City of Milwaukee

Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

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Members of the Joint Review Board for Milwaukee Tax Incremental Finance Districts:
Mark Nicolini, City of Milwaukee; Chair
Teig Whaley-Smith, Milwaukee County
Al G. Shoreibah, Milwaukee Area Technical College
Gerald Pace, Milwaukee Public Schools
Robert Rondini, Redevelopment Authority Commissioner; Citizen Member

Gentlemen:

Re: 2013 Annual Report of Milwaukee's Tax Incremental Finance Districts

Enclosed is the Annual Report of Milwaukee's Tax Incremental Finance Districts (TIDs) for the year ended December 31, 2013.

The report covers project accomplishments for each district, a summary of costs and revenues, and an estimate of when the district is likely to recover its project costs. Given the extent of the report, this information may be accessed for each district at:

http://city.milwaukee.gov/TaxIncrementalFinancing.htm

Highlights of 2013 Tax Incremental District activities include: Two new districts were created: TID 78 (Northwestern Mutual Life Insurance Co.) and TID 79 (North Water Street Riverwalk). As of year-end, Milwaukee had 45 active Tax Incremental Districts.

Two higher performing Districts, TID 22 (Beerline B) and TID 56 (Erie/Jefferson Riverwalk) were amended to provide donations to a combined five Districts that have substantial project costs, but little or no incremental value.

Three Project Plans were amended to encourage continued economic development and redevelopment within District boundaries:

- TID 41 (Time Warner/Manpower) provided funding for infrastructure improvements. The improvements are contingent upon the successful leasing of office space to a tenant relocating 250 jobs and creating 100 new positions over 6 years.

- TID 42 (Midtown Center) created an Economic Development Master Fund to be used for commercial building redevelopment, and a Tenant Improvement Master

Fund to stimulate successful leasing and redevelopment of vacant retail space in the District. The District also funded street paving projects near the District.

- TID 53 (Menomonee Valley Shops) provided funding for the final preparation of the remaining three sites for sale in the District and the final environmental capping of the project area.

A budget adjustment for TID 44 (Walnut/Locust) authorized the City to execute an agreement with Josey Heights, LLC to sell the development to the Redevelopment Authority of the City of Milwaukee (RACM). The resolution also created a neighborhood loan fund to provide home and rental rehabilitation loans to District residents.

The following statistics summarize the 2013 performance of Milwaukee's active TIDs:

1) Total incremental property value in all districts has grown by approximately 17% to $1.1 billion. This represents 4.2% of the City's total property value in 2013.

2) Project costs remaining to be recovered through future tax incremental revenue, including debt service on outstanding bonds, or bonds to be sold, are now estimated at $222 million. This does not include costs advanced by businesses or developers through "pay as you go" districts.

3) In 2013, 31 of the 45 districts (69%) gained in value. This positively reverses a trend in which 60% declined in value in 2012, 54% declined in 2011, and 67% declined in 2010.

Information about districts estimated to recover their costs within the next three years is listed in a table attached to this letter. This information reflects the department's best estimates, but is subject to audit and, in some cases, may be impacted by the issuance of future debt to finance project costs already incurred. It is expected that all of the listed districts will be evaluated for paving and affordable housing assistance amendments, adding up to two years to the estimated dates of closing.

If you have any questions related to this report, or the status of any Milwaukee Tax Incremental District, please contact Sandra Rotar of my staff at (414) 286-5697.

Sincerely,

Rocky Marcoux
Commissioner

Attachment

Table A:
Districts Estimated to Recover Project Costs within 2013-2015 (Levy Year)

District No.	District Name	Projected Year Project Costs are Recovered [1] (Levy Year)	2013 Incremental Property Value ($ millions)
18	New Covenant Housing	2013	$2.5
28	City Homes	2013	$8.5
30	Westown Village	2013	$22.3
40	West North Avenue	2013	$18.0
44	Walnut /Locust	2013	$54.0
27	Clarke Square	2014	$8.6
37	Grand Avenue	2014	$66.9
39	Hilton Hotel Parking Ramp	2014	$28.7
42	Midtown Center	2014	$51.4
61	Chase Commerce Center	2014	$1.6
17	Curry/Pierce Project	2015	$1.3
20	Florida Yards	2015	$12.3
56	Erie/Jefferson Riverwalk	2015	$109.0
58	20th & Walnut	2015	$0.0
65	North 20th/West Brown St.	2015	$0.0
66	Metcalf Park Homes	2015	$0.0

[1] Projected closing dates exclude possible paving & housing amendments.