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**June 28, 2016**

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

**RE: File 160299, TID 41 – Time Warner/Manpower  
Amendment 3**

**Committee Members:**

File 160299 would approve Amendment 3 to the Tax Incremental District (TID) 41 project. We have reviewed the project plan and feasibility study, and have had discussions with Department of City Development (DCD) staff. Our analysis is based on the information provided.

TID 41 was created in 2000 (Common Council file no. 000428) to fund a developer-financed extension of the riverwalk between West Juneau Avenue and West Cherry Street and other public improvements. Only a portion of the planned improvements were completed and the developer was fully repaid in 2005. In 2006, the project plan was amended (Common Council file no. 051108) to provide funding for construction of a 1,270 space parking structure, an extension of the riverwalk and other public improvements along with grants and loans to the Manpower building developer. In 2013, the project plan was amended (Common Council file no. 130246) to fund street reconstruction and site improvements.

The City is proposing to construct an extension to the Streetcar project, along 4<sup>th</sup> 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 TID 41 Amendment 3, \$4 million from TID 39 (City Center Hilton) Amendment 2, and \$8 million from the creation of TID 88 (4<sup>th</sup> & Wisconsin). Therefore, Amendment 3 would increase the TID 41 district budget to \$37.7 million from the current \$29.7 million. See Table A for a summary of project budget amendments.



Table A - Project Budget Amendments		
File No.	Description	Amount (1)
000428	Original project plan - construct a riverwalk on the west side of the Milwaukee River and other site amenities.	\$ 7,150,000
051108	Amendment #1 - construct a city-owned parking ramp and other public improvements. Provide grants and loans to developer of Manpower building.	20,816,000
130246	Amendment #2 - Reconstruct West Galena Street and other site improvements.	1,700,000
Total current budget		\$ 29,666,000
160299	Proposed Amendment #3 - authorization of additional funding.	8,000,000
Total budget including file #160299		\$ 37,666,000

(1) Excluding capitalized interest and other financing costs.

### Is this Project Likely to Succeed?

To date, \$29.5 million has been spent in the district, excluding interest and other financing costs. The feasibility study for this amendment, forecasts that the TID will amortize an additional \$8 million of debt in 2023 after receipt of the 2022 levy. From a financial perspective, we find the feasibility analysis to be reasonable based on our analysis which also forecasts break-even will occur in 2023. Based on the feasibility study, it appears that the proposed amendment to the district is likely to generate enough cash to fund an additional \$8 million of expenditures.

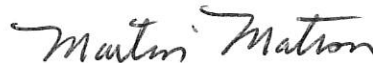
### Is the Proposed Level of City Financial Participation Required to Implement the Project?

If the City is awarded a \$20 million TIGER grant, this amendment would allow the City to fund \$8 million of its match requirement. Without this amendment, the City would have to find an alternate source to fund this portion of its commitment.

### Conclusion

Amendment #3 will allow the City to partially fund its match of a potential TIGER grant for the proposed extension to the Streetcar project, along 4<sup>th</sup> Street from the Intermodal Station to the new Arena. An additional \$8 million of funding should not adversely affect the district's ability to break even prior to its mandatory termination. Should you have any questions regarding this letter, please contact Melissa Fulgenzi at extension 2307.

Sincerely,



Martin Matson  
Comptroller

MM/MRF

c: Lori Lutzka, Dan Casanova