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February 21, 2020

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

RE: File 191679, TID 60 – Intermodal Passenger Station
Amendment 1

Dear Committee Members:

File 191679 would approve Amendment 1 to the project plan for Tax Incremental District (TID) 60, Milwaukee Intermodal Passenger Station Project (the District). The Comptroller's office has reviewed the project plan and feasibility study, and has had discussions with Department of City Development (DCD) staff. The Comptroller's office analysis is based on the information provided.

The District was created in 2005 to facilitate the redevelopment of the Amtrak Station by upgrading its exterior appearance and to assist the development of vacant and underutilized space throughout the District. The total authorized budget for the District is \$6,657,860 including capitalized interest. To date, \$6,648,519 has been expended in the District.

Amendment 1 would authorize an additional \$170,000 in funding for street improvements within one-half mile of the District and \$25,000 in administrative costs. Amendment 1 would also authorize up to \$1,362,550 in donations to TID 74 – North 35th Street & Capitol Drive.

Donations to TID 74

In addition to public infrastructure projects, this file authorizes donation of annual increments to TID 74 from the District for five years starting with the 2020 levy. TID 74 was created in 2009 to support the redevelopment of Century City. TID 74 is primarily comprised of residential uses. Residential property values have declined significantly since the creation of TID 74, leaving TID 74 unable to recover financially from the loss of increment. TID 74 has incurred total project costs of \$16,753,085, and has total outstanding recovery costs (including financing and carrying costs) of \$24,752,062. The below table summarizes the requirements for TID 74 towards breakeven.

TID 74 Breakeven Summary		
	TID 74 Costs to Recover	\$ 24,752,062
CCFN 191678	TID 46 Proposed Donations	(4,268,345)
CCFN 191671	TID 49 Proposed Donations	(7,754,926)
CCFN 191679	TID 60 Proposed Donations	(1,362,550)
	Proposed TID 74 Remaining Costs to Recover	\$ 11,366,241


As can be seen in the table above, DCD is proposing donations from several TIDs. Each of the proposed donor TIDs have achieved break-even and currently have excess incremental revenues.

Conclusion

Because the District has already achieved break-even, this amendment should not adversely affect its financial viability. Moreover the donations to TID 74 authorized by this resolution will assist TID 74 as it attempts to recover its costs and achieve break-even prior to 2036.

Should you have any questions regarding this letter, please contact Joshua Benson at extension 2194.

Sincerely,



Martin Matson
Comptroller

C: Lori Lutzka
MM/JB