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Office of the Comptroller

September 12, 2014

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

RE: File 140728, TID 72 – Bishop's Creek

Committee Members:

On April 2, 2014, Wisconsin Act 183 (the Act) was passed, permitting municipalities to request the Department of Revenue to reset the base value of a TID to its current value. A reset is allowed when a district has experienced a decline in value below the base of at least 10% for two consecutive years. File 140728 would request DOR redetermine the base value of TID 72 (Bishop's Creek) to its current value and approve the Project Plan amendment and related feasibility study. We have reviewed the project plan and feasibility study and are basing our analysis on this information.

Tax Incremental District 72 was created in 2009 with a base of \$32.7 million. The current (2014) valuation of the district is \$24.5 million, a gap of \$8.2 million. Since its creation, the district has not had a positive incremental valuation.

Pursuant to the Act, the project plan must specify that the city expects to recover all project costs within 90% of the district's remaining life which equates to 19 years for this TID. To recover the current lifetime-to-date expenditures of \$2.34 million including financing costs, the district will need to generate \$123,000 of annual revenue. If the remaining appropriation of \$350,000 is also expended, the TID will need to produce up to \$147,000 per year for the next 19 years.

Without this amendment, TID 72 will have to achieve approximately \$8.2 million of incremental valuation before it can realize its first dollar of revenue. We agree that this amendment and related feasibility analysis meets the Act requirements and increases the likelihood that the district will break even by eliminating the gap.

Should you have any questions regarding this letter, please contact Sandy Parmer of my staff at 3852.

Sincerely,

Martin Matson
Comptroller

MM/RJW/SP

Cc: Rocky Marcoux, Lori Lutzka