

TID 22 - Beerline B
Periodic Report
12/31/11

District Created: 1993

Authorized expenditure (excluding interest): \$28,369,965

Authorizing resolution(s): #930935, #990110, #051169, #090331

Projected TID cost recovery: 2012 - 2013 (levy year)

Maximum legal life: 2020

Base property value: \$41,210,300

Completion status: Riverwalk segments, Marsupial Bridge enhancements, and other public amenities nearing final construction

Project description

This district is located along the west side of the Milwaukee River, along North Commerce Street, and North Water Street, from East Cherry Street to East North Avenue. The original project budget was \$6.25 million, but was amended in 1999 to \$12.3 million. The 1999 Amendment also expanded the original boundary to include the Humboldt Yards area, Caesar Park, and property on the east side of the river, along North Water Street to North Humboldt Avenue. In 2005, an increase in funding was authorized, bringing the project budget to \$25,146,965. Finally, in July 2009, a second amendment was approved to again expand the district boundary to include the Schlitz Rivercenter and four properties on the east side of the river referred to as the “Clutch Shop”. This amendment also increased the district project budget by an additional \$3,223,000 for proposed riverwalk construction.

Initially, the district funded a \$1.2 million loan for Brewer’s Point Apartments, a 107-unit conversion of the former Gimbels warehouse on North Commerce Street. Other completed projects include the conversion of a former ward yard at 1872 North Commerce Street into the new home for Lakefront Brewery. The 16-unit Crescent Condominium buildings were completed in 2000, and have added an additional \$6 million of new investment to the Beerline area. In 2001, the first phase of the 66-unit River Homes condominium project at 1942-2000 North Commerce Street was completed. In addition, New Land Enterprises completed 27 units of the Highbridge Condominiums, a 53-unit project on remnant bluff land at Astor and Water Streets at a cost of \$15 million. The 12-unit first phase of Commerce Bluff Condominiums at 1801 North Commerce Street has also been completed. The second 12-unit building was completed in 2003, along with the Roots Restaurant that opened in February 2004.

In 2003, construction began on the Riverbridge Condominium project, a 117-unit development at Humboldt and Water Streets. This completed project includes a riverwalk and the redevelopment of an historic former ward yard. In addition, the Trostel Square development at Commerce and Vine Streets was completed in 2003. This development includes 99 apartments and 27 condominiums with an estimated value of \$20 million. Also in 2003, the Redevelopment Authority (RACM) approved the sale of property at 2029-57 North Commerce Street to Vetter Denk Properties for the construction of 38 housing units with an estimated investment of \$10.8 million. RACM also approved the sale of 2101 North Humboldt Avenue to Legacy Real Estate Development for the development of a mixed use building comprised of 45 condominiums and approximately 7,400 square feet of commercial space, with an estimated value of \$6.7 million.

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In 2004, ground broke for both the Legacy Real Estate and the Vetter Denk projects. Park Terrace (Vetter Denk) is a 37-unit residential development at 2029-57 North Commerce Street. It is comprised of 21 townhouse units and 16 single-family detached units with a total investment estimated at \$14 million. Union Point (Legacy) increased the size of the project and is a mixed-use development comprised of 72 residential condominiums, 12,500 square feet of retail space and 81 parking spaces, with a total estimated value of \$15 million.

In 2005, work was completed on the Marsupial Bridge beneath the Holton Street Viaduct, which serves as a connection between the Brady Street and the Beerline "B" Neighborhoods. Further enhancements to the bridge, including an Urban Media Garden near Brady Street and the transformation of the existing railroad trestle into a path down to Commerce Street, are in the planning and design phase.

In fall 2006, construction was completed on a commercial building at 2060 North Humboldt Avenue developed by WillowTree Development, this is a 20,000 square foot commercial building with a 10,000 square foot Invivo Wellness Center and a restaurant located on the first floor, adjacent to the riverwalk.

Phase I of the Edge Condominiums began construction in fall of 2007 and opened for tenant occupancy in early summer 2009. The riverwalk running the length of both Phase I and Phase II of the project was also completed at this time. Phase II is on hold until the conditions of the current condominium market improve.

The riverwalk adjacent to the Brewers Point Apartments was constructed by the Department of Public Works in the summer of 2009. After years of conflict and negotiations, the Common Council approved a Development Agreement which allowed for the construction of this "missing link" to the riverwalk system.

A \$15 million, condominium project known as Riverboat Landing is currently working on pre-sales for its 67 condominium units. In addition to the condos, there will be 8,200 square feet of commercial space as well as boat slips adjacent to the property along the riverwalk.

Finally, the property on the corner of Pleasant and Commerce Streets is being developed into the Beerline B Apartments, a 140-unit WHEDA tax credit project, by General Capital. Construction began in December 2010 and occupancy is to begin in late February 2012. As a condition of receiving tax credits, 119 apartments will be marketed and leased as affordable, workforce housing where the tenant can earn no more than 60% of the County's median income. The remaining 21 units will be market rate. The project will include new riverwalk and dockwall along the entire stretch of the property, connecting the Trostel Square Riverwalk to Pleasant Street. The City's portion of these costs is estimated to be \$1,082,000.

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District incremental values have increased as follows:

Year	Incremental Value	Increase
2011	\$ 199,766,700	6%
2010	\$ 188,724,200	11%
2009	\$ 170,433,400	15%
2008	\$ 147,609,300	4%
2007	\$ 141,305,300	34%
2006	\$ 105,389,500	29%
2005	\$ 81,868,800	35%
2004	\$ 60,761,900	16%
2003	\$ 52,530,700	87%
2002	\$ 28,113,400	

Expenditures - Life to Date (as of 12/31/11)

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Public Way & Facilities Development	\$ 25,588,583	\$ 23,404,835	\$ 1,169,847	\$ 18,912,470	\$ 3,322,518
Grants/Loans	2,131,382	1,625,279		1,625,279	-
Administration	650,000	1,301,141		1,015,755	285,386
Capitalized Interest	2,514,697	1,305,349		1,305,349	-
Total	\$ 30,884,662	\$ 27,636,604	\$ 1,169,847	\$ 22,858,853	\$ 3,607,904

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

	Projected	Actual
Property value	\$ 186,381,100	\$ 240,977,000
Incremental value	\$ 147,693,000	\$ 199,766,700
Incremental taxes	\$ 29,989,761	\$ 30,915,773

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.