

TID 74 – N. 35th & Capitol Drive
Periodic Report
12/31/14

District Created: 2009

Authorized expenditure (excluding interest): \$15,600,000

Authorizing resolution(s): File #090325, #140437

Projected TID cost recovery: 2033 (levy year)

Maximum legal life: 2034

Base property value: \$63,334,700; District base value redetermined in 2014

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 district 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
- 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.

2014 Summary of Activity

The first new development at the Century City Business Park was announced in February by the Mayor and General Capital Group. The development plan is to construct two 53,000 square foot flex industrial buildings on two 4.5 acre parcels. The buildings will be known as Century City I and Century City II. The Common Council approved the land sale in fall and site preparation work began at that time.

Dakota Intertek Corp. was awarded a contract to prepare the northern seven acres for development. This work included site clearance, environmental cleanup, and grading. As part of this work, the Redevelopment Authority (RACM) coordinated with We Energies to relocate high

TID 74 – N. 35th & Capitol Drive
Periodic Report
12/31/14

voltage power lines and disconnect a high pressure gas main near North 31st Street and West Capitol Drive.

RACM also worked to finalize plans for the Greenway project which will transform the street frontages along West Capitol Drive, North 31st Street, and West Hopkins Street by installing new sidewalk, landscaping, and utilities. This project will include the construction of a new entrance to the business park near West Vienna Avenue. Plans also include the placement of a stormwater management area and a monument sign at the corner of North 31st Street and West Capitol Drive.

Talgo, Inc. continued to lease space within building 36 and T-Mobile continued to lease the property at 3180 West Townsend Street.

The Small Business Enterprise (SBE) 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.

Wisconsin Act 183, which was passed in April of 2014, permits amendments to tax increment districts which have experienced a decline in property value such that the district's value has been at least 10% less than its base value for at least two consecutive years. The City moved forward with an amendment to reset the base value of the district. The amendment obtained final approval by the Joint Review Board on August 7, 2014 and reset the base value of the district to \$66.3 million.

Project Forecast

In 2015, the majority of the work will focus on the planning, preparation, and marketing of the business park.

- The General Capital development known as Century City I will be completed
- Work for the Greenway and monument sign will be publically bid
- Maintenance work will continue on buildings 1A and 65
- Benson Industries will lease space and operate an assembly facility within Building 36
- The planning for Phase II infrastructure and transportation improvements will continue

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.

**TID 74 – N. 35th & Capitol Drive
Periodic Report
12/31/14**

District incremental values have changed as follows:

Year	Incremental Value
2014	\$ (32,710,200)
2013	\$ (25,834,100)
2012	\$ (31,461,100)
2011	\$ (18,525,600)
2010	\$ (14,608,400)
2009	\$ -

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

	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)

Financing Costs – Interest Paid through 12/31/2014: \$2,550,666

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

	Projected	Actual
Property value	\$ 83,027,201	\$ 56,458,600
Incremental value	\$ 6,322,901	\$ (32,710,200)
Incremental taxes	\$ 367,997	\$ -

Miscellaneous Revenue through 12/31/2014: \$38,992

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: See comments above regarding the redetermination of the base value.