

**TID 39 - Hilton Hotel  
Periodic Report  
12/31/12**

**District Created: 2000**  
**Authorized expenditure (excluding interest): \$5,625,000**  
**Authorizing resolution(s): #000165**  
**Projected TID dissolution: 2014 (levy year)**  
**Maximum legal life: 2015 (contract maximum)**  
**Base property value: \$23,863,400**  
**Completion Status: Project complete**

**Project description**

This district consists of the block at North 6<sup>th</sup> Street and West Wisconsin Avenue on which the Hilton Hotel and parking ramp are located. The project plan contributed \$5 million to a new 850-space parking ramp constructed at a cost of \$14.8 million. The ramp serves the Hilton Hotel, the adjacent Delta Airlines Center, and provides additional public parking to the entire area. The district also funded pedestrian-oriented streetscape improvements around the entire block at a cost of \$525,000.

This is a “pay-as-you-go” district. All funds, including those for the City’s share of the expenses, were advanced by the Marcus Corporation, the owner of the Hilton. The City’s share will be repaid to Marcus with interest, but only in the amount of actual incremental revenue generated in the district annually. The City’s payment ends no later than 2015, whether or not the Marcus Corporation has recovered all costs. Incremental value has declined nearly 50% since 2008 due to the weak economy. The continuing decline in incremental value and revenue underscores the benefits of this type of TID – in that the developer, not the City, assumes the risk of declining property values.

There was no significant activity in this district for 2012, although Marcus announced it was closing the water park in hotel’s addition and will reprogram the space.

District incremental values have changed as follows:

<b>Year</b>	<b>Incremental Value</b>	<b>Change</b>
2012	\$ 17,184,700	-2%
2011	\$ 17,458,200	6%
2010	\$ 16,429,100	-23%
2009	\$ 21,405,800	-32%
2008	\$ 31,258,600	18%
2007	\$ 26,480,800	3%
2006	\$ 25,615,500	15%
2005	\$ 22,233,600	16%
2004	\$ 19,225,800	21%
2003	\$ 15,908,900	5%
2002	\$ 15,192,700	

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

	<b>Project Plan Budget</b>	<b>Appropriations</b>	<b>Encumbrances</b>	<b>Expenditures</b>	<b>Remaining</b>
Grants/Increments	\$ 5,525,000	\$ 5,645,052	\$ -	\$ 5,645,052	\$ -
Administration	100,000	30,000	-	22,266	7,734
Total	\$ 5,625,000	\$ 5,675,052	\$ -	\$ 5,667,318	\$ 7,734

*The Developer has advanced all project costs. Thus far, the City has repaid the amount shown above. Interest also accrues on the funds advanced by the Developer.*

**Revenue/Value Performance (as of 12/31/2012)**

	<b>Projected</b>	<b>Actual</b>
Property value	\$ 72,077,837	\$ 41,048,100
Incremental value	\$ 49,518,337	\$ 17,184,700
Incremental taxes	\$ 13,787,549	6,197,771

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: Values continue to decline, but developer absorbs the risk with this type of TID structure.