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Office of the Comptroller

October 27, 2015

**Members of the Zoning, Neighborhoods  
& Development Committee**  
City of Milwaukee  
City Hall, Room 205  
Milwaukee, WI 53202

**RE: File 150911, TID 56 – Erie/Jefferson Street**

**Committee Members:**

File 150911 would approve Amendment 4 to the TID 56 (Erie/Jefferson Street) project plan and the Third Amendment to the Marine Terminal Building Development and Riverwalk Agreement. We have reviewed the project plan and feasibility study, and have had discussions with Department of City Development (DCD) staff. Our analysis is based on the information provided.

Tax Incremental District 56 was created in 2004 (Common Council file no. 040639) to assist in the financing of public improvements, riverwalks, the restoration and adaptive reuse of certain existing buildings and potential new development in that section of the Historic Third Ward Area bounded by North Broadway, the Milwaukee River, East Erie Street and the Harbor Entrance. Amendment 1 (Common Council file no. 090791) and Amendment 2 (Common Council file no. 130268) approved donating funds from TID 56 to other underperforming TIDs. Amendment 3 (Common Council file no. 141264) approved \$19.9 million in funding for riverwalk and streetcar projects. Amendment 4 authorizes dockwall improvements, riverward, at the 401 Erie Street location, which was not previously included within the project plan. Since the dockwall improvements, totaling \$295,000, will be funded with current appropriation, this amendment does not authorize additional funding.

**Is This Project Likely to Be Successful?**

To date, \$6.5 million has been expended in the district. An additional \$20.6 million (including \$295,000 for the dockwall) is planned for remaining projects in the district for total expenditures of \$27.1 million. The feasibility study for this amendment, forecasts that the TID will amortize its \$27.1 million of debt in 2022 after receipt of the 2021 levy. From a financial perspective, we find the feasibility analysis to be reasonable based on my office's analysis which also indicates break-even will occur in 2022, well before the district's mandatory termination of 2031.

**Is the Proposed Level of City Financial Participation Required to Implement the Project?**

Since current appropriation will be used for the proposed dockwall improvements, this amendment does not authorize any additional funding. The Third Amendment to the Development Agreement, consistent with agreements for previous extensions of the riverwalk, provides for a grant to the developer not to exceed 50%

(\$295,000) of the cost of construction of the dock wall improvements. Without approval of this amendment the City would not be able to fulfill its 50% share of dockwall costs.

**Conclusion**

Based on the feasibility study, it appears that TID 56 can support the debt service related to current and proposed expenditures within the district. Should you have any questions regarding this letter, please contact Melissa Fulgenzi of my staff at 2307.

Sincerely,



Martin Matson  
Comptroller

MM/MRF

Cc: Lori Lutzka, Alyssa Remington