$112,408,900	\$60,313,000	\$57,282,300	\$2,089,300	\$22,347,100	
6	INCREMENTAL VALUE - 2007	91,953,400	30,200	26,480,800	14,745,900	56,366,400	65,425,600	43,396,300	14,482,500	24,698,200	91,277,100	14,987,400	55,229,600	2,089,000	12,298,400	
7	INCREMENTAL VALUE - 2008	\$73,408,600	\$29,600	\$25,615,500	\$12,234,800	\$56,705,300	\$63,583,800	37,061,500	35,702,200	37,318,200	23,400,100	11,324,900	45,801,200	2,482,300	10,308,600	
8	% CHANGE IN INCREM. VALUE OVER 2006	25%	0%	3%	21%	-1%	3%	17%	-59%	-34%	290%	32%	21%	-16%	19%	
9	CAPITAL COST THRU 2007	19,995,422	0	5,625,000	1,790,453	27,437,635	7,895,053	5,421,123	1,423,000	6,422,035	2,328,982	17,968,505	21,115,000	775,000	4,909,322	
10	Other Costs (net)			25,000		10,000		14,987	20,000					15,000	0	
11	Interest thru 2007	6,573,191		1,653,936	318,504	730,043	1,835,377	571,523	369,878	947,978	381,371	2,146,807	3,905,642		403,555	
11a	Carrying cost (earnings) thru 2007	(800,300)			3,626	276,808	(130,960)	(11,220)		97,952	(106,746)	533,317	(1,200,232)		17,907	
12	PROJECT COST THRU 2007	25,768,313	0	7,303,936	2,112,583	28,454,486	9,399,470	5,996,413	1,812,878	7,467,965	2,603,607	20,648,629	23,820,410	790,000	5,330,784	
13	Interest 2008 to maturity	5,285,229		1,555,393	389,869	8,035,522	2,030,073	748,432	57,140	2,445,246	1,247,110	7,701,776	5,400,000	0	1,203,213	
14	Est. Future Proj. Costs/Donations		880,000		0	528,365	0					2,121,400				
15	Interest on Future Borrowing		523,935		0	7,194,478	0			0	0	1,114,242				
16	EST. COST PLUS INTEREST	31,053,542	1,403,935	8,859,329	2,502,452	44,212,851	11,429,543	6,744,845	1,870,018	9,913,211	3,850,717	31,586,047	29,220,410	790,000	6,533,997	
17	Less: Income, Donations Receiv.	6,037,829						48,192			409,722		3,297,688			
18	Plus: Increase in Principal Pymts	153,735			7,043		11,834		(1,982)							
19	COST TO BE RECOVERED THRU TAX INCREMENTS	25,169,448	1,403,935	8,859,329	2,509,495	44,212,851	11,441,377	6,696,653	1,870,018	9,911,229	3,440,995	31,586,047	25,922,722	790,000	6,533,997	
20	Tax Increments Levied Thru 2007	9,594,655	1,330	3,442,115	1,398,126	6,024,980	5,933,274	2,645,824	1,536,977	2,824,155	3,555,237	790,035	3,274,337	217,741	685,174	
	Less: Donations due to other TID's										1,883,551					
21	NET TO BE RECOVERED AFTER 2007 LEVY	15,574,793	1,402,605	5,417,214	1,111,369	38,187,871	5,508,103	4,050,829	333,041	7,087,074	1,769,309	30,796,012	22,648,385	572,259	5,848,823	
22	Est. Annual Tax Increments	2,050,000	99,000	590,000	330,000	2,269,000	1,450,000	970,000	325,000	550,000	2,000,000	3,600,000	2,125,000	40,000	275,000	
23	Est. Annual Donations Received					[Incl. loan & guarantee pymt.]							[Incl. Pkg. Rev.]			
24	MAXIMUM LEGAL LIFE	2026	2023	2015	2027	2027	2027	2028	2028	2028	2028	2029	2029	2029	2030	
25	EST. YRS. TO RECOVER COST	8	NE	7	4	18	4	5	2	13	5	12	11	14	21	
26	EST CLOSE-OUT	2016	NE	2015	2012	2026	2012	2013	2010	2021	2013	2019	2018	2022	2029	
27	EST PAY-BACK PERIOD	16	NE	15	12	26	11	12	9	20	11	17	16	20	26	

1	DISTRICT NO.	52	53	54	55	56	57	58	59	60	61	62	63	64	65	
2	DISTRICT NAME	Aldrich Chemical	Menomonee Valley Shops	Stadium Business Pk	Holt Plaza	Erie/ Jefferson Riverwalk	Menom. Valley East, Harley	20th & Walnut	Bronzeville	Intermodal Pass. Station	Chase Commerce Ctr.	DRS Power & Technology	Falk/ Rexnord	Direct Supply	N. 20th St. & W. Brown	
3	YEAR CREATED	2003	2004	2004	2004	2004	2005	2005	2005	2005	2005	2006	2006	2006	2006	
	DATE PLAN APPROVED	6/24/2003	11/25/2003	4/13/2004	4/13/2004	9/23/2004	11/3/2004	7/6/2005	9/27/2005	9/27/2005	9/27/2005	10/13/2005	4/11/2006	7/31/2006	9/26/2006	
4	BASE PROP. VALUE	\$10,225,900	\$4,752,300	\$1,148,000	\$10,056,000	\$8,958,600	\$0	\$4,753,200	\$46,021,500	\$2,212,900	\$4,089,700	\$5,329,800	\$8,871,100	\$14,358,000	\$3,220,700	
5	PROPERTY VALUE - 2007	\$26,350,500	\$18,765,500	\$12,058,300	\$30,519,400	\$129,083,200	\$2,978,700	\$3,766,500	\$53,868,300	\$3,987,200	\$4,722,200	\$4,809,900	\$10,398,000	\$12,161,400	\$2,933,200	
6	INCREMENTAL VALUE - 2007	16,124,600	14,013,200	10,910,300	20,463,400	120,124,600	2,978,700	(986,700)	7,846,800	1,774,300	632,500	(519,900)	1,526,900	(2,196,600)	(287,500)	
7	INCREMENTAL VALUE - 2008	14,531,600	611,300	7,298,000	15,211,700	69,016,900	828,200	68,100	5,331,300	(1,279,200)	556,600	0	0	0	0	
8	% CHANGE IN INCREM. VALUE OVER 2006	11%	2192%	49%	35%	74%	260%		47%		14%	NA	NA	NA	NA	
9	CAPITAL COST THRU 2007	4,912,968	17,422,510	2,954,107	1,616,649	2,284,380	4,493,247	1,892,368	801,200	3,595,867	500,000	0	0	1,478,557	611,804	
10	Other Costs (net)	25,750	0		7,000											
11	Interest thru 2007	695,335	992,293	152,888	71,564	74,147	45,557	92,202		5,687				37,415		
11a	Carrying cost (earnings) thru 2007	0	338,739	108,714		(69,567)		(10,135)	35,232	106,920					29,903	
12	PROJECT COST THRU 2007	5,634,053	18,753,542	3,215,709	1,695,213	2,288,960	4,538,804	1,974,435	836,432	3,708,474	500,000	0	0	1,515,972	641,707	
13	Interest 2008 to maturity	2,871,391	6,974,330	1,365,485	151,854	1,102,474	2,331,414	642,768		997,619					28,864	
14	Est. Future Proj. Costs/Donations					3,400,000	3,581,753	350,000	2,660,968	2,541,526		1,700,000	1,500,000	11,871,443	2,638,196	
15	Interest on Future Borrowing		0	0		1,785,813	4,824,634	183,834	2,071,656	3,670,181		1,522,000	0	16,187,585	2,347,800	
16	EST. COST PLUS INTEREST	8,505,444	25,727,872	4,581,194	1,847,067	8,577,247	15,276,605	3,151,037	5,569,056	10,917,800	500,000	3,222,000	1,500,000	29,575,000	5,656,567	
17	Less: Income, Donations Receiv.		6,324,000													
18	Plus: Increase in Principal Pymts															
19	COST TO BE RECOVERED THRU TAX INCREMENTS	8,505,444	19,403,872	4,581,194	1,847,067	8,577,247	15,276,605	3,151,037	5,569,056	10,917,800	500,000	3,222,000	1,500,000	29,575,000	5,656,567	
20	Tax Increments Levied Thru 2007	962,646	336,455	506,245	802,618	4,470,128	85,154	1,501	293,731	39,851	26,472	0	34,295			
	Less: Donations due to other TID's											0				
21	NET TO BE RECOVERED AFTER 2007 LEVY	7,542,798	19,067,417	4,074,949	1,044,449	4,107,119	15,191,451	3,149,536	5,275,325	10,877,949	473,528	3,222,000	1,465,705	29,575,000	5,656,567	
22	Est. Annual Tax Increments	354,000	1,000,000	300,000	450,000	2,700,000	400,000	175,000	250,000	500,000	NE	145,000	NE			
23	Est. Annual Donations Received															
24	MAXIMUM LEGAL LIFE	2020	2030	2031	2031	2031	2032	2032	2032	2032	2015	2032	2033	2033	2033	
25	EST. YRS. TO RECOVER COST	13	20	14	3	2	24	18	21	26	9	27	15	27	23	
26	EST CLOSE-OUT	2020	2028	2021	2011	2010	2029	2026	2029	2030	2014	2032	2021	2033	2028	
27	EST PAY-BACK PERIOD	17	24	17	7	6	24	21	18	26	9	27	15	27	23	

1	DISTRICT NO.	66	67	68	69	70	Total	
2	DISTRICT NAME	Metcalfe Homes	The Brewery	First Place Lofts	New Ave. Comm. Center	735 N. Water St.		
3	YEAR CREATED	2007	2007	2007	2007	2007		
	DATE PLAN APPROVED		12/12/2006	12/12/2006	5/8/2007	9/5/2007		
4	BASE PROP. VALUE	\$44,276,900	\$9,266,900	\$56,531,500	\$0	\$15,140,900	\$553,601,900	
5	PROPERTY VALUE - 2007	\$44,276,900	\$9,266,900	\$56,531,500	\$0	\$15,140,900	\$1,587,417,800	
6	INCREMENTAL VALUE - 2007	0	0	0	0	0	1,033,815,900	
7	INCREMENTAL VALUE - 2006	0	0	0	0	0	\$811,903,900	
8	% CHANGE IN INCREM. VALUE OVER 2006	NA	NA	NA	NA	NA		
9	CAPITAL COST THRU 2007	35,761	10,554,153	75,535	186,280	0	\$236,092,559	
10	Other Costs (net)						\$141,102	
11	Interest thru 2007						\$38,509,693	
11a	Carrying cost (earnings) thru 2007	1,795	523,186	3,205	9,351	0	\$2,810,757	
12	PROJECT COST THRU 2007	37,556	11,077,339	78,740	195,631	0	\$277,554,111	
13	Interest 2008 to maturity		90,833	8,034			\$61,335,784	
14	Est. Future Proj. Costs/Donations	1,439,239	18,448,118	4,327,465	1,791,720	3,236,000	\$69,722,193	
15	Interest on Future Borrowing	566,400	12,575,470	2,302,281	1,285,000	1,710,000	\$63,387,562	
16	EST. COST PLUS INTEREST	2,043,195	42,191,760	6,716,520	3,272,351	4,946,000	\$471,999,650	
17	Less: Income, Donations Receiv.						\$31,704,254	
18	Plus: Increase in Principal Pymts						\$593,188	
19	COST TO BE RECOVERED THRU TAX INCREMENTS	2,043,195	42,191,760	6,716,520	3,272,351	4,946,000	\$440,888,584	
20	Tax Increments Levied Thru 2007						\$90,486,577	
	Less: Donations due to other TID's							
21	NET TO BE RECOVERED AFTER 2007 LEVY	2,043,195	42,191,760	6,716,520	3,272,351	4,946,000	350,402,007	
22	Est. Annual Tax Increments							
23	Est. Annual Donations Received							
24	MAXIMUM LEGAL LIFE	2034	2034	2034	2034	2034		
25	EST. YRS. TO RECOVER COST	17	22	19	23	16		
26	EST CLOSE-OUT	2023	2028	2027	2031	2024	Average:	
27	EST PAY-BACK PERIOD	17	22	19	23	16	18	

LINE ITEMS TO 2007 TAX INCREMENTAL DISTRICT

STATUS REPORT

Lines 4-8	Source: Wisconsin Department of Revenue and the Milwaukee Assessment Commissioner's Office.
Lines 9-13	Source: Unaudited financial statements for Milwaukee Tax Incremental Finance Districts as of December 31, 2007. Carrying costs in line computed by Comptroller's office based on tax levies reported for each TID and the Wisconsin Local Government Investment Pool interest rates.
Line 14-15	DCD current estimate of cost to complete projects, and estimated interest on future borrowing.
Lines 17-21	Source: Unaudited financial statements for Milwaukee Tax Incremental Finance Districts as of December 31, 2007.
Line 22	Source: DCD estimate based on most recent year's tax incremental revenue for districts for which project activities are complete and forecasts for districts which are not completed.
Line 23	Donations due TID's 20, 21, per Amendment to TID 47.
Line 24	The remaining life of the district if it continues in existence for the legal limit – per statute as of 12/31/2007.
Line 25	The estimate of years to recover costs based upon anticipated future tax incremental revenues generated.
Line 26	Estimate of year in which City may dissolve district, collect final levy, and recover all project costs.

- **Section II – Project Description and Accomplishments for each District**

- To access this information, go to:

www.mkedcd.org/business/TIF