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April 11, 2025

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

RE: File 241879, TID 94 – 1st and Becher
Amendment 2

Dear Committee Members:

File 241879 would approve Amendment No. 2 to Tax Incremental District (TID) 94, 1st and Becher (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 2018 (Common Council File No. 180884) for the purpose of facilitating Riverwalk development, public infrastructure improvements, and environmental remediation on the development site bounded by South 1st Street, West Becher Street and the Kinnickinnic River. The District was amended in 2024 to provide funding to construct a skate park at South 5th Street and West Rogers street, paint freeway overpass pillars, fund public infrastructure improvements with a construction contingency, and administrative costs

This amendment proposes \$475,000 to provide funding to finance the city's share of Riverwalk costs adjacent to the shoreline of 300 West Lincoln Avenue (Lincoln Playfields), which is within one-half mile of the District. Milwaukee Public Schools (MPS) is redeveloping the fieldhouse and active recreation courts at Lincoln Playfields. With this renovation, MPS will construct a Riverwalk, retaining the natural shoreline. There is no dockwall work associated with this project.

The table on the following page for the summary of project budget amendments and funding increases. This table does not include capitalized interest or financing costs in the funding totals.

Project Budget Revisions		
File #	Description	Funding
180884	Original project plan – provided \$3,400,000 in a developer grant to partially fund Riverwalk improvements, \$3,030,000 to finance public infrastructure improvements, a \$400,000 loan from the RACM revolving loan fund for environmental remediation, and \$250,000 in administrative costs.	\$ 7,080,000
231292	Amendment #1 – provided \$1,200,000 to fund public infrastructure improvements, \$1,000,000 to construct a skate park on a city-owned surface parking lot, \$500,000 for a construction contingency related to the financed public infrastructure improvements, \$100,000 in administrative costs, and \$52,000 to paint 12 pillars supporting the freeway overpass.	2,852,000
241879	Amendment #2 – would authorize an additional \$475,000 for the City's portion of Riverwalk improvements.	475,000
Total budget to date		\$ 10,407,000

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 2.2216% property tax rate and 1.01% inflation rate over the life of the TID, forecasts the TID will fully recover the \$475,000 plus interest, in 2028 after receipt of the 2027 levy. This is year 9 of the TID's life and is well within a TID's normal life of 27 years. Therefore, the \$475,000 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. The analysis shows that in each of the different scenarios, the District is projected recover in 2028, due to the size of the investment compared to the annual increment generated by the District.

Sensitivity Analysis	
Percentage of DCD Projected Revenue	District Payback Year
90%	2028
95%	2028
100% (Base Case)	2028
105%	2028
110%	2028

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

This proposed amendment would allow Riverwalk improvements to be completed within one-half mile of 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 the District can support the debt service related to current and proposed expenditures within the district. Should you have any questions regarding this letter, please contact Joshua Benson at extension 2319.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Christianson". The signature is fluid and cursive, with the first name "Bill" and last name "Christianson" clearly distinguishable.

Bill Christianson, CPFO
Comptroller

CC: Alyssa Remington, Charles Roedel

BC:JB