

**TID 74 – N. 35<sup>th</sup> & Capitol Drive**  
**Periodic Report**  
12/31/10

**District Created: 2009**

**Authorized expenditure (excluding interest): \$15,600,000**

**Authorizing resolution(s): File #090325**

**Projected TID dissolution: 2036 (levy year)**

**Maximum legal life: 2036**

**Base property value: \$89,168,800**

**Completion Status: Ongoing**

**Project description**

The City of Milwaukee anticipates a multi-year redevelopment process incorporating a variety of funding sources to cover the anticipated costs of acquisition, demolition, site preparation, new infrastructure and other related activities. These sources include \$10 million in Capital Budget funding, \$15.6 million in TID revenues, with the balance of funding derived from federal and state grants, New Markets Tax Credits equity and land sale proceeds. The overall \$35.4 million project budget will support the following activities:

- Acquisition of the 84-acre portion of the site
- Demolition of approximately 1.8 million square feet of presently vacant or underutilized industrial buildings, including asbestos abatement;
- Environmental remediation and abatement of contaminants in building components and soil
- Clearing and grading of the site;
- Stabilization of existing buildings and ongoing holdings costs for the site during the three year development period;
- Public improvements, including streets and utilities to serve the business park;
- Matching funds to assist with qualified private improvements to existing residential properties in the TID through the Century City Targeted Investment Neighborhood (TIN);
- Development fund to provide funding for job training within the District;
- Planning and community outreach; and
- Administrative costs associated with the TID.

The City will have to complete significant demolition, environmental remediation, and site preparation activities before construction can commence on the site. The first land sale is expected to occur in 2013 and the first business park building is expected to be completed in 2014. The projected pace of development is estimated to be 45,000 square feet annually. Based on this assumption, the Century City Business Park will be fully developed in 2030.

**Project Update for 2010**

On December 15, 2009 the Redevelopment Authority of the City of Milwaukee (RACM) completed the acquisition of 84 acres of the former Tower Automotive site. This includes a 74 acre primary site and seven out lots totaling 10 acres.

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In early 2010, RACM prioritized site safety and established basic functionality of the site by securing the perimeter, boarding up buildings, posting hazardous conditions signage, abating immediate hazards, and establishing permanent and temporary utility connections.

RACM is working in partnership with various state and federal regulatory agencies to make sure that environmental conditions are properly remediated and managed. This will ensure that environmental issues do not inhibit the redevelopment timeline. The site has been broken up into six project areas (A-F) and the out lots for remediation and reporting purposes. Addressing these areas individually will allow RACM to deal with the unique and specific concerns of areas in a timely manner.

RACM completed the removal of 28 underground storage tanks, demolished three buildings, abated 11 buildings, and removed 100s of containers of hazardous waste throughout Project Areas A-F.

Between April and December 2010, RACM focused on remediation and redevelopment activities in Project Area E at the southern end of the site to accommodate two new tenants, Spanish train manufacturer Talgo, Inc. and wireless service provider T-Mobile. This work involved environmental cleanup, underground storage tank removal, asbestos abatement, infrastructure improvements, general construction, rail spur construction, and interior buildings upgrades. Talgo, Inc. began rail car assembly operations in September 2010 and with approximately 100 employees. T-Mobile will begin monopole construction in early 2011.

The Emerging Business Enterprises (EBE) and Residents Preference Participation (RPP) requirements were met, and often exceeded, for all work completed on-site. RACM worked with Arteaga Construction Company, WRTP Big Step, and Prism Technical Services to provide training for 20 people in HVAC and weatherization during construction activities in Area E

RACM was also successful in securing more than \$2,000,000 in grant funding from state and federal sources.

Finally, the Century City TIN program invested \$106,980 in forgivable home improvement loans to 32 residential units.

**Project Forecast**

In 2011, RACM will focus on managing asbestos containing materials, lead paint, and other hazardous materials substances throughout the site. This will include full scale asbestos assessment and abatement of the remaining 1.5 million square feet of buildings. RACM is addressing sewer contamination, sewer reconfiguration, and utility abandonment in preparation for demolition work. Demolition activities are expected to begin in the later part of 2011 or early 2012.

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District incremental values have increased as follows:

Year	Incremental Value
2010	\$ -
2009	\$ -

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 1,550,000	\$ 1,550,000	\$ 120,182	\$ 1,014,976	\$ 414,842
Demolition	7,127,375	7,627,375	1,379,241	5,250,728	997,406
Environmental	3,007,625	2,507,625		1,054,421	1,453,204
Neighborhood Housing	400,000	400,000		10,000	390,000
Contingency	3,015,000	3,015,000			3,015,000
Workforce Development	500,000	500,000			500,000
Capitalized Interest	1,560,000	271,492		271,492	-
Total	\$ 17,160,000	\$ 15,871,492	\$ 1,499,423	\$ 7,601,617	\$ 6,770,452

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

	Projected	Actual
Property value	\$ 76,704,300	\$ 74,560,400
Incremental value	\$ -	\$ -
Incremental taxes	\$ -	\$ -

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.