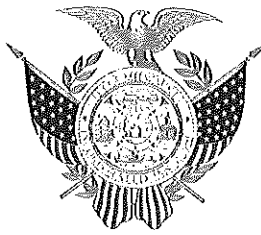


Martin Matson
Comptroller

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Office of the Comptroller

April 1, 2020

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

RE: File 191901, TID 68 – Fifth Ward/First Place
Amendment 3

Dear Committee Members:

File 191901 would approve Amendment No. 3 to Tax Incremental District (TID) 68, Fifth Ward/First Place (the District). This amendment authorizes \$1,401,375 of additional funding for the construction of 285 linear feet of riverwalk and dockwall, improving public right of way adjacent to 234 South Water Street, installing a traffic signal, constructing a riverwalk adjacent to 103 West Clybourn Street, and construction of an ADA compliant riverwalk ramp at 111 West Michigan Street. The additional funding authorized by this file will increase the District's total budget from the current \$5.159 million to \$6.560 million.

The District was created in November 2006 (Common Council file no. 060895) to construct riverwalk, dockwall and marina facilities related to the First Place condominium project on the river. Amendment 1, Common Council file no. 080541, reduced the overstated base value of the District, by replacing the 2007 value of the First Place condominium project with the then current 2008 value. Amendment 2, Common Council file no. 160416, added seven parcels to the District and authorized \$756,000 of additional funding for the construction of a 280 foot riverwalk segment along the Milwaukee River (adjacent to 236 South Water) and administrative costs.

To date, \$3.346 million of District funds have been spent, excluding capitalized interest or other financing costs. See Table A below for a breakdown of budgeted and actual TID-funded expenditures.



| Table A - Total TID 68 Budgeted and Expended Amounts | | | |
|---|-----------------|--|------------------|
| <u>Description</u> | <u>Budgeted</u> | <u>Expended as of March 24, 2020</u> | <u>Remaining</u> |
| Public Improvements | | | |
| First Place | \$2,934,216 | \$1,837,206 | \$1,097,010 |
| Fifth Ward | 895,000 | 1,159,368 | (264,368) |
| 236 S. Water Street | 685,688 | 0 | 685,688 |
| Contingency | 223,750 | 0 | 223,750 |
| Administration | 420,000 | 349,601 | 70,399 |
| Sub-Total | \$5,158,654 | \$3,346,175 | \$1,812,479 |
| Resolution #191901-Amend #3 | 1,401,375 | 0 | 1,401,375 |
| Total | \$6,560,029 | \$3,346,175 | \$3,213,854 |

Is This Project Likely to Succeed?

From a financial perspective, the proposed funding increase should not adversely impact the District's ability to fund an additional \$1.401 million in costs. DCD's feasibility study estimates the District will break even in levy year 2019, fourteen years prior to the District's mandatory termination date of 2033. In addition, the 2018 Audited Financial Statements also report the District breaking even with the 2019 tax levy. DCD's feasibility study appears reasonable based on the Comptroller's Office analysis.

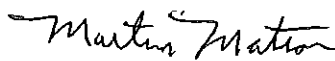
Is the Proposed Level of City Financial Participation Required to Implement the Project?

The proposed amendment authorizes an additional \$1.351 million needed to increase available funding to construct additional linear footage along the Riverwalk Project and \$50,000 for administration costs. The District's most recent annual increment (2019 tax levy for 2020 budget year) totaled \$1.352 million. The development agreement (Common Council file no. 160417), consistent with agreements for previous extensions of the riverwalk, requires the City to finance 70 percent of the cost of constructing the riverwalk, 50 percent of the cost of the dockwall and 100 percent of the cost of the public access connection. Approval of this amendment allows the City to fund its share of these costs.

Conclusion

Based on the feasibility study, it appears the District is likely to generate enough cash to fund an additional \$1.401 million of public improvements and administrative costs. Should you have any questions regarding this letter, please contact Melissa Fulgenzi at 2304.

Sincerely,



Martin Matson
Comptroller

MM/MRF

c: Lori Lutzka, Alyssa Remington