



**Department of City Development**

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

**Rocky Marcoux**  
Commissioner

**Martha L. Brown**  
Deputy Commissioner

December 12, 2008

Members of the Zoning, Neighborhoods & Development Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

RE: Tax Incremental District #72 – Bishop’s Creek

Dear Committee Members:

On December 11, 2008, the City Comptroller’s Office provided you with their letter outlining their recommendations regarding Tax Incremental District #72 – Bishop’s Creek.

The letter concluded that TID would be economically feasible. The letter also indicated the support of the Comptroller’s office for the development team, and recognized the demonstrated need for the proposed affordable housing development on the site. We appreciate the additional review and recognition of information on the project by their office over the past few days.

However, we have a fundamental difference of opinion on one of the recommendations contained in the Comptroller’s letter. The Comptroller recommends that the proposed level of assistance to Bishop’s Creek Community Development Corporation for site remediation, demolition and preparation work be reduced from \$335,000 to \$109,000. In arriving at this recommendation, the Comptroller did not recognize the full \$500,000 acquisition cost incurred by Bishop’s Creek for purchase of the site in 2004 as an allowable project expense. Instead, the Comptroller recognizes only the current assessed value of the site, \$150,000, as an allowable project expense. The rationale is that the “loss in value” should not be recognized as an eligible cost for the purposes of calculating a funding gap for the project.

The Department’s position is that the full \$500,000 of the purchase price should be recognized as an allowable project expense. In fact, Bishop’s Creek CDC, a mission-driven development agency, spent \$500,000 to purchase the property. The CDC did not purchase the property for speculative purposes, but purchased it to gain control of a significantly blighting site that was a detriment to the area and with the goal of redeveloping it in a manner that would provide significant benefits to the neighborhood. The CDC has worked diligently to assemble the resources necessary to remediate and prepare the site for development. While the current assessed value of the property is \$150,000, the actual cost they paid for the site should be recognized in evaluating the appropriate level of assistance for this important project.

Maria Prioletta of my staff will be present at the special ZND Committee meeting to answer any questions you have about this matter.

Sincerely,

Rocky Marcoux  
Commissioner