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

RE: File 240383, TID 70 – 735 N Water St
Amendment 4

Dear Committee Members:

File 240383 would approve Amendment 4 to the Tax Incremental District (TID) 70 (the District) project plan and term sheet. The Comptroller's Office has reviewed the project plan feasibility study and has had discussions with Department of City Development (DCD) staff. Based on the information provided by DCD, our analysis is as follows.

Background:

The District, created in 2007, provided \$3,800,000 to facilitate the redevelopment efforts of the 731 – 735 North Water Street buildings into a parking garage, seven luxury condominiums, and the associated Riverwalk.

In 2010, Amendment 1 modified the scope of the project and the plan of finance to include the renovation of 731 North Water Street to house Gold's Gym, ground floor retail, and office space. Additionally, the amendment included the installation of life safety upgrades and skywalk improvements at 735 North Water Street and restoring 480 linear feet of Riverwalk and dockwall.

In 2021, the District was amended to provide funding for additional dockwall repair due to significant identified breaches. Amendment 2 provided \$250,000 in funds to the City's Department of Public Works to assist in these emergency repairs.

In 2022, Amendment 3 provided \$175,000 for infrastructure work located on city-owned concrete and metal railings segments between Cherry and Clybourn within TID boundaries. In addition, The City of Milwaukee proposed a cash grant of \$903,000 to the developers towards eligible Riverwalk and dockwall costs per the City's Riverwalk funding policy.

A 381-unit residential development is proposed for the 1005 N Edison Street riverfront property. Amendment 4 proposes to provide \$600,000 to the developers to construct two public plazas on the property adjacent to the development. The developer and RACM have executed two 99-year leases for the developer to improve and manage the public space, which is also connected to the Milwaukee Riverwalk System. In addition, this amendment will provide \$50,000 for the administration of the District.

Is This Project Likely to Be Successful?

The feasibility study provided by DCD indicates that the District has already achieved breakeven status in 2019 and has a surplus. The \$650,000 proposed in this Amendment will not affect the District from a financial standpoint and therefore the proposed Amendment appears feasible based on the Comptroller's Office review.

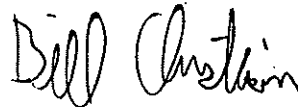
Is the Proposed Level of City Financial Participation Required to Implement the Project?

This proposed amendment allows the City to finance two public plazas within the District. Without this amendment, the City would have to find an alternate funding source for these projects.

Conclusion

Based on the feasibility study, it appears the District has already generated enough cash to fund the additional \$650,000 of project costs in Amendment 4. Should you have any questions regarding this letter, please contact Nuducha Yang at x2354.

Sincerely,



Bill Christianson, CPFO
Comptroller

CC: Lori Lutzka, Alyssa Remington, Gloria Lucas, Joshua Benson, Charles Roedel

BC:NY