

TID 67 - The Brewery Project
Periodic Report
12/31/11

District Created: 2007

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

Authorizing resolution(s): #060911

Projected TID cost recovery: 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 1.4 million 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 district exceeds \$55 million.

Thus far, Gorman & Co. has acquired building no. 9, along West Winnebago Street, and has converted the facility into 95 apartments. Tenants moved in January 2009. Total development costs were \$16 million.

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.

In 2009, the developer 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.

In 2011, renovation work started for the UW School of Public Health (SPH) project within the historic building no. 7, and a new fire-story addition. Completion is expected by mid-2012. Total development costs are estimated at \$12.3 million.

Also in 2011, Gorman & Company began renovations of buildings no. 20 and 21 at North 10th and West Juneau Avenue. These structures will be converted to a 90 room hotel known as the Brewhouse Inn and Suites. Financing for the project includes EB-5 foreign investment.

**TID 67 - The Brewery Project
Periodic Report
12/31/11**

Finally, Brewery Point Apartments, a 48 unit senior housing development, broke ground at North 9th and West Winnebago Street. It is expected to open in March of 2013.

District incremental value, unfortunately, declined to \$19.7 million in 2011. Overall performance has been as follows:

Year	Incremental Value	Increase
2011	\$ 19,700,900	-8%
2010	\$ 21,308,100	43%
2009	\$ 14,938,200	
2008	\$ (2,106,900)	

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Balance
Administration	\$ 360,000	\$ 470,000	\$ -	\$ 398,435	\$ 71,565
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	904,342		899,159	5,183
Total	\$ 31,902,499	\$ 15,008,342	\$ -	\$ 14,814,754	\$ 193,588

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

	Projected	Actual
Property value	\$ 51,304,923	\$ 28,967,800
Incremental value	\$ 43,282,223	\$ 19,700,900
Incremental taxes	\$ 1,519,208	\$ 1,513,043

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.