Project Plan
For
Tax Incremental District Number 56
City of Milwaukee
(Erie/Jefferson Street)

Redevelopment Authority
Of the
City of Milwaukee
Milwaukee, Wisconsin

Prepared by
Department of City Development

In Conformance with the provisions
Of Section 66.1105, Wisconsin Statutes,
as Amended.

August 19, 2004

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EXHIBITS

I. DESCRIPTION OF PROJECT

A. Introduction

Section 66.1105(4)(d), Wisconsin Statutes, requires the "preparation and adoption... of a proposed project plan for each tax incremental district." This Project Plan is submitted in fulfillment of this requirement and the related provisions of section 66.1105, Wisconsin Statutes.

B. District Boundaries

Tax Incremental District Number 56, City of Milwaukee, (TID 56 and/or District) is comprised of approximately two blocks of land abutting the Milwaukee River in the southern portion of the Historic Third Ward. The District is shown on Map No. 1, "Boundary and Existing Land Use," and described more precisely in Exhibit 1, "Boundary Description." The area consists solely of whole units of property as are assessed for general tax purposes and which are bounded on one or more sides by railroad rights-of-way, highways or rivers. A complete list of properties in the District is provided in Exhibit 2, "Property Characteristics."

The District contains property totaling 299,148 square feet (6.87acres), more or less, exclusive of public streets and alleys. 100 percent, by area, (299,148 square feet) of the real property located within the District was found to be in a blighted area within the meaning of Section 66.1105(2)(a)1.b. Wisconsin Statutes. Exhibit 2 illustrates how the properties in the District meet the statutory criteria for Tax Incremental Districts.

C. Plan Objectives

The Historic Third Ward is an example of the adaptive reuse of the existing stock of multi-story warehouses and factory buildings that have been transformed into spaces for shops, offices and housing. There has been a recent boon in new construction for condominium and apartment development.

This growth has been guided and managed in part by the efforts of the City of Milwaukee's Department of City Development and the Historic Third Ward Association. The Historic Third Ward Association established in 1976 is a 501 (c) (3) non-profit organization that acts as a catalyst to develop the district as an innovative, livable and exciting mixed use neighborhood while preserving its historic and creative character. Listed on the National Register of Historic Places, the Historic Third Ward (HTW) is Milwaukee's oldest center of commerce and warehousing and is the site of Milwaukee's most devastating fire and its most remarkable rebuilding efforts. The HTWA is financed through a combination of Business Improvement District No. 2 (BID), the City of Milwaukee and membership support.

The District includes portions of the Historic Third Ward National Register Historic District designated by the U.S. Department of the Interior. TID 56 will facilitate the preservation and adaptive reuse of historic and architecturally significant buildings, where possible, and the development of new, architecturally compatible, buildings within the historic district.

This plan will also complete a significant extension to the Milwaukee Riverwalk system, on the east bank of the Milwaukee River, which was started in 1994. Once complete, the Milwaukee Riverwalk system will extend from the former North Avenue dam through downtown and the Historic Third Ward to Lake Michigan. The system is a public-private partnership between property owners and the city of Milwaukee. In exchange for permanent public access to the river, the city provides assistance in funding for private riverwalk improvements.

The first segment of the Milwaukee Riverwalk system located in the Historic Third Ward is a one-half mile stretch extending from Clybourn Street on the north along the Milwaukee River south and east just past the Milwaukee Institute of Art and Design and end at the Broadway Bridge.

This last segment begins at the Broadway Bridge and extends along the Milwaukee River south to the harbor entrance.

The current Third Ward Riverwalk consists of a wooden boardwalk extending out over the river with a walkway extending down to the river, providing the public with a new and different perspective of the river. The river's edge will be heavily planted with vegetation indigenous to Wisconsin, thus enhancing the natural amenity in the city.

The project includes the development of two riverfront mixed use condominium developments fronting Erie Street with views and boat slips along the Milwaukee River. These two condominium developments are called Harbor Front and the Marine Terminal Lofts. The riverwalks associated with these projects will include some, but not all of the features of the Historic Third Ward riverwalk project.

The Harbor Front project is a new mixed use six-story condominium and commercial development. The project will include the construction of a160-unit condominium development in two phases with underground parking. There will be an approximately 1184 foot Riverwalk and 13,000 s.f. commercial development fronting Erie Street. Phase I is approximately 210,000 s.f. and features 80 loft styled condominiums and has a total of 149 parking spaces situated on site, with 80 spaces located below grade and 69 spaces located above grade, all located at 601 E. Erie Street in the City of Milwaukee, Wisconsin.

There will be approximately 56 boat slips available to the residents on a long-term lease basis.

Phase II is approximately 215,000 s.f. it will also include 80 loft styled condominiums and will emulate Phase I.

The Marine Terminal Lofts is a new mixed use five-story condominium and commercial development. The project will include the conversion of an existing vacant building located at 120 North Broadway and the development of a vacant parking lot at 401 East Erie Street into approximately 175 condominiums in two phases with underground parking and an approximately 1,048 foot Riverwalk and approximately 72,000 s.f. commercial development fronting Erie Street.

Phase I will contain 42,000 s.f. ground floor commercial space and 100 units of condominiums on 4 floors totaling 130,000 s.f. of space. There will also be basement parking for 150 cars.

Phase II will contain 30,000 s.f. ground floor commercial space and 75 condominium units on 4 floors totaling 97,500 s.f. of space. There will also be lower level parking for 120 cars and 2nd floor parking for 120 cars.

The more detailed objectives of this Project Plan are to:

1. Increase public access to the Milwaukee River by construction of a riverwalk, plazas, new stub end streets and construction of dedicated but unimproved stub end streets.

2. Enhance pedestrian access and circulation within the Historic Third Ward and between the Historic Third Ward and downtown.

3. Promote the coordinated development of vacant or underutilized space within buildings, for appropriate retail, residential, commercial/office, commercial/service, and/or public use.

4. Provide public improvements that are not feasible without public/private cooperation, including, but not limited to, pedestrian amenities.

5. Encourage adaptive reuse of historic and architecturally significant buildings that are structurally sound but functionally obsolete.

6. Impose mandatory standards for property rehabilitation and development, including the aesthetic treatment of parking facilities.

7. Eliminate obsolete conditions, blighting influences and environmental deficiencies that impede development and detract from the functionality, aesthetic appearance and economic welfare of this important section of the city.

8. Create new employment opportunities.

9. Remove or improve obsolete railroad facilities, as appropriate.

D. Proposed Public Action

The City of Milwaukee may, on its own initiative or through a cooperation agreement with the Redevelopment Authority and/or other entities, undertake any and all project and site improvements and activities considered necessary to achieve project objectives and the commitment of private investment. This Plan is not intended to limit and shall not be interpreted as limiting the Redevelopment Authority in the exercise of its powers under Section 66.1333(5), Wisconsin Statutes, within the District. It is possible that future amendments to this District for other investments in this area will be proposed

The District will partially fund the construction of a riverwalk of approximately 2,232 feet in length from the west side of the Broadway Bridge to the Harbor Entrance. The riverwalk will be approximately 12 feet wide, and constructed on the north bank of the Milwaukee River. The design will be consistent with the Riverlink design guidelines and the Historic Third Ward Association. The design may include railings, harp lights, and medallions in the walking surface.

The District will also provide funding for street improvements to include but not be limited to paving, curb, gutter and sidewalk for East Erie Street from Broadway to the Harbor entrance. These improvements will include paving, constructing new stub end roadways to the Milwaukee River for North Milwaukee Street, North Jefferson Street, and North Jackson Street. There will also be dockwall repair/replacement at the three new stubs and roadways at North Milwaukee Street, North Jefferson Street, and North Jackson Street. There is also funding for lighting and trees.

II. PLAN PROPOSALS

A. Statutory Requirements

Section 66.1105(4)(f), Wisconsin Statutes, requires that a Project Plan for a Tax Incremental District shall include:

"... a statement listing the kind, number and location of all proposed public works or improvements within the district or, to the extent provided in subsection (2)(f)1.k., outside the district, an economic feasibility study, a detailed list of estimated project costs, and a description of the methods of financing all estimated project costs and the time when the costs or monetary obligations related thereto are to be incurred. The plan shall also include a map showing existing uses and conditions of real property in the district; a map showing proposed improvements and uses in the district; proposed

changes of zoning ordinances, master plan, if any, map, building codes and city ordinances; a list of estimated non-project costs; and a statement of a proposed method for the relocation of any persons to be displaced. The plan shall indicate how creation of the tax incremental district promotes the orderly development of the city."

The plan shall also include an opinion of the City Attorney or of any attorney retained by the City advising whether such plan is complete and complies with Section 66.1105(4)(f), Wisconsin Statutes.

B. Compliance with Statutory Requirements

The following statements, maps and exhibits are provided in compliance with the statutory requirements.

1."Statement of the Kind, Number, and Location of All Proposed Public Works or Improvements."

a. The plan includes the public works and improvements described in general below. The specific kind, number, and locations of public works and other improvements will be based on detailed final plans, specifications and estimates as approved by the city's Department of City Development for project and site development. While not anticipated at this time, improvements such as vacation of existing public rights-of-way, site clearance, environmental remediation, and reimbursement to owners of abutting property for costs directly related to the project also may be undertaken if necessary for the implementation of the plan for the District.

1. Construction of various riverwalk segments of approximately 2,232 feet in total length extending from the Broadway Bridge to the Harbor Entrance.
2. Provision of pedestrian amenities such as pedestrian-level lighting, decorative pavement , landscaping, signage, and street furniture such as trash containers, benches, drinking fountains, etc., on the riverwalk and on connecting right-of-way.
3. Construction of suitable connections to such adjacent pedestrian ways as plazas, sidewalks, and existing riverwalks.
4. Paving in East Erie Street
5. Construct New Stub End Roadways.
   a. North Milwaukee Street
   b. North Jefferson Street
   c. North Jackson Street
6. Dockwall Repair/Replacement at
   a. North Milwaukee Street
   b. North Jefferson Street
   c. North Jackson Street
7. Street Lights
8. Street Trees

b. The number and location of the proposed public works and improvements are shown on Map No. 3, titled Proposed Improvements and Uses, and are listed below:

Erie St Project Cost	Total Cost
Street Improvements (non-assessable portion)	$1,210,000
CNW RR Swing Bridge Removal	$1,000,000
Marine Terminal Loft Riverwalk	$2,448,486
Harbor Front Riverwalk	$1,793,393
Erie St Plaza	1,000,000
Total	**$7,451,879**

2."Detailed List of Estimated Project Costs."

The kind, number, location and estimated costs of public works and improvements necessitated by this project as identified above, are based on preliminary plans and concepts developed in consultation with the Department of Public Works and as part of the preparation of the economic feasibility study for the District. These may be modified as to kind, number, location, and the costs reallocated at any time during project execution based on more definitive engineering studies and construction plans without amendment of this Plan.

The costs included in this subsection and detailed in Table "A" which follows are, without limitation hereof because of enumeration, claimed as eligible Project Costs as defined under Section 66.1105(2) (f) and, if appropriate, in any Cooperation Agreement(s) presently or subsequently entered into by and between the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, and/or eligible designated redeveloper(s), which agreements are incorporated herein by reference, provided further that such expenditures are necessitated by this Project Plan.

These costs and cost estimates are more fully described as follows:

a. Capital Costs

A statement of the kinds of activities proposed for the project is included in subsection III.B.1. of this Plan.

b. Other Costs

This category of Project Costs includes estimates for administrative, professional, organizational and legal costs. Components of the "other costs" include, in general, costs of salaries and employee benefits for employees engaged in planning, engineering, implementing, and administering activities in connection with the tax

increment district. Related costs include supplies, materials, contract and consultant services, rental of space and equipment, and the reasonable costs of City departments and agencies having oversight responsibilities due to the creation of this District. Such services include but are not limited to purchasing, property appraisals, personnel, legal, accounting, auditing, the provision of space and maintenance, and costs charged in accordance with an approved cost allocation plan. These costs are estimated at $125,000.

c. Financing Costs

Financing costs include estimated gross interest expense on bonds that will be issued to pay for Project Costs. Estimates of bond interest are based on interest rates as set forth in the Economic Feasibility Analysis for this Project.

Table A
List of Estimated Project Costs[1]

A	Capital: Public improvements - $7,201,858	$7,451,879
B	Other: Administrative, professional, organizational and legal,	$125,000
C	Contingency	$423,121
	Total Estimated Project Costs, excluding financing	$8,000,000
D	Financing: Interest payment on tax-exempt bonds	$694,450

3. "Description of Timing and Methods of Financing."

a. Estimated Timing of Project and Financing Costs

The Summary of Project Costs (Schedule "A" below) identifies the year in which actual expenditures for the cost of public works and improvements described in this plan is expected to be incurred. This schedule anticipates the time costs will be incurred, not the time contracts or other obligations may be entered into. The estimates presented are subject to change as actual circumstances during the project execution period may require. However, all expenditures will be made prior to the year 2025, pursuant to the provisions of s. 66.1105(6)(am), Wisconsin Statutes.

[1] The City of Milwaukee and/or RACM reserve the right to make only those improvements and to undertake only those activities that are deemed economically feasible and appropriate during the course of project implementation and which are commensurate with positive growth in the tax increment.

Schedule A
Estimated Timing of Project Costs

Year	Estimated Project Cost	Cumulative Total
2004	$250,000	$250,000
2005	$3,875,000	$4,125,000
2006	$3,875,000	$8,000,000

b. Estimated Method of Financing Project Costs

Sale of General Obligation Bonds: $8,694,450[2]

The estimated method of financing may be subject to change during the project period. Consequently, the method identified may, as circumstances warrant, be redefined and the dollar amount adjusted without formal modification of this Plan during the course of project implementation.

The funding source for payment of financing costs will be from tax increment revenues pursuant to Section 66.1105(6)(c), or from other funds ordinarily used for payment of borrowing obligations. It is the City's intent to maximize the use of TIF funds for the cost of City participation in this project.

4. "Economic Feasibility Study."

The Economic Feasibility Study for this District, prepared by the Department of City Development and titled *Economic Feasibility Study: Tax Increment District No.56, August 19, 2004*, is on file in the Office of the Redevelopment Authority of the City of Milwaukee, 809 North Broadway, Milwaukee, Wisconsin, and in the Office of the City Clerk of the City of Milwaukee, 200 West Wells Street, Room 205, Milwaukee Wisconsin, as attached to Common Council Resolution File Number_____. The study is incorporated herein by reference. The study establishes the dollar value of project costs which, based on certain general assumptions and a reasonable margin of safety, can be financed with the revenues projected to be generated by the proposed tax incremental district.

Based upon the anticipated tax incremental revenue to be generated by this project, the District is financially feasible and is likely to be retired on or before the year 2015 but could run to the year 2027. Should incremental revenues be generated in excess of those currently anticipated, they will be used to offset the public costs of Plan implementation.

5. "Map Showing Existing Uses and Conditions."

[2] Excluding capitalized interest, if any.

Please refer to Map No. 1, "Boundary and Existing Land Use," and Map No. 2, "Structure Condition, Map No. 2A Parcel Numbers, and Map No. 4 Property Characteristics" in the Exhibits Section which follows.

6. "Map Showing Proposed Improvements and Uses."

Please refer to Map No. 3, "Proposed Improvements and Uses," in the Exhibits Section which follows.

7. "Proposed Change of Zoning Ordinances, Master Plan, Building Codes and City Ordinances."

Please refer to Map No. 5, "Existing Zoning," and to Map No. 6, "Redevelopment Project Areas." The proposed project is consistent with the existing IM zoning, and the existing master plan, map, building codes, and other city ordinances; the project should not require amendments to their provisions, but such amendments could be made if necessary without further amendment to this plan.

8. "List of Estimated Non-Project Costs."

The District's assistance is a small portion of the estimated $120million total cost of the project. However, as detailed design of the complementary public improvements by the city and the developer proceeds, some additional costs may be identified and may be eligible for reimbursement through the TID.

Table "B"

List of Estimated Non-Project Costs

New Residential/Commercial Redevelopment	$120,000,000

9. "Proposed Method for Relocation."

This Plan does not anticipate the acquisition of property by the City of Milwaukee or by the Redevelopment Authority. Accordingly, no relocation activities or expenditures for relocation payments or services are provided herein. Should the acquisition of property by condemnation and requiring relocation be necessary, the cost and method of relocation will be included in a Redevelopment Plan and associated Relocation Plan prepared pursuant to sec. 66.1333 and sec. 32.05, Wis. Stats. The costs of such activities will be eligible for reimbursement through tax increment revenues should such revenues be generated during the statutory life of the District.

10. "Statement Indicating How District Creation Promotes Orderly City Development."

This District creation will provide a means to continue the revitalization of the Historic Third Ward and the completion of the existing riverwalk system that currently ends at the Broadway Bridge and will now extend to the Milwaukee Harbor entrance. This District is consistent with and will help implement the various redevelopment plans for the area including the Historic Third Ward Business Improvement District 2, Historic Third Ward Tax Incremental District No. 11, Historic Third Ward Riverwalk Tax Incremental District No. 34, East Erie/North Water Renewal Area, and the North Harbor Drive Renewal Area. It will foster the preservation and adaptive reuse of an existing blighted commercial area and the development of two riverfront mixed use condominium developments fronting East Erie Street with views and boat slips along the Milwaukee River. The District is consistent with the objectives of the Downtown Plan and the Operating Plan for Business Improvement District No. 2 (Historic Third Ward), a business improvement district created by the City in 1987 pursuant to s. 66.608, Wis. Stats. The riverwalk will be constructed in a manner consistent with the Milwaukee Riverlink Guidelines, a component of Milwaukee's Comprehensive Plan and the Site Plan Review Overlay District for the Milwaukee River.

11. "Opinion of the City Attorney."

Please refer to the letter of the City Attorney in the Exhibits Section.

EXHIBITS

Exhibit	Title
Exhibit 1	Boundary Description
Exhibit 2	Tax Incremental District 56 Base Value & Real Property Condition
Exhibit 3	Property Owners
Map 1	Boundary and Existing Land Use
Map 2	Structure Condition
Map 2A	Parcel Numbers
Map 3	Proposed Uses and Proposed Improvements
Map 4	Property Characteristics
Map 5	Existing Zoning Map
Map 6	Redevelopment Project Area
Attachment 1	Assessment Commissioner's Letter (in preparation)
Attachment 2	City Attorney's Letter (in preparation)

EXHIBIT 1
BOUNDARY DESCRIPTION

TID #56

Area bounded by the centerline of the Milwaukee River, the south line of North Broadway Avenue, the north line of East Erie Street and the east line of Lot 4 of Certified Survey Map No. 7370, and more particularly depicted on Map 1 of this Project Plan.

Proposed Tax Incremental District Number Fifty-Six
City of Milwaukee

Findings substantiating that not less than 50%, by area, of the real property within the proposed district is a blighted area within the meaning of Section 66.1105(4)(a), Wisconsin Statutes, and that vacant property including property standing vacant for an entire 7-year period does not comprise more than 25% of the area in the tax incremental district as provided in Section 66.1105(4)(gm)1.

		Assessed Valuation 1//1/04						Blighted Area/Influence				
Parcel No.	Tax Key No.	Land	Improvements	Total	Total Area (sq. ft.)	Explanatory Note	Sound Or In Need Of Voluntary Repair/Re-habilitation (sq.ft.)	Predominantly Open Or Underdeveloped Publicly-Owned Parcels (sq.ft.)	Deteriorated Structures/Other Improvements (sq.ft.)	Obsolete Platting/Faulty Lot Layout (sq.ft.)	Conditions endangering Life (sq.ft.)	Vacant Property/Pro-party Standing Vacant (sq.ft.)
1	392-2176-100	$1,037,900	$2,537,100	$3,575,000	51,867	Bldg.			51,867			
2	392-2177-100	$998,100	$1,900	$1,000,000	52,808	Parking Lot			52,808			
3	392-2178-110	$112,500	$5,000	$117,500	3,750	Bldg.					3,750	
4	392-2178-120	$9,600	$0	$0	3,959	**(EXM)** CNW RR				3,959		
5	392-2178-200	$155,300	$0	$155,300	5,175	Lot						5,175
6	392-2179-100	$2,608,400	$291,600	$2,900,000	86,946	Bldg.			86,946			
7	392-2197-000	$54,000	$0	$54,000	21,714	Lot		21,714				
8	392-2198-100	$146,200	$840,000	$986,200	72,929	**(EXM)** Lot		72,929				
Total		**$5,122,000**	**$3,675,600**	**$8,797,600**	**299,148**			**94,643**	**191,621**	**3,959**	**3,750**	**5,175**
Percentage					**100%**			**31.6%**	**64.1%**	**1.3%**	**1.3%**	**1.7%**

DCD:DRJ
7/29/04

Exhibit 2

Proposed TID #56
Real Estate Ownership

7/29/04

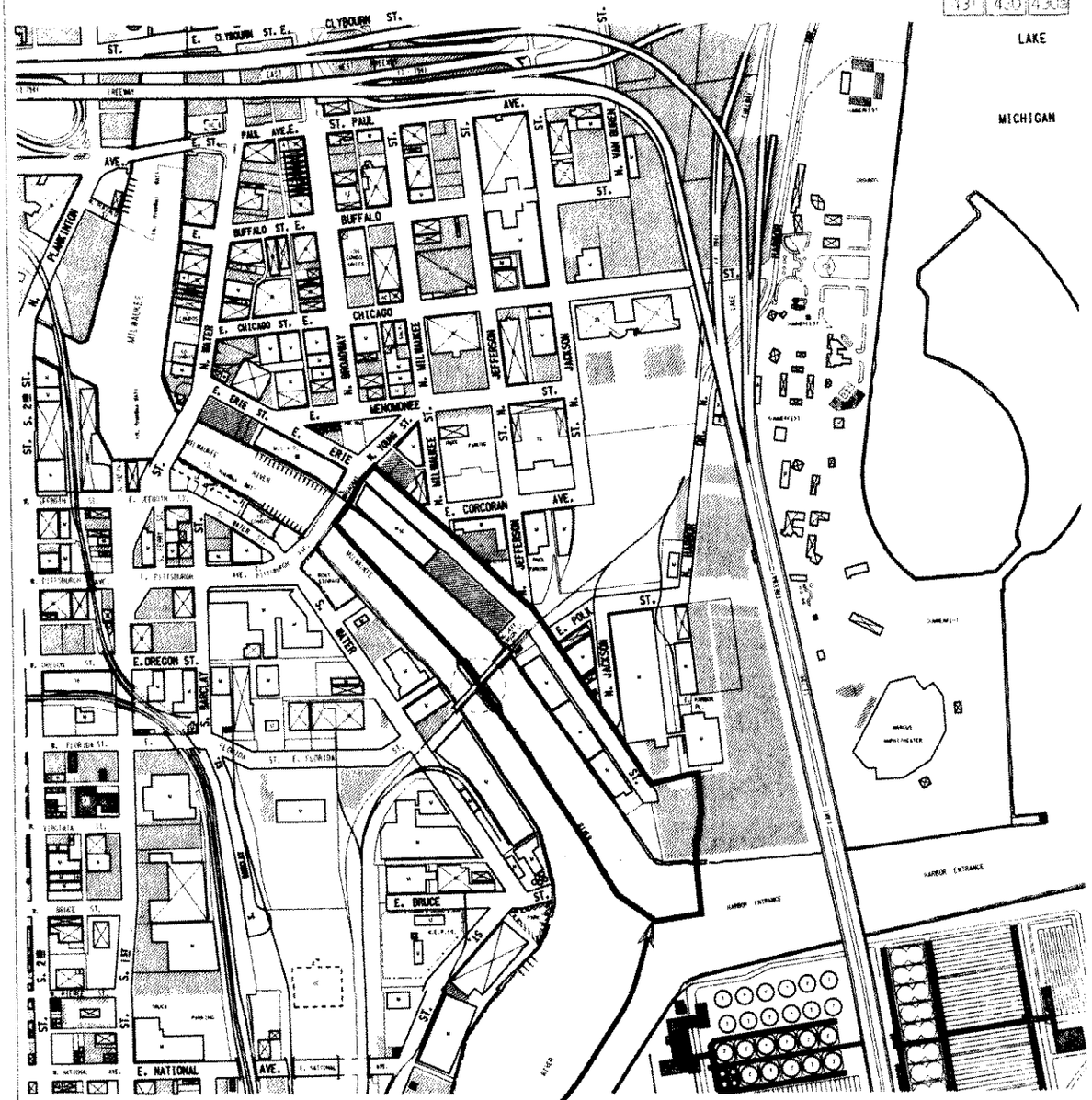
Parcel Number	TAXKEY	LOW	HIGH	DIR	STREET	ST	OWNER NAME
1	392-2176-100	106	120	N	BROADWAY		MANDEL RIVERFRONT HOLDINGS I
2	392-2177-100	401	401	E	ERIE	ST	GPI INTERIM INC
3	392-2178-110	503	503	E	ERIE	ST	GREGORY MARTIN
4	392-2178-120	501	501	E	ERIE	ST	CHICAGO & NORTH WESTERN
5	392-2178-200	509	509	E	ERIE	ST	R & E INVESTMENTS LLC
6	392-2179-100	541	599	E	ERIE	ST	HANSEN STORAGE CO
7	392-2197-000	641	641	E	ERIE	ST	FRONTAGE LLC
8	392-2198-100	642	642	E	ERIE	ST	CITY OF MILWAUKEE

DCD:DRJ

Exhibit 3

EXISTING LAND USE

397	396	395
429	429	429a
431	430	430a



TID BOUNDARY

N
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LEGEND

- PROJECT BOUNDARY
- SINGLE OR DUPLEX RESIDENTIAL
- MULTI-FAMILY RESIDENTIAL
- MIXED COMMERCIAL / RESIDENTIAL
- COMMERCIAL OR LOCAL BUSINESS
- OFFICE / PROFESSIONAL SERVICES
- MIXED COMMERCIAL
- SKILLED CARE FACILITY
- VACANT PARCEL
- NON - PUBLIC EDUCATION
- PUBLIC BUILDING
- M MANUFACTURING AND WAREHOUSING
- A ACCESSORY BUILDING
- TENNIS COURT
- BASKETBALL COURT
- † CHURCH
- H HOTEL / MOTEL
- R ROOMING HOUSE
- P POLICE STATION
- F FIRE STATION
- HOSPITAL
- C CONDOMINIUM
- U UTILITY COMPANY
- T STORAGE TANK
- PARK
- P.S. PUBLIC SCHOOL
- P.G. PLAYGROUND
- PARKING LOT
- PARKING STRUCTURE
- CEMETERY
- D DORMITORY

MAP NO. 1

TID - 56

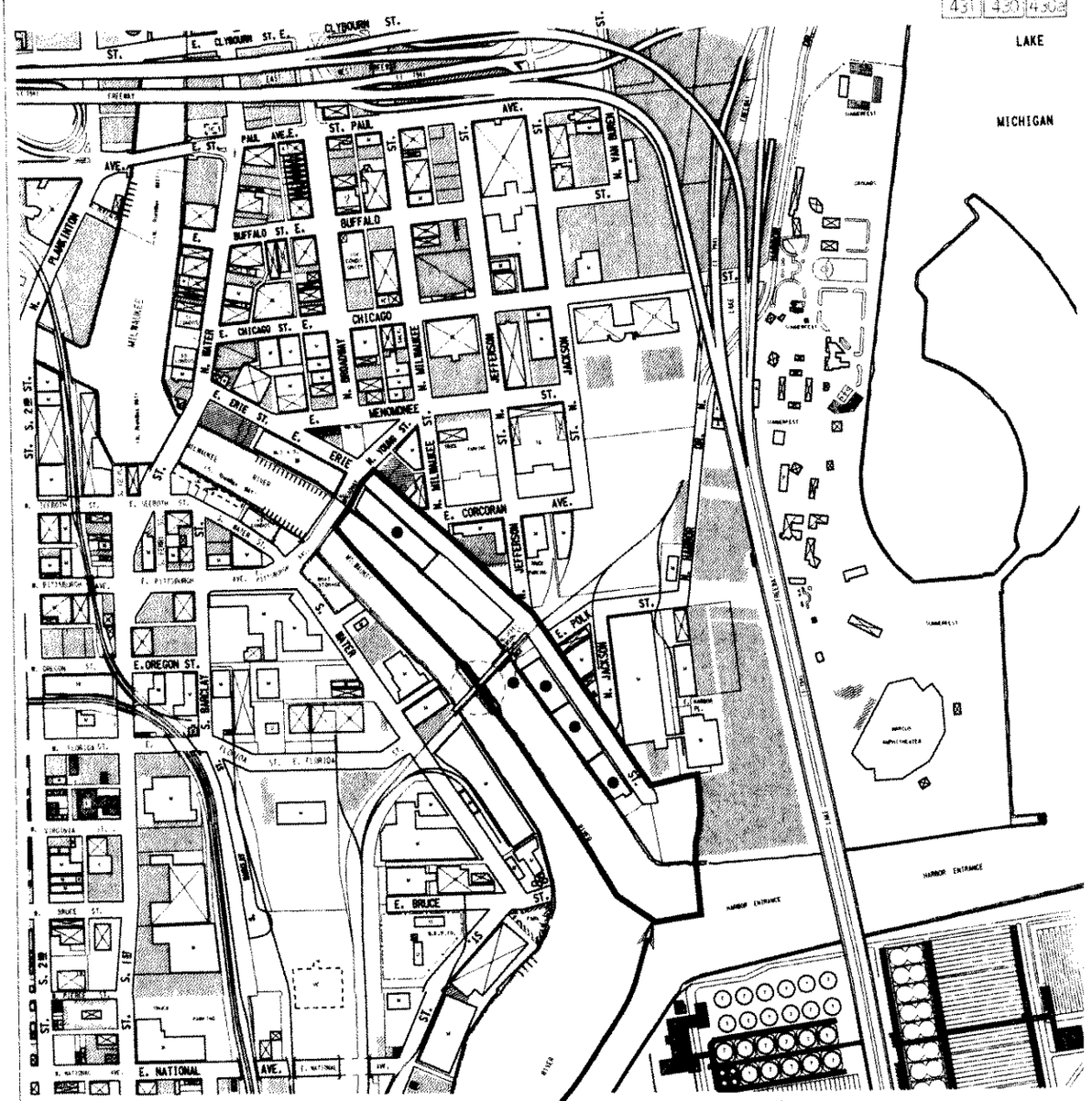
BOUNDARY AND EXISTING LAND USE

PREPARED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER

DATE

STRUCTURE CONDITION

397	396	395
428	429	429a
431	430	430a



TID BOUNDARY

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LEGEND

- STANDARD
- MINOR DEFICIENCY
- MAJOR DEFICIENCY
- SUBSTANDARD

MAP NO. 2

TID - 56

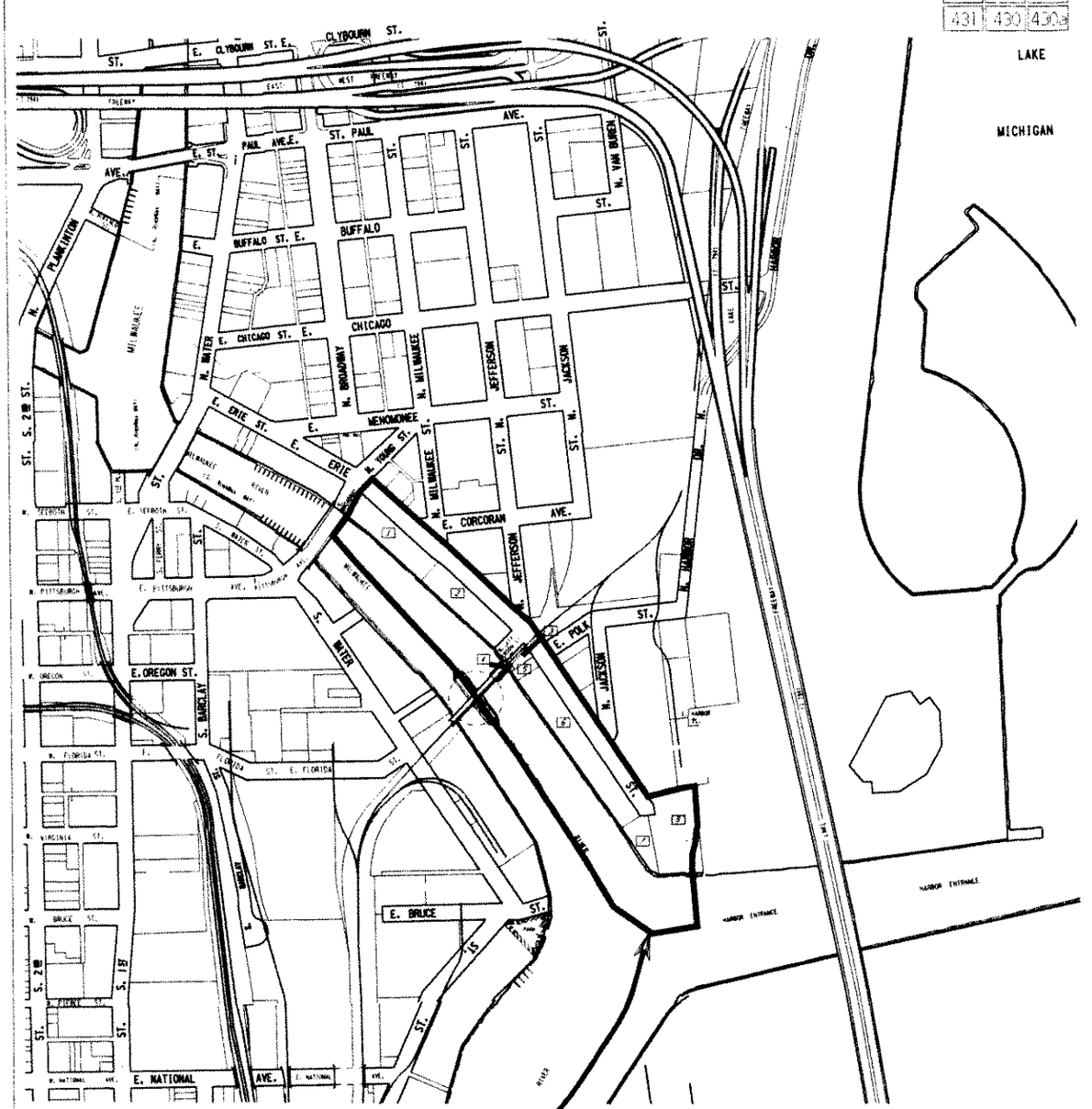
STRUCTURE CONDITION

PREPARED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER

DATE

PARCEL LOCATION

397	396	395
428	429	429a
431	430	430a



TID BOUNDARY

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MAP NO.

TID - 56

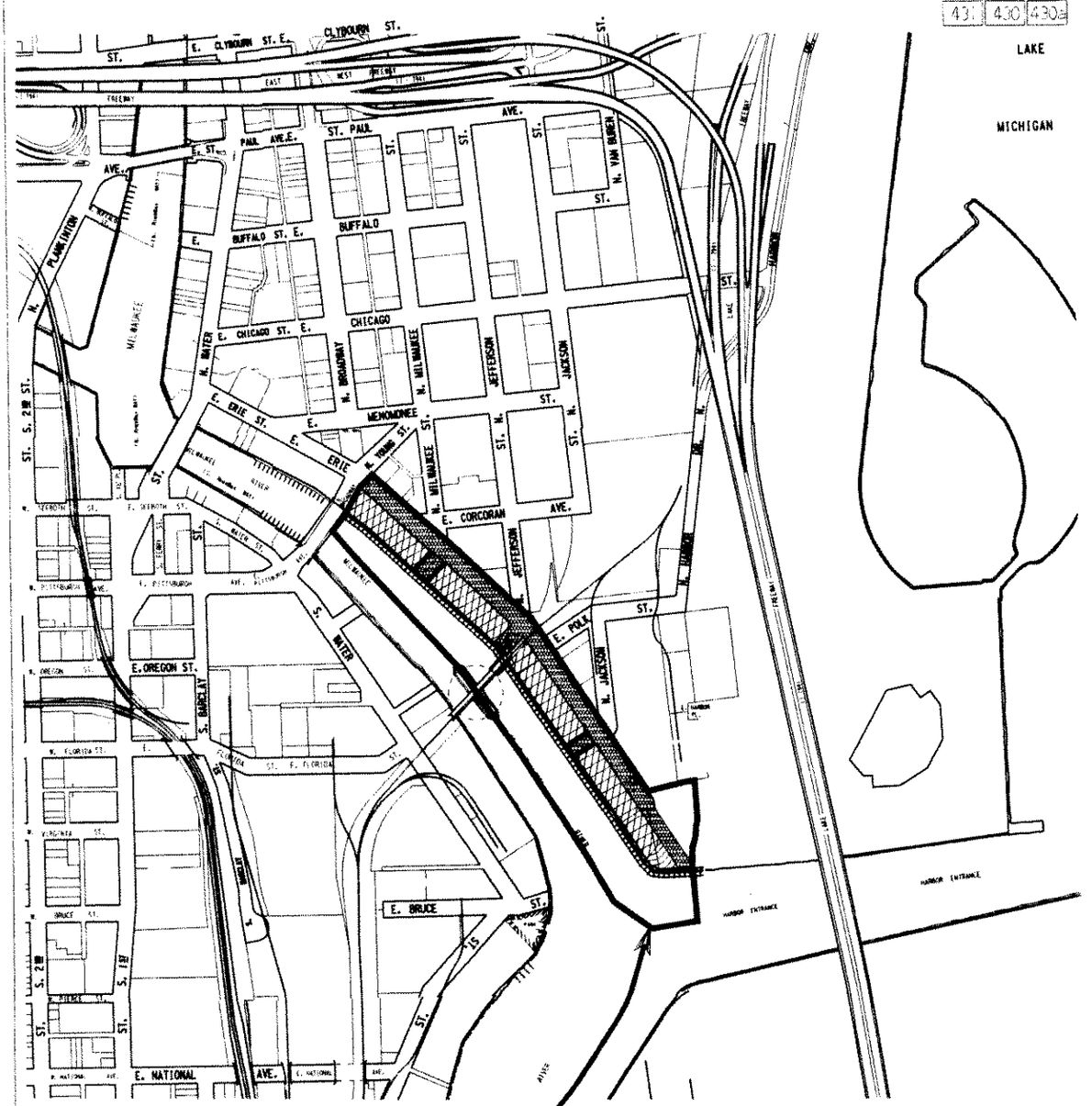
2A PARCEL NUMBERS

DATE

PARCEL NUMBER FROM EXHIBIT 2

PROPOSED USES AND IMPROVEMENTS

397	396	395
428	429	429a
431	430	430a



TID BOUNDARY

N
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MIXED Residential/Office/Retail

Riverwalk

Plaza

Street Improvement

MAP NO. 3

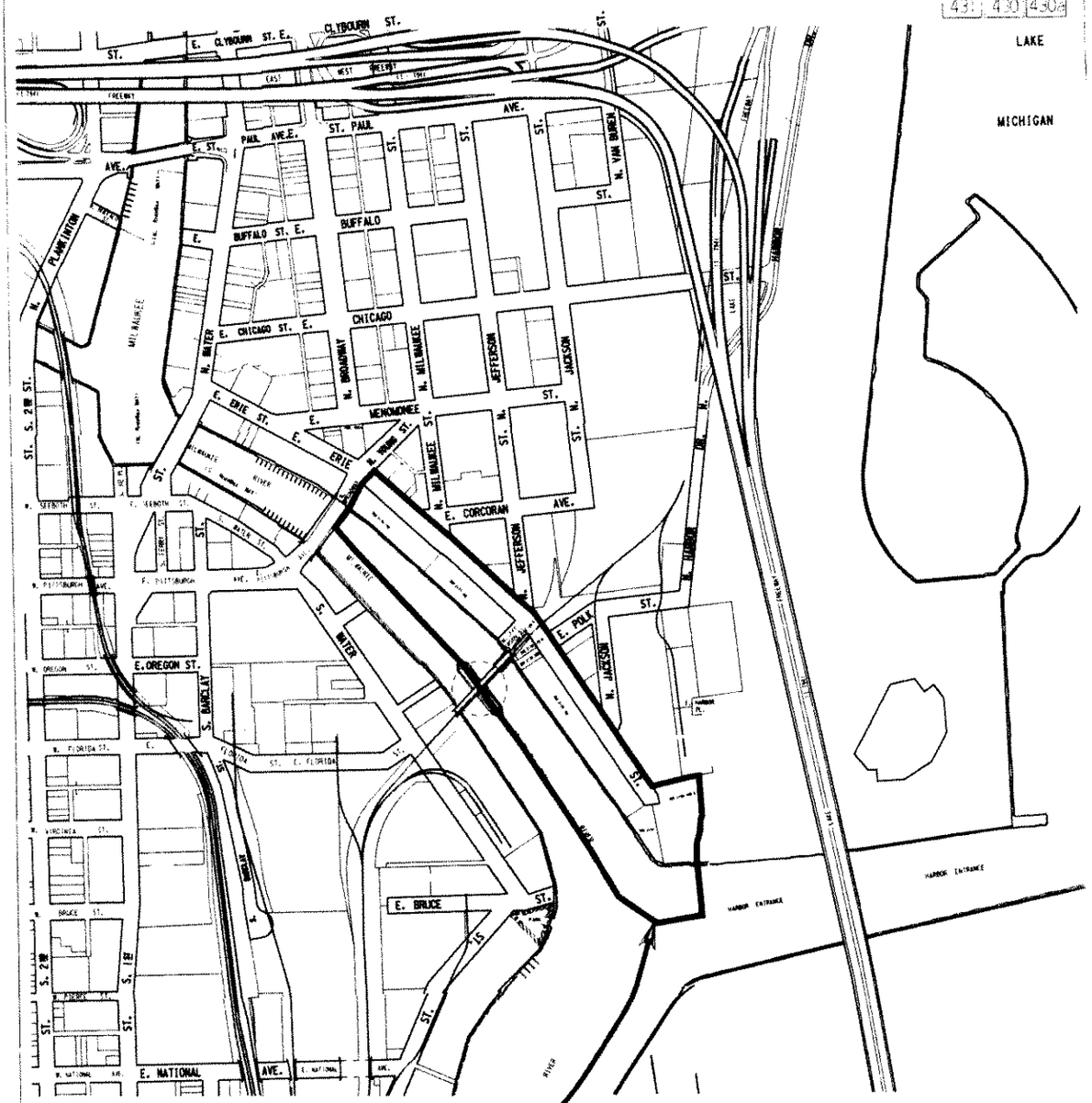
TID - 56

PROPOSED IMPROVMENTS AND USES

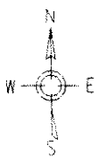
PAGE 1. DATE

PROPERTY CHARACTERISTICS

397	396	395
428	429	429a
431	430	430a



TID BOUNDARY



MAP NO. 4

TID - 56

PROPERTY CHARACTERISTICS

PREPARED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER

DATE

EXISTING ZONING MAP

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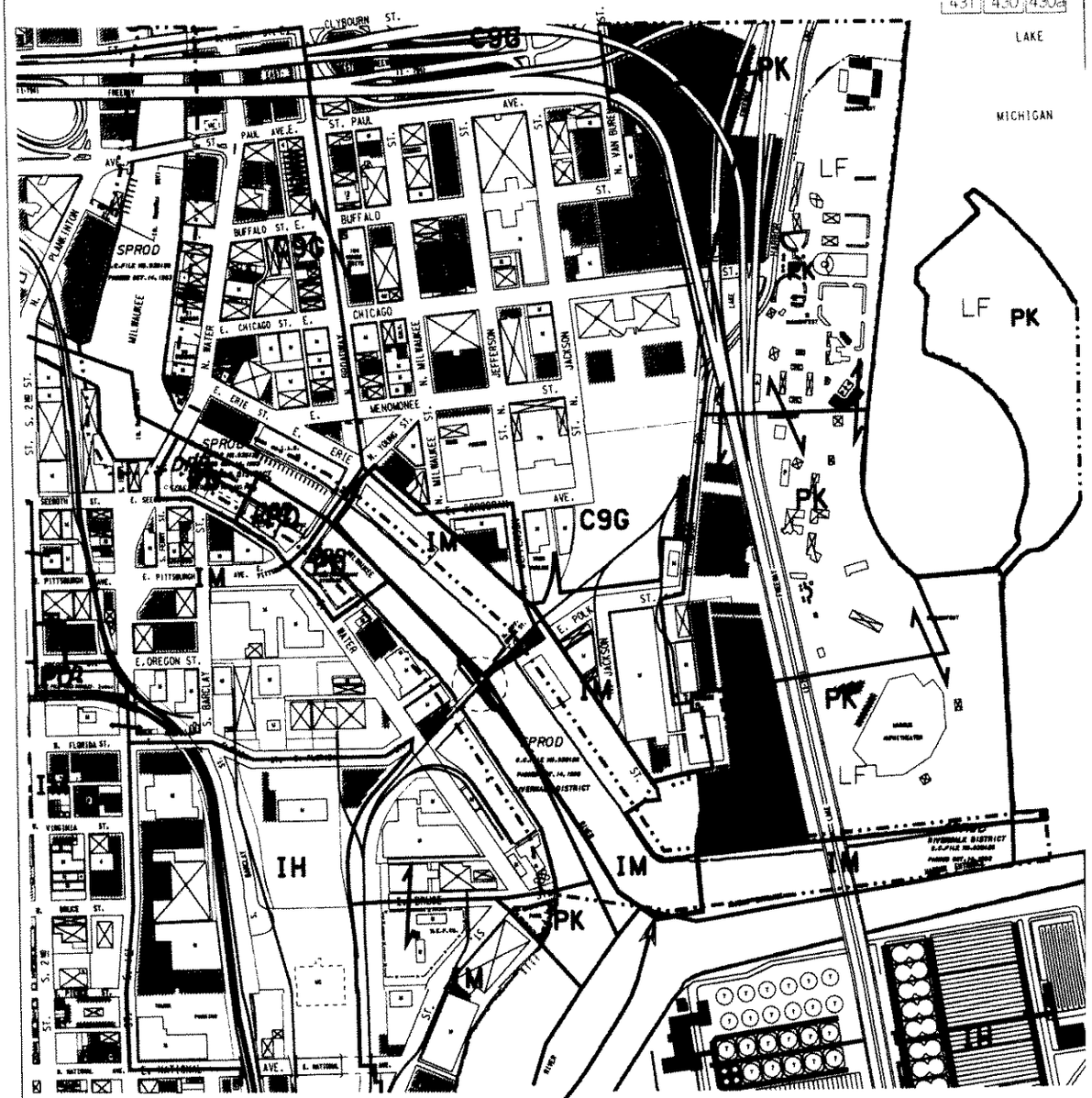
428	429	429a
431	430	430a



TID BOUNDARY

N
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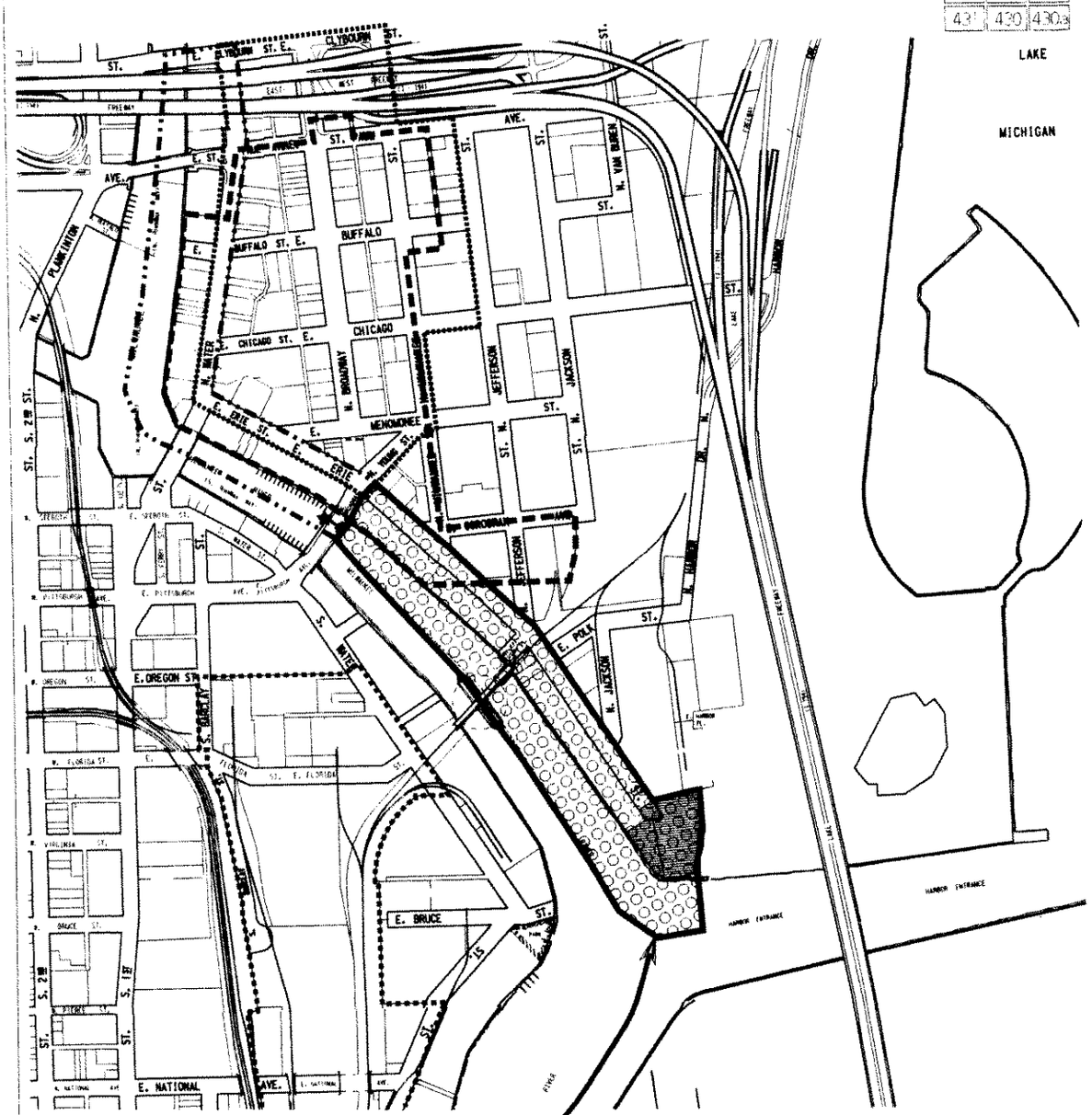
Zoning Legend		
Residential		
RS1 RS2 RS3 RS4 RS5 RS6	RSM RT1 RT2 RT3 RT4	RM1 RM2 RM3 RM4 RM5 RM6 RM7
C9A(A) C9A(B)	C9B(A) C9B(B)	RO1 RO2
Commercial Retail Service		
LB1 LB2	NS1 NS2	RB1 RB2
C9C	C9E	CS
Planned Development		Institutional
PD	DPD	TL
Office		Park
C9F(A) C9F(B) C9F(C)	IO1 IO2	PK
Industrial Manufacturing & Activity		
IL1 IL2	IM	IH
C9H	C9G	C9D(A) C9D(B)
Other Overlay Districts		
SPROD	DIZ	LF

MAP NO.	TID - 56
5	EXISTING ZONING MAP
	DATE

307	396	395
428	429	429a
431	430	430a



TID BOUNDARY

N
W E
S

- AREA INCLUDED IN BID-2
- TID - 34 Boundary
- TID - 20 Boundary
- TID - 11 Boundary
- AREA in Erie / Water Renewal
- AREA In N. Harbor Dr. Renewal
- Historic Third Ward

MAP NO. 6

TID - 56

REDEVELOPMENT PROJECT AREAS

DATE

Attachment 1

Assessment Commissioner's Letter
(In Preparation)

Attachment 2

City Attorney's Letter
(In Preparation)

ECONOMIC FEASIBILITY STUDY

TAX INCREMENTAL DISTRICT

NO. 56

(ERIE ST. / JEFFERSON ST. RIVERWALK)

Department of City Development

August, 2004

ECONOMIC FEASIBILITY STUDY

TID NO. 56

Background

Milwaukee's riverwalk now extends generally from Humboldt Ave. on the north to North Broadway on the south. This public way has served to help stimulate substantial, new private development within its vicinity, including significant office and housing renovation projects, as well as new condominium and apartment developments. The riverwalk is a key to Milwaukee's continuing efforts to revitalize its downtown and adjacent neighborhoods, including the Beer Line area, The Historic Third Ward, and Walker's Point.

As originally conceived, and as stated in the economic feasibility study for the Third Ward Riverwalk TID (No. 34), the riverwalk is planned "to extend to Lake Michigan, connecting the central business district, the Historic Third Ward and Summerfest on the south, and to the North Avenue dam on the north."

Tax Incremental District No. 56 proposes to finance the final extension from North Broadway, to the Summerfest area and the harbor entrance. Maps of the district boundary and proposed riverwalk segments are included in the Project Plan for TID 56. In addition, certain street improvements are proposed with the Project, including the resurfacing of Erie St. from Broadway to the harbor entrance, and the development of a plaza at the end of Erie St.

A breakdown of proposed Project Costs is provided in the Project Plan for TID 56 and summarized in Table A of the Plan.

Planned Private Development

Two major condominium projects, each with two phases, are to be developed in conjunction with the improvements to be funded by TID 56:

Marine Terminal Lofts: This project, to be developed on Parcels 1 and 2 as shown on Map 2A of the Project Plan, consists of the renovation and expansion of a former warehouse and manufacturing building at 120 N. Broadway (Phase I); and, the

development of a new facility in an adjacent parking lot to the south (Phase II). Both Phases will consist of condominium units having an average value of $260,000. Phases I & II will include 42,000 sf and 30,000 sf of ground floor commercial space, respectively. A more detailed description of the Marine Terminal Lofts, and accompanying riverwalk, is included in the Project Plan.

For the purposes of forecasting property value in the District, we estimate the value of Marine Terminal Lofts as follows:

Phase I: 40 units sold in 2005, 30 units sold in 2006 and 30 units sold in 2007. Sold units are assessed in the following year at an average of $260,000 per unit. Unsold or unfinished units are assessed at 50% of value until sold.

Phase II: 50 units sold in 2007, and 25 units sold in 2008. Units are assessed as above.

Harbor Front: This is another two-phase condominium project, with Phase I well under construction on Parcel 6 as shown on Map 2A. This six-story development consists of 80 units and 4400 sf of retail space. Values in Phase I range from a one-bedroom, one- bath unit of 941 sf (plus deck), with an asking price of $220,000 to various two- bedroom , two-bath units ranging from 1707 sf to 2623 sf , with asking prices from $221,000 to $448,000. The developer reports that 46 units have been pre-sold, at an average sale price (including parking) of $396,000. This Phase is expected to be enclosed by year-end or in early 2005. Phase II is an identical development to be built north of Phase I.

For the purposes of forecasting property value in the District, we estimate the value of the Harbor Front project as follows:

Phase I: 46 units are sold in 2005; and the remaining 34 units are sold in 2006. Sold units are assessed in the following year at an average of $350,000 per unit. Unsold, or unfinished units are assessed at 50% of value until sold. See Appendix for a listing of selling prices for a comparable development.

Phase II: Sales and values are expected to mirror Phase I, with a two-year lag.

Tax Increment Analysis:

Attached is the Cash Flow Forecast for the proposed tax increment district. Basic assumptions used in the forecast are:

District Valuation: Real property values for Marine Terminal Lofts and Harbor Front are based on the assumptions discussed above.

Base Value: As of 2004, the property value in the proposed district was $8,797,600, excluding personal property.

City Borrowing: Assumes tax-exempt borrowing at 4.25%.

Based on the Forecast, we estimate the District will amortize its debt (or achieve a fund balance to defease outstanding debt) by 2012. If, in the unlikely event the second phase for both projects does not proceed, the District is still expected to amortize its debt by 2015. This is shown on the second cash flow forecast, attached.

Note that the forecasts do not include personal property values (expected to be minimal in a residential development) or the valuations for the commercial spaces in each project.

Given the foregoing, we conclude that the proposed tax increment district is feasible.

40 units sold in 2005, Ave. price per unit: $260,000;

Unsold / unfinished units assessed at 50%.

70 units sold by '06;

100 units sold by '07;

46 units pre sold in '04, assumes bldg. Not occupied until '05

80 units sold by '07

FORECAST OF PROJECT CASH FLOW: TID 56 (ERIE / JEFFERSON RIVERWALK)

Switch, above 0/1:

Assumptions:	Year		Marine Terminal I	Marine Terminal II	Harbor Front I	Harbor Front II	District Value	Inc. Value Over Base Of: $ 8,797,600	Tax. Inc. Rev. @ 0.026	Debt Balance	Interest @ 4.25%	Less Tax Inc. Rev.	Ending Balance
			< Project Value >										
Marine Units I & II	2004	0	3,575,000	1,000,000	2,900,000	1,322,600	8,797,600	-					
100	2005	1	2,600,000	1,000,000	2,800,000	1,322,600	7,722,600	-	-	8,000,000	340,000	-	8,340,000
75	2006	2	18,200,000	1,000,000	22,050,000	1,322,600	42,572,600	33,775,000	-	8,340,000	354,450	-	8,694,450
Escal.:	2007	3	22,100,000	1,000,000	28,000,000	1,322,600	52,422,600	43,625,000	878,150	8,694,450	369,514	878,150	8,185,814
1.02	2008	4	26,000,000	16,250,000	28,000,000	22,050,000	92,300,000	83,502,400	1,134,250	8,185,814	347,897	1,134,250	7,399,461
	2009	5	26,000,000	19,500,000	28,000,000	28,000,000	101,500,000	92,702,400	2,171,062	7,399,461	314,477	2,171,062	5,542,876
Marine value / unit	2010	6	26,000,000	19,500,000	28,560,000	28,000,000	102,060,000	93,262,400	2,410,262	5,542,876	235,572	2,410,262	3,368,186
$ 260,000	2011	7	26,520,000	19,500,000	29,131,200	28,000,000	103,151,200	94,353,600	2,424,822	3,368,186	143,148	2,424,822	1,086,511
	2012	8	27,050,400	19,890,000	29,713,824	28,560,000	105,214,224	96,416,624	2,453,194	1,086,511	46,177	2,453,194	-
Tax Rate:	2013	9	27,591,408	20,287,800	30,308,100	29,131,200	107,318,508	98,520,908	2,506,832	-	-	-	-
0.026	2014	10	28,143,236	20,693,556	30,914,262	29,713,824	109,464,879	100,667,279	2,561,544	-	-	-	-
	2015	11	28,706,101	21,107,427	31,532,548	30,308,100	111,654,176	102,856,576	2,617,349	-	-	-	-
Interest :	2016	12	29,280,223	21,529,576	32,163,199	30,914,262	113,887,260	105,089,660	2,674,271	-	-	-	-
4.25%	2017	13	29,865,827	21,960,167	32,806,463	31,532,548	116,165,005	107,367,405	2,732,331	-	-	-	-
	2018	14	30,463,144	22,399,371	33,462,592	32,163,199	118,488,305	109,690,705	2,791,553	-	-	-	-
Amortization	2019	15	31,072,407	22,847,358	34,131,844	32,806,463	120,858,071	112,060,471	2,851,958	-	-	-	-
	2020	16	31,693,855	23,304,305	34,814,481	33,462,592	123,275,233	114,477,633	2,913,572	-	-	-	-
	2021	17	32,327,732	23,770,391	35,510,770	34,131,844	125,740,737	116,943,137	2,976,418	-	-	-	-
Carrying Cst:	2022	18	32,974,287	24,245,799	36,220,986	34,814,481	128,255,552	119,457,952	3,040,522	-	-	-	-
	2023	19	33,633,772	24,730,715	36,945,405	35,510,770	130,820,663	122,023,063	3,105,907	-	-	-	-
	2024	20	34,306,448	25,225,329	37,684,313	36,220,986	133,437,076	124,639,476	3,172,600	-	-	-	-
Harbor Units I & II	2025	21	34,992,577	25,729,836	38,438,000	36,945,405	136,105,818	127,308,218	3,240,626	-	-	-	-
80	2026	22	35,692,428	26,244,433	39,206,760	37,684,313	138,827,934	130,030,334	3,310,014	-	-	-	-
80	2027	23	36,406,277	26,769,321	39,990,895	38,438,000	141,604,493	132,806,893	3,380,789	-	-	-	-
	2027	24	37,134,402	27,304,708	40,790,713	39,206,760	144,436,583	135,638,983	3,452,979	-	-	-	-
Harbor value /unit	2027	25	37,877,090	27,850,802	41,606,527	39,990,895	147,325,314	138,527,714	3,526,614	-	-	-	-
$350,000	2027	26	38,634,632	28,407,818	42,438,658	40,790,713	150,271,821	141,474,221	3,601,721	-	-	-	-
	2027	27	39,407,325	28,975,974	43,287,431	41,606,527	153,277,257	144,479,657	3,678,330	-	-	-	-
Value of Unsold Units													
50%													
				50 units sold in 2007 at $260,000; remaining 25 units sold in 2008		Mirrors Phase I with 2 year lag.							

Waterfront Condo Sales

APPENDIX: RECENT SALES AT 130 S. WATER ST. CONDOMINIUM PROJECT

Tax Key	Address	Sale Date	Fee	Sales Prices	Bdrm	Bath	Unit Num
4280681000	130-130 S WATER ST						
4280683000	130-130 S WATER ST	Feb-04	$561.00	$187,000.00	2	1	102
4280685000	130-130 S WATER ST	Nov-03	1217.00	$405,666.67	2	1	104
4280687000	130-130 S WATER ST			$0.00	2	1	
4280204000	130-130 S WATER ST			$0.00	2	1	
4280682000	130-130 S WATER ST			$0.00	2	1	
4280684000	130-130 S WATER ST	Mar-04	1308.00	$436,000.00	2	1	103
4280686000	130-130 S WATER ST			$0.00	2	1	
4280688000	130-130 S WATER ST			$0.00	2	1	
4280689000	130-130 S WATER ST	Nov-03	1185.00	$395,000.00	2	1	108
4280690000	130-130 S WATER ST	Jan-04	1192.00	$0.00 $397,333.33	2 2	1 1	109
4280691000	130-130 S WATER ST	Nov-03	1230.00	$0.00 $410,000.00	2 2	1 1	110
4280692000	130-130 S WATER ST			$0.00	2	1	
4280693000	130-130 S WATER ST			$0.00	2	1	
4280694000	130-130 S WATER ST	Nov-03	1159.50	$0.00 $386,500.00	2 2	1 1	203
4280695000	130-130 S WATER ST	Feb-04	622.50	$207,500.00	2	1	204
4280696000	130-130 S WATER ST	Dec-03	1159.50	$0.00 $386,500.00	2 2	1 1	205
4280697000	130-130 S WATER ST	Dec-03	619.80	$206,600.00	2	1	206
4280698000	130-130 S WATER ST			$0.00	2	1	
4280699000	130-130 S WATER ST			$0.00	2	1	
4280700000	130-130 S WATER ST	Jan-04	792.00	$264,000.00	2	1	209
4280701000	130-130 S WATER ST	Nov-03	885.60	$295,200.00	2	1	210
4280702000	130-130 S WATER ST	Nov-03	768.30	$256,100.00	2	1	211
4280703000	130-130 S WATER ST	Oct-03	825.00	$0.00 $275,000.00	2 2	1 1	212
4280704000	130-130 S WATER ST	Dec-03	945.00	$315,000.00	2	1	213

Waterfront Condo Sales

Tax Key	Address	Sale Date	Fee	Sales Prices	Bdrm	Bath	Unit Num
4280705000	130-130 S WATER ST	Jan-04	825.00	$275,000.00	2	1	214
4280706000	130-130 S WATER ST			$0.00	2	1	
				$0.00	2	1	
		Nov-03	946.50	$315,500.00	2	1	215
4280707000	130-130 S WATER ST	Nov-03	625.50	$208,500.00	2	1	216
4280708000	130-130 S WATER ST			$0.00	2	1	
		Dec-03	1875.00	$625,000.00	2	1	217
4280709000	130-130 S WATER ST			$0.00	2	1	
4280710000	130-130 S WATER ST	Feb-04	1290.00	$430,000.00	2	1	303
4280711000	130-130 S WATER ST	Nov-03	634.20	$211,400.00	2	1	304
4280712000	130-130 S WATER ST			$0.00	2	1	
		Dec-03	1138.50	$379,500.00	2	1	305
4280713000	130-130 S WATER ST			$0.00	2	1	
		Dec-03	628.50	$209,500.00	2	1	306
4280714000	130-130 S WATER ST	Dec-03	1050.00	$350,000.00	2	1	307
4280715000	130-130 S WATER ST			$0.00	2	1	
4280716000	130-130 S WATER ST	Nov-03	831.00	$277,000.00	2	1	309
4280717000	130-130 S WATER ST			$0.00	2	1	
		Dec-03	883.50	$294,500.00	2	1	310
4280718000	130-130 S WATER ST			$0.00	2	1	
4280719000	130-130 S WATER ST	Jan-04	831.00	$277,000.00	2	1	312
4280720000	130-130 S WATER ST	Nov-03	975.00	$325,000.00	2	1	313
4280721000	130-130 S WATER ST			$0.00	2	1	
		Nov-03	831.00	$277,000.00	2	1	314
4280722000	130-130 S WATER ST	Nov-03	979.50	$326,500.00	2	1	315
4280723000	130-130 S WATER ST			$0.00	2	1	
		Nov-03	631.50	$210,500.00	2	1	316
4280724000	130-130 S WATER ST			$0.00	2	1	
		Jan-04	1755.00	$585,000.00	2	1	317
4280725000	130-130 S WATER ST			$0.00	2	1	
		Feb-04	2250.00	$750,000.00	2	1	400
4280726000	130-130 S WATER ST	Mar-04	1365.00	$455,000.00	2	1	403
4280727000	130-130 S WATER ST	Nov-03	643.50	$214,500.00	2	1	404
4280728000	130-130 S WATER ST	Apr-04	1289.70	$429,900.00	2	1	405
4280729000	130-130 S WATER ST			$0.00	2	1	
				$0.00	2	1	
		Dec-03	630.00	$210,000.00	2	1	406
				$0.00	2	1	

Waterfront Condo Sales

Tax Key	Address	Sale Date	Fee	Sales Prices	Bdrm	Bath	Unit Num
	130-130 S			$0.00	2	1	
4280730000	WATER ST	Dec-03	1258.50	$419,500.00	2	1	407
	130-130 S						
4280731000	WATER ST			$0.00	2	1	
	130-130 S						
4280732000	WATER ST	Mar-04	825.00	$275,000.00	2	1	409
	130-130 S			$0.00	2	1	
4280733000	WATER ST	Nov-03	1018.50	$339,500.00	2	1	410
				$0.00	2	1	
	130-130 S			$0.00	2	1	
4280734000	WATER ST	Jan-04	772.50	$257,500.00	2	1	411
	130-130 S						
4280735000	WATER ST	Nov-03	855.30	$285,100.00	2	1	412
	130-130 S						
4280736000	WATER ST	Nov-03	958.50	$319,500.00	2	1	413
				$0.00	2	1	
	130-130 S			$0.00	2	1	
4280737000	WATER ST	Nov-03	881.40	$293,800.00	2	1	414
	130-130 S						
4280738000	WATER ST	Nov-03	1048.50	$349,500.00	2	1	415
	130-130 S						
4280739000	WATER ST	Dec-03	629.10	$209,700.00	2	1	416
				$0.00	2	1	
	130-130 S			$0.00	2	1	
4280740000	WATER ST	Jan-04	1740.00	$580,000.00	2	1	417
Total				**$15,788,800.00**			
Average				**$362,960.92**			

Source: City of Milwaukee Assessor's Office.