

**TID 71 – Mitchell Street  
Periodic Report  
12/31/14**

**District Created: 2008**

**Authorized expenditure (excluding interest): \$3,116,600**

**Authorizing resolution(s): #070611, #071132, #010436, #0140436**

**Projected TID dissolution: 2032 (levy year)**

**Maximum legal life: 2033**

**Base property value: \$66,751,300; District base value redetermined in 2014**

**Completion Status: Ongoing**

**Project description**

The Mitchell Street district contains nearly 300 properties located generally one block north and south of West Mitchell Street between South 5<sup>th</sup> and South 16<sup>th</sup> Streets, plus the commercial area south of West Forest Home Avenue, between South 13<sup>th</sup> and South 15<sup>th</sup> Streets. Funding set forth in the project plan includes \$3,118,000 for the purposes of upgrading pedestrian lighting, installing median irrigation, security cameras, and tree grates, along with funds for grants or loans to assist with catalytic private development opportunities in this major neighborhood commercial district.

Security cameras have been installed throughout the district. The cameras are monitored by the Milwaukee Police Department, and focus on customer parking areas north and south of Mitchell Street. In addition, pedestrian “Harp” lights have been upgraded along Mitchell Street and Forest Home Avenue.

Also, \$500,000 was authorized for a forgivable loan to assist with the \$4.5 million renovation of the former Goldman’s Department store at 930 West Mitchell Street and a \$228,000 grant was awarded to repair the roof and other building systems at the Modjeska Theater. Unfortunately, the Goldman’s project has been unable to obtain financing and continues to be vacant. The Modjeska roof repair, however, was completed in late 2010.

Grants were also awarded to renovate the restaurant space and the façade at 608 West Mitchell Street, installation of a water line to serve the retail space at 833 West Mitchell Street, and open a new restaurant, Paesano’s pizza, at 551 West Mitchell Street. The restaurant has changed ownership but continues operation.

Efforts continue to redevelop the Modjeska Theater and Goldman’s Department store site, with an anticipated reopening of the Theater in 2015. Meanwhile, the apartment conversion project in the former theater at 601 West Mitchell Street was sold and completion of the 36 units is expected in 2015. The developers are Randy Thelen of Elkhorn based Thelen Total Construction, Inc., and Geoff Stone, co-owner of Gato City LLC, a Milwaukee rental property management firm.

Property values in the district, as shown below, have declined significantly with the downturn in the economy. In 2013, an amendment to the project plan was proposed to reset the Base Value of the district. This amendment would have eliminated the deficit in value and created the opportunity to generate positive incremental revenue. Unfortunately, the WI Department of Revenue did not accept this amendment.

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However, Wisconsin Act 183, which was passed in April of 2014, permits amendments to tax increment districts which have experienced a decline in property value such that the district's value has been at least 10% less than its base value for at least two consecutive years. Passage of this legislation allows for the City to achieve the same result as what was originally proposed in 2013. The City, therefore, moved forward with an amendment to reset the base value of the district. The amendment obtained final approval by the Joint Review Board on August 7, 2014 and reset the base value of the district to \$66.75 million.

District incremental values have changed as follows:

Year	Incremental Value
2014	\$ (12,344,300)
2013	\$ (8,501,200)
2012	\$ (10,450,700)
2011	\$ (5,667,100)
2010	\$ -
2009	\$ (4,868,100)

**Expenditures - Life to Date (as of 12/31/14)**

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 200,000	\$ 200,000	\$ -	\$ 55,062	\$ 144,938
Public Improvements	846,600	541,524	-	441,004	100,520
Resident. Improve. Loans	400,000	400,000		140,595	259,405
Contingency	170,000	434,141	-	-	434,141
Development Fund	1,500,000	807,945	-	807,945	-
Capitalized Interest	311,660	62,694		62,694	
Total	\$ 3,428,260	\$ 2,446,304	\$ -	\$ 1,507,300	\$ 939,004

**Financing Costs – Interest Paid through 12/31/2014: \$338,795**

**Revenue/Value Performance (as of 12/31/2014)**

	Projected	Actual
Property value	\$ 64,881,807	\$ 62,908,200
Incremental value	\$ 12,017,807	\$ (12,344,300)
Incremental taxes	\$ 890,855	\$ -

**Miscellaneous Revenue through 12/31/2014: \$500,000**

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

Is the project on schedule?  Yes  No If no, explain: see comments above.

Identify any significant concerns that might affect budget or schedule of this project in the future: See comments above regarding the redetermination of the base value.