

**TID 37 - Grand Avenue Redevelopment
Periodic Report
12/31/11**

District Created: 1998

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

Authorizing resolution(s): #971894, #990115, #000430

Projected TID cost recovery: 2014 -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 3rd 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 200, 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 the last department store in downtown Milwaukee.

Saks sold its Boston Store unit in 2006. The new owner, Bon-Ton Stores, Inc., continues to operate the store and has increased employment at the regional offices to over 900 employees. The store's lease expired in January 2012, and Bon-Ton management announced that it would extend its occupancy on a year-by-year basis. Unfortunately, the store at this location is not profitable.

Finally, in 2011, Borders Books closed its store in the district, and a fitness center is now located in its former space.

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District incremental values have changed as follows:

Year	Incremental Value	Change
2011	\$ 57,570,600	13%
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	

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
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 12/31/2011)

	Projected	Actual
Property value	\$ 114,074,308	\$ 117,888,000
Incremental value	\$ 53,756,908	\$ 57,570,600
Incremental taxes	\$ 13,289,707	\$ 16,080,431

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: Recently announced and possible future store closings will extend the payback period of this district. Consideration should be given to donations from other districts. An equally important factor is retaining current operators and leasing vacant space.