

September 8, 2023

Financial Affairs Committee

RE: TID #15 Creation

The Project Plan for the Creation of TID #15 was approved by the Community Development Authority on August 10, 2023, following a public hearing on the same date and is now before you for consideration.

### TID #15 Creation

Wauwatosa Tax Incremental District (“TID”) No. 15 (“District”) is a proposed In Need of Rehabilitation or Conservation District comprising approximately 21 acres located on the southern end of Mayfair Mall. Approximately 15 of the 21 acres includes the former Boston Store building that has been vacant for at least five years. In 2022 Wauwatosa’s Community Development Authority acquired the 15-acre Boston Store property at auction to facilitate investment and redevelopment and ensure Mayfair Mall continues to be the premier mall in Wisconsin.

The proposed District is being created to facilitate multi-family housing and commercial development. At this time, the existing infrastructure is insufficient to meet the needs of the proposed use. The District will be created to pay the costs of development incentives for the first phase of a three-phase construction project. The first phase construction will consist of approximately 463 multi-family residential housing units, 485 residential structured parking stalls, 131 commercial structured parking stalls, and 9,970 rentable square feet of commercial space (“Project”) to be developed by a residential housing developer (“Developer”). The second phase of construction, consisting of approximately 208 multi-family residential units and associated parking, is anticipated to occur when phase one is stabilized and the third phase of construction, consisting of approximately 235 multi-family residential units, associated parking, and 2,739 rentable square feet of commercial space, is anticipated to occur when phase two is stabilized. Phases two and three are anticipated to be financially structured in manner similar to phase one.

The City anticipates making total expenditures of approximately \$57.9 million to undertake the project costs in the plan. This will be accomplished through General Obligation debt issued by the City for off-site and on-site infrastructure improvements, to be repaid with tax increment revenue. The City further anticipates entering into a Municipal Revenue Obligation (MRO) with the developer for on-site improvements, which would be paid solely from tax increment. The obligation is equal \$33.2 million and anticipated to begin repayment in 2027.

The anticipated value, upon completion of the development is projected to be \$111.6 million. Based upon the economic feasibility study located within the Project Plan, the City anticipates that the District will generate sufficient tax increment to pay all project costs by the year 2050, or one year earlier than its maximum life.



We will be at the September 12, 2023, Financial Affairs Committee meeting and look forward to answering any questions you may have on either plan.

Very Truly Yours,

A handwritten signature in blue ink that reads 'Jonathan P. Cameron'.

Jonathan P. Cameron  
Senior Municipal Advisor

Cc: James Archambo, City Administrator  
Paulette Enders, Development Director  
Jen Ferguson, Economic Development Manager  
John Ruggini, Finance Director  
Alan Kesner, City Attorney  
Brian Roemer, Ehlers