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September 11, 2019

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

RE: File 190787, TID 100 – Zillman Park

Dear Committee Members:

File 190787 would approve the creation of Tax Incremental District (TID) 100, Zillman Park (the District), along with the 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. The Comptroller's office analysis is based on the information provided.

The proposed District includes five properties totaling 2.76 acres in Bayview, bordered by East Bay Street on the north, East Ward Street on the east, and South Kinnickinnic Avenue on the west (the Property). The Property is currently comprised of four City owned parcels and one privately owned parcel, which is currently being developed into 140 residential apartment units and 16,000 square feet of ground floor retail space, including a possible food hall. The Property has an assessed value of \$2,049,600.

There is a City of Milwaukee tot lot located approximately one block east of the Property which has been prioritized as one of 12 City playgrounds in need of reconstruction. The Department of Public Works proposes to decommission the tot lot in the immediate future for safety reasons and construct its replacement at the Property, specifically located at Zillman Park. The Department of City Development is proposing to provide funding for Zillman through creation of the District. In addition to the park, funds would be utilized to construct or install public amenities to improve the Park and better serve the adjacent proposed ground floor commercial space as well as promote additional development of City owned property within the District (the "Project").

This file authorizes \$550,000 for the Project and administrative costs, as shown in the table below.

Estimated Project Costs	
Public Improvements	\$ 500,000
Administrative, Professional, and Legal	50,000
Total Project Costs, Excluding Financing	\$ 550,000



The City's investment will be paid from increment revenue generated by the District. The increment is anticipated to be generated from the privately owned apartment and commercial space building that is currently under development, as well as any development that occurs on the City owned parcels in the future.

Is This Project Likely to Succeed?

DCD's feasibility study, which uses a constant 2.785% property tax rate and 1% inflation rate over the life of the TID, forecasts the District will fully recover the City's portion of the District's costs plus financing in 2024, after receipt of the 2023 levy (year 5). The quick repayment is due to increment revenues expected to be generated from the privately owned mixed use building that is currently under development. From a financial perspective, the proposed TID appears feasible based on the Comptroller's review.

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

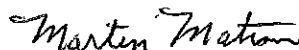
The District allows the City to finance the construction of Zillman Park and the construction or installation of public amenities to benefit the District. Without City funding, this Project may be delayed or not occur altogether, and the City would have to find another source of funding to complete the Project.

Conclusion

The District provides the financing necessary for the construction of Zillman Park as well as the construction or installation of public amenities to improve the Park and surrounding properties, which should increase the City's ability to develop the District's remaining parcels in the future.

Should you have any questions regarding this letter, please contact Joshua Benson at extension 2194.

Sincerely,



Martin Matson
Comptroller

CC: Alyssa Remington

MM/JB