

TID 67 - The Brewery Project
Periodic Report
12/31/10

District Created: 2007

Authorized expenditure (excluding interest): \$29,003,000

Authorizing resolution(s): File #060911

Projected TID dissolution: 2031 (levy year)

Maximum legal life: 2034

Base property value: \$9,266,900

Completion Status: Initial demolition and remediation completed. Three buildings acquired and renovated. Public infrastructure completed. Marketing is on-going.

This district consists of the redevelopment of the former Pabst Brewery complex located in a 6½ block area at the junction of Interstate 43 and the Park East Freeway corridor. The original site contained twenty-five buildings with a total floor area of 1,400,000 square feet. The Project will ultimately contain a mix of residential, office, educational and supporting retail space.

The developer is Brewery Project LLC, the sole member of which is the estate of Joseph J. Zilber. Initial City funding is limited to \$13.6 million, equivalent to Zilber's acquisition cost of the project, until the incremental value of the TID exceeds \$55 million.

The initial stage of the project provided for the interior demolition and abatement of structures with a combined floor area of 546,000 square feet, the reconstruction of adjacent segments of City streets, the rededication of streets previously vacated, select demolition of structures with a combined floor area of up to 104,000 square feet, and the installation of public and private utilities.

Thus far, Gorman & Co. has acquired building no. 9, along West Winnebago Street, and has converted the facility into 95 apartments with tenants able to move in January 2009. Total development cost was \$16 million. Gorman has options on two other buildings and is proposing a 90 room hotel financed with EB-5 funds from foreign investors and historic tax credits. The first floor will host a 16,500 square foot Hafbrauhaus beer hall and restaurant.

TMB Development/Dermond Properties acquired the former Boiler House, building no. 10 at 1243 North 10th St. and has converted it into a 38,000 square foot office building. Tenants include Inland Companies, AMB Development Group, Albion Architects, and others. Total development cost was \$6.8 million. The building is 100% occupied.

Also, building no. 14 was purchased by the BC Pabst Holdings, which converted this 28,000 square foot property into offices at a cost of over \$3 million. The principal tenant is Cardinal Stritch University's School of Education and Leadership. Stritch took occupancy in May 2009.

The developer took additional initiative in 2009 and constructed an 880-car parking facility at the corner of North 9th and West Juneau Avenue. The ramp includes advanced lighting systems, automated pay stations, and hands free monthly parking access. Also, Zilber Park was dedicated on North 10th Street. The park includes a gabion wall and is part of the project's advanced storm water system with capability of holding 100,000 gallons.

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Finally, the UW Board of Regents approved educational, office, and support spaces for the School of Public Health (SPH) project within historic Building 7 and a newly constructed building addition. The new five-story addition will provide an additional 23,100 square feet for a total floor area of approximately 55,800 square feet.

Renovation activities started in March of 2011 and the project should be completed by June of 2012. It is expected that the University will begin to use the building the Fall semester of 2012. Total development costs are estimated at \$12.25 million, which does not include any value for the land or building, which was donated by Brewery Project LLC.

District incremental values have changed as follows:

Year	Incremental Value	Increase
2010	\$ 21,308,100	43%
2009	\$ 14,938,200	
2008	\$ (2,106,900)	

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Balance
Administration	\$ 360,000	\$ 470,000	\$ 20,224	\$ 394,543	\$ 55,233
City Infrastructure	6,547,648	3,171,888		3,055,048	116,840
Developer Infrastructure	5,139,884	2,647,996		2,647,996	-
Demo & Abatement	9,393,205	6,794,503		6,794,503	-
Historic Preservation Easements	7,061,535	1,019,613		1,019,613	-
Job Training	500,000	-		-	-
Capitalized Interest	2,900,227	897,345		892,162	5,183
Total	\$ 31,902,499	\$ 15,001,345	\$ 20,224	\$ 14,803,865	\$ 177,256

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

	Projected	Actual
Property value	\$ 32,458,355	\$ 30,575,000
Incremental value	\$ 24,435,655	\$ 21,308,100
Incremental taxes	\$ 617,184	\$ 951,531

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.