

TID 71 – Mitchell Street
Periodic Report
12/31/17

District Created: 2008

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

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

Projected TID dissolution: 2034 (levy year)

Maximum legal life: 2035

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 5th and South 16th Streets, plus the commercial area south of West Forest Home Avenue, between South 13th and South 15th 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. The Modjeska roof repair was completed in late 2010 and it is the hope that the theater will once again host entertainment of all kinds in the near future. Construction began in April 2015 to convert the Goldman’s department store into the Ignance Indian Health Center.

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.

Meanwhile, the apartment conversion project in the former theater at 601 West Mitchell Street was sold and completion of the 36 units occurred 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
2017	\$ (8,295,400)
2016	\$ (2,873,800)
2015	\$ (6,570,200)
2014	\$ (3,843,100)
2013	\$ (8,501,200)
2012	\$ (10,450,700)
2011	\$ (5,667,100)
2010	\$ -

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 200,000	\$ 200,000	\$ -	\$ 55,512	\$ 144,488
Public Improvements	846,600	541,524	-	467,559	73,965
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	\$ -	\$ 1,534,305	\$ 911,999

Financing Costs – Interest Paid through 12/31/2017: \$600,760

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

	Projected	Actual
Property value	\$ 69,870,610	\$ 58,455,900
Incremental value	\$ 17,006,610	\$ (8,295,400)
Incremental taxes	\$ 1,469,701	\$ -
State aid	*	\$ 76,609

* Not projected.

Miscellaneous Revenue through 12/31/2017: \$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.