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Comptroller

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Office of the Comptroller

April 18, 2005

Mr. Rocky Marcoux, Commissioner  
Department of City Development  
809 N. Broadway  
Milwaukee, WI 53202

Re: Resolution 041514 regarding TID #48 – Park East

Dear Commissioner Marcoux:

Common Council File Number 041514 is currently before the Common Council regarding expenditures for Tax Increment District #48 – Park East. The resolution increases the Project Plan Budget from \$3.9 million to \$20.0 million. The Further Resolved Paragraph #3 increases the Authorized Spending for TID #48 by \$15.6 million. It appears the increase in Authorized Spending is intended to mirror the increase in Project Plan Budget. However, while the Project Plan Budget has not changed from the initial \$3.9 million, the Authorized Spending has been increased in 2 subsequent resolutions by \$11 million over the initial \$4 million. Note: There is occasionally a minor difference between Project Plan Budget and Authorized Spending due to financings costs - capitalized interest.

A literal interpretation of the Further Resolved Paragraph #3 would increase authorized spending from the current \$15 million to over \$30 million, significantly more than the \$20 million Project Plan. I would appreciate it if you could have the paragraph corrected prior to adoption by the Council. A suggested replacement for the paragraph is:

"The City Comptroller is authorized and directed to increase Tax Incremental District No. 48 to the total amount of \$19,962,894, plus up to an additional 10% for financing expenses as determined by the Comptroller, from the TID Parent Account to the Project Account No. TD04880000, such funds shall be approved by the Common Council through usual budgetary procedures and made available upon request by the Commissioner of the Department of City Development."

Thank you for your attention to this matter. If you have any questions, please feel welcome to call Mike Daun, Deputy Comptroller, at 286-2302.

Sincerely,

W. MARTIN MORICS  
Comptroller

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REF: PD-6969W.DOC