

TID 62 - DRS Power & Technology
Periodic Report
12/31/11

District Created: 2006

Authorized expenditure (excluding interest): \$1,700,000

Authorizing resolution(s): #050948

Projected TID cost recovery: 2032 (levy year)

Maximum legal life: 2032

Base property value: \$5,329,800

Completion Status: Project substantially complete

Project description

DRS Power & Control Technologies, Inc. is located in the 30th Street Industrial Corridor sector of the City at 4265 North 30th Street. The Company designs and manufactures power generation, conversion, and distribution equipment for ship propulsion systems for the US Navy and for industrial applications. At year-end 2011, DRS employed 353 at this location, principally engineers, engineering technicians, and skilled assemblers. Average manufacturing and technical position wages, when the district was created, were \$19/ hour and administrative staff salaries averaged \$34/hour.

The DRS facility was constructed in 1956, and became outdated and inefficient, particularly with respect to HVAC systems, engineering spaces, shop layout, and overall utilization.

To assist DRS in upgrading this facility, the district project plan funded a forgivable loan in the amount of \$1.5 million toward total renovation costs of \$11.5 million. Payments on the loan will be forgiven if the company maintains employment at 450 during the life of the loan, through 2018. If employment falls below that amount, the loan forgiveness is reduced in proportion to the shortfall in employment. In 2009, 2010 and 2011, DRS did make a partial payment on the forgivable loan.

District incremental values have changed as follows:

Year	Incremental Value	Change
2011	\$ 1,643,200	-11%
2010	\$ 1,852,000	402%
2009	\$ 368,600	
2008	\$ (336,200)	
2007	\$ (519,900)	

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 50,000	\$ 50,256	\$ -	\$ 50,256	\$ -
Grant to Developer (DRS)	1,500,000	1,500,000		1,500,000	-
Grant to NIDC (Residential Assistance Program)	150,000	149,744	-	-	149,744
Capitalized Interest	170,000	116,524	-	132,272	(15,748)
Total	\$ 1,870,000	\$ 1,816,524	\$ -	\$ 1,682,528	\$ 133,996

Revenue/Value Performance (as of 12/31/2011)

	Projected	Actual
Property value	\$ 9,154,682	\$ 6,973,000
Incremental value	\$ 6,512,682	\$ 1,643,200
Incremental taxes	\$ 488,603	\$ 105,849

Is the project within budget? Yes No If no, explain:

Is the project on schedule? Yes No If no, explain: Project was not authorized by DRS until March of 2007.

Identify any significant concerns that might affect budget or schedule of this project in the future: None.