

**UPDATE OF ECONOMIC FEASIBILITY ANALYSIS FOR  
TAX INCREMENTAL DISTRICT NO. 34 (THIRD WARD RIVERWALK)**

Tax Incremental District No. 34 was created in 1997 to assist in funding the extension of Milwaukee's Riverwalk system into the Third Ward. The District includes the east bank of the Milwaukee River, from E. Clybourn St., south to the Milwaukee Institute of Art and Design at N. Broadway. Project Costs to date total \$3, 719,000, as shown on Exhibit 1.

The City is proposing to fund an extension of the riverwalk at an estimated cost of \$1.5 million.

Exhibit 2 forecasts District Cash Flow, given currently scheduled debt service, estimated debt service on project costs for which the City has yet to borrow, and estimated debt service on the additional \$1.5 million riverwalk extension.

TID 34 has generated \$3.6 million in incremental revenue, to-date, with \$677,000 being generated in 2006 from the 2005 levy. Incremental revenue has steadily increased every year. Assuming only the continuing receipt of the current amount of incremental revenue, the District is expected to generate a cumulative net cash flow sufficient to defease all debt by 2012 – twelve years before its statutory termination debt.

As such the expenditure of an additional \$1.5 million is feasible.

TID-34 Third Ward Riverwalk  
Capital Expenditures by Year

EXHIBIT 1

<u>Year</u>	<u>Construction</u>	<u>Capitalized Interest</u>	<u>Salary &amp; Benefits</u>	<u>Other</u>	<u>Total</u>
Life-to-Date 12/31/98	114,915.12	2,251.00			117,166.12
1999	465,968.42	31,412.00	22,922.13		520,302.55
2000	349,062.33	45,621.00	6,061.62		400,744.95
2001		32,301.00	31,416.12	605.10	64,322.22
2002	1,227,398.88	131,392.00	34,668.84	2,000.00	1,395,459.72
2003			56,587.77	1.30	56,589.07
2004	964,554.90		102,061.53		1,066,616.43
2005	55,529.88	5,100.00	4,465.81	2,000.00	67,095.69
2006		30,767.85			30,767.85
	<u>3,177,429.53</u>	<u>278,844.85</u>	<u>258,183.82</u>	<u>4,606.40</u>	<u>3,719,064.60</u>

EXHIBIT 2

FORECAST OF TID 34 CASH FLOW ASSUMING ADDITIONAL BORROWING OF \$1.5 MILLION

	Current Debt Service Principal	Current Debt Service Interest	Total Current Debt Serv.	Future D/S on Existing Costs not Financed of: \$ 736,664 [5%, 13 yrs]	Future D/S on New Riverwalk in amt. Of: \$ 1,500,000 [5%, 13 yrs]	Total Anticipated D/S for TID 34	Tax Incremental Revenue [ Actual thru 2006]	Net Cash Flow	Cum. Net Cash Flow	Remaining Debt Service
1999		11,455	11,455			11,455	13,290	1,835	1,835	7,540,673
2000		34,237	34,237			34,237	279,135	244,898	246,733	7,506,436
2001	5,242	54,695	59,937			59,937	437,701	377,764	624,497	7,446,499
2002	35,170	56,101	91,271			91,271	477,456	386,185	1,010,682	7,355,228
2003	67,928	127,858	195,786			195,786	551,315	355,529	1,366,212	7,159,442
2004	75,903	127,204	203,107			203,107	568,479	365,372	1,731,584	6,956,336
2005	154,792	116,458	271,250			271,250	618,267	347,017	2,078,601	6,685,085
2006	156,323	126,204	282,527			282,527	676,742	394,215	2,472,816	6,402,559
2007	175,660	119,985	295,645	\$78,422	\$159,684	533,751	680,000	146,249	2,619,065	5,868,808
2008	194,797	112,179	306,976	\$78,422	\$159,684	545,081	680,000	134,919	2,753,984	5,323,727
2009	208,269	103,523	311,792	\$78,422	\$159,684	549,897	680,000	130,103	2,884,086	4,773,829
2010	193,927	94,379	288,306	\$78,422	\$159,684	526,412	680,000	153,588	3,037,675	4,247,418
2011	186,887	85,675	272,562	\$78,422	\$159,684	510,668	680,000	169,332	3,207,007	3,736,750
2012	250,757	76,999	327,756	\$78,422	\$159,684	565,862	680,000	114,138	3,321,145	3,170,888
2013	282,250	64,338	346,588	\$78,422	\$159,684	584,693	680,000	95,307		
2014	214,664	50,422	265,086	\$78,422	\$159,684	503,192	680,000	176,808		
2015	122,904	41,768	164,672	\$78,422	\$159,684	402,778	680,000	277,222		
2016	172,549	30,302	202,851	\$78,422	\$159,684	440,957	680,000	239,043		
2017	187,691	22,223	209,914	\$78,422	\$159,684	448,020	680,000	231,980		
2018	155,282	12,426	167,708	\$78,422	\$159,684	405,814	680,000	274,186		
2019	141,406	5,922	147,328	\$78,422	\$159,684	385,434	680,000	294,566		
2020	2,982,401	1,474,352	4,456,753	\$1,019,488	\$2,075,887	7,552,128	680,000			

District Closed