

TID 74 – N. 35th & Capitol Drive
Periodic Report
12/31/12

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

In 2009, the City of Milwaukee undertook 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 and \$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 holding 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 2012

RACM has completed the three-year pre-development phase resulting in the demolition of all targeted buildings, site wide environmental testing and selective environmental hotspot removal. A stormwater management pond was constructed and a portion of the site is graded and seeded to meet regulatory and other requirements.

TID 74 – N. 35th & Capitol Drive
Periodic Report
12/31/12

Talgo, Inc. has extended their lease of building 65 and revenue from the cell phone tower is being maintained through a T-Mobile sublease. Ongoing work for 2013 will include abandonment of the rail tunnel, post-demolition site investigation and installation of the Hopkins Street Greenway. Environmental cleanup will continue to utilize existing grant funds now that the \$7 million Century City Redevelopment Corporation (CCRC) eligible expenditure target has been achieved.

Documentation of the historic and current environmental conditions will be submitted to the DNR to facilitate Remedial Action Plans for each of the six project areas. This will simplify marketing and land sales transactions by providing the technical data and related background for soil management and other mitigation strategies included in the development process.

The Emerging Business Enterprise (EBE) and Resident 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 \$350,000 in grant funding from state and federal sources.

Project Forecast

For 2013, the majority of the work will focus on the planning and implementation of the site plan and related design guidelines. Phase I infrastructure includes construction of the Hopkins Greenway and gateway. A design competition administered by The Corridor will seek proposals for the entrance gateway with planned construction in 2014.

To promote land sales, a site selection packet and related documents will be completed so that responses to RFP's can occur in an efficient and accurate manner. Other next steps include an easement analysis and preparation of sales documents.

District incremental values have changed as follows:

Year	Incremental Value
2012	\$ (31,461,100)
2011	\$ (18,525,600)
2010	\$ (14,608,400)
2009	\$ -

TID 74 – N. 35th & Capitol Drive
Periodic Report
12/31/12

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

	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 12/31/2012)

	Projected	Actual
Property value	\$ 79,803,154	\$ 70,643,200
Incremental value	\$ 3,098,854	\$ (18,525,600)
Incremental taxes	\$ 111,334	\$ -

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.