

TID 57 - Harley Davidson Museum
Periodic Report
12/31/18

District Created: 2004

Authorized expenditure (excluding interest): \$5,965,000

Authorizing resolution(s): #040781, #100534

Projected TID cost recovery: 2022 (levy year)

Maximum legal life: 2031

Base property value: \$0

Completion Status: Museum, archives, restaurant and gift shop opened 2008

Project description

This district was created to provide funding for public costs associated with the development of the Harley-Davidson Museum.

After cancelling its plans to develop its museum in Tax Incremental District #41 (Time Warner/Manpower), Harley-Davidson selected a 20-acre property at 6th & Canal Streets as its new site. The project was to consist of a \$95 million complex consisting of the museum, archives, restaurant and banquet space, with at least 100,000 square feet of supporting office or commercial space.

The district was created to fund extraordinary infrastructure costs on the property, including environmental remediation, dockwall construction, deep pile foundations for the buildings, and the need to elevate the site out of the flood plain. In connection with this project, the City agreed to relocate its Traser Yard maintenance facility to a site at the Tower Automotive complex. Development of that facility was completed in February 2006, at which time the museum's initial site work began. On July 12, 2008, the museum opened to thousands of guests.

This is a developer financed district. All funds were advanced by H-D Milwaukee, LLC, a subsidiary of the company. Harley Davidson will be repaid with interest, but only in the amount of actual incremental revenue generated by the district annually. In 2010, the company announced that due to the economy, it would not build the third phase of the project, a 100,000 square foot office or commercial facility. In 2011, Harley-Davidson and the City reached an agreement through which the City accepted \$700,000 to cancel its option to purchase adjacent parking lots at the museum if Phase III was not constructed by June, 2011. Project costs to be reimbursed through the district, due to the cancellation of Phase III, were reduced from \$7.0 million to \$5.7 million.

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District incremental values have changed as follows:

Year	Incremental Value	Change
2018	\$ 16,511,800	-4%
2017	\$ 17,211,900	-13%
2016	\$ 19,698,300	4%
2015	\$ 18,996,600	-4%
2014	\$ 19,756,100	-5%
2013	\$ 20,791,600	3%
2012	\$ 20,206,400	-3%
2011	\$ 20,776,400	-8%
2010	\$ 22,672,000	-29%
2009	\$ 31,944,700	159%
2008	\$ 12,338,800	314%

Expenditures - Life to Date (as of 12/31/18)

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Developer Increments	\$ 5,765,000	\$ 5,820,319		\$ 5,820,319	\$ -
Administration	200,000	105,000		22,933	82,067
Total	\$ 5,965,000	\$ 5,925,319	\$ -	\$ 5,843,252	\$ 82,067

This is a developer-funded TID. As of 12/31/18, \$5,765,000 of TID costs had been certified. The amounts shown above in "appropriation" reflect only the actual TID revenue paid out to the project.

Revenue/Value Performance (as of 12/31/2018)

	Projected	Actual
Property value	\$ 29,352,740	\$ 16,511,800
Incremental value	\$ 29,017,740	\$ 16,511,800
Incremental taxes	\$ 5,480,093	\$ 6,385,284
State aid	*	\$ 324,824

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.