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September 3, 2025

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

RE: File 250732, TID 126 – Field House Flats

Dear Committee Members:

File 250732 would approve the creation of Tax Incremental District (TID) 126, Field House Flats (the “District”), along with a corresponding project plan and term sheet. The Comptroller’s Office has reviewed the project plan, feasibility study, and term sheet. We’ve also had discussions with the Department of City Development (DCD) and confirmed pro-forma details with the Assessor’s Office. The Comptroller’s Office analysis is based on the information provided.

The District is comprised of five parcels bounded by West Juneau Avenue, West McKinley Avenue, North Vel R. Phillips Avenue and North Martin L. King Jr. in Downtown Milwaukee’s Deer District. The entirety of the site dually overlaps portions of existing TIDs No. 48 (Park East) and No. 84 (West McKinley & Juneau). The block will be developed by J. Jeffers & Company (the “Developer”). The Developer is proposing the construction of a new mixed-use building which will include 269 residential units spread across 124 studio, 130 1-bedroom, and 15 2-bedroom units. 40,000 square feet of commercial space will include a 27,000 square foot athletic facility and field house for students at MATC. In addition, a publicly accessible plaza will be constructed that includes an ice-skating rink (the “Project”). 100% of units will be affordable to households earning between 50-80% of the metropolitan area median income.

The total estimated costs for the Project are \$115.5 million and this file authorizes a \$6,770,000 grant to the Developer to assist in funding a portion of these costs. The Developer will advance the \$6,770,000. The District will make annual payments to the Developer equal to the incremental taxes collected in the District, less an annual administration charge of \$7,500. The District’s payments will terminate at the earlier of the repayment of

\$6,770,000 plus 6.00% interest (6.10% maximum), or the payment derived from the 2041 levy payable in 2042 (year 18 of the District).

Is This Project Likely to Succeed?

As a Developer-financed TID, the Developer assumes the risk that the proposed District will generate sufficient incremental revenue to recapture their \$6,770,000 investment with interest.

DCD's feasibility study, completed by Ehlers Public Finance Advisors, which uses a constant 2.2215615% property tax rate and 1% inflation rate over the life of the District, forecasts that the Developer will fully recover the \$6,770,000 plus interest in 2042 after receipt of the 2041 levy. However, if the tax rate does not remain constant, the Developer may not recover the entire \$6,770,000 plus interest. Nonetheless, because the Developer, not the City, assumes the repayment risk on their up to \$6,770,000 contribution, the proposed District to the City is economically feasible.

Sensitivity Analysis

There is inherent risk in every projection of future results. One common way to evaluate this risk is to provide sensitivity analysis, which forecasts the impact that different assumptions have on the projection. Below is a table calculated by the Comptroller's office, which summarizes several scenarios to show the sensitivity of the projected incremental revenues within the District.

Sensitivity Analysis	
Percentage of Projected Revenue	District Payback Year
90%	2042*
95%	2042
100% (Base Case)	2041
105%	2040
110%	2040

** 2042 is the final year of the monetary obligation. The Developer would not fully recover their investment, plus interest, in this scenario.*

It is important to note that the payback year relates to the expected year in which the Developer will recover their investment. Since the Project will be financed by the Developer, the City is not at risk of losing the \$6,770,000.

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

This proposed District allows the City to provide incentive to the Developer to develop the Property while minimizing the City's involvement and risk.

Conclusion

The proposed District provides incentive for the Developer to construct a new mixed-use building that includes a commercial space and a mix of apartments which will provide affordable housing options for families across a range of incomes. The Developer will assume the financial risk, and the Project should increase the City's tax base.

Should you have any questions regarding this letter, do not hesitate to contact Jesse Hagen at extension 5839.

Sincerely,



Bill Christianson, CPFO
Comptroller

CC: Larry Kilmer, Charles Roedel

BC:JH