

**Martin Matson**  
Comptroller

**Aycha Sirvanci, CPA, CIA**  
Deputy Comptroller



**Toni Biscobing**  
Special Deputy Comptroller

**Rocklan Wruck, CPA**  
Special Deputy Comptroller

**Office of the Comptroller**

September 15, 2017

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

RE: File 170787, TID 92 – Sherman Phoenix

**Committee Members:**

File 170787 would approve the creation of TID 92 (Sherman Phoenix) along with a corresponding project plan and term sheet. The Comptroller's Office has reviewed the project plan, feasibility study and term sheet, and has had discussions with Department of City Development (DCD) and Assessor's Office staff. Our analysis is based on the information provided.

This file authorizes expenditures of \$400,000 for a Business Attraction/Retention Fund, streetscaping and administrative expenses. The table below outlines the proposed project costs, excluding financing and interest expenses.

<b>Estimated Project Costs</b>	
Business Attraction/Retention Fund	\$ 325,000
Streetscaping Improvements	50,000
Administrative Costs	25,000
<b>Total Project Costs</b>	<b>\$ 400,000</b>

The district is being created to fund a \$325,000 Business Attraction/Retention Fund, \$225,000 of which will be used to provide a grant to local developers JoAnne Sabir and Juli Kaufmann (Developers), in conjunction with their proposed acquisition and renovation of the BMO Harris Bank Branch (3536 West Fond du Lac Avenue), which was damaged by fire in 2016. BMO Harris is currently constructing a new 2,200 SF branch across the street on a surface parking lot (3637 West Fond du Lac Avenue), which is expected to open in 2017. The Developers plan to renovate the building into retail and commercial space for small businesses, called the Sherman Phoenix. In addition, the district would fund \$50,000 for streetscaping improvements along West Fond du Lac Avenue approximately between North 35<sup>th</sup> Street to North 36<sup>th</sup> Street, including the intersection of West Fond du Lac Avenue, North 35<sup>th</sup> Street and West Burleigh Street, along with parking lot improvements at 3500 West Burleigh Street. Finally, \$25,000 would be utilized for administrative costs.



The proposed district includes ten properties, totaling 113,786 SF with an assessed valuation of \$1,373,800. The district is at the confluence of three of the City's Neighborhood Plans; the Fond du Lac and North, West Side and Near North Area Plans. The district's properties contain a mix of commercial/retail buildings and parking lots.

**Is This Project Likely to Succeed?**

DCD's feasibility study, which uses a 2.9% property tax rate and 1% inflation rate over the life of the TID, forecasts the district will fully recover the \$400,000 project costs plus financing in 2039, after receipt of the 2038 levy (year 22). DCD's feasibility study appears reasonable based on the Comptroller's analysis.

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

This proposed TID allows the City to finance a \$325,000 Business Attraction/Retention Fund, of which \$225,000 will be granted towards the Developers' proposed Sherman Phoenix renovation project of the existing BMO Harris Bank Building (3536 West Fond du Lac Avenue) at a cost of approximately \$2.5 million. In addition, the district would finance public improvements, infrastructure, engineering and planning within a one half-mile radius of the district. Without City funding, this project may be delayed or not occur altogether, reducing the desirability of this area for future development.

**Conclusion**

Based on the feasibility study, it appears that the proposed district is likely to generate enough cash to fund \$400,000 of public improvements and a Business Attraction/Retention Fund. Should you have any questions regarding this letter, please contact Joshua Benson at 2194.

Sincerely,



Martin Matson  
Comptroller

C: Dan Casanova, Lori Lutzka

MM/JB