

TID 67 - The Brewery Project
Periodic Report
12/31/13

District Created: 2007

Authorized expenditure (excluding interest): \$29,002,272

Authorizing resolution(s): #060911, #130881

Projected TID cost recovery: 2028 (levy year)

Maximum legal life: 2033

Base property value: \$9,266,900

Completion Status: Initial demolition and remediation completed. Several buildings acquired and renovated by private parties. Marketing is on-going.

This district has assisted in funding 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, exclusive of administration costs and capitalized interest, is limited to \$13.6 million, equivalent to Zilber's acquisition cost of the project.

Thus far, Gorman & Company has converted building No. 9, along West Winnebago Street, into 95 apartments. Known as Blue Ribbon Lofts, tenants moved in starting January 2009. Total development costs were \$16 million.

TMB Development/Dermond Properties acquired the former Boiler House, building No. 10 at 1243 North 10th Street, and 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 2012, the UW School of Public Health (SPH) project was completed in building No. 7, along with a new five-story addition. Total development costs were \$12.3 million. Also, Brewery Point apartments, a 48 - unit, senior living facility at North 9th and West. Winnebago Streets, was completed and occupied in early 2013.

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Gorman & Company also completed the renovation of buildings No. 20 and 21 at North 10th and West Juneau Avenue. These structures were converted to a 90 room hotel known as the Brewhouse Inn and Suites. Financing for the project includes EB-5 foreign investment.

In early 2013, a five-story office building started construction immediately west of the hotel, on Juneau Avenue, and a six-story building at the south west corner of Juneau and 10th Streets, was under contract to a developer proposing 124 market-rate senior living apartments.

District incremental value rose by over 100% in 2013 and does not yet reflect the new office and senior living facility. Given the increase in value and incremental revenue, the City will proceed with completing the public improvements in the complex – at an estimated cost of \$2.5 million. Overall performance has been as follows:

| Year | Incremental Value | Increase |
|------|-------------------|----------|
| 2013 | \$ 43,457,800 | 114% |
| 2012 | \$ 20,294,500 | 3% |
| 2011 | \$ 19,700,900 | -8% |
| 2010 | \$ 21,308,100 | 43% |
| 2009 | \$ 14,938,200 | |
| 2008 | \$ (2,106,900) | |

Expenditures - Life to Date (as of 12/31/13)

| | Project Plan Budget | Appropriations | Encumbrances | Expenditures | Balance |
|---------------------------------|---------------------|----------------|--------------|---------------|------------|
| Administration | \$ 360,000 | \$ 463,217 | \$ - | \$ 399,754 | \$ 63,463 |
| City Infrastructure | 6,547,648 | 3,167,458 | | 3,055,048 | 112,410 |
| 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 | 2,600,000 | 899,286 | | 899,286 | - |
| Total | \$ 31,602,272 | \$ 14,992,073 | \$ - | \$ 14,816,200 | \$ 175,873 |

Revenue/Value Performance (as of 12/31/2013)

| | Projected | Actual |
|-------------------|---------------|---------------|
| Property value | \$ 88,897,168 | \$ 52,724,700 |
| Incremental value | \$ 80,874,468 | \$ 43,457,800 |
| Incremental taxes | \$ 4,335,075 | \$ 3,481,743 |

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.