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July 23, 2026

Members of the Zoning, Neighborhoods
& Development Committee
City of Milwaukee
City Hall, Room 205
Milwaukee, WI 53202

RE: File 260436, TID 135 – 1101-1113 W. Historic Mitchell Street Project

Dear Committee Members:

File 260436 would approve the creation of Tax Incremental District (TID) 135, 1101-1113 W. Historic Mitchell Street Project (the "District"), along with a corresponding project plan and term sheet. The Comptroller's Office has reviewed the project plan, feasibility study, and term sheet and has had discussions with the Department of City Development ("DCD") and confirmed pro forma details with the Assessor's Office. The Comptroller's Office analysis is based on the information provided.

The District is located at the southwest corner of West Historic Mitchell and South 11th Street in the Historic Mitchell Street neighborhood. This site overlaps existing TID No. 71 (Mitchell Street). The site is comprised of one parcel at 1101-1113 W. Historic Mitchell Street, a single two story building covers the entire lot. This project will be developed by BBE Investments and Development, LLC ("Developer"). The Developer is proposing the historic rehabilitation and adaptive re-use of the former home of The Grand Department Store in the Historic Mitchell Street neighborhood into a mixed-use residential and commercial development (the "Project"). This development would include 25 residential rental units with 100% of units reserved for workforce housing. The development will consist of a mix of studio and one-bedroom units, with rents up to 80% of Area Median Income ("AMI").

The total estimated costs for the Project are nearly $9,500,000 and this file authorizes an up to $480,000 grant to the Developer to assist in funding a portion of these costs. The Developer will advance the $480,000. The District will make annual payments to the Developer equal to the incremental taxes collected in the District, less an annual administration charge of $10,000. The District's payments will terminate at the earlier of the repayment of $480,000 plus 5.75% interest (5.95% maximum, with a corresponding drop in the grant), or the payment derived from the 2039 levy payable in 2040 (year 14 of the District).

Is This Project Likely to Succeed?

As a Developer-financed TID, the Developer assumes the risk that the proposed District will generate sufficient incremental revenue to recapture their $480,000 investment with interest.

DCD's feasibility study, completed by Ehlers Public Finance Advisors, which uses a constant 2.238538% property tax rate and 1% property appreciation rate over the life of the TID, forecasts that the Developer will fully recover the $480,000 plus interest in 2040 after receipt of the 2039 levy. However, if the tax rate does not remain constant, the Developer may not recover the entire $480,000 plus interest. Nonetheless, because the Developer, not the City, assumes the repayment risk on their up to $480,000 contribution, the proposed TID is economically feasible to the City.

Sensitivity Analysis

There is inherent risk in every projection of future results. One common way to evaluate this risk is to provide sensitivity analysis, which forecasts the impact that different assumptions have on the projection. Below is a table calculated by the Comptroller's Office, which summarizes several scenarios to show the sensitivity of the projected incremental revenues within the District.

Sensitivity Analysis	
Percentage of Projected Revenue	District Payback Year
90%	2040*
95%	2040*
100% (Base Case)	2040
105%	2039
110%	2038

** 2040 is the final year of the monetary obligation. The Developer would not fully recover their investment, plus interest, in this scenario.*

It is important to note that the payback year relates to the expected year in which the Developer will recover their investment. Since the Project will be financed by the Developer, the City is not at risk of losing the $480,000.

Is the Proposed Level of City Financial Participation Required to Implement the Project?

This proposed TID allows the City to provide incentive to the Developer to redevelop the Property while minimizing the City's involvement and risk.

Conclusion

The proposed TID provides incentive for the Developer to historically renovate a vacant former home of the Grand Department Store into a mix of workforce apartments and approximately 21,500 square feet of commercial space. Possible uses include a daycare, prenatal clinic, and a community room. The Developer will assume the financial risk and the Project should increase the City's tax base.

Should you have any questions regarding this letter, do not hesitate to contact Bolanle Ojum at extension 5839.

Sincerely,

Bill Christianson

Bill Christianson, CPFO
Comptroller

CC: Diana Kanter, Larry Kilmer, Charles Roedel

BC:BO