

**TID 94 – 1<sup>st</sup> and Becher  
Periodic Report  
12/31/21**

**District Created: 2018**

**Authorized expenditure (excluding interest): \$7,080,000**

**Authorizing resolution(s): #180884**

**Projected TID cost recovery: 2036 (levy year)**

**Maximum legal life: 2046**

**Base property value: \$5,468,400**

**Completion Status: Ongoing**

**Project description:**

The 1<sup>st</sup> and Becher Tax Incremental District was created to fund public infrastructure, riverwalk improvements and environmental clean-up of the public access areas for the project. Located on the northwest corner of 1<sup>st</sup> and W. Becher Streets at the northern tip of the Bay View neighborhood this development serves as one of the catalytic projects of the Water District's Water and Land Use Plan and the Southeast Side Plan.

The Michels Corporation is the developer and owner for this multi-phased \$100 million development that will include office, commercial and residential uses. Phase I of the project includes an approximate 130,000 square foot office building with 500 or more stalls of parking, riverwalk improvements along the Kinnickinnic River and public access connections to the improvements for a total construction value of \$49 million. To assist the developer for the costs of the riverwalk and public access connections, the District will fund a developer financed loan in the amount of \$3.4 million for a proportion of the costs for these improvements and provide a \$400,000 grant for environmental clean-up of the public access areas. The Phase I office building will be the new division headquarters of the Michels Corporation Infrastructure Group that will include 250 employees.

The District will also fund \$2.5 million for Becher Street improvements including the reconstruction of Becher Street from the Kinnickinnic River up to the South Kinnickinnic Avenue intersection, new lighting, trees and improvements to the walkways and the intersection crossings at Becher and South 1<sup>st</sup> Street.

Construction for the project began in late 2018 and be completed by mid-year 2020. Becher Street improvements will commence in late 2019 and be completed by mid-year 2020.

In 2019, the Michels Corporation broke ground on Phase II of the \$100 million development. Construction is underway for a mixed-use residential project along 1<sup>st</sup> Street. Given the progress of development in phase II, the city and company determined it was best to reconstruct Becher Street in 2021 coincide with the completion of the overall project. Unfortunately, in late December of 2020, there was an early morning explosion of stored materials within the parking garage. While no one was injured, there was substantial damage to the nearly complete parking garage and adjacent riverwalk. Rehabilitation began immediately, and the repairs were complete by the end of the year, 2021 with the Riverwalk opening to the public shortly after.

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Incremental Value:

Year	Incremental Value	Increase
2021	\$ 12,869,300	26004%
2020	\$ (49,300)	
2019	\$ -	

**Expenditures - Life to Date (as of 12/31/21)**

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 250,000	\$ 250,000	\$ -	\$ 11,186	\$ 238,814
Riverwalk/Infrastructure	3,030,000	2,500,000	620,132	987,361	892,506
RLF Loan	400,000				-
Developer Financed Loan	3,400,000	-	-	-	-
Total	\$ 7,080,000	\$ 2,750,000	\$ 620,132	\$ 998,548	\$ 1,131,320

**Financing Costs – Interest Paid through 12/31/2021: \$22,183**

**Revenue/Value Performance (as of 12/31/2021)**

	Projected	Actual
Property value	\$ 23,250,000	\$ 18,337,700
Incremental value	\$ 21,931,800	\$ 12,869,300
Incremental taxes	\$ 657,954	\$ 324,876
State aid	*	\$ -

\* Not projected.

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

Is the project on schedule?  Yes  No If no, explain:

Identify any significant concerns that might affect budget or schedule of this project in the future: None.