

Martin Matson

Comptroller

Aycha Sirvanci, CPA, CIA

Deputy Comptroller



Office of the Comptroller

Toni Biscobing

Special Deputy Comptroller

Rocklan Wruck, CPA

Special Deputy Comptroller

January 26, 2018

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

RE: File 171544, TID 79 – North Water Street Riverwalk

Committee Members:

File 171544 would authorize release of funding necessary to carry out all previously authorized projects in Tax Incremental District 79, North Water Street Riverwalk. The current authorized budget is \$4,323,000, while the current authorized funding authority is \$2,723,000. This resolution authorizes the Comptroller's office to establish the appropriate accounts and transfer the sum of \$1,600,000 of funding necessary to implement the previously authorized project plan.

The Comptroller's office reviewed TID 79 in November 2017 and based on the feasibility study prepared at that time it appeared that TID 79 could support the debt service related to the approved project plan budget. The current resolution does not authorize any additional expenditures within the TID or modify the project plan. This resolution strictly authorizes the release of previously approved funding. Therefore, no additional Comptroller review is required. Attached to this letter is the previous review from November 2017. Should you have any questions regarding this letter, please contact Joshua Benson at extension 2194.

Sincerely,

A handwritten signature in black ink that reads "Martin Matson".

Martin Matson
Comptroller

MM/JB

CC: Alyssa Remington, Department of City Development
Lori Lutzka, Department of City Development

Attachment

Martin Matson
Comptroller

Aycha Sirvanci, CPA, CIA
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Office of the Comptroller

November 17, 2017

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

RE: File 171108, TID 79 – North Water Street Riverwalk
Amendment #2

Committee Members:

File 171108 would approve Amendment #2 of Tax Incremental District 79, North Water Street Riverwalk. The Comptroller's Office has reviewed the project plan and feasibility study, and has had discussions with Department of City Development (DCD) staff. Our analysis is based on the information provided.

Tax Incremental District (TID) 79 currently consists of two properties totaling approximately 6.16 acres at 1781 and 1887 N. Water Street, along the bank of the Milwaukee River. Together these two sites have 1360 feet of river frontage. TID 79 was created in 2013 to provide a \$1.6 million grant to assist in the construction of 315 lineal feet of new riverwalk and dockwall, in conjunction with the development of an 87-unit apartment building located on the 1887 N. Water Street parcel, along with \$150,000 in administrative costs totaling \$1.75 million, excluding financing costs. However, the planned development has not occurred. In 2015, Amendment #1 provided a \$3.9 million cash grant to construct 1,046 lineal feet of riverwalk, in two phases, in conjunction with the development of four apartment buildings.

This amendment would add four parcels to TID 79, amending the district area total to approximately 11.15 acres. The additional parcels would add \$7.5 million to the District's base value. Amendment #2 would also authorize \$253,000 for dockwall reconstruction adjacent to 1661 & 1665-1675 N. Water Street, while eliminating the original funding authority for the riverwalk and dockwall associated with the development at 1887 N. Water Street. This would provide a total reduction to the prior funding authority of \$1.35 million. Please see Table A for total project cost estimates, excluding financing costs.



Table A			
TID 79 - North Water Street Riverwalk			
	<u>Budget</u>	<u>Expenditures</u>	<u>Balance</u>
<u>Original Plan</u>			
Riverwalk, Dockwall & Public Access (1887 N. Water)	\$1,600,000	\$0	\$1,600,000
Administration	150,000	30,300	119,700
Subtotal	1,750,000	30,300	1,719,700
<u>Amend No. 1</u>			
Riverwalk, Dockwall & Public Access (1771 N. Water)	3,920,000	2,016,173	1,903,827
SubTotal - Prior to Amendment	5,670,000	2,046,473	3,623,527
<u>Proposed Amendment</u>			
Riverwalk, Dockwall & Public Access (1887 N. Water)	(1,600,000)	0	(1,600,000)
Reconstruct Dockwall (1661 & 1665-1675 N. Water)	253,000	0	253,000
Subtotal - Proposed Amendment	(1,347,000)	0	(1,347,000)
Total Estimated Cost, Incl Proposed Amendment	\$4,323,000	\$2,046,473	\$2,276,527

Is This Project Likely to Succeed?

The feasibility study for this amendment forecasts the TID will fully amortize its project costs in 2022, after receipt of the 2021 levy, well before the district's mandatory termination of 2040. From a financial perspective, we find the feasibility study to be reasonable based on our analysis.

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

This amendment proposes no additional financial impact to the City due to unused funding authority in relation to the cancelled development at 1887 N. Water Street.

Conclusion

Based on the feasibility study, it appears that TID 79 can support the debt service related to current and proposed expenditures within the district. Should you have any questions regarding this letter, please contact Joshua Benson at extension 2194.

Sincerely,



Martin Matson
Comptroller

MM/JB

CC: Alyssa Remington, Department of City Development
Lori Lutzka, Department of City Development