

**PROJECT PLAN FOR
TAX INCREMENTAL FINANCING DISTRICT NO. 110
(Vel R. Phillips and Michigan)**

CITY OF MILWAUKEE

Public Hearing Held: November 17, 2022

Redevelopment Authority Adopted:

Common Council Adopted:

Joint Review Board Adopted:

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I. DESCRIPTION OF THE 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.

Section 66.1105 (2)(f) 1.n., permits that Project Plan to fund projects located outside, but within one half-mile of the district’s boundary.

B. District Boundaries and Compliance with Statutory Eligibility Criteria

Vel R. Phillips and Michigan (“District” or “TID”) comprises three properties (three separate condominium units in the same building) located at 331 West Wisconsin Avenue/640 North Vel R. Phillips Avenue, totaling 75,340 SF (collectively, the “Property”) in the City of Milwaukee (“City”). The District is shown in **Map No. 1, “Boundary and Existing Land Use,”** and described more precisely in **Exhibit 1, “Boundary Description.”** 60.17% of the real property located within the District was found to be in need of rehabilitation or conservation work within the meaning of Section 66.1105(4)(gm) of the Wisconsin Statutes. **Exhibit 2, “Property Characteristics,”** illustrates how the property in the District meets the statutory criteria for Tax Incremental Districts. None (0%) of the real property located within the District is considered vacant property within the meaning of Section 66.1105(4)(gm) of the Wisconsin Statutes. The percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is estimated by the City to be 12.79% and, therefore, is below the 35% threshold described in Wisconsin Statute 66.1105 (5)(b). The entire District overlaps the existing Tax Incremental District No. 37 (Grand Avenue) and Tax Incremental District No. 88 (4th and Wisconsin), as shown in **Map No. 5, “Boundaries and Overlap.”**

C. Project Background

Property

The Property comprises approximately 300,000 SF of office and retail space, as well as 74 apartment units. The building was constructed in 1895 and has received many additions and alterations since. For many years, the building was home to a Boston Store department store and the Bon-Ton headquarters, until they declared bankruptcy in 2018. The office and retail space has been largely unoccupied since 2018. Recently, the building was renamed Hub640 and has attracted several smaller office tenants, in addition to a 2022 announcement that Kohl’s plans to open a department store within the building.

Plans for the Property and Neighborhood

In 2010, the City adopted the Downtown Area Plan Update. The plan places an emphasis on increasing the “employment density throughout the entire Downtown,” which this Project (as defined hereafter) will help accomplish. One of the catalytic projects listed in the plan is a Wisconsin Avenue Strategy, with the goal of revitalizing Wisconsin Avenue east and west of the Milwaukee River. This Project will add significant employment and activity along the West Wisconsin Avenue corridor. In addition, this Project will provide additional activity along the future route of The Hop streetcar system, another catalytic project in the plan.

<https://city.milwaukee.gov/DCD/Planning/PlansStudies/AreaPlans/DowntownPlan>

Proposed Project

Fiserv Solutions, LLC (the “Company”), an affiliate entity of Fiserv, Inc., proposes to lease approximately 144,200 SF of office space at the Property and invest at least \$37,000,000 to renovate the Property into a new global headquarters, which will include at least 780 employees (the “Project”).

Fiserv, Inc. is a financial technology and financial services firm founded in 1984, currently headquartered in Brookfield, WI. Fiserv, Inc. has grown, mainly through acquisitions, including its combination with First Data in 2019, to create one of the world’s largest financial technology companies. In 2022, Fiserv, Inc. had over 44,000 employees worldwide, over \$16B in revenue and was #227 on the Fortune 500 list. Fiserv, Inc. expects continued growth, and this Project will help meet their future space needs and attract and retain employees.

The City is proposing to provide up to a \$7,000,000 developer-financed grant (less \$10,000 in annual expenses) to the Company from this District for leasing and renovating approximately 144,200 SF of the Property and locating at least 780 employees at the Property, per the attached term sheet, **Exhibit 6, “Fiserv Term Sheet”**.

The City is also proposing to provide up to \$4,600,000 from the District to fund public infrastructure improvements within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats, outlined in more detail in Section II.A of this Project Plan and \$100,000 in administrative expenses.

D. Project Plan Goals and Objectives

More detailed goals and objectives of this Project Plan are to:

- Attract family-supporting jobs to the City.
- Eliminate a blighting influence in downtown Milwaukee.
- Increase the tax base of the City by redeveloping a property in need of rehabilitation or conservation.
- Restore a historic and iconic building in downtown Milwaukee
- Implement a catalytic project, as set forth in the Downtown Area Plan 2010 Update, which called for a Wisconsin Avenue Strategy.
- Provide public infrastructure improvements within the one-half mile radius of the District boundaries, and specifically within the area shown in **Map No. 3: “Proposed Improvements and Uses”**.

E. Existing Land Uses and Conditions in the District

The District is currently comprised of three properties (three separate condominium units in the same building) assessed at \$26,396,300 in 2022. The Property in the District is zoned C9E (Major Retail).

II. PLAN PROPOSALS

The following statements, maps and exhibits are provided in compliance with Section 66.1105(4)(f) of the Wisconsin Statutes.

A. “Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements.”

Funds generated from the District will be used for the following purposes:

Monetary Obligation (\$7,000,000): In an effort to attract jobs to the District, provide annual cash grants to the Company, if the Company (in combination with Fiserv, Inc.) meets its employment

projections. Company will advance all costs for the Project. City will make annual payments to the Company equal to 75% of the incremental taxes collected in the District from real and personal property (less \$10,000 in annual expenses), until such time as up to \$7,000,000 is repaid by the payments at an interest rate of 4.5%, over a period not to exceed 20 years (the “Monetary Obligation”) per the attached term sheet, **Exhibit 6, “Fiserv Term Sheet.”**

Public Infrastructure (\$4,600,000): Design and construct public infrastructure improvements within the District and within a one half-mile radius of the District boundary, per Section 66.1105(2)(f) Stats. Public infrastructure improvements may include pedestrian amenities, bicycle amenities, traffic calming elements, landscaping, trees, lighting (including possible harp lights), public plazas or parks, public art, utility work and professional or administrative services. Specific public infrastructure projects are listed below and shown in “**Map No. 3: Proposed Improvements and Uses**”:

- Improvements to West Michigan Street from North 6th Street to the Milwaukee River, including design and construction of traffic calming elements, an all ages bike facility, new pavement, street trees, landscaping, traffic signals, street lighting (including possible harp lights), stormwater management features and related improvements to intersecting streets (approximately \$2,500,000).
- Streetscape and sidewalk improvements around the perimeter of the Hub640 building located at 331 West Wisconsin Avenue/640 North Vel R. Phillips Avenue, which may be performed by the building owner, North Wells Capital, LLC, or an affiliate thereof (up to \$1,000,000 as a cash grant, per **Exhibit 7, “Hub640 Term Sheet”**).
- Public art and informative kiosks memorializing and celebrating the life and legacy of Vel R Phillips in the proposed Vel R. Phillips Plaza at 401 West Wisconsin Avenue (\$750,000).
- Pedestrian path and lighting improvements at Zeidler Square, which may be performed by Milwaukee County (approximately \$100,000).
- Design for improvements to the West Michigan and North 6th Street intersection, including removing right turn bypasses, traffic calming elements, pedestrian improvements, bicycle improvements, street trees, landscaping, traffic signals, new pavement and streetscaping (approximately \$75,000).
- Contingency for the public infrastructure improvements (\$175,000).

B. “Detailed List of Estimated Project Costs.”

The costs included in this subsection and detailed in Table B which follows are, without limitation because of enumeration, eligible project costs as defined under Section 66.1105(2)(f) and, if appropriate, in any cooperation agreement(s) entered into by and between the City of Milwaukee, Redevelopment Authority of the City of Milwaukee, Milwaukee County and eligible designated companies or developer(s), provided further that such expenditures are necessitated by this Project Plan.

These costs and costs estimates are more fully described as follows:

Capital Costs

The District shall fund an estimated \$11,600,000 in the form of TID Capital Project Costs enumerated in further detail in **Table A** of this Plan.

TABLE A: TID Capital Project Costs	
Monetary Obligation	\$7,000,000
Public Infrastructure	\$4,600,000
TOTAL Capital Project Costs	\$11,600,000

Other Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs.

Financing Costs

Financing costs include estimated gross interest expenses on the Monetary Obligation to repay the Company. Estimates of interest are based on interest rates as set forth in the Economic Feasibility Analysis, attached as **Exhibit 4, “Feasibility Study.”** The City reserves the right to prepay the Monetary Obligation to Company, which could require issuance of general obligation debt, as described in the term sheet, attached as **Exhibit 6, “Fiserv Term Sheet.”**

TABLE B: Lists of Estimated Project Costs

	<u>Capital:</u> Monetary Obligation	\$7,000,000
	Public Infrastructure	\$4,600,000
	<u>Other:</u> Administration (\$100,000 + \$10,000 x 20 years)	\$300,000
	Total Estimated Project Costs, excluding financing	\$11,900,000
	<u>Financing:</u> Interest	\$5,950,000

C. “Description of Timing and Methods of Financing.”

All expenditures for the Project Costs are expected to be incurred during the period from 2022-2042.

The City may proceed to fund any or all of the Public Infrastructure using general obligation bonds or notes, or Redevelopment Authority revenue bonds to be issued in amounts which can be supported using tax increments in the District.

The annual cash grants to the Company for the Monetary Obligation will be paid from incremental taxes generated annually in the District.

D. “Economic Feasibility Study.”

The Economic Feasibility Study for this District is attached to this Project Plan as **Exhibit 4, “Feasibility Study”**. The study establishes the dollar value of the 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 District.

Based upon the anticipated tax incremental revenue to be generated by the District, the District is financially feasible. The Monetary Obligation is likely to be paid off in the 16th year of the District and the entire District is likely to be retired on or before year 2042, the 20th year of the District. Accordingly, the District is determined to be feasible.

E. “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.

F. “Map Showing Proposed Uses and Improvements.”

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

G. “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 Plan is consistent with the existing zoning, which is C9E (Major Retail). The proposed Project Plan is in accordance with the existing master plan, map, building codes, and other city ordinances. The proposed Project Plan should not require amendments to their provisions, but such amendments could be made if necessary without further amendment to this Project Plan.

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

There are no Non-Project Costs.

I. “Proposed Method for Relocation.”

This Project Plan does not anticipate the acquisition of property by the City of Milwaukee. Accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. Should the acquisition of property by condemnation and relocation be necessary, the cost and method of relocation will be included in a redevelopment plan and associated relocation plan prepared in cooperation with the Redevelopment Authority, pursuant to Section 66.1333 and Section 32.05 of the Wisconsin Statutes. 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.

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

The creation of the District will provide a means to continue the revitalization of Milwaukee, consistent with the objectives of the Downtown Area Plan Update, adopted in 2010. The District will also facilitate the redevelopment of a property in need of rehabilitation or conservation and increase employment opportunities in Milwaukee.

K. “Opinion of the City Attorney.”

Please refer to **Exhibit 5, “Letter from the City Attorney.”**

EXHIBIT 1
Boundary Description

Beginning at a point at the intersection of the center line of West Wisconsin Avenue and the west line of North Vel R. Phillips Avenue;

Thence, east along the center line of West Wisconsin Avenue to its intersection with the east line of 331 West Wisconsin Avenue/640 North Vel R. Phillips Avenue;

Thence, south, east and south along the east line of 331 West Wisconsin Avenue/640 North Vel R. Phillips Avenue to its intersection with the center line of West Michigan Street;

Thence, west along the center line of West Michigan Street to its intersection with the west line North Vel R. Phillips Avenue;

Thence, north along the west line of North Vel R. Phillips Avenue to the point of beginning and more particularly depicted in Map 1 of this Project Plan.

EXHIBIT 2

Property Characteristics

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

Parcel No.	Address	Taxkey	Owner Name	Land Assessment	Improvement Assessment	Total Assessment	Lot SF	In Need of Rehabilitation or Conservation SF	Vacant SF	Retail SF
1	640 NORTH VEL R. PHILLIPS AVE	397-0421-000	NWC 331 Commercial, LLC	\$1,445,800	\$4,116,000	\$5,561,800	19,277	19,277	0	9,639
2	640 NORTH VEL R. PHILLIPS AVE	397-0422-000	NWC 331 Commercial, LLC	\$1,954,100	\$5,607,900	\$7,562,000	26,054	26,054	0	0
3	331 WEST WISCONSIN AVE	397-0423-000	FLT BOSTON LOFTS CSQ LLC	\$1,036,000	\$12,236,500	\$13,272,500	30,009	0	0	0

TOTAL:	\$4,435,900	\$21,960,400	\$26,396,300	75,340	45,331	0	9,639
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PERCENTAGE:				100.00%	60.17%	0.00%	12.79%
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EXHIBIT 3
Parcel Owners

Parcel No.	Address	Taxkey	Owner Name
1	640 NORTH VEL R. PHILLIPS AVE	397-0421-000	NWC 331 Commercial, LLC
2	640 NORTH VEL R. PHILLIPS AVE	397-0422-000	NWC 331 Commercial, LLC
3	331 WEST WISCONSIN AVE	397-0423-000	FLT BOSTON LOFTS CSQ LLC

EXHIBIT 4

ECONOMIC FEASIBILITY STUDY FOR THE VEL R. PHILLIPS AND MICHIGAN TID (NO. 110)

Background:

The City of Milwaukee is proposing to create the Vel R. Phillips and Michigan Tax Incremental District No. 110 (the “District”) to fund annual cash grants to the Company if the Company (in combination with Fiserv, Inc.) meets its employment projections. Company will advance all costs for the Project. City will make annual payments to the Company equal to 75% of the incremental taxes collected in the District from real and personal property (less \$10,000 in annual expenses), until such time as up to \$7,000,000 is repaid by the payments at an interest rate of 4.5%, over a period not to exceed 20 years (the “Monetary Obligation”)

The City is also proposing to provide up to \$4,600,000 from the District to fund public infrastructure improvements within the District and within a one half-mile radius of the District boundary and \$100,000 in administrative expenses using the remaining 25% of incremental tax revenue.

The District is comprised of three properties (three separate condo units in the same building) at 331 West Wisconsin Avenue/640 North Vel R. Phillips Avenue, totaling 75,340 SF of land (the “Property”).

Current Property Valuation:

The assessment of the Property as of 1/1/2022 was \$26,396,300. Minimal changes to the Property at expected for the remainder of 2022, and thus, that is the estimated base value of the proposed District with a base year of 2023.

Anticipated Future Value of the District:

The Property includes approximately 300,000 SF of office and retail space, as well as 74 residential apartment units. Kohl’s will be converting approximately 40,000 SF into a new retail location. The remainder of the building will remain office space, with approximately 144,200 SF leased by the Company. Below is an analysis of the projected values for the office, retail and residential components of the Project.

Office Value:

After the Project is completed, the Property will have approximately 260,000 SF of office space, with approximately 144,200 SF occupied by the Company. The Assessor’s Office classifies the building as a Class B office building. The Company will be spending approximately \$37m renovating the portion of the Property that they will be leasing. Office tenants will have easy access to a parking structure via skywalk, the 3rd Street Market Hall and several nearby hotels.

Recent and nearby new construction or renovated office buildings, offer good comparables, such as:

- Global Water Center (247 West Freshwater Way), which is an approximately 98,035 SF Class B office building that was converted from warehouse space in 2013. In 2022 it was assessed at \$13,896,700 (\$141/SF). However, this property does not include parking.
- 1254-1320 North Martin Luther King Jr. Drive (main tenant of Spectrum) is an approximately 189,063 SF office building with a 2022 assessment of \$28,996,600 (\$153/SF). This building was renovated into office space in the 1990s and is considered Class B space, with limited on-site parking.

- 1433-75 North Water Street (main tenant of Bader Rutter) is an approximately 141,917 SF office building that is a combination of new construction (2016) and renovation of existing space with a 2022 assessment of \$22,956,600 (\$161/SF). This building was a combination of rehab and new construction and is considered Class B space, with limited on-site parking.
- Cathedral Place (555 East Wells Street) is an approximately 200,000 SF Class A office building constructed in 2003 with a 2022 assessment of \$36,965,300 (\$185/SF). It has an attached parking structure.
- The Manpower Headquarters (201 West Cherry Street), completed in 2007 near Schlitz Park, is an approximately 280,000 SF Class A office building with a 2022 assessment of \$67,583,400 (\$241/SF). It has an attached parking structure.
- The Zurn Headquarters (511 West Freshwater Way), completed in 2016 at the Reed Street Yards in Walker's Point, is an approximately 53,199 SF Class A office building with a 2022 assessment of \$14,416,000 (\$271/SF). This property has adjacent surface parking.

Based on those comparables, it is assumed that the existing 260,000 SF of office space (144,200 SF of which will be occupied by the Company) will be assessed at \$41,600,000 (\$160/SF) upon stabilization in 2025.

Retail Value:

Kohl's will be opening an approximately 40,000 SF retail location on the first floor of the Property. Nearby retail locations, offer good comparables, such as:

- The first floor of the Plankinton Arcade at 161 West Wisconsin Avenue, which includes TJ Maxx, was assessed at \$4,765,200 in 2022 (\$80/SF).
- The Walgreens at 223 West Wisconsin Avenue was assessed at \$960,000 in 2018 (\$123/SF). It has since been combined into a larger retail condo unit that is assessed at \$1,591,900 in 2022 (\$85/SF).

Based on those comparables, it is assumed that the 40,000 SF of retail space will be assessed at \$3,200,000 (\$80/SF) upon stabilization in 2025.

Residential Value:

The Property includes a condominium unit with 74 residential apartment units, assessed at \$13,272,500 (\$179,358/unit) in 2022. In June of 2022, that condo unit sold for \$14,450,000 (\$195,270/unit). For the purposes of this feasibility, it is assumed that with 1% annual appreciation, and with the addition of a Kohl's retail department store and this Project at the Property, the units will increase in value to \$200,000/unit by 2025, \$14,800,000 total for the residential portion of the Property.

Total Values

Therefore, combined, it is anticipated that the Property will increase in value from \$26,396,300 to \$59,600,000 (\$41,600,000 + \$3,200,000 + \$14,800,000) upon stabilization in 2025.

Anticipated District Cash Flow:

Attached as Table 1 is the cash flow forecast for the proposed District. Basic parameters of this forecast are:

- Base Value: \$26,396,300
- Tax Rate: 2.524%
- Interest Rate: 5.25% (City Debt)
- Interest Rate: 4.5% (Monetary Obligation)
- Annual Appreciation: 1.00%
- Project Costs (City Financed Public Infrastructure and Admin): \$4,700,000

- Company Financed/Monetary Obligation: \$7,000,000
- Annual Admin Costs: \$10,000 annually

As shown in the forecast, the District is able to amortize the Monetary Obligation by the 16th year of the District and is able to amortize all Project Costs in the District on or before year 2042, the 20th year of the District. Given this estimate, the proposed District is determined to be feasible and capable of amortizing the Project Costs within the statutory life of the proposed District.

Table 1: TID 110 Feasibility

								75%						After reserving	
Assessment		Budget	Base	Projected	TID		Annual	Dev. Share		Total		for remaining debt		TID	
No.	Year	Year	Value	Value	Incremental Value	Increment	Expenses	of Increment	Debt Service	Cash flow	Cum. Cash Flow	Surplus/(deficit)	Payoff		
1	2023	2024	26,396,300	26,396,300						-	-	(17,667,316)			
2	2024	2025	26,396,300	41,848,000	15,451,700	390,001	(10,000)	(292,501)	(249,218)	(161,717)	(161,717)	(17,287,315)	No		
3	2025	2026	26,396,300	59,600,000	33,203,700	838,061	(10,000)	(628,546)	(249,218)	(49,702)	(211,419)	(16,459,254)	No		
4	2026	2027	26,396,300	60,196,000	33,799,700	853,104	(10,000)	(639,828)	(249,218)	(45,941)	(257,361)	(15,616,149)	No		
5	2027	2028	26,396,300	60,797,960	34,401,660	868,298	(10,000)	(651,223)	(249,218)	(42,143)	(299,504)	(14,757,852)	No		
6	2028	2029	26,396,300	61,405,940	35,009,640	883,643	(10,000)	(662,732)	(512,980)	(302,069)	(601,573)	(13,884,208)	No		
7	2029	2030	26,396,300	62,019,999	35,623,699	899,142	(10,000)	(674,357)	(512,980)	(298,194)	(899,768)	(12,995,066)	No		
8	2030	2031	26,396,300	62,640,199	36,243,899	914,796	(10,000)	(686,097)	(512,980)	(294,281)	(1,194,049)	(12,090,270)	No		
9	2031	2032	26,396,300	63,266,601	36,870,301	930,606	(10,000)	(697,955)	(512,980)	(290,328)	(1,484,377)	(11,169,664)	No		
10	2032	2033	26,396,300	63,899,267	37,502,967	946,575	(10,000)	(709,931)	(512,980)	(286,336)	(1,770,713)	(10,233,089)	No		
11	2033	2034	26,396,300	64,538,260	38,141,960	962,703	(10,000)	(722,027)	(512,980)	(282,304)	(2,053,018)	(9,280,386)	No		
12	2034	2035	26,396,300	65,183,642	38,787,342	978,993	(10,000)	(734,244)	(512,980)	(278,232)	(2,331,249)	(8,311,393)	No		
13	2035	2036	26,396,300	65,835,479	39,439,179	995,445	(10,000)	(746,584)	(512,980)	(274,119)	(2,605,368)	(7,325,948)	No		
14	2036	2037	26,396,300	66,493,833	40,097,533	1,012,062	(10,000)	(759,046)	(512,980)	(269,965)	(2,875,333)	(6,323,887)	No		
15	2037	2038	26,396,300	67,158,772	40,762,472	1,028,845	(10,000)	(771,634)	(512,980)	(265,769)	(3,141,102)	(5,305,042)	No		
16	2038	2039	26,396,300	67,830,360	41,434,060	1,045,796	(10,000)	(625,000)	(512,980)	(102,184)	(3,243,286)	(4,269,246)	No		
17	2039	2040	26,396,300	68,508,663	42,112,363	1,062,916	(10,000)		(512,980)	539,936	(2,703,350)	(3,216,330)	No		
18	2040	2041	26,396,300	69,193,750	42,797,450	1,080,208	(10,000)		(512,980)	557,228	(2,146,122)	(2,146,122)	No		
19	2041	2042	26,396,300	69,885,687	43,489,387	1,097,672				1,097,672	(1,048,450)	(1,048,450)	No		
20	2042	2043	26,396,300	70,584,544	44,188,244	1,115,311				1,115,311	66,861	66,861	YES		
21	2043	2044	26,396,300	71,290,390	44,894,090	1,133,127				1,133,127	1,199,988	1,199,988	YES		
22	2044	2045	26,396,300	72,003,293	45,606,993	1,151,121				1,151,121	2,351,108	2,351,108	YES		
23	2045	2046	26,396,300	72,723,326	46,327,026	1,169,294				1,169,294	3,520,402	3,520,402	YES		
24	2046	2047	26,396,300	73,450,560	47,054,260	1,187,650				1,187,650	4,708,052	4,708,052	YES		
25	2047	2048	26,396,300	74,185,065	47,788,765	1,206,188				1,206,188	5,914,240	5,914,240	YES		
26	2048	2049	26,396,300	74,926,916	48,530,616	1,224,913				1,224,913	7,139,153	7,139,153	YES		
27	2049	2050	26,396,300	75,676,185	49,279,885	1,243,824				1,243,824	8,382,977	8,382,977	YES		
						26,220,294	(7,665,610)			8,382,977					

Annual appreciation
Interest Rate
Base Value
Projected Value
Property Tax rate
Issuance Costs
Project Costs

1.010
5.25%
26,396,300
59,600,000
2.524%
47,000
4,700,000

\$4,600,000 in Public Infrastructure and \$100,000 in Admin

NPV @
4.50%

7,010,097

EXHIBIT 5
Letter from the City Attorney

(see next page)

EXHIBIT 6
Fiserv Term Sheet

(see next page)

FISERV TERM SHEET

(Vel R. Phillips and Michigan – TID 110)

PROJECT

Fiserv Solutions, LLC (the “Company”) is proposing to lease apr. 144,200 rentable square feet of office space having an address at 640 North Vel R Phillips Avenue (the “Premises”, which comprises a portion of a larger “Property”, both as defined in more detail below) and expend apr. \$37,000,000 to renovate the Premises to create a new global headquarters for the Company, including the location of at least 780 FTE at the Premises (as hereafter defined) (the “Project”).

The City of Milwaukee (“City”) proposes to assist the Company in facilitating the Project, including locating at least 780 FTE employees at the Premises via the creation of a new Tax Incremental District No. 110 (Vel R. Phillips and Michigan) (“the TID”) to fund certain eligible costs to be further described in the TID Project Plan. The TID will include the entire Property and will be created to fund the City’s Monetary Obligation described below:

- Monetary Obligation (\$7,000,000). Company will advance, and City will reimburse up to \$7,000,000 in Project costs, to partially offset the costs necessary to renovate the Premises for the Project. City will make annual payments for up to 20 years, at 4.5% interest (the “Monetary Obligation”), as described in the Monetary Obligation section below. The City shall have the right to prepay the Monetary Obligation in full or part at any time.

PROPERTY

The Property consists of three condominium units at 640 North Vel R. Phillips Avenue and 331 West Wisconsin Avenue in Milwaukee, WI, all of which are owned by affiliates of North Wells Capital, LLC (the “Landlord”):

- Unit 1 (taxkey 397-0421-000) is retail and office spaced owned by NWC 331 Commercial, LLC
- Unit 2 (taxkey 397-0422-000) is office space owned by NWC Commercial, LLC
- Unit 3 (taxkey 397-0423-000) is multi-family housing owned by Flt Boston Lofts, LLC

Collectively, the three condominium units make up the Property. For the Project, the Company will lease and occupy the Premises comprising apr. 144,200 rentable SF of condo units 1 and 2.

APPROXIMATE DEVELOPMENT SCHEDULE

Commence construction of the Project by June 30, 2023.
Substantial Completion of the Project by December 31, 2024.

DESIGN REVIEW

Plans and specifications for the Project shall be subject to the reasonable review and approval of City's Commissioner of City Development (the "DCD Commissioner") and the City's Commissioner of Public Works, if applicable.

PARTIES

City, Company (or Company's successors or assigns), Landlord (or its affiliates) and the Redevelopment Authority of the City of Milwaukee.

COMPANY'S OBLIGATIONS

In order to receive the financial assistance described above, Company must fulfill the following obligations, subject to Force Majeure (as defined hereafter):

- A. Company shall: (i) enter into a lease with the Landlord for the Premises for an initial term of at least 16 years (the "Lease"), with an option(s) to extend the term to at least 20 years ("Extended Term"), (ii) commence construction of the Project by June 30, 2023, and (iii) substantially complete construction of the Project by December 31, 2024.
- B. Company and/or Landlord shall enter into a Human Resources Agreement with City, in a form customary for projects subject to Milwaukee Code of Ordinances Chapters 355 and 370, that will require Company to utilize certified Small Business Enterprises ("SBE") for at least 25% of construction and supply costs and at least 18% of professional services (architecture, engineering, etc.) costs on the construction of the Project and utilize unemployed and underemployed residents, pursuant to City's Residents Preference Program ("RPP"), for no less than 40% of total onsite construction "worker hours" expended on construction of the Project. City and Company shall agree upon a schedule of anticipated SBE and RPP percentages over the life of the Project as required by MCO 355-13-5. If Company is unable to meet the RPP requirements, Company and the City's Office of Equity and Inclusion ("OEI") shall cooperate consistent with MCO 355-7-2-a to attempt to resolve such shortfall. Prior to commencement of the Project, Company or its representatives and the OEI shall meet and confer to determine the eligible project costs subject to the SBE requirements. If Company does not meet the required SBE and RPP percentages set forth in this subsection, then pursuant to MCO Section 355-13-5, a portion of the Monetary Obligation shall be withheld until the percentages are met or may be withheld completely if the percentages are never met. The portion of the Monetary Obligation withheld under this subsection shall

be equal to the total amount for which Company is eligible multiplied by that percentage of the SBE and RPP requirements which the Company failed to meet, but in no event in excess of 100% of the total amount for which the Company is eligible.

- C. Company shall meet or exceed its employment projections, as outlined below and keep its global headquarters located at the Premises for at least 16 years. “Global Headquarters” shall mean that certain key divisions of the Company, including initially finance, communications and IT, product development, human resources, benefits, and legal functions that are to be located at the Premises. These key divisions may be subject to change, provided that the Premises continues to house substantially equivalent Company leadership and corporate functions. The Premises shall be referenced as the Company’s “global headquarters” in all Company branding and marketing, including, without limitation, print, websites, and social media.
- D. In the event that the Property, or any portion of it, becomes exempt from the payment of real property taxes during the original term of the TID, Company and/or Landlord shall enter into a standard payment in lieu of taxes (“PILOT”) agreement with City agreeing to make PILOT payments to City for the full property tax rate. PILOT payments shall be due until termination of the TID or through the year of the 2042 tax levy, payable in 2043, whichever occurs later.
- E. Company is currently engaged in a number of community partnerships in the Milwaukee area, supporting non-profit organizations and small business growth, such as the Back2Business program, which has already provided funding and support to over 170 Milwaukee area businesses. The Company will partner with the Near West Side Partners at the Concordia 27 community center to provide small business resources to include B2B counseling at Concordia 27. The B2B counselors will support the business incubator and assist eligible businesses in seeking Back2Business consulting and grants for small businesses in the area to support payroll, rent and lease payments, technology and space re-design to create safe environments, including architectural support and facade and signage needs for local businesses. In addition, Company shall maintain an average of three (3) Tech Apprenticeships through 2039 for City of Milwaukee residents to help residents prepare for the tech jobs of the future.
- F. In support of the Common Council’s goals under the Community-Oriented, Responsible and Equitable Development Zone Resolution (CORE Resolution) articulated in File No. 190592 related to developments in the central business district, Company and/or Landlord shall, with regards to janitorial, security and food service staff serving the Premises (either by direct hire, or, if Company and/or Landlord do not directly hire such staff, through contracts with third parties for such services), pay workers with such positions at least \$15.00 per hour through 2024, with an annual escalator of at least 2% each subsequent year thereafter. Additionally, Company and/or Landlord shall adhere to the employment

protections and sourcing methods contemplated by the CORE Resolution, as well as provide a copy of the CORE Resolution to any contractors providing these services at the Premises and require them to adhere to the CORE Resolution, as well as encourage such contractors to recruit city residents living in zip codes identified by the City Clerk pursuant to MCO 355-7-a-1.

MONETARY OBLIGATION

Company will advance and City will reimburse up to \$7,000,000 out of the TID to partially offset the eligible costs of the Project and for employing at least 780 employees at the Premises, according to the below Employment Requirement.

The Monetary Obligation consists of a limited and conditional obligation to repay Company an amount up to \$7,000,000, plus interest on the outstanding balance of the Monetary Obligation at 4.5% per year for up to 20 years. Payments on the Monetary Obligation are to be made annually, less annual expenses of \$10,000. City may, at any time or from time to time, without notice, penalty, or fee, prepay all or any portion of the Monetary Obligation.

Interest on the Monetary Obligation shall not begin to accrue until substantial completion of the Project. Prior to substantial completion of the Project, City will deposit an amount equal to 75% of the incremental tax revenue actually received by City from the TID, less annual expenses of \$10,000 into a special fund established for the TID. Upon substantial completion of the Project, such amount shall be disbursed to Company and applied to reduce the principal balance of the Monetary Obligation (though in no event shall this amount be greater than \$7,000,000).

Subsequent to substantial completion of the Project, following the deduction of annual expenses, 75% of incremental tax revenue collected from the TID will be allocated to repay Company for project costs incurred for the Project through payments on the Monetary Obligation (up to \$7,000,000). The remaining 25% of tax incremental revenue will be allocated to the City to fund City projects to be determined in the TID Project Plan in the City's sole discretion.

In the event that the Lease expires or is earlier terminated, and/or the Company vacates the Premises, prior to full repayment of the Monetary Obligation, the Monetary Obligation shall be reduced by the total amount outstanding as of the date of the expiration or earlier termination of the Lease and/or the Company's vacation of the Premises.

Tax incremental revenue will not be pledged to the payment of the Monetary Obligation, and the Monetary Obligation shall not constitute a general obligation of City or count against its statutory debt limits. All disbursements of tax incremental revenue received by City from the TID shall be subject to annual appropriation. If not appropriated, City shall not expend such tax incremental revenue for any other TID project costs or for any other purpose. City agrees to negotiate, in good faith, terms and conditions within the definitive

agreement which are reasonably acceptable to Company's lender as it pertains to this paragraph.

Monetary Obligation Earned

Upon substantial completion of the Project, Company shall submit a certification detailing project costs theretofore incurred (together with copies of records, invoices and/or AIA documentation evidencing such expenditures). The amount of the Monetary Obligation shall be deemed earned upon approval of such certification by the DCD Commissioner and interest will begin to accrue on the balance of the Monetary Obligation as of the date of substantial completion of the Project.

Term of Payments

City payments on the Monetary Obligation will terminate upon the earlier of: (i) the time the Monetary Obligation is fully paid; or (ii) with the payment derived from the 2038 tax levy, payable in 2039, provided, however that if the Lease is extended for an Extended Term this shall be until the 2042 tax levy, payable in 2043.

Notwithstanding anything to the contrary, the Monetary Obligation shall not exceed a principal amount of \$7,000,000 (plus interest) and is anticipated to be repaid by year 16 of the District, provided, however, if the Monetary Obligation is not fully repaid by year 16 of the District and the Lease is extended to the Extended Term, the repayment period of the Monetary Obligation may be extended up to year 20 of the District.

Employment Requirement

The Company projects the following employment objectives for employees working within the City ("Projected Employees") as of each fiscal year end:

	Year 1	Year 2 (2025)	Year 3 (2026)	Year 4 (2027 & forward)
Total Projected FTEs for Project	580	660	740	780

As a Global Headquarters, the City acknowledges that headquarters employees may travel to other Company locations and Company employees may travel from outside of the City and State to work in the City, bringing economic impact to hotels, restaurants and other City businesses. The parties also acknowledge the recent increase in hybrid work alternatives and the need to measure performance in light of these considerations.

A full-time employee means any regular full-time position with Company or any affiliate of Company where an employee is required, as a condition of employment, to work at least 35 hours per week and at least 1,820 hours per year (“FTE Hours”), including paid leave and holidays, and for which the employee receives pay that is equal to at least 150% of the current federal minimum wage and receives standard Company benefits, such as healthcare (“FTE” or “Qualifying Employees”).

The Company agrees that: i) it shall have at least the number of Projected Employees who are FTEs assigned and working from the Global Headquarters for each reporting year, and ii) workday occupancy at the Global Headquarters averages at least 60% of the total projected FTE working hours in each reporting year. FTE working hours shall mean the number of FTE hours an employee is earning wages, reduced by 10% to account for personal time off, leave, travel time, and similar non-working wage earning hours. The Company may elect to count employees who reside in the City but work remotely from home in this daily average.

Company shall provide City such reasonable documentation and certifications to substantiate compliance with these requirements annually by March 1st for the previous fiscal year ending December 31st. The first such annual reporting shall be due by March 1, 2024 (“Year 1”). Such reports shall include aggregated information on the total Qualifying Employees, such as basic demographics (gender, race), wage levels, zip codes of residence, city of residence, and the means of accounting for compliance, based on the prior paragraph.

If the Company does not meet the total employment projections shown above (the “Employment Projections”) for each year of the Employment Projections, then, subject to prior written notice from City and no less than a 12-month opportunity to cure, future payments on the Monetary Obligation shall be adjusted for the duration of the deficiency. The adjustment will result in a proportionate reduction in the City’s payment on the Monetary Obligation during each year of the deficiency calculated based upon the percentage by which the “actual” workforce reduction falls below the “projected” workforce, provided, however, that such reduction shall not exceed \$10,000 for each such deficient position.

OTHER ENTITLEMENTS OR APPROVALS

City will work with Company to secure, on an expedited basis, any zoning changes, right-of-way vacations, right-of-way dedications and any other approvals, entitlements, permits and/or inspections required for the Project.

FORCE MAJEURE

All milestones for commencement, substantial completion, opening and all other targets for Company operations and employment shall be subject to “Force Majeure.” Force

Majeure delays due to circumstances beyond the Company's control shall be excused for the period of the delay plus a reasonable time to recover from such delay.

GENERAL

This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort, shall be incorporated into a Cooperation, Contribution and Redevelopment Agreement; a Human Resources Agreement; a PILOT Agreement and any other documents, instruments or agreements necessary to accomplish the objectives described above. In recognition that there may be adjustments of the dates and descriptions herein as well as administrative approvals which will require the exercise of reasonable discretion on behalf of City, the DCD Commissioner will be authorized under these agreements to exercise such discretion and grant such approvals.

EXHIBIT 7
Hub640 Term Sheet

(see next page)

HUB640 STREETSCAPING TERM SHEET

Hub640 Streetscaping (TID 110: Vel R. Phillips and Michigan)
October 21, 2022

PROJECT:

North Wells Capital, LLC or an affiliated entity thereof (“Developer”) is planning to redevelop the existing Hub640 building at 331 West Wisconsin Avenue/640 North Vel R. Phillips Avenue, (the “Property”) for office and retail use. As part of that redevelopment effort, Developer will be making streetscape and sidewalk improvements around the perimeter of the Property (the “Streetscaping Project”). In exchange for undertaking the Streetscaping Project, the City of Milwaukee will reimburse the Developer for streetscaping costs as outlined below.

PARTIES:

Developer and the City of Milwaukee (“City”)

DEVELOPER OBLIGATIONS:

Developer shall complete the Streetscaping Project and shall comply with the following requirements:

- A. Install as part of the Streetscaping Project, certain streetscape improvements (to potentially include the design and construction of: pavement, sidewalk, lighting, landscaping, bike and pedestrian improvements) in or adjacent to the public right of way, subject to required permits and approval by the Department of City Development and Department of Public Works.
- B. Maintain improvements related to the Streetscaping Project for a period of at least 20 years.
- C. Comply with the City’s Milwaukee Code of Ordinances Chapters 355 and 370, which require at least 25% Small Business Enterprises participation for construction of the Streetscaping Project, at least 18% Small Business Enterprises participation for professional services for the Streetscaping Project and at least 40% Resident Preference Program participation for the Streetscaping Project.

CITY OBLIGATIONS:

City shall reimburse Developer for an amount up to \$1,000,000 (the “Grant”) for streetscaping costs, per the Project Plan for Tax Incremental District 110: Vel R. Phillips and Michigan. Invoices for actual costs shall be submitted to City’s Commissioner of City Development for review and approval. The Grant shall be paid as a reimbursement for Developer’s actual costs.

GENERAL:

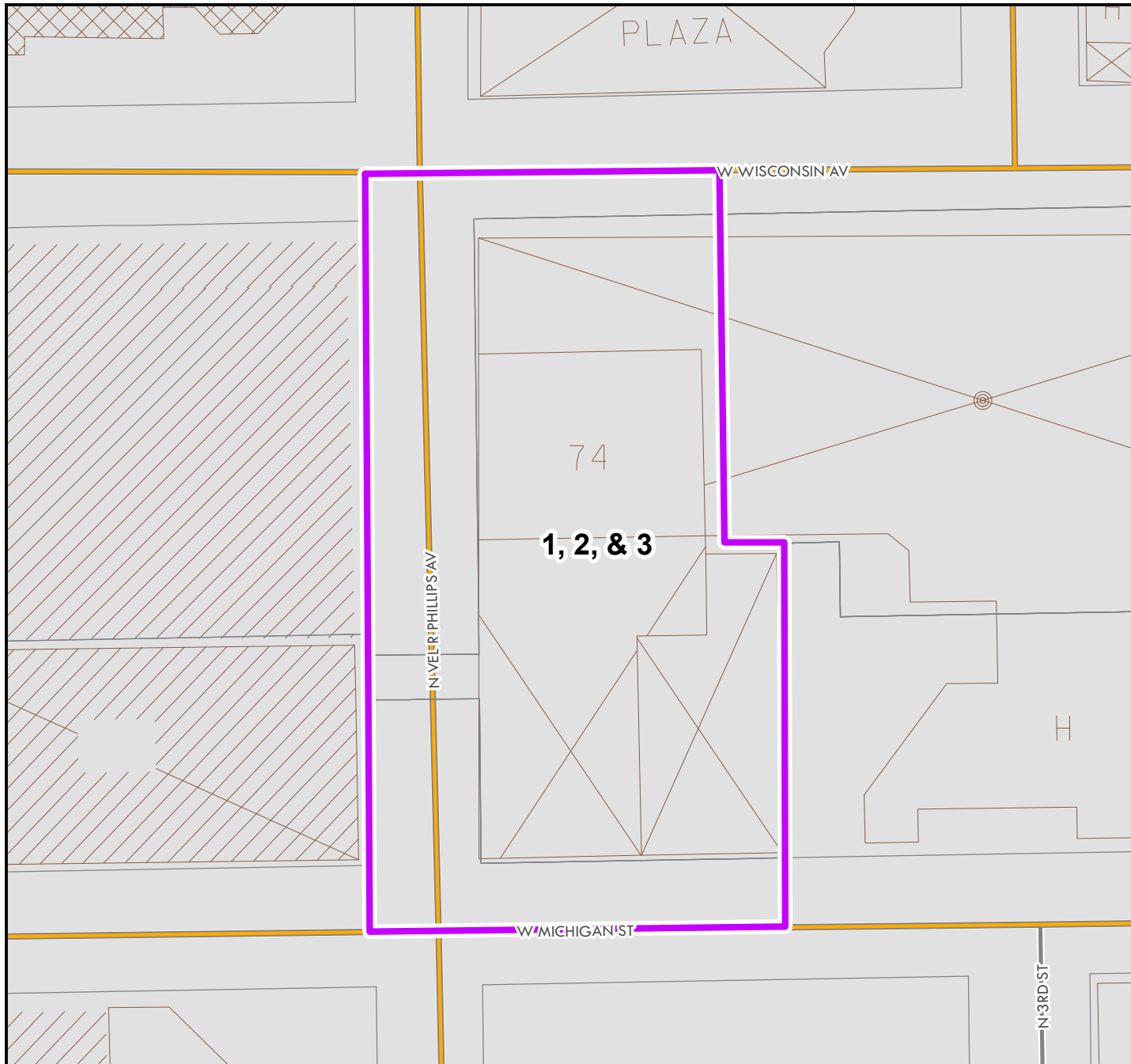
This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements among City and Developer, said agreements being subject to all necessary public approvals. Resolutions approving this Term Sheet shall provide for the execution of all additional Streetscaping Project Documents and instruments necessary to implement the Streetscaping Project.

TID NO. 110: VEL R. PHILLIPS AND MICHIGAN, MAP 1

BOUNDARY AND EXISTING LAND USE

Prepared by the Department of City Development Planning Division, 10/4/2022
Source: DCD Planning Division; Information Technology Management Division

0 0.02 0.04 Miles



PROPERTY LIST

No.	Taxkey	Address
1	#397-0421-000	640 N VEL R PHILLIPS AVE
2	#397-0422-000	640 N VEL R PHILLIPS AVE
3	#397-0423-000	331 W WISCONSIN AVE

MAP LEGEND

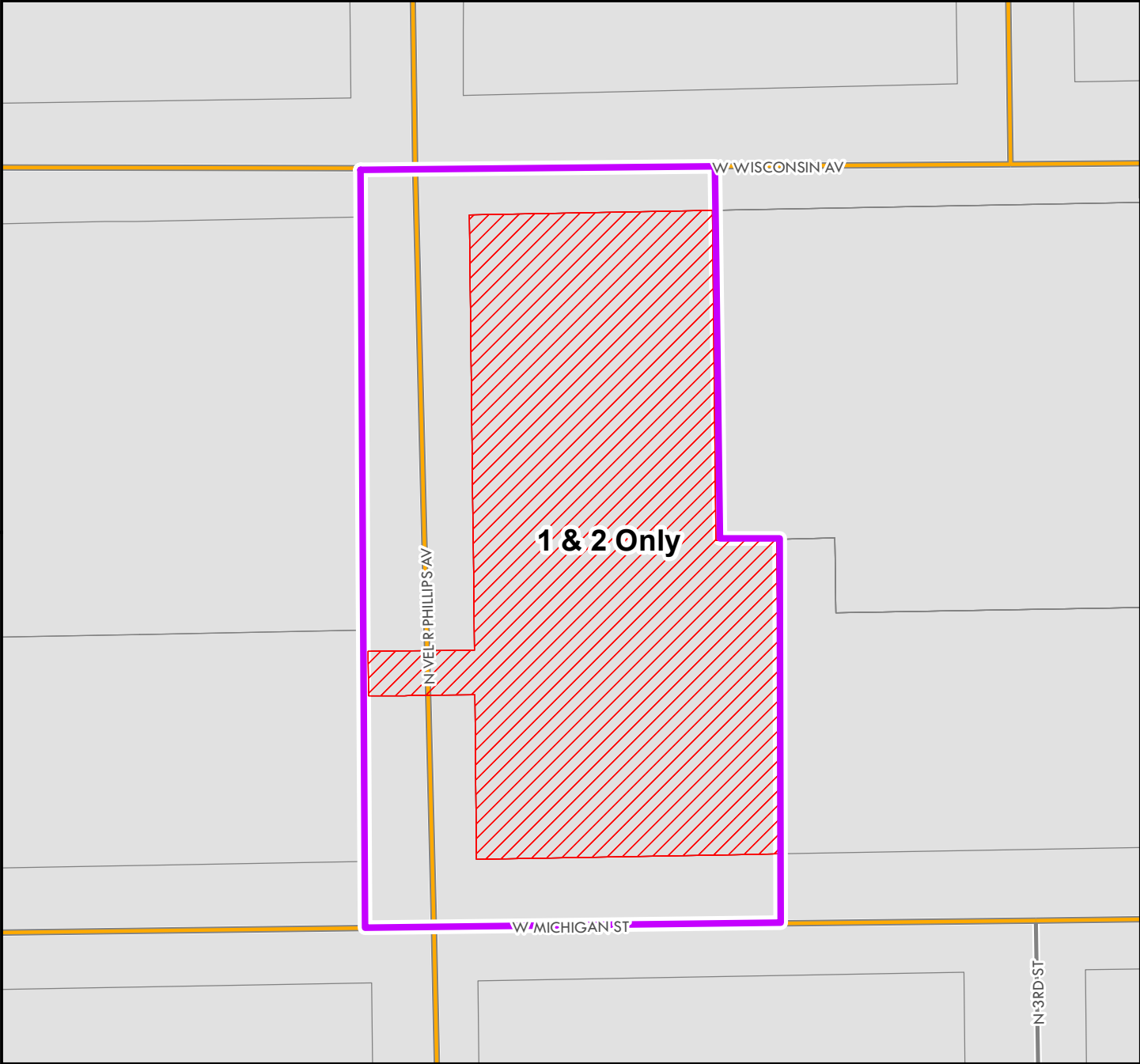
- TID Boundary
- Parcel Boundary

Current Land Use

- SINGLE FAMILY RESIDENTIAL
- TWO FAMILY RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- CONDOMINIUM
- DORMITORY
- ROOMING HOUSE
- HOTEL / MOTEL
- COMMERCIAL WITH RESIDENCE
- COMMERCIAL
- MIXED COMMERCIAL
- OFFICE OR PROFESSIONAL SERVICES
- MANUFACTURING AND WAREHOUSING
- UTILITY COMPANY
- STORAGE TANK
- ACCESSORY BUILDING
- HOSPITAL
- SKILLED CARE FACILITY / GROUP HOME
- PLACE OF WORSHIP
- NON - PUBLIC EDUCATION
- GOVERNMENTAL OR QUASI-PUBLIC BUILDING
- POLICE STATION
- FIRE STATION
- PUBLIC SCHOOL
- PLAYGROUND
- PARK
- CEMETERY
- PARKING
- BASKETBALL COURT
- TENNIS COURT
- FENCE
- ELECTRICAL LINE TRANSMISSION TOWER
- ELECTRICAL LINE
- UNDER CONSTRUCTION

TID NO. 110: VEL R. PHILLIPS AND MICHIGAN, MAP 2




STRUCTURE CONDITION



PROPERTY LIST

No.	Taxkey	Address
1	#397-0421-000	640 N VEL R PHILLIPS AVE
2	#397-0422-000	640 N VEL R PHILLIPS AVE
3	#397-0423-000	331 W WISCONSIN AVE

MAP LEGEND

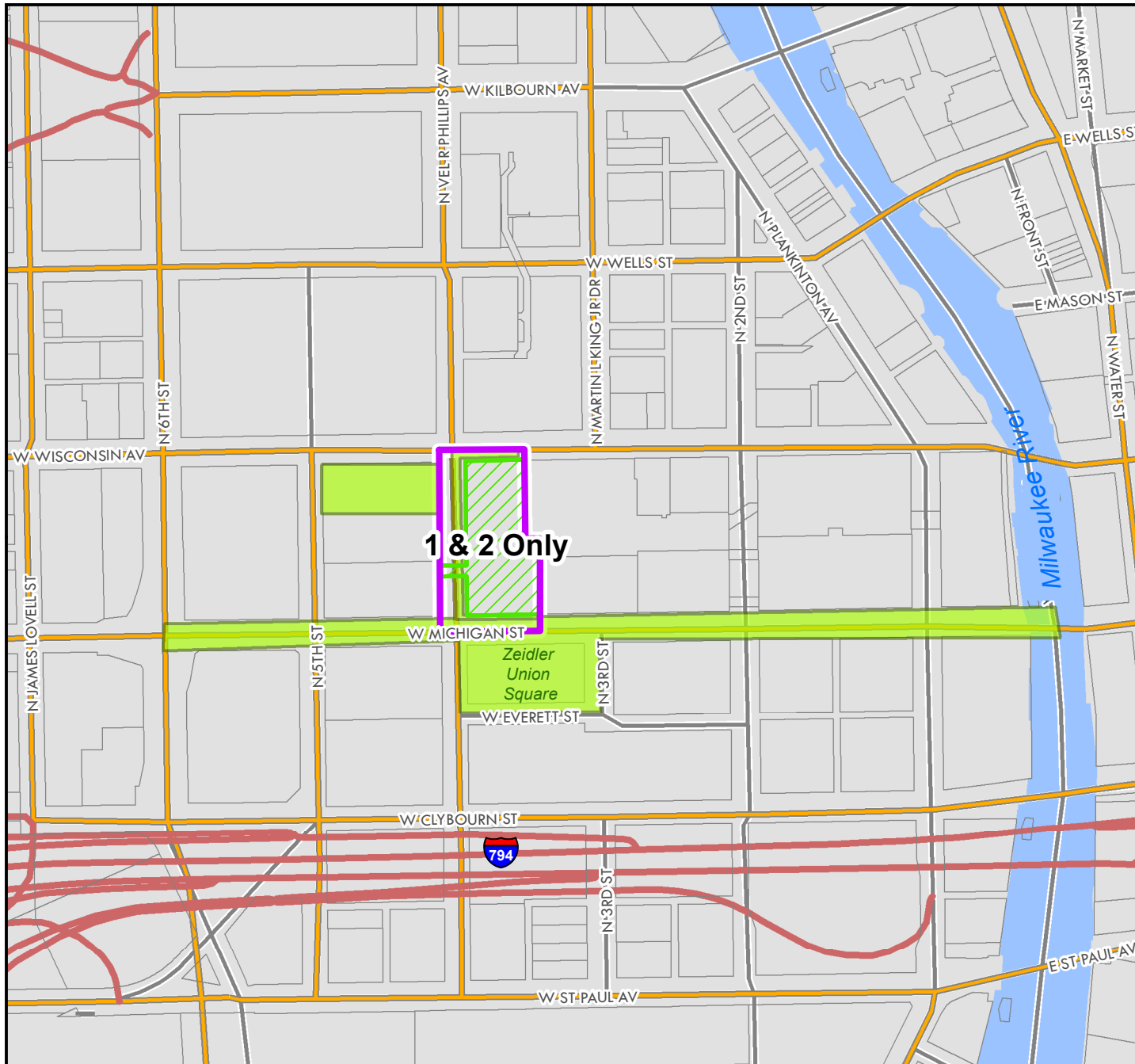
-  In Need of Conservation or Rehabilitation
-  TID Boundary
-  Parcel Boundary

TID NO. 110: VEL R. PHILLIPS AND MICHIGAN, MAP 3

PROPOSED USES AND IMPROVEMENTS

Prepared by the Department of City Development Planning Division, 10/4/2022
Source: DCD Planning Division; Information Technology Management Division





0 0.08 0.16 Miles



PROPERTY LIST

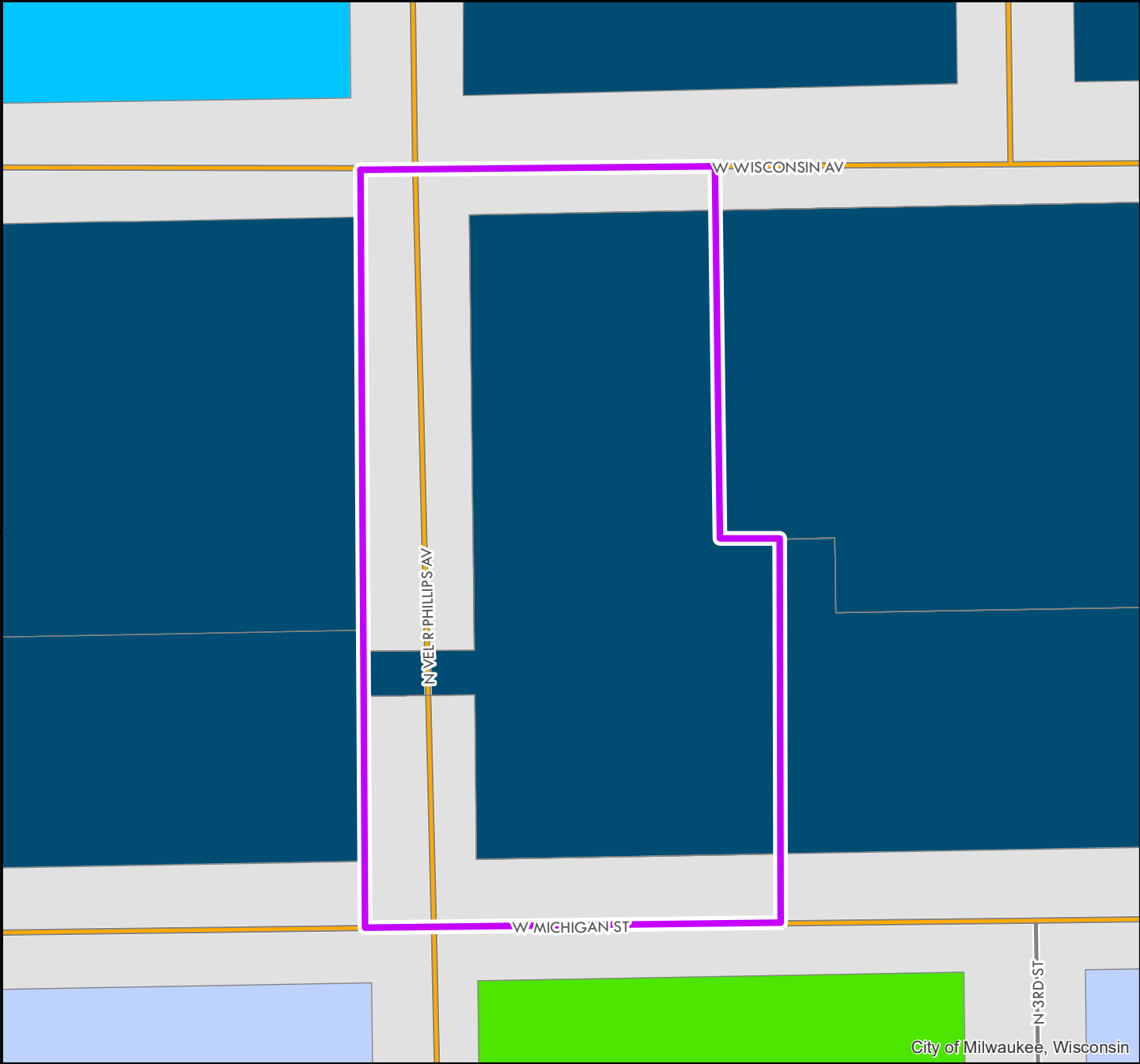
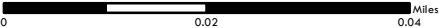
No.	Taxkey	Address
1	#397-0421-000	640 N VEL R PHILLIPS AVE
2	#397-0422-000	640 N VEL R PHILLIPS AVE
3	#397-0423-000	331 W WISCONSIN AVE

MAP LEGEND

-  TID110 Boundary
-  Project
-  Public Infrastructure
-  Parcel Boundary

TID NO. 110: VEL R. PHILLIPS AND MICHIGAN, MAP 4
EXISTING ZONING

Prepared by the Department of City Development Planning Division, 10/4/2022
Source: DCD Planning Division; Information Technology Management Division



PROPERTY LIST

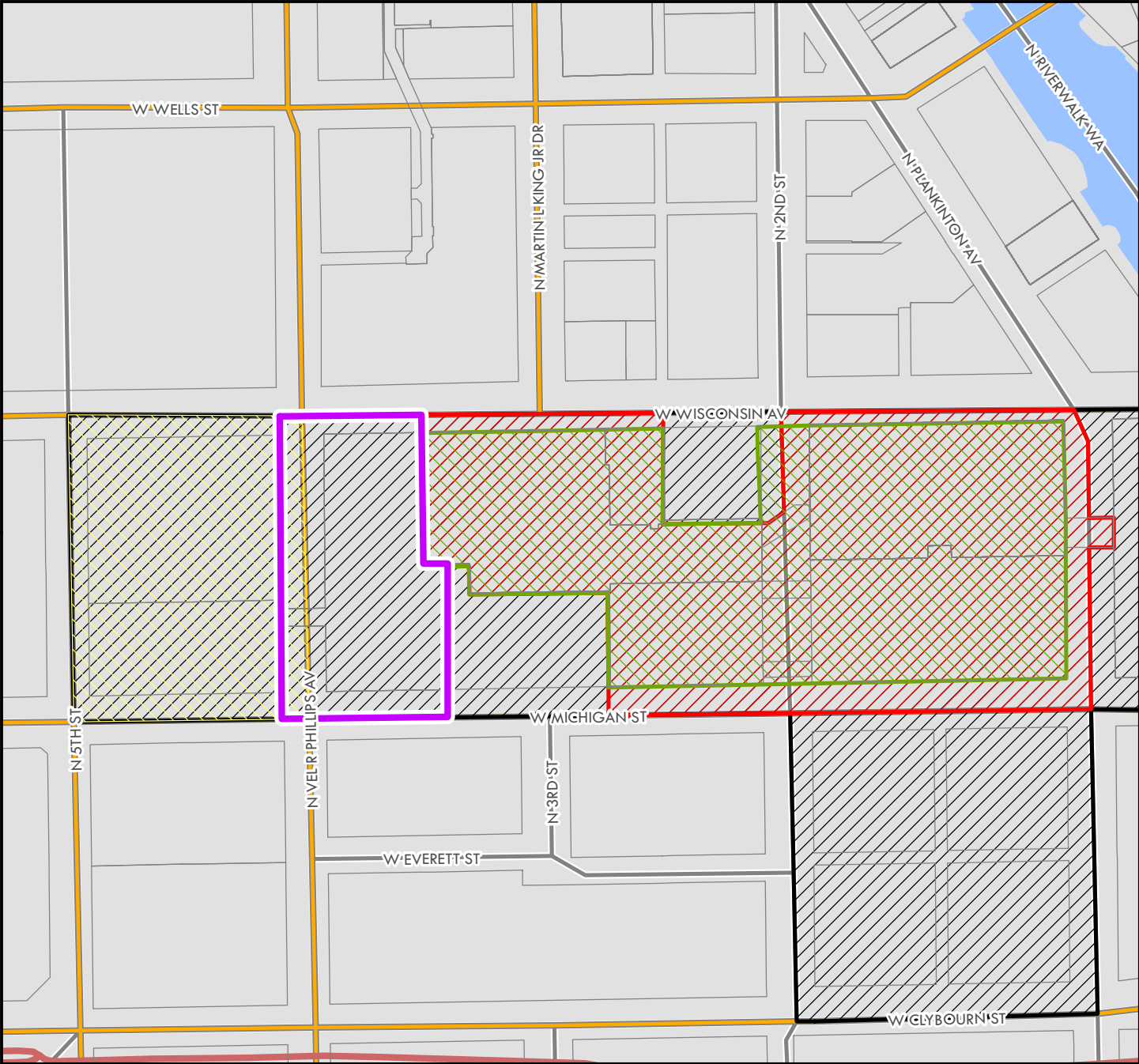
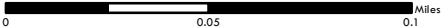
No.	Taxkey	Address
1	#397-0421-000	640 N VEL R PHILLIPS AVE
2	#397-0422-000	640 N VEL R PHILLIPS AVE
3	#397-0423-000	331 W WISCONSIN AVE

MAP LEGEND

- TID Boundary
- Parcel Boundary
- Downtown - major retail
- Downtown - office and service
- Commercial - central business
- Special - parks

TID NO. 110: VEL R. PHILLIPS AND MICHIGAN, MAP 5
BOUNDARIES AND OVERLAP



Prepared by the Department of City Development Planning Division, 10/4/2022
Source: DCD Planning Division; Information Technology Management Division



PROPERTY LIST

No.	Taxkey	Address
1	#397-0421-000	640 N VEL R PHILLIPS AVE
2	#397-0422-000	640 N VEL R PHILLIPS AVE
3	#397-0423-000	331 W WISCONSIN AVE

MAP LEGEND

-  TID110 Boundary
-  Parcel Boundary

TID Number

-  46
-  88
-  97
-  37