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September 11, 2026

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

RE: File 260658, TID 137 – 310 East Tower Project

Dear Committee Members:

File 260658 would approve the creation of Tax Incremental District (TID) 137, 310 East Tower Project (the "District"), along with a corresponding project plan and term sheet. The Comptroller's Office has reviewed the project plan, feasibility study, and term sheet and has had discussions with the Department of City Development ("DCD") and confirmed pro forma details with the Assessor's Office. The Comptroller's Office analysis is based on the information provided.

The District is located at the northwest corner of West Wisconsin Avenue and North Martin Luther King Jr. Drive in the Westown neighborhood. The site is comprised of one parcel at 310 West Wisconsin Avenue. This project will be developed by 310 Wisconsin Rollup LLC ("Developer"). The Developer is proposing to convert the east tower from office to multi-family residential with units set aside for workforce housing (the "Project"). This project will include 220 residential rental units with 50 units reserved for workforce housing. These units will be made available to households earning between 70% to 90% of Area Median Income ("AMI") with a mix of studio and one-bedroom units. The total development is a mix of studio, one-, two-, and three -bedroom units.

The total estimated costs for the Project are approximately $73,611,346 and this file authorizes up to $6,440,000 grant to the Developer to assist in funding a portion of these costs. The Developer will advance the $6,440,000. The District will make annual payments to the Developer equal to the incremental taxes collected in the District, less an annual administration charge of $10,000. The District's payments will terminate at the earlier of the repayment of $6,440,000 plus 7.05% interest (7.25% maximum, with a corresponding drop in the grant), or the payment derived from the 2042 levy payable in 2043 (year 17 of the District).

Is This Project Likely to Succeed?

As a Developer-financed TID, the Developer assumes the risk that the proposed District will generate sufficient incremental revenue to recapture their $6,440,000 investment with interest.

DCD's feasibility study, completed by Ehlers Public Finance Advisors, which uses a constant 2.2385380% property tax rate and 0% property appreciation rate over the life of the TID, forecasts that the Developer will fully recover the $6,440,000 plus interest in 2043 after receipt of the 2042 levy. However, if the tax rate does not remain constant, the Developer may not recover the entire $6,440,000 plus interest. Nonetheless, because the Developer, not the City, assumes the repayment risk on their up to $6,440,000 contribution, the proposed TID is economically feasible to the City.

Sensitivity Analysis

There is inherent risk in every projection of future results. One common way to evaluate this risk is to provide sensitivity analysis, which forecasts the impact that different assumptions have on the projection. Below is a table calculated by the Comptroller's Office, which summarizes several scenarios to show the sensitivity of the projected incremental revenues within the District.

Sensitivity Analysis	
Percentage of Projected Revenue	District Payback Year
90%	2043*
95%	2043*
100% (Base Case)	2043*
105%	2043
110%	2042

** 2043 is the final year of the monetary obligation. The Developer would not fully recover their investment, plus interest, in this scenario.*

It is important to note that the payback year relates to the expected year in which the Developer will recover their investment. Since the Project will be financed by the Developer, the City is not at risk of losing the $6,440,000.

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

This proposed TID allows the City to provide incentive to the Developer to redevelop the Property while minimizing the City's involvement and risk.

Conclusion

The proposed TID provides incentive for the Developer to convert the east tower from office to multi-family residential rental units. This will improve workforce housing options in the Westown neighborhood for people across a range of incomes. The Developer will assume the financial risk and the Project should increase the City's tax base.

Should you have any questions regarding this letter, do not hesitate to contact Bolanle Ojum at extension 5839.

Sincerely,

Bill Christianson

Bill Christianson, CPFO
Comptroller

CC: Diana Kanter, Larry Kilmer, Charles Roedel

BC:BO