

**TID 37 - Grand Avenue Redevelopment  
Periodic Report  
12/31/10**

**District Created: 1998**

**Authorized expenditure (excluding interest): \$21,900,000**

**Authorizing resolution(s): File #000910, #990360, #990115, #971894**

**Projected TID dissolution: 2016 (levy year)**

**Maximum legal life: 2025**

**Base property value: \$60,317,400**

**Completion status: Project complete**

**Project description**

This district was created to revitalize the downtown retail and commercial district anchored by the Grand Avenue retail center.

Initially, the district was used to fund a \$2 million loan to assist the 169-room Courtyard by Marriott Hotel project at West Michigan and North 3<sup>rd</sup> Streets. This \$13,250,000 development was the first of several staged revitalization efforts for this area.

In June of 1999, the project plan was amended to assist the renovation of the former Marshall Fields building. City assistance of \$9.4 million, including \$6.4 million in City loans, was provided to help convert the project to hotel, office and retail uses as well as restore its exterior. Major tenants include another Marriott Hotel and the American Society for Quality headquarters. ASQ has a staff of 225, and occupies 105,000 square feet on five floors of the building.

In November of 2000, the plan was amended to provide \$5 million for the renovation of the Boston Store building, upgrading the retail space and the regional offices of Boston Store's owner, Saks, Inc. This project added significant incremental value to the district, while retaining 950 jobs and the last department store in downtown Milwaukee.

Saks sold its Boston Store unit in 2006, but the new owner, Bon-Ton Stores, Inc. continues to operate the store, and has increased employment at the regional offices to over 900. The store's covenant to operate in the mall expires in approximately one year. Also, in early 2011, Mayor Barrett formed a task force to address the revitalization of west Wisconsin Avenue, including the future of the Boston Store.

District incremental values have changed as follows:

<b>Year</b>	<b>Incremental Value</b>	<b>Change</b>
2010	\$ 50,882,900	-36%
2009	\$ 79,767,100	32%
2008	\$ 60,421,000	-34%
2007	\$ 91,953,400	25%
2006	\$ 73,408,600	32%
2005	\$ 55,620,000	-4%
2004	\$ 57,679,600	49%
2003	\$ 38,615,900	10%
2002	\$ 35,157,400	

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**Expenditures - Life to Date (as of 12/31/10)**

	<b>Project Plan Budget</b>	<b>Appropriations</b>	<b>Encumbrances</b>	<b>Expenditures</b>	<b>Remaining</b>
Administration	\$ 100,000	\$ 1,697,762	\$ -	\$ 1,697,762	\$ -
Public Improvements	400,000	247,914	-	247,914	-
Grants/Loans	21,400,000	16,409,752	-	16,409,752	-
Capitalized Interest	2,190,000	3,442,493		2,521,903	920,590
Total	\$ 24,090,000	\$ 21,797,921	\$ -	\$ 20,877,331	\$ 920,590

**Revenue/Value Performance (as of 12/31/2010)**

	<b>Projected</b>	<b>Actual</b>
Property value	\$ 114,074,308	\$ 111,200,300
Incremental value	\$ 53,756,908	\$ 50,882,900
Incremental taxes	\$ 11,784,514	\$ 14,439,562

Is the project within budget?  Yes  No If no, explain:

Is the project on schedule?  Yes  No If no, explain:

Identify any significant concerns that might affect budget or schedule of this project in the future: Continued decline in incremental revenue, as well as the recently announced and possible future store closings will extend the payback period of this TID. Consideration should be give to donations from other districts. An equally important factor is retaining current operators and leasing vacant space.