

AMENDMENT NO. 5
to
PROJECT PLAN
for
TAX INCREMENTAL FINANCING DISTRICT NO. 41
(Time Warner Riverwalk)

CITY OF MILWAUKEE

Public Hearing Held:

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Adopted:

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., permits that amendment to fund projects located outside, but within one half mile of the district's boundary.

The City of Milwaukee's Common Council created Tax Incremental District No. 41 in 2000 for the purpose of facilitating redevelopment efforts in an area generally bounded by N. King Dr., W. McKinley Ave., W. Pleasant St., and the Milwaukee River. A key redevelopment was the conversion of the former WE Energies power plant into a 150,000 s.f. office building now occupied by Time Warner, Inc. and the construction of a Riverwalk adjacent to the building.

In 2006, the District was amended to construct a city-owned parking ramp and various public & quasi-public improvements, to provide loans and grants in the amount of \$4.7 million for a 280,000 s.f. office facility occupied by Manpower, Inc.'s World Headquarters and to fund a job training program.

In 2013, the District was amended to provide \$1.7 million for the purposes of facilitating improvements to North 2nd Street and reconstructing West Galena Street to allow for vehicular traffic.

In 2016, the District was amended to provide \$8 million toward public infrastructure related to the 4th Street Extension of the Milwaukee Streetcar.

In 2017, the District was amended to provide \$475,000 for the purpose of facilitating the construction of a public Riverwalk connection to North 2nd Street. The amendment also provided \$400,000 in funding for the installation of pedestrian-actuated rectangular rapid flashing beacons (RRFBs) at mid-block street crossings on the Milwaukee Riverwalk.

In the fall of 2018, the City of Milwaukee opened the initial 2.1-mile route of The Hop streetcar system, called the M-Line. The M-Line is part of a larger 3.5-mile Locally Preferred Alternative route that included extensions to the Milwaukee lakefront (the L-Line) and an extension up what was then called North 4th Street (now North Vel R. Phillips Avenue) to the new Bucks arena (now called Fiserv Forum).

In 2016, the City approved \$20m in local funding to extend The Hop to the Fiserv Forum at West Highland Avenue from three tax incremental districts: Hilton Hotel (#39), Time Warner/Manpower (#41) and 4th/Wisconsin (#88). At the time, that extension was referred to as the 4th Street Extension.

Now, the City wishes to conduct preliminary engineering and planning ("Project Development") on larger extensions of The Hop. The Bronzeville Extension would be from West St. Paul Avenue up to West North Avenue (a 1.9-mile segment) and Phase 1 of the Walker's Point Extension would be from East St. Paul Avenue down to East Pittsburgh Avenue and South 1st Street (a 0.9-mile segment). An additional alternatives analysis would be conducted to look at the route of future Walker's Point extensions. The Project Development work will allow the City to pursue federal funds for construction of the full

Bronzeville Extension and Phase 1 of the Walker’s Point Extension. In addition, the City wishes to locally fund the construction of Phase 1 of the Bronzeville Extension (a 0.4-mile segment), from West St. Paul Avenue up to West Wisconsin Avenue.

The Bronzeville Extension will serve major destinations in Milwaukee’s Westtown, Park East, King Drive and Bronzeville neighborhoods, such as:

- The Wisconsin Center (Wisconsin’s largest convention center)
- The Milwaukee Theater
- UW-Milwaukee Panther Arena
- Fiserv Forum and the Deer District
- Schlitz Park
- North Dr. Martin Luther King Jr. Drive business district
- Bronzeville cultural and entertainment district
- Neighborhoods such as Haymarket, Halyard Park and Brewer’s Hill

Phase 1 of the Walker’s Point Extension will serve major destinations in Milwaukee’s Third Ward and northern end of Walker’s Point, such as:

- Henry Maier Festival Grounds
- Italian Community Center
- Broadway Theatre Center/Skylight Music Theatre
- Milwaukee Institute of Art and Design
- The Milwaukee River and Riverwalk
- 88Nine Radio Milwaukee studios
- Next Act Theater

The proposed sources of funding for the Project Development of the Bronzeville Extension and construction of Phase 1 of the Bronzeville Extension, as well as Project Development for Phase 1 of the Walker’s Point Extension are as follows:

TID 39 (Hilton Hotel):	\$4 million (\$4m previously approved in 2016)
TID 41 (Time Warner Riverwalk):	\$12.5 million (\$8m previously approved in 2016)
TID 48 (Park East):	\$16.0 million
TID 56 (Erie/Jefferson):	\$5.8 million
TID 75 (Reed Street Yards):	\$500,000
<u>TID 88 (4th/Wisconsin):</u>	<u>\$8 million (\$8m previously approved in 2016)</u>
TOTAL:	\$46.8 million

The following public improvements and infrastructure expenditures are expected to occur within and around the TID:

- **Bronzeville Extension:** Funding for construction of the Bronzeville extension of the Milwaukee streetcar project, and associated public improvements, infrastructure, engineering and planning, within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats.

Amendment No. 5 to the Project Plan will provide \$4.5 million to serve as a portion of the local funds necessary to construct Phase 1 of the Bronzeville Extension.

TID 41 has incurred project costs, to date of \$40,215,763 and has achieved an increase in incremental property value of \$108,550,200.

Amendments to the Project Plan:

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

I. DESCRIPTION OF THE PROJECT

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

The City now intends to fund the following in connection with Amendment No. 5 to the Project Plan:

- Construction of the Bronzeville Extension of the Milwaukee streetcar project, and associated public improvements, infrastructure, engineering, and planning within the District and within a one half-mile radius of the District boundary.

II. PLAN PROPOSALS

Sub-Section B (1)(b), “Compliance with Statutory Requirements,” is amended by adding the following:

“B(1)(b): The number and location of the proposed public works and improvements in Amendment No. 5 are shown on **Map No. 3, titled Proposed Improvements and Uses**, and are listed below:

1. Provide funding for the construction of the Bronzeville Extension of the Milwaukee streetcar project and associated public improvements, infrastructure, engineering, and planning.

Table A of Sub-section B(2), “Detailed List of Estimated Project Costs,” is deleted and restated as follows:

A	Capital Costs To Date:	\$ 40,215,763
B	Other Costs: Administration	\$ 182,048
C	Estimated Future Costs: AMENDMENT NO. 5	\$ 4,500,000
	Total Estimated Project Costs, excluding financing	\$ 44,897,811
D	Financing Costs	\$ 12,619,331

Schedule A of Sub-Section B(3), “Description of Timing and Methods of Financing” is amended by adding the following:

Year	Estimated Project Cost	Cumulative Total
2019 - 2020	\$4,500,000	\$ 44,897,811

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.

Sub-Section 4, “Economic Feasibility Study” is deleted and restated as follows:

“4. Economic Feasibility Study

Please see District Breakeven Analysis, attached. Based on the forecast, following the expenditure of the additional funds for public improvements, the District is expected to break even in year 2023, the 23rd year of the District. As there are 8 years remaining before the statutory termination date of the District, the District is determined to be feasible.

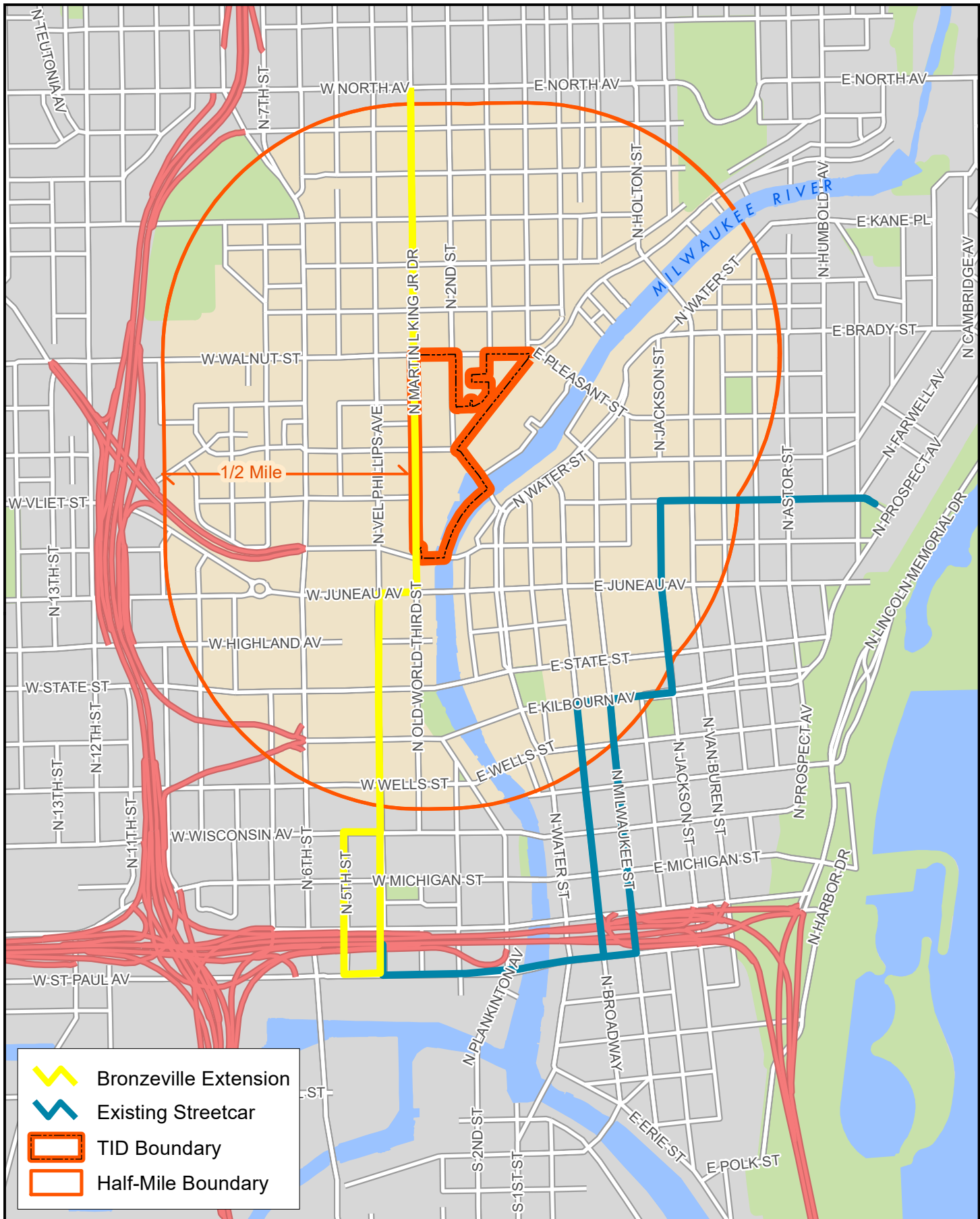
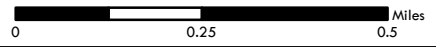
Map No. 3, “Proposed Improvements and Uses,” is replaced with the attached “TID 41: Time Warner Riverwalk, Amended Map No. 3 Proposed Improvements and Uses.”





Opinion of City Attorney letter is deleted and replaced with the attached letter from the City Attorney dated May ____, 2019.

TID 41: HARLEY-RIVERWALK, AMENDED MAP NO. 3

PROPOSED IMPROVEMENTS AND USES

Prepared by Dept of City Development
 Planning Division, 4/16/2019
 Source: City of Milwaukee Information
 Technology Management Division



-  Bronzeville Extension
-  Existing Streetcar
-  TID Boundary
-  Half-Mile Boundary

TID 41 Feasibility

No.	Assessment Year	Budget Year	TID Incremental Value	Total Increment	County & MATC Increment	Original or New		Unbonded Costs		Prior to Streetcar		City, MPS,MMSD Increment	New Streetcar Debt Service	Total		After reserving for remaining debt Surplus/(deficit)	TID Payoff
						Non-Streetcar Projects Debt Service	loan repayments & other revenues	4th St Ext Amend 4	County & MATC Withheld [1]	Cashflow	Cum. Cash flow			Cash flow	Cum. Cash Flow		
1	2000	2001								45	45			45	45	(57,517,097)	
2	2001	2002	2,464,200	69,490						69,538	69,583			69,538	69,583	(57,447,559)	No
3	2002	2003	14,438,100	402,339						402,397	471,980			402,397	471,980	(57,045,162)	No
4	2003	2004	10,337,100	272,977						770,639	1,242,619			770,639	1,242,619	(56,274,523)	No
5	2004	2005	69,996,600	1,824,141						2,193,563	3,436,182			2,193,563	3,436,182	(54,080,960)	No
6	2005	2006	38,524,700	940,377						1,218,093	4,654,275			1,218,093	4,654,275	(52,862,867)	No
7	2006	2007	56,705,300	1,249,644			(442,411)	258,633		1,065,866	5,720,141			1,065,866	5,720,141	(51,354,590)	No
8	2007	2008	56,366,400	1,266,012			(1,060,984)	289,557		494,585	6,214,726			494,585	6,214,726	(49,799,021)	No
9	2008	2009	112,177,800	2,690,694			(1,131,260)	395,766		1,955,200	8,169,926			1,955,200	8,169,926	(46,712,561)	No
10	2009	2010	115,149,600	2,933,716			(1,422,258)	306,824		1,818,282	9,988,208			1,818,282	9,988,208	(43,472,021)	No
11	2010	2011	98,311,100	2,634,212			(1,842,513)	182,678		974,377	10,962,585			974,377	10,962,585	(40,655,131)	No
12	2011	2012	114,925,200	3,275,581			(1,630,554)	306,635		1,951,662	12,914,247			1,951,662	12,914,247	(37,072,915)	No
13	2012	2013	111,657,600	3,396,375			(2,260,362)	411,105		1,547,118	14,461,365			1,547,118	14,461,365	(33,265,435)	No
14	2013	2014	111,375,400	3,463,390			(3,931,982)	368,783		(99,809)	14,361,556			(99,809)	14,361,556	(29,433,262)	No
15	2014	2015	108,799,000	3,310,039			(2,399,238)	330,302		1,241,103	15,602,659			1,241,103	15,602,659	(25,792,921)	No
16	2015	2016	98,176,800	2,998,512			(2,364,914)	419,769		1,053,367	16,656,026			1,053,367	16,656,026	(22,374,640)	No
17	2016	2017	106,321,800	3,130,746			(12,696,644)	2,599,622		(6,966,276)	9,689,750			(6,966,276)	9,689,750	(16,644,272)	No
18	2017	2018	101,458,600	2,995,832			(1,177,996)	113,224		1,931,060	11,620,810			1,931,060	11,620,810	(13,535,216)	No
19	2018	2019	108,550,200	3,023,846			(1,162,771)	49,710		1,910,785	13,531,595			1,910,785	13,531,595	(10,461,660)	No
20	2019	2020	109,635,702		672,067		(1,148,023)	-	(1,658,110)	(2,134,066)	11,397,529	2,381,287	(689,066)	(441,844)	13,089,751	(7,408,306)	No
21	2020	2021	110,732,059		678,788		(755,191)		(1,658,110)	(1,734,513)	9,663,016	2,405,100	(689,066)	(18,479)	13,071,272	(4,324,418)	No
22	2021	2022	111,839,380		685,575		(743,098)		(1,658,110)	(1,715,632)	7,947,384	2,429,151	(689,066)	24,453	13,095,725	(1,209,691)	No
23	2022	2023	112,957,773		692,431		(740,979)		(1,658,110)	(1,706,658)	6,240,726	2,453,443	(689,066)	57,719	13,153,444	1,936,183	YES
24	2023	2024	114,087,351		699,355		(753,630)		(1,658,110)	(1,712,384)	4,528,342	2,477,977	(689,066)	76,527	13,229,972	5,113,516	YES
25	2024	2025	115,228,225		706,349		(741,681)		(1,658,110)	(1,693,442)	2,834,900	2,502,757	(689,066)	120,249	13,350,221	8,322,622	YES
26	2025	2026	116,380,507		713,413		(167,992)		(1,658,110)	(1,112,689)	1,722,211	2,527,785	(689,066)	726,029	14,076,250	11,563,819	YES
27	2026	2027	117,544,312		720,547		(165,256)		(1,658,110)	(1,102,819)	619,392	2,553,062	(689,066)	761,177	14,837,428	14,837,428	YES
				39,877,923	5,568,525	(38,739,737)	7,177,559	(13,264,878)	-			19,730,563	(5,512,527)	14,837,428			

Annual appreciation	1.010	
Interest Rate	4.50%	
Base Value	10,021,400	
Property Tax rate(City,MPS,MMSD)	2.172%	77.9892%
Property Tax rate(County,MATC)	0.613%	22.0108%
Issuance Costs	45,000	
Streetcar amendment	4,500,000	

[1] Excess increment withheld from use on streetcar costs, if applicable.