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

RE: File 231938, TID 100 – Zillman Park
Amendment 1

Dear Committee Members:

File 231938 would approve Amendment No. 1 to Tax Incremental District (TID) 100, Zillman Park (the District), along with a corresponding plan. The Comptroller's Office has reviewed the project plan, feasibility study, and has had discussions with Department of City Development (DCD). The Comptroller's Office analysis is based on the information provided.

TID Background

The District was created in 2019 (Common Council File No. 190787) to establish a base value on January 1, 2019, for infrastructure improvements to the city-owned Zillman Park. File 190787 authorized initially \$550,000 for the Project and administrative costs. In 2023, a substitute resolution (Common Council File No. 221926) authorized additional funding and expenditures of \$430,000.

This amendment proposes \$1,400,000 to provide funding to install a protected bike lane along Kinnickinic Avenue, from Maple Street to Beecher Street, and along Bay Street, from Beecher Street to Lincoln Avenue, to build connections between the KK River Trail and the Oak Leaf Trail. An additional \$100,000 will cover administrative costs associated with the District. The total proposed in this amendment is \$1,500,000.

Is This Project Likely to Succeed?

From a financial perspective, the proposed amendment will not adversely affect the District's ability to recover its costs over the life of the TID. DCD's feasibility study, which uses a constant 2.1% property tax rate and 1% inflation rate over the life of the TID, forecasts the TID will fully recover the \$1,500,000 plus interest in 2027 after receipt of the 2026 levy. The expected recovery is Year 8 of the TID's life and is well within a TID's typical life of 27 years.



To date, the District has incurred project costs of \$399,273 related to the design and construction of improvements to Zillman Park. The current tax increment for the 2023 levy year is \$597,088, and since the TID opened in 2019, the District has generated \$1,918,415 in tax increments. Therefore, the \$1,500,000 proposed amendment seems feasible based on the Comptroller's Office review.

Sensitivity Analysis

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

Table 2

Sensitivity Analysis	
Percentage of DCD Projected Revenue	Levy Year
90%	2027
95%	2026
100% (Base Case)	2026
105%	2026
110%	2026

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

This proposed amendment would allow public infrastructure improvements to be completed in this district. Without approval of this amendment, the City would have to find an alternative funding source to complete these activities.

Conclusion

Based on the feasibility study, it appears that TID 100 can support the debt service related to current and proposed expenditures within the district. Should you have any questions regarding this letter, please contact Nuducha Yang at extension 2354.

Sincerely,



Bill Christianson
Comptroller

CC: Alyssa Remington, Gloria Lucas, Joshua Benson

BC:NY