

**TID 77 – Hellerman/Tyton
Periodic Report
12/31/18**

District Created: 2012

Authorized expenditure (excluding interest): \$795,000

Authorizing resolution(s): #120657

Projected TID cost recovery: 2019 (levy year)

Maximum legal life: 2032

Base property value: \$3,368,100

Completion Status: Ongoing

Project description

Hellermann/Tyton Corporation (HT) has its U.S. headquarters at 7930 N. Faulkner Road, in the City's Northwest Land Bank. The company was established in the United States in 1969 and has been at this location since 1977. It recently expanded into a nearby facility at 8475 N. 87th Street. The company manufactures cable ties, and related products for fixing, identifying and protecting cables and their connecting components. Their products are sold to a number of industries, including automotive, aerospace, defense, electrical, manufacturing, networking/data centers and telecommunications.

Hellermann/Tyton acquired the facility at 6701 W. Good Hope Rd. for the purpose of expanding its production capacity. Total estimated costs are \$6,475,000, including acquisition, equipment purchase, and facility upgrade.

HT has 34 locations in North America, South America, Africa, Europe, and Asia. It is owned by Doughty Hanson & Company, a private equity firm located in London, England.

The district will provide up to \$750,000 toward the \$6.5 million cost to upgrade the facility. All funds will be advanced by Hellermann/Tyton and repaid through actual incremental revenue generated in the district. Payment of increment generated by the district will terminate upon expiration of the contract period, whether or not the Hellerman/Tyton Corporation has recovered all costs. The City's final payment to the HT will be made in 2029 (2028 levy). Payment is also tied to job creation.

2013 district value was less than the Base, despite the expenditures to upgrade the facility. This was most likely attributable to the WI Department of Revenue assessing the property as a manufacturer, compared with the City assessing it under its former use as a commercial property. The 2014 district value has increased above the Base value, generating a tax increment.

HT completed construction of an addition to their building in 2015.

The company presently has 561 employees in Milwaukee, of which roughly half live in the City of Milwaukee. This compares to 258 employees at the end of 2013.

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Incremental Value:

Year	Incremental Value	Change
2018	\$ 5,927,500	-9%
2017	\$ 6,514,100	-35%
2016	\$ 9,968,300	83%
2015	\$ 5,458,500	222%
2014	\$ 1,696,300	1302%

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 45,000	\$ 12,000	\$ -	\$ 7,043	\$ 4,957
Grant to Developer	750,000	498,607		498,607	-
Total	\$ 795,000	\$ 510,607	\$ -	\$ 505,650	\$ 4,957

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

	Projected	Actual
Property value	*	\$ 9,295,600
Incremental value	*	\$ 5,927,500
Incremental taxes	*	\$ 869,313
State aid	*	\$ 36,353

* 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.