



Department of City Development

City Plan Commission
Historic Preservation Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

September 12, 2007

Mayor Tom Barrett
City of Milwaukee
City Hall, Room 201

W. Martin Morics
Comptroller
City Hall, Room 404

Members of the Common Council
City Clerk's Office
City Hall, Room 205

Jeff Mantes, Commissioner
Department of Public Works
Municipal Building, Room 701

Gentlemen:

Re: Communication from the Department of City Development relative to a report on Tax Incremental District performance

I am pleased to provide a set of periodic performance reports for tax incremental districts (TID) depicting district progress and expenditures through June 30, 2007.

This is the third set of periodic reports submitted to you. The reports provide information about development activity within each TID boundary, incremental value performance, life-to-date expenditures, and a comparison of the property value, incremental value and incremental taxes projected by the TID feasibility study with actual performance to date. In addition, the format of the reports has been modified slightly to include a completion status statement, more in-depth narratives regarding project status and an effort to highlight developer financed TIDs. These modifications are the result of the Department of City Development (DCD) and Comptroller's Office staff work to improve the informational content presented.

The City of Milwaukee currently has 46 active TID districts. This communication includes reports for 30 TIDs that have had expenditure activity over the last six-month period (1/1/07 - 6/30/07). In addition, the department has also included reports for eight TIDs that although there was no expenditure activity over the prior six months, are of special interest for policy makers.

As you review these reports, I would like to share several observations:

As of January 2007, the open TID districts had \$1.04 billion of incremental property value vs. \$879 million in January 2006 - a 27% increase.

Incremental value in all TIDs represents 3.3% of the City's total Equalized Value vs. 2.9% in 2006. Total City Equalized Value is \$31.9 billion.

The average payback period of City TIDs remains at 19 years.

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As reported previously, four current TIDs - #34, #42, #54 and #56 – continue to have particularly stellar outcomes. These include two riverwalk projects, the Midtown shopping center, and the Stadium Business Park.

In keeping with prior reports, TIDs #24 (Riverworks) and #36 (Granville Estates/Park) are expected to close early due to higher than expected tax revenue generation. In fact, TID #36 was closed out by the Common Council this past July.

Districts that are expected to close-out within the next three years include:

District No.	District Name	Year Created	Close-out	2007 Incremental Property Value
24	Riverworks	1994	2008	\$34,326,800
34	Third Ward Riverwalk	1997	2009	\$40,397,900
45	Wilson Commons	2001	2010	\$14,482,500

The economic development activity financed by TID investment is generally on schedule. Of the reports included in this file, there are eight TID districts reporting that projects are behind schedule. Reasons for project delay include a longer than anticipated period for site acquisition, environmental clean-up and build-out. The reports indicate a variety of causes for project delay.

Sandra Rotar and Jim Scherer will attend the September 18, 2007 meeting of the Zoning, Neighborhoods and Development Committee to answer questions about these reports. I hope you find this information helpful.

Sincerely,



Rocky Marcoux
Commissioner

Attachment