

**TID 56 - Erie/Jefferson Riverwalk
Periodic Report
12/31/17**

District Created: 2004

Authorized expenditure (excluding interest): \$43,442,319

Authorizing resolution(s): #040639, #041508, #051107, #090791, #130268, #141264, #150911, #170497

Projected TID cost recovery: 2021 (levy year)

Maximum legal life: 2031

Base property value: \$8,958,600

Completion status: Riverwalk project ongoing

Project description

This district was created in 2004 to provide funding for street improvements to East Erie Street from Broadway to the Harbor entrance, and to provide assistance in funding for riverwalk improvements. In 2005, the Common Council authorized additional expenditures of \$3.375 million to cover costs of 2005 activities, and in 2006, a second file authorizing additional expenditures of \$2.0 million related to 2006 activities included in the district project plan.

These improvements included constructing and paving new stub ends and roadways to the Milwaukee River for North Milwaukee, North Jefferson, and North Jackson Streets. There was also be dockwall repair/replacement at the three new stubs, as well as new lighting and trees. Funding for the CNW Railroad swing bridge was budgeted at \$1.00 to allow for identification of future bridge-related costs. Further Common Council action is required if and when the disposition of the bridge is determined to take place.

Construction of the Erie Street Plaza began in November 2009 and was completed in June 2010. The project plan included a budget of \$1 million for construction of this project. After a three-year delay, the project was completed under budget.

In addition to paving projects and the Erie Street Plaza, the project plan includes two, mixed-use developments along East Erie Street and the Milwaukee River. Both projects include the construction of a riverwalk and associated public and private boat slips. Project details include:

- The six-story, mixed use development known as Harbor Front and Hansen's Landing (phase II) includes 840 linear feet of riverwalk, 160 condominium units, and more than 15,000 square feet of retail space with a total investment of approximately \$65.9 million. The condominium units are 97% sold.
- The 5-story Marine Terminal Lofts (phase I) is a mixed-use development comprised of 83 condominium units and 45,000 square feet of retail/commercial space in with a total investment of approximately \$54.4 million. Construction of a riverwalk adjacent to the building and a connection to the MIAD riverwalk to the west was completed in October 2008. This project is 100% sold.

The second phase of this project, referred to as DoMUS, will include newly constructed, 6-story building with 150 apartments, 2,500 square feet of first-floor retail space, and an extensive wellness or fitness center located on the ground floor, supported by one level of underground parking. A riverwalk running the length of the building will also be

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included in this phase which broke ground in the spring of 2016 and is currently under construction.

In July 2013, a second amendment was approved establishing the Erie/Jefferson Riverwalk district as a Donor district to three tax increment districts; TID #58 (20th & Walnut), TID #65 (20th & Brown) and TID #66 (Metcalf Park Homes). The district will donate the difference between its scheduled debt service payments, and the amount of tax increment revenue received, for a period of five years. The amendment also included \$128,000 to fund the acquisition of the property at 501 East Erie Street and a related engineering study of the abandoned railroad trestle located on the property.

A third amendment to this project plan was approved in February of 2015. The amendment includes \$696,000 in additional funding for the second phase of a Riverwalk project previously approved, \$540,000 for public infrastructure improvements along Milwaukee Street, \$18,300,000 for infrastructure related to the Milwaukee Streetcar project and a \$400,000 grant to Gardner Denver, who is relocating its headquarters to Milwaukee's Historic Third Ward neighborhood.

In November of 2015, the Joint Review Board passed a 4th Amendment to this TID. This Amendment provides a \$295,000 grant to the developer of the 2nd phase of the Marine Terminal project, known as DoMUS, which equates to the City's contribution toward 50% of the cost to repair the dockwall.

A 5th Amendment to the TID was approved by the Joint Review Board on August 17, 2017. This amendment approved an additional \$1,170,650 in project costs to be allocated toward the construction of Trestle Park. In 2013, the city purchased the property at 501 East Erie Street from the Union Pacific Railroad. The property is just under an acre in size and includes river frontage as well as a railroad trestle that extends into the Milwaukee River and at one time would connect to the Swing Bridge when that rail line was still operational. Combined with the adjacent Jefferson Street right of way, the City is working with the Mandel Group to design and construct a public park and associated Riverwalk. Work is expected to begin at the start of 2018 with completion anticipated by the end of May of 2018.

District incremental values have changed as follows:

Year	Incremental Value	Change
2017	\$ 135,060,400	2%
2016	\$ 133,056,500	8%
2015	\$ 122,731,400	8%
2014	\$ 113,336,200	4%
2013	\$ 108,918,900	5%
2012	\$ 103,963,200	0%
2011	\$ 104,195,800	-8%
2010	\$ 112,803,700	-14%
2009	\$ 131,124,000	10%
2008	\$ 118,877,800	-1%
2007	\$ 120,124,600	74%
2006	\$ 69,016,900	571%

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Expenditures - Life to Date (as of 12/31/17)

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 125,000	\$ 262,539	\$ -	\$ 143,592	\$ 118,947
Street Improvements	1,750,000	1,552,967		1,330,972	221,995
Marine Terminal Loft Riverwalk	4,101,087	4,410,465	1,241,314	3,378,728	(209,577)
Harbor Front Riverwalk	1,793,393	1,736,993		1,736,993	-
Streetcar	18,300,000	18,300,000	4,494,790	13,178,991	626,219
Erie St. Plaza	2,084,659	870,446	-	870,446	-
CNW RR Swing Bridge Removal	1	-	-	-	-
Business Relocation Grant	400,000	400,000	-	-	400,000
Contingency	423,121	407,998	-	-	407,998
Donations to Other TIDs	14,465,058	12,091,352	-	12,091,352	-
Capitalized Interest	700,000	291,738	-	291,738	-
Total	\$ 44,142,319	\$ 40,324,498	\$ 5,736,104	\$ 33,022,812	\$ 1,565,582

Financing Costs – Interest Paid through 12/31/2017: \$2,500,823

Revenue/Value Performance (as of 12/31/2017)

	Projected	Actual
Property value	\$ 143,345,665	\$ 144,019,000
Incremental value	\$ 134,387,065	\$ 135,060,400
Incremental taxes	\$ 38,175,287	\$ 38,306,392
State aid	*	\$ 7,212

Miscellaneous Revenue through 12/31/2017: \$106,688

Is the project within budget? ☒ Yes ☐ No If no, explain:

Is the project on schedule? ☒ Yes ☐ No If no, explain:

Identify any significant concerns that might affect budget or schedule of this project in the future: None.