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March 10, 2021

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

RE: File 201474, TID 52 – Sigma-Aldrich Corporation
Amendment 1

Dear Committee Members:

File 201474 would approve Amendment No. 1 to Tax Incremental District (TID) 52, Sigma-Aldrich Corporation (the District). We have reviewed the project plan and feasibility study, and have had discussions with Department of City Development (DCD) staff. Our analysis is based on the information provided. Amendment 1 to the District would authorize an additional \$312,540 to fund donations to underperforming TIDs as more fully described in this letter.

The District was created in 2003 to fund up to \$5 million of extraordinary site improvement expenses for Aldrich Chemical's move from its facility on West St. Paul Avenue to North Teutonia Avenue in connection with the reconstruction of the Marquette Interchange. The extraordinary site improvements included access improvements, utility relocation, environmental remediation, roadway construction, storm water management improvements, and traffic improvements.

Donations to Other TIDs

The District is being amended to authorize donation of annual increments from the District to TID 58, TID 65, and TID 66. The donations will be in 2021.

TID 58 was created in 2005 to provide \$2,191,650 in funding for the redevelopment of two sites near 20th Street and Walnut Street, including the demolition of a former grocery store and public improvements for a single family development on that site. TID 58 has total outstanding recovery costs (including financing and carrying costs) of \$54,925. This file authorizes up to \$54,925 from the District in donations to TID 58.

TID 65 was created in 2006 to provide \$3,250,000 in funding to provide infrastructure for a 60 home and 24-unit townhouse development in the Fond du Lac and North Avenue neighborhood. TID 65 has total outstanding recovery costs (including financing and carrying costs) of \$16,548. This file authorizes up to \$16,548 from the District in donations to TID 65.

TID 66 was created in 2006 to provide \$1,475,000 in funding to support new housing development and revitalization efforts in the Metcalfe Park area. TID 66 has total outstanding recovery costs (including financing and carrying costs) of \$241,067. This file authorizes up to \$241,067 from the District in donations to TID 66.

The below table summarizes the proposed donations.

Table 1 – TID 52, Amendment No. 1 Authorized Donations				
Year	Donation to TID 58	Donation to TID 65	Donation to TID 66	Total Donations
2021	\$54,925	\$16,548	\$241,067	\$312,540
Total	\$ 54,925	\$16,548	\$ 241,067	\$312,540

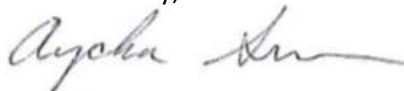
Is the Project Likely to Succeed?

From a financial perspective, the proposed donations will not adversely impact the District’s ability to fund its total amended project costs because the District has already generated sufficient revenue to repay its obligations as well as the proposed donations. DCD’s feasibility study forecasts the District is likely able to be retired in 2021, the 19th year of the District. DCD’s feasibility study appears reasonable based on the Comptroller’s Office analysis.

Conclusion

Based on the feasibility study, it appears the District has already generated enough cash to fund the additional \$312,540 of donations in Amendment 1. Should you have any questions regarding this letter, please contact Joshua Benson at 2302.

Sincerely,



Aycha Sawa, CPA, CIA
Comptroller

CC: Alyssa Remington

AS/JB