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September 8, 2022

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

RE: File 220634, TID 56 – Erie/Jefferson Riverwalk
Amendment #6

Dear Committee Members:

File 220634 would approve Amendment 6 for Tax Incremental District (TID) 56, Erie/Jefferson Riverwalk (the district), along with a corresponding project plan. The Comptroller's Office has reviewed the project plan, feasibility study, and has had discussions with Department of City Development (DCD). Based on the information presented by DCD, our analysis is as follows.

TID Background

Tax Incremental District 56 was created in 2004 (File no. 040639) to assist in the financing of public improvements, riverwalks, restoration and adaptive reuse of certain existing buildings and potential new development in the section of the Historic Third Ward Area bounded by North Broadway, the Milwaukee River, East Erie Street and the Harbor Entrance. The project has undergone several revisions since creation, while not all resolutions provided funding authorization.

See *Table A* for the summary of project budget amendments and funding increases. Table A is the total budget excluding donations to other TIDs and capitalized interest.

Amendment #6 will provide up to \$3,555,000 to the Developer as a cash grant to reimburse the costs to add trees and a sidewalk to Harbor Drive and to engineer, design, and construct a new Corcoran Street extension. Additionally, this Amendment will provide \$200,000 for the administration of the District.



Table A - Project Budget Revisions		
File #	Description	Funding
040639	Original project plan – finance public improvements, riverwalks, restoration and adaptive reuse of certain existing buildings and potential new development, including administrative costs.	\$7,000,000
090791	Amendment #1 – approved donation of funds, \$3.7m to TID 35 (27 th / Wisconsin) and \$237,929 to TID 69 (24 th / North) <u>from existing increment.</u>	0
130268	Amendment #2 – approved donation of funds, \$3.7m to TID 58 (20 th / Walnut), \$4.9m to TID 65 (20 th / Brown), and \$1.9m to TID 66 (Metcalfe Park Homes) <u>from existing increment.</u> Authorized additional funding for acquisition of former property and engineering study of associated railroad structures on property.	128,000
141264	Amendment #3 – authorized additional funding for riverwalk and streetcar projects, as well business expansion or relocation.	19,935,942
150911	Amendment #4 – approved \$295,000 of dockwall improvements located riverward of the 401 East Erie Street Location, no funding increase required.	0
170497	Amendment #5 – approved funding of authorization to improve public right of way at 401 East Erie Street and complete public improvements at 501 East Erie, including the rehabilitation of a former railroad trestle, including admin costs.	956,659
Total budget to date		\$28,020,601

Is This Project Likely to Be Successful?

The feasibility study provided by DCD indicates that the District has already achieved breakeven status in Budget Year 2021. The additional \$3,755,000 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.

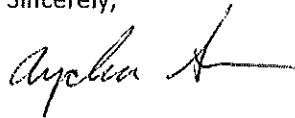
Is the Proposed Level of City Financial Participation Required to Implement the Project?

Based on the feasibility study it appears the District has already generated enough cash to fund the additional project. The additional \$3,755,000 will help with public infrastructure and improvements. Without approval of this amendment, the City would need to use other funding sources to cover these project costs.

Conclusion

Based on the feasibility study, it appears that TID 56 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 2354.

Sincerely,



Aycha Sawa, CPA, CIA
Comptroller

AS:NY

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