

Martin Matson
Comptroller

Glenn Steinbrecher, CPA
Deputy Comptroller



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Special Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Office of the Comptroller

June 28, 2016

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

RE: File 160297, TID 88 – 4th & Wisconsin

Committee Members:

File 160297 would approve the creation of TID 88 (4th and Wisconsin) and the related Project Plan. Since the nature and timing of any potential development is unknown, we are unable to analyze its feasibility.

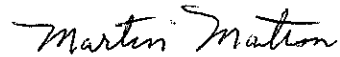
The City is proposing to construct an extension to the Streetcar project, along 4th Street from the Intermodal Station to the new Arena. The City has applied for a \$20 million Federal TIGER grant but would like a \$20 million City match to increase the competitiveness of the grant application. The \$20 million match would be funded; \$8 million from the creation of TID 88, \$4 million from TID 39 (City Center Hilton) Amendment 2, and \$8 million from TID 41 (Time Warner/Manpower) Amendment 3.

The proposed district consists of two properties, both currently being used as parking lots. One parcel, located at 615 North 4th Street, is privately owned with an assessed value of \$4 million. The other parcel located at 401-41 West Wisconsin Avenue, which is owned by the Redevelopment Authority of the City of Milwaukee (RACM), has an assessed value of \$0. RACM plans to issue a Request for Proposals for a company to buy and develop the 4th and Wisconsin parcel. The City would retain a portion of the site for a streetcar transit stop. The Department of City Development hopes to attract a mixed use development that will allow the district to generate enough incremental revenue to cover \$8,075,000 of expenditures (\$8 million TIGER grant match, \$75,000 admin.) plus financing costs.

The feasibility study provided by DCD, which forecasts the District will fully recover the \$8.1 million of project costs plus financing in 2034, after receipt of the 2033 levy is dependent upon many variables including: the sale of

401-41 West Wisconsin Avenue property to a developer who will complete a \$30 million mixed used development in 2020, the district achieving an annual appreciation rate of 1% and a constant combined tax rate of 3%. Without the determination of the developer or development plan for the 4th & Wisconsin parcel it is not possible to analyze the feasibility of the district at this time. Once a development plan is in place we would be happy to provide an analysis.

Sincerely,

A handwritten signature in cursive script that reads "Martin Matson".

Martin Matson
Comptroller

MM/MRF

c: Lori Lutzka, Dan Casanova