

TID 22 - Beerline B
Periodic Report
12/31/14

District Created: 1993

Authorized expenditure (excluding interest): \$38,825,392

Authorizing resolution(s): #930935, #990110, #051169, #090331, #121327

Projected TID cost recovery: 2017 (levy year)

Maximum legal life: 2020

Base property value: \$41,210,300

Completion status: Riverwalk segments and other public amenities nearing final construction

Project description

This district is located along the west side of the Milwaukee River, along North Commerce Street, and North Water Street, from East Cherry Street to East North Avenue. The original project budget was \$6.25 million, but was amended in 1999 to \$12.3 million. The 1999 Amendment expanded the original boundary to include the Humboldt Yards area, Caesar Park, and property on the east side of the river, along North Water Street to North Humboldt Avenue. In 2005, an increase in funding was authorized, bringing the project budget to \$25,146,965. In July 2009, a second amendment was approved to again expand the district boundary to include the Schlitz Rivercenter and four properties on the east side of the river referred to as the “Clutch Shop”. This amendment also increased the district project budget by an additional \$3,223,000 for proposed riverwalk construction.

Initially, the district funded a \$1.2 million loan for Brewer’s Point Apartments, a 107-unit conversion of the former Gimbels warehouse on North Commerce Street. Other projects completed between 2000 and 2003 include;

- The conversion of a former ward yard at 1872 North Commerce Street into the home of the Lakefront Brewery.
- The 16-unit Crescent Condominium buildings were completed in 2000 and have added an additional \$6 million of new investment to the Beerline area.
- In 2001, the first phase of the 66-unit River Homes condominium project at 1942-2000 North Commerce Street was completed.
- New Land Enterprises completed 27 units of the Highbridge Condominiums, a 53-unit project on remnant bluff land at Astor and Water Streets at a cost of \$15 million.
- The 12-unit first phase of Commerce Bluff Condominiums at 1801 North Commerce Street was also completed. The second 12-unit building was completed in 2003, along with a restaurant space which opened in February 2004.
- In 2003, construction began on the Riverbridge Condominium project, a 117-unit development at Humboldt and Water Streets. This completed project includes a riverwalk and the redevelopment of a historic former ward yard.
- The Trostel Square development at Commerce and Vine Streets was completed in 2003. This development includes 99 apartments and 27 condominiums with an estimated value of \$20 million.
- In 2003, the Redevelopment Authority (RACM) approved the sale of property at 1990-2064 North Commerce Street to Vetter Denk Properties for the construction of 62 housing units, in addition a RACM-owned boathouse, with an estimated investment of \$10.8 million.

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- The sale of 2101 North Humboldt Avenue to Legacy Real Estate Development for the development of a mixed use building also approved by RACM. This project included 45 condominiums and approximately 7,400 square feet of commercial space with an estimated value of \$6.7 million.

In 2004, both the Legacy Real Estate and the Vetter Denk projects broke ground. Park Terrace (Vetter Denk) is a 37-unit residential development at 2029-57 North Commerce Street. It is comprised of 21 townhouse units and 16 single-family detached units with a total investment estimated at \$14 million. Union Point (Legacy) increased the size of the project and is a mixed-use development comprised of 72 residential condominiums, 12,500 square feet of retail space and 81 parking spaces, with a total estimated value of \$15 million.

In 2005, work was completed on the Marsupial Bridge beneath the Holton Street Viaduct, which serves as a connection between the Brady Street and the Beerline “B” neighborhoods. Further enhancements to the bridge, including an Urban Media Garden near Brady Street is in the planning stage and the transformation of the existing railroad trestle into a path down to Commerce Street, was completed in the summer of 2013.

In fall 2006, construction was completed on a commercial building at 2060 North Humboldt Avenue developed by WillowTree Development, this is a 20,000 square foot commercial building with a 10,000 square foot Invivo Wellness Center and a restaurant located on the first floor, adjacent to the riverwalk.

Phase I of the Edge Condominiums began construction in fall of 2007 and opened for tenant occupancy in early summer 2009. The riverwalk running the length of both Phase I and Phase II of the project was also completed at this time. The land associated with Phase II was sold to the Lakefront Brewery for a planned expansion of their bottling facility.

The riverwalk adjacent to the Brewers Point Apartments was constructed by the Department of Public Works in the summer of 2009. After years of conflict and negotiations, the Common Council approved a Development Agreement which allowed for the construction of this “missing link” to the riverwalk system.

The property on the corner of Pleasant and Commerce Streets was developed into the Beerline B Apartments, a 140-unit WHEDA tax credit project, by General Capital. Construction began in December 2010 and occupancy began in late February 2012. As a condition of receiving tax credits, 119 apartments are marketed and leased as affordable, workforce housing where the tenant can earn no more than 60% of the County’s median income. The remaining 21 units are market rate. The project includes new riverwalk and dockwall along the entire stretch of the property, connecting the Trostel Square riverwalk to Pleasant Street. The City’s portion of these costs was \$1,082,000.

Finally, a condominium project known as Walker’s Landing broke ground in the fall of 2014 and is currently under construction. When complete, the development will include 120 apartment units within a five-story, riverfront building. In exchange for a permanent public access easement, a

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Riverwalk and dockwall contribution, in addition to fund to construct a public connection under the Humboldt Avenue bridge, in the amount of \$600,000 was approved by the Redevelopment Authority and the Common Council in July of 2014.

In 2013, a third amendment was approved establishing the Beerline B district as a Donor district to TID #60 (Milwaukee Intermodal Station) and TID #62 (DRS Power & Control Technologies, Inc.). The Beerline B district will donate the difference between its scheduled debt service payments, and the amount of tax increment revenue received. Both districts will receive donations for a period of five years which will allow the full recovery of remaining project costs.

District incremental values have increased as follows:

Year	Incremental Value	Change
2014	\$ 172,623,100	-2%
2013	\$ 175,269,300	27%
2012	\$ 137,567,900	-31%
2011	\$ 199,766,700	6%
2010	\$ 188,724,200	11%
2009	\$ 170,433,400	15%
2008	\$ 147,609,300	4%
2007	\$ 141,305,300	34%
2006	\$ 105,389,500	29%
2005	\$ 81,868,800	35%
2004	\$ 60,761,900	16%
2003	\$ 52,530,700	87%
2002	\$ 28,113,400	

Expenditures - Life to Date (as of 12/31/14)

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Public Way & Facilities Development	\$ 25,588,583	\$ 22,787,633	\$ 636,470	\$ 20,413,908	\$ 1,737,255
Grants/Loans	2,131,382	1,625,279		1,625,279	-
Administration	650,000	1,301,141		1,107,882	193,259
Donation to other TIDs	10,455,427	5,292,135		5,292,135	-
Capitalized Interest	2,437,118	1,305,349		1,327,712	(22,363)
Total	\$ 41,262,510	\$ 32,311,537	\$ 636,470	\$ 29,766,916	\$ 1,908,151

Financing Costs – Interest Paid through 12/31/2014: \$8,387,491

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Revenue/Value Performance (as of 12/31/2014)

	Projected	Actual
Property value	\$ 186,381,100	\$ 213,833,400
Incremental value	\$ 147,693,000	\$ 172,623,100
Incremental taxes	\$ 40,614,795	\$ 45,802,338

Miscellaneous Revenue through 12/31/2014: \$1,800,657

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.