

TID 61 - Chase Commerce Center
Periodic Report
12/31/15

District Created: 2005

Authorized expenditure (excluding interest): \$500,000

Authorizing resolution(s): #050593

Projected TID dissolution: 2015 (contract maximum)

Maximum legal life: 2032

Base property value: \$4,089,700

Completion Status: 79% leased

Project description

This industrial district was created to preserve, as a manufacturing facility, the former Nordberg/Metso Minerals complex at South Chase and East Oklahoma Avenues. After Metso ceased operations in 2004, the facility was put up for bid and acquired by Industrial Properties, LLC in early 2005. Rather than allow this facility to be demolished and the site used for commercial development with much lower pay scales, the district project plan assisted Industrial Properties by providing \$500,000 to upgrade the complex through roof repair, parking lot repaving, new loading docks, and repair of rail access.

This is a developer-financed district. All funds for this project were advanced by Industrial Properties, LLC, and will be repaid with interest, but only in the amount of actual incremental revenue generated by the district annually. Payment of increment generated by the district will terminate upon expiration of the contract period, whether or not the Industrial Properties, LLC has recovered all costs.

A driving force behind continuing this facility as an industrial center was the desire by Bucyrus International to lease 90,000 square feet of the total 513,000 square feet available, and create 80-90 new jobs for welders and support staff, with an average wage of \$22 per hour. Ultimately, Bucyrus leased over 176,000 square feet. A training program for welders was created with Bucyrus and a strong recruitment effort was undertaken in the neighborhood surrounding the district. Bucyrus was acquired by Caterpillar in 2011. While Caterpillar continues to occupy this facility, space occupied has been reduced to 144,230 square feet and the lease expires February 28, 2017.

In addition to Caterpillar, tenants now include the following businesses; Community Care, Inc., Metal Surgery Milwaukee, Inc. and several smaller office and industrial tenants.

As of year-end 2015, 287,669 square feet or 56% of the facility was leased, down from 393,750 or 79% at year-end 2014.

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District incremental values have changed as follows:

Year	Incremental Value	Change
2015	\$ 174,600	100%
2014	\$ -	-100%
2013	\$ 1,600,300	241%
2012	\$ 469,100	-21%
2011	\$ 592,300	-13%
2010	\$ 680,300	9%
2009	\$ 623,700	-15%
2008	\$ 733,500	16%
2007	\$ 632,500	14%
2006	\$ 556,600	

Expenditures - Life to Date (as of 12/31/15)

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Developer Increments	\$ 500,000	\$ 149,098		\$ 149,098	\$ -
Administration	-	10,000		9,707	293
Total	\$ 500,000	\$ 159,098	\$ -	\$ 158,805	\$ 293

This is a developer-funded TID. Project costs submitted for certification by year-end met the maximum of \$500,000. The expenditures shown above include only the revenue paid out to the developer.

Revenue/Value Performance (as of 12/31/2015)

	Projected	Actual
Property value	*	\$ 4,089,700
Incremental value	*	\$ -
Incremental taxes	*	\$ 159,099

* Not projected. TID is developer funded up to \$500,000. Payments end in 2016 or sooner if occupancy reaches 80%

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.