

## MEMORANDUM

TO: Common Council  
FR: Terrell Nash, Real Estate Development Specialist  
DATE: March 26, 2026

**SUBJECT: TIF REPORT – 6522 Grand Teton Avenue (GT Apartments, LLC)**

### Project Description

GT Apartments, LLC, (“Developer”) proposes to construct a mixed-use project consisting of 302 affordable apartment units and 148 parking stalls (the “Project”). The Project is located at 6518 & 6526 Grand Teton Plaza, located in TID 56 (**Figure 1**).

The Project demonstrated a gap of approximately \$2,900,000. Approximately \$2,900,000 of TIF loan assistance is feasible, representing 55% of TIF generated by the Project’s estimated \$40,310,000 incremental value.

### TIF Report

The following TIF Report is provided in compliance with Section 3.1 (8) of TIF Goals, Objectives and Process and Section 1 (9) of TIF Loan Underwriting Policy, adopted by the Common Council on February 25, 2014:

(a) **Amount Requested:** **\$ 2,900,000** (55% of TIF)

(b) **Type of Project:** Redevelopment, Affordable Housing

(c) **Analysis Method:** Gap Analysis

(d) **Tax Credits:** \$30,886,356

(e) **Est. Value and Tax Increments:**

Approximate Project Cost \$104,000,000

**Estimated Assessed Value \$40,310,000**

Total Estimated Tax Increments \$ 11,158,000

Average Annual Tax Increment \$ 709,000

**TIF Supportable at 50% \$ 2,900,000**

(f) **TID Condition**

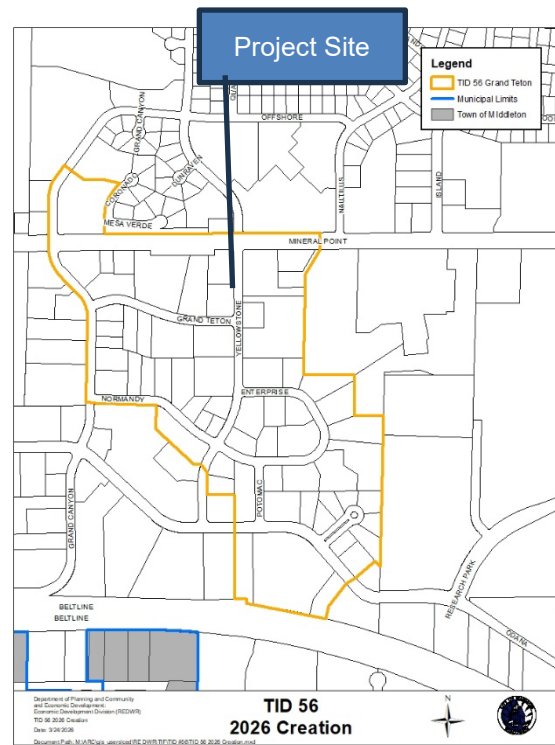
The Project will be located within Tax Incremental District (TID) 56 which the City is proposing to create in 2026. TID 56 is located generally in the Mineral Point Road, Grand Canyon, Odana Road, Yellowstone Drive area of the City of Madison.

Affordable housing projects such as the proposed Project, which suppress rents for long periods of time for the purposes of affordability, are assessed lower (anywhere between 30% and 45% of market value) than market rate projects.

As such, the TID will need a significant amount of time to accumulate tax increments. Therefore, it is financially prudent to limit TIF assistance to no more than the maximum amount allowable under TIF Policy (55% Gateway), thus providing financial cushion for market uncertainty and funds for public works improvements, if necessary and feasible, in the future.

**(g) TIF Policy Compliance**

**Developer Equity**—Developer equity is approximately \$13,000,000 of deferred developer fee, and \$39,000,000 of Low-Income Housing Tax Credit (LIHTC) equity from investors. Developer is providing a corporate guaranty for the Project. This amount exceeds TIF Policy that developer equity must be equal to or greater than the amount of TIF assistance and is therefore in compliance.



**Figure 1**

**(h) Other Applicable**

- 1) Quantity of living wage jobs created and/or retained. **See TIF Goal Statement (Figure 2.)**
- 2) Quantity of affordable housing units and level of affordability. **See TIF Goal Statement (Figure 2.)**

**(i) Amount of TIF to Be Considered**

TIF Eligible	\$2,900,000	55% of TIF
<b>TIF Recommended</b>	<b>\$2,900,000</b>	<b>55% of TIF</b>

**(j) Developer’s TIF Goals Statement**— TIF Policy requires that Developer provide a statement (See Figure 2) as to how the project addresses the following TIF Policy Goals:

- 1) Per Sections 1 and 3.4 of “TIF Goals, Objectives and Process”, how does the Project meet City and TID’s goals?
  - A) Grows the City’s property tax base
  - B) Fosters the creation and retention of family-supporting jobs
  - C) Encourages the re-use of obsolete or deteriorating property
  - D) Encourages urban in-fill projects that increase density consistent with the City’s Comprehensive Plan
  - E) Assists in the revitalization of historic, architecturally significant, or deteriorated buildings or enhancement of historic districts.
  - F) Creates a range of housing types, specifically encouraging affordable housing

G) Funds public improvements that enhance development potential and improve City's infrastructure

H) Promotes superior design, building materials and sustainability features

I) Reserves sufficient increment for public infrastructure in both TID Project Plan and TIF underwriting

**(k) TIF Policy Exceptions:               None.**

**(l) Known Labor Agreement, Law Violations: None indicated.**

**Staff Recommendation:** TIF assistance in the amount of \$2,900,000 or 55% of TIF generated by the project. A 40-year land use restriction agreement (LURA) shall be recorded, requiring the Project to remain affordable for that period.

Figure 2: Applicant's TIF Policy Goal Statement



March 31, 2026

Dan Rolfs  
Real Estate Development Manager  
215 Martin Luther King, Jr. Blvd (Third Floor) Madison,  
WI 53701-2983

Dear Mr. Rolfs,

Bear Development, LLC ("Bear") is proposing to acquire and develop the property located at 6522 Grand Teton Plaza into a mixed-use development containing 302-units of workforce housing and first floor commercial space. The 3.3-acre site is currently underutilized and occupied by an office building that will be demolished prior to construction of the proposed development. All dwelling units will be rent and income-restricted, with the weighted average household AMI not to exceed 60% for the entire development. The currently anticipated unit mix is approximately 246 one-bedroom units and 56 two-bedroom units and the project will be funded primarily with 4% Low-Income Housing Tax Credits (LIHTC), Tax-Exempt Bonds, for which Bear has applied to WHEDA, and Tax Incremental Financing (TIF), for which Bear is requesting \$2,900,000 in assistance from the City of Madison. In addition to the sources listed prior, the project will include a deferred developer fee in excess of the TIF assistance and Bear will continue to source additional gap financing sources.

Regarding the City of Madison TIF Goals, Objectives, and Process, we believe the development meets the proposed policies as outlined in the Policy Statement below:

- **Growing the property tax base:** The property is currently assessed at \$0. The estimated assessed value of the site at completion of the project, pending feedback from the city assessor, is approximately \$39 million.
- **Fostering the creation and retention of family-supporting jobs:** The development is estimated to generate 500 temporary jobs during construction. Once stabilized, approximately six permanent jobs will be retained to manage the property.
- **Encouraging adaptive reuse of obsolete or deteriorating property:** NA- The development will replace an office building and maximize the use of the parcel, which is primarily occupied by a parking lot that services the existing office.
- **Encouraging urban in-fill projects that increase density consistent with the City's Comprehensive Plan:** The Madison Generalized Future Land Use map lists the project site as an RMU- Regional Mixed-Use area no density limit for multifamily units and the site is zoned RMX- Regional Mixed-Use, which also has no limit on density for multifamily units within mixed use developments. The proposed development is a permitted use under the City's zoning ordinance.
- **Assisting the revitalization of historic, architecturally significant or deteriorated buildings:** NA- The development will replace an office building and maximize the use of the parcel, which is primarily occupied by a parking lot that services the existing office. We do not anticipate that any historic value will be found for the existing structure and an application for review by the City Landmark's Commission will be submitted to confirm this assumption.

- **Creating a range of housing options and specifically encouraging the development of workforce and affordable housing:** All of the units at the development are proposed to be rent and income-restricted with the weighted average AMI not to exceed 60% for the entire development.
- **Funding public improvements that enhance development potential, improve the City's infrastructure, enhance transportation options, and improve the quality and livability of neighborhoods:** The project site is currently under utilized and the proposed development will create a high-quality housing option along the BRT Line on Mineral Point Road. This site is also located in a Transit-Oriented Development Overlay zone.
- **Promoting superior design, building materials, and sustainability features in the built environments:** The development will be designed to achieve an aesthetic consistent with other high-quality projects throughout the City of Madison. High quality materials will be used for the construction of the building, and the dwelling units will have a fit and finish that is attractive to prospective residents. Certain units will contain WHEDA Universal Design elements and the project as a whole will meet sustainability goals outlined in WHEDA's QAP, which requires LEED Silver Certification (or another similar certification) at minimum.
- **Reserving sufficient increment for public infrastructure in both TIF project plans and TIF underwriting:** Our team's understanding is that the project should generate increment in excess of the TIF assistance requested and the underwriting follows the City's TIF policy.

We look forward to bringing another successful development to the City of Madison and appreciate the opportunity to pursue TIF assistance which is needed to make the project feasible. Should there be any questions, please feel free to contact me at any time.

Sincerely,



Nick Orthmann Project  
Manager  
Bear Development, LLC