

**TID 74 – N. 35<sup>th</sup> & Capitol Drive**  
**Periodic Report**  
12/31/11

**District Created: 2009**

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

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

**Projected TID cost recovery: 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 2011**

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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For 2011, a significant portion of the year was dedicated to completion of environmental testing followed by asbestos abatement and site infrastructure assessment in preparation for demolition.

RACM continues to work in partnership with various state and federal regulatory agencies to make sure that environmental conditions are properly remediated and managed. The majority of the environmental remediation will occur as part of the demolition process. Assessment activities have been completed for all six project areas (A-F) coinciding with the 2012 construction schedule.

RACM completed removal of 8 underground storage tanks, completed the removal of hazardous waste and prepared construction bid documents for Project Areas A, B and C. A concrete crushing operation was established to begin with the building 36 renovation and will continue until all buildings are demolished.

Talgo, Inc. continued rail car assembly operations, employing approximately 60 workers. The T-Mobile monopole was completed in early 2011 and is fully operational.

The Emerging Business Enterprises (EBE) and Residents Preference Participation (RPP) requirements have been met or, in many cases, exceeded for all work completed on-site. Prism Technical Services continues to provide project participation monitoring and provide technical assistance to prime- and sub-contractors to ensure that goals are achieved.

RACM was also successful in securing more than \$480,000 in grant funding from state and federal sources.

Finally, the Century City TIN program invested approximately \$300,000 in forgivable home improvement loans to homeowners and responsible investors.

### **Project Forecast**

In 2012, primary activities include the demolition of nearly two million square feet of buildings with an estimated completion timeline of fall 2012. At the end of 2011, demolition began at the north end of the site with areas A, B and C. RACM will continue to address sewer reconfiguration, utility abandonment and infrastructure engineering as part of the demolition phase.

In October 2011, the project benefited from the infusion of \$3.2 million in New Markets Tax Credit equity to conduct environmental remediation and demolition. The Milwaukee Economic Development Corporation (MEDC) committed \$15 million of its tax credit allocation, and US Bank served as the equity investor. Under the terms of the equity investor agreements, all fund balances were transferred to a new entity known as the Century City Redevelopment Corporation (CCRC). All funds will be administered in accordance with the remaining construction program and completion budgets.

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Fiscal year 2011 represents the final year activities will be reported under the City's Tax Increment District Annual Report. All future project expenditures will continue under the CCRC.

District incremental values have changed as follows:

Year	Incremental Value
2011	\$ (18,525,600)
2010	\$ (14,608,400)
2009	\$ -

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 1,550,000	\$ 1,169,975		\$ 1,169,975	\$ -
Demolition	7,127,375	6,494,378		6,494,378	-
Environmental	3,007,625	1,430,702		1,430,702	-
Neighborhood Housing	400,000	104,945		104,945	-
Contingency	3,015,000	-		-	-
Workforce Development	500,000	-		-	-
Transfer to CCRC	-	6,400,000		6,400,000	-
Capitalized Interest	1,560,000	1,153,085		1,153,085	(0)
Total	\$ 17,160,000	\$ 16,753,085	\$ -	\$ 16,753,085	\$ (0)

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

	Projected	Actual
Property value	\$ 78,238,386	\$ 70,643,200
Incremental value	\$ 1,534,086	\$ (18,525,600)
Incremental taxes	\$ 37,269	\$ -

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.