

TID 63 - Falk / Rexnord
Periodic Report
12/31/18

District Created: 2006

Authorized expenditure (excluding interest): \$2,500,000

Authorizing resolution(s): #051461, #110602

Projected TID contract recovery: 2030 (levy year)

Maximum legal life: 2026

Base property value: \$8,871,100

Completion Status: Project complete; employment is 602

Project description

This district funded a grant to Rexnord for costs associated with site work and infrastructure necessitated by the Canal Street project. These funds, in the amount of \$1.5 million, were advanced by the company and are being repaid by the City from future tax incremental revenue generated in the district. Payments will be reduced, proportionately, if employment at the Canal Street site declines below 520 full-time equivalent positions.

In 2011, the Project Plan was amended to assist the Falk facility with a \$35 million upgrade and reequipping of its facility. Rexnord is transforming the facility into a Gear Center of Excellence which will significantly improve production efficiencies and reduce lead times. The amendment included up to \$1.0 million of additional assistance, bringing the total project budget to \$2.5 million.

Employment at the end of 2017 for the Rexnord-Falk facility was 469 which was down from previous years partly due to continued consolidation of office staff to their other locations in the Milwaukee area. Including these office employees, the total headcount for the Rexnord-Falk facility is 816 in 2017. At the time of preparing this report, the City had not yet received employment data for 2018.

District incremental values have changed as follows:

Year	Incremental Value	Change
2018	\$ 2,944,900	-1%
2017	\$ 2,970,800	8%
2016	\$ 2,744,600	-16%
2015	\$ 3,259,600	1%
2014	\$ 3,221,200	0%
2013	\$ 3,217,300	-6%
2012	\$ 3,429,600	-8%
2011	\$ 3,729,600	-1%
2010	\$ 3,764,600	-16%
2009	\$ 4,474,300	-12%

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Balance
Developer Increments	\$ 2,500,000	\$ 997,693		\$ 997,693	\$ -
Administration	-	50,000		15,877	34,123
Total	\$ 2,500,000	\$ 1,047,693	\$ -	\$ 1,013,570	\$ 34,123

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

	Projected	Actual
Property value	*	\$ 11,816,000
Incremental value	*	\$ 2,944,900
Incremental taxes	*	\$ 1,129,729
State aid	*	\$ 87,144

* Not projected.

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.