



Department of City Development

City Plan Commission
Historic Preservation Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

October 13, 2008

Mayor Tom Barrett
City of Milwaukee
City Hall, Room 201

W. Martin Morics
Comptroller
City Hall, Room 404

Members of the Common Council
Office of the City Clerk
City Hall, Room 205

Jeff Mantes, Commissioner
Department of Public Works
Municipal Building, Room 701

Re: Communication from the Department of City Development relative to a report on
Tax Incremental District performance.

Ladies and Gentlemen:

I am pleased to provide a set of periodic performance reports for tax incremental districts (TID) depicting district progress and expenditures through June 30, 2008.

The periodic performance reports provide information about development activity within each TID boundary, including in-depth narratives, incremental value performance, life-to-date expenditures, and a comparison of the property value, incremental value and incremental taxes projected by the TID feasibility study.

As you review these reports, I would like to share several observations:

- As of June 30, 2008, the City of Milwaukee has 48 active TID districts.
- As of January 2008, open TID districts had \$1.19 billion of incremental property value vs. \$1.03 billion in January 2007 - a 15% increase.
- Incremental value in all TIDs represents 3.7% of the City's 2008 total Equalized Value vs. 3.3% in 2007. Total City Equalized Value is \$32.3 billion.
- The average payback period of City TIDs is 18 years.

In June 2008, the department presented the 2007 TID Annual Report reflecting all TID programmatic and expenditures through December 31, 2007. The reports contained in this file reflect January 1 – June 30, 2008 activity, including the adoption of three files impacting the following TIDs:

- File #071392: Resolution authorizing \$1,250,202 in additional project costs and funding for Tax Increment District 48 (Park East) and approving the terms of

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Riverwalk Agreement for the property located at 202 West Juneau Avenue (Aloft Hotel)

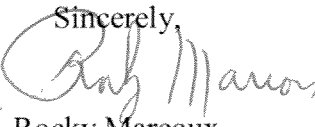
- File #08541: Resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 68 (Fifth Ward – First Place) - correcting the base value of this TID
- File #080265: Resolution dissolving Tax Incremental District No. 14 (Historic King Place) and authorizing the distribution of excess incremental revenue to overlying taxing jurisdictions – returning \$2,191,000 to the tax base

In addition to the dissolution of TID #14 (Historic King Place), the following districts are expected to close within the next two years.

District No.	District Name	Year Created	Close-out	2008 Incremental Property Value
24	Riverworks	1994	2009	\$36,405,000
21	North Avenue Commerce Center	1993	2009	\$8,987,200
34	Third Ward Riverwalk	1997	2009	\$75,243,600
45	Wilson Commons	2001	2010	\$15,877,300
56	Erie Jefferson Riverwalk	2004	2010	\$118,877,800

Economic development activity has slowed in response to the current economic climate and the credit crunch. Of the TIDs included in this file, 11 districts report that projects are behind schedule. Reasons for project delay include the economic decline and much more stringent lending requirements. The reports indicate a variety of causes for project delay.

Sandra Rotar and Jim Scherer will attend the October 21, 2008 meeting of the Zoning, Neighborhoods and Development Committee to answer questions about these reports. I hope you find this information helpful.

Sincerely,

Rocky Marcoux
Commissioner

Attachment