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June 28, 2022

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

RE: File 220302, TID 70 – 735 N Water St
Amendment 3

Dear Committee Members:

File 220302 would approve Amendment 3 to the Tax Incremental District (TID) 70 (the District) project plan and term sheet. The Comptroller's Office have reviewed the project plan, feasibility study, and have had discussions with Department of City Development (DCD) staff. Based on the information provided by DCD, our analysis is as follows.

The District, created in 2007, provided \$3,800,000 to facilitate the redevelopment efforts of the buildings located at 731 – 735 North Water Street 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 installation of life safety upgrades and skywalk improvements at 735 North Water Street and the restoration of 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 in order to assist in these emergency repairs.

Amendment 3 will provide \$175,000 for infrastructure work located on city-owned segments of concrete and metal railings between Cherry and Clybourn within TID boundaries. In addition, The City of Milwaukee proposes a cash grant of \$903,000 to the developers towards eligible riverwalk and dockwall costs per the City's Riverwalk funding policy. The grant will cover a 210 linear feet public riverwalk connection and a 195 linear feet dockwall in association with a residential development at 333 North Water Street.



Is This Project Likely to Be Successful?

The feasibility study provided by DCD indicates that the District has already achieved breakeven status in 2019. The \$1,078,000 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.

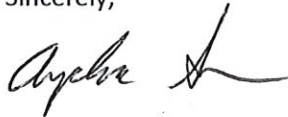
Is the Proposed Level of City Financial Participation Required to Implement the Project?

This proposed amendment allows the City to finance dockwall and riverwalk improvements within one half mile of District. Furthermore, the parts of the concrete and metal railings are city-owned. 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 \$175,000 of project costs and a grant of \$903,000 in Amendment 3. Should you have any questions regarding this letter, please contact Nuducha Yang at x2354.

Sincerely,



Aycha Sawa, CPA, CIA
Comptroller

CC: Alyssa Remington

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