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July 22, 2025

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

RE: File 250525, TID 127 – 100 East Wisconsin

Dear Committee Members:

File 250525 would approve the creation of Tax Incremental District (TID) 127, 100 East Wisconsin (the “District”), along with a corresponding project plan and term sheet. The Comptroller’s Office has reviewed the project plan, feasibility study, and term sheet. We’ve also had discussions with the Department of City Development (DCD) and confirmed pro-form details with the Assessor’s Office. The Comptroller’s Office analysis is based on the information provided.

The District is located at the northwest corner of North Water Street and East Wisconsin Avenue in the heart of Downtown Milwaukee. The site is comprised of one parcel at 100 East Wisconsin Avenue and will be developed by 100 East PropCo, LLC (the “Developer”). The Developer is proposing to substantially and historically rehabilitate a 34-story office building into multi-family residential use for 373 units. In addition, resident amenities will be built out across the building while also preserving the historically significant areas of the 33<sup>rd</sup> and 34<sup>th</sup> floors. (the “Project”). 75 apartments or 20% of units will be rented to households at or below 100% of the area median income.

The total estimated costs for the Project are \$165 million and this file authorizes a \$14,400,000 grant to the Developer to assist in funding a portion of these costs. The Developer will advance the \$14,400,000. The District will make annual payments to the Developer equal to the incremental taxes collected in the District, less an annual administration charge of \$10,000. The District’s payments will terminate at the earlier of the repayment of \$14,400,000 plus 6.20% interest (6.50% maximum), or the payment derived from the 2040 levy payable in 2041 (year 16 of the District).

### Is This Project Likely to Succeed?

As a Developer-financed TID, the Developer assumes the risk that the proposed District will generate sufficient incremental revenue to recapture their \$14,400,000 investment with interest.

DCD's feasibility study, completed by Ehlers Public Finance Advisors, which uses a constant 2.2215615% property tax rate and 0% inflation rate over the life of the District, forecasts that the Developer will fully recover the \$14,400,000 plus interest in 2040 after receipt of the 2039 levy. However, if the tax rate does not remain constant, the Developer may not recover the entire \$14,400,000 plus interest. Nonetheless, because the Developer, not the City, assumes the repayment risk on their up to \$14,400,000 contribution, the proposed District to the City is economically feasible.

### Sensitivity Analysis

There is inherent risk in every projection of future results. One common way to evaluate this risk is to provide sensitivity analysis, which forecasts the impact that different assumptions have on the projection. Below is a table calculated by the Comptroller's office, which summarizes several scenarios to show the sensitivity of the projected incremental revenues within the District.

Sensitivity Analysis	
Percentage of Projected Revenue	District Payback Year
90%	2041*
95%	2041
100% (Base Case)	2040
105%	2040
110%	2039

*\* 2041 is the final year of the monetary obligation. The Developer would not fully recover their investment, plus interest, in this scenario.*

It is important to note that the payback year relates to the expected year in which the Developer will recover their investment. Since the Project will be financed by the Developer, the City is not at risk of losing the \$14,400,000.

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

This proposed District allows the City to provide incentive to the Developer to develop the Property while minimizing the City's involvement and risk.

## Conclusion

The proposed District provides incentive for the Developer to materially renovate and improve residential space for residents in the City, while preserving an historic building and adding workforce housing options for people across a range of incomes. The Developer will assume the financial risk, and the Project should increase the City's tax base.

Should you have any questions regarding this letter, do not hesitate to contact Jesse Hagen at extension 5839.

Sincerely,



Bill Christianson, CPFO  
Comptroller

CC: Larry Kilmer, Charles Roedel

BC:JH