

AMENDMENT NO. 3 TO PROJECT PLAN

FOR

TAX INCREMENTAL DISTRICT NO. 56
(Erie/Jefferson Riverwalk)

CITY OF MILWAUKEE

Public Hearing Held: December 2, 2014

Redevelopment Authority Approved:

Common Council Approved:

Joint Review Board Approved:

AMENDMENT TO PROJECT PLAN

TAX INCREMENTAL DISTRICT NO. 56 (Erie/Jefferson Riverwalk) CITY OF MILWAUKEE

BACKGROUND

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.

The City of Milwaukee created Tax Incremental District No. 56 in 2004 for the purpose of facilitating the extension of the City's Riverwalk along the east bank of the Milwaukee River between N. Broadway and the Harbor. In addition, the district was created to promote the coordinated development of vacant and underutilized space through the construction of public improvements such as streets and plazas, and increased pedestrian access and circulation.

In summary, Amendment No. 3 to the Project Plan will provide \$695,942 for the purpose of increasing the funding for the extension of the City's Riverwalk on Phase II of the Mandel Group's Marine Terminal project. In addition, Amendment No. 3 will provide \$540,000 to construct public infrastructure along North Milwaukee Street and East Corcoran Avenue, as well as provide \$18,300,000 for public infrastructure related to the Milwaukee Streetcar. Lastly, Amendment No. 3 will provide a cash grant in the amount of \$400,000 for business expansion or relocation.

The recipient of the cash grant as well as the proposed infrastructure along North Milwaukee Street are related to the Milwaukee Streetcar and located outside of the TID. However, they are within one half mile of the TID's boundary.

Amendments to the Project Plan:

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

II. PLAN PROPOSALS

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

- 11. Riverwalk Extension
- 12. Public Improvements – North Milwaukee Street & East Corcoran Avenue
- 13. Public Infrastructure – Milwaukee Streetcar
- 14. Cash Grant – Business expansion/relocation

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

Erie St Project Cost	Total Cost
Riverwalk Extension	\$695,942
Public Improvements – N. Milwaukee Street & East Corcoran Avenue	\$540,000
Public Infrastructure – Milwaukee Streetcar	\$18,300,000
Cash Grant-business expansion/relocation	\$400,000
Total	\$ 19,935,942

Section II.B.2. is restated as follows:

Table A
List of Estimated Project Costs

A	Capital Costs	
	To Date	\$6,451,879
	Amendment No. 3	\$19,935,942
B	Other	
	To Date: Administrative, Professional & Legal	\$253,000
C	Contingency	\$ 423,121
D	Donations to Other Districts	\$14,465,058
	Total Estimated Project Costs, excluding financing	\$41,529,000

Section II.B.3.a. is amended by adding the following:

Schedule A
Estimated Timing of Project Costs

<u>Year</u>	<u>Estimated Project Cost</u>	<u>Cumulative Total</u>
2015	\$1,635,942	\$1,635,942
2016 - 17	\$18,300,000	\$19,935,942

Section III.B.4. “Economic Feasibility Study”

Please see Exhibit A: Calculation of Remaining Amount to be Recovered in TID 56, attached.

Section III.B.6. “Map Showing Proposed Improvements and Uses”

Map 3 is amended by adding the attached map identifying the proposed improvements and uses.

Exhibit A

**ECONOMIC FEASIBILITY STUDY FOR
TAX INCREMENTAL DISTRICT NO. 56(Erie/Jefferson Riverwalk)
CITY OF MILWAUKEE**

Background

The City of Milwaukee created Tax Incremental District No. 56 in 2004 for the purpose of facilitating the extension of the City’s Riverwalk along the east bank of the Milwaukee River between N. Broadway and the Harbor. In addition, the district was created to promote the coordinated development of vacant and underutilized space through the construction of public improvements such as streets and plazas, and increased pedestrian access and circulation.

In summary, Amendment No. 3 to the Project Plan will provide \$540,000 to construct public infrastructure along North Milwaukee Street and Corcoran Avenue, provide \$18,300,000 for public infrastructure related to the Milwaukee Streetcar. In addition, Amendment 3 will provide a cash grant of \$400,000, an incentive for business relocation or expansion. Lastly, Amendment No. 3 will provide \$695,942 for the purpose of creating a public space at the Jefferson stub end and increasing the funding for the extension of the City’s Riverwalk on Phase II of the Mandel Group’s Marine Terminal project.

Current Property Valuation

The assessment of TID 56 as of 1/1/2014 was:

Base Value	2014 Value	Incremental Value
8,958,600	122,294,800	113,336,200

Anticipated Future Value of the District and District Cash Flow

Attached as Table 1 is the Cash Flow Forecast for the proposed amendment to the tax incremental district.

Basic assumptions used in the forecast are:

- District Valuation:** Will remain fairly constant with proposed development
- Tax rate:** Currently at 3.1097% for 2013 dropping to 2.5% over the next 5 years.
- City Borrowing:** Assumes tax-exempt borrowing at 4.5%
- Annual Appreciation:** 1.5%
- Proposed expenditures:** 2015-2017

Exhibit A

Based on the forecast, we estimate the District will amortize its debt by 2022 or year 19 of the District. Given this estimate, the proposed amendment is determined to be feasible and capable of amortizing the Project Costs within the statutory life of the District.

Table 1
TID 56 Erie/Jefferson

No.	Assessment Year	Budget Year	TID Incremental Value	Increment	Donations	Debt Service	Debt Service on			Cash flow	Cum. Cash Flow	After reserving for remaining debt Surplus/(deficit)	TID Payoff
							2014 costs	2015 costs	2016 costs				
1	2004	2005											
2	2005	2006	10,287,700	251,120		(9,497)				241,623	241,623		
3	2006	2007	69,016,900	1,520,961		(64,650)				1,456,311	1,697,934		
4	2007	2008	120,124,600	2,698,047		(99,144)				2,598,903	4,296,837		
5	2008	2009	118,877,800	2,851,400	(2,190,560)	(151,089)				509,751	4,806,588		
6	2009	2010	131,124,000	3,340,702	(862,502)	(233,939)				2,244,261	7,050,849		
7	2010	2011	112,803,700	3,022,536	(740,553)	(311,477)				1,970,506	9,021,355		
8	2011	2012	104,195,800	2,969,773	(3,749)	(332,609)				2,633,415	11,654,770		
9	2012	2013	103,963,200	3,162,329		(584,944)				2,577,385	14,232,155		
10	2013	2014	108,918,900	3,387,001	(5,928,740)	(574,678)				(3,116,417)	11,115,738		
11	2014	2015	113,336,200	3,386,172	(2,742,885)	(643,287)				-	11,115,738		
12	2015	2016	115,036,243	3,296,700	(1,869,735)	(657,212)	(16,536)			753,217	11,868,955		
13	2016	2017	116,761,787	3,203,782		(788,680)	(16,536)	(211,348)		2,187,218	14,056,172	(16,714,923)	No
14	2017	2018	118,513,213	3,107,334		(794,324)	(16,536)	(211,348)	(2,364,183)	(279,056)	13,777,116	(13,607,588)	No
15	2018	2019	120,290,912	3,007,273		(785,632)	(16,536)	(211,348)	(2,364,183)	(370,426)	13,406,690	(10,600,315)	No
16	2019	2020	122,095,275	3,052,382		(777,446)	(16,536)	(211,348)	(2,364,183)	(317,131)	13,089,559	(7,547,933)	No
17	2020	2021	123,926,704	3,098,168		(502,664)	(16,536)	(211,348)	(2,364,183)	3,437	13,092,996	(4,449,766)	No
18	2021	2022	125,785,605	3,144,640		(572,212)	(16,536)	(211,348)	(2,364,183)	(19,639)	13,073,357	(1,305,126)	No
19	2022	2023	127,672,389	3,191,810		(558,363)	(16,536)	(211,348)	(2,364,183)	41,380	13,114,737	1,886,684	YES
20	2023	2024	129,587,475	3,239,687		(329,222)	(16,536)	(211,348)	(2,364,183)	318,398	13,433,135	5,126,371	YES
21	2024	2025	131,531,287	3,288,282		(308,961)	(16,536)	(211,348)	(2,364,183)	387,254	13,820,389	8,414,653	YES
22	2025	2026	133,504,256	3,337,606		(169,254)		(211,348)	(2,364,183)	592,822	14,413,211	11,752,259	YES
23	2026	2027	135,506,820	3,387,671		(168,317)			(2,364,183)	855,171	15,268,382	15,139,930	YES
24	2027	2028	137,539,423	3,438,486		(128,452)				3,310,034	18,578,416	18,578,416	YES
25	2028	2029	139,602,514	3,490,063						3,490,063	22,068,478	22,068,478	YES
26	2029	2030	141,696,552	3,542,414						3,542,414	25,610,892	25,610,892	YES
27	2030	2031	143,822,000	3,595,550						3,595,550	29,206,442	29,206,442	YES
				79,011,888	(14,338,724)	(9,546,053)	(165,364)	(2,113,479)	(23,641,826)	29,206,442			

	2014 costs	2015 costs	2016-7 costs
Erie St.	128,000		
Domus		695,942	
Milw. St.		540,000	
Cash Grant		400,000	
Streetcar			18,300,000
	128,000	1,635,942	18,300,000

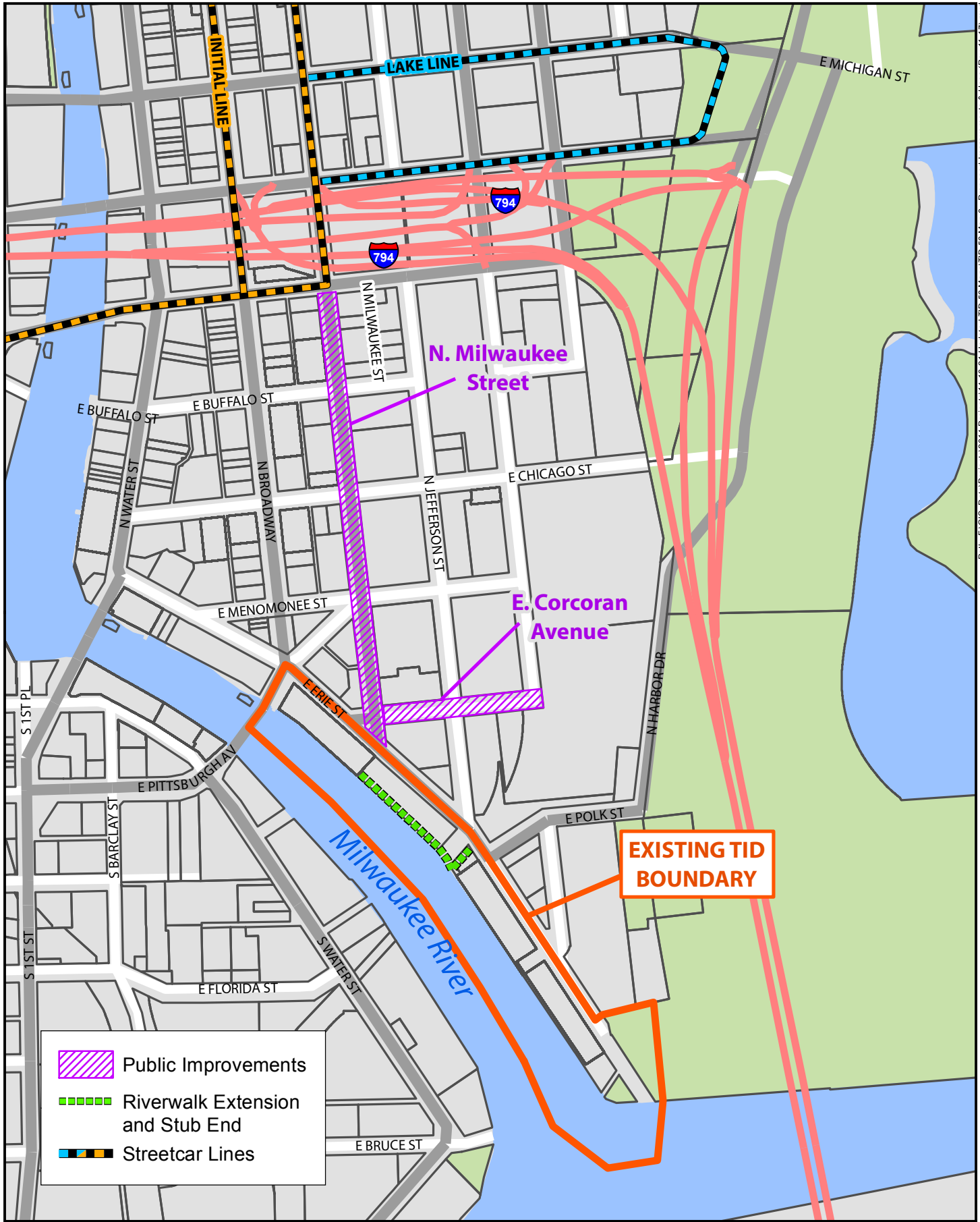
Inflation rate 1.015

Tax rate Current Final Projected
3.1097% 2.5000%

Int. rate 4.50%

TID 56: Erie / Jefferson Riverwalk

Map 3: Proposed Improvements and Uses, Amendment No. 3



Path: F:\GIS_Data\Projects\2014 Projects\14-10-21 Updated TID 56 Maps\TID 56 Map 3 - Proposed Improvements & Uses (Rev 11-17).mxd