

TID 57 - Harley Davidson Museum
Periodic Report
12/31/10

District Created: 2005

Authorized expenditure (excluding interest): \$7,200,000

Authorizing resolution(s): File #040781

Projected TID dissolution: 2021 (levy year)

Maximum legal life: 2032

Base property value: \$0

Completion Status: Museum, archives, restaurant and gift shop opened July 12, 2008

Project description

This district was created to provide funding for public costs associated with the development of the Harley-Davidson Museum.

After cancelling its plans to develop its museum in TID 41 (Time Warner/Manpower), Harley-Davidson selected a 20-acre property at 6th & Canal Streets as its new site. Overall, its investment will exceed original plans and culminate in a \$95 million complex consisting of the museum, archives, restaurant and banquet space, and at least 100,000 square feet of supporting office or commercial space.

The district will fund up to \$7 million of extraordinary infrastructure costs on the property, including environmental remediation, dockwall construction, deep pile foundations for the buildings, and the need to elevate the site out of the flood plain. In connection with this project, the City agreed to relocate its Traser Yard maintenance facility to a site at the Tower Automotive complex. Development of that facility was completed in February 2006, at which time the museum's initial site work began.

Long-awaited plans for the museum were unveiled in March 2006 and depict the industrial muscle and open road adventure associated with Harley-Davidson throughout the world.

On July 12, 2008, the museum opened to thousands of guests, including past CEO's and numerous employees, the Mayor, the Governor and Harley enthusiasts from around the world. Rather than cutting a ribbon, a multiple length of "primary chain" was severed with an acetylene torch, opening 105 years of Harley-Davidson history to the public. The museum expects to draw 350,000 visitors annually.

All TID funding is being advanced by H-D Milwaukee, LLC, a subsidiary of the company. In 2010, Harley announced that due to the economy, it will not build the third phase of the project, a 100,000 square foot office or commercial facility. The deadline for this project is June 13, 2011, and beginning at that date, the City (through RACM) will have the right to sue for damages as a result of the project not being completed, or, have the option to repurchase the two parking lots located west of 6th Street, for \$535,000.

**TID 57 - Harley Davidson Museum
Periodic Report
12/31/10**

District incremental values have increased as follows:

Year	Incremental Value	Increase
2010	\$ 22,672,000	-29%
2009	\$ 31,944,700	159%
2008	\$ 12,338,800	314%
2007	\$ 2,978,700	260%
2006	\$ 828,200	

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Developer Increments	\$ 7,000,000	\$ 1,169,981		\$ 1,169,981	\$ -
Administration	200,000	25,000		4,771	20,229
Total	\$ 7,200,000	\$ 1,194,981	\$ -	\$ 1,174,752	\$ 20,229

This is a developer-funded TID. As of 12/31/09, \$5,765,000 of TID costs had been certified. The amounts shown above in "appropriation" reflect only the actual TID revenue paid out to the project.

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

	Projected	Actual
Property value	\$ 15,281,722	\$ 22,672,000
Incremental value	\$ 14,946,722	\$ 22,672,000
Incremental taxes	\$ 1,071,154	\$ 1,802,470

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: None.